



Human Care Makes the Future Possible

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BRIDGING THE HUMAN GAP

Photo on vinyl foil, acrylic globes,
low energy bulbs, cable
130 x 100 x 107 cm
Photo: Daniel Grizelj
Bigert & Bergström 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.

Elekta – Pioneer and partner in cancer care

Elekta is a global medical technology company with unique and innovative clinical solutions for the treatment of cancer and brain disorders. The Company develops sophisticated tools and dose planning systems for radiotherapy and radiosurgery, as well as software systems that enhance the efficiency of workflows throughout the entire spectrum of cancer care.

Elekta has 2,760 employees working at 35 offices in 24 countries.

WE CARE FOR LIFE

Elekta's mission is to enhance patient and customer value by providing solutions that improve, prolong and save lives. Everything that Elekta does and represents is about improving, prolonging and saving lives. From the devices we produce to deliver treatment in a precise and adaptive way, to the systems that allow the capture and efficient exchange of information, Elekta is at the forefront of science and technology, delivering clinical advances for improved patient outcome.

PIONEER AND PARTNER IN CANCER CARE

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

INTEGRATED SOLUTIONS AND SERVICES

Elekta's strategy is to provide integrated, innovative, patient-focused clinical solutions and services through collaboration and emphasis on growth.

ELEKTA NEUROSCIENCE

Elekta Neuroscience develops solutions that are extremely accurate and either minimally or non-invasive when treating or localizing brain diseases.

Elekta has the largest installed base of stereotactic radiosurgery systems in the world, especially at research centers, where Elekta has the industry's largest market share.

Elekta
therap
clinical

Elekta
and pi

Elekta Services helps the customers to improve the efficiency in the clinics by



NORTH AND SOUTH AMERICA

- Stable demand in North America
- US healthcare expenditures rising, but more slowly
- Pressure on admissions, procedural volume and reimbursement in the US

- Services drivers
- Strong growth of care



EUROPE, MIDDLE EAST AND AFRICA

- Stable growth on most established markets
- Some uncertainties considering health care budgets in Portugal, Ireland, Greece, Spain and the UK

- Strong Western
- Africa – and Nig



ASIA PACIFIC

- Strong growth, driven by a large un-met need, resources and governmental initiative
- Almost 60 percent of world population, but less than 30 percent of linear accelerators
- Shortage of trained staff remains an issue

- Demand across A
- Only a systems Hong K
- China is

KEY FIGURES

	2010/11	2009/10	%
Order bookings, SEK M	9,061	8,757	3
Net sales, SEK M	7,904	7,392	7
Operating result, SEK M	1,502	1,232	22
Operating margin, %	19	17	–
Profit for the year, SEK M	1,031	833	24
Earnings per share before dilution, SEK	11.04	9.09	21

	2010/11	2009/10	%
Earnings per share after dilution, SEK	10.91	9.01	21
Equity/Asset ratio, %	43	38	–
Net debt/Equity ratio, multiple	–0.13	–0.04	–
Capital employed, SEK M	4,714	4,283	10
Proposed dividend, SEK	4.00	3.00	33

ELEKTA ONCOLOGY

Oncology creates innovative clinical solutions for radiation therapy, such as linear accelerators, integrated X-ray systems and imaging solutions for patient positioning and fixation.

is world leading in Image Guided Radiation Therapy (IGRT) and a pioneer with respect to arc based radiation therapy.

ELEKTA SOFTWARE

Elekta Software delivers advanced software for integrated treatment planning, information management and workflow systems.

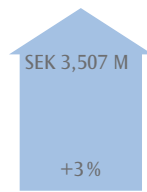
Elekta is worldwide leading in software systems for oncology.

ELEKTA SERVICES

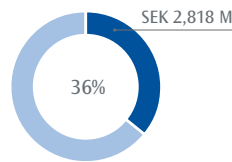
shorten their waiting lists, change their care procedures and simplify workflows. The services include the entire product range of Elekta.

2010/11

and aftermarket sales – main growth in the mature North American market
growth prospects in South America
in South America driven by substantial lack of capacity



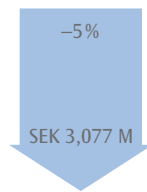
Order bookings



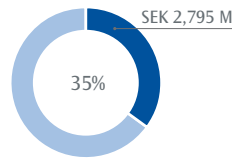
Net sales

Hardware 46 %
Services and software 54 %

demand in emerging markets
in Europe – mainly replacement business
– main potential in Maghreb, South Africa and Nigeria



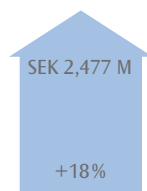
Order bookings



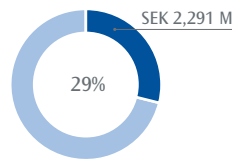
Net sales

Hardware 63 %
Services and software 37 %

d for cancer treatment remains highly diversified
Asian markets
few countries have well-established health care systems, e.g. Australia, Japan, South Korea, Taiwan, Hong Kong and Singapore
is the third largest market for Elekta



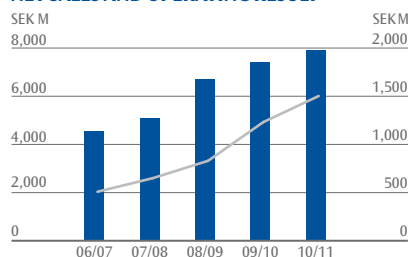
Order bookings



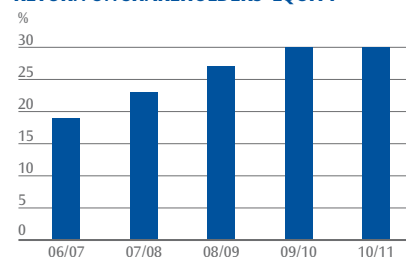
Net sales

Hardware 69 %
Services and software 31 %

NET SALES AND OPERATING RESULT



RETURN ON SHAREHOLDERS' EQUITY



TOTAL SHAREHOLDER RETURN



2010/11 in brief

MAY, 2010

Leksell Gamma Knife society holds meeting in Greece

A record number of research reports were presented at the fifteenth international convention of Leksell Gamma Knife® users. This was the highest participation in the society's 21-year history, and included around 500 neurosurgeons, radiotherapists and other medical staff.



MAY, 2010

Elekta acquires Resonant Medical Inc (RMI)

Through the acquisition of software developer RMI for CAD 30 M, Elekta continues to strengthen its leading position in image guided radiation therapy. RMI is a leader in image guidance for soft tissue targets with a focus on cancer in the breast and prostate.



SEPTEMBER, 2010

Elekta opens office in South Korea

Elekta opens an office in South Korea to strengthen its position in radiotherapy and support accelerating demand for cancer care, which has arisen in pace with an older population and the growing number of cancer cases. Elekta already holds a strong position in radiosurgery in South Korea.

NOVEMBER, 2010

Collaboration in stereotactic radiation therapy

Elekta and Karolinska University Hospital in Stockholm jointly present a three-year research collaboration covering several products. The research aims to evaluate stereotactic radiation therapy and make it more effective for cancer patients, including enhanced management of metastatic lesions.

NOVEMBER, 2010

China increases access to cancer care

Elekta has secured a public procurement for the delivery of three models of Leksell Gamma Knife to hospitals in China and, as such, is contributing to more cancer patients receiving the treatment they need. The agreement also helps to strengthen Elekta's market-leading position in China.



DECEMBER, 2010

Elekta signs agreement with Toshiba in Japan

Toshiba Medical Systems Corporation, a global leader in image guided diagnostics with some 70 sales offices in Japan, will sell and market Elekta's products and clinical solutions in the Japanese radiation therapy market.



MARCH, 2010

Long term agreement with Wake Forest

Wake Forest University Baptist Medical Center enters into a long-term agreement with Elekta including acquisition of multiple radiation therapy treatment systems, electronic medical record systems and clinical consulting services, as well as a reload of Leksell Gamma Knife® Perfexion™ radiosurgery system.

JUNE, 2011¹⁾

Elekta acquires Nucletron

Elekta has agreed to acquire Nucletron for EUR 365 million in cash and complements thereby its product range. Nucletron is the world's leading company within brachytherapy treatment.

¹⁾ Occurred after the fiscal year 2010/11

Strengthened growth and profitability in line with our expectations

I look back with pride at the 2010/11 fiscal year. Operating result rose 22 percent and the operating margin increased to 19 percent. Every region and product area has developed well and we are continuing to strengthen both growth and profitability in line with our expectations.

Demand was strong for Elekta's products and services. The demand for cancer treatments is increasing throughout the world and there is a prevalent lack of capacity in most markets outside of Western Europe and the US. Elekta is the market leader in most emerging markets, which currently account for a third of our sales.

In 2010/11, the strongest increase in demand was noted in Asia and the Pacific region. China and India were among the fastest growing individual markets in the region. In Japan, the devastation that followed the earthquake and tsunami in March 2011 had a minor effect on demand. However, we expect that reconstruction work may cause decisions on investments in cancer treatments to be somewhat delayed.

*» Elekta is the market leader in most emerging markets,
which currently account for a third of our sales.«*

The European region continued to show a stable demand trend. The financial crisis had a limited effect on order bookings. Elekta's trend was especially strong in Russia, which is now in its third year of a nationwide program for investing in the expansion of radiation therapy facilities. North America continued to recover from the financial crisis and recession, and in South America, Brazil continued to show strong growth.

A focus on growth is central to Elekta's strategy. In the coming years we will step up our investments in geographical expansion to make cancer care available to more people around the world. We are expecting to further strengthen our market leadership in emerging markets and expand our installed base in both emerging and established markets.

The acquisition of Nucletron, which is expected to be finalized during the autumn, further strengthens our growth opportunities. Nucletron brings an additional 1,000 customers to our existing customer base of more than 5,000. We are strengthening our product portfolio and broadening our geographic reach and distribution capacity. Our integrated product portfolio is particularly significant, since the combination of brachytherapy and external radiation therapy continues to evolve into the leading treatment method for cancer throughout the world. We thus create value for patients, customers, employees and shareholders.



A vital source of our success is all our committed employees who prioritize the customer and patient's best in every situation. Another unique success factor for Elekta is our long-term customer relationships. It is through close cooperation with our customers that innovations are developed for ever-improving cancer treatments. Elekta develops world-leading solutions for image guided radiotherapy, stereotactic radiation surgery and software for cancer treatments in cooperation with leading universities and hospitals throughout the world. In the coming years we will increase the pace of our investments in research and development to continue the development of clinical solutions at the very forefront of cancer treatment.

The outlook is positive for continued profitable growth. Net sales for the 2011/12 fiscal year are expected to grow by more than 10 percent in local currency. The operating profit in SEK is expected to grow by more than 10 percent.

Despite the current financial turbulence, which we are monitoring carefully, I expect that life-saving treatment like cancer care will continue to be a prioritized area of investment for health care systems and care providers around the world. Elekta's position is now stronger than ever. I look forward with confidence to the continuation of the 2011/12 fiscal year, when even more patients will have access to advanced cancer treatments and thus a better life.

Stockholm, August 9, 2011

Tomas Puusepp
President and CEO

Strategic research collaborations for gentle and more effective treatment

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

Elekta is a global medical technology company with unique and innovative clinical solutions for the treatment of cancer and brain disorders. The Company develops sophisticated tools and dose planning systems for radiotherapy and radio-surgery, as well as software systems that enhance the efficiency of workflows throughout the entire spectrum of cancer care.

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.

ELEKTA'S PLATFORM

Elekta's mission, vision, strategy and values characterize all aspects of its operations.

MISSION

We care for life

Our mission is to enhance patient and customer value by providing solutions that improve, prolong and save lives. Everything that Elekta does and represents is about improving, prolonging and saving lives. From the devices we produce to deliver treat-


ment in a precise and adaptive way, to the systems that allow the capture and efficient exchange of information, Elekta is at the forefront of science and technology, delivering clinical advances for improved patient outcome.

VISION

Pioneer and partner in cancer care

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

OUR VALUES

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

STRATEGY

Integrated solutions and services

Our strategy is to provide integrated, innovative, patient-focused clinical solutions and services through collaboration and emphasis on growth.

OUR VALUES

LONG-TERM RELATIONSHIPS

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

TRUST AND RESPONSIBILITY

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

RESOURCEFULNESS

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

RESPONSIVENESS

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

CREATIVITY

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

Innovative clinical solutions through collaboration and growth

Elekta’s strategy is to provide integrated, innovative and patient-focused clinical solutions and services through collaboration and emphasis on growth. Close customer collaboration has enabled Elekta to develop technical and clinical solutions for the treatment of specific diseases.

DRIVERS OF GROWTH

A focus on growth is central to Elekta’s strategy. A number of factors are driving increased needs for our solutions. Most countries are experiencing greater pressure on their healthcare systems. This is due to population increase and longer life expectancies, which are in turn leading to a rising number of individuals developing such age-related diseases as cancer. While improvements in treatment techniques have increased survival rates for the major cancer diseases; the risk of developing metastases at a later stage has increased.

Increased prosperity and increasingly well-informed citizens also entail greater access to the best possible treatment methods and pharmaceuticals. For care providers, both private and public, these trends are leading to the need to reduce treatment costs and to enhance efficiency through the prompt implementation and transition to new diagnostic and treatment techniques and more efficient clinical-business processes.

Additionally, the worldwide distribution of access to efficient cancer treatment and care is extremely uneven, which is creating growing

demand in Asian, African and Latin American countries. A look at the installed base of linear accelerators provides the ratios of one linear accelerator per 84,000 individuals in North America while the corresponding ratio in the BRIC countries (Brazil, Russia, India and China) is 2.6 million individuals per linear accelerator.

Radiotherapy and radiosurgery are two of several treatment forms used to combat cancer. However, the utilization of radiotherapy is increasing in pace with the introduction of new, advanced curative techniques, which can in turn reduce the need of invasive surgery for specific forms of cancer.

Additionally, a growing trend is for patients and hospitals to request non-invasive treatment alternatives and, furthermore, radiotherapy is a relatively cost-effective treatment. Another general trend is the increased use of IT in healthcare, to enhance both treatment efficiency and administrative and workflow efficiency.

Elekta is well-placed to take advantage of these growth opportunities and has a product portfolio and offering that match global trends in cancer care.

DRIVERS

- Increase in cancer incidence
- Lack of capacity
- Increased use of radiotherapy
- More non-invasive methods
- Increased average price
- Cost-efficient radiotherapy
- Rapid growth in healthcare spending
- Hospitals investing in equipment

CORNERSTONES

Intense focus on research and development

Partnerships with leading institutions

Acquisitions and geographical expansion

Comprehensive portfolio of solutions

Open systems that provide free choice

INTENSE FOCUS ON RESEARCH AND DEVELOPMENT

Elekta conducts intensive R&D operations to strengthen and develop the Company's position as a leading supplier in its market and product areas. This intense focus is reflected in growing R&D investment which amounted to SEK 638 M or 8 percent of net sales in the last fiscal year.

Research is performed in collaboration with users at leading universities and hospitals. Focus is maintained in areas where Elekta already holds a leading position:

- Image guided radiation therapy
- Stereotactic radiotherapy
- Stereotactic radiosurgery
- Workflow solutions

PARTNERSHIPS WITH LEADING INSTITUTIONS

Elekta is engaged in continuous dialogues with treatment personnel, research institutions 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.

Leksell Gamma Knife® Perfexion™ was developed based on distinct requests from leading neurosurgeons with the aim of making Leksell 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 radiotherapy.

The Monaco® treatment planning system was developed in partnership with Tübingen University in Germany. The partnership resulted in an advanced, clinically intensity modulated radiation therapy (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 radiotherapy during respiratory motion in the treatment of lung cancer.

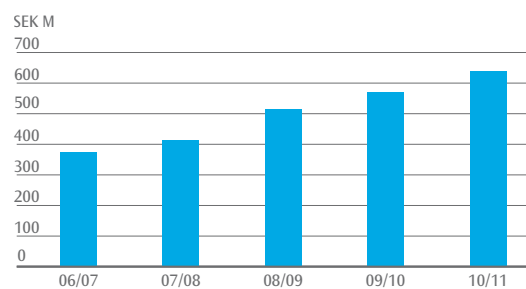
Within the framework of its partnerships with the research community, Elekta contributes to providing oncologists throughout the world with the opportunity to exchange information, experiences and research results by its participation in and financing of a number of associations and user groups. This collaboration sets the standard for the rest of the market and provides an exceedingly strong and confidence-inspiring reference base.

The Elekta International IMRT consortium was founded in 1995 and comprises clinical practices

MAJOR PRODUCT LAUNCHES THE LAST TEN YEARS



RESEARCH & DEVELOPMENT



located in Europe and North America. Practical research into the IMRT process has been performed utilizing various technologies including intensity modulated arc therapy – an Elekta patent that has proved promising for the future.

Through collaboration with clinical partners in the Elekta Synergy Research Group, Elekta became the first company to support research in image guided radiation therapy (IGRT), the first company to bring three-dimensional processing to clinics and the first company to take these solutions to the market.

Leksell Gamma Knife Society was established in 1989 to develop and improve non-invasive treatment methods for an expanding number of brain disorders. The Leksell Gamma Knife user network has over 2,000 members worldwide and meets every second year. The biannual meeting results in a large number of clinical publications, in recent years published as a supplement to the Journal of Neuroscience.

The Leksell Gamma Knife Society also publishes an annual overview, “Patients Treated with Leksell Gamma Knife,” which identifies the total treatment volume, clinical trends and regional differences.

The Elekta VMAT Consortium comprises leading institutions in the area and was formed with the aim of offering a solution with efficient workflows that were developed during pilot clinical trials. It enables the buildup of a base of clinical data and training courses are offered at Centers of Radio-surgery by leading physicians with experience of Elekta’s VMAT technology.

The Elekta Lung Research Group was founded to evaluate treatment with stereotactic radiotherapy and clinical results for over 400 patients with non-small-cell lung carcinoma at an early stage. The group has made a number of significant clinical discoveries, some of which are likely to lead to new practices in radiation oncology.

Elekta Software is supported by a number of professional 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. Advisory boards exist in the areas of medical oncology, pathology, physics, clinical administration, radiation oncology and service.

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 led to the development of stereotactic neurosurgery and later to Leksell Gamma Knife. Since the start of the 1990s, Elekta has experienced dramatic growth organically and through acquisitions. This strategy has created a comprehensive portfolio of solutions and consolidated the Company’s position as a leading supplier in the fields of neurosurgery and cancer care. Additional success factors include the inter-connection of Elekta’s product areas with solutions that are applicable for linear accelerators and stereotactic radiotherapy as well as software that supports Elekta’s entire range of products and customer offerings.

OPEN SYSTEMS THAT PROVIDE FREE CHOICE

Elekta’s sharp focus on product development is imbued with the philosophy that technology and software should be based on open interfaces and industry standards, since hospitals use different kind of technical solutions. 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, while simultaneously improving efficiency and productivity for the personnel providing treatment. ■

World-leading supplier with sustainable profitable growth

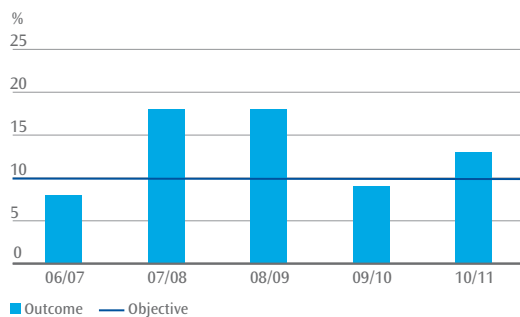
Elekta's strategy, to provide integrated, innovative, patient-focused clinical solutions and services through collaboration and emphasis on growth, is complemented by the financial objectives.

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:

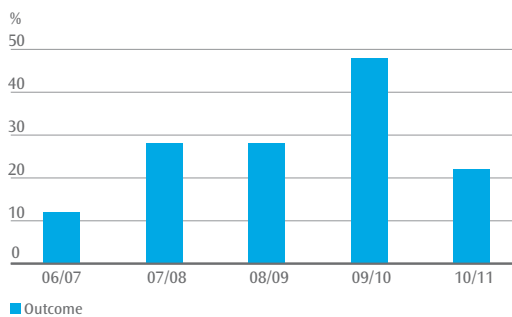
- Organic sales growth exceeding 10 percent in local currency
- Operating result improvement rate to exceed sales growth in SEK
- Return on capital employed to exceed 20 percent
- Net debt/equity ratio not to exceed 0.50

ORGANIC GROWTH ¹⁾

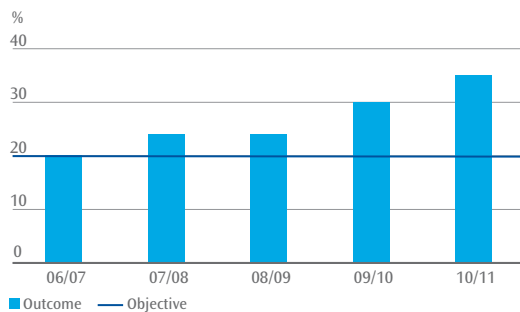


¹⁾In local currency

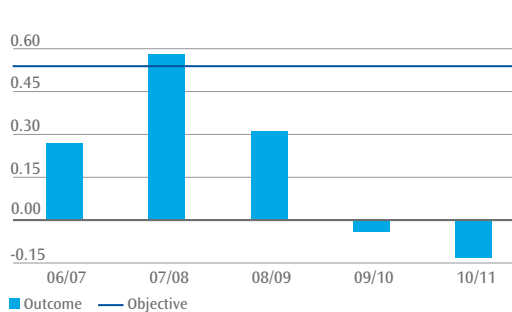
CHANGE IN OPERATING RESULT



RETURN ON CAPITAL EMPLOYED



NET DEBT/EQUITY RATIO



A growing global health issue

An increasing number of people worldwide suffer from some form of cancer under their lifetime. One of the most important reasons for this is the increase in average life span in parallel with growing prosperity. Concurrently, survival rates are improving in many countries for patients who have received a diagnosis of cancer. Differences can be substantial depending on the form of cancer and the individual country's level of development of cancer care.

Cancer is a generic term including more than 200 known diseases that can affect any part of the body. The common denominator for these illnesses is that they are caused by certain cells, for whatever reason, losing their ability to stop dividing, which is an inbuilt capability in healthy cells. The reasons for this can be mutation caused by viruses, external, environmental factors, hereditary genetic mutations or mutations caused by other unknown reasons.

RISING NUMBER OF CANCER CASES

Cancer is the second leading cause of death worldwide after cardiovascular diseases. 7.6 million people in the world died from the disease in 2008. Moreover, the incidence of cancer continues to rise. At present about 12.7 million people are diagnosed with some form of cancer in one year. According to the World Health Organization, WHO, the number of new cancer cases worldwide is estimated to amount to approximately 17 million in 2020, and deaths from cancer is projected to rise to over 11 million in 2030.

There is no single cause for any type of cancer, but age is a fundamental factor for the development of cancer, and so is the interaction between a person's genetic factors and certain external agents such as chemicals, radiation and infections. Life style related risk factors are smoking, overweight, physical inactivity and alcohol abuse. Recent estimates from the World Cancer Research Fund suggests that making lifestyle changes could reduce the risk of common cancers by up to one third.

A concurrent trend is the increase in survival rates in many countries due to earlier discovery

and improved treatment methods. In the industrialized world, the highest five-year survival rates are held by prostate cancer with 99 percent and breast cancer with 89 percent.

However, 70 percent of cancer deaths occur in low- and middle-income countries where the resources for prevention, diagnosis and treatment are in reality limited or non-existent for the majority of the population.

TREATMENT METHODS

Curative or preventive medicines for cancer still remain far in the future. The most common forms of treatment include surgery, radiotherapy and chemotherapy that are used independently or in combination for all forms of cancer treatment. Other forms of treatment include hormone therapy, biological therapy, also known as biotherapy or immunotherapy. Another form of treatment used is stem cell transplants.

Minimally invasive radiotherapy and radiosurgery are selected as treatments for a growing number of patients and cancer forms, both for palliative and curative purposes. These methods are often the least traumatic for the patient and the most cost efficient. The role of radiotherapy and radiosurgery is expected to increase in the future. Several institutions have invested in Leksell Gamma Knife® and Elekta Axesse™ to offer their patients the most advanced treatments for tumors in the brain and other parts of the body, such as the spine, lung, breast and prostate.

Lung cancer

Lung cancer has been the most common cancer in the world for several decades and is also the most common cause of death from cancer. Among men it is still the most common cancer worldwide with 1.1 million new cases in 2008.

Lung cancer is divided into two main groups; small-cell lung carcinoma that often affects heavy smokers and non-small-cell lung carcinoma which is the name for several forms of cancer that behave in a similar manner. All established methods of cancer treatment may be used for the treatment of lung cancer, that is to say, surgery, cytostatic treatment and radiotherapy. Stereotactic body radiotherapy is starting to make inroads in the treatment of metastases in the lungs.

The greatest challenge for radiotherapy of the lung is movement due to normal breathing, but a character of lung tumors is also their change in location in the lung during treatment, these are termed baseline shifts. These movements complicate imaging and treatment planning and normally require substantial margins to compensate for the movement of the tumor. Elekta's solution is Symmetry™ for dose planning in combination with 4D volumetric imaging in Synergy® provide an answer to this challenge by eliminating the risks of setting errors and errors caused by tumor movements. Thereby the area that needs radiation decreases.

Brain cancer

Brain cancer is normally divided into two categories, primary cancer where the cancer originated in the brain and secondary cancer for metastases that have spread to the brain from primary tumors located in other areas of the body. Primary brain cancer itself comprises various forms of tumors, while brain metastases often originate from melanoma, breast cancer, kidney cancer and colon cancer.

The most common form of treatment is radiotherapy for the entire brain. This method is being increasingly questioned in scientific literature due to the risk of negative side-effects. The treatment that is gaining ground is stereotactic radiotherapy



Everything that Elekta does and represents is about improving and prolonging lives.

which is clearly proving itself a more efficient method with less risk of side-effects.

A growing number of studies show that stereotactic radiotherapy provides equal or better results, on its own or in combination with other treatments. Leksell Gamma Knife® Perfexion™ with its high levels of precision and automation is particularly suitable for treatment of brain metastases, even for patients with many metastases.

Breast cancer

Breast cancer is by far the most frequent cancer among women with an estimated 1.3 million new cancers diagnosed in 2008. Of all cancers it is the second most common in the world. Mortality rate is decreasing in developed regions but it is still the most frequent cause of cancer death in women, both in developing and developed regions.

There are several available treatments depending on types of breast cancer and the stage of the disease. The primary alternatives are surgery, radiation therapy and chemotherapy. Hormone therapy is also used for tumors that react to the hormones estrogen and progesterone. Radiation therapy is a common complementary treatment after surgery.

One challenge is to protect the heart when the tumor is located in the left breast. Image guided radiation therapy with Elekta Axesse significantly improves precision and safety in radiation treatment of the left breast.

Prostate cancer

Prostate cancer is the second most frequently diagnosed cancer in men with nearly 900,000 new cases in 2008. Incident rates vary by more than 25-fold worldwide and nearly three-quarters of the registered cases occur in the developed countries. The increase in incidence is probably related to the widespread use of PSA-testing which was introduced in 1986 and which has made possible earlier diagnoses.

Prostate cancer develops slowly in most cases and the majority of men with a diagnosis are over 65 years. At the age of 80 more than half of all men have some form of cancer in the prostate. Mortality rate is lower than in other common cancers.

Common treatments are surgery, radiation therapy, hormone treatments and in some cases proton therapy, cryogenic surgery or a combination of these.

Colorectal cancer

Colorectal cancer is the third most common cancer in men and the second in women with all together over 1 million new cases per year worldwide. It is the fourth most common cause of cancer deaths, partly due to the fact that colon cancers can be well advanced before they are detected.

Surgery is the most common treatment for colorectal cancer. The long term prognosis after surgery depends on whether the cancer has spread to other organs. In patients with an early colon

cancer, which is limited in size, surgery is often the only treatment needed.

Radiosurgery is also a common treatment and some patients may also require chemotherapy.

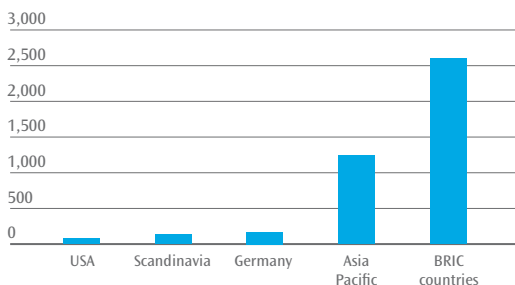
Metastases are becoming more common

Metastases appear when cancer cells spread from the original tumor, the primary tumor, to another organ in the body. The cells in a metastatic tumor have the same properties as the cells in the primary tumor and therefore, when applying treatment, it is important to identify the origin of the metastasis, for example, if it was a breast cancer tumor that gave rise to metastasis in a lung.

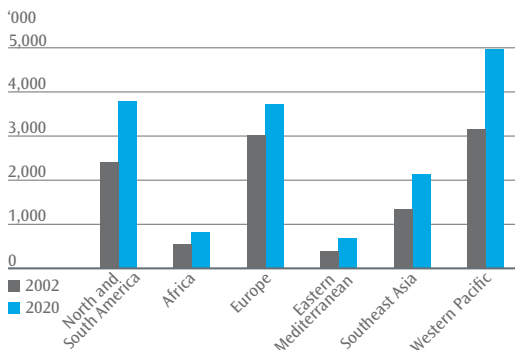
By and large, all forms of cancer can give rise to metastases. However, it is not possible to reliably predict if a certain tumor will form metastasis or not. All parts of the body can be affected, though metastases arise primarily in the lungs, brain, skeleton, liver and lymphatic glands. Certain cancer forms give rise to metastases more frequently than others in certain organs. For breast cancer, the most common areas of metastasis include the skeleton, lungs, liver and brain, while the skeleton is most common in cases of prostate cancer. Lung cancer metastases appear often in the brain or the skeleton.

In parallel with an increasing number of patients surviving longer after their original cancer treatment, the number of cases of metastases is expected to continuously increase. ■

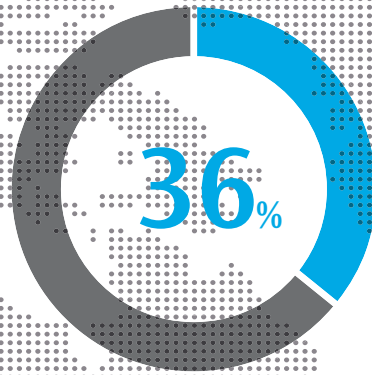
NO. OF PERSONS PER LINAC, 2009



WHO PROJECTION OF NEW CANCER CASES (EXCL SKIN CANCER)



REGION NORTH AND SOUTH AMERICA



2010/11 was a year of recovery for Elekta after the market downturn during the financial crisis. Both sales and order bookings increased during the fiscal year.

2,818 SEK M **34%** **7%**

*Net sales 2010/11.
Chart shows region's share of
Group net sales.*

*Contribution margin
2010/11.*

*Increase in order bookings,
based on unchanged
exchange rates compared
to previous fiscal year.*

Stronger order bookings despite uncertainty and a slow recovery

The North American market is substantial but mature and, as such, is growing at a relatively slow pace. The market is primarily driven by rising cancer incidence primarily due to an aging population. In Mexico and Latin America, growth is driven by a substantial, unsatisfied need for cancer treatment and the treatment of brain diseases.

Healthcare systems in North America vary on a number of key points. In Canada, cancer care is organized similar to that of Western Europe, with large publicly financed units and only 38 radiation oncology centers, while the corresponding figure for the US is 2,170. The early detection of cancer is prioritized in both of these countries, which means that the market can assimilate new and advanced treatment technology faster. There is no significant shortage of capacity in terms of radiation oncology. Instead, the market is primarily driven by replacement investments where the large installed base of linear accelerators gradually needs to be replaced in pace with new technological innovations. Accordingly, more than 85 percent of supplied linear accelerators are replacement machines.

Growing populations with an increasing proportion of older people are also driving some growth. Demands for more efficient treatments also benefit stereotactic radiosurgery and stereotactic radiotherapy since these methods offer higher treatment precision, enable higher doses and, as such, fewer treatment sessions.

The Mexican market bears some similarities with emerging markets in other parts of the world, with a degree of uncertainty concerning the actual number

of new cancer cases per year. Both private and public healthcare providers are active in the market. In recent years, Elekta has successfully strengthened its presence in Latin America, particularly in Brazil, which together with other emerging regions contributed to an increasingly larger portion of Elekta's global order bookings. During the year, the Brazilian Ministry of Public Health announced significantly higher reimbursement levels for radiotherapy and the country has also undertaken an extensive cancer care program where a target has been set for one linear accelerator per 500,000 inhabitants.

REVIEW 2010/11

The fiscal year brought a gradual recovery in the US after the downturn that followed the financial crisis. However, the recovery proved erratic with a mixed scenario in various sectors of the economy. Elekta's order bookings increased substantially during the third quarter of the fiscal year, only to fall back again during the fourth quarter. This should be compared with an extremely strong fourth quarter in the preceding year, when Elekta secured one of its largest orders ever from the Swedish Hospital in Seattle.

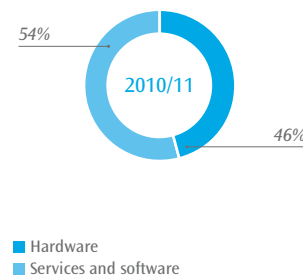
For the fiscal year 2010/11, order bookings for the region North and South America increased



» Order bookings throughout the year were naturally impacted by the uncertainty concerning the surrounding economy, but also by uncertainty about future reforms and legislation in the US. Considering that sales by manufacturers of medical equipment declined by 30 percent as a whole, we still managed to maintain comparatively strong order bookings.«

James P Hoey, Executive Vice President, Region North America

SHARE OF NET SALES



7 percent, based on unchanged exchange rates compared with the preceding year. Net sales increased 1 percent to SEK 2,818 M.

Growth was primarily supported by increasingly favorable trends in North America and successes in Brazil where Elekta, despite intense competition, secured a considerable order from Hospital do Coração in São Paulo. The agreement comprises two Elekta Axesse™ stereotactic radio therapy systems, complete with six Monaco® and XiO® licenses and 15 MOSAIQ® terminals.

Elekta's review of its marketing strategies during the preceding year continued to bear fruit. This includes the creation of a unit for comprehensive oncology solutions, which means that Elekta endeavors to take its customer relations beyond sales of individual products to instead provide an all-encompassing partnership. In addition to equipment, such partnerships can also include strategic planning, marketing and process renewals.

One example of such agreements was signed during the third quarter of the fiscal year with Wake Forest University Baptist Medical Center in North Carolina, ranked one of the best cancer hospitals in the US. The agreement comprises several systems for radiation therapy, electronic patient records and consultancy services, as well as an upgrade of the clinic's Leksell Gamma Knife® Perfexion™ system.

FUTURE PROSPECTS

Above all, Elekta sees its growth opportunities in replacement investments and a stronger service offering in North America, not only in the proprietary installed base. A new generation of software is also generating major interest, particularly MOSAIQ, with its relevance for stipulations in the HITECH Act. Improvements in reimbursement levels for radiation therapy in Brazil and decisions to expand treatment capacity, as well as greater presence in other selected countries, is also expected to contribute to Elekta's long-term growth in the region.

US HEALTH INSURANCE SYSTEM

Approximately 65 percent of medical care in the US is paid for by private insurance purchased by either 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.

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. In radiotherapy, approximately 65 percent of treatments are reimbursed via Medicare/Medicaid, while the corresponding portion for Gamma Knife® surgery is 35 percent.

Reimbursement levels are revised each year by the Centers for Medicare and Medicaid Services (CMS). The reimbursement levels are important for Elekta's customers and major changes can influence demand.

The difficult economic situation in the US has exerted pressure on reimbursement levels. For hospital-based customers, who account for more than 80 percent of Elekta's business in the US, reimbursements have been relatively stable while the problems have been more tangible for independent clinics.

THE AFFORDABLE CARE ACT

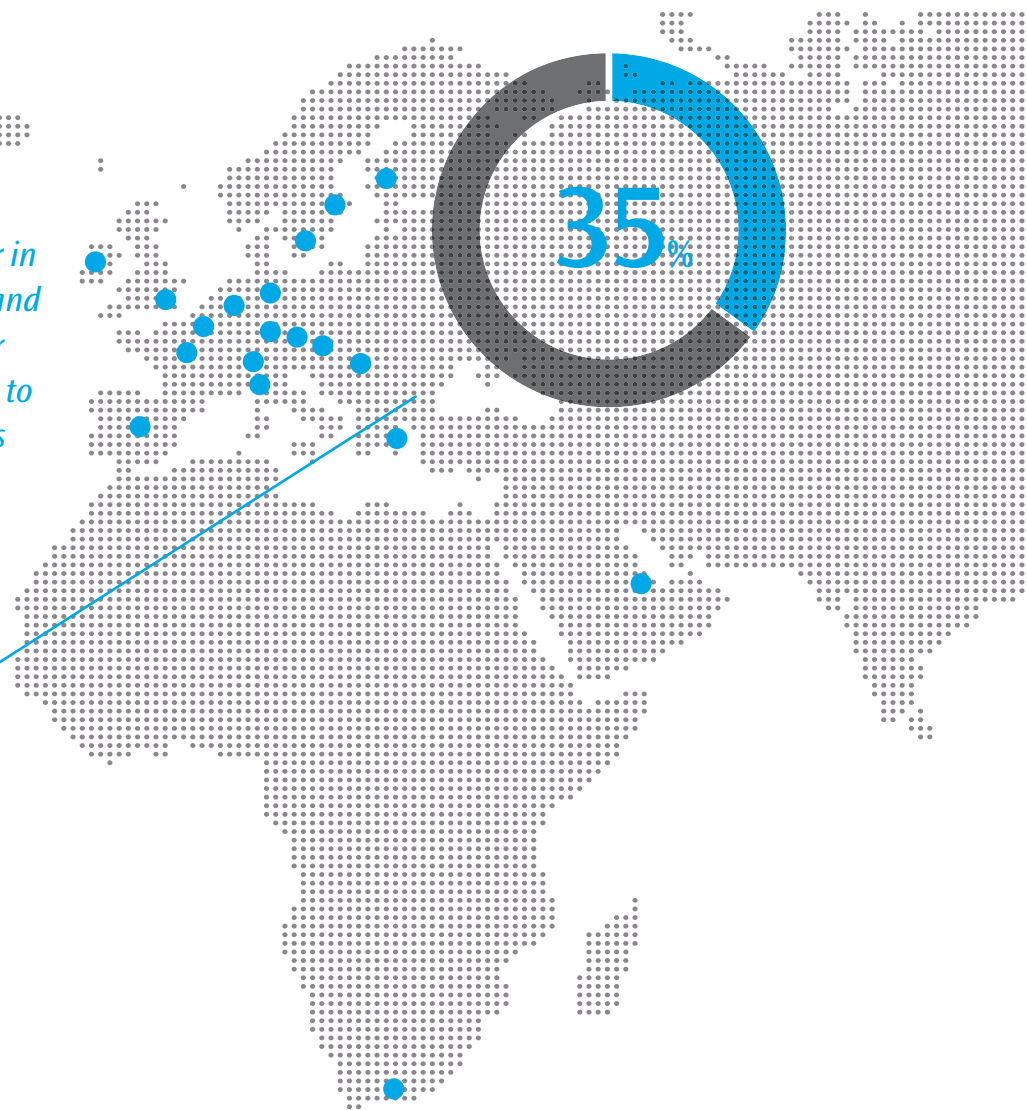
The reform of the US health insurance system, the Affordable Care Act, entered into effect in 2010. The objective of the reform is to provide an additional 32 million people with insurance coverage in the future. The reform is complex and the consequences for the company are difficult to assess; not least due to various parts of the reform being intended to be introduced in stages over several years leading up to 2015. The presidential elections in 2012 may also pose a constraint for major reforms. However, in all likelihood, the volume of medical care will increase due to more patients being covered by insurance. The sections being introduced in the period 2010 through 2011 include an increased level of consumer protection from the limitations that insurance companies can put in place before allowing a person to take out insurance. In addition, tax incentives are included for smaller companies to insure their employees, for improved protection for pensioners and adolescents and federal assistance to states that open up Medicaid to more people on low incomes.

New resources are being invested in combating irregularities and fraud in the insurance system. In 2009 alone, USD 2.5 billion was recovered in erroneous payments under Medicare.

The Act comprises incentives aimed at improving quality and efficiency levels. One such is the HITECH Act that provides financial incentives to healthcare providers that implement electronic medical records and utilize them in a specified meaningful manner. In 2010, Elekta's electronic medical records system MOSAIQ was awarded full certification that the medical records system met the requirements set by the HITECH Act. Elekta's system is thus the only dedicated oncology system with such certification. ■

REGION EUROPE, MIDDLE EAST AND AFRICA

Elekta had a very strong year in Region Europe, Middle East and Africa during 2010/11. Order booking and sales continued to grow and Elekta increased its market shares.



2,795 SEK M **33%** **5%**

*Net sales 2010/11.
Chart shows region's share of
Group net sales.*

*Contribution margin
2010/11.*

*Increase in order bookings,
based on unchanged
exchange rates compared
to previous fiscal year.*

Strong order bookings and higher market shares

Order bookings and sales displayed healthy growth in the preceding fiscal year, particularly due to the trend in such emerging countries as Russia and Turkey. Sales in such established markets as Germany and Italy were also the best recorded to date and Elekta is continuing to capture market shares in terms of replacement investments and brand new installed bases.

The West European market, which is Elekta's largest in the region, has generally well-developed cancer care and is primarily driven by reinvestments, but there is also need for some capacity increase in radiation therapy. Reinvestments currently account for 62 percent, while new clinics and new installations in existing facilities account for 19 percent each of the total investments. Elekta's market share is the largest in all categories and totals 45 percent of the West European market. For Elekta, with the largest installed base in these countries, aftermarket sales and service will therefore become increasingly significant for earnings and profitability, in addition to reinvestments.

Most of the systems in Western Europe are procured through public procurement procedures. The private care providers' share is 28 percent of the market but may be expected to expand, based on the strained government finances in many European countries. This trend is clear in such countries as Spain, Greece and Portugal. One occurrence that is increasing in significance in the rest of Western Europe is the establishment of private cancer-care providers focused on radiation therapy. Examples of such specialized companies currently exist in the

UK, Germany, France and Spain. Most of them have selected equipment from Elekta. In the future, such care providers will probably play a greater role in financing and procurement of capital-intensive equipment. In the public sector, interest is increasing in supplier financing of equipment.

EMERGING COUNTRIES BECOMING MORE SIGNIFICANT

In some of the European Mediterranean countries, as in Eastern Europe, Russia and Turkey, the per capita fee for medical care is still significantly lower than in the rest of Continental Europe and Scandinavia. The number of installed linear accelerators per million inhabitants is also very low in comparison. This means that there is a major unsatisfied demand for cancer care and treatment of brain illnesses in these countries. There is also a shortage of capacity for early diagnosis, which means that many patients begin treatment at a late stage of their illness. A similar picture applies in Africa and the Middle East. These factors, combined with the growing population and economic growth, are driving the market. However, increased prosperity is also raising the demand for better care.



» The growth rate for the year in the region has been very satisfactory, particularly considering the 25-percent increase in order bookings in the preceding year. It is a strong achievement, in a period when parts of Europe are experiencing severe difficulties. In addition, we have also strengthened our establishment mainly in Russia and Latin America and are capturing market shares both in established and new markets.«

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

On the whole, this means that the significance of the emerging markets' share of Elekta's order bookings is continuously increasing. This is accelerated by national cancer programs in several key countries, primarily the major markets of Russia and Turkey. The Russian national cancer-care program is currently in its third year and signifies a major step in remedying the capacity shortage in cancer care. To date, Elekta has been very successful in these procurements, in terms of linear accelerators, stereotactic systems, software and education.

In Turkey, activities are ongoing at a government level according to a national cancer strategy that was established in 2008. A national cancer institute was formed and the objective is to establish a number of new clinics for cancer treatment.

OVERVIEW 2010/11

Order bookings in 2010/11 were strong in such countries as Russia and Turkey. In Germany and Italy, the outcome was the best ever for Elekta; the Netherlands and France also reported positive trends. Activities were lower in the UK and in the Nordic countries, as well as in parts of North Africa and the Middle East. Due to the financial crisis, future investments are uncertain in the public sector in Portugal, Ireland, Spain, Greece and the UK.

During 2010/11, order bookings rose 5 percent for the Europe, Middle East and Africa region, based on unchanged exchange rates, compared with the preceding year. This means that during the past five-year period, the region had an average annual growth of 14 percent and an average sales increase of 13 percent.

Elekta's ability to continuously expand and capture market shares in the West European market is largely connected to the established cooperation with reputable, leading university clinics in the area of cancer. These partnerships in turn represent a qualitative confirmation for the remaining markets. One example is the clinic for radiation therapy and radiation oncology at the Ludwig Maximilian Universität (LMU) in Munich, which ordered its third Elekta Synergy®, with Clarity® during the year. An additional Synergy accelerator will be installed in 2012. The clinic, which is divided into two

campuses, will also be using the electronic medical record systems MOSAIQ® and MOSAIQ® Data Director and the data analysis system ANALYTIQ™, as well as the dose planning system Monaco®, in combination with VMAT.

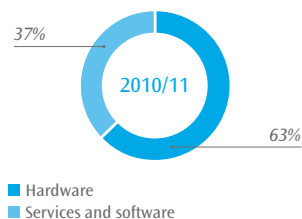
Another example is the Universitätsklinikum Mannheim in Germany and its clinic for radiation therapy and radiation oncology, which in addition to two earlier Synergy linear accelerators, ordered another two during the year, jointly with a Elekta Synergy® Platform. The clinic in Mannheim also uses Elekta's oncology information systems and dose planning system Monaco with VMAT.

In autumn 2010, Elekta and the Karolinska University Hospital in Stockholm signed a letter of intent for a new joint research project to evaluate and improve the efficiency of stereotactic radiation surgery in parts of the body other than the brain and in the treatment of metastases. The unique cooperation is for three years and includes several of Elekta's products and solutions.

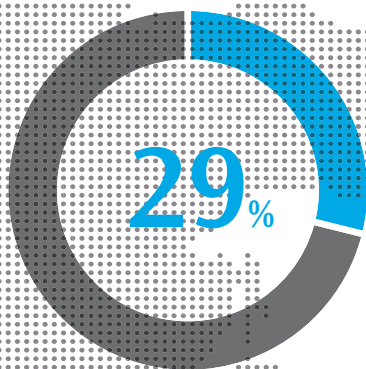
FUTURE PROSPECTS

There is still concern about parts of Europe for the coming year. In the EU countries with major government budget problems, the government-financed care systems will probably not expand in the near future. Despite this, it is anticipated that the long-term sustainable growth rate will continue, particularly due to the strong emerging markets in Eastern Europe, the Middle East and Africa. ■

SHARE OF NET SALES



REGION ASIA PACIFIC



Elekta is deeply involved in building new care capacity in this rapidly growing region. Net sales increased by 23 percent and order bookings by 20 percent.

2,291 SEK M

*Net sales 2010/11.
Chart shows region's share of
Group net sales.*

32%

*Contribution margin
2010/11.*

20%

*Increase in order bookings,
based on unchanged
exchange rates compared
to previous fiscal year.*

Substantial build-up of new care capacity

Many of the dynamic markets in the Asia Pacific region have ambitious plans to expand the capacity of health and medical care. Billions of dollars will be invested in hospitals and equipment over the coming years and in particular in cancer care.

The Asia Pacific region is characterized by a general substantial lack of care capacity in oncology and neurosurgery. Countries such as Australia, Japan, South Korea and Taiwan, as well as Hong Kong and Singapore have well-established healthcare systems. The remainder of the region comprises the area of the world with the greatest discrepancy between estimated needs and availability of radiotherapy systems, this shortage applies both to equipment and medical care professionals. For these reasons, investments in care in this market primarily pertain to the establishment of new care capacity.

One of the reasons behind the growing need is that the region is undergoing 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, in addition to economic growth comes a rise in demand for advanced healthcare. A majority of governments in the region have therefore prioritized healthcare and

substantial investment plans exist in all the major countries.

In China, in particular, investments will increase. In 2009, a comprehensive healthcare reform was adopted that is estimated to cost approximately USD 123 billion and which is planned to cover 90 percent of the population. 30,000 new hospitals, clinical practices and community healthcare centers are planned in addition to a doubling in the number of linear accelerators over the next five years. For Elekta, China also represents one of the strongest growth markets in the region and the Company is already the market leader in advanced radiation therapy.

India is another country experiencing rapid growth in its healthcare market, with annual growth exceeding 10 percent in the last few years and expected to amount to USD 145 billion in 2017. Elekta is already well-represented in the Indian market with Gamma Knife and radiotherapy systems and has further strengthened its



» This was another strong performance from the team in Asia Pacific, demonstrating continued consistency of achievements. We have placed a lot of effort into developing our organizational capacity, both in the markets and within the Regional support infrastructure. This development will continue the following fiscal year with particular attention to further developing our strong Training and Education program so that we can help our customers satisfy the high demand for these services.

presence over the last year. Major upgrades in healthcare are taking place in Singapore, South Korea, Taiwan and Australia.

Prospects are also favorable for the expansion of radiotherapy in cancer care in Japan. 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. Elekta Neuroscience and Elekta Software have a strong presence in Japan and Elekta Oncology is now well-placed for increasing its market share.

REVIEW 2010/11

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 in South Korea, Vietnam, Taiwan and Australia.

As part of the Company’s strategy to increase its presence in the region, Elekta makes major investments in expanding its distribution capacity and customer service. In 2010, a distribution agreement was signed with Toshiba Medical Systems

Corporation for the Japanese market. The agreement opens up Toshiba’s sales channels and complements Elekta’s own sales organization with Toshiba’s 300 sales representatives. The agreement primarily pertains to linear accelerators, but also opens up for the distribution of Elekta’s software products.

During the year, Elekta strengthened its presence in the important South Korean market through a newly established local office. This is an addition to Elekta’s existing offices in the region located in Singapore, India, Australia, Japan, as well as Hong Kong, Shanghai and Beijing in China.

During the fiscal year, order bookings rose 20 percent based on unchanged exchange rates in the Asia Pacific region. Net sales increased by 23 percent to SEK 2,291 M. Growth was particularly strong in China, India and Australia.

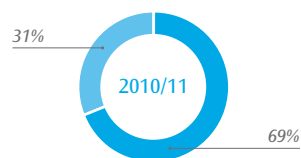
FUTURE PROSPECTS

In the coming year, Elekta expects a continued high pace of healthcare investment in the region with strengthened capacity in cancer care. Elekta is well-positioned throughout the region and thus has excellent prerequisites to realize continued strong growth and successively improved profitability. ■

Of particular highlight was the tremendously professional way that our support teams in New Zealand and Japan reacted following the major earthquakes in both countries. Both teams of engineers worked tirelessly following the incidents to ensure that our customers in the affected areas could commence treatment of patients within as short a time as possible. «

Ian Alexander, Executive Vice President, Region Asia Pacific

SHARE OF NET SALES



■ Hardware
■ Services and software



ELEKTA NEUROSCIENCE

*Long experience in patient-friendly
innovations*

World-leading solutions for brain disorders

Elekta Neuroscience develops innovative, world-leading solutions for the treatment and localization of brain disorders. Treating the brain is a special challenge because it requires extreme accuracy to avoid damage to surrounding healthy tissue.

With long experience of stereotaxy and patient-focused innovations, Elekta has created solutions that are extremely accurate and either minimally or non-invasive when treating the brain and other parts of the body.

Elekta has the largest installed base of stereotactic radiosurgery systems in the world, including more than 440 Leksell Gamma Knife® systems and over 120 systems for stereotactic radiation therapy. In addition, more than 1,800 of Elekta's stereotactic systems are used by over 1,300 clinics worldwide. The installed base is particularly strong at university and research centers, where Elekta holds the largest market share in the industry.

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

STEREOTACTIC NEUROSURGERY

Leksell Stereotactic System® is the most frequently used and reliable stereotactic system in the market and a benchmark solution for stereotactic neurosurgery. The complete system enables the safe and accurate localization and treatment of targets in the brain

with minimally invasive surgery. The system is used for both diagnosis and treatment, including biopsies (tissue specimens) of targets located deep in the brain and accurate placement of implantable electrodes for deep brain stimulation when treating Parkinson's disease, for example. The system is designed to shorten planning times, offer a wider selection of alternative procedures and provide superior clinical accuracy. Elekta's integrated systems for neurosurgery also contain Leksell SurgiPlan®, an advanced planning software product and Leksell® Neuro Generator, a complete system for functional neurosurgery and pain management.

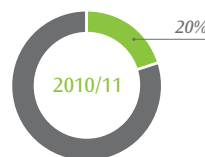
STEREOTACTIC RADIOSURGERY

Leksell Gamma Knife is the world's most advanced radiosurgery system. The latest version, Leksell Gamma Knife® Perfexion™, has set a new standard for radiosurgery in the brain when it comes to accuracy, dose distribution, efficient treatment and in particular for patient comfort and user-friendliness. Leksell Gamma Knife Perfexion is considerably more automated than any other radiosurgery system and will soon change how brain metastases are treated all over the world.

1,800

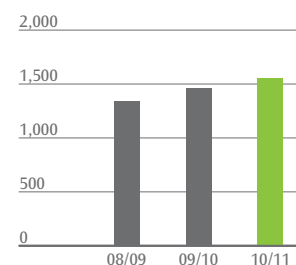
of Elekta's stereotactic systems are used by over 1,300 clinics worldwide.

SHARE OF TOTAL NET SALES



■ Elekta Neuroscience

NET SALES, SEK M



The new Leksell Gamma Knife also offers added opportunities to perform fractionated treatments, where the radiation dose is distributed in smaller doses over several days. This takes place with Extend™, an optional system for Leksell Gamma Knife Perfexion. Extend allows oncologists and neurosurgeons to treat tumors that are too large or too critically located to treat in one session and thereby increase the number of patients who can benefit from the unique qualities of Leksell Gamma Knife Perfexion. Extend constitutes a bridge between neuro-surgery and radiation oncology because it can also be used in combination with Elekta Axesse™ or Elekta Synergy®.

M.D. Anderson, the world-leading clinic for oncology and stereotactic radiosurgery in Houston, Texas has been using Leksell Gamma Knife Perfexion since 2009. Other cancer centers where it was installed during the past year are the Methodist Hospital, Texas; Memorial Hermann-Texas Medical Center; New York-Presbyterian Hospital; the Swedish Cancer Institute, Seattle; the Gamma Knife Center of the Pacific, Hawaii; the Macquarie University Hospital, Australia; Le Centre Hospitalier Universitaire Vaudois, Switzerland and Wake Forest University Baptist Medical Center in North Carolina. The latter was appointed first Leksell Center of Radiosurgery in the US during the year. In a procurement by China's Ministry of Health, Elekta secured an order for three stereotactic radiosurgery systems, two Leksell Gamma Knife Perfexion systems and one Leksell Gamma Knife® 4C.

Around 200 Leksell Gamma Knife Perfexion units had been delivered by year-end.

MAGNETOENCEPHALOGRAPHY (MEG)

Functional imaging of the brain is the third largest development area for Elekta Neuroscience. Magnetoencephalography (MEG) is a method used increasingly by clinics and researchers to map brain function by studying its magnetic field in a non-invasive way. Elekta is the market leader in MEG and produces Elekta Neuromag®, which enables researchers and clinics to map brain activity with millisecond resolution and precise localization.

Several major research institutions use Elekta Neuromag for clinical research into neurological and psychiatric disorders such as Alzheimer's and other dementias, epilepsy, autism, schizophrenia, depression, traumatic brain injury and various learning difficulties such as dyslexia.

Another application for Elekta's MEG technology has appeared in the form of faster development of pharmaceuticals for treating neurological disorders. This was revealed by a white book published in 2010 by Orasi Medical® and Elekta. Today, it takes an average of 12 years for neurological pharmaceuticals to reach the market. This new application of MEG can speed up and reduce costs when developing new pharmaceuticals by measuring the efficacy of the pharmaceutical and brain function in real time at critical stages throughout the pharmaceutical development process.



» Our objective is to continuously enhance clinical value for customers and patients by relentless focus on precision, fully integrated solutions for safety, workflow efficiency and patient centricity. These are the cornerstones in Elekta Neuroscience's innovation strategy and the reason for the success of Leksell Gamma Knife.«

Åsa Hedin, Executive Vice President, Elekta Neuroscience

Elekta demonstrated its next-generation MEG system, Elekta Neuromag® TRIUX, at several medical congresses during the year. The new platform is more robust, patient and user-friendly and designed to operate in virtually any clinical environment. Benefits of the system include built-in shielding to protect the system's ultrasensitive sensor array from magnetic interference.

TREATMENT OF OTHER ORGANS

Based on long experience of neurosurgery, Elekta has taken one step further and now developed the stereotactic radiation therapy for treating other parts of the body.

Elekta Axesse is a complete system for hypofractionated treatment (higher doses of radiation spread over fewer occasions) of mainly tumors in the spine, lung, breast and prostate. Several institutions have invested in both Leksell Gamma Knife Perfexion and Elekta Axesse in order to offer their patients the most effective and advanced treatments for tumors throughout the body. ■



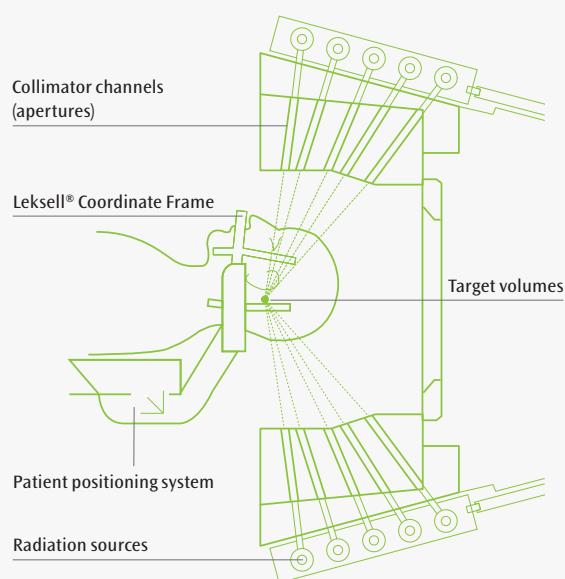
Elekta is involved in continuous dialogues with cancer experts from around the world about new treatments and what is needed to improve quality and efficiency in cancer care.

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.



Stereotactic radiation therapy advances positions

Radiation treatment of cancer metastases has traditionally entailed radiation therapy of a large area, such as the whole brain or spine, with a radiation dose that is delivered over a number of treatments, fractionated radiation therapy. This form of treatment has often been given to relieve symptoms and has not infrequently produced other negative side effects.

However, medical advances will soon bring another approach to metastases. Because cancer patients are increasingly surviving their primary tumor, the risk of eventually developing metastases in some other part of the body such as the brain or spine is growing. This has meant that the boundaries in the approach to primary tumors and metastases are becoming blurred. In cancer care, primary tumors and metastases are increasingly considered an expression of one disease and as a result, more resources are also devoted to trying to cure, or at least improve, the patient's quality of life, also when treating metastases.

This new approach has been brought about by several advances, particularly in stereotactic radiosurgery and radiation therapy – technology that offers increasing accuracy and precision when treating tumors while sparing surrounding tissue. This type of treatment can be delivered with either linear accelerators or Leksell Gamma Knife® Perfexion™.

In autumn 2010, Elekta and Karolinska University Hospital in Stockholm signed a letter of intent for a joint research project to evaluate and improve the effectiveness of stereotactic radiosurgery in parts of the body other than the brain, and when treating metastases. This unique partnership will apply for three years and includes several Elekta products and solutions.

GUIDELINES SPEAK FOR RADIOSURGERY

The brain is one of the organs where cancer metastases are most prevalent. Around 20–40 percent of all cancer patients are expected to develop brain metastases. Treatment modalities are primarily surgery,

radiation of the whole brain and, increasingly, stereotactic radiosurgery. The benefits and drawbacks of each treatment option have long been discussed in the research community without reaching any real consensus. One important reason is the difficulty in achieving clinical studies that make a direct comparison between the various treatment options without leaving a series of questions unanswered.

In an effort to address this issue, a medical panel was set up in the US with the task of reviewing and evaluating the studies and any available literature on the subject. The panel consisted of 17 leading experts in neurosurgery, radiation oncology, medical oncology and neurology from across the country. The results, which were published in the *Journal of Neuro-Oncology* (Volume 96, number 1 / January 2010), are a milestone in the codification of treatment for brain metastases and constitute a basis for subsequent guidelines in the future.

The publication represents the most coherent, convincing and evidence-based guidelines in support of stereotactic radiosurgery. In virtually any scenario where stereotactic radiosurgery had been considered, the treatment outcome was equal to or better than the comparable options. Also important is that the panel did not, in any single case, advise against the use of radiosurgery when this was one of the treatment options.

Another US study published in the *Journal of Neurosurgery* (March 4, 2011) has compared Leksell Gamma Knife Perfexion with two rival products for the treatment of multiple brain metastases. The study shows that when using Leksell Gamma Knife Perfexion, the volume of healthy tissue

affected by radiation is two to three times smaller than with other systems.

RADIATION TREATMENT OF THE SPINE

Stereotactic radiotherapy is gaining ground when treating cancer metastases in other organs such as the lungs and spine. Metastases in the spine have about the same incidence as brain metastases and similar treatment problems. Spinal metastases often grow in the bone around the spinal cord. The latter is extremely sensitive and can tolerate a minimum amount of radiation, whereby extremely high radiation precision is required to avoid damage to the spinal cord. Traditionally, this treatment is palliative. The growth of the tumor is slowed and the treatment provides temporary pain relief. A not uncommon negative effect is that the patient becomes paralyzed.

A number of clinics, primarily in the US, have now begun to take the lead and replace traditional treatment with stereotactic radiotherapy. One of

these is the University of Pittsburg Medical Center which is currently the world's most experienced center of stereotactic radiotherapy for the treatment of spinal tumors. Nearly 2,000 patients have received this treatment at the hospital. The UPMC is one of 28 centers in the US that, independently of each other, have performed stereotactic radiation therapy for the spine. Of the patients who received treatment at these centers, 85 to 100 percent of the cases reported effective pain relief, 57 to 92 percent reported an improvement in neurological symptoms, and local control of tumors was reported for around 90 percent of the patients.

In Europe, mainly university hospitals conduct research into this type of treatment. However, very few patients with spinal tumors are currently treated with stereotactic radiotherapy. One reason is that all radiation must comply with established protocols, and any departures are subject to regulatory approval. This requires clinical evidence, which could take many years to document. ■



Stereotactic radiation therapy is starting to be used also in the treatment of cancer metastases in organs such as lung and spine. A number of clinics, particularly in the US, is at the forefront and has begun to replace traditional treatment with stereotactic radiotherapy.



Hôpital la Timone expands the use of Gamma Knife surgery

Hôpital la Timone is a pioneer in Gamma Knife® surgery. Since Leksell Gamma Knife® Perfexion™ was installed in 2006, the hospital has also used it for the treatment of conditions outside the brain. In November 2010, la Timone was ranked the premier hospital in France in neurosurgery.

In November 2010, neurosurgeons at the university hospital Hôpital la Timone in Marseille treated their ten-thousandth patient with Leksell Gamma Knife®. This signifies a high treatment rate over the 18 years that the hospital has pursued programs with a total of four different versions of Leksell Gamma Knife. In recent years, the clinic has performed radiosurgery five to ten times per day and in 2010, a new record was created with 900 treatments.

“Being able to offer the benefits of Gamma Knife surgery to so many patients in just 18 years is very satisfying. It speaks for the enduring value and effectiveness of this technology, which is also under continuous development,” says Jean Régis, neurosurgeon, MD and program director for la Timone’s gamma

knife program. In July 2006, Jean Régis was the first neurosurgeon to treat a patient with Leksell Gamma Knife Perfexion.

“Gamma Knife surgery will play a growing role in the treatment of multiple brain metastases,” he adds, “because medical literature now shows growing evidence of reduced toxicity compared with radiation of the whole brain. In addition, positions are steadily advancing in terms of how many tumors can be treated at any one time.”

“A few years ago, we treated between one and three metastases in one session but now we can routinely treat patients with up to ten metastases. Our record is 23 metastases in one session,” says Dr Régis.

Hôpital la Timone lies at the forefront in terms of utilizing opportunities for expanding and increasing the versatility of Leksell Gamma Knife Perfexion. Only 35–40 percent of treatments are performed on brain metastases today.

“Achieving this has required a multidisciplinary teamwork approach,” says Dr Régis. Specialists in ear, nose and throat, endocrinology, dermatology, radiation oncology, oncology and neuro-radiology have all referred their patients to radiosurgery. Dr Régis has personally contributed numerous publications to international medical journals on Gamma Knife surgery and diseases such as acoustic neuromas, trigeminal neuralgia and epilepsy.

“We will obviously be treating more organs outside the cranium,” says Dr Régis. “We are currently exploring extracranial radiosurgery in the spine and upper and lower jaw, which is very new for us,” he says. “We are also increasing our use of hypofractionation. And we intend to start treating patients suffering from Parkinson’s disease. We have embarked upon an exploratory, multidisciplinary attempt to evaluate the role of Gamma Knife surgery for Parkinson’s patients with contraindications for brain stimulation.” ■

SOLUTIONS

Stereotactic radiosurgery

A well-established non-invasive method for treating brain disorders. A single high dose of radiation is delivered to a specific and critically located target in the head with Leksell Gamma Knife®.

Stereotactic neurosurgery

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

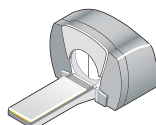
Functional mapping

Magnetoencephalography (MEG) enables physicians and researchers to measure brain activity accurately, and obtain three-dimensional, functional mapping and perform measurements in real time.

Intra-operative image-based guidance

Consists of SonoWand Invite 3D intra-operative ultrasound system, 3D-Arm™ (a stable platform for tools), and Henning Instrument Guide™ (a minimally invasive mounted unit).

PRODUCTS

**Leksell Gamma Knife**

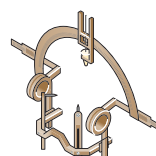
Stereotactic radiosurgery is a non-invasive method for treating brain disorders, where a single high dose of radiation is delivered to a specific target in the head. The latest product is Leksell Gamma Knife® Perfexion™, a fully integrated and automated system that enables highly advanced treatment with maximum safety and comfort.

**Extend**

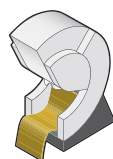
The Extend™ system enables fractionated treatments, whereby neurosurgeons and radio oncologists are able to treat lesions that are large and critically positioned.

**Elekta Axesse**

Elekta Axesse™ is a fully integrated system for stereotactic radiation therapy that combines three-dimensional (3D) image guidance when treating with high-resolution dynamic beam shaping and automated and accurate positioning of the patient. This enables fast, effective and correct treatment.

**Leksell Stereotactic System**

Leksell Stereotactic System® is the world's most widely used system for stereotactic neurosurgery. The system's high accuracy, simple operation and versatility offer surgeons an optimal system for functional neurosurgery. This system is also the preferred choice for biopsies (tissue samples).

**Elekta Neuromag**

Elekta Neuromag® is the most advanced system for magnetoencephalography (MEG). The system maps brain activity in real time by measuring, non-invasively and with high resolution, the response of the magnetic fields produced by brain cells.

**SonoWand Invite**

SonoWand Invite™ is an integrated, intra-operative system for neurosurgical navigation. The system combines detailed ultrasound images in 3D with intra-operative navigation in real time and optical guidance of instruments. Elekta has a distribution agreement with the Norwegian company SONOWAND A/S.



ELEKTA ONCOLOGY

Ground-breaking clinical solutions

30 years of pioneering innovations

In collaboration with world-leading clinics, Elekta Oncology is responsible for introducing most of the critical technological advances in radiation oncology of the last 30 years, in a continuously ongoing process. Elekta's open systems philosophy creates treatment solutions that increase efficiency, while retaining the clinician's right to choose the best option for individual patients.

Elekta has for many years been the world's leading innovator of digital linear accelerators. Over 26 years ago Elekta introduced the world's first digital based linear accelerator solution to the oncology market.

The reasons for Elekta's success are well known. They come from an unswerving focus on customer collaboration and innovation; the excellence of technically-brilliant staff; award-winning production facilities and Elekta's ability to listen to the views and advice of not only customers but the wider cancer care and patient community.

It's a level of success that is underpinned by a team work ethic characterised by respect, collaboration and a desire to deliver the very best health-care technology available in the world.

CREATING CUSTOMER VALUE

One telling example of Elekta's ability to create customer value is in the Netherlands which utilises more Elekta linear accelerators than any other brand (a 75 percent market share). Netherlands Cancer Institute – Antoni van Leeuwenhoek Hospital (NKI-AvL) in Amsterdam during the

year took delivery of an Elekta Axesse™. This became the fifth in the Netherlands.

Elekta predicts that the success of the pioneering Elekta Axesse will help make further significant progress in the world-wide fight against cancer – particularly in the treatment of difficult-to-reach tumors; lung, brain and liver.

In clinical operation at NKI-AvL for five months, the Elekta Axesse serves as the centrepiece of the hospital's new stereotactic cancer treatment unit, and is the 10th Elekta linear accelerator currently operating at the site.

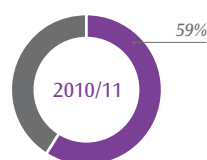
NKI-AvL clinicians are combining the precision that the 4 mm leaves of the Elekta Axesse system's Beam Modulator™ provides with the speed of Elekta VMAT to improve performance in non-stereotactic prostate cases and stereotactic lung and brain cases.

The innovative Elekta Axesse is a marriage of Elekta's hallmark 3D image guidance technology with the robotic 6D positioning and immobilisation. It is the combination of stereotactic radiosurgery, stereotactic radiation therapy and stereotactic body radiation therapy and radiosurgery which

> 500,000

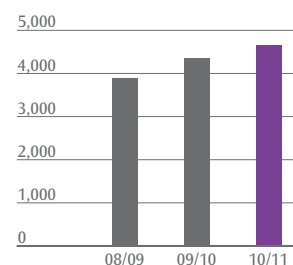
Every year more than half a million patients receive treatment with radiation therapy equipment from Elekta.

SHARE OF TOTAL NET SALES



■ Elekta Oncology

NET SALES, SEK M



allows focused treatment of diseased tissues only, sparing healthy ones.

CUSTOMER COLLABORATION AND INNOVATION

At the 2011 European Society for Therapeutic Radiology and Oncology (ESTRO) in London, Elekta demonstrated advanced solutions that provide clinicians with the tools to save and improve lives of cancer patients worldwide.

Elekta installed the first digital linear accelerator control system at the UK’s Royal Marsden Hospital back in 1985. For 25 years, there was nothing similar on the market. Today, after learning from experience, listening to customers and growing in expertise, Elekta now has its 6th generation of digital control – Integrity™. Acting as guardian of treatment delivery, Integrity ensures the dose rate is not just prescribed but is actively managed to complete the treatment flawlessly.

Integrity brings many new advancements, the most significant is the change to continuously variable dose rate, resulting in smoother and faster prescription delivery.

In early stages of global testing Integrity has shown that continuously variable dose rates can reduce delivery times by up to 30 percent. Fast delivery is supported by Integrity’s three tiers of safety. Advanced accuracy and delivery speed increases patient throughput.

Another highlight at the ESTRO was the preview of a new development, Identify™, a product of Radio

Frequency ID (RFID). Identify automatically monitors the identity of the patient and his or her movements around the clinic. The system will be able to measure the position of equipment and any tagged items to within millimetre accuracy and highlights Elekta’s commitment to pursuing unsurpassed safety in the clinical environment.

NEW CLINICAL RESEARCH GROUP FOR THE NASOPHARYNX

Elekta supports several research consortia investigating the use of its technologies. The past year efforts have continued to expand these clinical collaborations. The aim is to develop optimal solutions for each cancer type together with the users of Elekta’s products, in order to achieve the most significant clinical improvements.

A number of new clinical consortia with that goal were assembled, one example being a trans-Asian research group exploring the treatment of Nasopharyngeal Carcinoma (NPC). The nasopharynx is a hidden region located just above the soft palate in the mouth, the soft palate being the structure that touches the top of the back of the tongue. While cancers that develop in the nasopharynx are relatively rare in the Western world, they are quite common in China and other Asian countries. Treatment of nasopharyngeal cancer is particularly challenging for a number of reasons. First, it is often diagnosed at an advanced stage because the nasopharynx is not an area that is easily visualized,



» The reasons for Elekta’s continuing success in digital linear accelerators is mainly our unswerving focus on collaboration, listening and the empowering of customers and of Elekta staff to innovate.«

Johan Sedih, Executive Vice President, Elekta Oncology

and because patients with early stage disease usually have no symptoms. Second, it is an area that is rich in lymphatic and vascular drainage, thus having a high propensity for metastasizing to lymph nodes in the neck and to spread to other areas of the body. Finally, the anatomy is complex, thus challenging the oncology team to provide treatments that result in minimal doses to the many nearby critical structures.

The inaugural meeting with the trans-Asia Nasopharyngeal Research Group was held in Singapore in early March of 2011. The group is composed of members from Singapore National University Hospital, Taiwan National University Hospital, Hong Kong Tuen Mun Hospital, Sun Yat-Sen University Cancer Centre, Beijing CAMS Tumor Hospital and Fujian Provincial Tumor Hospital. Assisting the group were Dr's Di Yan and Alvaro Martinez, from William Beaumont Hospital, in Royal Oak Michigan.

During the meeting, the members presented and discussed their respective and extensive experiences treating NPC. Of significant interest to the group was that the total number of patients seen across their collective centers each year was estimated at 2,000. In contrast, the largest series reported in the medical literature range below 500 patients, often collected over many years, and the largest Western centers often see far less than 50 NPC patients per year.

The members not only recognized the great potential for their research activities by virtue of their extensive experience, but also appreciated the unique opportunity to collaborate with Elekta to enhance the care of these challenging patients. For Elekta, this experience will not only help propagate a successful collaborative model to emerging markets, but it will also help develop relationships with these and other key centers in Asia. Most importantly, however, it will help provide better solutions to customers world-wide and consequently lead to improved patient care. ■

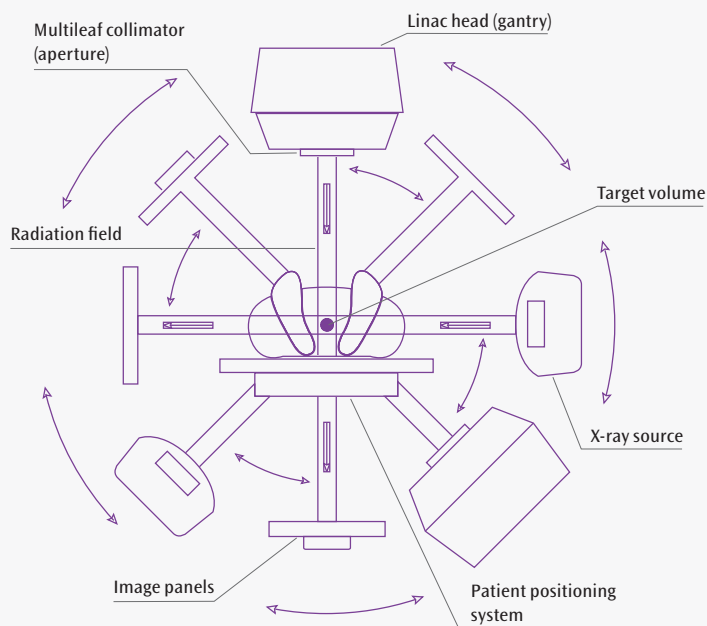
RADIATION THERAPY WITH A LINEAR ACCELERATOR

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.

Image guided radiation therapy of Elekta Synergy® also allows the patient to be imaged in the treatment position at the point of treatment. An integrated X-ray source and an additional image panel are used, which provide 2D images, moving real-time images and volumetric 3D images.

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



Agility: A major innovation in beam shaping

The Elekta Agility™ multi-leaf collimator (MLC) is representing a major innovation in beam shaping, and breaks new grounds in optics, radiation shielding and control system technologies.

It will be the first MLC in the world to deliver leaves moving up to 6.5 centimetres per second.

A multi-leaf collimator is a device integrated into the treatment head of a linear accelerator. It is used for shaping the beam so that it conforms as closely as possible to the shape of the tumor. Agility has been designed to meet the demands of modern radiation therapy. One important such demand is to deliver the most efficient dose to the tumor without harming the surrounding area and soft tissue.

Some notable highlights of Agility are:

- The new Agility MLC head has been designed to minimize transmission and significantly reduce total non-therapeutic dose to the patient. The transmission was measured by our customers at Leeds to be less than 0.5 percent which is less than any other MLC currently available.
- Agility uses dynamic leaf guides to assist movement of 160 five millimetre leaves, extending leaf travel to 15 centimetres over the central axis and ensuring seamless delivery across the entire 40 x 40 centimetre field. This design minimizes the size of the treatment head and ensures that the market leading clearance of Elekta treatment systems is maintained.
- Ultra-fast leaves mean that Agility users will take advantage of improved VMAT modulation, improved plans and improved speed of delivery. VMAT (Volumetric Modulated Arc Therapy) means that the radiation source rotates around the patient in one or more arcs, whilst continuously treating the tumor. During this time, the gantry rotation speed, dose intensity and the shape of the beam may vary.
- The unique Rubicon optical leaf positioning system uses near UV light from an LED source. This produces near infra red fluorescence when shone on the ruby tips of the MLC leaves. Using special filters, a camera detects this near IR fluorescence. The resulting data is used to reliably monitor and accurately position the leaves in real time. This new system is inherently safe, requiring no additional fail safe devices.
- Elekta customers are able to benefit from the unique combination of Agility and VMAT, providing the ability to improve patient throughput and optimize treatment planning and delivery. This is available not only when a new system is purchased, but also as an upgrade to existing equipment, ensuring clinics can maximize the potential of their existing equipment. ■

Elekta Compact: Advancements for leading start up system

The Elekta Compact™ is Elekta's affordable linear accelerator, ideal for new facilities and emerging markets. But it offers much more than simply a powerful start up treatment system.

Advanced beam shaping using an advanced internal MLC, intuitive patient set-up and diverse repositioning options transform Elekta Compact from a market-leading start up treatment system to one that shares many of the advanced treatment capabilities of other Elekta top-of-the-digital linear accelerators. To date, the Elekta Compact has sold in impressive numbers in India, China, Middle East, and Latin America.

Customers are choosing Elekta Compact for several reasons:

Ease of Integration. The Elekta Compact has graduated to the next level by enabling easy integration of the full field 80 multi-leaf collimator (MLCi2™). The ability to enable clinicians to quickly and accurately shape the radiation beam more closely to the target volume as well as deliver advanced radiation techniques will benefit more patients. Its single low-energy beam makes Elekta Compact the natural choice for smaller treatment rooms.

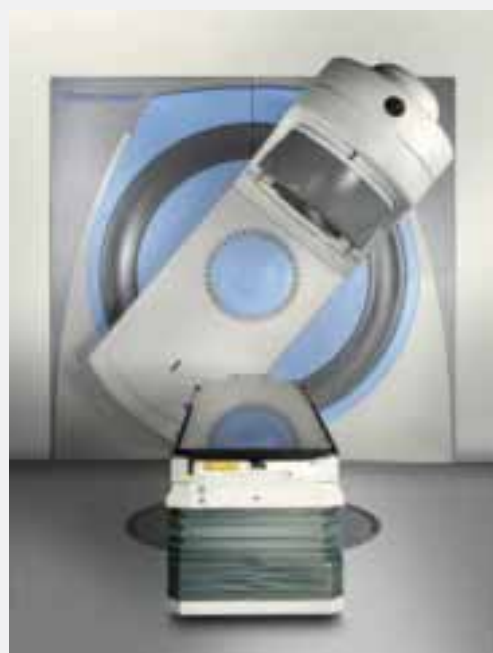
Flexibility. The MLCi2 maintains Elekta Compact system's unrivalled patient clearance, which offers greater flexibility in setup and delivery of different techniques. The active leakage reduction mechanism MLCi2 uses the diaphragms to automatically track the trailing leaf, thereby minimizing interleaf transmission. This feature plays a valuable role in reducing integral dose to the patient.

Scalability. Elekta Compact has been designed to grow as the radiation clinic needs to expand. That is because the diverse linear accelerator not only satisfies the fundamental radiation therapy requirements, but also uses a platform that can be expanded with new features and functions, such as high quality, real-time images that verify that the patient is in the correct position at the time of treatment. This helps to ensure

patient safety and reduced margins during therapy delivery. Other additional features are digital image storage and no waiting time between image acquisition and analysis.

Providing the Complete treatment solution.

Elekta Compact is available as a complete solution for clinics with a wide range of software and clinical options to support treatment planning, patient positioning, immobilization, and oncology information systems. Both XiO® advanced treatment planning system and MOSAIQ® oncology information system are configurable from entry-level to full capabilities as clinical needs change. Elekta Compact is the ideal system for new facilities and emerging markets; an ideal alternative to cobalt therapy or as a second system complementing Elekta Synergy®. ■



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.

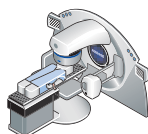
IMRT = Intensity Modulated Radiotherapy

IGRT = Image Guided Radiation Therapy

VMAT = Volumetric Modulated Arc Therapy

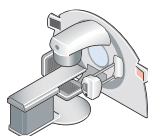
4D-CBCT = Four-Dimensional Cone Beam Computer Tomography

DELIVERY SYSTEMS



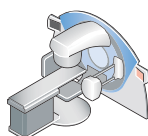
Elekta Axesse

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.



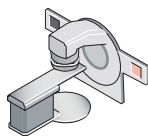
Elekta Infinity

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 multi-functional 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 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. With the options of an MLCi2 collimator and iViewC imaging capacity, Elekta Compact allows new parts and functions to be added as the clinic's needs grow. Elekta Compact is equipped with a single low-energy photon beam – ideal for smaller treatment rooms.



St James University Hospital becomes a pioneer with Agility

Agility™ is a completely new Multileaf Collimator (MLC) to be developed in Elekta's largest R&D project in ten years. Throughout 2010 and 2011, St. James University Hospital in Leeds participated in System Verification testing of Agility. The clinic is ready to treat its first patient as soon as Agility has been introduced in the market.

St James University Hospital in Leeds is one of the largest university hospitals in the UK and Europe, with a state-of-the-art oncology clinic that was completed in 2008. The clinic has 12 linear accelerators. Ten are used in the clinical operation and two for research and development. Dr Vivian Cosgrove is Head of the clinic's unit for radiotherapy physics, medical physics and engineering.

"It's unique that we were assigned two linear accelerators in Leeds for only R&D. This means that we have fantastic tools for offering our patients the most modern treatment available," says Vivian Cosgrove. "We are also able to participate in technical research and development, such as cooperation with Elekta on Agility and Symmetry™."

Over the years, St James has provided treatment for a large number of head and neck

tumors using Intensity Modulated Radiation Therapy (IMRT). In the spring, a new program was introduced, Volumetric Modulated Arc Therapy (VMAT), and the first patient was treated for head/neck tumors.

"The initial advantage with VMAT is that it significantly simplifies treatment and our radiologists are very satisfied," says Vivian Cosgrove. "We will now also install the new version of the Monaco® dose planning system and this, along with Agility, will also increase treatment speed. Our objective is to be able to treat ten new patients per week, which is double the current five."

However, according to Dr Cosgrove, the major benefits with Agility are low radiation leakage and precise beam shaping.

"The 160 collimator leaves provide significantly improved beam shaping, which is very important, particularly when treating small target tumors. Agility is able to deliver high precision and very complex patterns, which are extremely significant, for example, in head and neck treatment."

St James is an important user of Elekta's products and solutions. In addition to the

12 linear accelerators, Elekta's oncology information system MOSAIQ® is also used, as well as the XiO® and Monaco planning programs.

"Our close cooperation with Elekta is highly valued. This will also continue, for which I am very pleased," says Vivian Cosgrove.

ABOUT AGILITY

A multileaf collimator (MLC) is a tool in the treatment head of a linear accelerator. It is used for shaping beams to conform as closely as possible to the shape of the tumor. Elekta's new product, Agility, was designed to be used with VMAT technology, to meet requirements in modern radiation therapy. One such requirement is being able to deliver the most efficient radiation doses to the tumor, while not exposing the surrounding areas and tissues to harmful radiation.

Elekta's Agility is equipped with 160 collimator tungsten leaves, which is the largest amount in the market. It provides the increased beam precision and highest speed, which in turn results in shorter treatment time for the patient. ■



ELEKTA SOFTWARE

*World's leading software
for oncology*

Human-centric solutions for improved workflow and patient care

Elekta Software delivers advanced software tailored to the needs and practices of cancer care. Increasingly intelligent tools for treatment planning, information management and workflow provide healthcare staff with more time to focus on the patient and offer the most effective treatment for each individual.

Elekta Software is recognized as the world's leading developer of solutions for patient information, workflow management, and treatment planning within oncology. These software solutions come together to support the company's strategy to enable hospitals and clinics to electronically manage and streamline all aspects of cancer care. Throughout the spectrum of patient care, from diagnosis and imaging to planning, delivery and follow-up, Elekta Software enables and records activities that are critical to patient safety, clinical workflow, and evidence-based medicine.

The soaring cost of healthcare in many parts of the world is a principle reason for the increasingly prominent role of software in Elekta's business operations. Population growth and increased average life expectancy contribute to a growing demand for care, while continuous technological improvements make more medical conditions treatable – especially in oncology. Consequently, care providers are under significant pressure to reduce the cost of patient care by maximizing the efficiency of complex healthcare services.

Elekta is exceptionally well-positioned for this market trend, starting with its oncology information

system (OIS) product line, which continues to be the world's most widely used software platform for managing oncology clinical practices and electronic medical records. A cornerstone of Elekta's OIS platform remains its commitment to open systems integration and ability to connect with virtually any vendor's linear accelerator system. This philosophy of system neutrality is also a key differentiating strength of Elekta's treatment planning systems.

Elekta Software's main products include the MOSAIQ® OIS, Monaco® treatment planning system, XiO® treatment planning system, ABAS auto-segmentation software, and Clarity® soft tissue visualization system. Over the previous year, significant advances have been developed and released for each of these solutions.

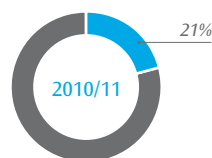
MONACO: NEW VERSION LAUNCHED

Monaco is Elekta's newest and most advanced treatment planning system, utilizing biological optimization as well as the powerful Monte Carlo dose algorithm to provide robust plans with exceptional dose conformity. Supporting both intensity modulated radiation therapy (IMRT) and volumetric modulated arc therapy (VMAT), Elekta launched

100,000

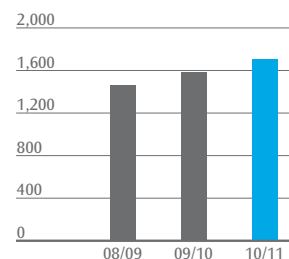
patients receive diagnosis, treatment or follow-up facilitated by software systems from Elekta.

SHARE OF TOTAL NET SALES



■ Elekta Software

NET SALES, SEK M



its latest version of Monaco in 2010, and now provides the market's most sophisticated stereotactic radiosurgery and stereotactic body radiotherapy (SBRT) planning capabilities.

With the new Monaco for VMAT, clinicians can develop the highest quality plans, yet now deliver them in much less time, enabling a more efficient clinic and an overall improved patient experience. In advance of the full launch of the new Monaco, sites in Asia, Central America, Europe and the United States had already clinically implemented the planning system for Elekta VMAT delivery.

XiO: FDA CLEARANCE FOR SPOT SCANNING

XiO® is Elekta's comprehensive treatment planning system for a wide range of techniques including 2D, 3D, MLC-based IMRT, solid compensator-based IMRT and brachytherapy. The platform provides unique tools that facilitate rapid positioning of the radiation dose to the tumor and a dose calculation algorithm that optimizes every individual beam. XiO has been in use for close to a decade and represents one of the areas in which Elekta holds an extremely strong position.

Today, XiO is used by more proton treatment clinics than any other treatment planning system. In 2010, XiO received FDA 510(k) clearance to be used in plans for spot scanning, a planning method in proton therapy treatment. Spot scanning involves constructing a highly conformal dose to

the tumor by using thousands of small individual beamlets instead of a single large beam. This novel approach enables Intensity Modulated Proton Therapy (IMPT).

ABAS: TOP PRIZE FOR AUTO-SEGMENTATION

Elekta's newest Atlas-Based Autosegmentation™ software (ABAS) has shown to dramatically enhance the efficiency of treatment planning by automating the process of delineating and contouring anatomical boundaries during the treatment planning phase. By providing an advanced starting point from which minimal editing is required, ABAS reduces the time necessary to create high precision radiation treatment plans.

Elekta's dominant position in auto-segmentation was confirmed at the 2010 International Conference on Medical Imaging and Computing Assisted Intervention, where it was awarded the top prize for the second consecutive year.

Since winning this distinction, a more powerful version of the ABAS software was released, not only improving efficiency, but now also enhancing the level of accuracy using the STAPLE calculation.

CLARITY: GROUNDBREAKING IMAGES OF SOFT TISSUE

Through the 2010 acquisition of Resonant Medical, Clarity is the latest addition to Elekta's portfolio of software products. Providing groundbreaking non-invasive, non-ionizing image guidance technology,



» Elekta is leading the way towards evidence-based medicine by moving treatment planning closer to the oncology information system. This effort is all part of our commitment to open-systems integration, enhancing workflow and securing the most reliable and safest therapy for patients.«

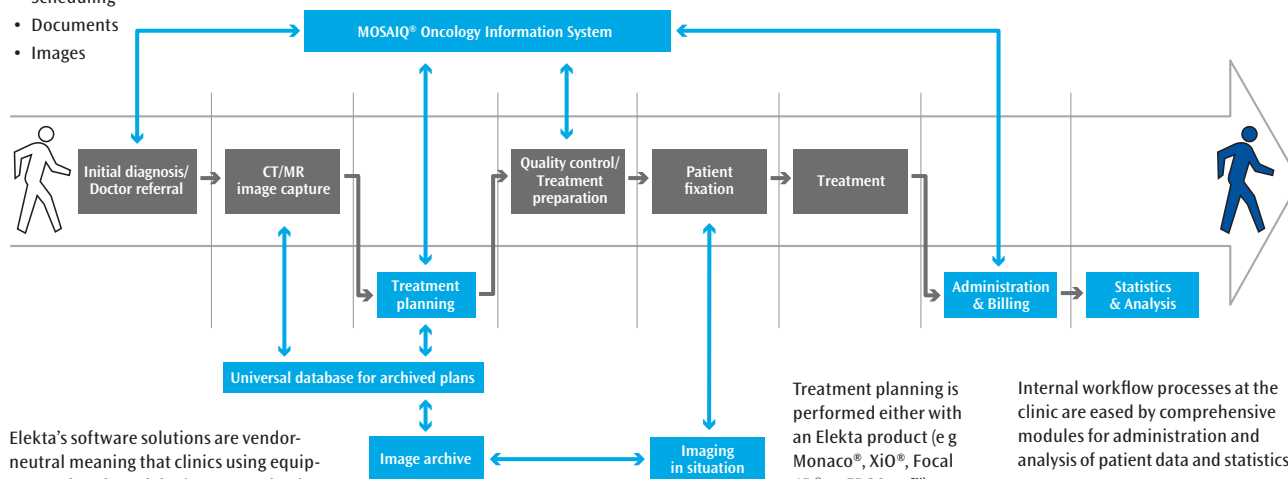
Todd Powell, Executive Vice President, Elekta Software

Clarity enables exquisite visualization of soft tissue targets and provides a promising platform for next generation motion management.

Capable of integrating with any linear accelerator platform, Clarity enables unprecedented soft tissue visualization of the prostate, breast and other organs to assist with enhanced contouring and patient set-up. Relying on Clarity, clinicians can add high quality IGRT to the thousands of linear accelerators in use today that do not have integrated imaging systems. Further, the added soft tissue detail from Clarity is also highly complementary to linear accelerators already equipped with cone beam CT or portal imaging. ■

ELEKTA'S SOFTWARE SYSTEMS ENCOMPASS THE COMPLETE FLOW OF INFORMATION FOR A PATIENT BEING TREATED FOR CANCER

- Notes
- Scheduling
- Documents
- Images



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

Treatment planning is performed either with an Elekta product (e.g. Monaco®, XiO®, Focal 4D® or ERGO++™) or with a software solution from another vendor.

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

MOSAIQ: Important certifications for market leading OIS platform

Leveraging more than 20 years of market leadership, MOSAIQ® continues to be the world's leading oncology information system (OIS) platform. By providing healthcare staff with a coherent and centralized information portal, MOSAIQ has been instrumental in supporting improvements in workflow, data management, and patient care. As a comprehensive solution, the MOSAIQ system supports radiation oncology, particle therapy and medical oncology clinical settings, all within a single system and user interface.

In 2010, MOSAIQ became the first radiation and medical oncology information system to receive full HITECH Act certification, validating that the system meets requirements as stipulated by the United States Department of Health and Human Services HITECH Act. Through this legislation, healthcare providers are eligible to receive significant economic incentives by adopting a certified electronic medical system.

During the past year, MOSAIQ also received certification for e-prescriptions from Surescripts, the largest network for e-prescriptions in the United States. E-prescriptions are aggressively increasing in the United States with the need for greater prescription accuracy while also improving efficiencies and lowering costs. The certification enables clinical practices and hospitals that utilize MOSAIQ to send e-prescriptions to independent pharmacies and pharmacy chains across the country.

The recently released Data Director module of MOSAIQ includes an integrated image and data management archive solution for the oncology department. With MOSAIQ® Data Director, clinicians can locate, view, move, archive and manage images and data files from most third party systems easily within the context of the electronic

patient record, eliminating the need for specialized applications or separate workstations.

In a 2010 survey by MD Buyline, a US based market intelligence organization that provides the healthcare industry with independent analysis and reporting, MOSAIQ continued to earn top marks in customer satisfaction rankings. Based on evaluations by more than 3,300 hospitals in the member network, MOSAIQ was ranked highest for system performance and reliability, as well as installation and implementation, applications training, service response time and repair.

In a separate study performed by the research firm KLAS, MOSAIQ was ranked number one in the oncology software category. The ranking summarized the performance ratings compiled by KLAS over the preceding 12 months and is based on feedback provided by almost 18,000 healthcare providers in the various classes.

Looking towards the future, Elekta's MOSAIQ® RTP Suite promises to be the next-generation treatment planning system that will link patient information and treatment planning together, enabling clinicians to improve decision making while adopting evidence-based medicine. ■

PRODUCTS

**MOSAIQ**

MOSAIQ® is Elekta's world-leading oncology information system that offers a coherent portal for all communication regarding a patient and contributes to improvement of work flow, data management and patient care.

**MOSAIQ Data Director**

A solution with an integrated image- and data management archive solution for oncology departments. MOSAIQ® Data Director facilitates for clinicians to locate, view, move, archive and manage different types of images and data files.

**XiO**

XiO® is Elekta's comprehensive treatment planning system with unique tools for a wide range of techniques including 2D, 3D, MLC-based IMRT, solid compensator-based IMRT and brachytherapy.

**Cancer Registry System**

Elekta's leading cancer registry products, METRIQ® and Précis-Central™, increase productivity and improve data quality. These products meet regulatory reporting requirements for cancer patients and provide ready access to data required to effectively review, analyze, and ultimately help to improve clinical outcomes. In addition to disease identification and treatment protocol, the status of each patient in the registry database is updated regularly to provide survival and recurrent pattern information.

**ANALYTIQ Premier**

Elekta's ANALYTIQ™ clinical and business intelligence application provides the ability to thoroughly review and evaluate data collected by the MOSAIQ oncology information system. ANALYTIQ creates an interactive workspace where one can explore, segment and analyze data. Information is presented in worksheet and graphical formats allowing straightforward identification of trends, anomalies and outliers.

**Focal 4D**

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

**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.

**Atlas-Based Autosegmentation (ABAS)**

Atlas-Based Autosegmentation™ 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.

**Pathology/Laboratory Information Systems**

Elekta's Anatomic Pathology Information System, PowerPath®, streamlines workflow and daily operations for laboratories offering surgical pathology, cytology, dermatopathology and autopsy services. It is designed for ease-of-use and helps the pathologists to easily produce and distribute their diagnostic findings. Versatile case-centric views ensure one-click access to order information, case history, concurrent cases and laboratory procedures information.

With patient safety in mind, PowerPath incorporates bar-coding technology to manage workflow and to match all containers, slides and blocks to the correct patient from the time the specimen enters the laboratory to report production and archival.



Wake Forest orders customized quality assurance system

The comprehensive cancer center at Wake Forest University Baptist Medical Center is consistently ranked among the best hospitals for cancer care in the US, and has a long relationship with Elekta. The collaboration has now deepened on several levels. Wake Forest has assigned Elekta to adapt and standardize MOSAIQ®, the oncology information system, to the needs of all users in the ten radiation treatment units in Wake Forest's academic care network. A key component is standardized and customized quality assurance throughout the entire MOSAIQ system.

The quality-assurance system is a type of checklist that aims to introduce new quality protocols into the units' workflows. It will also ensure compliance with these protocols which, in turn, will increase patient safety and enhance efficiency in the units. Elekta also assists with the development of new reporting tools and staff training.

"The background to the quality-assurance work is concern in the US about the safety of radiation therapy," says William H Hinson, Ph D, Senior Physicist at Wake Forest. "Campaigns have prompted the federal government to take action and a bill has been introduced in the House of Representatives."

The CARE bill (Consistency, Accuracy, Responsibility in Medical Imaging and Radiation Therapy) is expected to receive fast and positive consideration and will lead to minimum education and credentialing standards for the technologists who provide, plan and deliver all forms of medical imaging examinations and radiation therapy procedures. This will also mean that care providers must document their processes and safety procedures.

ASTRO (American Society for Radiation Oncology) has also reviewed its patient safety and quality assurance project and will also strengthen its accreditation program for clinics.

"The accreditation of quality assurance will be a major issue," says William H Hinson. "We now have a joint, standardized program for all of our clinics. We are currently undergoing an accreditation process and have submitted an application. This is a priority for us because it will consolidate our strong brand. But there is also a competitive aspect and a desire to expand the institution's market reach."

"However, safety – and how we document it – is the most important aspect. Elekta's team has now visited us on site and worked through all of our processes to see how we can make the

treatment safer. This has helped us create an organized and well thought out process. Streamlining and enhancing the efficiency of our processes is vital in an economic downturn. The HITECH Act also provides financial incentives for this purpose," says William H Hinson.

"We chose this path because we see MOSAIQ as an extremely powerful tool and wanted it to do even more, and to acquire more efficient management of all clinical data, for example, when handling the image archive. Electronic medical records can be so much more than just medical records," says William H Hinson.

The MOSAIQ project is part of a long-term agreement between WFUBMC and Elekta concerning an upgrade and modernization of the hospital's oncology services and comprises the hospital and three associated cancer clinics: the Cancer Center of Davidson County at Lexington Memorial Hospital (wholly owned), Hugh Chatham Memorial Hospital and Coldwell Memorial Hospital.

Wake Forest's hospitals are among the most established users of Leksell Gamma Knife® technology in the US. In 2011, Wake Forest became the first Leksell Center of Radiosurgery in the US. ■



ELEKTA SERVICES

Elekta's customer interface

A platform for integration and growth

The focus of Elekta Services is the commitment that we share with our customers: to improve the quality of care and treatment outcomes. Our solutions help customers shorten their waiting lists, change their care procedures, simplify workflows and increase the efficiency of their entire clinical practices.

Elekta Services develops and maintains the already installed base of equipment and software in all of Elekta's markets. In the aftermarket, Elekta Services is an integrated representative for the entire range of Elekta products and solutions. Elekta Services also provides a link for integration and collaboration within the company, which Elekta's customers demand. At the same time, Elekta Services generates a stable and continuous cash flow.

By helping to strengthen customers' competitiveness and ensuring they get the best possible return from their investments, Elekta Services builds good customer relations and high customer loyalty. Customer satisfaction is, in turn, a prerequisite for growth. It increases the potential for additional sales of accessories, upgrades, services and new systems to existing customers, but also to others since satisfied customers are often ambassadors for Elekta as a whole.

Elekta has strengthened its focus on measuring customer loyalty as a Key Performance Indicator (KPI). Net Promoter Score (NPS) was launched during the past fiscal year to obtain a basis for sys-

tematic work, so that existing customers will increasingly recommend and promote Elekta's solutions and services. The survey results are used as guidance for Elekta in its improvement work throughout the company.

FROM INSTALLATION TO OPERATION

Successful integration of new technology in the clinical environment requires careful planning and accurate implementation. Most clinics have neither the time nor the resources for this task. Elekta Services already assists with the installation of new equipment or induction of new clinical applications in the form of planning, project management, installation, testing and verification. During clinical operation, Elekta Services offers customized service agreements and support services to ensure that the equipment functions optimally without unwanted interruptions or interference. Web-based Remote Services further enhance opportunities for advanced problem detection and rapid response around the clock without the physical presence of Elekta staff.

> 5,000

customers in 2010/11.

TRAINING IS A CORNERSTONE

Training services are a cornerstone of Elekta Services. The offering is comprehensive and includes clinical, technical and user training. There are customized courses for both novice and experienced specialists. Training is essential for ensuring that advanced products and solutions such as IGRT, IMRT, VMAT and Leksell Gamma Knife® are used correctly as systems are upgraded and clinical applications are developed. Clinical training is conducted in close collaboration with leading university hospitals.

CONSULTING AND STAFFING SERVICES

Future growth potential for Elekta Services also lies in the development and introduction of new

services that strengthen customers' competitiveness and efficiency. This includes consulting services that help the customer develop seamless workflows and processes, or services that maximize the benefits of all the software available at the clinic. It might also involve the customization of a system for individual customers, or advice and management support in connection with expansion to meet a growing need for care.

The increasing need for care also means that customers redefine their operations with regard to access to specialist competencies. Among other things, the lack of medical physicists leads to that more and more clinicians are buying all of its technical services from Elekta. ■



Elekta Services offers customized service agreements and support services to ensure that the equipment functions optimally without unwanted interruptions or interference.

SERVICES



Installation & Implementation

Elekta's installation and implementation team helps customers benefit quickly from their new Elekta solutions. Services include site planning, project management, training, workflow design and post-installation reviews and fine-tuning.



Service & Support

Elekta offers its customers tailor-made support agreements, based on the level that the customer chooses and needs, to maintain high performance and continuous operation. This can range from all-inclusive support and service agreements to partnership agreements and on-demand support contracts. Online support is available around the clock.



Remote Services

Elekta Remote Services uses advanced technology to actively monitor customer systems, thereby reducing downtime and interruptions in the practice schedule. The capability to update software remotely at a predetermined time enables customers to plan for the new functionality – and reduces inconvenience and downtime because updated software can be deployed during off hours.



Education & Training

Elekta offers a comprehensive range of education and training as part of a blended learning concept that enables both beginners and experienced specialists to improve their user skills to deliver optimal patient care. The offering also includes high-quality technical training related to the current product portfolio.



Upgrades & Accessories

With Elekta's upgrades and accessories, customers can continuously offer their patients the latest in clinical treatment advances. This can be done by installing new software or accessories, and by upgrading the hardware that contributes to both greater efficiency and better treatment outcomes.



Consulting Services

Elekta's experienced employees can provide reviews and advice on the customer's current processes and software use. Elekta provides tools for the development of new processes that enhance the efficiency of daily operations and help improve the quality of care, from cancer treatment and marketing programs to programs for improving clinical and administrative processes.



Financial Solutions

In cooperation with selected partners, Elekta offers a variety of financing options to help customers secure the resources they need to expand and improve their practice.



Corporate social responsibility creates value

Everything that Elekta does is based on improving, extending and saving lives. Protecting life is a task that requires trust and many people place their trust in Elekta's products and systems for the treatment of cancer and brain disorders. Elekta creates this trust by never compromising on responsible enterprise.

For Elekta, corporate social responsibility means being able to create value for the benefit of the customers, partners and society providing safe and efficient solutions for enhanced cancer care long-term. Additionally, corporate social responsibility means that the relations with employees and partners are based on trust and confidence and that Elekta strives to continuously reduce the environmental impact, in proprietary operations and during the lifecycle of the products.

The Code of Conduct is one of Elekta's key steering documents and clarifies the fundamental guiding principles that apply to all of its employees in their behavior towards other employees and the company, but also in relations with customers and business partners. Additionally, Elekta is a member of a number of industry bodies that have produced industry-wide codes of conduct. These codes clarify which rules should apply for the company's relationships with decision-makers and procurement officers in the healthcare sector, including doctors, nurses, chief executive officers of hospitals and consultants engaged by hospitals. The rules apply to corporate hospitality at meetings and other contexts, consulting agreements, gifts, donations to charities, research agreements and loan of equipment. The codes also include procedures for handling suspected deviations from the code.

DIALOGUE WITH STAKEHOLDERS

Elekta has various stakeholder groups with differing expectations of the Company. The aim is to continue to develop and further explore the stakeholder dialogue in a respectful manner. The ability to operate a responsible business directly relates to Elekta's ability to build and maintain a strong and well-renowned brand that supports a long-term sustainable market presence and growth.

COLLABORATION WITH CUSTOMERS

Elekta is well-known for building truly collaborative and long-term relationships with customers. Over the years, these collaborations have yielded important breakthroughs that have and continue to transform cancer treatment possibilities and practice. Functionality is developed in cooperation with the customers to further enhance product efficiency and performance.

Elekta regularly performs customer surveys to obtain valuable user feedback regarding the Company's products and services. Results are thoroughly analyzed and integrated into future product development roadmaps and drive other improvements within the company. Elekta performs well in its own customer satisfaction surveys and in external rankings.

PATIENTS: EVER IMPROVING TREATMENT METHODS

Elekta's mission statement is "We care for life". Everything that Elekta does, is about improving, prolonging and saving lives – from devices, to software and systems, which have all been developed with the aim of providing patients with the best possible treatment.

Through the development of the cost-effective and versatile linear accelerator Elekta Compact™, Elekta has made efficient radiation therapy available for patients in emerging markets where cancer care has been under-dimensioned.

Another example of Elekta's commitment is the cooperation with Swedfund, a development financial institution (DFI), owned by the Swedish government, that provides risk capital for investment in emerging markets. This has resulted in a project to build the first radiation oncology center in Ghana.

Elekta manufactures equipment and systems for cancer treatment, but does not provide specific

medical advice regarding the treatment of individual patients, that is the responsibility of doctors and hospitals. However, Elekta's web-based Patient Center contains compilations of facts, detailed patient information regarding how various treatments are performed and information regarding the 15 most common forms of cancer. The Elekta Virtual Clinic illustrates various stages in the treatment processes for radiotherapy and radiosurgery. The Elekta Patient Center provides links to relevant web-communities as well as professional- and patient organizations.

STRINGENT REQUIREMENTS FOR PRODUCT RESPONSIBILITY

As a manufacturer of medical equipment, Elekta operates in a stringently regulated environment.

The company must live up to the rigorous requirements set by international legislation and product safety standards including IEC and ISO standards, the European Medical Devices Directive, the American FDA requirements in respect of quality systems as well as a substantial body of national directives and legislation. These are described in the quality system in accordance with ISO 9001 quality management and ISO 13485 quality management for the design and manufacturing of medical devices as well as in specific standards applicable to medical devices. Quality systems are reviewed and certified by external supervisory bodies as well as being regularly inspected by the FDA.

The assessment of product risks and security aspects is performed as an integrated part of the product development process. The assessment covers all phases of the product lifecycle, including installation, handling and use. Elekta's objective is to provide products with the highest possible degree of product safety, for patients, customers and own installation and service staff.

Thorough training is provided in functionality and use of Elekta's products as part of delivery. Safety messages and controls are included in the software to support the user.

Processes are in place to handle any issue that arises in the event that a customer reports an incident or a complaint. This feedback fills an important function for maintaining safety levels for the products in use. Particular procedures have been established for corrective or preventative measures, the update of user information, updating products in the market and for reporting in compliance with the requirements of regulatory authorities.

REDUCED ENVIRONMENTAL IMPACT

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

Elekta's most substantial environmental impact arises from the consumption of electricity in production, for heating premises, for transports and for business travel. The most significant environmental investment made during the year was a system for recycling the gas SF₆ (sulfur hexafluoride) during the production process. The gas is a required component of the system for generating radiation in the linear accelerator, but it is also one of the most powerful greenhouse gases.

The environmental footprint

In 2009, for the first time, Elekta reported detailed information regarding the Company's climate footprint and carbon emissions within the framework of the investor initiative, the Carbon Disclosure Project (CDP). CDP provides a basis for investors to assess how companies identify and manage risks and opportunities connected with climate change. For more information see www.cdproject.net.

Ecodesign increasingly important

Elekta's work with ecologically sustainable design complies with international standards stipulating requirements for ecodesign for medical devices

and Elekta's product developers of devices have undergone training in ecodesign. Elekta's own ecodesign process is based on a lifecycle perspective. The objective with this process is to limit use of hazardous substances, minimize consumption of energy and resources in production and in use, encouraging and facilitating upgrades and recycling as well as to avoid the use of composites that complicate recycling.

SUPPLIERS AND DISTRIBUTORS

Elekta's relationship with suppliers and distributors is characterized by good business practices and high business ethics. The content of Elekta's Code of Conduct forms part of all standard contracts with suppliers and distributors. The inclusion of Elekta's Code of Conduct in existing agreements with external partners is an ongoing process performed in conjunction with the renewal or renegotiation of older agreements. Elekta performs continuous follow-ups to ensure compliance with the Code, for example, that a supplier respects employee rights, local legislation and shows consideration for the environment. Follow-ups and reviews are performed of delivery reliability, quality and quality systems. The results are then routinely reported as feedback. These efforts also apply to Elekta's distributors, for which new procedures for the selection of distributors and follow-up have been implemented.

REGULATORY AUTHORITIES AND LEGISLATION

Elekta's employees and suppliers must at all times comply with all applicable legislation, regulations and international conventions in those countries in which Elekta operates or may otherwise come into contact. Elekta respects and complies with competition rules, environmental legislation, labor laws, safety requirements or other provisions applicable for its operations. Elekta has run its own initiative in respect of anti-corruption issues and has put in place appropriate procedures and processes to manage such risks. An internal project is ongoing to provide employees with training in these issues.

Additionally, Elekta participates in an ongoing dialogue with regulatory authorities and legislators through its membership in trade associations such as COCIR in Europe and MITA in the US.

THE RESEARCH COMMUNITY

Elekta supports knowledge transfer and exchanges of best practices through the coordination of several specialist conferences such as the Elekta Gamma Knife Society and Elekta Lung Cancer Research Group, in addition to user meetings during which researchers and healthcare specialists can present scientific reports and the latest research findings. These meetings are well-recognized and comprise a source of information for future product development. ■

ELEKTA'S 10 GOLDEN RULES FOR ECODSIGN

- Limit the use of hazardous substances and establish closed systems where necessary
- Minimize consumption of energy and resources in production and transport
- Utilize material and structures that minimize the product's weight
- Consider the use of the product and minimize its consumption of energy and resources when in use
- Encourage repair and upgrades, particularly for system dependent products with a long service life
- Optimize the product for simple servicing during its service life
- Invest in strong, durable material to protect the product
- Prepare the product for upgrades, maintenance and recycling by labeling, documentation and modularization
- Avoid mixing material that complicates recycling
- Use as few joining elements as possible and promote intelligent geometric solutions





An unforgettable day with Courageous Kids

Elekta has a long tradition of supporting activities in neighboring communities through sponsorships, donations, voluntary work and varying types of support. One example from the past year involved Elekta's employees who volunteered for a major event for children with cancer.

It began when James Hoey, Elekta's Executive Vice President and Head of North America, purchased a quilt at an auction a few years ago. The squares in the quilt had been decorated by children suffering from cancer and hung in Elekta's premises in Sunnyvale in California. The quilt rotated between the offices as a reminder of its origin and Elekta's mission to protect life.

The quilt had been auctioned by the American Cancer Society, which was aware of the quilt circulating between Elekta's offices and consequently, invited a number of Elekta employees to participate as volunteers at its annual Courageous Kids Day event in the Great America amusement park in California.

It was the twenty-second consecutive year that Courageous Kids Day was held. Every year, approximately 500 children suffering from

cancer and their families, mostly from California, are given free tickets for a full day at the amusement park. In 2011, more than 2,000 children participated, with parents, siblings and other relatives. Lunch and a number of activities were provided and the opportunity to be photographed with famous people.

Daniela Puita, Quality Assurance Specialist, was one of the Elekta employees who participated.

"I had the pleasure of assisting in photographing with famous people and spent the day with Brandi Chastain, winner of Olympic and World Champion medals in soccer. As coordinator, I had the opportunity to speak with children and their parents. There were many wonderful moments and sometimes very touching to see how children and parents shared their successes and adversities."

Sandy van Rhee, Product Management Specialist, spent the day with five members of the Santa Clara basketball team.

"The children received autographs and tested basket balls. But, the most interesting

was finding out how tall the team members were. The tallest was 203 cm (6'8") and had to sit down in order to be included in the photographs. It was great fun."

Courageous Kids Day is made possible by Great America donating tickets and lunch and by participation of more than 200 volunteers. Marjorie Van Den Pas, Product Manager Research Programs at Elekta will continue to volunteer.

"I enjoyed volunteering and I intend to participate again to ensure that these families have the fun day that they really deserve."

In the past year, Elekta North America was also one of the major sponsors of Rocks Against Cancer, an event to raise funds for the American Entertainment Industry's cancer program.

The major project next year will be supporting the Leukemia and Lymphoma Society's Light the Night Walks, an evening stroll organized at more than 200 locations in the US to raise funds for leukemia and lymphoma research. ■

A culture of professional development

The efforts, competence and commitment of employees play a crucial role in Elekta meeting its business challenges. Elekta has 2,760 employees working at 35 offices in 24 countries. One fifth are active in Research & Development. A strong, vital, common set of values forms another core success factor for Elekta.

Elekta's successes depend on the Company's ability to meet challenges in a constantly changing world. Business operations, the capacity to develop the right products and solutions, as well as the internal structure of the organization must continuously collaborate and respond to new and expected requirements from our operating environment.

The Company's rapid growth in the last decade, including many new acquisitions and new markets, has posed numerous challenges and was the catalyst for the new organizational structure that was introduced in 2008/2009. With the new structure in place, focus in the last year has included strengthening the image of Elekta as one company through external and internal communication.

COMPETENCE THAT BUILDS SUCCESS

The efforts, competence and commitment of employees play a crucial role in Elekta meeting its business challenges, as well as achievement of its long-term ambition of being number one in the markets in which it operates. This means that Elekta wishes to link the Company's goals to those of the individuals that comprise it and thus build a strong performance culture in the Company.

Elekta's corporate culture is characterized by creativity, responsiveness and diversity.



Therefore, Elekta works actively with a performance management process that is linked to the skills deemed necessary for the Company's success. The process includes all employees across the enterprise. Through individual targets for employee work efforts and professional development, as well as annual assessments, Elekta has built a structure to strengthen sourcing of requisite skills, as well as raise the overall level of competency in the organization.

The aim of increasing employee empowerment and providing each employee with the optimal environment to perform their best is also linked to the performance management process. Elekta's employees are provided training programs in the processes and procedures included in their individual work duties, as well as in general compliance issues connected with Elekta's operations in the medical device field.

As a complement to the performance management process, Elekta actively reviews executive leadership succession planning in which the top management and other critical positions are analyzed and discussed on a yearly basis. The aim is to support and develop personnel and their careers for future assignments of increased responsibility in the Company.

A STRONG SET OF COMMON VALUES

Elekta's corporate culture is characterized by creativity and diversity. A passion for the company's products and customers, combined with an aspiration to improve, extend and save patients' lives, is the common denominator that drives Elekta's employees to work as a team and to constantly strive to do their best. Keeping a strong, common set of values alive throughout the Company is central for Elekta. The set of common values is in its

own right a success factor, it is what makes Elekta unique, and it constitutes a framework for many types of decision making, in addition to external relations. The cornerstones of this set of values underpin the efforts of Elekta's employees to build long-term collaborations and customer relations, collaborations based on trust and responsibility, a creative approach in research and development, to be inventive and thus expand the frontiers of what is possible and to be open to the views of patients and customers to enable identification of solutions beneficial to them. A values-based approach strengthens Elekta's ability to deliver solutions that redefine and contribute to paradigmatic shifts in clinical care and which are part of and help form human care in the future. This set of values is a key element in recruitment and Elekta has been successful in recruiting staff that embrace the Company's values from the very start. The values also fulfill a key role in annual evaluations as part of the performance management process, where skills connected with these values are assessed in addition to performance against annual targets.

EMPLOYEE SURVEYS

Elekta is highly attractive as an employer, which is evidenced by the constant flow of spontaneous job applications. For the long-term retention of good employees, Elekta endeavors internally to more methodically strengthen the Company's ability to satisfy the employees' need of recognition, oppor-

tunities for development and be fairly compensated for achievements. The regular global employee survey constitutes an important tool for this purpose. The questions posed and answers given in this survey provide a snapshot of employees' perception of the Company and of each individual's position. The results form the basis of organizational improvements and leadership development.

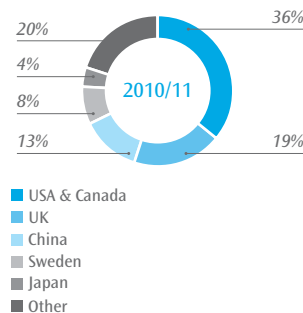
EQUAL OPPORTUNITIES AND DIVERSITY

Through its global breadth, Elekta is a company for which diversity forms a natural element. Elekta promotes diversity and equal treatment at local and regional level and in the various units. No discrimination is tolerated against any employee, irrespective of whether it applies to age, gender, religion, sexual orientation, marital status, social origin, ethnic background, political opinion, disability or for any other reason prohibited by local law.

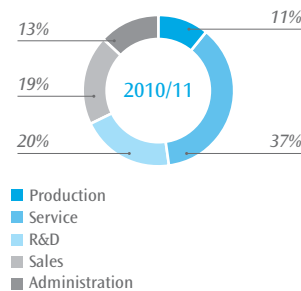
Elekta endeavors to ensure that employees with the same experience and qualifications in similar roles receive equal pay for equal work in accordance with local regulations. All employees are to be offered the same career opportunities, dependant on merits and qualifications or other similar work-related criteria. Elekta draws up equal opportunities and diversity policies in those countries where legislation requires them.

Approximately one-third of Elekta's employees are female, which reflects the fact that Elekta operates in a highly technical and therefore traditionally

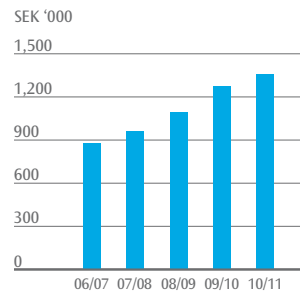
EMPLOYEES DISTRIBUTED BY COUNTRY/REGION



EMPLOYEES DISTRIBUTED BY FUNCTION



VALUE ADDED PER EMPLOYEE





Elekta is actively working with a performance management process and links the employees' individual goals to the company's goals.

male-dominated industry. Gender distribution viewed by work role and position is balanced. However, a conscious effort is made to achieve a more balanced gender distribution in certain units and certain geographic markets.

RESPECT FOR EMPLOYEES' RIGHTS

Elekta complies with the applicable labor laws in countries in which it operates and expects the same from its partners. Elekta's policy is to respect the rights of all employees to freely associate with the workers' association or group of their choice and if desired, negotiate to secure collective bargaining agreements in accordance with local legislation and applicable conventions.

Elekta also takes care of its employees' health, safety and well-being, in return, the Company expects all its employees and partners to comply with and contribute to achieving these goals in all operations in or business relations with Elekta. Compliance with all local legislation in respect to working conditions and workplace safety, is required of Elekta and all the Company's partners.

ELEKTA'S EMPLOYEES AROUND THE WORLD

At April 30, 2011, the global number of employees of Elekta amounted to 2,760 working at 35 offices in 24 countries. In Sweden, where the head office is located, approximately 200 people work. Most employees are located in the US (917), followed by the UK (520) and China (367). ■

Market capitalization increased by 48 percent

Elekta B-shares have been listed on the NASDAQ OMX Stockholm since 1994. Total trading in Elekta shares during the period May 1, 2010 – April 30, 2011 amounted to 102.9 million shares (138.4), corresponding to 110 percent (150) of the total number of shares. The average number of shares traded each day during the period amounted to 406,756 (551,430). Market capitalization at April 30, 2011 amounted to SEK 25,954 M (17,585), an increase by 48 percent.

DISTRIBUTION OF SHARES APRIL 30, 2011

Class of share	No. of shares	No. of votes	Percentage of	
			capital	votes
A-shares	3,562,500	35,625,000	3.8	28.2
B-shares	90,677,169	90,677,169	96.2	71.8
Total	94,239,669	126,302,169	100.0	100.0

Treasury shares as per 30 April, 2011, amounted to 502,000 series B shares. See Note 24 for more information on Elekta's share capital.

DISTRIBUTION OF SHARES AFTER FULL EXERCISE OF WARRANTS

Class of share	No. of shares	No. of votes	Percentage of	
			capital	votes
A-shares	3,562,500	35,625,000	3.7	27.8
B-shares	92,342,101	92,342,101	96.3	72.2
Total	95,904,601	127,967,101	100.0	100.0

DIVIDEND

Elekta's goal is to provide shareholders with a favorable return and value growth. The policy is to distribute at least 30 percent of net profit in the form of dividend, repurchase of shares or comparable measures. A dividend decision is based on Elekta's financial position, earnings trend, growth potential and investment requirements. In accordance with the Company's dividend policy, the Board proposes a dividend of SEK 4.00 (3.00) per share for 2010/11, corresponding to approximately SEK 378 M (280) and 37 percent (33) of net profit for the year.

OPTION PROGRAM

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. Allotments have been performed under the

2007 Share Unit Plan in 2007 and 2008, see tables below. The number of warrants issued exceeds the number of employee options by 256,000 each year. See Note 5 for more information on the plan.

OPTION PROGRAM 2007/12

Warrants issued	1,853,500
Outstanding warrants as of April 30, 2011	988,159
Subscription period	2007-11-01 – 2012-07-31
Warrant price, SEK	5.90
Subscription price, SEK	118.10

OPTION PROGRAM 2008/12

Warrants issued	1,756,000
Outstanding warrants as of April 30, 2011	1,006,674
Subscription period	2008-11-01 – 2012-07-31
Warrant price, SEK	5.00
Subscription price, SEK	109.00

SHARE PROGRAM

The Annual General Meeting of 2009 resolved to adopt the Elekta AB 2009 Performance Share Plan and the Annual General Meeting of 2010 resolved to adopt the Elekta AB 2010 Performance Share Plan. The resolutions entailed that the conditions and the guidelines stated in the respective plans shall form the basis for the receipt of shares by key employees of the Elekta Group upon fulfillment of certain performance requirements during the period 2009/10–2011/12 and 2010/11–2012/13 respectively. The plans are summarized in the tables below. See note 5 for more information on the plans.

SHARE PROGRAM 2009/12

Number of shares after confirmed performance goals	133,602
Theoretical value at time of allotment, SEK	21,510,000
Allotment of shares	2012-08-01
Number of shares as of April 30, 2011	131,863

SHARE PROGRAM 2010/13

Number of shares after confirmed performance goals	83,066
Theoretical value at time of allotment, SEK	21,475,000
Allotment of shares	2013-08-01
Number of shares as of April 30, 2011	83,066

OWNERSHIP STRUCTURE APRIL 30, 2011

Shareholding, no. of shares	No. of shareholders	Percentage of shareholders	No. of shares	Percentage of share capital	Average no. per shareholder
1–500	13,357	78.4	1,703,911	1.8	128
501–1,000	1,724	10.1	1,351,227	1.4	784
1,001–10,000	1,503	8.8	4,462,349	4.7	2,969
10,001–100,000	292	1.7	10,038,697	10.7	34,379
100,001–	156	0.9	76,683,485	81.4	491,561
Total	17,032	100.0	94,239,669	100.0	5,553

Source: SIS Ägarservice AB and Euroclear AB

MAJOR SHAREHOLDERS APRIL 30, 2011¹⁾

Owner	No. of shares	Percentage of	
		capital	votes
Swedbank Robur funds	6,661,162	7.1	5.3
Laurent Leksell and companies	6,025,064	6.4	30.2
Fidelity funds (USA)	5,302,262	5.6	4.2
AMF Insurance & funds	3,004,474	3.2	2.4
Saudi Arabian Monetary Agency	2,890,187	3.1	2.3
SEB funds	1,973,770	2.1	1.6
SHB funds	1,879,868	2.0	1.5
Nordea funds	1,828,026	1.9	1.5
Lannebo funds	1,641,500	1.7	1.3
Norwegian government	1,467,465	1.6	1.2
Other	61,565,891	65.3	48.5
Total	94,239,669	100.0	100.0

Source: SIS Ägarservice AB and Euroclear AB

¹⁾ The table above lists the 10 largest known shareholders in Elekta AB as of April 30, 2011. Foreign ownership was approximately 53 percent. Of these shares, 61 percent of holdings were held by trustees. As a result, there may be other large shareholders with undisclosed holdings, even if no other foreign shareholder has declared holdings above 5 percent.

CHANGES IN SHARE CAPITAL UNTIL APRIL 30, 2011

Year	Transaction	Total number of shares	Total share capital, SEK '000
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	94,188,044	188,376
2011	Exercise of warrants	94,239,669	188,479

Financial calendar

Three-month interim report May – July 2011/12	September 13, 2011
Six-month interim report May – October 2011/12	December 2, 2011
Nine-month interim report May – January 2011/12	March 5, 2012
Year-end report May – April 2011/12	June 5, 2012
Three-month interim report May – July 2012/13	September 4, 2012
Six-month interim report May – October 2012/13	December 4, 2012

THE ELEKTA SHARE

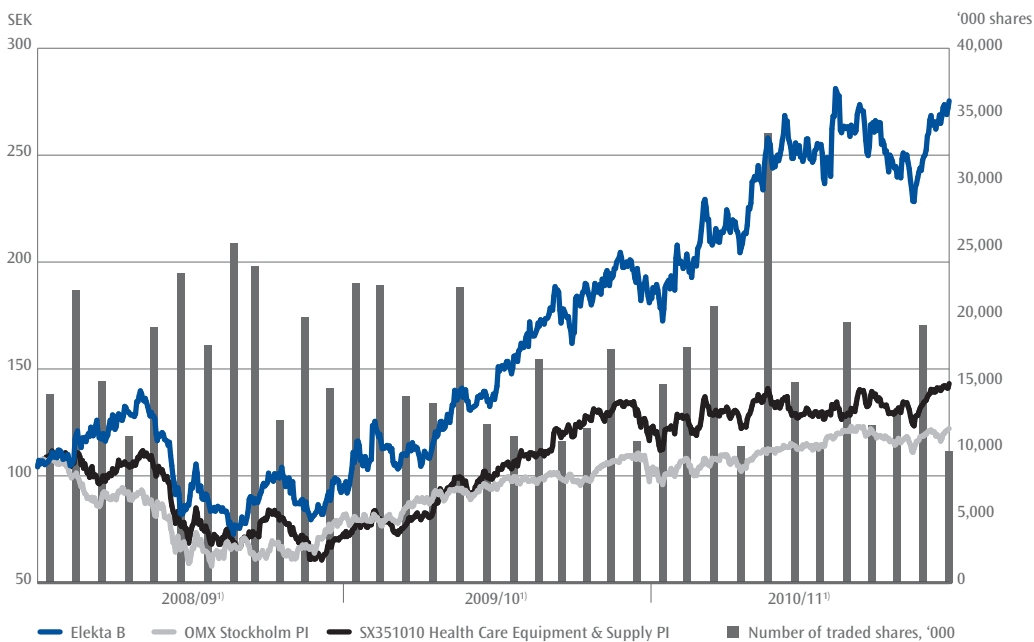
DATA PER SHARE	2006/07	2007/08	2008/09	2009/10	2010/11
Earnings per share					
before dilution, SEK	3.72	4.46	6.00	9.09	11.04
after dilution, SEK	3.70	4.44	6.00	9.01	10.91
Cash flow per share ¹⁾					
before dilution, SEK	-1.14	-3.04	6.30	10.50	5.25
after dilution, SEK	-1.14	-3.03	6.30	10.41	5.19
Shareholders' equity per share					
before dilution, SEK	19.96	19.70	27.67	34.95	40.89
after dilution, SEK	20.46	20.03	27.67	37.50	42.44
Dividend, SEK	1.00	1.75	2.00	3.00	4.00 ²⁾
Share price, Elekta Series B, April 30, SEK	119.00	104.25	93.75	189.50	275.40
Market capitalization, April 30, SEK M	11,071	9,546	8,637	17,585	25,954
Lowest share price, SEK	103.00	91.50	72.50	91.00	171.50
Highest share price, SEK	160.50	130.00	142.00	207.00	283.40
Average number of shares					
before dilution, 000's	93,698	92,199	92,029	92,208	93,341
after dilution, 000's	94,249	92,479	92,029	92,945	94,507
Number of shares, April 30					
before dilution, 000's	93,036	91,570	92,125	92,795	93,738 ³⁾
after dilution, 000's	94,072	92,245	92,125	95,895	95,905

¹⁾ Excluding the acquisitions of BMEI 2006/07 SEK 0.39 before and after dilution, 3D Line and CMS 2007/08 SEK 2.96 before dilution and SEK 2.95 after dilution, RMI and Elekta Korea 2010/11 SEK 7.77 before dilution and SEK 7.60 after dilution. Dilution 2006/07–2007/08 refer to warrants program 2004/2008. Dilution 2009/10 and 2010/2011 refers to warrants program 2007/2012 and 2008/2012 and share program 2009/2012 and 2010/2013.

²⁾ Proposed dividend.

³⁾ Number of registered shares on April 30, 2011 (94,240) excluding treasury shares (502).

THE ELEKTA SHARE



¹⁾ 1 May – 30 April

Five year review, key figures and definitions

INCOME STATEMENT

SEK M	2006/07	2007/08	2008/09	2009/10	2010/11
Net sales	4,525	5,081	6,689	7,392	7,904
Operating expenses	-4,016	-4,431	-5,859	-6,160	-6,402
Operating result	509	650	830	1,232	1,502
Financial net	-2	-26	-56	-40	-38
Profit before tax	507	624	774	1,192	1,464
Income taxes	-161	-218	-228	-359	-433
Profit for the year	346	406	546	833	1,031
Attributable to					
Parent Company shareholders	348	411	552	838	1,031
Non-controlling interests	-2	-5	-6	-5	0

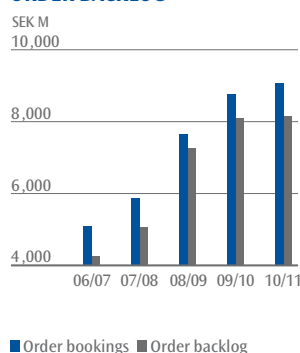
CASH FLOW

SEK M	2006/07	2007/08	2008/09	2009/10	2010/11
Cash flow from operating activities	150	319	740	1,056	840
Cash flow from investing activities	-257	-599	-160	-88	-349
Cash flow from financing activities	-373	199	-239	-571	-227
Cash flow for the year	-480	-81	341	397	264

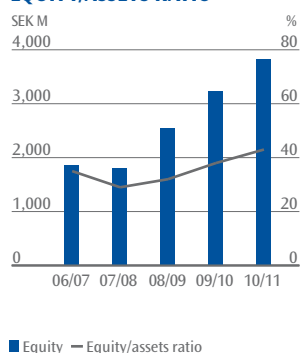
BALANCE SHEET

SEK M	2007-04-30	2008-04-30	2009-04-30	2010-04-30	2011-04-30
Intangible assets	2,198	2,659	3,150	2,880	2,692
Tangible fixed assets	252	226	265	247	236
Financial assets	32	37	59	60	67
Deferred tax assets	14	14	34	128	206
Inventories	423	529	553	592	540
Receivables	1,953	2,455	3,062	3,434	3,858
Cash and cash equivalents	484	402	828	1,174	1,363
Total assets	5,356	6,322	7,951	8,515	8,962
Shareholders' equity	1,863	1,813	2,555	3,244	3,833
Interest-bearing liabilities	987	1,449	1,627	1,039	881
Interest-free liabilities	2,506	3,060	3,769	4,232	4,248
Total shareholders' equity and liabilities	5,356	6,322	7,951	8,515	8,962

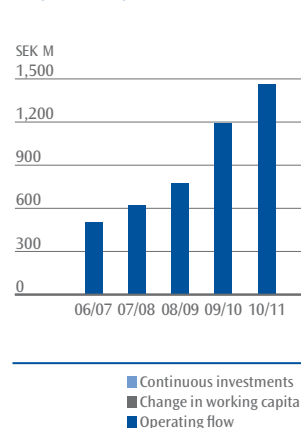
ORDERBOOKINGS AND ORDER BACKLOG



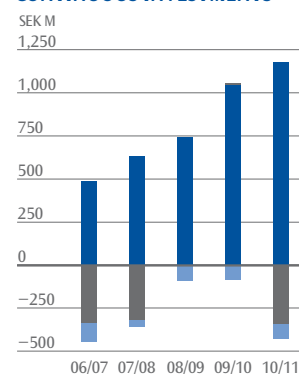
EQUITY AND EQUITY/ASSETS RATIO



PROFIT BEFORE TAX



CASH FLOW AFTER CONTINUOUS INVESTMENTS



KEY FIGURES

	2006/07	2007/08	2008/09	2009/10	2010/11
Order bookings, SEK M	5,102	5,882	7,656	8,757	9,061
Order backlog, SEK M	4,247	5,069	7,267	8,093	8,147
Operating margin, %	11	13	12	17	19
Profit margin, %	11	12	12	16	19
Shareholders' equity, SEK M	1,863	1,813	2,555	3,244	3,833
Capital employed, SEK M	2,850	3,262	4,182	4,283	4,714
Net debt (+) /Net cash (–), SEK M	503	1,047	799	–135	–482
Equity/assets ratio, %	35	29	32	38	43
Net debt / equity ratio, multiple	0.27	0.58	0.31	–0.04	–0.13
Interest cover ratio, multiple	8.2	9.2	8.2	24.8	26.1
Return on shareholders' equity, %	19	23	27	30	30
Return on capital employed, %	20	24	24	30	35
Capital turnover ratio, multiple	0.9	0.9	1.0	0.9	0.9
Investments in tangible and intangible assets, SEK M	153	108	142	186	274
Depreciation, SEK M	–136	–176	–208	–229	–241
Average number of employees	1,951	2,113	2,446	2,485	2,621

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 non-controlling interests.

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.

Cash conversion

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

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 non-controlling interests in relation to the number of shares at year-end.

Board of Directors' Report

The Board of Directors and the CEO of Elekta AB (publ), corporate identity number 556170-4015 and registered office in Stockholm, hereby submit the consolidated financial statements and annual report for the fiscal year 2010/11, May 1, 2010–April 30, 2011. Amounts in parentheses indicate values for the previous fiscal year.

ELEKTA'S OPERATIONS

Elekta is a medical technology company which aims to improve, prolong and save lives through clinical solutions for treating cancer and brain disorders. The company develops clinical treatment solutions for radiation therapy and radiosurgery, as well as workflow-enhancing software systems across the spectrum of cancer care. Elekta is a 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.

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

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

MARKET OUTLOOK

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

COMPETITION

Elekta's main competitors on the global market for radiation therapy are Varian Medical Systems and Siemens Medical Solutions as well as niche players such as TomoTherapy and Accuray, which are currently undergoing a merger. 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 intracranial radio surgery market the competition to Leksell Gamma Knife® is

mainly other treatment technologies and Linac-based solutions for radio surgery from Varian and Accuray are also alternatives.

RISKS

A weak economic development and high levels of public debt 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 concerned. Elekta's ability to deliver treatment equipment is to a large extent dependent on customers' readiness to receive the delivery and pay within 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.

LONG TERM FINANCIAL OBJECTIVES

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

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

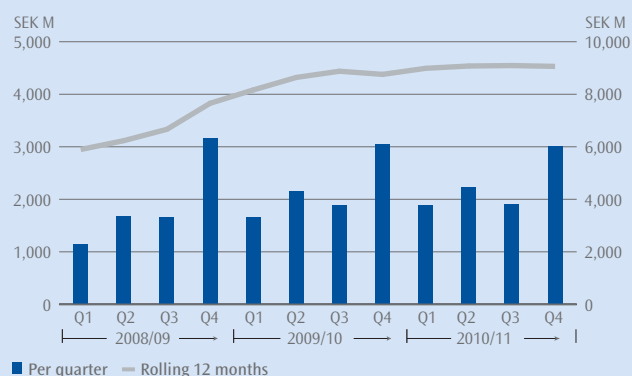
THE FINANCIAL YEAR 2010/11

- Order bookings increased 10 percent to SEK 9,061 M (8,757) based on unchanged exchange rates.
- Net sales rose 13 percent to SEK 7,904 M (7,392) based on unchanged exchange rates.
- Operating profit increased to SEK 1,502 M (1,232).
- Profit after tax rose to SEK 1,031 M (833).
- Earnings per share after dilution improved to SEK 10.91 (9.01).
- Cash flow from operating activities amounted to SEK 840 M (1,056).
- Cash flow after investments amounted to SEK 491 M (968), of which business combinations and investments in associated companies amounted to SEK –259 M (–4).
- The Board proposes a dividend of SEK 4.00 (3.00) per share.

ORDER BOOKINGS AND ORDER BACKLOG

Order bookings rose 3 percent to SEK 9,061 M (8,757). Order bookings increased by 10 percent, based on unchanged exchange rates. Based on unchanged exchange rates order bookings in North and South America rose 7 percent, region Europe, Middle East and Africa rose 5 percent and Asia Pacific rose 20 percent. Order backlog on April 30, 2011 was SEK 8,147 M (8,093). The translation of the backlog at exchange rates as of 30 April 2011 compared to exchange rates as of 30 April 2010 resulted in a negative translation difference of SEK 1,049 M on the order backlog.

ORDER BOOKINGS



SEKM	2010/11	2009/10	Change
North and South America	3,507	3,415	3%
Europe, Middle East and Africa	3,077	3,242	-5%
Asia Pacific	2,477	2,100	18%
Group total	9,061	8,757	3%

MARKET COMMENTS

North and South America

The North American market is primarily driven by rising cancer incidence in an increasing and aging population, an emphasis on early detection, competition among providers, and rapid acceptance of new and refined radiation treatment technology. The South American market is driven by a large unmet demand for treatment of cancer and brain disorders, and increased focus on improving cancer care. The recovery continued in North America following the financial crisis and economic downturn, and in South America the Brazilian market continued its positive development. The full effect of the healthcare reform in the US is yet to be seen. However, it is intended to extend healthcare insurance to 32 million more Americans. This is likely to be beneficial for Elekta and users of our products and clinical solutions. A greater portion of the US population should be able to better afford and gain access to services that can lead to earlier detection of cancer and treatment. Reimbursement levels remain on a favorable level for radiotherapy as well as for stereotactic radiosurgery. Improvements in reimbursement levels for radiation therapy in Brazil, coupled with our increased presence in selected countries, support Elekta's long-term growth in the region.

Europe, Middle East and Africa

Demand in Region Europe, Middle East and Africa showed continued solid development. The financial crisis had limited effect on order bookings. Order bookings were strong in countries such as Russia and Turkey. Germany, Italy and the Netherlands also showed positive development while activity was lower in the UK and in the Northern countries as well as in parts of Northern Africa and Middle East. Due to the financial crisis there is an uncertainty concerning future government healthcare spending in certain countries, such as Portugal, Ireland, Spain, Greece and the UK. A growing trend in Western Europe is the emergence of private cancer-care providers that exclusively focus on radiation therapy. These companies will likely achieve a greater role in the expansion of capital intense equipment, and they are currently found in the UK, Germany, France and Spain. Most have purchased equipment from Elekta. In Eastern Europe, Russia, Middle East and Africa, there is a large unmet need for cancer care and treatment of brain disorders. As in most emerging markets the primary issue is a lack of capacity for early diagnoses, which means that many people do not receive treatment until at a late stage of their disease. These factors are the key drivers of demand, while demand and requirements for advanced cancer care are also growing in pace with rising prosperity.

Asia Pacific

Demand was strong in the Asia Pacific region. There is a major shortage of cancer care capacity in the region, although countries such as Australia, Japan, South Korea and Taiwan, as well as Hong Kong and Singapore, have well-established healthcare systems. Healthcare investments in the region primarily pertain to establishing new care capacity. Elekta is well positioned to support healthcare providers in their efforts to develop and improve cancer care. In China in particular, investments will continue to increase. In 2009 China adopted a comprehensive healthcare reform, and there are plans to expand the availability of radiation therapy in the next five years. Elekta is the market leader in advanced radiation therapy in this market. The prospects for increased radiation therapy in cancer care in Japan are also favorable. Only 25–30 percent of cancer patients in Japan receive radiotherapy today, compared to over 50 percent in Europe. The recently signed sales and marketing agreement with Toshiba Medical Systems Corporation (TMSC) in Japan is also expected to create significant opportunities for Elekta to strengthen its position in the Japanese oncology market. Elekta has a strong presence within neuroscience and software and is well placed to increase its market share in the area of oncology. However, we expect that priorities to rebuild the affected areas of the country following the earthquake and tsunami in March may have a short term damping effect on demand in Japan.

NET SALES

Net sales rose 7 percent to SEK 7,904 M (7,392). Net sales increased by 13 percent based on unchanged exchange rates.

SEKM	2010/11	2009/10	Change
North and South America	2,818	2,792	1%
Europe, Middle East and Africa	2,795	2,735	2%
Asia Pacific	2,291	1,865	23%
Group total	7,904	7,392	7%

EARNINGS

Operating result increased by 22 percent and amounted to SEK 1,502 M (1,232), positively impacted by higher volumes and efficiency improvements. Net financial items amounted to an expense of SEK 38 M (40). Profit before tax amounted to SEK 1,464 M (1,192). Tax expense amounted to SEK 433 M (359) or 30 percent (30). Profit after tax amounted to SEK 1,031 M (833). Earnings per share amounted to SEK 11.04 (9.09) before dilution and SEK 10.91 (9.01) after dilution.

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 (46).

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 21 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 12 M.

INVESTMENTS AND DEPRECIATION

Investments in intangible and tangible assets amounted to SEK 274 M (186). Amortization of intangibles and depreciation of tangible assets amounted to SEK 241 M (229).

LIQUIDITY AND FINANCIAL POSITION

Cash flow from operating activities was SEK 840 M (1,056), positively affected by strong earnings and negatively affected by an increase in working capital. Cash flow after investments amounted to SEK 491 M (968), including business combinations and investments in associates of SEK -259 (-4) M. Cash conversion was 59 percent (91). The lower cash conversion over last year is to a large extent explained by scheduled payments in April of around SEK 150 M being received in the first week of May. Cash and cash equivalents amounted to SEK 1,363 M (1,174) and interest bearing liabilities amounted to SEK 881 M (1,039). Thus, net cash amounted to SEK 482 M (135). Net debt/equity ratio was -0.13 (-0.04) and equity/assets ratio was 43 (38) percent. On April 30, 2011 Elekta had undrawn committed credit facilities of SEK 1,351 M (1,564).

BUSINESS COMBINATIONS

On May 31, 2010, Elekta acquired 100 percent of the shares as well as votes in Resonant Medical Inc. (RMI), Montreal, Canada. The company develops systems for enhanced image guidance of soft tissues for radiation therapy based on latest generation 3D ultrasound technology. The purchase price amounted to CAD 30 M. Elekta has consolidated RMI from June 1, 2010. Goodwill and identifiable intangible assets, mainly derived from technology, amounted to approximately CAD 23 M. During the period June 2010 to April 2011 the operating result of RMI was negative CAD 6 M. An improve-

ment is expected for the fiscal year 2011/12. Transaction costs related to the acquisition have been expensed when incurred and amount to SEK 5 M.

On July 31, 2010, Elekta Limited, South Korea, acquired the assets and liabilities from Elekta Korea Ltd a former distributor in South Korea. The purchase price amounted to KRW 2,519 M (SEK 15 M). Goodwill amounted to KRW 1,505 M (SEK 9 M).

EMPLOYEES

The average number of employees was 2,621 (2,485). The number of employees on April 30, 2011 totaled 2,760 compared with 2,549 on April 30, 2010. The majority were added in Services and Research and Development. The acquired company Resonant Medical Inc., had 33 employees. Value added per average employee amounted to SEK 1,362 K (1,276).

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. Investments in research and development increased by 12 percent over last year and totaled SEK 638 M (570), corresponding to 8 percent (8) of net sales. R&D costs amounted to SEK 552 M (535) and the net of capitalization of development costs and amortization of capitalized development costs amounted to SEK 113 M (35). Capitalization amounted to SEK 175 M (89) and amortization amounted to SEK 62 M (54). The following are examples of activities within Elekta's research and development during the year:

- Refinement of Leksell Gamma Knife technology to develop methods for new anatomic regions, include state of the art software technology for imaging enhancements and to make additional improvements to comfort and safety for both patients and staff
- Further improvements of the Elekta innovation management capability to secure our ability to innovate in an effective and systematic way ahead of competition
- 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, particularly in the areas intensity modulated, image guided and stereotactic radiation therapy
- Further development of IT support for cancer care to enable an open and integrated management 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 to facilitate more timely decision making and precise adaptations to changes in the patient treatment requirements
- Improvements in user experience for Elekta Software systems to provide more accurate and efficient clinical information and process flow
- Continuous enhancement and integration of Elekta products to provide open system 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
- Continued emphasis to support and comply with evolving global regulatory and certification standards

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.

SIGNIFICANT EVENTS AFTER YEAR-END

On May 5, 2011, Elekta strengthened its long term loan financing by entering into a private placement agreement with US institutional investors. The transaction amount was USD 200 million with tenors between seven and twelve years.

On June 21, 2011 Elekta announced the signing of a definitive agreement to acquire 100 percent of Nucletron B.V. with domicile in Veenendaal, Netherlands. Nucletron is the world leader in brachytherapy treatment planning and delivery. Under the terms of the agreement, Elekta will pay cash consideration of EUR 365 million to acquire Nucletron on a cash and debt-free basis. The transaction remains subject to regulatory approval and is expected to close in early autumn 2011. In 2010, Nucletron reported revenues of EUR 128 million and EBITDA of EUR 26 million. The acquisition is expected to be accretive to Elekta's cash earnings within twelve months. Nucletron will add 1,000 new customers to Elekta's customer base of more than 5,000. The two companies have highly synergistic product and technology portfolios. The combination will lead to enhanced solutions for customers and patients, and will allow the enlarged group to take mutual advantage of Nucletron's expertise in brachytherapy combined with Elekta's global presence, particularly in emerging markets. The transaction will be financed through existing cash on hand and available credit facilities. The proforma business will continue to have a strong financial profile.

ENVIRONMENTAL RESPONSIBILITY

Elekta's objective is to continuously reduce the operation's environmental impact, and to comply with all of the environmental laws and regulations that are relevant in relation to Elekta's production units and products, and in relation to the markets in which operations are conducted. Elekta's environmental responsibility is based on the Group's environmental policy. See pages 51–52 for more information on the Group's environmental work.

QUALITY

Elekta works determinedly to improve and assure quality in all processes within the Group. Quality work also ensures that all government requirements are fulfilled. All Elekta's development and production units are certified in accordance with the relevant ISO 9000 and ISO 13485 where appropriate. Elekta conducts regular audits to ensure that the Group complies with the requirements that various supervisory authorities have established for medical technology companies.

IT

Elekta has continued its investments in global communications and efficient systems solutions. The IT infrastructure is being continuously expanded to support business processes and to strengthen productivity and competitive-

ness. The acquisitions made by Elekta require significant resources for integration and harmonization of the IT infrastructure of the Group.

PARENT COMPANY

The Parent Company of the Group, Elekta AB, conducts no operating activities but provides group management, joint group functions and financial management. Profit before tax amounted to SEK 249 M (738). Profit for the year amounted to SEK 249 M (731) inclusive of dividends from subsidiaries of SEK 357 M (829). Total assets amounted to SEK 3,937 M (3,509) of which shares in subsidiaries amounted to SEK 1,729 M (1,419) and short-term receivables from subsidiaries amounted to SEK 1,023 M (1,242). Investments in subsidiaries amounted to SEK 310 M (0) of which SEK 229 M relate to the acquisition of Resonant Medical. Cash and cash equivalents at year-end amounted to SEK 1,006 M (678). Cash flow for the year amounted to SEK 328 M (426). Shareholders' equity amounted to SEK 1,876 M (1,834). Long-term and short-term liabilities totaled SEK 2,031 M (1,636) of which interest-bearing liabilities amounted to SEK 1,972 M (1,580). The average number of employees during the year was 22 (23). The number of employees on April 30, 2011 was 23 (25). For further information refer to the Parent Company's financial reports and the accompanying notes.

ARTICLES OF ASSOCIATION

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

SHARES

The total number of shares on April 30, 2011 was 94,239,669 divided between 3,562,500 series A shares and 90,677,169 series B shares. One series A share entitles the holder to 10 votes and series B shares entitles the holder to one vote for each share. All shares carry equal rights to participate in the Company's assets and profits. In accordance with Section 12 of the Articles of Association, series A shares are subject to right of first refusal. All A-shares are owned by Laurent Leksell, also the only shareholder representing more than ten percent of total votes. For more information regarding the Elekta shares see pages 58–60.

REPURCHASE OF SHARES

The Board of Directors decided on June 16, 2010 to exercise the mandate given to them by the Annual General Meeting 2009, by authorizing the executive management to initiate the repurchase of shares in an amount of SEK 100 M and not more than 650,000 shares, corresponding to 0.7 percent of the total number of outstanding shares in the company. Share purchases were made on NASDAQ OMX Stockholm, June 16–22, 2010. The number of repurchased shares on April 30, 2011, totaled 502,000 series B shares, equivalent to 0.5 percent of outstanding shares. The shares were acquired at the average purchase price of SEK 198.85.

DIVIDEND AND PROPOSAL TO REPURCHASE SHARES

In accordance with the Company's dividend policy, the Board proposes a dividend of SEK 4.00 (3.00) per share for 2010/11, corresponding to approximately SEK 378 M (280) and 37 (33) percent of net profit for the year.

The Board also intends to propose to the Annual General Meeting 2011 to renew the authorization for the Board to repurchase a maximum of 10 percent of the number of shares outstanding in Elekta AB.

APPROPRIATION OF PROFIT

Amounts in SEK.

Distributable shareholders' equity of the Parent Company:

Premium reserve	333,291,556
Retained earnings	949,122,739
Profit for the year	248,808,877
Total	1,531,223,172

The Board of Directors and the CEO propose:

to be distributed to the shareholders, a dividend of SEK 4.00 per share ¹⁾	376,958,676
and that the remaining amount be carried forward	1,154,264,496
Total	1,531,223,172

¹⁾ The total amount distributed may change up until the record date depending on the number of warrants utilized.

THE BOARD'S STATEMENT ON THE PROPOSED DIVIDEND

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 including the agreement to acquire Nucletron.

OUTLOOK FOR 2011/12

For the fiscal year 2011/12, Elekta's net sales is expected to grow by more than 10 percent in local currency. Operating profit in SEK is expected to grow by more than 10 percent. Currency is estimated to have a negative effect of about SEK 125 M including hedging effects on earnings for fiscal year 2011/12.

GUIDELINES FOR REMUNERATION TO EXECUTIVE MANAGEMENT

The Board of Directors proposes that the Annual General Meeting on September 13, 2011 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 Annual General 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. The guidelines in the following proposal are unchanged compared to the guidelines which were proposed by the Board of Directors and approved by the Annual General Meeting on September 21, 2010.

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 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. Quarterly payments against variable salary components are capped at 100 percent.

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

Annual incentive

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

Equity-based long-term incentive programs

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

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

Retention measures

In order to ensure long-term engagement and retention of key staff in connection with the acquisition of new business, the divestment of operations or other transitional activities, an additional annual incentive with a deferred payment of 12–24 months may or may not be applied. This deferred incentive requires continued employment until an agreed future date for any payment to be made and is applied only in special circumstances, i.e. is not part of any ordinary executive remuneration scheme. The deferred incentive should never exceed 50 percent of the 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 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, two independent Board member and one Board member employed at Elekta. The President and CEO attends the committee's meetings. The Group Vice President Human Resources acts as the ECC secretary.

Corporate Governance Report 2010/11

Elekta AB is a Swedish public limited liability company. 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, the Swedish Code of Corporate Governance (the Code), as well as other relevant rules and guidelines. Elekta's internal code of conduct, as well as its vision and values, form cornerstones for the company's internal corporate governance regulations.

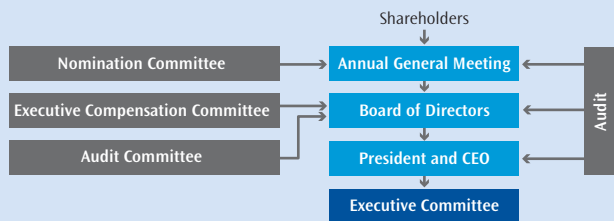
Elekta has applied the Code since 2005. As of February 1, 2010, a revised Code applies. The Code is available on www.bolagsstyrning.se.

Elekta applies and follows the Code, with one deviation pertaining to item 2.4 of the Code, as follows:

Elekta's Board of Directors has been informed that Elekta's Nomination Committee decided to appoint Laurent Leksell, who is a Board member, 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 affairs is exercised at shareholders' 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 addressed by 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, in Swedish and English.

At the AGM on September 21, 2010, 337 voting entitled shareholders participated, representing approximately 51 percent of the votes in the

Company. For more information about the 2010 AGM, please visit www.elekta.com.

Information regarding direct or indirect shareholdings in Elekta, representing not less than one tenth of the voting rights of all shares in the Company, as well as information on authorizations by the AGM for the Board of Directors to decide upon repurchases of own shares, is found on pages 66–67.

NOMINATION COMMITTEE

The 2010 AGM resolved that the Nomination Committee for the 2011 AGM should be appointed through a procedure whereby the Chairman of the Board, before the end of the second quarter of the financial year, contacts three to five representatives for the largest holders of voting rights of Series A and B shares, as per the last banking day in September. Those representatives shall together with the Chairman of the Board constitute the Nomination Committee and fulfill its obligations in accordance with the Code. These procedures are described in detail in the minutes of the 2010 AGM, which can be found on Elekta's website www.elekta.com. Shareholders that agreed to participate in the Nomination Committee work have, in turn, each nominated a member for the Nomination Committee. The names of persons appointed as members of the Nomination Committee were announced in a press release on November 10, 2010. The Nomination Committee's assignment is valid until a new Nomination Committee has been appointed.

The Nomination Committee consists of the following persons nominated by the following shareholders:

- Åsa Nisell – Swedbank Robur funds
- Anna Ohlsson-Leijon – SEB Funds (replaced Tove Bångstad in January 2011)
- Ole E Dahl – Orkla ASA
- Laurent Leksell – private and companies' holdings
- Akbar Seddigh – Chairman of the Board

At the time the Nomination Committee was established, these shareholders collectively represented over 40 percent of the votes in Elekta.

The Nomination Committee appointed Laurent Leksell as Committee Chairman and has held five recorded meetings. The Committee has performed its duties as set out in the Code and has thus had the task of preparing 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 completed 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 2011 AGM, the Nomination Committee will submit proposals for Chairman of the AGM, the number of Board members, 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, for any committee work by the member of the Board, remuneration to the auditors as well as procedures for the appointment of a new Nomination Committee. The Nomination Committee's proposals are presented in the notice of the AGM, and on Elekta's website.

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:
 A+ Science Holding AB,
 Blekinge Tekniska Högskola
 and Innovationsbron AB.
 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
 MSc
Other board memberships:
 Chairman of the Board: Sapiens
 GmbH and SuperSonic Imagine
 SA. Member of the Board: Senator
 Group Consultancy and Invest-
 ment BV



LUCIANO CATTANI

Born: 1945
 Member of the Board since 2008
 Holdings: –
 Senior Advisor on Global Health
 Care to Private Equity Funds
 Former Group President Interna-
 tional and Former Executive Vice
 President International Public
 Affairs, Stryker Corporation
 MBA
Other board memberships:
 Member of the Board: Egea-Carpi
 (non-executive)



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, Stockholm Chamber
 of Commerce and Wavin NV



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



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, Dunlop Aircraft
 Tyres Ltd, James Dewhurst Ltd,
 and Office team Group Ltd.
 Member of the Board: Aldata



LAURENT LEKSELL

Born: 1952
 Member of the Board since 1972
 Holdings: 3,562,500 A-shares,
 2,462,564 B-shares (incl via compa-
 nies) and 47,981 employee options
 Former President and CEO of
 Elekta AB, 1972–2005 and Execu-
 tive Director since 2005
 MBA, PhD Economics
Other board memberships:
 Chairman of the Board: Stockholm
 City Mission and Sweden-China
 Trade Council. Member of the
 Board: International Chamber
 of Commerce (ICC) and Royal
 University College of Fine Arts



JAN SECHER

Born: 1957
 Member of the Board since 2010
 Holdings: –
 CEO Ferrostaal AG
 MSc
Other board memberships:
 Chairman of the Board:
 Peak Management AG

When the notice of the AGM is published, the Nomination Committee also publishes a motivated statement regarding its proposed Board on Elekta's website www.elekta.com.

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

ELEKTA'S BOARD OF DIRECTORS

Elekta's Board of Directors and Chairman of the Board are elected by the Annual General Meeting. The Board of Directors establishes Elekta's strategy and goals, evaluates the business continuously, and controls the Company's development and financial position. During the 2010/11 fiscal year, the Board of Directors consisted of eight members, who are presented on page 70. Seven of the eight Board members are independent of the company and its management and of major shareholders in the

company according to the applicable rules in the Rule Book for Issuers of NASDAQ OMX Stockholm, until the 2011 AGM, see table. Information on the rules of the Articles of Association pertaining to the appointment and dismissal of Board members, as well as the Articles of Association's rules on amendment of the Articles of Association are found on page 66.

During the 2010/11 fiscal year the Board held ten recorded meetings.

As part of its work, the Board regularly visits Elekta's larger units around the world. During the year, the Board traveled to Toronto, Canada for a scientific meeting, where the Board met with external experts and advisors. Other meetings were held at the main office in Stockholm, all with Elekta's General Counsel acting as secretary.

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

MEETING ATTENDANCE AND FEES FOR THE BOARD OF DIRECTORS 2010/11, SEK '000

Name	Independent ¹⁾	Regular Remuneration	Remuneration Compensation Committee	Remuneration Audit Committee	Attendance
Chairman:					
Akbar Seddigh	yes	625	70	–	10/10
Members:					
Hans Barella	yes	310	–	120	10/10
Luciano Cattani	yes	310	35	–	10/10
Birgitta Stymne Göransson	yes	310	–	60	10/10
Vera Kallmeyer	yes	310	–	60	8/10
Tommy H Karlsson	yes	310	–	60	10/10
Laurent Leksell	no	2)	–	–	9/10
Jan Secher	yes	310	–	–	5/5
Total		2,485	105	300	

¹⁾ Independent in relation to the Company and management as well as to major shareholders. ²⁾ No remuneration is paid to members of the Board who are employed by the Company.

WORKING PROCEDURES FOR THE BOARD

Within the Board of Directors, there is no special distribution of responsibility among Board members apart from the tasks the Board has delegated to the Remuneration Committee and Audit Committee. In addition to 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 procedures, which, for example, stipulate that the Board shall:

- 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 5 M, if such matters are beyond the scope of approved investment budgets
- Decide on acquisitions of real 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 and interim reports

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

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

SIGNIFICANT DECISIONS DURING THE YEAR

In addition to decisions on plans and strategies, as well as the continuous follow-up of business operations and approval of interim and year-end reports during the 2010/11 fiscal year, the Board of Directors decided on matters including:

- Long-term financing and financial policy
- Succession planning
- Acquisition of Resonant Medical Inc.
- Buy-back of shares
- Financing through a US Private Placement
- Major investments in R&D, product development programs 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 company employees. Elekta has implemented no share, or share-based incentive program for Board

members who are not employed by the company. Remuneration to the respective members is detailed in a table on page 71.

EXECUTIVE COMPENSATION COMMITTEE

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

During the year, the ECC consisted of the Chairman of the Board, Akbar Seddigh, who was also Chairman of the ECC and Board member Luciano Cattani. President and CEO Tomas Puusepp is present at the committee meetings and Group VP Human Resources serves as secretary.

The ECC provides the Board with recommendations regarding principles for formulating the Group's compensation system to senior executives. The recommendations cover 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, which are discussed and decided by the Board. The entire Board decides on remuneration to the President.

During the 2010/11 fiscal year, ECC held four recorded meetings. Attendance at committee meetings was 100 percent. Key issues addressed by the ECC during the fiscal year included:

- Annual salary review process for the President and Executive Committee
- Market-based salary comparisons for the President and Executive Committee
- Monitoring compliance of guidelines for remuneration to senior executives
- Proposal for a revised working procedure for the ECC
- A review of the structure and guidelines for the company's short-term incentive program
- Evaluation of the company's existing long-term incentive program
- Proposal for a revision of the long-term incentive program

Information on Elekta's policies for compensation to senior executives, as well as outstanding share and share-based incentive programs are available on pages 67–68 and in Note 5.

AUDIT COMMITTEE

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

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

During the 2010/11 fiscal year, the Audit Committee held four recorded meetings.

Important matters dealt with by the Audit Committee during the year included:

- Risk Management and prioritization of resources to ensure proper risk management
- Evaluation of the need for an internal audit function
- Evaluation of reporting from external auditors
- Analysis of the balance sheet and income statement, monitoring and follow-up of numerical values
- Review of principles for revenue recognition
- Review and evaluation of the auditor's impartiality and independence
- Establishment of the internal control processes

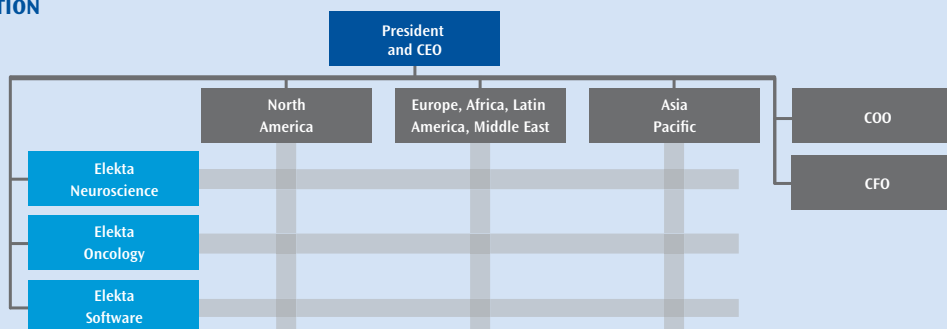
AUDITORS

The Annual General Meeting on September 18, 2008 elected Deloitte AB as statutory auditor, with Jan Berntsson as Auditor in Charge, ending with the 2012 AGM. Deloitte AB has been the auditor of Elekta since the 2002 AGM.

Jan Berntsson, born 1964 and an authorized public accountant, has been the auditor in charge in Elekta since 2008.

In addition to Elekta, Jan Berntsson's auditing assignments include Atlas Copco, Tele2 and ICA. He has no auditing assignments in companies related to Elekta's major shareholders or its President and CEO. The auditors' fees during the fiscal year are reported in Note 8.

ELEKTA'S ORGANIZATION



Executive committee



TOMAS PUUSEPP

Born: 1955
 President and CEO
 Employed since 1988
 Holdings: 150,000 B-shares,
 41,593 employee options



OLOF SANDÉN

Born: 1962
 Executive Vice President,
 Region Europe, Africa,
 Latin America, Middle East
 Employed 1993–1995 and
 since 2002
 Holdings: 8,639 B-shares,
 89,432 employee options



IAN ALEXANDER

Born: 1958
 Executive Vice President,
 Region Asia Pacific
 Employed since 2008
 Holdings: 17,765 employee
 options



JAMES P HOEY

Born: 1955
 Executive Vice President,
 Region North America
 Employed since 2005
 (Founded IMPAC 1990)
 Holdings: 1,500 B-shares,
 89,432 employee options



ÅSA HEDIN

Born: 1962
 Executive Vice President,
 Elekta Neuroscience
 Employed 1994–2000 and
 since 2007
 Holdings: 327 B-shares,
 74,432 employee options



JOHAN SEDIHN

Born: 1965
 Executive Vice President,
 Elekta Oncology
 Employed since 1993
 Holdings: 19,753 B-shares,
 89,432 employee options



TODD POWELL

Born: 1965
 Executive Vice President,
 Elekta Software
 Employed since 2005
 (Employed at IMPAC since 1992)
 Holdings: 3,239 B-shares,
 27,773 employee options



HÅKAN BERGSTRÖM

Born: 1956
 CFO
 Employed since 2001
 Holdings: 35,013 B-shares,
 69,432 employee options

PRESIDENT AND CEO

The President and CEO is appointed by the Board of Directors and shall oversee the operational management of the company 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 May 1, 2005. He was born in 1955 and has a total of 29 years of management experience in the international medical technology market. Following studies in engineering and physics and management training at IMD in Lausanne, Switzerland, Tomas Puusepp held various positions at the Research Institute for Nuclear Physics, Scanditronix and Ericsson before being recruited by Elekta in 1988. Since then, Tomas Puusepp 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 a 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. Tomas Puusepp's share and option holdings in Elekta are stated in the Executive Committee presentation on page 73.

EXECUTIVE COMMITTEE

Elekta's Executive Committee consists of the President and CEO, the Chief Financial Officer, the managers of three business areas and the three regions – a total of eight 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 and 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 5.

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 financial information policy.

Information is published regularly in the form of:

- Interim reports
- 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 the media
- Capital markets days arranged by the company at one of its major units or in conjunction with major scientific conferences where Elekta is present
- Elekta's website, www.elekta.com, where the above information is made available

Elekta applies a silent period prior to each quarterly report, during which the Company does not hold investing presentations or conduct meetings with investors and analysts, either in person or over the telephone. The length of this silent period is to be determined by the President and CEO. It should not be shorter than 14 days.

RISK MANAGEMENT AND INTERNAL CONTROL

During the year, Elekta continued to implement a more systematic method for risk management and internal control, Elekta's Risk Management and Internal Control Process, see figure on page 75. The new method is developed from already established work procedures for identifying and handling risks, signifying that risk management and internal control are a part of the strategy and management processes. The method focuses on strategic risks, operating risks, risks in connection with compliance with laws and regulations, as well as risks in connection with financial reporting. The objective is to be able to guarantee, with reasonable certainty, that Elekta's long-term and short-term goals are achieved. The aim of risk management and internal control in connection with financial reporting is to assure the reliability of the external financial reporting in terms of interim reports and annual reports, and to ensure that the external financial reporting is prepared in accordance with laws, applicable accounting standards and other requirements on listed companies.

Internal environment

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

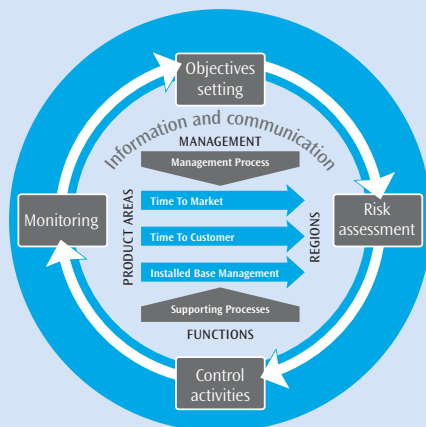
The Elekta Code of Conduct serves as an overall policy to ensure that all employees understand and act in accordance with corporate responsibility regarding business ethics and behavior in the areas of social, environmental and economic issues. Other policies, procedures, processes and work instructions describe Elekta's business operations, e.g. management processes, the central business processes (Time to Market, Time to Customer and Installed Base Management), as well as support processes such as purchases, customer feedback, IT and HR. Policies, procedures, processes and work instructions pertaining to financial reporting, including policies and instructions for authorization, policies for accounting and reporting, as well as a financial policy, are also included in the Financial Guide.

As a medical device company, Elekta operates according to requirements and standards established by supervisory and regulatory authorities. These requirements and standards are implemented and maintained through quality management systems, which include policies, procedures, processes and work 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 has prepared work regulations for the Board, audit committee, remuneration committee, President and CEO,

as well as instructions pertaining to financial reporting for the Board. Personal evaluation is conducted annually to guarantee relevant competency and any development needs. The organizational structure is described on page 72.

ELEKTA'S RISK MANAGEMENT AND INTERNAL CONTROL PROCESS



Objectives and risk assessment

As part of Elekta's strategy and management processes, the company sets up long-term and short-term goals. A risk assessment is conducted in connection with the strategy process to identify risks in the attainment of goals, including risks in connection with financial reporting, under the supervision of the risk manager. Risks are documented on a risk map.

Risks that arise during the year are evaluated continuously and included, if necessary, in the company's risk map. The largest risks are described on pages 63 and 90–91.

The risk assessment is conducted by evaluating the risk level, based on the degree of impact and probability, and defines suitable measures to manage the risks. All risks are then handled by the appointed risk owner and risk players.

Control activities

The control activities have been designed to manage risks considered by the audit committee, the President and CEO and the Executive committee to be significant to achieving the strategic goals, the goals for the business operations, legal and regulatory compliance, as well as the financial reporting.

Policies and Procedures are established and implemented to help ensure that risk management is effectively carried out, for example, by:

- Changing the business models to avoid risks
- Accepting risks but also monitoring and analyzing changes
- Improving business processes and acting to reduce risks
- Sharing risks between units
- Transferring risks to external parties, where relevant

Control activities that concern financial reporting are designed to fulfill the fundamental requirements for external financial reporting. They com-

prise detailed or comprehensive controls and must be preventive or detectable. Control activities are frequently integrated in key processes, such as order booking and revenue recognition, and also include analyses and follow-up of results. The areas included in control activities are, for example, approval of business transactions, reliability in IT systems, observance of laws, applicable accounting standards and other requirements on listed companies and areas that include some type of assessment.

Monitoring

The monitoring of risk management and internal control processes to ensure that they are effective is conducted by the Board of Directors, the audit committee, the President and CEO, the Executive committee and other specifically appointed committees and employees. Monitoring includes for example reviewing of monthly business and financial reports, quarterly review of the operation, monthly review of order bookings, conducted by the order committee, and the follow up of internal quality review reports of the business operations pertaining to, for example, product quality, product development and manufacturing, which is conducted by the quality function, as well as reports from external auditors.

Prioritized risks are reported each quarter to the audit committee, while all overall company risks are reviewed by Executive committee as an integrated part of the business reviews.

Information and communication

As part of Elekta's strategy and management processes, the Board of Directors, the President and CEO and as well as the Executive committee make decisions on long-term strategies, operative plans and corporate policies. These are communicated to the relevant levels in the company as the basis for managing the company.

Management on various levels in the organization makes decisions every day based on relevant reports with operative and financial information and ensures that the decisions are implemented and are in line with the overall strategies, plans and policies.

The risk manager coordinates the risk reporting from risk owners to the Executive committee, the audit committee and Board of Directors.

Elekta has several different communication channels within the organization, including the company's Intranet, information letter, regular meetings and company magazines. The objective is to ensure that necessary information always reaches the employees concerned.

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

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

The company currently has no separate internal audit function. The work with risk management and internal control in connection with financial reporting during the year was executed by the risk manager, other internal functions and external resources. The Board of Directors continuously evaluates the need and extent of an internal audit function for financial reporting. At present, the Board deems that a separate internal audit function is not necessary.

Income statement and Statement of comprehensive income

Income statement

SEKM	Note	Group		Parent Company	
		2010/11	2009/10	2010/11	2009/10
Net sales	4	7,904	7,392	–	–
Cost of products sold		–4,237	–3,986	–	–
Gross profit		3,667	3,406	–	–
Selling expenses		–957	–970	–	–
Administrative expenses		–749	–708	–97	–73
R&D expenses		–552	–535	–	–
Exchange rate differences		93	39	–2	–
Operating result	4–9	1,502	1,232	–99	–73
Income from participations in Group companies	10	–	–	357	829
Income from participations in associates	11	–1	2	6	–
Interest income and similar items	12	26	6	26	18
Interest expenses and similar items	12	–58	–50	–45	–40
Exchange rate differences		–5	2	–5	6
Appropriations	13	–	–	9	–2
Profit before tax		1,464	1,192	249	738
Income taxes	14	–433	–359	0	–7
Profit for the year		1,031	833	249	731
Profit attributable to:					
Parent company shareholders		1,031	838		
Non-controlling interests		0	–5		
Earnings per share:					
Earnings per share before dilution, SEK		11.04	9.09		
Earnings per share after dilution, SEK		10.91	9.01		
Average number of shares before dilution, thousands		93,341	92,208		
Average number of shares after dilution, thousands		94,507	92,945		

Statement of comprehensive income

Profit for the year	1,031	833	249	731
Other comprehensive income:				
Cost of incentive programs	19	19	–	–
Revaluation of cash-flow hedges	62	111	–	–
Reclassified amount regarding hedge of a net investment	–	5	–	–
Translation differences from foreign operations	–331	–179	–	–
Exchange difference on net investment in subsidiary	–	–	–9	–5
Tax relating to components of other comprehensive income	8	–3	2	–
Other comprehensive income, net	–242	–47	–7	–5
Total comprehensive income	789	786	242	726
Comprehensive income attributable to:				
Parent company shareholders	789	791		
Non-controlling interests	0	–5		

COMMENTS ON THE INCOME STATEMENT
Net sales

Net sales rose 7 percent to SEK 7,904 M (7,392). Net sales increased by 13 percent based on unchanged exchange rates.

	Net sales		Operating profit	
	SEK M	% Change	SEK M	% Change
Q1	1,627	13	153	72
Q2	1,879	11	302	30
Q3	1,822	7	296	28
Q4	2,576	1	751	11
Full year 2010/11	7,904	7	1,502	22

Earnings

Operating result increased by 22 percent and amounted to SEK 1,502 M (1,232), positively impacted by higher volumes and efficiency improvements. The effect from changes in exchange rates was negative SEK 30 M.

Gross margin amounted to 46 percent (46) and operating margin was 19 percent (17).

The purchase of products, materials and consumables comprises the largest single cost item, accounting for 44 percent (43) of the Group's total operating expenses. The second largest item is personnel costs at 32 percent (33).

Costs increased by 6 percent in local currency compared to the same period previous year.

Research and development expenditures before capitalization of development costs rose 12 percent to SEK 638 M (570) equal to 8 percent (8) of net sales. Capitalization of development costs and amortization of capitalized development costs amounted to net SEK 113 M (35). Capitalization amounted to SEK 175 M (89) and amortization to SEK 62 M (54).

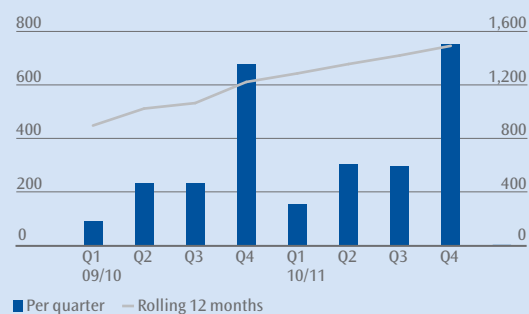
Costs for Elekta's ongoing incentive programs amounted to SEK 47 M (43).

Exchange rate gains from forward contracts affected operating profit by SEK 110 M (84). The change in unrealized exchange rate effects from cash flow hedges amounted to SEK 62 M (111) and is reported in other comprehensive income. Closing balance of unrealized exchange rate effects from cash flow hedges in shareholders' equity was SEK 128 M (66) exclusive of tax. According to Elekta's currency hedging policy, anticipated sales in foreign currency may be hedged up to 24 months.

Net financial items amounted to SEK -38 M (-40).

Income before tax amounted to SEK 1,464 M (1,192). Tax expense amounted to SEK 433 M (359) or 30 percent (30). Profit after tax amounted to SEK 1,031 M (833).

NET SALES, SEK M

OPERATING PROFIT, SEK M


Balance sheet

SEK M	Note	Group		Parent Company	
		April 30, 2011	April 30, 2010	April 30, 2011	April 30, 2010
ASSETS					
Non-current assets					
Intangible assets	15	2,692	2,880	–	–
Tangible fixed assets	16	236	247	–	–
Shares in subsidiaries	17	–	–	1,729	1,419
Shares in associates	18	3	24	12	12
Other financial assets	19	64	36	107	102
Deferred tax assets	14	206	128	17	14
Total non-current assets		3,201	3,315	1,865	1,547
Current assets					
Inventories	20	540	592	–	–
Accounts receivable	21	2,273	2,223	–	–
Accrued income		1,080	843	–	–
Receivables from subsidiaries		–	–	1,023	1,242
Other current receivables	22	505	368	43	42
Cash and cash equivalents	23	1,363	1,174	1,006	678
Total current assets		5,761	5,200	2,072	1,962
Total assets	4	8,962	8,515	3,937	3,509
EQUITY AND LIABILITIES					
Equity					
<i>Parent company shareholders:</i>					
Share capital	24	189	186	189	186
Contributed funds		489	312	–	–
Statutory reserve		–	–	156	156
Reserves		–346	–63	–	–
Retained earnings		3,500	2,808	1,531	1,492
<i>Parent company shareholders, total</i>		<i>3,832</i>	<i>3,243</i>	<i>1,876</i>	<i>1,834</i>
<i>Non-controlling interests</i>		<i>1</i>	<i>1</i>	<i>–</i>	<i>–</i>
Total equity		3,833	3,244	1,876	1,834
Untaxed reserves	13	–	–	30	39
Non-current liabilities					
Long-term interest-bearing liabilities	25	782	937	817	935
Deferred tax liabilities	14	300	240	–	–
Long-term provisions	26	109	89	22	18
Other long-term liabilities		10	5	–	–
Total non-current liabilities		1,201	1,271	839	953
Current liabilities					
Short-term interest-bearing liabilities	25	99	102	1,155	645
Accounts payable		544	569	3	4
Advances from customers		1,113	1,153	–	–
Current tax liabilities	14	194	200	–	3
Short-term provisions	26	63	70	–	–
Other current liabilities	27	1,915	1,906	34	31
Total current liabilities		3,928	4,000	1,192	683
Total equity and liabilities		8,962	8,515	3,937	3,509
Assets pledged	28	3	2	–	–
Contingent liabilities	29	55	28	804	758

COMMENTS ON THE BALANCE SHEET

Assets and capital employed

The Group's total assets increased by SEK 447 M to SEK 8,962 M (8,515).

The Group's fixed assets totaled SEK 3,201 M (3,315) at year-end of which goodwill amounted to 2,047 M (2,224).

Current assets, excluding cash and cash equivalents, increased by SEK 372 M to SEK 4,398 M (4,026). Accounts receivable, accrued income and inventories increased by 6 (10) percent. Inventory value in relation to net sales was 7 percent (8).

Cash and cash equivalents increased by SEK 189 M to SEK 1,363 M (1,174) at year-end, totaling 15 percent (14) of total assets. Of total bank balances SEK 3 M (2) were pledged primarily for commercial guarantees.

The Group's capital employed increased to SEK 4,714 M (4,283). Capital turnover ratio was 0.9 (0.9).

Liabilities and shareholders' equity

Interest-bearing liabilities totaled SEK 881 M (1,039) on April 30, 2011.

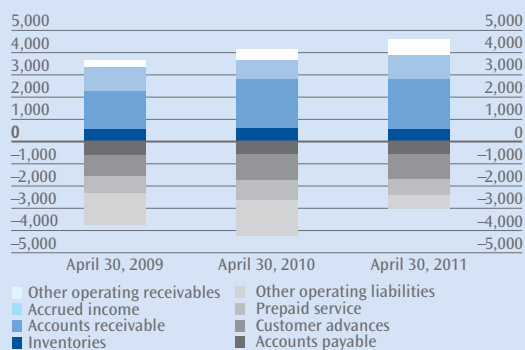
Net cash amounted to SEK 482 (135) M. Net debt/equity ratio was -0.13 (-0.04) and equity/assets ratio was 43 percent (38).

Interest-free liabilities and provisions amounted to SEK 4,248 M (4,232). Operating assets exceeded operating liabilities by SEK 356 M. Last year operating liabilities exceeded operating assets by SEK 78 M.

Shareholders' equity was SEK 3,833 M (3,244).

Return on shareholders' equity was 30 percent (30) and return on capital employed totaled 35 percent (30).

COMPOSITION OF WORKING CAPITAL, SEK M



Changes in shareholders' equity

Group, SEK M	Share capital	Other contributed capital	Translation reserve	Hedge reserve	Retained earnings	Elekta's owners' equity	Non-controlling interests	Total equity
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
Closing balance April 30, 2010	186	312	-112	49	2,808	3,243	1	3,244
Opening balance May 1, 2010	186	312	-112	49	2,808	3,243	1	3,244
Comprehensive income	-	-	-328	45	1,072	789	0	789
Dividend	-	-	-	-	-280	-280	-	-280
Repurchase of shares	-	-	-	-	-100	-100	-	-100
Exercise of warrants	3	177	-	-	-	180	-	180
Closing balance April 30, 2011	189	489	-440	94	3,500	3,832	1	3,833

Parent Company, SEK M	Share capital	Statutory reserve	Premium reserve	Retained earnings	Total equity
Opening balance May 1, 2009	184	156	71	794	1,205
Comprehensive income	-	-	-	726	726
Dividend	-	-	-	-184	-184
Exercise of warrants	2	-	85	-	87
Closing balance April 30, 2010	186	156	156	1,336	1,834
Opening balance May 1, 2010	186	156	156	1,336	1,834
Comprehensive income	-	-	-	242	242
Dividend	-	-	-	-280	-280
Repurchase of shares	-	-	-	-100	-100
Exercise of warrants	3	-	177	-	180
Closing balance April 30, 2011	189	156	333	1,198	1,876

COMMENTS ON CHANGES IN SHAREHOLDERS' EQUITY

In 2010 Elekta paid a dividend of SEK 3.00 per share, totaling SEK 280 M. During 2010/11 repurchases of a total of 502,000 shares have been performed, totalling SEK 100 M. The dividend payment as well as the repurchase of shares has affected equity through a reduction of retained earnings.

During 2010/11, 1,444,425 new B-shares were subscribed through exercise of warrants distributed within the framework of the established option programs. The subscription has affected equity by increases in share capital and contributed funds, by SEK 180 M in total.

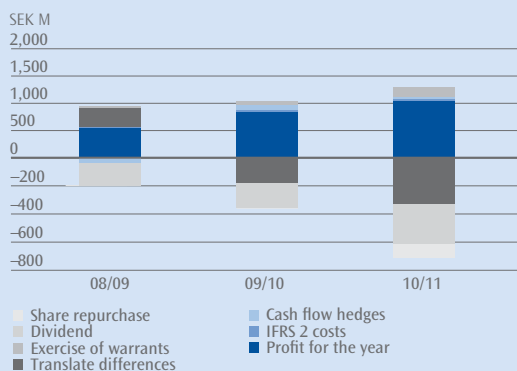
The total number of shares in Elekta as of April 30, 2011, amounted to 94,239,669 of which 3,562,500 A-shares and 90,677,169 B-shares. See Note 24 for more information on share capital.

Shareholders' equity includes equity of foreign subsidiaries. Translation is performed at closing rate and the translation difference is reported in the translation reserve via other comprehensive income. The translation difference amounted to SEK -328 M in 2010/11. Shareholders' equity in foreign currency is hedged when it is deemed appropriate in individual cases.

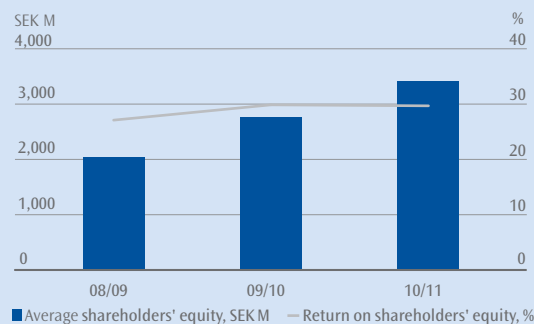
The translation reserve includes all exchange rate differences arising in conjunction with the translation of foreign operations that have prepared their financial reports in a currency other than that used in the Group's financial reports. In addition, the translation reserve consists of exchange rate differences arising from the translation of liabilities raised as a hedging instrument for a net investment in foreign operations. The translation reserve amounted to SEK -440 M on April 30, 2011.

Cash flow hedges are reported in the hedge reserve via other comprehensive income. Elekta hedges its currency risk in line with the policy established by the Board. The scope of this hedging is determined by the Company's currency risk assessment. Currency hedging is defined on the basis of the expected sales in foreign currency over up to 24 months. Hedging is done to reduce the effects of short-term fluctuations on the currency markets. The hedge reserve includes the effective portion of the accumulated net change in the fair value of cash flow hedging instruments attributable to hedging transactions that have not yet occurred. During 2010/11 the change in the hedge reserve was SEK 45 M after tax and the closing balance of the hedge reserve was SEK 94 M.

CHANGES IN SHAREHOLDERS' EQUITY



SHAREHOLDERS' EQUITY AND RETURN



Cash flow statement

SEK M	Note	Group		Parent Company	
		2010/11	2009/10	2010/11	2009/10
Operating activities					
Profit before tax		1,464	1,192	249	738
Depreciation / Amortization	6, 15, 16	241	229	–	–
Other non-cash items	30	–114	–13	0	25
Change in working capital	30	–340	12	221	257
<i>Cash flow from operating activities before interest and tax</i>		<i>1,251</i>	<i>1,420</i>	<i>477</i>	<i>1,020</i>
Interest received		16	5	25	18
Interest paid		–44	–49	–44	–41
Income taxes paid		–383	–320	–5	–6
Cash flow from operating activities		840	1,056	446	991
Investing activities					
Business combinations	30	–250	–	–	–
Investments in subsidiaries	17	–	–	–310	0
Investments in other shares	18	–8	–4	7	–4
Repayments from partnerships	18	8	6	–	–
Increase (–) / decrease (+) in long-term receivables		0	–2	4	–6
Investments in intangible assets	15	–10	–14	–	–
Investments in machinery and equipment	16	–89	–83	–	–
Sale of fixed assets		0	9	–	–
Cash flow from investing activities		–349	–88	–299	–10
Cash flow after investments		491	968	147	981
Financing activities					
Borrowings		17	32	425	48
Repayment of debt		–44	–506	–44	–506
New issues, warrant premiums, repurchase of shares		80	87	80	87
Dividend		–280	–184	–280	–184
Cash flow from financing activities		–227	–571	181	–555
Cash flow for the year		264	397	328	426
Change in cash and cash equivalents during the year					
Cash and cash equivalents at the beginning of the year		1,174	828	678	252
Cash flow for the year		264	397	328	426
Exchange rate differences		–74	–51	–	–
Cash and cash equivalents at the end of the year		1,363	1,174	1,006	678

COMMENTS ON THE CASH FLOW STATEMENT

The cash flow statement describes the ability of the operations to generate cash and cash equivalents. Elekta's cash flow is used primarily to finance market growth, strategic research projects and investments. Based on the income statement and balance sheet translated at the average exchange rate, the statement shows the Group's net flows during the year.

Elekta's project-based operations affect cash flow as well as order booking and net sales. Payment flows from projects generally occur in connection with order receipt, delivery and acceptance, generating considerable fluctuations in the amount of working capital during the year.

The operating flow (cash flow from operating activities exclusive of change in working capital) amounted to SEK 1,180 M (1,044), an improvement of SEK 136 M compared with the preceding year.

Cash flow from operating activities amounted to SEK 840 M (1,056), positively affected by strong earnings but negatively affected by an increase in working capital.

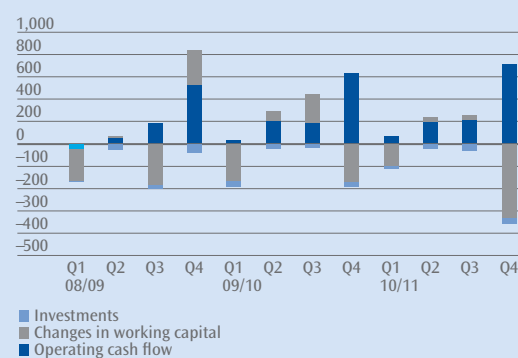
Cash flow from continuous investments and divestments amounted to SEK -90 M (-88). Cash flow after continuous investments was SEK 750 M (972).

Cash flow after investments was positive SEK 491 M (968), including business combinations of SEK -259 M (-4).

CASH FLOW AFTER CONTINUOUS INVESTMENTS, SEK M



SPECIFICATION OF CASH FLOW AFTER CONTINUOUS INVESTMENTS, SEK M



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, or considered important to describe, are stated under a separate heading at the end of this note.

BASIS FOR PREPARATION

Elekta's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed by the European Union (EU) on April 30, 2011, the Swedish Annual Accounts Act and standard RFR 1 of the Swedish Financial Reporting Board. The Parent Company's financial reports have been prepared in accordance with the Swedish Annual Accounts Act and standard RFR 2 of the Swedish Financial Reporting Board.

Measurement basis

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

NEW AND REVISED IFRS APPLIED FROM 1 MAY, 2010

The following revised standards may have a material impact on the financial reports:

- IAS 27 Consolidated and Separate Financial Statements, effective 1 July, 2009. The amendments mean that losses attributable to non-controlling interests shall be recognized even if this results in the non-controlling interests having deficit balance, that transactions related to the non-controlling interests 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 shall be expensed as incurred. The fair value of a contingent consideration shall be established at the acquisition date and the effects from subsequent 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 in acquisition accounting from 1 May, 2010.

In addition to the above, the following new and amended standards and interpretations have been applied from 1 May, 2010. None of these have had a material impact on the financial reports.

- IAS 39 Financial Instruments: Recognition and Measurement
- IFRIC 9 Reassessment of Embedded Derivatives
- IFRIC 12 Service Concession Arrangements
- IFRIC 15 Agreements for the Construction of Real Estate
- IFRIC 17 Distribution of Non-cash Assets to Owners
- IFRIC 18 Transfers of Assets from Customers
- Improvements to IFRS (April 2009)

NEW AND REVISED IFRS NOT YET APPLIED

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

- IFRS 7 Financial Instruments: Disclosures. Effective 1 July 2011. Not yet endorsed by the EU
- IFRS 9 Financial Instruments. Effective 1 January 2013. Not yet endorsed by the EU
- IFRS 10 Consolidated Financial Statements. Effective 1 January 2013. Not yet endorsed by the EU
- IFRS 11 Joint Arrangements. Effective 1 January 2013. Not yet endorsed by the EU
- IFRS 12 Disclosure of Interests in Other Entities. Effective 1 January 2013. Not yet endorsed by the EU
- IFRS 13 Fair Value Measurement. Effective 1 January 2013. Not yet endorsed by the EU
- IAS 1 Presentation of Financial Statements. Effective 1 July 2012. Not yet endorsed by the EU
- IAS 12 Income Taxes. Effective 1 January 2012. Not yet endorsed by the EU
- IAS 19 Employee Benefits. Effective 1 January 2013. Not yet endorsed by the EU
- IAS 24 Related Party Disclosures. Effective 1 January 2011
- IAS 27 Separate Financial Statements. Effective 1 January 2013. Not yet endorsed by the EU
- IAS 28 Investments in Associates and Joint Ventures. Effective 1 January 2013. Not yet endorsed by the EU
- IFRIC 14 The Limit on a Defined Benefit Asset, etcetera. Effective 1 January 2011
- IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments. Effective 1 July, 2010
- Improvements to IFRS (May 2010). Effective 1 January, 2011

CONSOLIDATED ACCOUNTS

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

The acquisition method

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

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

Non-controlling interests

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

Translation of foreign subsidiaries

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

Certain long-term financing related to subsidiaries, where a settlement is not considered to take place in the foreseeable future, is considered as an increase in the Parent Company's net investment in the sub-

siidiaries. Taking the tax effect into consideration, exchange gains and losses are reported in Group equity as other comprehensive income.

Associates

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

SEGMENT REPORTING

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

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 products is recognized when all the following conditions are satisfied:

- The risk and rewards of ownership of the goods has been transferred to the buyer.
- The Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.

- The amount of revenue and the related costs can be measured reliably.
- It is probable that the economic benefits associated with the transaction will flow to the entity.

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

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

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

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

Hardware products

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

Software products

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

Service contracts

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

EMPLOYEE BENEFITS

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

Pensions

Most of Elekta's pension commitments are met through ongoing payments to authorities or other independent organizations that administer the pension plans. For these defined contribution pension plans, a pension cost is reported on a continuous basis as the benefits are earned, which normally coincides with the date on which the fees are paid.

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

Share option programs and share programs

Ongoing share option programs and share programs are reported according to IFRS 2 Share-based payments, which entails that an estimated cost corresponding to the earned portion of the option or share value on the allotment is charged to profit and loss. In addition, there are calculated social security expenses for the earned portion of the options or shares based on a theoretical market valuation of the option. The market value is calculated using 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

The tax expense in the income statement includes all tax that is to be paid or received for the current year, adjustments relating to previous years' current tax, and changes in deferred tax. Deferred tax is calculated and reported in accordance with the balance sheet method. In accordance with this method, deferred tax is calculated on the basis of the temporary differences between the tax bases and the carrying amounts of assets and liabilities. Deferred tax assets relating to loss carry-forwards and other future tax credits are recognized to the extent it is probable that deductions can be made against future profits. Valuation is based on nominal amounts based on the tax rules prevailing in each country and the anticipated tax rate for the following year in each

country. Deferred taxes relating to temporary differences attributable to investments in subsidiaries are not recognized in the consolidated financial statements since Elekta AB, in all cases, can control the time of reversal of the temporary differences and it is not considered probable that such a reversal will occur in the foreseeable future. Deferred tax assets and deferred tax liabilities are offset when there is a legal right to do so and when the deferred tax amounts concern the same tax authority. For items recognized in profit or loss, the related tax effects are also recognized in profit or loss. For items recognized in equity under other comprehensive income, related tax effects are also recognized in equity under other comprehensive income.

INTANGIBLE ASSETS

Intangible assets contain Goodwill, Capitalized development costs, Customer relationships and Other intangible assets. Other intangible assets mainly consist of acquired technology.

Goodwill

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

Research and development

Research costs are expensed as they are incurred. In those instances in which it is difficult to distinguish between the research phase and the development phase in a project, the entire project is considered as research and is expensed as incurred. Identifiable costs for the development of new products are capitalized to the extent that these are considered to provide future economic benefits. In other instances, development expenditures are expensed as they are incurred. Costs for development once reported in the income statement are never capitalized in future periods. Capitalized expenditures are amortized on a straight-line basis from the time when the asset begins to be used or is produced commercially and during the estimated useful life of the asset. The amortization period is 3–5 years.

Customer relations and other intangible assets

Intangible assets also include technology, brands, customer relations, etcetera. In conjunction with the acquisition of such assets, the acquisition values are reported as assets, which are amortized on a straight line basis over the estimated useful life. Surplus value in acquired order backlog is also reported as other intangible assets.

Technology	5–11 years
Brands	6–10 years
Customer relations	15–20 years
Order backlog	0.5–1 year

TANGIBLE ASSETS

Tangible assets acquired by Group companies are reported at cost, less accumulated depreciation and any write-downs. Assets in acquired companies are reported at fair value on the acquisition date after deduction for subsequent accumulated 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

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

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

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

LEASING

The leasing of tangible assets, for which the Group is essentially responsible for the same risks and benefits as it would be in the case of direct ownership, is classified as financial leasing. The leased asset is reported as a fixed asset and the corresponding obligation to pay a leasing fee is reported as an interest-bearing liability. The leasing payments are distributed between amortization of the liability and financial expense, so that each reporting period is charged with an interest amount corresponding to a fixed interest rate on the reported liability during each period. The leased asset is depreciated in accordance with the same principles that apply to owned assets of the same type. If any uncertainty exists about whether the asset will be taken over at the end of the leasing period, the asset is depreciated during the leasing period, if this is shorter.

Leasing of assets, for which the lessor, for all practical purposes, is considered the owner, is classified as operational leasing. The leasing fee is expensed on a straight-line basis over the leasing period.

INVENTORIES

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

TRANSACTIONS AND BALANCES IN FOREIGN CURRENCY

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

FINANCIAL INSTRUMENTS

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

The fair value of quoted financial assets corresponds to the asset's listed bid price on the closing date. In the absence of such information, a valuation is carried out using generally accepted methods such as the discounting of future cash flows at the quoted market interest rate for the particular maturity.

For short term loans and investments, the fair value is deemed to comply with the carrying amount in view of the fact that a change in market rate of interest does not have a material effect on the market value.

Financial assets and liabilities are off-set and reported at a net amount in the balance sheet when there is a legal right to net and when the intention is to settle the items using a net amount or simultaneously realize the assets and settle the liability.

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

Financial assets measured at fair value through profit or loss

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

Loan receivables and accounts receivable

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

Accounts receivable

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

Cash and cash equivalents

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

Financial liabilities at fair value through profit or loss

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

Financial liabilities measured at amortized cost

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

Loan liabilities

Loan liabilities are initially reported at fair value, net of transaction costs, and subsequently at amortized cost according to the effective interest method. Loan liabilities carrying a fixed rate of interest that are reported in hedge accounting in line with the method for fair value hedging are valued at market in respect of the interest component. Changes in market value are off-set with changes in value of the hedge instrument in net financial items.

Hedging of net investments

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

Accounts payable

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

Accounting for derivatives used for hedging purposes

All derivatives are initially and continuously recognized at fair value in the balance sheet. Gains and losses on remeasurement of derivatives used for hedging purposes are recognized as follows. Changes in value relating to cash flow hedges are reported in other comprehensive income and are taken to the income statement as the hedged cash flow affects the income statement. Any ineffective portion of the change in value is reported directly in the income statement. The result of a revaluation of derivatives used to hedge fair value is reported in the income statement along with changes in the fair value of the receivable or liability exposed to the hedged risk.

PROVISIONS

Provisions are reported when the Group has, or is considered to have, an obligation resulting from an event that has occurred and for which payments are likely to meet the obligation. A further condition is that it is possible to make a reliable estimate of the amount to be paid.

Warranty reserves

Estimated costs for product guarantees are charged against operating costs in conjunction with the income recognition of the products. The estimated costs are established using historic statistics, with known changes taken into account regarding product quality, repair costs etcetera.

CASH FLOW STATEMENT

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

THE PARENT COMPANY

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

The Parent Company's annual accounts have been prepared in accordance with the Swedish Annual Accounts Act (1995:1554) and standard

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

Revenues

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

Shares in subsidiaries and shares in associates

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

Financial instruments

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

Group contributions

Group contributions are 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.

EXCHANGE RATES

Country	Currency	Average rate			Closing rate		
		2010/11	2009/10	Change	April 30, 2011	April 30, 2010	Change
Australia	AUD	6.608	6.304	5%	6.555	6.728	-3%
Canada	CAD	6.855	6.778	1%	6.308	7.208	-12%
China	CNY	1.039	1.064	-2%	0.930	1.060	-12%
Euroland	EUR	9.220	10.276	-10%	8.911	9.609	-7%
Great Britain	GBP	10.848	11.635	-7%	10.010	11.110	-10%
Hong Kong	HKD	0.894	0.937	-5%	0.773	0.930	-17%
Japan	JPY	0.082	0.079	4%	0.074	0.077	-4%
USA	USD	6.949	7.265	-4%	6.005	7.225	-17%

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 3,833 M (3,244) and net debt/equity ratio was -0.13 (-0.04).

EXCHANGE RATE RISK

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

Transaction exposure

Transaction exposure is generated mainly through net expenses in SEK and GBP and net revenue in USD, EUR and JPY. The sales companies' mainly have revenues and expenses in local currencies. Invoiced sales in foreign currencies exceed 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 in order to reduce the effects of short-term fluctuations in currency markets. Exchange rate effects from forward contracts affected the operating profit by SEK 110 M (84) in the year.

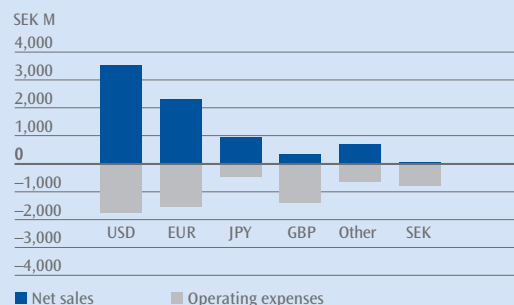
Translation exposure

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 21 M. Currency hedging limits the short-term effect of exchange rate movements. The Group's net sales and operating expenses by currency for 2010/11 are shown in the following diagram.

NET SALES AND OPERATING EXPENSES PER CURRENCY 2010/11



INTEREST RATE RISK

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

At year-end, cash and cash equivalents accounted for 15 percent (14) of the Group's total assets. Cash and cash equivalents were invested so as to obtain a return equivalent to the short-term market rate for each currency.

On April 30, 2011, interest-bearing liabilities totaled SEK 881 M (1,039), of which SEK 2 M (3) pertained to financial leasing. The average fixed interest term was 2.8 years (3.4) and the weighted average interest rate taking interest rate derivatives into account was 3.7 percent (3.6). See note 25 for more information on interest-bearing loans.

An overall change in interest rate on borrowings and investments by one percentage point would effect Elekta's earnings before tax by approximately SEK 12 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 cash and cash equivalents or difficulties in obtaining external financing.

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

MATURITY ANALYSIS: FINANCIAL LIABILITIES

SEK M	April 30, 2011			Total
	< 1 yr	1–5 yrs	> 5 yrs	
Loans (note 25)	98	781	–	879
Finance leases (note 25)	1	1	–	2
Accounts payable	544	–	–	544
Derivative financial instruments (note 27)	25	–	–	25
Other liabilities (note 27)	171	–	–	171
Total	839	782	–	1,621

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

In order to reduce the liquidity risk, Elekta endeavors to maintain readily available funds equal to at least 10 percent of net sales. On April 30, 2011, available cash and cash equivalents amounted to SEK 1,360 M (1,172), or 17 percent (16) of net sales. In addition, Elekta had SEK 1,351 M (1,564) in unutilized credit facilities.

CREDIT RISK

Financial credit risk

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

Credit risk in accounts receivable

Elekta's credit risks are limited since customer operations are, to a large extent, financed either directly or indirectly by public funds. No single customer accounts for 10 percent or more of Elekta's net sales. Elekta's credit losses have historically been low. See note 21 for an analysis of credit exposure in accounts receivable and provision for bad debts.

FINANCIAL INSTRUMENTS

In accordance with IAS 39 all financial instruments are grouped based on measurement categories. The table below presents the group's financial assets and financial liabilities by measurement category with carrying amount and fair value per item.

FINANCIAL INSTRUMENTS BY CATEGORY

SEK M	Note	April 30, 2011		April 30, 2010	
		Carrying amount	Fair value	Carrying amount	Fair value
FINANCIAL ASSETS					
Financial assets measured at fair value through profit or loss:					
Derivative financial instruments – non-hedging	22	7	7	15	15
Loan receivables and accounts receivable:					
Other financial assets	19	64	64	36	36
Accounts receivable	21	2,273	2,273	2,223	2,223
Other receivables	22	147	147	83	83
Cash and cash equivalents	23	1,363	1,363	1,174	1,174
Derivatives used for hedging purposes:					
Derivative financial instruments – hedging	22	175	175	119	119
FINANCIAL LIABILITIES					
Financial liabilities at fair value through profit or loss:					
Derivative financial instruments – non-hedging	27	11	11	4	4
Financial liabilities measured at amortized cost:					
Long-term interest-bearing liabilities	25	782	602	937	702
Short-term interest-bearing liabilities	25	99	99	102	102
Accounts payable		544	544	569	569
Other liabilities	27	171	171	123	123
Derivatives used for hedging purposes:					
Derivative financial instruments – hedging	27	14	14	18	18

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

FAIR VALUE

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

- Level 1: Quoted prices on an active market for identical assets or liabilities

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

DISTRIBUTION BY LEVEL WHEN MEASURED AT FAIR VALUE

SEK M	April 30, 2011				April 30, 2010			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
FINANCIAL ASSETS								
Financial assets measured at fair value through profit or loss:								
Derivative financial instruments – non-hedging	–	7	–	7	–	15	–	15
Derivatives used for hedging purposes:								
Derivative financial instruments – hedging	–	175	–	175	–	119	–	119
Total financial assets	–	182	–	182	–	134	–	134
FINANCIAL LIABILITIES								
Financial liabilities at fair value through profit or loss:								
Derivative financial instruments – non-hedging	–	11	–	11	–	4	–	4
Derivatives used for hedging purposes:								
Derivative financial instruments – hedging	–	14	–	14	–	18	–	18
Total financial liabilities	–	25	–	25	–	22	–	22

DERIVATIVE FINANCIAL INSTRUMENTS

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

DERIVATIVES OUTSTANDING

SEK M	April 30, 2011				April 30, 2010			
	Nominal	Asset	Liability	Hedge reserve after tax	Nominal	Asset	Liability	Hedge reserve after tax
Currency derivatives:								
Cash flow hedges	2,344	142	14	94	2,010	84	18	49
Non-hedging	1,137	2	8	–	1,264	12	4	–
Currency derivatives, total	3,481	144	22	94	3,274	96	22	49
Interest rate derivatives:								
Fair value hedges	240	33	0	–	289	35	0	–
Non-hedging	0	5	3	–	0	3	0	–
Interest rate derivatives, total	240	38	3	–	289	38	0	–
Derivatives, total	3,721	182	25	94	3,563	134	22	49

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

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

CASH FLOW HEDGES OUTSTANDING

Currencies	April 30, 2011				April 30, 2010					
	Currency	Amount	Term	Exchange rate	Currency	Amount	Term	Exchange rate		
USD/SEK	USD	50 M	2–24 mon	7.139	USD/SEK	USD	56 M	2–18 mon	7.533	USD/SEK
USD/GBP	USD	78 M	2–24 mon	0.642	USD/GBP	USD	58 M	1–18 mon	0.633	USD/GBP
EUR/SEK	EUR	42 M	6–24 mon	9.542	EUR/SEK	EUR	30 M	6–23 mon	10.501	EUR/SEK
EUR/GBP	EUR	66 M	3–24 mon	0.867	EUR/GBP	EUR	42 M	5–21 mon	0.892	EUR/GBP
JPY/SEK	JPY	4,100 M	3–24 mon	0.084	JPY/SEK	JPY	3,800 M	3–23 mon	0.083	JPY/SEK
JPY/GBP	JPY	2,200 M	3–24 mon	0.008	JPY/GBP	JPY	1,700 M	3–23 mon	0.007	JPY/GBP

NOTE 3 Estimates and assessments

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

REVENUE RECOGNITION

One of the conditions for revenue recognition is that revenue from the sale of products is recognized when the risks and rewards of ownership of the goods has been transferred to the buyer. The assessment of when these risks and rewards are transferred requires that each contract is examined of the circumstances affecting the transaction. The risk and rewards related to hardware products are usually taken as transferred to the customer upon shipment or delivery depending on the contracted shipment terms. Thus, the main part of revenue is normally recognized upon either shipment or delivery. The timing of revenue recognition often does not coincide with invoicing and payments from customers. Therefore, the assessment of the conditions for revenue recognition being satisfied often forms the basis for amounts recognized as either accounts receivable or accrued income. Amounts invoiced are reported as accounts receivable while revenue recognized amounts not yet invoiced are reported as accrued income.

VALUATION OF ACCOUNTS RECEIVABLE

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

CALCULATION OF DEFERRED TAXES

Deferred tax assets and deferred tax liabilities are balance sheet items which are subject to estimates and assessments. Deferred tax is calculated on temporary differences between the carrying amounts and the tax values of assets and liabilities. Estimates and assessments affect the recognized deferred tax amounts in the determination of the carrying amounts of the different assets and liabilities, and also through forecasts regarding future taxable profits in those cases where a future utilization of deferred tax assets depends on future taxable profits. See note 14 for more information on deferred taxes.

CALCULATION OF PENSION PROVISIONS

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

IMPAIRMENT TESTING OF GOODWILL

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

NOTE 4 Segment reporting

2010/11 SEK M	North and South America	Europe, Middle East and Africa	Asia Pacific	Group total	% of net sales
Net sales	2,818	2,795	2,291	7,904	
Operating expenses	-1,864	-1,884	-1,549	-5,297	67
Contribution margin	954	911	742	2,607	33
Contribution margin, %	34	33	32	33	
Global costs				-1,105	14
Operating result				1,502	19
Income from participations in associated companies				-1	
Interest income and similar items				26	
Interest expenses and similar items				-58	
Exchange rate differences				-5	
Income tax				-433	
Profit for the year				1,031	
Net sales per product type					
Hardware	1,295	1,752	1,587	4,634	
Software / Service	1,523	1,043	704	3,270	
Total	2,818	2,795	2,291	7,904	
Assets	2,228	5,790	944	8,962	
Depreciation / Amortization	-129	-94	-18	-241	
Investments	95	161	18	274	
2009/10 SEK M	North and South America	Europe, Middle East and Africa	Asia Pacific	Group total	% of net sales
Net sales	2,792	2,735	1,865	7,392	
Operating expenses	-1,804	-1,775	-1,345	-4,925	67
Contribution margin	988	960	520	2,467	33
Contribution margin, %	35	35	28	33	
Global costs				-1,235	17
Operating result				1,232	17
Income from participations in associated companies				2	
Interest income and similar items				6	
Interest expenses and similar items				-50	
Exchange rate differences				2	
Income tax				-359	
Profit for the year				833	
Net sales per product type					
Hardware	1,343	1,714	1,284	4,341	
Software / Service	1,449	1,021	581	3,051	
Total	2,792	2,735	1,865	7,392	
Assets	2,790	4,964	761	8,515	
Depreciation / Amortization	-123	-90	-16	-229	
Investments	69	98	19	186	

NOTE 4 Segment reporting, cont.**NET SALES PER COUNTRY**

SEK M	2010/11	2009/10
Sweden	42	96
USA	2,352	2,313
Japan	958	732
China	550	478
Germany	439	406
Italy	338	350
France	297	205
United Kingdom	275	295
Australia	219	181
Russia	204	242
India	182	120
Other countries	2,048	1,974
Total	7,904	7,392

The accounting principles applied in the segment reporting are the same as in the group accounts. Net sales per country is based on sales to customers in the respective country. There is no individual customer representing more than 10 percent of net sales.

NOTE 5 Salaries, wages, other remuneration and social security costs

SEK M	Group		Parent Company	
	2010/11	2009/10	2010/11	2009/10
Salaries, wages and other remuneration:				
Board of Directors and CEO	73	68	13	8
Other employees	1,613	1,511	20	24
Total salaries, wages and other remuneration	1,686	1,579	33	32
Pensions costs	99	99	9	2
Other social security costs	252	220	21	11
Total social security costs	351	319	30	13
Total salaries, wages, other remuneration and social security costs	2,037	1,898	63	45

Bonuses included in the above wages, salaries and other remunerations paid to the Boards and the Managing directors of subsidiaries amounted to SEK 18 M (19), and SEK 5 M (2) in the Parent Company. Total pension costs in the Group amounted to SEK 99 M (99) of which SEK 8 M (8) concern defined benefit pension plans. Total pension costs in the Parent Company amounted to SEK 9 M (2) of which SEK 3 M (–3) concern defined benefit pension plans. For further information regarding the defined benefit pension plans see note 26.

NOTE 5 Salaries, wages, other remuneration and social security costs, cont.

REMUNERATION TO THE BOARD OF DIRECTORS

According to the resolution by the Annual General Meeting, fees totaling SEK 2,890,000 were paid, of which SEK 625,000 to the Chairman of the Board, SEK 1,860,000 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. See also 'Attendance and remuneration for the Board of Directors in Elekta AB 2010/11' on page 71.

REMUNERATION TO EXECUTIVE MANAGEMENT

The guidelines for remuneration to Executive Management, which are proposed by the Board of Directors for the Annual General Meeting on September 13, 2011, are presented on pages 67–68. The proposed guidelines are unchanged compared to those proposed by the Board of Directors and approved by the Annual General Meeting on September 21, 2010.

The Executive Management for 2010/2011 was comprised of a total of eight people, of whom four are located in Sweden and four in the UK and the US. The table to the right displays remunerations and other benefits to the Executive Management during the year.

REMUNERATION AND OTHER BENEFITS DURING THE YEAR

SEK, '000	Fixed salary	Variable remuneration	Other benefits	Pension costs	Total
President and CEO	3,700	1,566	63	1,371	6,700
Other senior executives resident in Sweden (4)	4,632	1,637	244	1,265	7,778
Other senior executives resident in the UK and US (4)	8,920	9,135	728	1,030	19,813
Total senior executives	17,252	12,338	1,035	3,666	34,291
Executive Director of the Board / Previous President and CEO	3,080	1,832	94	621	5,627

Variable remuneration pertains to the bonus for the 2010/11 fiscal year, which was partly paid quarterly during the fiscal year and will be partly paid during 2011/12.

OPTIONS PROGRAM (SHARE UNIT PLAN)

	2006/10	2007/12	2008/12
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 day for options	2010-07-31	2012-07-31	2012-07-31
Number of shares as per outstanding options, April 30, 2010	512,381	1,199,800	1,231,729
Expired during the year	-9,569	-3,750	-3,333
Number of shares acquired during the year (option exercise)	-502,812	-463,891	-477,722
Number of shares as per outstanding options, April 30, 2011	0	732,159	750,674

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

NOTE 5 Salaries, wages, other remuneration and social security costs, cont.

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 accordance with IFRS 2 Share-based payments. The recognized costs amounted to SEK 47 M (43), whereof social security costs amounted to SEK 28 M (24).

Employee options granted 2007 entitle the option holders to acquire 1,597,500 B shares. Employee options granted 2008 entitle the option holders to acquire 1,500,000 B shares.

The dilution effect resulting from outstanding warrants issued to secure the delivery of shares pursuant to the 2007 and 2008 employee option programs are shown in the table Data per share on page 60.

SHARE PROGRAM (PERFORMANCE SHARE PLAN)

Share program 2009/12

Number of shares after confirmed performance goals	133,602
Theoretical value at time of issue, SEK	21,510,000
Allotment of shares	2012-08-01
Number of shares of April 30, 2010	133,602
Expired during the year	-1,739
Number of shares as of April 30, 2011	131,863

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 percent, zero allotment of Shares will occur if the annual average EPS growth is below 18 percent and allotment of Shares between

annual average EPS growth 18 and 26 percent is linear, (vi) the performance targets may be adjusted should an event occur that affects the operations of the Company or the number of outstanding Elekta Shares or otherwise affecting the performance targets and deemed relevant by the Board, (vii) the performance targets will be finally evaluated at the end of the applicable performance period and each Participant will receive the number of Shares he/she is entitled to according to Participant's Award Agreement depending on the attainment of the applicable performance targets over the performance period, (viii) the value that a Participant can receive in settlement of the Performance Share Award is maximized at 400 percent of the value of the Shares at the date of grant of the Performance Share Award.

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 2010/13

Number of shares after confirmed performance goals	83,066
Theoretical value at time of issue, SEK	21,475,000
Allotment of shares	2013-08-01
Number of shares as of April 30, 2011	83,066

The Annual General Meeting of 2010 resolved to adopt the Elekta AB 2010 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 2010/11 until fiscal year 2012/13 versus earnings per share for fiscal year 2009/10, (v) the maximum number of Shares will be allotted if the annual average EPS growth is or exceeds 25 percent, zero allotment of Shares will occur if the annual average EPS growth is below 16 percent and allotment of Shares between annual average EPS growth 16 and 25 percent is linear, (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 percent 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.

NOTE 6 Depreciation/amortization

SEK M	Group	
	2010/11	2009/10
Cost of products sold	70	72
Selling expenses	39	33
Administrative expenses	52	50
R&D expenses	80	74
Total	241	229

NOTE 7 Operating leases

SEK M	Group	
	2010/11	2009/10
Leasing fees paid during the year	103	94
<i>Nominal value of agreed future leasing fees:</i>		
Due for payment within 1 year	91	92
Due for payment after 1 year but within 5 years	233	203
Due for payment after more than 5 years	101	91
Total	425	386

Leasing fees paid by the Parent company during the year amounted to SEK 212 K (268). Future leasing fees due for payment within one year amount to SEK 205 K (102), after 1 year but within 5 years SEK 185 K (65).

NOTE 8 Remunerations to auditors

SEK M	Group		Parent Company	
	2010/11	2009/10	2010/11	2009/10
<i>Deloitte:</i>				
Audit engagements	13	10	3	3
Audit-related services	0	–	–	–
Tax consultancy	1	0	–	0
Other services	6	2	0	1
<i>Other auditors:</i>				
Audit engagements	1	1	–	–
Audit-related services	1	–	–	–
Tax consultancy	0	1	–	–
Other services	1	1	–	–
Total	23	15	3	4

Audit engagements refers to remuneration to auditors for work related to the statutory audit, including audit of the annual report and the accounting records, the administration of the Board of Directors and the CEO as well as audit consultancy work directly linked to the audit assignment. Audit-related services comprises quality assurance services, including audit of interim reports and consultancy work driven by observations made in the audit engagement. Other services refers to other services/consultancy work which are not covered by any of the other categories above, e.g consultancy work related to acquisitions and other legal services.

NOTE 9 Expenses by nature

In the income statement costs are broken down by function. Cost of goods sold, selling expenses, administrative expenses and Research and Development costs amount to SEK 6,495 M (6,199). Below, these costs are broken down by nature:

SEK M	Group	
	2010/11	2009/10
Purchase of products, materials and consumables	2,798	2,650
Salaries, wages and other remuneration (note 5)	1,686	1,579
Social security costs (note 5)	351	319
Depreciation and amortization (notes 6, 15 and 16)	241	229
Operating leasing fees (note 7)	103	94
Other expenses	1,316	1,328
Total	6,495	6,199

NOTE 10 Income from participations in Group companies

SEK M	Parent Company	
	2010/11	2009/10
Dividends from subsidiaries	357	829
Total	357	829

NOTE 11 Income from participations in associates

SEK M	Group		Parent Company	
	2010/11	2009/10	2010/11	2009/10
Income from participations in associates	-7	5	-	-
Divestment of shares in associates	-	-	6	-
Adjustment for internal profit of products sold	6	-3	-	-
Total	-1	2	6	-

The result from divestment of shares in associates in the Parent company relates to the sale of AB Motala Verkstad. The result for the Group amounted to SEK 5 M and is included in administration costs in the consolidated income statement.

NOTE 14 Taxes

INCOME TAXES SEK M	Group		Parent Company	
	2010/11	2009/10	2010/11	2009/10
Current taxes	-384	-404	-1	-6
Deferred taxes	-48	44	1	-1
Participations in taxes of associates	-1	1	-	-
Total	-433	-359	0	-7
Swedish tax	26%	26%		
Effect of other tax rates for foreign companies	5%	4%		
Changes in tax legislation	0%	-		
Tax related to prior years	-1%	1%		
Other	0%	-1%		
Tax rate	30%	30%		
CURRENT TAX (LIABILITY + / RECEIVABLE -) SEK M	Group		Parent Company	
	2010/11	2009/10	2010/11	2009/10
Opening balance, May 1	200	121	3	2
Adjustment for prior years	-16	10	-4	1
Current tax for the year	400	394	5	6
Paid taxes	-383	-320	-5	-6
Translation differences	-7	-5	-	-
Closing balance, April 30	194	200	-1	3

NOTE 12 Interest income, interest expense and similar items

SEK 15 M (16) of the Parent Company's interest income of SEK 26 M (18) was received from Group companies. SEK 8 M (1) of the Parent Company's interest expense and similar items of SEK 45 M (40) relates to Group companies.

NOTE 13 Appropriations and untaxed reserves

PARENT COMPANY SEK M	Appropriations		Untaxed reserves	
	2010/11	2009/10	2010/11	2009/10
Tax allocation reserve	9	-2	30	39
Total	9	-2	30	39

NOTE 14 Taxes, cont.**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, 2011	April 30, 2010	April 30, 2011	April 30, 2010	April 30, 2011	April 30, 2010
Loss carry-forwards	85	61	–	–	85	61
Untaxed reserves	–	–	–79	–67	–79	–67
Intangible assets	8	2	–241	–246	–233	–244
Tangible fixed assets	9	8	–15	–7	–6	1
Financial assets	–	–	–27	–19	–27	–19
Other assets	47	33	–4	–3	43	30
Operating liabilities / Provisions	144	138	–21	–12	123	126
Deferred tax assets / liabilities	293	242	–387	–354	–94	–112
Offsetting	–87	–114	87	114	0	0
Deferred tax assets / liabilities, net	206	128	–300	–240	–94	–112

DEFERRED TAX ASSETS (+) / LIABILITIES (-), NET

SEK M	Group, net	Parent Company, net
Opening balance May 1, 2009	–161	13
Adjustment for prior years	16	–
Deferred taxes for the year	28	–1
Deferred taxes charged against shareholders' equity	–3	2
Translation differences	8	–
Closing balance April 30, 2010	–112	14
Business combinations	55	–
Adjustment for prior years	–16	–
Deferred taxes for the year	–32	1
Deferred taxes charged against shareholders' equity	5	2
Translation differences	6	–
Closing balance April 30, 2011	–94	17

NOTE 15 Intangible assets

SEK M	Goodwill	Capitalized development costs	Customer relationships	Other intangible assets	Total
Accumulated acquisition value May 1, 2010	2,224	360	229	554	3,367
Business combinations	105	–	–	73	178
Purchases/capitalization	–	175	–	10	185
Translation differences	–282	–41	–38	–89	–450
Accumulated acquisition value April 30, 2011	2,047	494	191	548	3,280
Accumulated amortization May 1, 2010	–	–167	–52	–268	–487
Amortization for the year	–	–83	–12	–70	–165
Translation differences	–	16	10	38	64
Accumulated amortization April 30, 2011	–	–234	–54	–300	–588
Carrying amount April 30, 2011	2,047	260	137	248	2,692
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
Accumulated acquisition value April 30, 2010	2,224	360	229	554	3,367
Accumulated amortization May 1, 2009	–	–95	–45	–220	–360
Amortization for the year	–	–75	–12	–64	–151
Translation differences	–	3	5	16	24
Accumulated amortization April 30, 2010	–	–167	–52	–268	–487
Carrying amount April 30, 2010	2,224	193	177	286	2,880

Other intangible assets mainly relates to technology acquired through business combinations.

IMPAIRMENT TESTING

Goodwill is tested for impairment every year. Goodwill is distributed among cash-generating units (product lines) as follows:

SEK M	April 30, 2011	April 30, 2010
Radiation Therapy	403	413
IMPAC	889	1,070
CMS	368	443
Medical Intelligence	176	176
BMEI	118	118
RMI Resonant	81	–
Other	12	4
Total	2,047	2,224

NOTE 15 Intangible assets, cont.

The recoverable amounts for the Group's cash-generating units with goodwill are tested annually by calculating the value in use for each unit. The 2011 test showed that there is no impairment.

The calculation of the value in use for each unit was conducted by estimating future cash flows based on assumptions of e.g. growth and margin development. These estimates are based on financial budgets (the next fiscal year), expected growth in the short-term (2–5 years) and medium-term (6–10 years). For long-term periods (>10 year), the extrapolation of expected cash flow has been assumed to be a prudent 2 per cent – considerably lower than the anticipated industry growth. The cash

flow has been discounted using a pre-tax interest rate in line with the Elekta Group's weighted capital cost (10 percent). Discounted cash flow is compared with capital employed for each cash-generating unit. The impairment test is performed in April/May after the budget and business plans have been set by management.

Sensitivity analyses have been carried out with regard to the discount rate (risk) and long-term growth with a general reduction in the long-term (>10 years) growth rate of 1 percentage point and a general increase in the weighted capital cost of 2 percentage points. The sensitivity analyses did not demonstrate any impairment.

NOTE 16 Tangible fixed assets

SEK M	Machinery etc for production	Equipment, tools and installations	Finance lease equipment	Buildings	Total
Accumulated acquisition value May 1, 2010	103	691	4	36	834
Reclassifications	10	-13	3	-	0
Business combinations	-	3	-	-	3
Purchases	24	64	1	0	89
Divestments/disposals	-5	-12	-	-	-17
Translation differences	-12	-65	-1	-4	-82
Accumulated acquisition value April 30, 2011	120	668	7	32	827
Accumulated depreciation May 1, 2010	-68	-514	-2	-3	-587
Reclassifications	-9	9	-	-	0
Divestments/disposals	4	12	0	-	16
Depreciation for the year	-12	-62	-1	-1	-76
Translation differences	9	47	0	0	56
Accumulated depreciation April 30, 2011	-76	-508	-3	-4	-591
Carrying amount April 30, 2011	44	160	4	28	236
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
Accumulated acquisition value April 30, 2010	103	691	4	36	834
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
Accumulated depreciation April 30, 2010	-68	-514	-2	-3	-587
Carrying amount April 30, 2010	35	177	2	33	247

NOTE 17 Shares in subsidiaries

SEK M	Parent Company
Opening balance May 1, 2009	1,419
Investments	0
Closing balance April 30, 2010	1,419
Investments	310
Closing balance April 30, 2011	1,729

Company	Corp. id. no	Domicile	No. of shares	Interest, %	Carrying amount
Elekta Instrument AB	556492-0949	Stockholm, Sweden	1,000,000	100.0	50
Elekta Neuromag Oy	0756256-7	Helsinki, Finland	1,832	100.0	44
Elekta KK	65 820	Tokyo, Japan	2,000	100.0	36
Elekta Holding Limited	2699176	Crawley, England	22,810,695	100.0	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
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
	U33112DL2005				
Elekta Medical System India Private Limited	PTC139794	New Delhi, India	10,000	100.0	18
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	Aten, Greece		100.0	0
Elekta S.A./N.V.	HRB 613 484	Zaventem, Belgium	250	100.0	1
Elekta BV	17 097 384	Best, The Netherlands	40	100.0	0
Elekta 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.		Milan, Italy		100.0	131
Elekta Medical Systems Comercio e Prestacao de Servicos para Radiologia, Radiocirurgia e Radio-terapia 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
Resonant Medical Inc.	143446-8510RC001	Montreal, Canada	100	100.0	229
Elekta Limited, Korea	1311111-0259	Seongnam-si, Korea	473,879	100.0	15
Total					1,729

NOTE 18 Shares in associates

SEK M	Group		Parent Company	
	2010/11	2009/10	2010/11	2009/10
Opening balance, May 1	24	26	12	8
Reclassification	-4	-	-	-
Investments	8	4	8	4
Divestments	-10	-	-8	-
Participations in income of associates	-1	4	-	-
Dividends etcetera	-8	-6	-	-
Translation differences	-6	-4	-	-
Closing balance, April 30	3	24	12	12

In 2010/11 Elekta AB divested its shares in AB Motala Verkstad. The profit amounted to SEK 5 M for the Group and has been recognized in the Group's administrative expenses. The Parent company's 2010/11 investment of M 8 SEK relates to Global Medical Investments GMI AB and the divestment of SEK -8 M relates to Motala Verkstad. The investment of 4 SEK M in 2009/10 concerned Global Medical Investments GMI AB.

GROUP	Company	Corp. id. no	Domicile	No. of shares		Interest, %		Carrying amount	
				April 30, 2011	April 30, 2010	April 30, 2011	April 30, 2010	April 30, 2011	April 30, 2010
	AB Motala Verkstad	556031-3503	Motala, Sweden	-	29,960	-	49.9	-	12
	Other associates							3	12
	Total							3	24

As of April 30, 2010, the carrying amount of the Parent company's holding in AB Motala Verkstad was SEK 8 M.

NOTE 19 Other financial assets

SEK M	Group		Parent Company	
	April 30, 2011	April 30, 2010	April 30, 2011	April 30, 2010
Receivables from Group companies	-	-	85	95
Participations in other companies	6	3	-	-
Other non-current receivables	58	33	22	7
Total	64	36	107	102

NOTE 20 Inventories

SEK M	Group	
	April 30, 2011	April 30, 2010
Components	75	67
Work in progress	78	125
Finished goods	387	400
Total	540	592

NOTE 21 Accounts receivable

SEK M	Group	
	April 30, 2011	April 30, 2010
Accounts receivable, gross	2,313	2,261
Provision for bad debts	-40	-38
Carrying amount	2,273	2,223
Credit risk analysis of accounts receivable		
Not due	1,371	1,410
Overdue < 30 days	302	332
Overdue 30–60 days	121	171
Overdue 60–90 days	96	71
Overdue > 90 days	383	239
Total accounts receivables, net	2,273	2,223
Provision for bad debts		
	2010/11	2009/10
Opening balance, May 1	-38	-33
Increase through business combinations	-1	-
Provisions	-18	-14
Reversals	13	1
Realized loss	-1	5
Translation differences	5	3
Closing balance, April 30	-40	-38

The relatively low bad debt provision is due to the fact that Elekta's credit risks are limited and that credit losses historically have been low. See note 2 for more information on the Group's credit risks.

NOTE 24 Share capital

Number of shares in Elekta AB (publ)	Series A	Series B	Total	Share capital
Number of shares May 1, 2009	3,562,500	88,562,063	92,124,563	184,249,126
Exercise of warrants		670,681	670,681	1,341,362
Number of shares April 30, 2010	3,562,500	89,232,744	92,795,244	185,590,488
Exercise of warrants	-	1,444,425	1,444,425	2,888,850
Number of shares April 30, 2011	3,562,500	90,677,169	94,239,669	188,479,338
of which treasury shares		502,000	502,000	

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 financial year amounted to a total sum of SEK 280 M, corresponding to SEK 3.00 per share. At the Annual General Meeting on 13 September, 2011, a dividend of SEK 4.00 per share for the year 2010/11 – a total sum of approximately SEK 378 M – will be proposed.

The average number of shares during the year, to the nearest thousand, was 93,341 thousand (92,028). The average number of shares after full conversion of outstanding warrants, similarly rounded, was 94,507 thousand (92,945).

Repurchases of shares were performed during the year. The number of repurchased shares on April 30, 2011, totaled 502,000 B-shares. See Board of Directors' reports for more details on the repurchases.

For more information on the Elekta share, see pages 58–60.

NOTE 22 Other current assets

SEK M	Group		Parent Company	
	April 30, 2011	April 30, 2010	April 30, 2011	April 30, 2010
Derivative financial instruments (note 2)	182	134	35	38
Prepayments to suppliers	15	12	-	-
Other receivables	147	83	1	1
Prepaid expenses	161	139	7	3
Total	505	368	43	42

NOTE 23 Cash and cash equivalents

SEK M	Group		Parent Company	
	April 30, 2011	April 30, 2010	April 30, 2011	April 30, 2010
Current investments	1,173	380	525	380
Cash and bank	190	794	481	298
Total	1,363	1,174	1,006	678

NOTE 25 Interest-bearing liabilities

SEK M	Group		Parent Company	
	April 30, 2011	April 30, 2010	April 30, 2011	April 30, 2010
Bond loan	781	935	781	935
Liabilities to credit institutions	98	101	–	–
Liabilities to Group companies	–	–	1,191	645
Finance lease liabilities	2	3	–	–
Total	881	1,039	1,972	1,580
Maturity term structure, external loans				
< 1 year	99	102	–	–
> 1 year < 5 years	782	2	781	–
> 5 years	–	935	–	935
Total	881	1,039	781	935

SPECIFICATION BY CURRENCY

Currency	Amount		SEK M	
	April 30, 2011	April 30, 2010	April 30, 2011	April 30, 2010
US dollars, USD M	130	129	783	938
Chinese yuan, CNY M	105	95	98	101
Total			881	1,039

FIXED INTEREST TERM INCLUDING EFFECTS OF DERIVATIVES

	April 30, 2011	April 30, 2010
< 1 year	340	393
> 5 years	541	646
Total	881	1,039

NOTE 26 Provisions

SEK M	Group		Parent Company	
	April 30, 2011	April 30, 2010	April 30, 2011	April 30, 2010
Warranty provisions	63	70	–	–
Short-term provisions	63	70	–	–
Provision for pensions	48	46	14	11
Other provisions	61	43	8	7
Long-term provisions	109	89	22	18

PENSION PLANS

Elekta has defined benefit pension plans for certain employees in a few countries. Most common is however defined contribution plans.

Pension costs, defined benefit pension plans

SEK M	Group		Parent Company	
	2010/11	2009/10	2010/11	2009/10
Current service cost	–7	–6	–1	–2
Interest expense	–4	–5	–1	–1
Return on plan assets	2	3	1	1
Actuarial gains (+) and losses (–)	3	0	–2	5
Curtailments / Settlements	–2	–	–	–
Total pension costs defined benefit plans	–8	–8	–3	3

Defined benefit pension plans	Group		Parent Company	
	April 30, 2011	April 30, 2010	April 30, 2011	April 30, 2010
Defined benefit obligation, funded plans	88	94	45	41
Fair value of plan assets	–58	–67	–31	–30
Provision for pensions, funded plans	30	27	14	11
Defined benefit obligation, unfunded plans	18	19	–	–
Provision for pensions, unfunded plans	18	19	–	–
Pension provision for defined benefit plans, net	48	46	14	11

NOTE 26 Provisions, cont.

Movement in provision for pensions, net SEK M	Group		Parent Company	
	2011/10	2009/10	2011/10	2009/10
Opening balance, May 1	46	53	11	15
Pension costs	8	8	3	-3
Contributions	-3	-5	0	-1
Benefit payments	-1	0	-	-
Settlement	-	-8	-	-
Translation differences	-2	-2	-	-
Closing balance, April 30	48	46	14	11

Main actuarial assumptions (weighted average)

	Group	
	April 30, 2011	April 30, 2010
Discount rate	4.1%	3.9%
Expected return on plan assets	4.5%	3.5%
Future salary increases	2.6%	2.0%

Warranty provisions and other provisions

SEK M	Group		Parent Company	
	Warranty provisions	Other provisions	Other provisions	
Opening balance May 1, 2009	68	20		7
Provisions / reversals during the year	65	24		-
Provisions released during the year	-58	-1		0
Translation differences	-5	0		-
Closing balance April 30, 2010	70	43		7
Provisions / reversals during the year	46	19		1
Provisions released during the year	-46	-		-
Translation differences	-7	-1		-
Closing balance April 30, 2011	63	61		8

NOTE 27 Other current liabilities

SEK M	Group		Parent Company	
	April 30, 2011	April 30, 2010	April 30, 2011	April 30, 2010
Accrued expenses and prepaid income (see below)	1,719	1,761	25	24
Derivative financial instruments (note 2)	25	22	7	4
Other liabilities	171	123	2	3
Total	1,915	1,906	34	31
Accrued expenses and prepaid income				
Prepaid service income	731	900	-	-
Reserve for additional project costs	353	272	-	-
Accrued commission costs	79	61	-	-
Accrued vacation pay liability	86	86	5	4
Accrued social costs	27	25	1	2
Accrued interest expenses	7	9	6	8
Other items	436	408	13	10
Total	1,719	1,761	25	24

NOTE 28 Assets pledged

Collateral pledged for contingent liabilities SEK M	Group	
	April 30, 2011	April 30, 2010
Bank balances	3	2
Total	3	2

NOTE 29 Contingent liabilities

SEK M	Group		Parent Company	
	April 30, 2011	April 30, 2010	April 30, 2011	April 30, 2010
Guarantees	55	28	–	2
Guarantees on behalf of subsidiaries	–	–	804	756
Total	55	28	804	758

NOTE 30 Cash flow statement

SEK M	Group		Parent Company	
	2010/11	2009/10	2010/11	2009/10
Adjustments for non-cash items				
Participation in profit / loss of associates, after tax (note 11)	1	–2	–	–
Result from divestments/disposals of fixed assets	–5	–6	–7	–
Cost of incentive programs	32	41	–	–
Capitalized development costs (note 15)	–175	–89	–	–
Appropriations	–	–	–9	2
Interest income	–16	–5	–26	–18
Interest expenses	42	50	42	38
Other items	7	–2	0	3
Total	–114	–13	0	25
Change in working capital				
Increase (–) / decrease (+) in inventories	2	–88	–	–
Increase (–) / decrease (+) in operating receivables	–1,019	–651	215	303
Increase (+) / decrease (–) in operating liabilities	677	751	6	–46
Total	–340	12	221	257
Business combinations				
Purchase price	238	–	–	–
Acquired cash and cash equivalents	0	–	–	–
Unpaid part of purchase price	–	–	–	–
Payments related to acquisitions in prior years	12	–	–	–
Total	250	–	–	–

More information on business combinations is presented in note 32.

NOTE 31 Related party transactions

Transactions between Elekta AB and its subsidiaries are shown in notes 10, 12, 19 and 25. These transactions are eliminated upon consolidation. Sales to associates amounted to SEK 179 M (68). Purchases from associates amounted to SEK 42 M (47). Receivables from associates amounted to SEK 78 M (21) and liabilities to associates amounted to SEK 0 M (11).

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 5.

NOTE 32 Business combinations

Two business combinations have been carried out in 2010/11: Resonant Medical Inc. (RMI) in Canada and Elekta Korea Ltd in Sydkorea.

RESONANT MEDICAL

On May 31, 2010, Elekta acquired 100 percent of the shares as well as votes in Resonant Medical Inc. (RMI), Montreal, Canada. The company develops systems for enhanced image guidance of soft tissues for radiation therapy based on latest generation 3D ultrasound technology. Through this acquisition, Elekta adds new solutions for image guidance as well as highly skilled R&D resources in the field of oncology imaging and motion management.

The purchase price amounted to CAD 30 M. Elekta has consolidated RMI from June 1, 2010. Goodwill and identifiable intangible assets, mainly derived from technology, amount to approximately CAD 23 M. Recognized goodwill is mainly related to synergies and other intangible assets not qualifying for separate recognition. The goodwill is not expected to be tax deductible. During the period June 2010 to April 2011 the operating result of RMI was negative CAD 6 M. An improvement is expected for the fiscal year 2011/12. Transaction costs related to the acquisition have been expensed when incurred and amount to SEK 5 M.

ELEKTA KOREA

On 31 July, 2010, Elekta Limited, South Korea, acquired the net assets of Elekta Korea Ltd, previously a distributor in South Korea. The purchase price amounted to KRW 2,519 M equivalent to SEK 15 M. Calculated goodwill amounts to SEK 9 M. Transaction costs related to the acquisition have been expensed when incurred and amount to SEK 1 M.

SEK M	2010/11
Purchase price and goodwill:	
Cash paid	238
Total purchase price	238
Fair value of acquired net assets	-133
Goodwill	105

SEK M	2010/11
Acquired assets and liabilities according to purchase price allocations:	
Intangible assets	73
Other non-current assets	78
Inventories	21
Receivables	14
Cash and cash equivalents	0
Provisions	-20
Other liabilities	-33
Fair value of acquired net assets	133

The fair value of acquired receivables was at the time of acquisition SEK 14 M inclusive of trade receivables amounting to SEK 2 M. The gross amount of overdue trade receivables was SEK 1.4 M, of which SEK 1.0 M were not expected to be collected.

SEK M	2010/11
Effect on cash and cash equivalents:	
Purchase price settled in cash	238
Cash and cash equivalents in acquired operations	0
Total effect on Group cash and cash equivalents	238

Payments related to deferred considerations regarding acquisition in previous years amounted to SEK 12 M. Transaction costs for the year amounted to SEK 7 M and are reported as administrative expenses in the Group's income statement.

SEK M	2010/11
Sales and income in acquired entities:	
Net sales 2010/11	19
Net income 2010/11	-33
Net sales from time of acquisition	19
EBIT from time of acquisition	-38
Net income from time of acquisition	-30

NOTE 33 Average number of employees

	Men		Women		Total	
	2010/11	2009/10	2010/11	2009/10	2010/11	2009/10
Parent Company	11	13	11	10	22	23
Subsidiaries:						
Sweden	133	127	56	56	189	183
Australia	18	13	7	5	25	18
Belgium	7	7	1	1	8	8
Brazil	17	11	9	7	26	18
Finland	24	21	5	4	29	25
France	44	42	8	7	52	49
Greece	10	9	3	2	13	11

NOTE 33 Average number of employees, cont.

cont.	Men		Women		Total	
	2010/11	2009/10	2010/11	2009/10	2010/11	2009/10
Hong Kong	21	15	5	4	26	19
India	52	41	1	1	53	42
Italy	47	46	14	14	61	60
Japan	70	81	16	26	86	107
Canada	49	23	14	5	63	28
China	244	231	92	85	336	316
The Netherlands	14	14	4	3	18	17
New Zealand (branch)	3	2	–	–	3	2
Switzerland (branch)	4	3	–	1	4	4
Singapore	3	3	2	–	5	3
Spain	26	25	6	5	32	30
Great Britain	427	399	84	88	511	487
South Africa	6	6	2	2	8	8
South Korea	8	–	3	–	11	–
Germany	107	108	42	38	149	146
Hungary	1	3	–	–	1	3
USA	542	538	327	320	869	858
Austria	16	15	5	5	21	20
Total average number of employees	1,904	1,796	717	689	2,621	2,485

SPECIFICATION MEN/WOMEN AMONG BOARD OF DIRECTORS AND EXECUTIVE COMMITTEE

During the financial year, the Board of Directors of Elekta AB consisted of 75 percent (75) men. The Executive Committee consisted of 88 percent (90) men.

The Board of Directors and the CEO certify that the annual financial report has been prepared in accordance with generally accepted accounting principles and that the consolidated accounts have been prepared in accordance with the international set of accounting standards referred to in Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards, and give a true and fair view of the position and profit or loss of the Parent Company and the Group, and that the management report gives a fair review of the development and performance of the business, position and profit or loss of the Parent Company and the Group, and describes the principal risks and uncertainties that the Parent Company and the companies in the Group face.

Stockholm, August 9, 2011

Akbar Seddigh
Chairman of the Board

Hans Barella

Luciano Cattani

Birgitta Stymne Göransson

Vera Kallmeyer

Tommy H Karlsson

Laurent Leksell

Jan Secher

Tomas Puusepp
President and CEO

Our audit report was submitted on August 9, 2011
Deloitte AB

Jan Berntsson
Authorized Public Accountant

Auditor's Report

This is a translation of the Swedish original

**To the annual general meeting of the shareholders of Elekta AB,
corporate identity number 556170-4015**

We have audited the annual accounts, the consolidated accounts, except the corporate governance statement on pages 69–75, the accounting records and the administration of the Board of Directors and the President and CEO of Elekta AB for the year 2010-05-01 – 2011-04-30. The annual accounts and the consolidated accounts of the company are included in the printed version of this document on pages 63–111. The Board of Directors and the President and 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 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 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 and the consolidated accounts 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 President and CEO and significant estimates made by the Board of Directors and the President and CEO when preparing the annual accounts and consolidated accounts as well as evaluating the overall presentation of information in the annual accounts and the consolidated accounts. 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 President and CEO. We also examined whether any Board member or the President and 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 IFRS 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. Our opinions do not cover the Corporate Governance statement on pages 69–75. The Board of Directors' report is consistent with the other parts of the annual accounts and the consolidated accounts.

We recommend to the annual meeting of shareholders that the income statement and balance sheet 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 Board of Director' Report and that the members of the Board of Directors and the President and CEO be discharged from liability for the financial year.

REPORT ON THE CORPORATE GOVERNANCE STATEMENT

It is the Board of Directors and the President and CEO who is responsible for the Corporate Governance statement on pages 69–75 and that it has been prepared in accordance with the Annual Accounts Act. As a basis for our opinion that the Corporate Governance statement has been prepared and is consistent with the other parts of the annual accounts and the consolidated accounts, we have read the Corporate Governance statement and assessed its statutory content based on our knowledge of the company. A Corporate Governance statement has been prepared and its statutory content is consistent with the other parts of the annual accounts and the consolidated accounts.

Stockholm, August 9, 2011

Deloitte AB
Jan Berntsson
Authorized Public Accountant

Glossary

Benign	The term benign is used when describing tumors or growths that do not threaten the health of an individual. Benign is the opposite of malignant.
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, etcetera. The opposite of non-invasive (bloodless).
Linear accelerator	Equipment for generating and directing ionizing radiation for treatment of cancer.
Magnetoencephalograph (MEG)	Equipment for real time mapping of the function in different parts of the brain, by measuring the magnetic field generated by brain cells activity.
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 in 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.

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