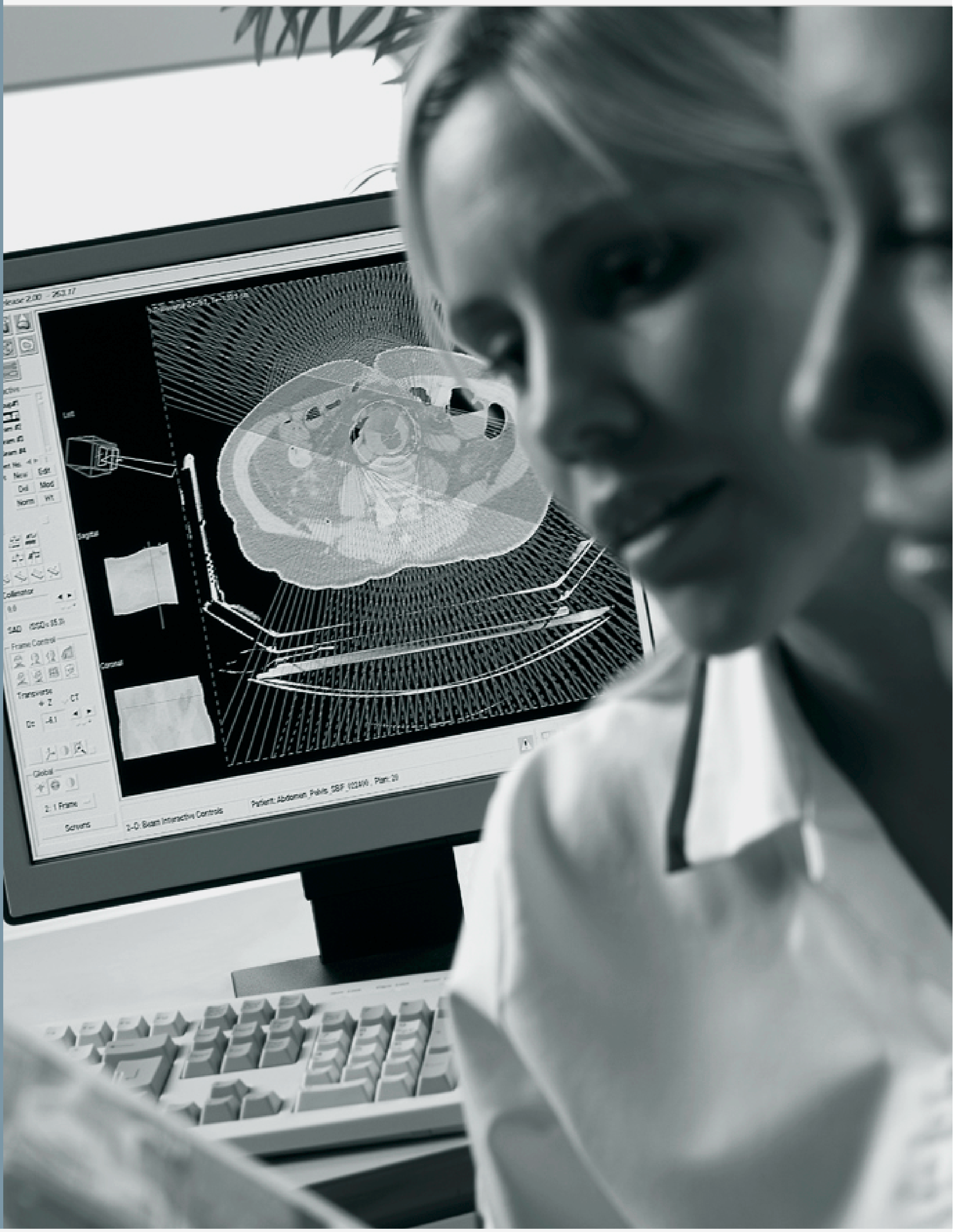
Elekta AB (publ) | Corp. reg. no. 556170-4015

Year ended April 30, 2005



Year-end report on operations

ELEKTA

Year-end report on operations Year ended April 30, 2005

- **On April 4, 2005 Elekta acquired IMPAC Medical Systems, transforming Elekta into a comprehensive provider of systems and solutions across the whole spectrum of cancer care. Acquisition value amounted to USD 257 M (SEK 1,812 M)**
- **Profit after taxes amounted to SEK 241 M (248). Earnings per share after dilution amounted to SEK 7.67 (7.63).**
- **Operating profit increased by 14 percent, amounting to SEK 349 M (306) and the operating margin was 11 percent (11).**
- **Cash flow from operating activities amounted to SEK 408 M (448).**
- **Order bookings rose 9 percent to SEK 3,558 M (3,262). At fixed exchange rates order bookings increased 12 percent.**
- **Net sales increased 9 percent to SEK 3,152 M (2,900). At fixed exchange rates, net sales increased by 13 percent.**
- **New financial objectives established for the Group, including an objective to achieve an operating margin of 14-16 percent not later than fiscal year 2007/08.**
- **For the first time in 10 years, the Board is proposing a dividend. In accordance with Elekta's dividend policy, an ordinary dividend of SEK 1.60 per share is proposed and, in addition, an extraordinary dividend of SEK 5.00 per share.**

Elekta is an international medical-technology Group, providing meaningful clinical solutions, comprehensive information systems and services for improved cancer care and management of brain disorders.

Elekta provides world-leading, innovative clinical solutions in:

- Precision radiation therapy
- Image guided radiation therapy
- Stereotactic radiation therapy
- Gamma Knife® surgery
- Stereotactic neurosurgery
- Functional mapping

Elekta also offers advanced software for workflow management, treatment planning, decision support and information processing. Through customized solutions for service and upgrades of software and hardware, Elekta supports users of its equipment during the product's entire lifecycle.

The acquisition of IMPAC Medical Systems on April 4, 2005 enables Elekta to offer its customers a new broad range of medical IT systems for use in cancer care. Combined, Elekta and IMPAC are able to offer a fully integrated solution centered on an image enabled electronic medical record and based on open architecture and connectivity – covering the entire cancer treatment process, from initial diagnosis and treatment planning through treatment and follow-up, including cancer registry and decision support. The acquisition strengthens Elekta's presence and position in the US market, while Elekta's international sales organization will facilitate sales and market penetration outside the US for IMPAC's solutions for the whole spectrum of cancer care.

Market and products

Due mainly to a longer life expectancy and better diagnostics, the number of newly diagnosed cases of cancer is steadily increasing.

Radiation therapy is an important weapon in the fight against cancer. Approximately 50 percent of patients diagnosed with cancer require treatment with radiation therapy during some part of the course of the disease. New, advanced methods such as image guidance and stereotactic applications are expected to increase the use of radiation therapy in the future. This development is accelerated by the fact that radiation therapy is very cost effective compared with other cancer treatment methods while also being less traumatic for the patient.

Elekta has unique experience of more than 30 years in image guidance and stereotactical applications in radiation treatment. On the basis of this experience, Elekta now leads the development of new advanced methods for radiation therapy for cancer. Elekta was the first supplier in the world to offer systems for stereotactic radiosurgery and for image guided radiation therapy (IGRT) and continues to lead the clinical development in this area. Elekta's advanced technology, Elekta Synergy®, makes it possible to acquire high-resolution three-dimensional computer tomography images of patients' inner organs, at the time of treatment, and thus improve the precision and accuracy of the treatment.

In 2004, Elekta Synergy® S was launched, a highly advanced system for stereotactic radiation therapy in which integrated high-resolution X-ray is combined with stereotaxy, meaning ultraprecise patient positioning and beam delivery. Elekta Synergy® S and stereotactic radiation therapy signify new possibilities for the treatment of small tumors close to critical structures as well as dose escalation, which facilitates a reduced number of treatment fractions.

Leksell Gamma Knife® is the predominant and most advanced method for stereotactic radiosurgery in the brain, and development toward expanded areas of application is continuing at a steady pace. The method is today used routinely for the treatment of benign and malignant brain tumors, vascular malformations and for radiosurgical treatment of functional disorders.

The latest generation, Leksell Gamma Knife® 4C, is facilitating a

Order bookings

SEK M	Quarter 4 2004/05	Quarter 4 2003/04	Change, %	12 months 2004/05	12 months 2003/04	Change, %
Europe, Middle East, Africa	325	542	–40	1,537	1,476	4
North and South America	611	401	52	1,371	1,065	29
Japan	55	45	22	262	229	14
Asia excl Japan	113	131	–14	388	492	–21
Group	1,104	1,119	–1	3,558	3,262	9
of which						
Oncology	814	857	–5	2,600	2,331	12
Neurosurgery	290	262	11	958	931	3

simplified and more efficient treatment process and enhanced precision through new, integrated image processing possibilities. The system includes Leksell GammaPlan® 4C planning software, providing users with a previously unattainable possibility to integrate images from various image sources and as a result to achieve higher treatment precision and improved treatment results.

The total market for Elekta's products and solutions is expected to grow by 5–10 percent annually, and demand for Elekta's clinical solutions remains strong. However, the high value of individual orders and order coordination within the framework of healthcare investment programs often lead to significant quarterly variations in business volume.

Order bookings and order backlog

Order bookings rose by 9 percent to SEK 3,558 M (3,262). IMPAC, which was included during April, contributed with SEK 40 M. Order bookings for oncology products rose by 12 percent to SEK 2,600 M (2,331). Order bookings for neurosurgery products were up 3 percent, amounting to SEK 958 M (931). Based on fixed exchange rates, the Group's order bookings rose by 12 percent, with oncology rising 13 percent and neurosurgery by 8 percent.

Order bookings for the fourth quarter amounted to SEK 1,104 M (1,119).

The order backlog amounted on April 30, 2005 to SEK 3,493 M (2,728). IMPAC is contributing with SEK 432 M. The order backlog is at a record high level, also on a comparative basis.

Market comments

Europe

Order bookings in the Europe region, including the Middle East and Africa, rose by 4 percent to SEK 1,537 M (1,476). At fixed exchange rates, total order bookings for the region rose 4 percent, and for oncology products, by 13 percent.

Elekta's position in the European market is strong. The market for radiation therapy is driven primarily by the lack of care capacity and therapeutic equipment. In many European countries, the number of linear accelerators per capita is less than half that of the US.

Extensive investment programs are ongoing in several European countries, including France, the Netherlands and the UK, aimed at increasing capacity for radiation therapy of cancer. The acquisition of IMPAC is expected to result in a strengthened market position, with regard to treatment solutions as well as software systems.

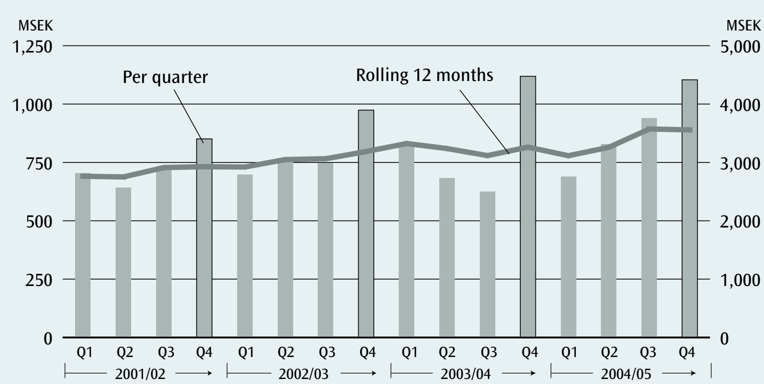
North and South America

Order bookings in North and South America increased by 29 percent to SEK 1,371 M (1,065), including SEK 34 M attributable to IMPAC. At fixed exchange rates, order bookings for the region rose by 36 percent. Order bookings for oncology rose by 30 percent, while order bookings for neurosurgery were up 47 percent, based on unchanged exchange rates.

An order for ten linear accelerators to Venezuela, valued at over SEK 100 M, was booked during the fourth quarter, of which two systems also were delivered in April.

The growth in the US market, which was previously driven by the transition to intensity modulated radiation therapy (IMRT), has now slowed down. Interest in the next technology shift – image-guided radiation therapy

Order bookings



Net sales

SEK M	Quarter 4 2004/05	Quarter 4 2003/04	Change, %	12 months 2004/05	12 months 2003/04	Change, %
Europe, Middle East, Africa	433	411	5	1,328	1,319	1
North and South America	412	283	46	1,057	868	22
Japan	53	71	–25	326	303	8
Asia excl Japan	58	114	–49	441	410	8
Group	956	879	9	3,152	2,900	9
of which						
Oncology	649	559	16	2,175	1,876	16
Neurosurgery	307	320	–4	977	1,024	–5

(IGRT) – is substantial, primarily from university hospitals. In a near future, IGRT is also expected to be ready for a broader market, which it is anticipated will strengthen market growth, primarily through higher prices per sold unit.

In the American market, efficiency in the patient process and the management of the clinic's information flows are often decisive sales arguments. Software systems such as those offered by IMPAC, which span the entire clinical treatment process while administratively managing resource utilization are therefore discussed in most sales processes.

Japan

Order bookings in Japan rose by 14 percent to SEK 262 M (229). Based on unchanged exchange rates, order bookings increased by 19 percent.

Elekta holds a strong position in the Japanese market, particularly within neurosurgery. A relatively high penetration of Leksell Gamma Knife® in Japan entails a good potential for upgrades and after-market sales. The latest generation of Leksell Gamma Knife®, the 4C version, is expected to be approved by the Japanese authorities during the autumn of 2005, which will expand upgrades and after-sales opportunities in the region.

Japan is a pioneer country in magnetoencephalography (MEG). Elekta Neuromag® has a relatively high penetration in Japan and interest there continues to be strong.

Asia

Order bookings in Asia, excluding Japan, declined by 21 percent to SEK 388 M (492). At fixed exchange rates, total order bookings for the region declined 20 percent, and for oncology products, by 15 percent.

Elekta holds a strong market position for advanced and premium priced solutions in the region. The need for equipment for radiation therapy for tumor diseases is very high in most Asian countries. Competition on the Asian markets for linear accelerators is becoming increasingly intense, primarily from suppliers of equipment with simpler designs and lower prices.

Several countries in the region have shown a clear interest in investing in Leksell Gamma Knife®.

After-market

Order bookings for Elekta's after-market products, including technical service, amounted to SEK 1,092 M (1,087). During the period, fewer orders were signed for multi-year service contracts than in the preceding year.

The installations of Elekta IntelliMax™, Elekta's unique Intelligent Device Management (IDM) system, are continuing according to plan. The system permits ongoing Internet-based supervision and follow-up of Elekta's digital linear accelerators and creates a potential for ongoing enhancement of efficiency and quality in Elekta's international service operations.

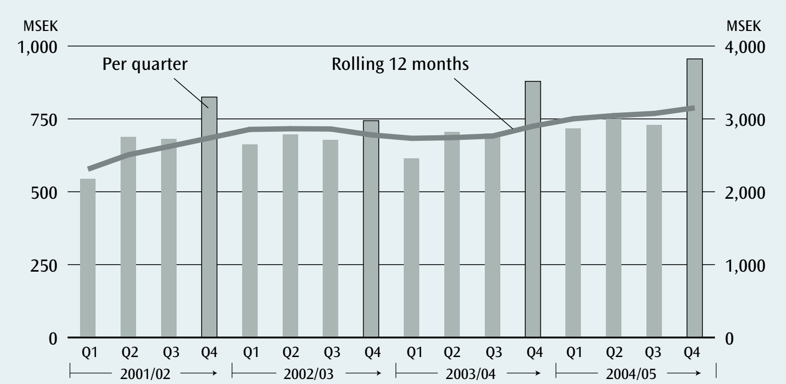
Net sales

Consolidated net sales rose by 9 percent to SEK 3,152 M (2,900), including SEK 47 M attributable to IMPAC. Based on unchanged exchange rates, net sales rose by 13 percent.

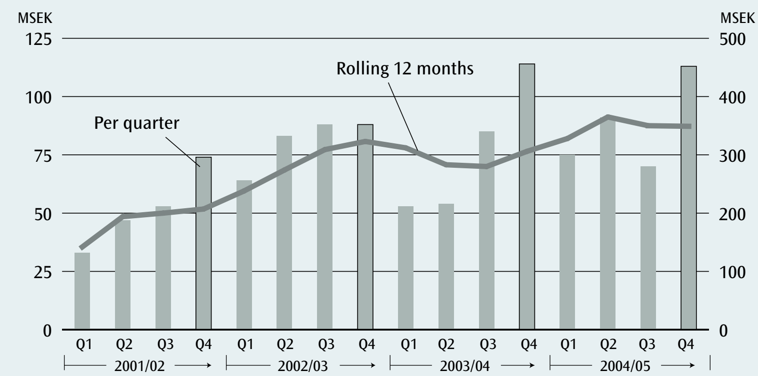
Net sales for oncology products increased by 16 percent to SEK 2,175 M (1,876). For neurosurgery products, net sales declined 5 percent to SEK 977 M (1,024).

Net sales for the after-market rose by 4 percent to SEK 937 M (900) and

Net sales



Operating result



accounted for 30 percent (31) of consolidated net sales.

Net sales for the fourth quarter amounted to SEK 956 M (879).

Result

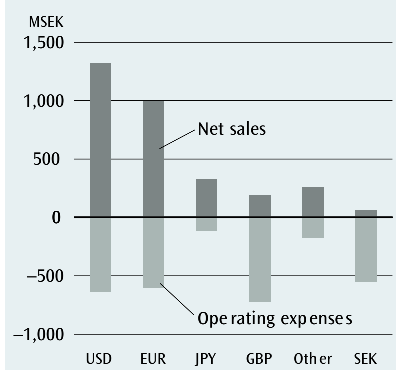
Operating profit rose by 14 percent to SEK 349 M (306), primarily due to increased sales volume. The operating margin amounted to 11 percent (11).

The gross margin declined to 38 percent (39) as a result of changes in product mix.

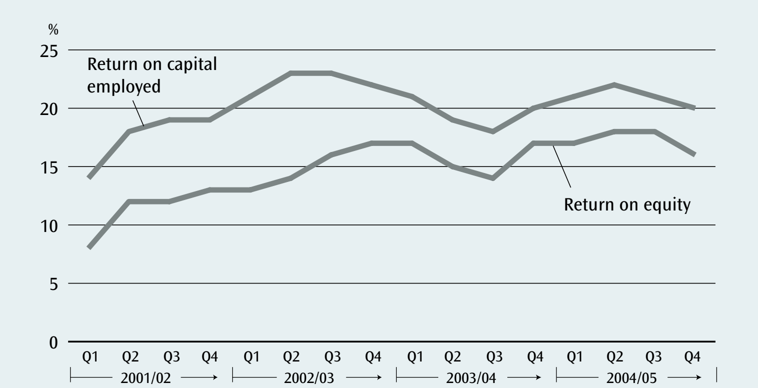
Investments in research and development rose 10 percent to SEK 230 M (210), or 7 percent (7) of net sales. Capitalization of development costs and amortization of capitalized development costs had an adverse effect of SEK 5 M (8) on earnings. Capitalization amounted to SEK 16 M (8) and amortization to SEK 21 M (16).

Year-on-year exchange rate movements had an adverse impact of approximately SEK 61 M on operating profit, mainly due to a strengthening of the exchange rate for the GBP and a weakening of the USD against the SEK.

Net sales and operating expenses by currency 2004/05



Earnings ratios



Elekta hedges part of net exposure per currency over a rolling 24 month period. Exchange rate gains from forward contracts in operating profit amounted to SEK 64 M (95). Unrealized exchange rate gains compared with exchange rates on April 30, 2005, for forward contracts that were not revalued in the balance sheet were SEK 14 M.

Net financial items amounted to income of SEK 14 M (19), of which net interest income of SEK 7 M (11) and shares in the earnings of associated companies of SEK 7 M (8).

Profit after net financial items amounted to SEK 363 M (325). The tax expense was SEK 122 M or 34 percent. Profit after taxes amounted to SEK 241 M (248).

Earnings per share rose to SEK 7.69 (7.63) before dilution and to 7.67 (7.63) after dilution.

The return on shareholders' equity amounted to 16 percent (17), while the return on capital employed amounted to 20 percent (20).

Acquisition of IMPAC Medical Systems, Inc.

On April 4, 2005, the stockholders of IMPAC Medical Systems Inc. approved the agreement with Elekta to merge IMPAC with a subsidiary of Elekta. Following the merger IMPAC has become a wholly owned subsidiary of Elekta. Elekta paid USD 24.00 in cash for each share of IMPAC common stock outstanding. Acquisition value including direct acquisition costs amounted to USD 257 M (SEK 1,812 M). At the time of the acquisition, IMPAC had liquid funds in an amount of USD 61 M (SEK 428 M).

The initial accounting of the fair values to be assigned to the acquiree's identifiable assets and liabilities has only been provisionally established, due to the short time between acquisition and the year-end closing of Elekta's accounts. The initial accounting will be completed during 2005/06. Intangible assets and goodwill have been valued at USD 222 M. Amortization period for intangible asset varies between 1 and 20 years.

Elekta is currently merging the sales efforts of both companies and will continue to coordinate or integrate operations, as and when it is deemed to benefit customers or the efficiency of the group.

Elekta has already started to win orders, for both hardware and software, in the US and internationally, that management believes are direct results of the business combination.

Elekta maintains its previous estimate that the acquisition will, in the short and medium term, lead to revenue synergies of approximately SEK 100 M and cost synergies of some SEK 30 M.

The acquisition of IMPAC is expected to be accretive to cash flow from the outset.

For fiscal year 2005/06, Elekta anticipates an amortization of intangible assets associated with the acquisition in an amount of USD 11 M, half of which is related to assets that has an amortization period of one year.

As a consequence, the transaction is expected to be neutral to Elekta's reported earnings in fiscal 2005/06. In fiscal 2006/07, the total effects are expected to be accretive to Elekta earnings per share by approximately SEK 1.50.

Investments and depreciation/amortization

The acquisition of IMPAC resulted in an increase in intangible and tangible assets of SEK 1,597 M. Other investments in intangible and tangible assets amounted to SEK 85 M (99). Depreciation and amortization of intangible and tangible assets amounted to SEK 106 M (88).

Liquidity and financial position

Cash flow from operating activities amounted during the period to SEK 408 M (448).

Cash flow after investments was negative SEK 1,042 M (positive 363), of which a negative SEK 1,384 M was attributable to the acquisition of IMPAC.

At April 30, 2005, liquid funds amounted to SEK 744 M (1,151). SEK 52 M of bank balances was pledged, primarily for commercial guarantees.

Interest-bearing liabilities amounted to SEK 833 M (231). The acquisition of IMPAC was financed partly by raising loans in USD.

Equity/assets ratio amounted to 37 percent and the net debt/equity ratio to 0.05.

In May-September 2004, 501,200 new Series B shares were subscribed for through the exercise of warrants distributed within the framework of the established options program. On April 30, 2005, the total number of shares amounted to 31,567,454.

With the aim of fulfilling the company's dividend policy and as part of the capital structure management, Elekta repurchased 224,900 Series B shares in January–February at an average price of SEK 222.34 and for a total value of SEK 50 M. The intention is that repurchased shares, in accordance with Elekta's dividend policy, will be cancelled following approval by the Annual General Meeting to be held in September 2005.

Employees

The average number of employees amounted to 1,249 (1,136). The number of employees at April 30, 2005 amounted to 1,671 (1,170), of which 421 in IMPAC.

Parent Company

The operations of the Parent Company include Group management and Group-wide functions, as well as financial administration. The Parent Company's profit after net financial items amounted to SEK 39 M (22). The average number of employees amounted to 16 (17).

Transition to IFRS

Effective May 1, 2005, Elekta will prepare its consolidated accounting in accordance with the by EU approved International Financial Reporting Standards (IFRS, formerly IAS). The 2004/05 Annual Report will be the last prepared in accordance with the recommendations and statements of the Swedish Financial Accounting Standards Council.

The interim report for the period May-July 2005 will be the first report presented by Elekta in accordance with IFRS. The comparable figures for the 2004/05 fiscal year will be restated in accordance with IFRS. Financial information related to fiscal years prior to 2004/05 will not be restated.

The rules for adoption of IFRS are provided in IFRS 1 (First-time Adoption of International Financial Reporting Standards). The net effect of the change in accounting principles is reported directly against shareholders' equity. The significant changes in accounting principles as a result of applying IFRS, as well as the preliminarily calculated effects on the balance sheet at April 30, 2005, are presented below.

Business combinations and goodwill

In accordance with IFRS 3 (Business Combinations) goodwill is no longer amortized. Instead, an impairment test must be carried out each year to determine whether there is any write-down requirement regarding goodwill. Based on IFRS 1, Elekta has chosen not to recalculate acquisitions of subsidiaries and associated companies carried out prior to May 1, 2000. The net value of goodwill existing at May 1, 2004, will be considered as the new acquisition value. Acquisitions during fiscal 2004/05 have been reported in accordance with IFRS 3. Amortization applied

Transition to IFRS cont.

during 2004/05 amounting to SEK 25 M is reversed. In certain companies, goodwill is tax deductible, as a result of which deferred tax is affected in the amount of SEK 6 M.

Financial instruments and hedge accounting

IAS 39 (Financial Instruments: Recognition and Measurement) is applied from May 1, 2005. Based on IFRS 1, Elekta has chosen not to restate the comparable figures for 2004/05 regarding financial instruments in accordance with IAS 39. The difference between the reported values in accordance with IAS 39 and the previously applied accounting principles will be reported in the balance sheet at May 1, 2005 directly against shareholders' equity in accordance with the transition rules in IFRS 1. An amount of SEK 15 M is reported for financial instruments, SEK 4 M in deferred taxes related to these and shareholders' equity is increased by SEK 11 M. Financial liabilities shall be measured at amortized cost, with the effect that prepaid expenses and interest-bearing liabilities both decline by SEK 2 M.

Share-based payments

Elekta's outstanding 2004/2007 options program is covered by IFRS 2 (Share-based payments), which means that a calculated cost based on the fair value of the instruments on the issue date shall be reported in the income statements distributed over the earnings period. The calculated cost of the 2004/05 fiscal year amounts to SEK 10 M and deferred tax related to the options program to SEK 3 M.

Summary of the preliminary effects of the transition to IFRS

Income Statement 2004/05, SEK M	Current principles	IFRS adjustments	IFRS principles
Net sales	3,152	—	3,152
Cost of products sold	–1,948	14	–1,934
Gross profit	1,204	14	1,218
Selling expenses	–408	6	–402
Administrative expenses	–285	–4	–289
R&D expenses	–235	–1	–236
Currency exchange differences in operations	73	—	73
Operating profit	349	15	364
Income from participations in associated companies	7	—	7
Interest income	22	—	22
Interest costs and similar profit/loss items	–15	—	–15
Financial currency exchange differences	0	—	0
Profit after financial items	363	15	378
Taxes	–122	–3	–125
Profit for the year	241	12	253

Balance sheet April 30, 2005, SEK M			
Intangible fixed assets	1,895	25	1,920
Tangible fixed assets	189	—	189
Financial fixed assets	22	—	22
Inventories	362	—	362
Receivables	1,266	—	1,266
Liquid funds	744	—	744
Total assets	4,478	25	4,503
Shareholders' equity	1,674	20	1,694
Provisions	281	5	286
Interest-bearing liabilities	833	—	833
Interest-free liabilities	1,690	—	1,690
Total shareholders' equity, provisions and liabilities	4,478	25	4,503

Balance sheet May 1, 2005, SEK M			
Intangible fixed assets	1,895	25	1,920
Tangible fixed assets	189	—	189
Financial fixed assets	22	—	22
Inventories	362	—	362
Receivables	1,266	13	1,279
Liquid funds	744	—	744
Total assets	4,478	38	4,516
Shareholders' equity	1,674	31	1,705
Provisions	281	9	290
Interest-bearing liabilities	833	–2	831
Interest-free liabilities	1,690	—	1,690
Total shareholders' equity, provisions and liabilities	4,478	38	4,516

No changes in opening balance May 1, 2004.

Income statement

SEK M	3 months Feb-Apr. 2004/05	3 months Feb-Apr. 2003/04	12 months May-Apr. 2004/05	12 months May-Apr. 2003/04
Net sales	956	879	3,152	2,900
Cost of products sold	–582	–544	–1,948	–1,783
Gross income	**374**	**335**	**1,204**	**1,117**
Selling expenses	–116	–95	–408	–375
Administrative expenses	–83	–90	–285	–291
R&D expenses	–72	–63	–235	–218
Exchange differences in operation	10	27	73	73
Operating result	**113**	**114**	**349**	**306**
Result from participations in associated companies	0	1	7	8
Interest income	6	5	22	27
Interest expenses	–6	–6	–15	–16
Financial exchange differences	7	1	0	0
Income after financial items	**120**	**115**	**363**	**325**
Taxes	–44	–5	–122	–77
Net income	**76**	**110**	**241**	**248**
Earnings per share before dilution	2.42	3.42	7.69	7.63
Earnings per share after dilution	2.40	3.45	7.67	7.63

Cash flow

Operating cash flow	139	123	420	372
Change in working capital	247	133	–12	76
Cash flow from operating activities	**386**	**256**	**408**	**448**
Investments and disposals	–1,413	–15	–1,450	–85
Cash flow after investments	**–1,027**	**241**	**–1,042**	**363**
External financing	622	–324	642	–302
Change in liquid funds	–402	–75	–407	64

Balance sheet

SEK M	April 30, 2005	April 30, 2004
Intangible fixed assets	1,895	372
Tangible fixed assets	189	134
Financial fixed assets	22	16
Inventories	362	311
Receivables	1,266	1,092
Liquid assets	744	1,151
Total assets	**4,478**	**3,076**
Shareholders' equity	1,674	1,413
Provisions	281	158
Interest-bearing liabilities	833	231
Interest-free liabilities	1,690	1,274
Total shareholders' equity, provisions and liabilities	**4,478**	**3,076**
Assets pledged	54	76
Contingent liabilities	151	109

Changes in shareholders' equity

SEK M	April 30, 2005	April 30, 2004
Opening balance	1,413	1,445
Changed accounting principle*	–2	—
Option premiums and warrants exercised	74	26
Redemption of shares	—	–312
Repurchase of shares	–50	—
Translation differences	–2	6
Net income	241	248
Closing balance	**1,674**	**1,413**

* Implementation of RR 29 (IAS 19) Employee benefits.

Key Figures

	12 months [1] May-Apr. 2000/01	12 months May-Apr. 2001/02	12 months May-Apr. 2002/03	12 months May-Apr. 2003/04	12 months May-Apr. 2004/05
Order bookings, SEK M	2,402	2,927	3,186	3,262	3,558
Net sales, SEK M	2,160	2,738	2,781	2,900	3,152
Operating result, SEK M	92	207	323	306	349
Operating margin, %	4	8	12	11	11
Profit margin, %	3	8	11	11	12
Shareholders' equity, SEK M	887	1,272	1,445	1,413	1,674
Capital employed, SEK M	1,178	1,313	1,697	1,644	2,507
Equity/assets ratio, %	39	50	49	46	37
Return on shareholders' equity, %	5	13	17	17	16
Return on capital employed, %	10	19	22	20	20

[1] Restated for new accounting principles for taxes.

Data per share

	12 months [1] May-Apr. 2000/01	12 months May-Apr. 2001/02	12 months May-Apr. 2002/03	12 months May-Apr. 2003/04	12 months May-Apr. 2004/05
Earnings per share					
before dilution, SEK	1.52	4.66	7.29	7.63	7.69
after dilution, SEK	1.89	4.56	7.14	7.63	7.67
Cash flow per share					
before dilution, SEK	8.11	3.64	8.99	11.14	-33.26
after dilution, SEK	7.90	3.63	8.81	11.14	-33.19
Shareholders' equity per share					
before dilution, SEK	31.84	40.03	44.79	45.49	53.41
after dilution, SEK	35.03	39.89	44.58	45.49	55.90
Interest on converted debentures,					
net after tax, SEK M	17	3	—	—	—
Average number of shares,					
before dilution, 000s	27,854	31,048	32,019	32,585	31,330
after dilution, 000s	31,662	32,504	32,694	32,585	31,394
Number of shares at closing					
before dilution, 000s	27,854	31,765	32,256	31,066	31,343
after dilution, 000s	31,662	33,084	32,988	31,066	31,901

[1] Restated for new accounting principles for taxes.
The increase shown in 2000/01 is from debentures converted 2001.
Dilution in 2001/02-2003/04 refers to warrants program 1999/2002 and 2000/2003. Dilution in 2004/05 refers to warrants program 2004/2008.

Exchange rates

		Average rate			Closing rate		
Country	Currency	May-Apr. 2004/05	May-Apr. 2003/04	Change, %	April 30, 2005	April 30, 2004	Change, %
Europe	1 EUR	9.099	9.125	0	9.168	9.138	0
Great Britain	1 GBP	13.319	13.184	1	13.533	13.550	0
Japan	100 JPY	6.695	6.895	–3	6.720	6.930	–3
USA	1 USD	7.196	7.717	–7	7.075	7.658	–8

Accounting principles

This report has been prepared in accordance with the Annual Accounts Act and Recommendation RR 20 (IAS 34) Interim Reports, issued by the Swedish Financial Accounting Standards Council. As of the 2004/05 fiscal year, Elekta applies the Swedish Financial Accounting Standards Council's Recommendation RR 29 (IAS 19) Employee Benefits. The effect of the transition is marginal. Provision for pensions rose by SEK 3 M and shareholders' equity declined by SEK 2 M. Other accounting principles and calculation methods applied are the same as those used in the most recent Elekta Annual report.

New financial objectives for the Elekta Group

Elekta conducts its operations with financial objectives to achieve sustainable profitable growth. The objectives form the base for the Group's operational planning. The Board has revised the financial objectives for fiscal years 2005/06 – 2007/08:

- Elekta has an unchanged annual sales growth objective of 10-15 percent in local currency.
- The Group has the objective to increase its profitability. The operating margin objective has been increased to reach 14-16 not later than for fiscal year 2007/08.
- Return on the Group's capital employed shall exceed 20 percent.
- The Group's objective for financial stability has been revised. The equity to assets ratio has been replaced by a net debt/equity ratio objective that shall not exceed 0.25.

Future prospects for fiscal year 2005/06

Demand remains favorable for Elekta's products and clinical solutions. The order backlog is at a record high level.

For full-year 2005/06, Elekta expects a growth in sales in line with the Group's goal of 10-15 percent in local currency, on a comparative basis.

Operating margin for full-year 2005/06 is expected to be in the range of 11-13 percent.

During the first quarter of the fiscal year, relatively few deliveries are planned. As a result, sales and operating margin for the first quarter are expected to be considerably lower than sales and operating margin for the full year, as outlined above.

Dividend policy and proposal to repurchase shares

Elekta's goal is to provide shareholders with a favorable return and value growth. According to the company's dividend policy, the goal is to distribute 20 percent or more of net profit to the shareholders in the form of dividends, share repurchases or comparable measures. Decisions regarding dividend payments are based on Elekta's financial position, the expected profitability trend, growth potential and investment needs.

In accordance with the company's dividend policy, the Board proposes a dividend of SEK 1.60 per share, corresponding to SEK 50 M.

Against the background of the company's strong financial position, stable cash flow and current capital structure, the Board has also decided to propose a payout of an extra dividend of SEK 5.00 per share, corresponding to SEK 157 M.

Accordingly, the Board will propose to the Annual General Meeting a total dividend for fiscal year 2004/05 in an amount of SEK 6.60 per share which equals 86 percent of net profit for fiscal year 2004/05.

The Board also intends to propose to the Annual General Meeting on September 21, 2005 a new authorization for the Board to repurchase a maximum of 5 percent of the number of shares outstanding in Elekta AB. The decision on repurchases will be made ongoing during the year based on the share price performance, Elekta's financial position, profitability trend and investment needs. The Board intends to propose to the Annual General Meeting that any shares repurchased as part of the company's dividend policy will be cancelled.

As of today's date, Elekta holds 224,900 of its own B shares, repurchased as part of the company's dividend policy. The Board will propose to the Annual General Meeting that the repurchased shares be cancelled.

Proposal for share split

Against the background of the Elekta share's strong price performance, the Board has decided to propose to the Annual General Meeting a share split (3:1), where each old A- and B-share respectively, is substituted by three new shares.

Annual General Meeting

The Annual General Meeting will be held on Wednesday, September 21, 2005 at 3:00 p.m. at the Finlandshuset Conference Center, Snickarbacken 4, Stockholm.

Financial information

The interim report for May-July 2005/06 will be published on September 21, 2005.

STOCKHOLM, JUNE 15, 2005

ELEKTA AB (PUBL)

Tomas Puusepp,
President & CEO

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

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