



6 Interim Report

SIX MONTHS
ENDED OCTOBER 31, 2002

2002/03



ELEKTA

Interim report Six months ended October 31, 2002

- Operating profit improved sharply, by SEK 67 M, to SEK 147 M and the operating margin rose to 11 (6) percent.
- The cash flow after investments was positive, amounting to SEK 148 M (4).
- Order bookings increased to SEK 1,466 M (1,344). During the second quarter order bookings increased 20 percent to SEK 769 M (641).
- Net sales increased by 10 percent, to SEK 1,359 M (1,232).

Despite a generally weak economy, the trend in the international healthcare market is positive. Demand for Elekta's products and treatment methods for cancer and neurological disorders continues to be good.

As a result of an increasingly older population and improved diagnostic methods, the number of detected cancer cases is rising. The development of treatment methods for cancer is focusing increasingly on high-precision radiation treatment. Elekta is currently the second largest supplier in the world, and the largest in Europe, of methods for radiation treatment of cancer. Elekta is also a leading supplier of high-precision radiation treatment of cancer using Intensity Modulated Radiation Treatment (IMRT). IMRT makes it possible to adapt the radiation dose more precisely to the tumor's three-dimensional shape and specific radiation sensitivity, without damage to healthy tissue, thereby improving the patient's treatment result and quality of life. The market has rapidly accepted IMRT as a clinically and financially efficient method of improved cancer care.

The need for non-invasive radiosurgery is growing. Today, approximately 235 of each million persons suffer from the type of brain disease that is suitable for radiosurgery using Leksell Gamma Knife®. The areas of illness in which radiosurgery is rising sharply are certain tumors in the brain and functional disorders. Radiation treatment using Leksell Gamma Knife is characterized by the high quality of care provided and its cost-efficiency, as well as being very gentle on the patient.

Order bookings and order backlog

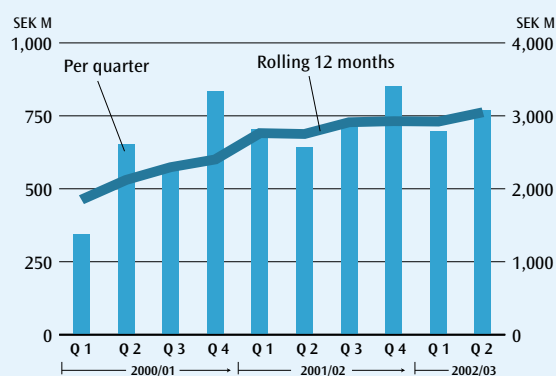
Order bookings increased by 9 percent, to SEK 1,466 M (1,344). Exchange-rate movements affected order bookings negatively by circa 6 percent. Orders for neurosurgery products declined by 11 percent, to SEK 432 M (486), and orders for oncology products rose by 21 percent, to SEK 1,034 M (858).

Order bookings during the second quarter of the fiscal year increased by 20 percent, to SEK 769 M (641).

Calculated on a rolling 12-month basis, order bookings rose 11 percent, to SEK 3,049 M.

Order bookings exceeded net sales. The Group's order backlog was affected though by the weakening of the US dollar. As of October 31, 2002 the order backlog amounted to SEK 2,276 M, compared with SEK 2,317 M at April 30, 2002.

ORDER BOOKINGS



Investments in cancer care in Europe

Order bookings in Region Europe, including the Middle East and Africa, increased 16 percent, to SEK 649 M (559). Orders for oncology products were 26 percent higher, while the trend for neurosurgery products was weak. Substantial investments in the development of cancer care are being made in the Netherlands. Elekta has received an order amounting to SEK 160 M from a large hospital in the Netherlands for eight linear accelerators

Order bookings

SEK M	Quarter 2 2002/03	Quarter 2 2001/02	6 months 2002/03	6 months 2001/02	Rolling 12 months	Change, %
Europe, Middle East, Africa	356	271	649	559	1,197	5
North and South America	243	228	517	480	1,284	31
Japan	28	103	112	114	215	-19
Asia excl. Japan	142	39	188	191	353	-4
Group	769	641	1,466	1,344	3,049	11
of which						
Oncology	550	378	1,034	858	2,077	17
Neurosurgery	219	263	432	486	972	-1



for radiation treatment of cancer. The equipment features IMRT, which facilitates intensity modulated radiotherapy with high precision.

Strong growth for oncology products in North America

Orders booked in North and South America increased by 8 percent, to SEK 517 M (480). Orders for oncology products rose by 53 percent. Order bookings for neurosurgery products were stable but lower compared with the strong six months in the preceding fiscal year. Elekta has launched a new business concept with deliveries of prefabricated treatment rooms for Leksell Gamma Knife. The radiation-safe treatment room is a turnkey delivery. This total solution makes it possible for the customer to be more cost-efficient and to begin treatment of patients sooner.

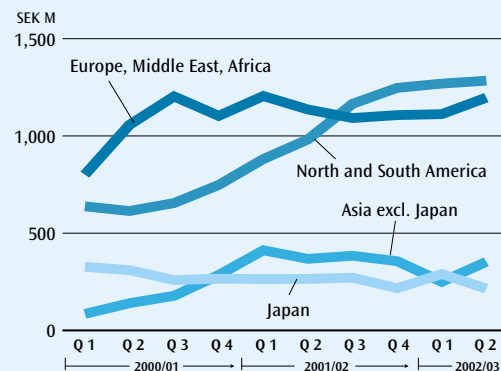
Seasonally weak order bookings in Japan

The market was characterized by the continuing weak trend of the economy in Japan, but certain improvement is expected towards the end of the fiscal year. Order bookings in Japan amounted to SEK 112 M (114). Investment decisions in the healthcare field in Japan are generally made during the later part of Elekta's fiscal year.

Asia

Order bookings in Asia amounted to SEK 188 M (191). In particular there was a strong increase in orders for neurosurgery products, in which orders during the first six months have already exceeded order bookings for the entire preceding fiscal year. In addition to orders for Leksell Gamma Knife units, contracts were signed for delivery of linear accelerators for radiotherapy of cancer in both China and Taiwan.

ORDER BOOKINGS ROLLING 12 MONTHS PER MARKET



Income statement

SEK M	3 months Aug–Oct 2002/03	3 months Aug–Oct 2001/02	6 months May–Oct 2002/03	6 months May–Oct 2001/02	12 months Nov–Oct 2001/02	12 months May–April 2001/02
Net sales	697	688	1,359	1,232	2,865	2,738
Cost of products sold	–438	–441	–878	–777	–1,799	–1,698
Gross income	259	247	481	455	1,066	1,040
Selling expenses	–93	–90	–171	–167	–371	–367
Administrative expenses	–72	–69	–131	–128	–318	–315
R&D expenses	–33	–34	–61	–64	–141	–144
Exchange differences in operation	22	–7	29	–16	38	–7
Operating result	83	47	147	80	274	207
Financial net	2	4	–1	6	7	14
Income after financial items	85	51	146	86	281	221
Taxes	–28	–18	–50	–33	–95	–78
Minority	–2	3	2	6	–2	2
Net income	55	36	98	59	184	145
Earnings per share before dilution, SEK	1.70	1.15	3.07	1.95	5.78	4.66
Earnings per share after dilution, SEK	1.67	1.11	3.00	1.93	5.63	4.56

Cash flow

Operating cash flow	86	59	149	113	301	265
Change in working capital	48	–100	13	–101	–14	–128
Cash flow before investments	134	–41	162	12	287	137
Investments and disposals	–13	–1	–14	–8	–30	–24
Cash flow after investments and disposals	121	–42	148	4	257	113
External financing	–5	–12	1	–16	7	–10
Change in liquid assets	109	–35	135	0	237	102

Balance sheet

SEK M	Oct 31, 2002	Oct 31, 2001	April 30, 2002
Intangible fixed assets	392	406	388
Tangible fixed assets	80	95	87
Financial fixed assets	23	20	22
Inventories	264	278	269
Other current assets	1,086	1,107	1,234
Liquid assets	671	434	536
Total assets	2,516	2,340	2,536
Shareholders' equity	1,343	1,209	1,272
Minority	2	2	6
Provisions	89	71	90
Other interest-bearing liabilities	29	37	35
Interest-free liabilities	1,053	1,021	1,133
Total shareholders' equity, provisions and liabilities	2,516	2,340	2,536

Changes in shareholders' equity

SEK M	Oct 31, 2002	Oct 31, 2001	April 30, 2002
Opening balance	1,272	678	678
Changed accounting principles		209	209
Conversion of debentures		229	229
Option premiums and warrants exercised	9		6
Translation differences	–36	34	5
Net income	98	59	145
Closing balance	1,343	1,209	1,272

Key figures

	12 months May–Apr 1999/2000	12 months May–Apr 2000/01	12 months* May–Apr 2000/01	12 months May–Apr 2001/02	6 months May–Oct 2001/02	6 months May–Oct 2002/03
Order bookings, SEK M	1,877	2,402	2,402	2,927	1,344	1,466
Net sales, SEK M	1,789	2,160	2,160	2,738	1,232	1,359
Items affecting comparability, SEK M	19	—	—	—	—	—
Operating result, SEK M	–37	92	92	207	80	147
Operating margin, %	–2	4	4	8	6	11
Profit margin, %	–4	3	3	8	7	11
Shareholders' equity, SEK M	576	678	887	1,272	1,209	1,343
Capital employed, SEK M	905	959	1,178	1,313	1,248	1,374
Equity/assets ratio, %	31	33	39	50	52	53
Return on shareholders' equity, % **	–22	10	5	13	12	14
Return on capital employed, % **	–3	12	10	19	18	23

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

Per share data

	12 months May–Apr 1999/2000	12 months May–Apr 2000/01	12 months* May–Apr 2000/01	12 months May–Apr 2001/02	6 months May–Jul 2001/02	6 months May–Jul 2002/03
Earnings per share before dilution, SEK	–4.24	2.21	1.52	4.66	1.95	3.07
Earnings per share after dilution, SEK	–1.17	2.70	1.89	4.56	1.93	3.00
Cash flow per share before dilution, SEK	2.30	8.11	8.11	3.64	0.13	4.65
Cash flow per share after dilution, SEK	3.13	7.90	7.90	3.63	0.12	4.54
Shareholders' equity per share						
before dilution, SEK	20.68	24.33	31.84	40.03	38.18	42.02
after dilution, SEK	24.90	28.43	35.03	39.89	38.14	41.89
Interest on converted debentures						
net after tax, SEK M	45	24	17	3	3	—
Average number of shares						
before dilution, 000s	18,263	27,854	27,854	31,048	30,392	31,859
after dilution, 000s	27,787	31,662	31,662	32,504	32,373	32,614
Number of shares at closing						
before dilution, 000s	27,854	27,854	27,854	31,765	31,662	31,967
after dilution, 000s	31,662	31,662	31,662	33,084	33,084	33,084

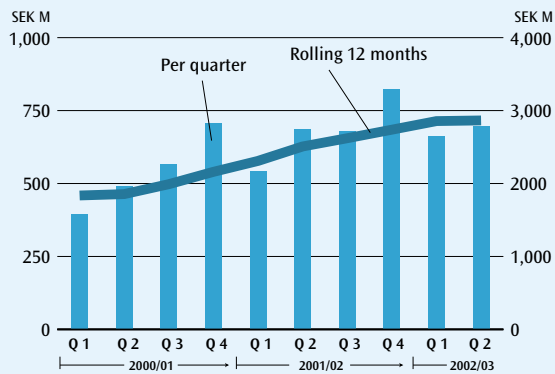
* Restated for new accounting principles for taxes.

Accounting principles

Application of RR15, the Swedish Financial Accounting Standards Council's new recommendation regarding intangible assets resulted in a change of accounting principles for Elekta, which has previously expensed all research and development expenditures. Elekta's application of the new rules mean that very high demands are placed before any expenditures for development shall be reported as an asset. For example, the technical functionality of a new product must be proven before expenditures for this development are reported as an asset. The transition rules for this recommendation mean that no retroactive adjustment is made.

Otherwise, the accounting principles applied are the same as those used in Elekta's most recent year-end report. This interim report was prepared in accordance with Recommendation RR20 on Interim Reports, issued by the Swedish Financial Accounting Standards Council.

NET SALES



Net sales

Consolidated net sales increased by 10 percent, to SEK 1,359 M (1,232). Exchange-rate movements had a negative impact of 7 percent on net sales. Net sales of neurosurgery products rose by 1 percent, to SEK 392 M (389), with an increase of 15 percent, to SEK 967 M (843) for oncology products. Net sales of after-market products and services increased by 18 percent, to SEK 413 M (351), and accounted for 30 (28) percent of the Group total.

Net sales during the second quarter amounted to SEK 697 M (688).

Calculated on a rolling 12-month basis, net sales increased by 14 percent, to SEK 2,865 M.

Result

Operating profit improved by SEK 67 M, to SEK 147 M (80). The improvement was attributable primarily to improved productivity and increased volume in the oncology sector. Exchange-rate movements affected operating profit favorably by approximately SEK 2 M. The operating margin improved to 11 percent (6). Calculated on a rolling 12-month basis, the operating margin was 10 percent.

Investments in research and development increased by 28 percent, to SEK 82 M (64), equal to 6 (5) percent of

net sales. In accordance with Recommendation RR15 of the Swedish Financial Accounting Standards Council, SEK 21 M has been capitalized for certain specific projects while the remainder has been expensed. See Accounting principles on page 5.

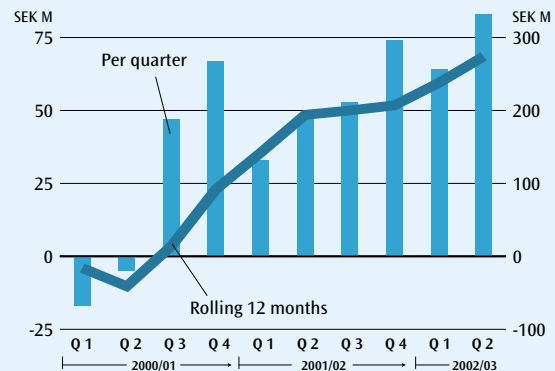
Net financial expense amounted to SEK 1 M (income 6), including net interest income of SEK 1 M (interest expense: 3). Earnings from participations in associated companies amounted to SEK 5 M (6), and foreign exchange differences totaled a negative SEK 7 M (positive: 3).

Profit after net financial items improved by 70 percent to SEK 146 M (86). Profit after taxes increased to SEK 98 M (59).

Earnings per share during the first half of the fiscal year increased by 57 percent and amounted to SEK 3.07 (1.95) before dilution, and to SEK 3.00 (1.93) after dilution.

The return on equity amounted to 14 (12) percent and the return on capital employed was 23 (18) percent.

OPERATING RESULT



Investments and depreciation

Investments in intangible and tangible fixed assets amounted to SEK 39 M (12). Amortization/depreciation of intangible and tangible assets amounted to SEK 31 M (30).

During the second quarter of the fiscal year Elekta

Net sales

SEK M	Quarter 2 2002/03	Quarter 2 2001/02	6 months 2002/03	6 months 2001/02	Change, %	12 months 2001/02
Europe, Middle East, Africa	281	331	529	531	0	1,195
North and South America	285	198	590	373	58	877
Japan	45	25	66	111	-41	303
Asia excl. Japan	86	134	174	217	-20	363
Group	697	688	1,359	1,232	10	2,738
of which						
Oncology	477	483	967	843	15	1,848
Neurosurgery	220	205	392	389	1	890

increased its share holding in Shanghai Elekta from 60 to 80 percent of the capital.

Liquidity and financial position

Cash flow before investments was strong and amounted to SEK 162 M (12). Cash flow after investments and divestments amounted to SEK 148 M (4).

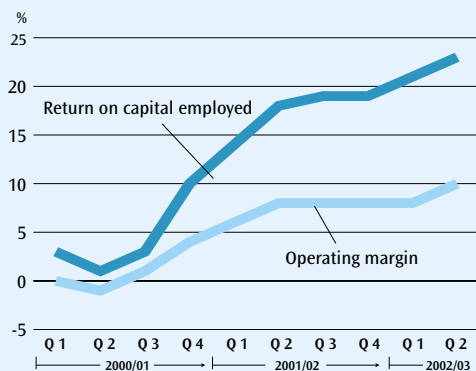
Liquid assets as of October 31, 2002 amounted to SEK 671 M, compared with SEK 536 M on April 30, 2002. SEK 78 M of Elekta's bank balances was pledged, primarily in the form of guarantees for customer advances received.

Interest-bearing liabilities amounted to SEK 29 M compared with SEK 35 M on April 30, 2002.

The equity/assets ratio was 53 percent.

During the first half of the fiscal year 202,775 new Series B shares were subscribed through the exercise of warrants allotted within the framework of Elekta's established stock options program. As of November 25, the total number of Elekta shares was 32,115,142.

OPERATING MARGIN AND RETURN ON CAPITAL EMPLOYED ROLLING 12 MONTHS



Patent dispute

In the ongoing patent dispute in the U.S., Elekta has appealed the ruling in the lower court and provided a surety bond of USD 25 million, corresponding to the damage ruling in the first instance court. The plaintiff has not presented any objections to the amount of the bond, but the judge has not finally specified the amount. The opinion today is that the probability that the judge will change the amount is small. Elekta estimates that the appeal process will take two to three years.

Employees

The average number of employees in the Group was 991 (883). The number of employees at the end of the period was 1,004 compared with 989 as of April 30, 2002.



Parent Company

Parent Company operations comprise Group management, joint Group functions and financial management. The Parent Company incurred a loss for the period of SEK 16 M (loss 21), after net financial items. The average number of employees was 15 (13).

Future prospects

Elekta estimates that even with today's currency situation, net sales for 2002/03 fiscal year will be somewhat higher compared with last fiscal year. It is estimated that the operating margin will be at the same level as in the first six months.

Financial information

The interim report for the first nine months of the 2002/03 fiscal year will be released on March 11, 2003.

STOCKHOLM DECEMBER 11, 2002

ELEKTA AB (PUBL)

Laurent Leksell, PhD Econ
President

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



E L E K T A

Elekta AB (publ)

P.O. Box 7593 • SE-103 93 Stockholm, Sweden
Tel +46-8-587 254 00 • Fax +46-8-587 255 00 • e-mail: info@elekta.com

For additional information, please contact:

Lars Jonsteg, Vice President, Corporate Communications, Elekta AB (publ) • Tel +46-8-587254 82

Additional information is available at: www.elekta.com