



ELEKTA AB (publ)

Preliminary report on operations for the fiscal year ended April 30, 2000

- Operating result equal to a loss of SEK 37 M, a substantial improvement, of SEK 171 M, compared to a loss of SEK 208 M in fiscal.
- The sale of IGS and the related provision for divestment costs had a favorable impact on the income of SEK 19 M and is reported as affecting comparability.
- Service and after market sales improved and accounted for 25 (22) percent of the Group's net sales.
- Cash flow, before investments and divestments, improved considerably to positive SEK 11 M (negative 117).
- A rights issue of new shares and an offset issue directed to holders of convertible debentures were effected during the year. The shareholders' equity in the Group was strengthened with SEK 344 M after deduction of issue expenses.
- Net debt/equity ratio has improved significantly to 0,14 (1,41).
- An incentive program for senior executives was adopted during the spring of 2000.
- Outlook for the fiscal year 2000/2001. A weak first and second quarter but it is expected that the Group's restructuring will improve the results to a satisfactory level at the end of the fiscal year. The operating result for the year is expected to be better than 1999/2000.

Elekta has implemented a comprehensive restructuring program in recent years. This program has streamlined Elekta, making it a leading medical/technical company offering systems and clinical solutions for the efficient treatment of such severe illnesses as cancer, cardiovascular disorders in the brain, as well as Parkinson's disease and epilepsy. Elekta's treatment methods contribute to gentle and effective care, as well as improved economy in medical service due to among others shorter periods of hospitalization.



Order bookings and order backlog

Group order bookings amounted to SEK 1,877 M (1,884), of which neurosurgical products accounted for SEK 697 M (818) and oncology products for SEK 1,180 M (1,066). The lower order bookings in Neurosurgery were attributed to fewer orders for the Gamma Knife. Contracts for 13 (19) Gamma Knife units were signed during the fiscal year. In addition, Elekta Medical Services signed contracts with two hospitals to establish Gamma Knife clinics. The decline in number of new orders for the Gamma Knife was offset in part by a significant increase in sales of service and after-market sales. The order bookings for oncology products increased by 11 percent.

Elekta market leader in Europe for equipment used in radiotherapy of cancer. The European market for radiotherapy systems weakened slightly during the fiscal year. Despite this, the Group's share of the market increased and the order bookings increased by 13 percent. Elekta today is the largest supplier of equipment for radiation treatment of cancer in Europe. One Gamma Knife clinic is being established within the framework for Elekta Medical Services

New management appointed in the United States

The growth in the American market was unsatisfactory. Order bookings for fiscal year were on the same level as in the preceding year. The United States is a prioritized market. A reorganization has been carried out and new management appointed during spring to strengthen market positions.

Japan continued to be stable

The Japanese market continued to be stable. Contracts signed during the year included magnetic encephalographs, used in brain research, amounting to SEK 139 M, were signed during the year, plus Gamma Knife equipment amounting to SEK 121 M. Elekta's main products within radiotherapy are under registration in Japan, hence the order bookings were limited.

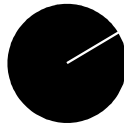
Rest of Asia

The health care market in the rest of Asia – notably China and Taiwan – showed some recovery toward the end of the fiscal year. However, total order bookings were lower than in the preceding year.

As of April 30, 2000, the Group's order backlog amounted to SEK 1,714 M (1,539).

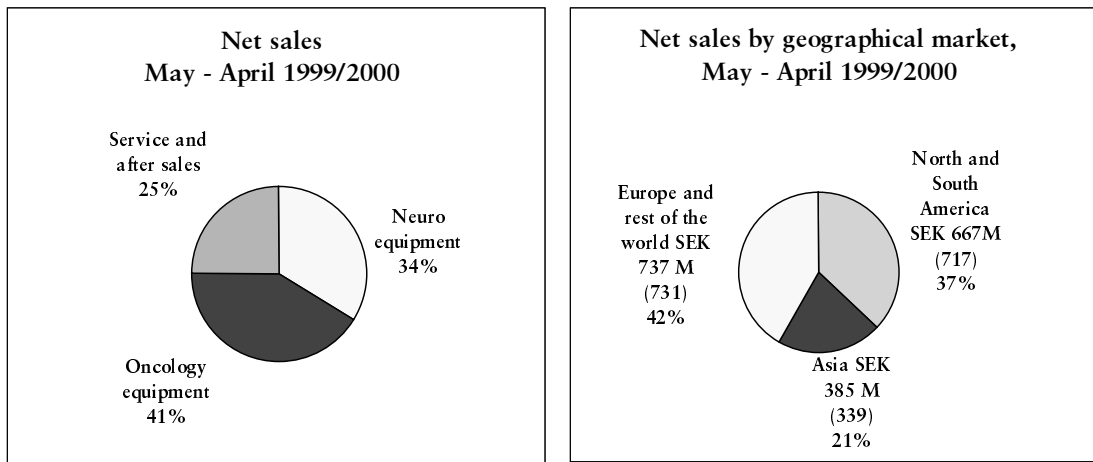
Net sales

The Group's net sales amounted to SEK 1,789 M (1,787). Adjusted for movements in foreign exchange rates, net sales declined by 4 percent.

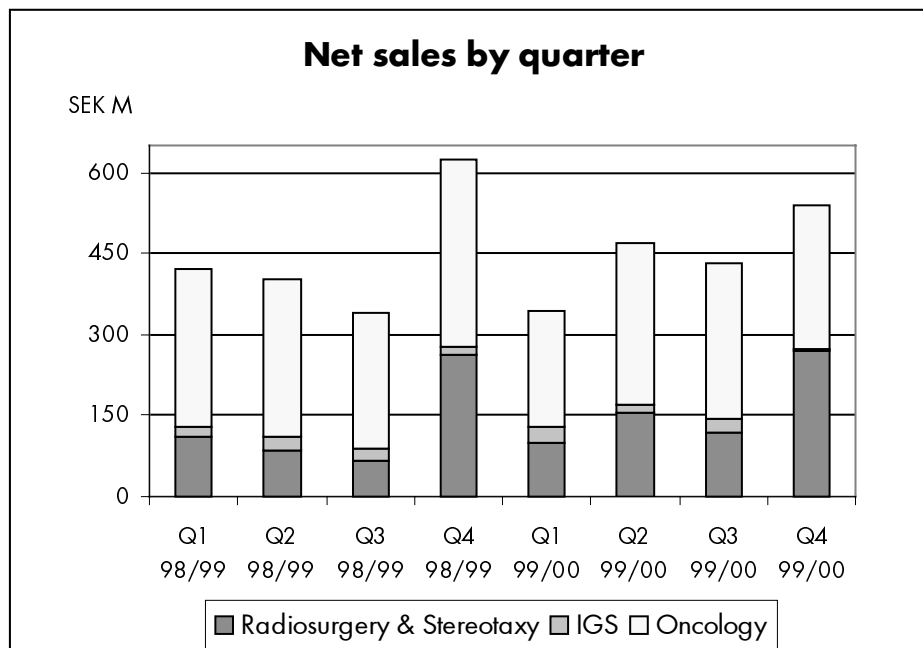


ELEKTA

Net sales of neurosurgical products, SEK 718 M (607), improved sharply in all markets except Asia (excluding Japan). Sixteen Gamma Knife units were delivered during the year, compared with 13 a year earlier. Net sales of oncology products, SEK 1,071 M (1,180), weakened slightly during the year, due mainly to customer timing issues resulting in a lower rate of delivery of linear accelerators in the United States and Europe. Net sales of service and after-market products improved and developed well in all markets. Service and after-market sales accounted for 25 (22) percent of the Group's net sales.



Net sales in the fourth quarter of the fiscal year amounted to SEK 541 M (624). The difference is due primarily to lower rate of delivery of large equipment.





Result

The Group incurred an operating loss of SEK 37 M, compared with a loss of SEK 208 M in the preceding fiscal year. Excluding items affecting comparability, the operating loss was SEK 56 M (loss 222), an improvement of SEK 166 M. The improvement was attributable primarily to higher gross margins lower operating expenses and the fact that the IGS operations, excluding items affecting comparability, amounted to a much smaller charge against operating income – SEK 29 M compared with SEK 106 M – than in the preceding year.

The operating loss in the fourth quarter of the fiscal year, excluding items affecting comparability, amounted to SEK 11 M (loss 34).

Elekta's strategically investments in research and development amounted to SEK 129 M (152), of which SEK 10 M (17) pertained to IGS. These investments, which are expensed as incurred, amounted to 7 (9) percent of net sales.

Net financial expense amounted to SEK 32 M (42). Interest expense amounted to SEK 56 M (58), of which SEK 45 M pertained to a convertible debenture loan. Income from participations in associated companies amounted to SEK 3 M, compared with a loss of SEK 6 M a year earlier, and foreign exchange gains totaled SEK 21 M (22).

The loss before taxes amounted to SEK 69 M (250). The loss after taxes was SEK 77 M (256).

The loss per share amounted to SEK 4.24 (17.09).

Divestment of IGS

On November 17, 1999, Elekta signed an agreement with Medtronic, Inc., an American company, covering the sale of IGS operations. The sales price was USD 11.75 M. The sale of the IGS operations, reported as an item affecting comparability, had a favorable impact of SEK 19 M on income, after taking into account divestment expenses.

Fixed assets and investments

Investments in intangible fixed assets amounted to SEK 0 M (1), and investments in tangible fixed assets totaled SEK 57 M (34).

Amortization of intangible fixed assets amounted to SEK 33 M (45) and depreciation of tangible fixed assets totaled SEK 45 M, unchanged from the preceding fiscal year.



Rights issue and offset issue

In order to strengthen Elekta's financial position, a new rights issue was carried out during December. The issue, which was fully subscribed, generated proceeds to Elekta of SEK 134 M after issue expenses. The number of shares increased by 10,497,451.

An offset issue was carried out during February. Holders of convertible debentures in Elekta were offered the opportunity to offset a maximum of 50 percent of the 1998/2001 debenture loan for newly issued Series B Elekta shares. The offset issue, which was oversubscribed, increased Elekta's shareholders' equity, after issue expenses, by SEK 210 M. The number of shares rose by 6,858,715 to 27,853,617. Interest expenses in the next fiscal year, 2000/2001, decline through conversion by about SEK 25 M.

Liquidity and financial condition

As of April 30, 2000, the Group's liquid assets amounted SEK 249 M (159).

The cash flow, before investments and divestments, was positive in the amount of SEK 11 M (negative SEK 117). The cash flow after investments and divestments was positive in the amount of SEK 42 M (positive SEK 243 M).

The cash flow in the fourth quarter of the fiscal year before investments and divestments was sharply positive, amounting to SEK 115 M (16). The increase was attributable primarily to a reduction in inventory and receivables and increased advances from customers.

As of April 30, 2000, net debt – interest-bearing liabilities less liquid assets – amounted to SEK 80 M (442). The SEK 80 M amount includes a convertible debenture loan of SEK 216 M. As of April 30, 2000, liquid assets plus lines of credit granted but not utilized amounted to SEK 283 M (160). Bank balances included SEK 119 M (5) that was pledged mainly to guarantee advances received from customers.

The net debt/equity ratio as of April 30, 2000 was a multiple of 0.14 (1.41).

Employees

The average number of employees in the Group was 794 (866). The number at the end of the period was 778 (862).

At an Extraordinary General Meeting on November 17, 1999 shareholders approved a proposal from Elekta's Board of Directors to establish a warrants program for senior executives. The aim is to promote the executives' involvement in the Elekta Group and heighten the incentive for favorable efforts for the Group. The program was started during the spring of 2000.



E L E K T A

Parent Company

Operations of the Parent Company comprise Group management, shared Group functions and financial management. The Parent Company reported a loss of SEK 57 M (loss 143) after financial items. The average number of employees was 14 (18).

Future prospects

Although the restructuring of operations has been largely completed, work to improve Group profitability is continuing during the 2000/2001 fiscal year. As announced earlier, it is expected that the Group's profitability will reach satisfactory level as a result of the restructuring program. However, the first and second quarters of the fiscal year are expected to be weak due to the small number of planned deliveries of linear accelerators and Gamma Knife units. The operating result for the year is expected to be better than fiscal 1999/2000.

Proposed dividend

The Board of Directors is not proposing that a dividend be paid for the fiscal year 1999/2000.

Annual General Meeting

The Annual General Meeting of the Company will be held on September 29, 2000, 02.00 p.m. at IVA's Konferenscenter, Grev Turegatan 16, Stockholm.

Financial information

A three-month interim report will be issued on September 29, 2000.

Stockholm, June 20, 2000

ELEKTA AB (publ)

Laurent Leksell
President

For additional information, please call:
Laurent Leksell, Tel.: +47 8-587 254 69, or
Lars Gunnar Schutz, CFO, Elekta AB (publ), Tel.: +46 8 708-47 15 55 or
+46 8-587 255 05

Additional information on Elekta is available on the Internet: www.elekta.com



E L E K T A

Change in accounting principles

The production and sale of a new generation of the Gamma Knife has commenced. The new product generation, the C model, incorporates a higher degree of standardization, makes the sales process more uniform and reduces project lead-times. This means that the sale of the Gamma Knife to a less degree has the character of a unique project. As percentage-of-completion no longer is considered to reflect the income of recognition in a correct way, Elekta is now, in order to provide a more accurate recognition, switching over to income recognition on delivery. As a result, shareholders' equity at May 1, 1999 was reduced by SEK 224 M, which corresponds to the Gamma Knife projects that were recognized as income but which had not been delivered on April 30, 1999. To keep comparability all figures for the preceding year have been recalculated in accordance with the new principle.

This changed principle has been applied in all interim reports this fiscal year.



E L E K T A

INCOME STATEMENT

SEK M	1995/96	1996/97	1997/98	1998/99	1999/2000
Net sales	778	980	2,013	1,787	1,789
Operating expenses	-707	-977	-1,993	-1,857	-1,716
R&D expenses	-47	-110	-158	-152	-129
Items affecting comparability			34	14	19
Operating loss	24	-107	-104	-208	-37
Financial net	1	-20	-51	-42	-32
Income before taxes	25	-127	-155	-250	-69
Taxes	-9	-3	-32	-6	-8
Net income	16	-130	-187	-256	-77

CASH FLOW

Operating cash flow	40	-68	-48	-158	-7
Change in working capital	-80	-24	-108	43	18
Cash flow before investments	-40	-92	-156	-115	11
Investments and disposals	-82	-840	-70	360	31
Cash flow after investments and disposals	-122	-932	-226	245	42

BALANCE SHEET

SEK M	30 April 1996	30 April 1997	30 April 1998	30 April 1999	30 April 2000
Intangible fixed assets	25	648	616	465	437
Tangible fixed assets	71	325	292	88	81
Financial fixed assets	62	24	24	15	17
Inventories	87	472	425	265	255
Other current assets	390	941	846	879	797
Liquid assets	39	240	176	159	249
Total assets	674	2,650	2,379	1,871	1,836
Shareholders' equity	372	724	576	313	576
Provisions	4	333	201	100	79
Convertible debenture loan				412	216
Other interest-bearing liabilities	42	701	823	189	113
Interest-free liabilities	256	892	779	857	852
Total shareholders' equity, provisions and liabilities	674	2,650	2,379	1,871	1,836

Due to changed accounting principles in the Gamma Knife operations historical data have been recalculated to get comparability.



E L E K T A

KEY FIGURES	1995/96	1996/97	1997/98	1998/99	1999/2000
Net sales, SEK M	778	980	2,013	1,787	1,789
Items affecting comparability, SEK M	14		34	14	19
Operating loss, SEK M	24	-107	-104	-208	-37
Operating margin	3%	-11%	-5%	-12%	-2%
Profit margin	3%	-13%	-8%	-14%	-4%
Shareholders' equity, SEK M	372	724	576	313	576
Capital employed, SEK M	414	1,425	1,399	914	905
Net debt, SEK M	3	461	647	442	80
Equity/assets ratio	55%	27%	24%	17%	31%
Net debt/equity ratio	0.01	0.64	1.12	1.41	0.14
Return on shareholders' equity	4%	-24%	-29%	-56%	-22%
Return on capital employed	9%	-11%	-7%	-17%	-3%
PER SHARE DATA	1995/96	1996/97	1997/98	1998/99	1999/2000
Net income					
before conversion, SEK	1.32	-10.58	-12.53	-17.09	-4.24
after full conversion, SEK	1.32	-10.58	-12.53	-8.10	-1.15
Shareholders' equity, SEK					
before conversion, SEK	30.83	48.43	38.49	20.96	20.68
after full conversion, SEK	30.83	48.43	38.49	28.25	24.96
Average number of shares					
before conversion (000s)	12,055	12,297	14,957	14,957	18,263
after full conversion (000s)	12,055	12,297	14,957	25,690	27,854
Number of shares at closing					
before conversion (000s)	12,055	14,957	14,957	14,957	27,854
after full conversion (000s)	12,055	14,957	14,957	25,690	31,729

Due to changed accounting principles in the Gamma Knife operations historical data have been recalculated to get comparability.

Historical share data have been recalculated to take into account the bonus issue element of the new issue, according to the recommendation of the Swedish Society of Financial Analysts.