Elekta Annual Report 2011/12

HUMAN CARE MAKES THE FUTURE POSSIBLE

COMPANY PRESENTATION

FINANCIAL REPORTS

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 CARES FOR LIFE

Elekta is a global medical technology company that develops and sells innovative clinical solutions for the treatment of cancer and neurological diseases. Every year, about one million patients receive treatment aimed at improving, prolonging and saving lives with a solution employing one or more Elekta products.

Elekta offers unique, innovative clinical solutions for the treatment of cancer and neurological diseases. The Company develops sophisticated systems for radiation therapy and radiosurgery, as well as software systems that enhance work-flow efficiency throughout the entire spectrum of cancer care.

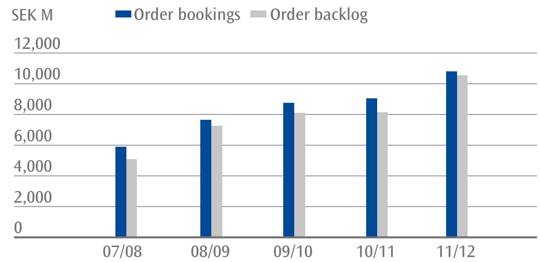
Elekta's Series B share is listed on Nasdaq OMX Stockholm.

3,366 employees at
35 offices in 26 countries.
SEK 9,048 M in net sales.

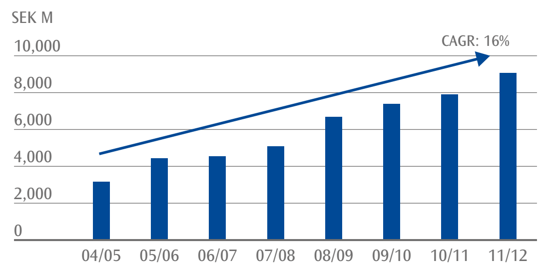
Key figures

	2011/12	2010/11	Change
Order bookings, SEK M	10,815	9,061	19%
Net sales, SEK M	9,048	7,904	14%
Operating result, SEK M	1,849	1,502	23%
Operating margin, %	20	19	–
Profit for the year	1,228	1,031	19%
Earnings per share before dilution, SEK	13.04	11.04	18%
Earnings per share after dilution, SEK	12.91	10.91	18%
Equity/Asset ratio, %	33	43	–
Net debt/Equity ratio, multiple	0.53	–0.13	–
Capital employed, SEK M	9,540	4,714	102%
Proposed dividend, SEK	5.00	4.00	25%

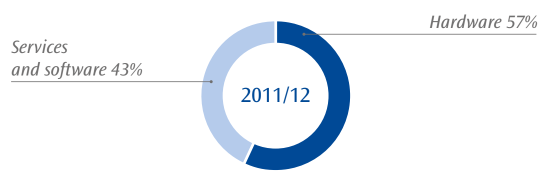
Order bookings and order backlog



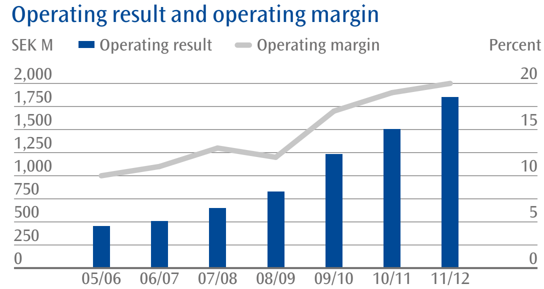
Net sales



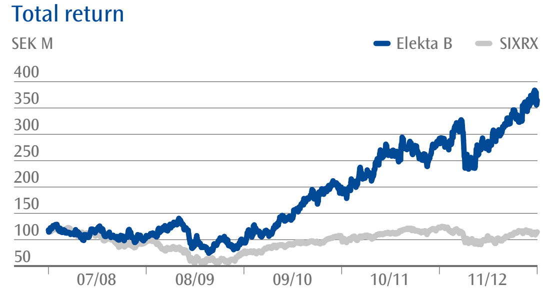
Distribution of net sales



Operating result and operating margin



Total return

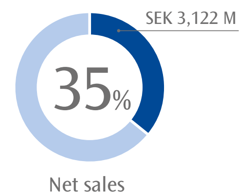


Source: SIX Trust

2011/12

NORTH AND SOUTH AMERICA

- The world's largest market for radiation therapy
- Elekta is the leader in software and brachytherapy and number two in the market for linear accelerators
- Robust trend in North and South America during the year
- Order bookings rose by 11[1] percent

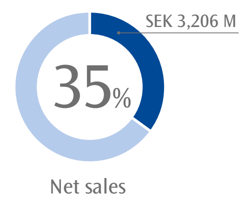


Hardware 46%

Services and software 54%

EUROPE, MIDDLE EAST AND AFRICA

- Elekta is the leader in all product areas
- Solid growth in the established markets in northern Europe. Relatively weaker trend in southern Europe. The success in emerging markets, such as Russia, continues
- Order bookings rose by 5[1] percent

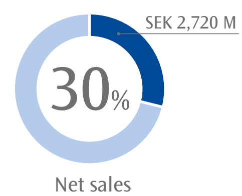


Hardware 58%

Services and software 42%

ASIA PACIFIC

- Cancer care in many countries is in the beginning of an expansion, which is why a large percentage of care investments consists of new installations
- Elekta is the market leader in the region
- A continued high rate of healthcare investment is anticipated in the form of major national healthcare programs in several countries
- Order bookings rose by 14[1] percent



Hardware 68%

Services and software 32%

[1] Calculated using constant exchange rates and excluding Nucletron

PRODUCT AREAS

ELEKTA NEUROSCIENCE

Elekta Neuroscience develops solutions that are extremely accurate for the diagnosis and treatment of neurological diseases. Elekta's solutions within radiosurgery, stereotactic neurosurgery and magnetoencephalography are world leading and the Company has the world's largest installed base of stereotactic radiation treatment systems intended for neurological treatments.

ELEKTA ONCOLOGY

Elekta Oncology creates innovative clinical solutions for radiation therapy, such as linear accelerators, integrated imaging systems and clinical solutions for patient positioning and immobilization. Elekta is a leading supplier of image guided radiation therapy (IGRT) and the pioneer in volumetric modulated arc therapy (VMAT).

ELEKTA BRACHYTHERAPY

Elekta Brachytherapy is Elekta's youngest product area and was created in 2011 through the acquisition of Nucletron. Elekta Brachytherapy is the world leader in cancer treatment based on internal radiation. Brachytherapy enables radiation treatment with effective doses with an extremely high level of precision directly into the tumor, which provides accurate treatment, short treatment times and spares surrounding tissue from unnecessary radiation.

ELEKTA SOFTWARE

Elekta Software creates an efficient clinical environment in which all activities related to patient care – from diagnosis and treatment to follow-up – are as streamlined as possible, giving clinicians more time to focus on patients. Elekta's open systems and vendor-neutral connectivity ensure cross-platform flexibility to integrate the most advanced and useful tools.

SERVICES

ELEKTA SERVICES

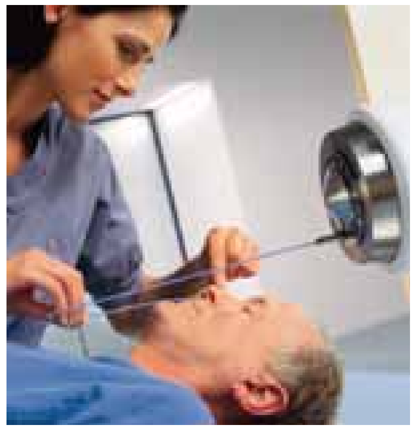
Elekta Services offers solutions that give Elekta's customers the greatest possible use of their cancer treatment solutions. The service offering helps customers shorten care waiting times, change care routines, simplify workflows and increase efficiency at the entire clinic.

2011/12 – FOCUS ON THE INTEGRATION OF NUCLETRON

JUNE, 2011

Elekta acquires Nucletron

Elekta signed an agreement to acquire Nucletron for EUR 365 M. The acquisition enabled Elekta to strengthen its ability to offer comprehensive solutions for planning and conducting radiation treatment and to strengthen its ability to satisfy cancer patients' and care providers' clinical needs worldwide. Nucletron is the world's leading company in radiation therapy through its brachytherapy offering. In September 2011, Elekta announced that the acquisition had been finalized.



MARCH, 2012

Leksell Gamma Knife Society convene in Australia

About 300 participants from 12 countries, including neurosurgeons, oncologists and other care providers gathered in Sydney, Australia, for Elekta's 16th Leksell Gamma Knife Society Meeting. A dominant topic among the 275 presentations in the scientific program was Gamma Knife® radiosurgery for brain metastases.

SEPTEMBER, 2011

Elekta divests information systems for anatomical pathology

Elekta divested its operations in information systems for anatomical pathology, which were marketed under the PowerPath® brand. The system manages workflows in laboratories that offer surgical pathology, cytology, dermatopathology and autopsy services. In the 2010/11 fiscal year, the company, with its 44 employees in the US, generated net sales of about SEK 80 M and an operating result of SEK 19 M.

APRIL, 2012

India's Prime Minister inaugurated new Elekta Synergy

India's Prime Minister, Dr Manmohan Singh, inaugurated a new Elekta Synergy® linear accelerator in Guwahati, Assam. The new Synergy system – which is equipped to perform the most advanced radiation therapy treatments – expands the hospital's installed base of Elekta systems.

APRIL, 2012

Elekta receives the Queen's Award for International Trade

Elekta received the 2012 Queen's Award for enterprise in the International Trade category. It is the UK's highest accolade for successful enterprise, awarded each year by Queen Elisabeth II on the advice of the Prime Minister. Elekta received the award for it positive performance and solid growth.

APRIL, 2012

Agility revolutionizes beam shaping during cancer treatment

Elekta received approval to CE mark its Agility™ product, which uses groundbreaking technology to optimally shape the radiation field. Agility is an integrated element of the linear accelerator's gantry. Patients and physicians will benefit from the new, rapid and reliable multileaf collimator. Agility's leaf speed is twice that of other standard multileaf collimators, which should provide shorter treatment times for patients and enables hospitals and clinics to streamline work at the clinic.

MAY, 2012

Elekta's rights issue of convertible bonds fully subscribed

In March 2012, Elekta announced a convertible bond issue with preferential rights for the Company's shareholders. The aim is to strengthen Elekta's financial and strategic capabilities, increase the diversity of the Company's financing sources and reduce its dependence on bank financing. In May, Elekta announced that the convertible bond is fully subscribed. The rights issue raise about SEK 1.9 billion for Elekta.

CLOSE TO ONE MILLION PATIENTS TREATED

As I reflect on the past year, I do so with pride and delight. An increasing number of patients have access to cancer care, and during the past year close to one million patients received treatment using an Elekta solution.

Elekta's strategy generates benefits for our patients and customers, but it is also positive from a socioeconomic perspective. We aim to provide the best integrated solutions and clinical results, while also making cancer treatment more effective. Elekta's innovations are largely driving the trend toward more affordable and more accessible cancer care. Our efforts to further enhance the quality, safety and results from our care solutions also leads to a continuously rising interest in suppliers capable of meeting these specific parameters in the healthcare system.

STABLE AND PROFITABLE GROWTH

Our rate of innovation continues unabated. During the year, we launched the results of our greatest research initiative to date: the Agility™ multileaf collimator. We finalized the successful acquisition of Nucletron – the world leader in brachytherapy – and we continued our rewarding partnerships with a number of clinical partners. Combined with strategic investments in emerging markets and a strengthened market position in more mature markets, we enjoyed another year of stable growth.

These accomplishments are also reflected in our financial statements for 2011/12. We achieved growth of 18 percent and improved the operating result by 22 percent, both of which exceeded expectations. This was also the sixth consecutive year in which we improved both net sales and operating profit.

Elekta experienced a strong trend in nearly all markets, where North America, emerging markets and northern Europe were highly favorable. In North America, the US held a particularly strong position, with hardware and software sales to a number of the most prominent hospitals. The southern European market experienced a relatively weak trend, which was in line with our expectations.

MORE PATIENTS FROM LARGER CUSTOMER BASE

Every year, we reach an increasing number of patients with our solutions. During the year, nearly one million patients were treated using an Elekta solution. About 60,000 patients have undergone surgery with Leksell Gamma Knife®.

During the year, we acquired Nucletron, which now represents our fourth product area, Elekta Brachytherapy. This has added 1,000 new customers to Elekta, and the customer base has thereby increased to a total of 6,000 customers. By providing both external radiation therapy and internal radiation therapy (brachytherapy), we can offer customers a more comprehensive portfolio of cancer care solutions, as well as a more encompassing service network. This has resulted in increased sales of brachytherapy solutions to existing Elekta customers and vice versa.

EXTENSIVE RESEARCH AND DEVELOPMENT INVESTMENTS

To maintain our edge as an innovator and improve the results of patients' treatments, Elekta annually invests close to 9 percent of its net sales in research and development. One of the latest results of our strong focus on R&D was the launch of Agility. This is a groundbreaking multileaf collimator that sculpts the beam in a faster and more precise manner, while also making the treatment time-efficient. It is very important to be able to shape the beam with a high level of precision to minimize irradiation of the surrounding tissue. The new equipment also provides shorter treatment times for patients and enables more efficient workflows for care providers. More than 40 percent of our installed base of linear accelerators will have the possibility to upgrade to Agility. By relentlessly pursuing developments, we can continue to add value for customers and patients and secure continued growth of our installed base.

2011/12 was the sixth consecutive year in which we improved both net sales and operating profit.

NEW OPPORTUNITIES

The number of new cancer cases is expected to grow from nearly 13 million annually to more than 21 million cases by 2030. Aging populations and increased prosperity in emerging countries, combined with a growing understanding among global healthcare authorities concerning the decisive role of radiation therapy, all indicate higher demand.

In terms of size and growth, the significance of emerging markets will rise. As populations age and the authorities bolster cancer care improvement initiatives, demand for our services is also expected to increase. These new opportunities lead us to

place great emphasis on training our clients to ensure that our systems are used efficiently and safely.

I have every reason to expect continued favorable growth for Elekta. Those of us who work at Elekta are united by a force that allows us to constantly focus on creating new cancer care solutions that are in the best interests of patients. This prompts us to go the extra mile every day and makes me – and my colleagues – proud to be part of Elekta. This has been and will remain pivotal in our strong sustained growth. Together, we can make a meaningful difference.

Stockholm August 2, 2012

Tomas Puusepp
President and CEO

PIONEER IN CANCER CARE

Elekta's ability to innovate is constantly paving new paths and creating improvements in cancer care. A focus on patients and close collaboration with leading clinics and researchers generates groundbreaking advances in the form of more efficient, reliable and gentle cancer treatments, often also at a reduced cost for the healthcare system.

MISSION

We care for life

Our mission is to enhance patient and customer value by providing solutions that improve, prolong and save lives. Elekta is at the forefront of science and technology, delivering clinical advances and improved patient outcome. This applies to everything from the devices we produce to an exact and adapted treatment, as well as systems that enable the gathering and efficient exchange of information.

VISION

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.

PRODUCTS AND SOLUTIONS

Elekta's clinical solutions and information systems are developed in close cooperation with customers and partners who are active in research and advanced product development. Through these initiatives, Elekta contributes to more efficient and gentler treatment alternatives for the patient with less need for hospitalization, which in turn also reduces costs for healthcare systems.

Elekta's products are available in four areas: Elekta Neuroscience, Elekta Oncology, Elekta Brachytherapy and Elekta Software. Each product area focuses on specific medical technology needs and clinical solutions with an essentially shared technological base and expertise structure. Elekta's operations are divided into three geographic regions:

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

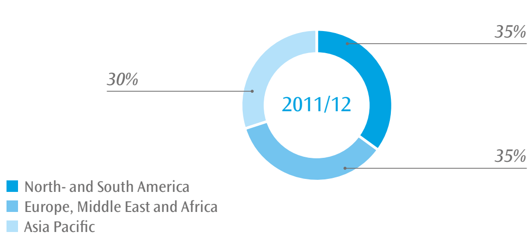
BUSINESS MODEL

Elekta sells machinery and software primarily to hospitals and academic institutions, as well as specialist and satellite clinics worldwide. Elekta has two sources of revenue: sales of hardware and sales of services and software. The latter comprises recurring revenue through, for example, aftermarket services, updated software and service components. In the 2011/12 fiscal year, hardware accounted for about 57 percent of overall sales, while services and software comprised the remaining approximately 43 percent. Elekta has a stable revenue base with about 6,000 customers. Sales are mainly conducted through the proprietary sales organization.

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.

Net sales by geographic market



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 transformed and continue to transform treatment and practice. These relationships are very much part of how and why we are delivering solutions that redefine clinical care and improves the future of cancer 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 continous 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.

GROWTH WITH A FOCUS ON PATIENTS

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

DRIVERS FOR GROWTH

Growth is a key element of Elekta's strategy. A number of factors drive the increased need for Elekta's solutions. Most countries are experiencing increased demand for quality cancer care. The reasons include a growing population and increased life expectancy, which lead to more individuals developing age-related diseases such as cancer. Enhanced ability to discover cancer at an earlier stage and more advanced treatment techniques have increased the survival rate. A result is that patients often live longer with cancer, which results in greater demand for remedial treatments.

Increased prosperity and more well-informed citizens also result in higher requirements for access to the best possible treatment methods and medication. For care providers, both private and public, this trend creates a need to reduce costs per treatment and to enhance efficiency.

EXTENSIVE INVESTMENTS IN RESEARCH AND DEVELOPMENT

Elekta conducts intensive R&D operations aimed at making improvements for patients and strengthening and developing the Company's position as a leading supplier in its market and product areas. The impact that research has on improving cancer care is reflected in growing R&D investment which amounted to SEK 778 M, or 9 percent of net sales in the past fiscal year. Research is performed in collaboration with users at leading universities and hospitals.

PARTNERSHIPS WITH LEADING INSTITUTIONS

Elekta is engaged in a continuous dialogue with treatment personnel, research institutions and leading experts at cancer institutions worldwide to discuss new treatment methods and to determine what is required to improve quality and efficiency in the care sector. These types of partnerships have resulted in the development of many of Elekta's most important treatment solutions.

Within the framework of its partnerships with the research community, Elekta also contributes to enabling oncologists, surgeons and physicists across the world to exchange information, experiences and research results through its participation in and financing of a number of associations and user groups. These partnerships set the standard for the rest of the market and provide an exceedingly strong and confidence-inspiring reference base.

AIMING AT GROWTH MARKETS AND ACQUISITIONS

Elekta endeavors to establish an early presence in emerging markets. Most countries in the emerging markets are undergoing a trend similar to the one experienced by more advanced industrial nations. Economic growth combined with greater prosperity, a longer average life expectancy and improved diagnostic abilities of such diseases as cancer, are increasing the demand for advanced healthcare. As a result of early establishments and a strong position in these markets, Elekta expects to be able to secure a significant share of this rising demand.

In the past few years, Elekta has grown substantially in the emerging markets. In 2004/2005, emerging markets accounted for

DRIVERS

- Increase in cancer incidence
- Cancer is increasingly a chronic disease
- Increased use of radiotherapy
- Improved solutions through R&D
- Capacity shortage in many markets
- Strong increase in demand in emerging markets

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

about 20 percent of the Group's net sales, and in 2011/2012 they accounted for about 30 percent of net sales. For more information, see detailed text on page 8.

Historically, Elekta has conducted a number of acquisitions and the company continously evaluates opportunities to grow through acquisitions that possess an attractive strategic fit and financial profile.

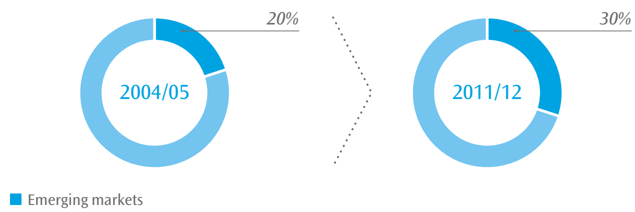
COMPREHENSIVE PORTFOLIO OF SOLUTIONS

Since the early 1990s, Elekta has experienced strong growth, both organic and derived from acquisitions. This has successfully created a comprehensive portfolio of solutions and consolidated the company's position as a leading supplier, not only within neurosurgery but throughout the cancer care sector. One success factor is that Elekta's product areas are becoming increasingly intertwined with solutions that are applicable both for linear accelerators, stereotactic radiation therapy and for brachytherapy, as well as with software that supports Elekta's product range and offering.

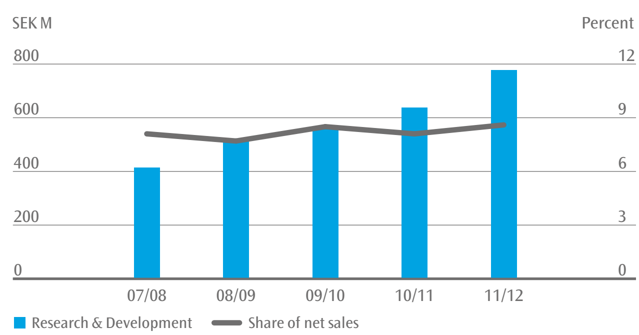
OPEN INTERFACE FOR FLEXIBILITY OF CHOICES

The hallmark of Elekta product development is the philosophy that both technology and software should be based on open interfaces and industry standards, since hospitals use different technological solutions. Accordingly, Elekta offers its treatment solutions and software systems with an open interface, which gives customers the ability to select a solution that can include components from more than one manufacturer. ■

Share of emerging markets' net sales



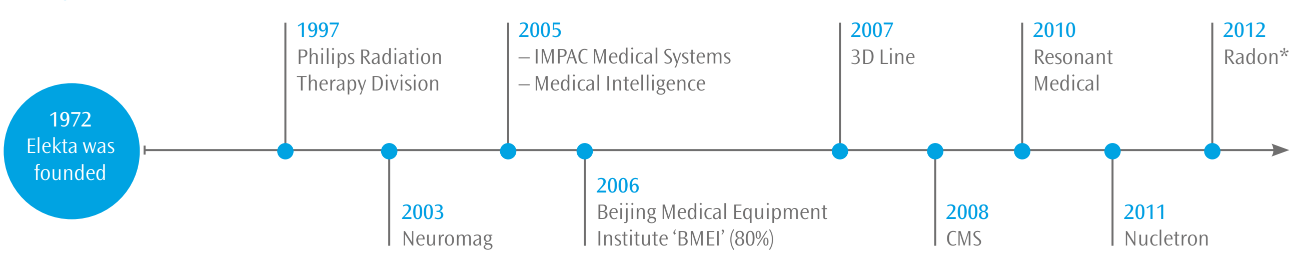
Research & Development



Major product launches the last ten years

2003: Elekta Synergy®, Image Guided Radiation Therapy
2004: Leksell Gamma Knife® 4C
2006: Leksell Gamma Knife® Perfexion™, Elekta Axesse™
2007: Elekta Compact™
2008: Elekta Infinity™, VMAT
2012: Agility™

Strategic acquisitions



* Acquired after the fiscal year 2011/12

Emerging markets – a strategic focus

Elekta holds a leading position in the world's emerging markets, including Asia, Latin America and Eastern Europe/Russia. A key element of Elekta's future growth strategy is to advance on its leading position and contribute to establishing or building first-rate and cost-efficient cancer care in these markets.

To date, Elekta has captured a significant share of new orders in the largest growth markets: Brazil, Russia, India and China. In many other new markets Elekta has also been able to build up a favorable market position through early entry and partnerships with leading hospitals and universities.

Elekta believes that the preconditions are in place to achieve sustained annual growth estimated at a double digit percentage in the emerging markets. By 2014/15 their share of Elekta's overall sales is estimated to increase from the current 30 percent to about 40 percent.

Growth drivers

The economic trend is a strong driving force. Emerging markets currently account for about 25 percent of global GDP, but for around 50 percent of global GDP growth, according to the World Bank.

In addition to the economic trend, a number of other aspects are also driving market growth in these countries. An aging population, which leads to an increasing number of cancer cases. Improved economic conditions, combined with an increasing number of cancer patients, results in the emergence of a critical need for cancer care in the coming years. Radiation therapy is a cost-effective method for cancer treatment, which also underpins the need for investments in these markets.

Publically financed cancer programs

In many major emerging markets, care capacity is expanding through publically funded structural programs.

In Russia's national oncology program, 10–15 radiation therapy clinics are expected to be equipped annually. In addition, regional authorities are expected to finance the build-out of a number of radiation therapy centers.

In China, overall public investments in expanding hospital care are expected to increase by about 20 percent annually, which is also expected to contribute to rising investments in radiation therapy equipment.[1)]

In India, the increase in capacity is largely driven by private initiatives. In Brazil, a number of investment programs are available and the country is also investigating a more comprehensive national program.

Strategic building blocks

Elekta establishes itself in emerging markets through long-term commitments and by offering a growing number of hospitals advanced oncological and neurosurgical solutions, including education and training programs. It is done by:

- early investments in countries with substantial potential to ensure a strong market position and by establishing relations with the leading hospitals.
- setting the standard for good and cost-effective care, including satisfying regional clinical demands, introducing oncological information systems for enhanced patient care and workflows, instructional and training programs, financing solutions and aftermarket services.
- providing knowledge and technology through measures such as instructional courses in collaboration with partner hospitals and universities, and through Elekta's user meetings.
- adaptation to local needs, such as multilingual software, a comprehensive range of hardware, and adaptation to local variations that exist in cancer diseases. ■

1) Source: Frost & Sullivan 2011

SUSTAINABLE PROFITABLE GROWTH

Elekta's strategy – to provide integrated, innovative, patient-focused clinical solutions and services through collaboration and growth – enables ambitious financial objectives.

LONG-TERM FINANCIAL OBJECTIVES

Elekta's aim is to achieve sustainable profitable growth. Elekta conducts its operations based on 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:

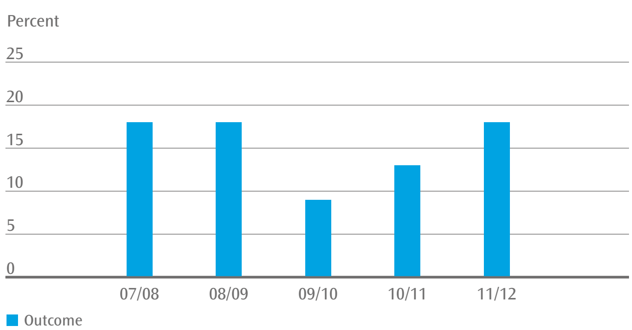
- Organic sales growth exceeding 10 percent in local currency
- Operating result improvement rate to exceed sales growth in SEK
- Return on capital employed to exceed 20 percent
- Net debt/equity ratio not to exceed 0.50

DIVIDEND AND PROPOSAL TO REPURCHASE SHARES

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 dividends, repurchase of shares or comparable measures. A dividend decision is based on Elekta's financial position, earnings trend, growth potential and investment requirements.

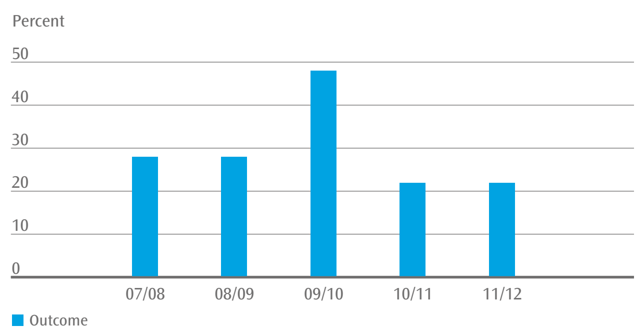
In accordance with the Company's dividend policy, the Board proposes a dividend of SEK 5.00 (4.00) per share for 2011/12, corresponding to approximately SEK 474 M and 39 percent of net profit for the year. The Board also intends to propose to the Annual General Meeting 2012 to renew the authorization for the Board to repurchase a maximum of 10 percent of the number of shares outstanding in Elekta AB. The Board also intends to propose to the Annual General Meeting a split of the Elekta share of 4:1. The purpose is to facilitate increased liquidity and turnover in the share.

Growth[1)]

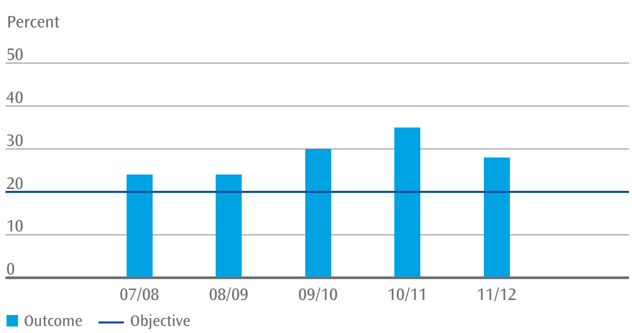


1) In local currency

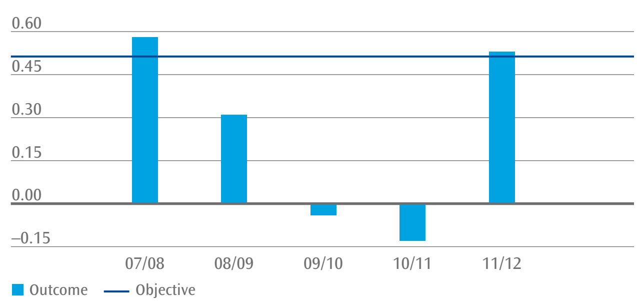
Increase in operating result



Return on capital employed



Net debt / Equity ratio



GLOBAL CHALLENGE IN MEETING GROWING HEALTHCARE NEEDS

Every year, nearly 13 million new cancer cases occur – the most common cause of death, after cardiac and vascular diseases. The number of patients is continuously increasing, primarily due to an aging population but also to changing lifestyle habits. At the same time, survival rates are improving in many countries as a result of earlier detection and enhanced treatments. However, the differences are major depending on the type of cancer and the treatment that can be offered.

MORE THAN 200 TYPES OF CANCER

Cancer is a collective term for more than 200 diseases that can afflict all parts of the body. The common denominator is that certain cells lose the ability to stop dividing, a characteristic that is inherent in healthy cells. This may be caused by genetic changes that are triggered by viruses, environmental factors, hereditary genetic changes or mutations of unknown origin.

With the exception of the strong connection between smoking and lung cancer and the HPV virus and cervical cancer, it is difficult to point out a specific cause of cancer. However, the risk increases with age and about 60 percent of all new global cases of cancer are diagnosed in the age group over 60. A key factor is the interplay between an individual's genetic composition and the external impact from, for example, chemicals, radiation and viruses. Lifestyle-related risk factors include smoking, obesity, physical inactivity and the over consumption of alcohol.

At the same time, the survival rate is increasing in many countries, as a result of earlier diagnosis and enhanced treatment methods. In the industrialized world, breast cancer and prostate cancer have the highest five-year survival rate. The poorest survival rates are in low-income countries where resources for prevention, diagnosis and treatment are limited or essentially nonexistent for large portions of the population.

TREATMENT METHODS

The most common forms of treatment comprise radiation therapy, surgery or medication (often chemotherapy), which are used individually or in combination for essentially all cancer treatment.

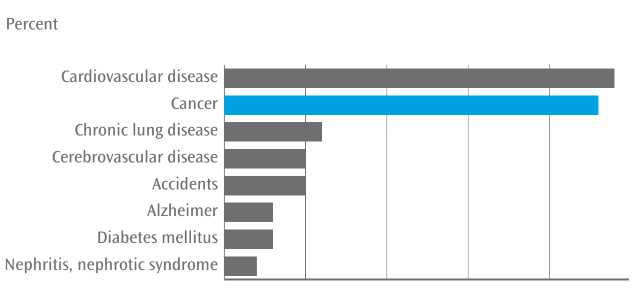
External radiation therapy, brachytherapy (internal radiation therapy) and radiosurgery are now selected as treatment for an increasing number of patients, both for palliative and curative purposes. As more precise and advanced methods are being developed, the role of radiation therapy is expected to increase in the future, since it promises greater comfort for the patient, a high level of precision and is cost-effective.

LUNG CANCER

Lung cancer is the world's most common form of cancer and the one that claims the most lives. In 2008, 1.6 million people were diagnosed and 1.4 million died from the disease. It is the most common form of cancer among men. During the treatment of lung cancer, all established methods may be used, meaning: radiation therapy, surgery and cytostatic treatment.

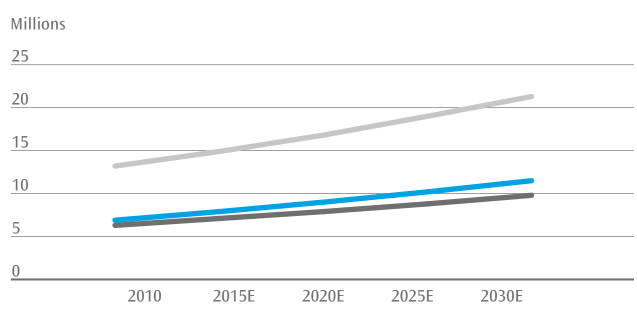
During radiation therapy of the lung, movement is the greatest challenge. The lung constantly moves as result of normal breathing, but lung tumors are also widely known to shift position in the lung during treatment in what are termed baseline shifts. These movements complicate imaging and treatment planning and normally require substantial margins to compensate for the movement of the tumor. Elekta's Symmetry™ for dose planning solution, in combination with 4D volumetric imaging in Elekta Synergy®, addresses this challenge by eliminating the risks of set-up errors and errors caused by tumor movements. Thereby, the area

Cause of death in USA 2010



Source: Centers for Disease Control and Prevention, preliminary data from 2010

New cases of cancer, world



Source: WHO GLOBOCAN 2008

requiring radiation is decreased. With brachytherapy, the source of radiation is placed directly in or immediately next to the tumor, which also protects the surrounding tissue.

BREAST CANCER

Breast cancer is the most common form of cancer among women and the second most common form of cancer in the world. In 2008, about 1.4 million women were diagnosed with breast cancer and 450,000 died of the disease. The mortality rate is declining in developed regions, although it remains the form of cancer that causes the most deaths among women, closely followed by lung cancer.

There are several available treatments depending on the form of breast cancer and the stage of the disease. The primary alternatives are surgery, radiation therapy and cytostatic treatment.

Radiation therapy is a common complementary treatment after surgery. One challenge is to protect the heart if the tumor is located in the left breast. In this case 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. Incidence rates vary by more than 25-fold worldwide and nearly three-quarters of the cases occur in the developed countries. This is probably related to the widespread use of PSA-testing, which was introduced in 1986 and enabled earlier diagnosis.

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. The mortality rate is significantly lower than for other common forms of cancer.

Common treatments are radiation therapy, surgery and hormone therapy or a combination of these. Brachytherapy is another form of treatment that is used on its own or in combination with another treatment. Using brachytherapy, radiation is applied directly in the tumor or nearby.

COLORECTAL CANCER

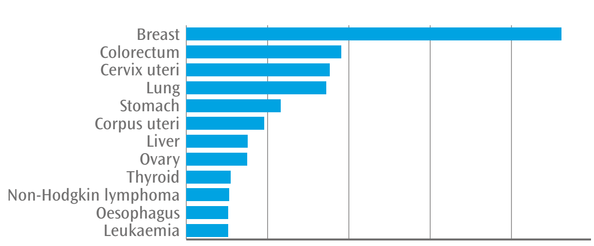
Colorectal cancer (cancer of the large intestine and rectum) is the third most common form of cancer among men and the second-most common among women. In 2008, 1.2 million new diagnoses were reported and 600,000 people died. It is the fourth most common cause of death in cancer globally, in part because cancer of the intestine may be at an advanced stage before it is discovered.

Surgery is the most common treatment for colorectal cancer. The survival rate after surgery depends on whether the cancer has spread to other organs. In patients with an early diagnosed tumor, which is limited in size, surgery is often the only treatment needed.

Radiation therapy is also a common treatment and some patients may also require cytostatic treatment. Currently studies are conducted to see if brachytherapy may be a significant part of the treatment process.

Most common cancers, women (incidence 2008)

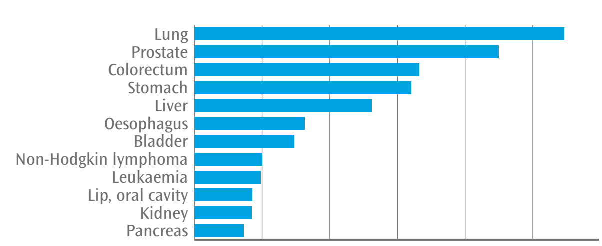
Thousands



Source: WHO GLOBOCAN 2008

Most common cancers, men (incidence 2008)

Thousands



Source: WHO GLOBOCAN 2008

GYNECOLOGICAL CANCER

Gynecological cancer is a collective term for cancer in the female reproductive and genital organ. The most common form is cervical cancer. About 550,000 women are diagnosed with this type of cancer annually, of whom 70 percent live in low-income countries. About 275,000 women die from the disease every year. Cervical cancer is caused by an infection by the HPV virus. The second most common form of gynecological cancer is endometrial cancer. About 140,000 women are diagnosed with this type of cancer every year.

The treatment of both cervical and endometrial cancer encompass surgery, radiation and cytostatic treatment, often in combination. Brachytherapy is an established treatment method with favorable results.

BRAIN CANCER

Brain cancer is normally divided into two categories: primary cancer in which the cancer originates in the brain, and secondary cancer, or brain metastases, in which tumor cells 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 the most common cancers that cause brain metastases are lung cancer, melanoma, breast cancer, renal cancer and colon cancer.

The most common form of treatment is radiation therapy for the entire brain, so called Whole Brain Radiation Therapy (WBRT). This method is being increasingly questioned in the scientific literature due to several drawbacks. The treatment that is gaining ground is stereotactic radiosurgery, which is clearly proving itself a more efficient method with less risk of side-effects.

A growing number of studies shows that stereotactic radiosurgery 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.

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.

Essentially all forms of cancer can cause metastases. However, it is not possible to reliably predict whether or not a certain tumor will form metastases. Metastases often form in the lungs, brain, skeleton, liver or lymph nodes. As an increasing number of patients survive longer after their original cancer treatment, the number of cases of metastases is expected to continuously increase. ■

About radiation therapy

Radiation therapy is an established method for treating a vast number of cancer diseases, either on its own or in combination with other treatments. The aim of radiation therapy is to eliminate the tumor cells with the highest degree of precision possible, while simultaneously protecting the healthy cells in the surrounding tissue. Several different treatment methods can be employed, depending on the type of cancer and the size and location of the tumor.

External beam radiation therapy (EBRT) is the most common form of radiation treatment and involves the application of radiation from an external source outside the patient's body. The treatment is delivered by a linear accelerator that rotates around the patient. By delivering the radiation from various angles, the beam is distributed more evenly in the tumor, while also protecting the healthy surrounding tissue.

Intensity modulated radiation therapy (IMRT) is an advanced treatment form whereby instead of using one substantial and uniform beam, the patient can be treated using several very small beamlets that can vary in intensity. Accordingly, the radiation can be shaped around the tumor, allowing higher radiation doses, while also minimizing the impact on healthy tissue.

Volumetric modulated arc therapy (VMAT) is a more advanced method than IMRT. VMAT enables the physician – in real time – to govern the formation of the beam, the speed of the linear accelerator's rotation around the patient and the dosage given to the patient, thus enabling faster and more precise treatment.

Image guided radiation therapy (IGRT) provides a high level of precision and accuracy by using high-resolution three-dimensional X-ray images of the patient's soft tissues during treatment.

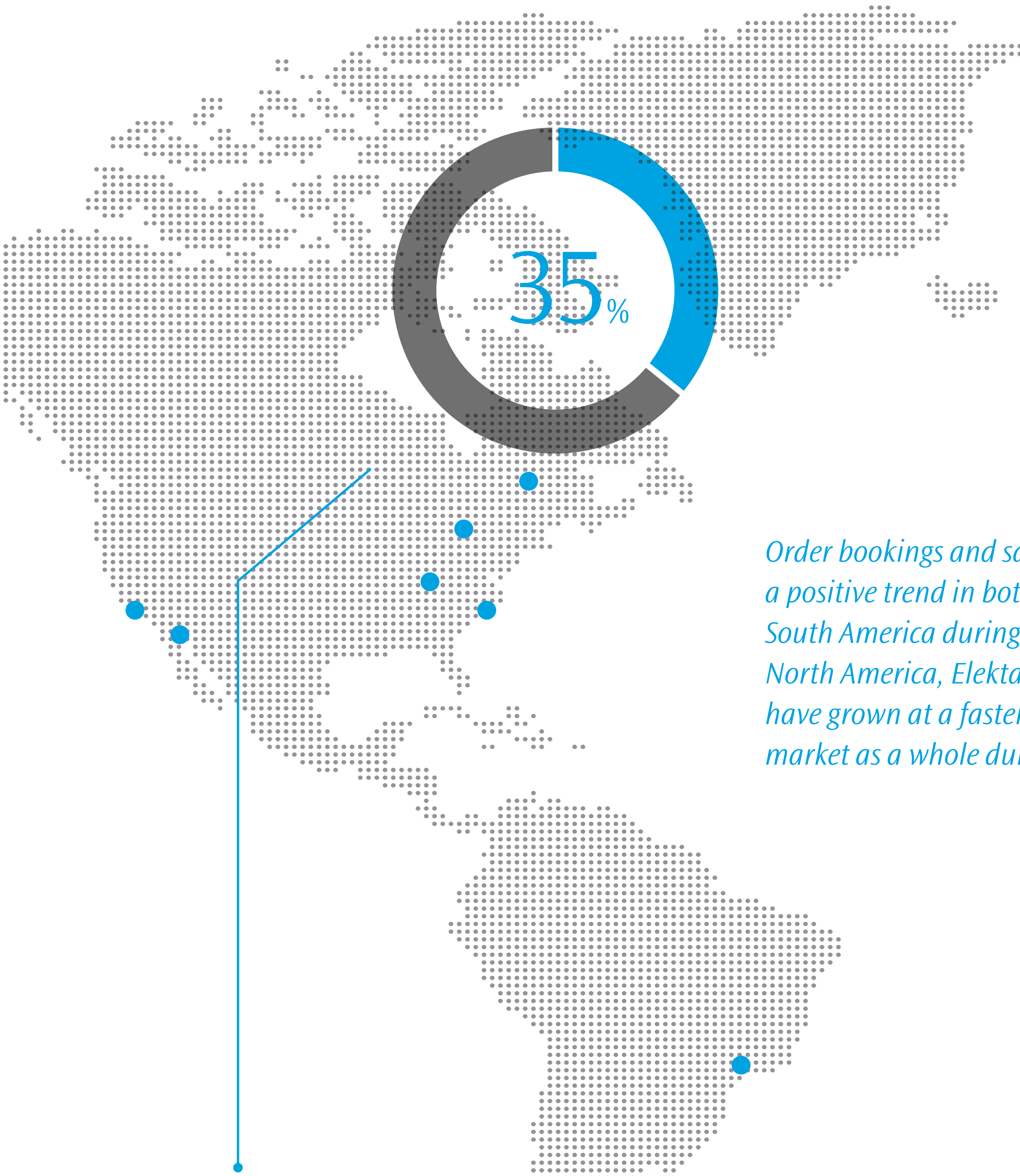
Stereotactic radiosurgery (SRS) is a form of radiation therapy that is generally used to treat tumors and other neurological and cranial diseases. Radiosurgery involves a single exact and high dose being given to small and critically located neurological targets. The method has a high level of precision and is highly effective against tumors, while also having a minimal impact on the surrounding brain tissue.

Stereotactic body radiation therapy (SBRT) is a technique that enables a beam to precisely target a tumor in the body and minimizes radiation to normal surrounding tissue. The high level of precision allows small to midsized tumors to be treated with higher doses and a fewer number of fractions, which is known as hypofractionation.

Proton therapy is another form of external radiation treatment. During the treatment, a particle accelerator is used to aim the proton beams at the tumor. Proton therapy is only used to a limited extent due to the major investment costs required for the unit.

Brachytherapy is also called internal radiation treatment and involves placing a radiation source in or near the treatment area. It allows very high tumor doses to be achieved while limting the impact on the surrounding organs. The method is common in the treatment of gynecological cancer and prostate cancer, but is also used for breast cancer and other forms of cancer. ■

REGION NORTH AND SOUTH AMERICA



Order bookings and sales experienced a positive trend in both North and South America during 2011/12. In North America, Elekta is deemed to have grown at a faster rate than the market as a whole during the year.

3,122 SEK M

Net sales 2011/12.
Chart shows region's share of Group net sales.

37 %

Contribution margin 2011/12.

11 %

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

STRENGTHENED MARKET POSITIONS

Elekta's position in the North American market strengthened during the year. This was attributed to the acquisition of Nucletron, but also Elekta's strategic focus on offering broad comprehensive solutions and partnerships with customers. Elekta also reinforced its market position in the Latin American market.

North America comprises the world's largest market for radiation therapy equipment and accounts for a great part of the world's installed capacity. Elekta is the second largest player in the North American market, which is the single largest market for Elekta.

The market is deemed to be relatively mature. North America has less than 7 percent of the world population and more than 33 percent of the worlds radiation treatment delivery equipment. An aging population, which leads to an increase in the incidence of cancer, results in a growing demand for cancer treatment.

New investments largely involve the replacement of aging equipment and the ability to offer the latest technology represents a competitive advantage, particularly in the US, where a substantial share of health insurance is privately financed. New technology is also in demand to improve treatment sessions, enhance patient experience and increase efficiency. Requirements for more efficient treatments benefit stereotactic radiosurgery and stereotactic radiation therapy since these methods have a higher level of treatment precision, offer the ability to deliver higher radiation doses and are thus capable of reducing the number of treatment visits.

A growing trend among major hospitals and clinics is a demand for broad comprehensive solutions and not just individual products from their suppliers. Elekta was early to satisfy this trend by successfully creating a market organization for such comprehensive oncological solutions and for wide-ranging partnerships. In addition to equipment and software, partnerships can include strategic planning, marketing and process improvement.

REVIEW 2011/12

The North American market developed strongly during the year, which resulted in increased demand for radiation therapy solutions. Order bookings in North America rose by 13 percent and the development on the Latin American market was good as well.

For the year 2011/12, order bookings in region North and South America as a whole rose by 11 percent year-on-year, excluding Nucletron and based on unchanged exchange rates. Net sales increased by 11 percent to SEK 3,122 M (2,818).

Among the substantial orders in North America was, for example, that US Oncology Networks selection of Elekta's MOSAIQ® Oncology Information Management System as the standard system across the network.

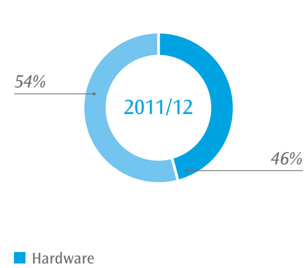
Elekta's sales strategy in North America – offering customers best-of-breed products to improve departmental operations as well as comprehensive solutions and partnerships – proved successful during the year, the latter resulting in several extensive partnerships for deliveries of linear accelerators, brachytherapy equipment, software and service offerings.

In the first quarter of 2012, Elekta ranked number one among suppliers, for the 8th consecutive quarter, in the MD Buyline Report in the US. MD Buyline is a market-research company that provides the healthcare sector with independent analyses and reports. MD Buyline measures customer satisfaction based on evaluations from more 3,300 hospitals included in the membership network. Elekta remains the industry leader in stereotactic radiosurgery and treatment planning systems and received the highest score in all

»The market for radiation therapy solutions in North America strengthened during the year which, along with continued improvement in our product and service offerings and Siemens exit decision, helped Elekta grow faster than the market. In the coming year, we are very much looking forward to advancing the new partnerships that we have entered into with a number of major customers.«

James P Hoey, Executive Vice President, Region North America

Share of net sales



categories. In linear accelerators, oncology information systems and equipment for brachytherapy, Elekta shared first place with another company.

HIGH GROWTH IN LATIN AMERICA

Latin America, where Elekta is currently the third-largest player in terms of overall installed base, has experienced double-digit growth in demand in recent years. In key markets, such as Brazil, Elekta had a good share in terms of new sales of linear accelerators during the 2011/12 year. Combined with other emerging regions, Latin America also contributes to an increasingly significant percentage of Elekta's global order bookings.

In both the public and private sectors, growth in Latin America is driven by the lack of cancer care capacity. This has led to governments, authorities and other institutions increasing their focus on improving access to modern cancer care.

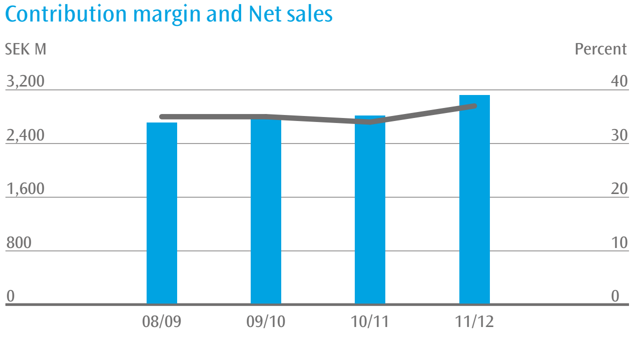
In Brazil, for example, there is an identified need for about 200 new linear accelerators and several government-subsidized programs are to contribute to covering the lack of capacity. A new incentive also dictates that both privately and publicly owned clinics must provide chemotherapy, radiation therapy and radiosurgery to qualify for government subsidies. Clinics must also invest in next-generation equipment, increased brachytherapy capacity and replace cobalt machines.

In other Latin America countries, governments and authorities have also adopted or are in the process of adopting cancer treatment investment programs that include the procurement of radiation equipment.

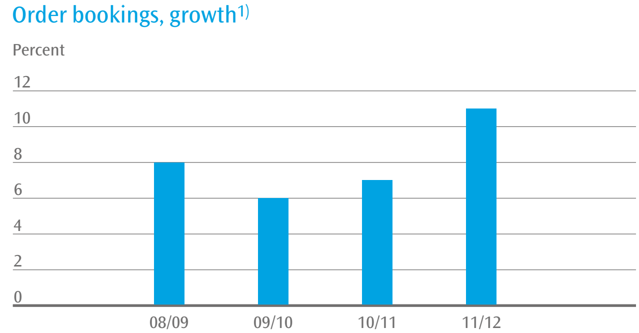
FUTURE PROSPECTS

Elekta foresees continued favorable demand in North America and solid opportunities for continued high growth in Latin America. In Brazil, the government-sponsored healthcare program continues to generate new procurement processes. In this region, Elekta's long-term objective is to participate in this capacity expansion to also ultimately become the market leader in terms of installed base. An ever expanding installed base also generates growth opportunities in terms of aftermarket services and sales. Markets such as Columbia, Peru, Chile, Ecuador and Venezuela have the potential to contribute to growth moving forward. ■

Contribution margin and Net sales



Order bookings, growth[1)]



1) Based on unchanged exchange rates. 2011/12 excluding Nucletron

The US health-insurance system

About 65 percent of care in the US is financed by private insurance plans that are either held by individuals or by employers for their employees. The remaining 35 percent are covered by publicly financed insurance programs, of which Medicare and Medicaid are the largest. Combined, these two programs encompass about 93 million individuals, while private insurance plans cover about 175 million individuals.

Medicare and Medicaid are important sources for subsidies for radiation therapy and radiosurgical services.

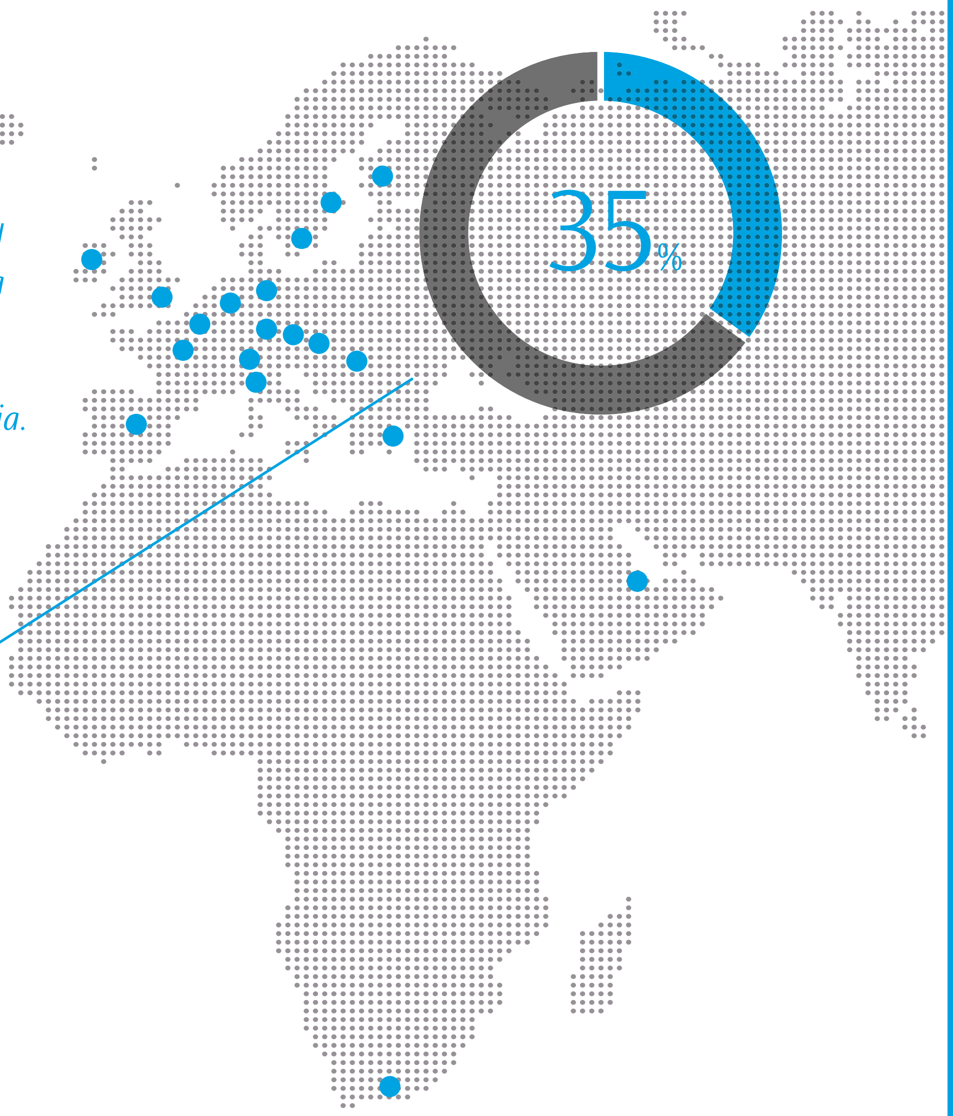
Reimbursement levels are revised on an annual basis by the Centers for Medicare & Medicaid Services (CMS). Subsidy levels are important for Elekta's customers and substantial changes can have an impact on demand. In 2011/12, reimbursement levels were essentially unchanged.

The Affordable Care Act

The act reforming the US healthcare system, which is known as the Affordable Care Act, came into effect in 2010 and comprises a plan of gradual reforms through 2015, most of which are planned for 2014. The aim of the reform includes providing an additional 32 million individuals with healthcare insurance in the future. The package also includes elements to promote innovation and improved cost-effectiveness in the care sector, such as the HITECH Act, which offers financial incentives to care providers that deploy electronic medical reporting and use it in a specified meaningful way. Elekta's MOSAIQ® was the first oncology information management system to be fully certified under the HITECH Act. ■

REGION EUROPE, MIDDLE EAST AND AFRICA

Region Europe, Middle East and Africa continued to experience a good trend in 2011/12. Order bookings were good primarily in northern Europe and in Russia.



3,206 SEK M

Net sales 2011/12. Chart shows region's share of Group net sales.

35%

Contribution margin 2011/12.

5%

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

INCREASED ORDER BOOKINGS AND KEY PRODUCT LAUNCHES

Order bookings and sales in the region rose during the year. Elekta experienced good growth in northern Europe, Germany, the Netherlands and in the UK. Growth was weaker in the southern regions of Europe and in North Africa. In emerging markets, such as Russia, its successful development continued by winning a considerable number of new contracts.

In Western Europe, Elekta is the leader and its market share for new orders was good during the year. This area of the region has generally well-established cancer care and growth is primarily driven by replacement investments. However, an aging population has resulted in an increase in the number of cancer cases, which also drives a greater need to increase radiation therapy capacity.

Most systems in Western Europe are purchased through public tendering processes. However, private care givers' share can be expected to grow, as a result of such factors as the growing healthcare demand caused by an aging population. Strained healthcare budgets create a demand for effective solutions, which, in turn, increases the importance of establishing private cancer care providers who are focused on radiation therapy. There are examples of such specialized companies in several countries nowadays.

Elekta's long-term strategy in mature European markets involves maintaining or increasing its market shares in terms of replacement investments and the expansion of new treatment capacity. This is taking the form of a sharp focus on research and innovation to advance the product portfolio. One example of this is the new multileaf collimator, Agility™, which represents a groundbreaking leap forward in beam shaping.

Elekta's growth strategy is supported by established partnerships with renowned, leading university cancer clinics. In turn, these partnerships comprise a quality assurance for the rest of the market. An example is University Medical Centre Mannheim and its radiation therapy and radio-oncology clinic. Another is the Netherlands Cancer Institute-Antoni van Leeuwenhoek Hospital in Amsterdam, where Elekta has partnered with researchers to develop Symmetry™ 4D computed tomography technology.

A newly established, unique cooperation is a joint research project between Elekta and Karolinska University Hospital in Stockholm. The partnership involves Karolinska's use of an Elekta Axesse™ system.

EMERGING MARKETS GROWING IN IMPORTANCE

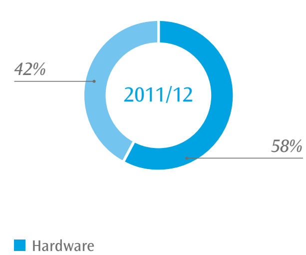
Elekta's strategy for high growth features a sharp focus on new, rapidly growing markets with a minor installed base of radiation equipment. In regions such as Eastern Europe, Middle East and Africa, there is often significant demand for cancer care and the treatment of neurological diseases that currently cannot be satisfactorily met. There is also a lack of capacity for early diagnosis, causing many patients to wait until a late stage of their disease before receiving treatment. For Elekta, being the first in these markets and early to secure a strong market position are of great importance. Accordingly, Elekta can contribute to setting the standard for quality and financially feasible cancer care. This is achieved by fulfilling the clinical need and infrastructure for software, but also of securing access to expertise and professional training, aftermarket services and financial solutions.

Today, many large countries have national cancer programs that involve major investments in the expansion and modernization of cancer care.

»While the climate in Europe was mixed during the year, Elekta experienced a favorable trend in several northern European countries. We also continued our successful participation in the expansion of the Russian cancer care sector. Overall, this resulted in a good year for the region. We also anticipate continued stable growth moving forward, particularly as a result of the growing markets in Eastern Europe and Russia.«

Tomas Puusepp, President and CEO, Elekta AB and acting Executive Vice President, Region Europe, Africa, Latin Amerika and Middle East

Share of net sales



In Russia, the national program has significantly increased the country's cancer treatment capacity in just a few years. New treatment centers have been built and equipment has been modernized in existing centers. Elekta has been highly successful in its completed procurement processes, with a good number of contracts at Russian cancer clinics. Among other projects, the pediatric oncology center that was opened in Moscow during the year – which is one of the largest in Eastern Europe – was equipped with a comprehensive stereotactic radiation therapy system, including Elekta Synergy® and Elekta's treatment planning system and oncology information system.

Turkey also has a national cancer strategy, which was introduced in 2008 and is designed to address the lack of capacity in the cancer care sector. A national cancer institute has been formed with the aim of establishing a number of new cancer care clinics by 2015.

REVIEW 2011/12

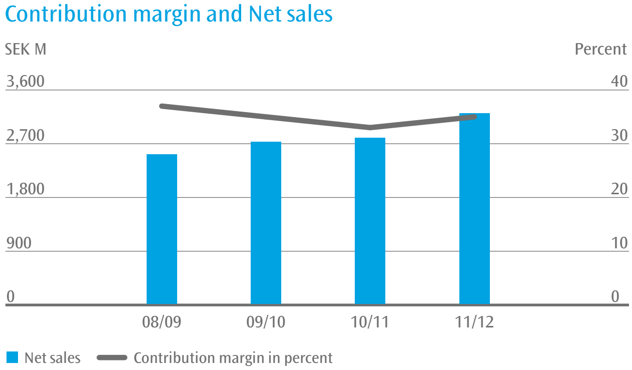
In 2011/12, order booking for the Europe, Middle East and Africa region rose by 5 percent year-on-year, excluding Nucletron and based on unchanged exchange rates. Over the last five years, the region has experienced an average sales increase of 13 percent.

In 2011/12, order bookings were particularly strong in northern Europe, Germany, the Netherlands and the UK. The market was weaker in certain southern European countries. Demand in the emerging markets was favorable overall, with a strong trend in Russia but also in other markets such as the Middle East.

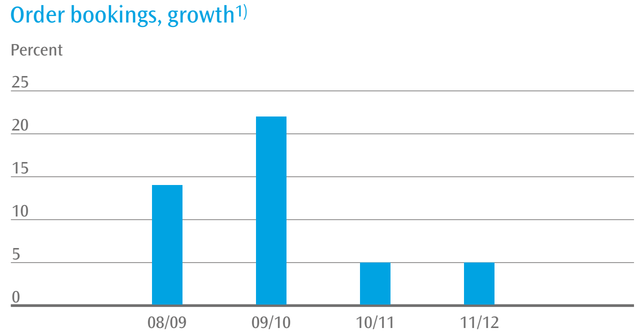
FUTURE PROSPECTS

In the coming year, prospects remain mixed in established markets, with stable growth in northern Europe and a more cautious trend in certain southern European countries. In most emerging regions, such as Eastern Europe and Russia, as well as in minor markets, growth is expected to remain good. ■

Contribution margin and Net sales



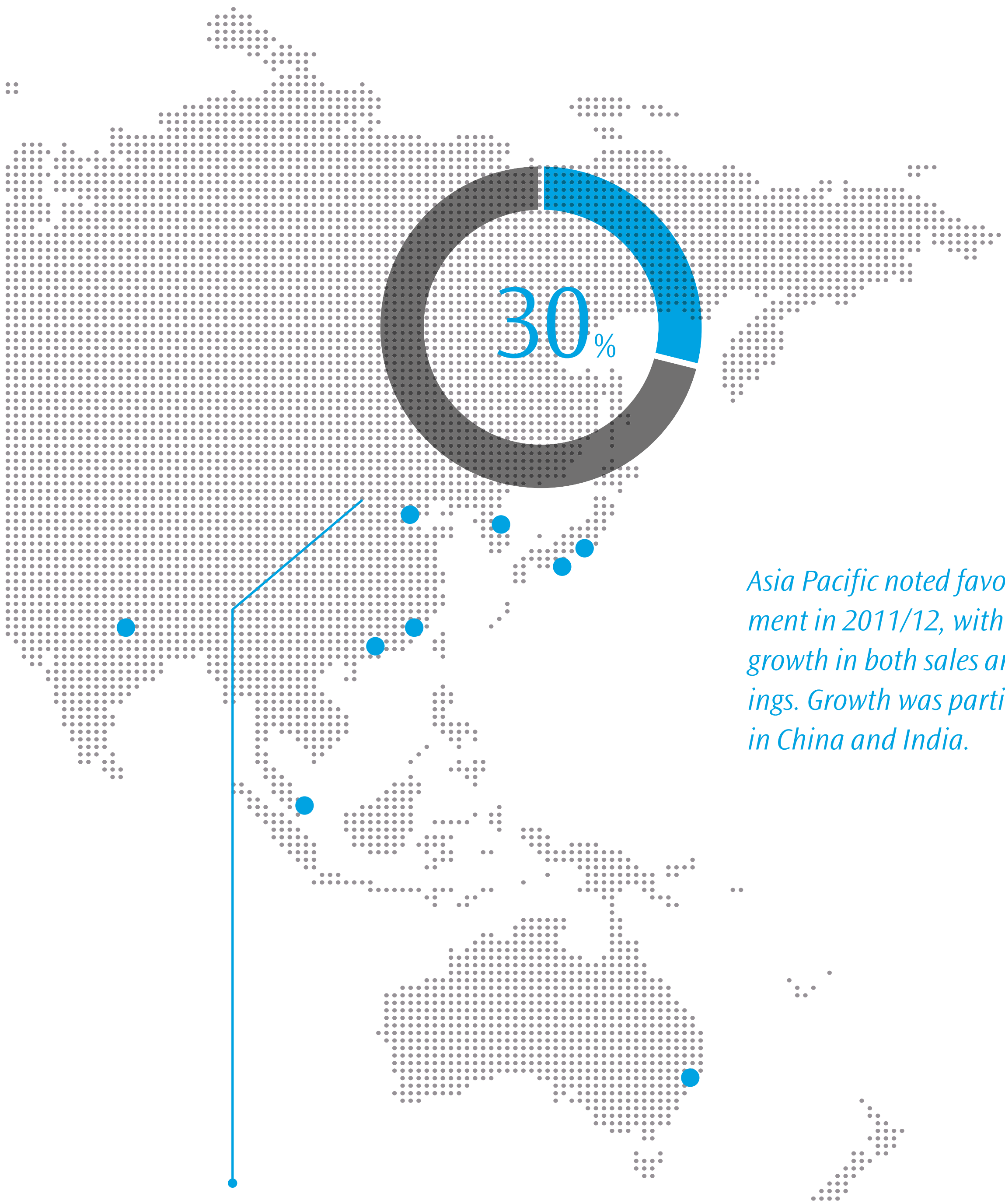
Order bookings, growth[1)]



1) Based on unchanged exchange rates. 2011/12 excluding Nucletron


AXESSE

REGION ASIA PACIFIC



Asia Pacific noted favorable development in 2011/12, with double-digit growth in both sales and order bookings. Growth was particularly strong in China and India.

2,720 SEK M

Net sales 2011/12. Chart shows region's share of Group net sales.

32 %

Contribution margin 2011/12.

14 %

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

LEADING POSITION AND HIGH GROWTH

Elekta's sales trend in the Asian markets was favorable during the year. Organic growth in the region was 14 percent and Elekta strengthened its positions in a number of markets.

Elekta is active in 15 major markets in a region charactarized by a substantial overall lack of care capacity in oncology and neurosurgery. Although the region is home to nearly 60 percent of the world's population, its number of linear accelerators represents less than 30 percent of the installed base. Certain markets, such as Australia, Japan, South Korea, Taiwan, Hong Kong and Singapore have well established healthcare systems and relatively favorable capacity for the treatment of cancer patients. However, the rest of the region, where most of the population is found, has the greatest discrepancy between the need for and the availability of radiation therapy systems, equipment and qualified care personnel.

Elekta was early to establish operations in the region, where it has had a presence in China since 1982 and in India since 1994. As the emerging economies become increasingly advanced and prosperity rises, investments in healthcare have increased and Elekta has successfully capitalized on these growth opportunities by helping countries establish high quality, cost-effective cancer care. In 2011/12, Elekta's market share of new orders in the region was estimated at 42 percent.

Elekta's acquisition of Nucletron garners new growth opportunities by adding brachytherapy to the offering. Nucletron holds a strong position in Asia, which, in combination with a more comprehensive offering, can contribute to an increased interest in and use of various forms of radiation therapy.

One of the cornerstones of Elekta's strategies for growth in the region is to contribute to making cancer treatment more widely available, both for care givers and patients. This involves major investments from Elekta in training courses, since the lack of qualified personnel in cancer care is a limiting factor. This applies to physicians, physicists, nurses and other personnel. In China alone, Elekta conducted a large number of days of training for customers during the fiscal year. Training and development are also conducted in partnership with leading universities and clinics, as well as at user meetings organized by Elekta.

Another key way to increase availability is by providing software in local languages. MOSAIQ® is now available in 15 different languages. Elekta's products also provide an increasing number of patients with access to radiation therapy. The primary example of this is the Elekta Compact™ linear accelerator, developed and manufactured in China. Compact was created for new facilities and emerging markets, although it can also be upgraded with new, advanced functions as clinics grow.

NATIONAL CANCER PROGRAMS

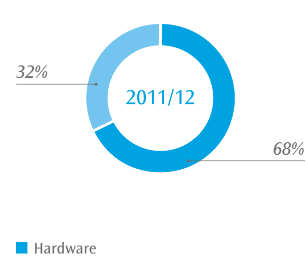
The most important growth drivers in the region are major national healthcare programs in several countries. For cancer, these programs have been designed based on the awareness that cancer is a vast and growing health issue, since increased prosperity leads to individuals living longer and a rising proportion of elderly in the population.

China is Elekta's third-largest market in terms of sales. The Company holds a market leading position in the country, in terms

» The Asia Pacific region continues to perform well and we also expect to meet our objectives for strong organic growth moving forward, while also consolidating our position as market leader in the region.«

Gilbert Wai, Executive Vice President, Region Asia Pacific

Share of net sales



of its installed base of linear accelerators and in new sales of treatment planning systems. Seven of the 10 most prominent clinics have Elekta equipment. In China, Elekta also holds a leading position in terms of general market share with 44 percent.

China increases to grow in importance for Elekta. The major, comprehensive healthcare reform that was adopted in 2009 is expected to bolster healthcare investments in China by an annual average of 20 percent to about USD 700 billion 2015[1]. Elekta also believes that the rapid expansion of radiation therapy will continue for many years to come. For example, two years ago, national guidelines were introduced that clarify the quality criteria that apply for neurosurgery. The aim of this is to enhance the nationwide quality of neurosurgical standards. In turn, this is expected to provide greater opportunities for Elekta to participate in forthcoming procurement processes for neurosurgical equipment.

In Japan, a national cancer program has been in place, which include addressing inconsistencies in the care sector. To date, Japan has also been characterized by a limited use of radiation therapy and thus also a lack of oncologists and medical physicists skilled in radiation therapy. Elekta is the clear leader in radiosurgery and Leksell Gamma Knife® has a market share of more than 50 percent, while the market share for linear accelerators is lower. However, the market share of new orders for the latter has the potential to grow, as a result of such measures as the distribution agreement that was reached with Toshiba Medical Systems in 2010.

India has a significant lack of available healthcare and only a small share of the population is covered by health insurance. The private sector dominates advanced healthcare, meaning that Elekta's customer group is relatively fragmented and largely comprises smaller private players. Public investments in radiation therapy are ultimately expected to rise. Elekta holds a strong position and a growing market share in India. The acquisition of Nucletron further strengthened the Company's presence.

[1] Source: Frost & Sullivan 2011

WELL ESTABLISHED MARKETS IN AUSTRALIA AND NEW ZEELAND

Australia and New Zealand are both mature markets in terms of healthcare and often early adopters of technology from a research perspective. Australia has taken many orders for the Agility™ MLC, demonstrating an eagerness of sites to remain state-of-the-art.

Australia is a mixed public and private healthcare market while New Zealand remains public in the majority. In recent years, the private provision of radiotherapy services in Australia has grown strongly not least with Public Private Partnerships for the delivery of services in Western Australia.

The neurosurgery market in Australia is established, and some areas is world leading. Australian neuro-research centers are recognized as leaders in the international research community. This market is limited to the main cities in Australia – Sydney, Melbourne, Brisbane, Adelaide and Perth. Regional areas are served by these larger centers. Cognitive neuroscience is limited to Sydney, Melbourne and Brisbane with both Sydney and Melbourne having established MEG research programs – Melbourne with Elekta.

SUMMARY 2011/12

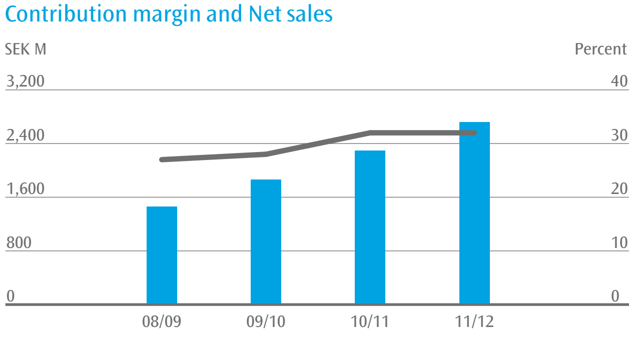
Elekta continued to experience favorable growth in the region during the year. Growth was particularly strong in China and India.

Significant milestones included installing the first Leksell Gamma Knife® Perfexion™ radiosurgery system at a hospital and a university clinic in China. Another hospital also installed the system during the fiscal year.

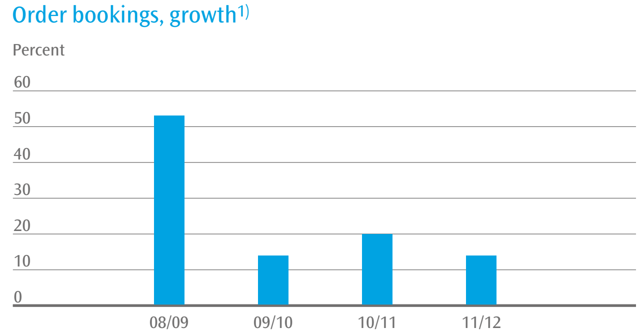
During the year, the regional organization was consolidated and strengthened with local expertise in all key management positions, from sales and marketing to service, aftermarket, finance and HR. The integration of Nucletron at all levels represented a highly positive addition to Elekta in the region.

Order bookings in the region rose by 14 percent during the fiscal year based on unchanged exchange rates and the exluding of Nucletron. Net sales increased by 19 percent to SEK 2,720 M (2,291).

Contribution margin and Net sales



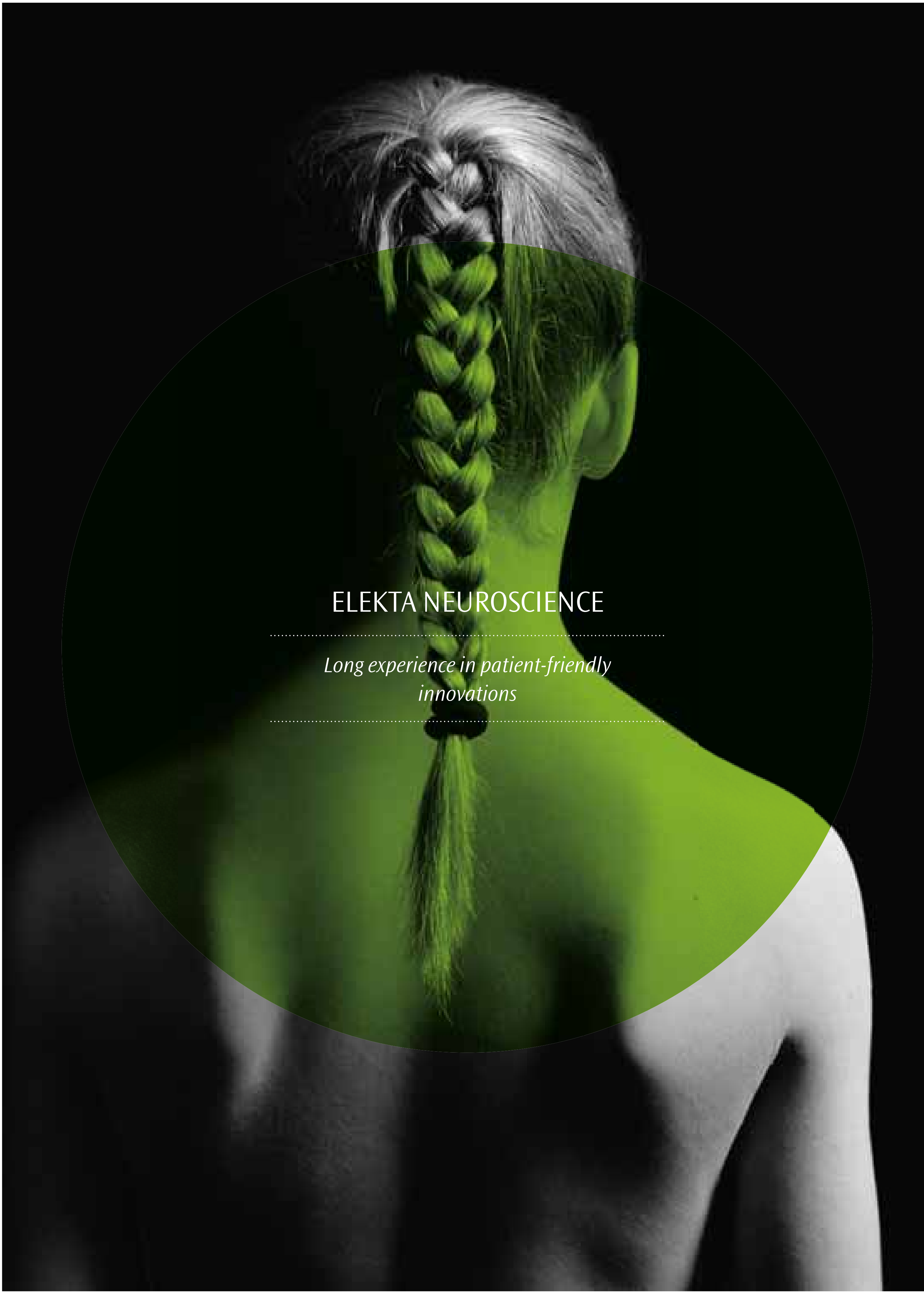
Order bookings, growth[1]



[1] Based on unchanged exchange rates. 2011/12 excluding Nucletron

FUTURE PROSPECTS

Elekta expects a continued high rate of investment in healthcare in the region. In many countries, cancer care is in the early phase of an expansion to meet preexisting needs and that can only be expected to grow in the coming years. Publicly financed cancer programs continue to drive expansion. High economic growth rates in the major markets in the region indicate the continued expansion of healthcare capacity. ■



ELEKTA NEUROSCIENCE

Long experience in patient-friendly innovations

EFFICIENT AND GENTLE TREATMENT OF NEUROLOGICAL DISEASES

Elekta Neuroscience develops innovative, world-class solutions for the treatment and localization of neurological diseases. Leksell Gamma Knife®, Elekta's stereotactic system for neurological radiosurgery, continues to advance and solidify its leading market position, in terms of clinical efficiency, cost-efficiency and patient friendliness. Elekta Neuroscience is also a leading player in functional neurological identification and treatment.

For several decades, Elekta has served as the benchmark for treating brain cancer and other serious neurological conditions that often require pioneering treatment methods. Based on extensive experience in stereotactic and patient-focused innovations, Elekta has created solutions that are extremely precise and non-invasive or minimally-invasive for treating the brain. Gamma Knife® surgery alone has helped more than 600,000 patients worldwide lead a better and longer life. The number of patients is increasing by about 60,000 on an annual basis.

Elekta Neuroscience is active in three main areas: stereotactic radiosurgery, stereotactic minimally invasive neurosurgery, and magnetoencephalography for functional brain mapping.

Elekta has the world's largest installed base of stereotactic radiosurgery systems. Approximately 300 Leksell Gamma Knife systems are already in clinical use and about 2,300 stereotactic systems from Elekta are used in more than 1,500 clinics worldwide. Elekta's magnetoencephalography system (MEG) is used in 75 clinics around the world.

GROWING NEED FOR RADIOSURGERY

Growth in Elekta Neurosciences is primarily driven by major, unsatisfied needs for radiosurgery. In emerging countries, market penetration for radiosurgery remains low and is considered to represent medium and long term growth potential. Needs in Europe are also considerable, while Leksell Gamma Knife is widely used in North America. Growth in this geographical area is expected to be generated through upgrades of the installed base, as well as the growing need for capacity – driven by increasing numbers of patients with brain metastases. This is attributable to cancer patients living longer as a result of improved diagnoses and enhanced methods for treating the primary cancer that causes the metastases, and also the fact that Gamma Knife surgery is increasingly the treatment modality selected for these patients. A generally growing interest in greater use of Gamma Knife surgery has also been observed in mature markets. Major clinics with high patient volumes in particular see efficiency gains in transferring capacity from linear accelerators to Leksell Gamma Knife.

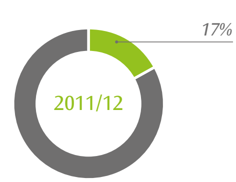
Elekta Neuroscience creates growth through innovation and collaborates in research and development with a large number of the world's most prominent universities and hospitals. A growing area in which yet no approved indications exists, but a great deal of research is ongoing, and where Elekta Neuroscience sees great potential, is the stereotactic neurosurgical treatment of functional neurological conditions, such as movement disorders, dementia and mental illnesses.

Elekta Neuroscience's strategies for the future are aimed at securing continued leadership in the areas of stereotactic radiosurgery and traditional neurosurgery, while also increasing the use of Gamma Knife surgery in cancer center settings. Above all, this entails making treatment with Leksell Gamma Knife more accessible to patients with brain metastases.

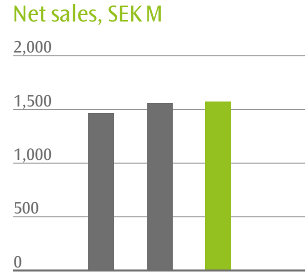
300

Leksell Gamma Knife® are in clinical use worldwide

Share of total net sales



Net sales, SEK M



LEKSELL GAMMA KNIFE: THE WORLD'S MOST ADVANCED SYSTEM

Leksell Gamma Knife® is the most advanced radiosurgery system in the world. The latest version, Leksell Gamma Knife® Perfexion™, has set a new standard for neurological radiosurgery in terms of precision, dose delivery and efficient treatment, and is perceived as gentle on patients and user-friendly. Leksell Gamma Knife Perfexion is considerably more automated than all other radiosurgical systems and will soon change how brain metastases are treated globally. Leksell Gamma Knife Perfexion accounts for a steadily growing share of all Elekta's radiosurgery systems that are currently in use.

Most treatment with Leksell Gamma Knife, almost 80 percent, are directed at benign or malignant brain tumors, while about 20 percent of treatments are for vascular diseases and functional disorders. The large share of tumor treatments are attributable to the brain as the site of the most metastatic disease. Twenty to 40 percent of all cancer patients are expected to develop brain metastases. Previously, whole brain radiation therapy (WBRT) was the most comon form of treatment. However, increasingly convincing clinical evidence is emerging that stereotactic radiosurgery is equal to or better than WBRT, in terms of both efficiency and patient friendliness. There are more than 800 peer-reviewed clinical papers, including 30 or more patients each, that describe the successful use of Leksell Gamma Knife for key intracranial indications. This evidence base is overwhelming when comparing to competing technologies. Elekta has also added the option of performing fractionated treatment using Leksell Gamma Knife Perfexion, meaning that the radiation dose can be delivered in smaller doses over a period of several days. This is enabled through the use of the Extend™ system, an optional add-on for Leksell Gamma Knife Perfexion. Oncologists and neurosurgeons can use this system to treat tumors that are too large or critically positioned to treat during a single session, thus increasing the number of patients who can benefit from the unique features of the Leksell Gamma Knife Perfexion system. Extend also constitutes a bridge between neurosurgery and radiation oncology, since the system can also be used in combination with Elekta Axesse™ or Elekta Synergy® linear accelerators.

New solutions to further enhance the efficiency of Leksell Gamma Knife Perfexion are under development. One example is MOSAIQ® Connectivity, which enable a seamless integration of Leksell GammaPlan® and Leksell Gamma Knife Perfexion with the MOSAIQ Oncology Information Management System. This will simplify the clinic's workflow and make it more efficient, while facilitating collaboration with other MOSAIQ-based units and clinics, regardless of the treatment equipment used.

Another development project is the Leksell Gamma Knife Registry. The purpose of this registry is to create a platform for large volumes of aggregated and detailed treatment data that can be used locally at the clinic, but also shared with other Leksell Gamma Knife sites globally.

Several prominent hospitals and clinics worldwide ordered and installed Leksell Gamma Knife Perfexion during the year.

»Elekta Neuroscience is based on pioneering innovations that have always aimed to give patients with brain tumors and other neurological conditions a longer and better life. We take new steps toward greater precision, more gentle treatments and improved clinical efficiency essentially every year. There is a trove of clinical documentation today to support the superiority of Leksell Gamma Knife® and a key task for us is to spread that knowledge so that growing numbers of patients in need can get access of Gamma Knife® surgery. A continued high pace of innovation is also important for us and several new solutions are already under development.«

Åsa Hedin, Executive Vice President, Elekta Neuroscience

The first Perfexion systems in China were installed at the Zheijiang University School of Medicine, Beijing Tiantan and Shanghai Hua Shan Hospital.

The University Hospital La Timone in Marseille, France, is a pioneer in radiosurgery and during the year it became first hospital in the world to order a second Leksell Gamma Knife Perfexion system. In 2012, Hospital La Timone will celebrate its 20th anniversary with Leksell Gamma Knife and more than 10,000 patients have been treated there during the years. With two Leksell Gamma Knife Perfexion systems in operation, it will be possible to treat up to ten patients per day.

Examples of other hospitals and institutions that installed the Leksell Gamma Knife Perfexion during the year include Burdenko Institute of Neurosurgery in Moscow (see page 33), the Baskent University Hospital in Adana, Turkey, and AIIMS in New Delhi, India. The Department of Neurosurgery at AIIMS has conducted Gamma Knife surgery since 1997. In June 2011, the department was upgraded with Leksell Gamma Knife Perfexion and since then, Gamma Knife surgery has been used to treat a growing number of patients.

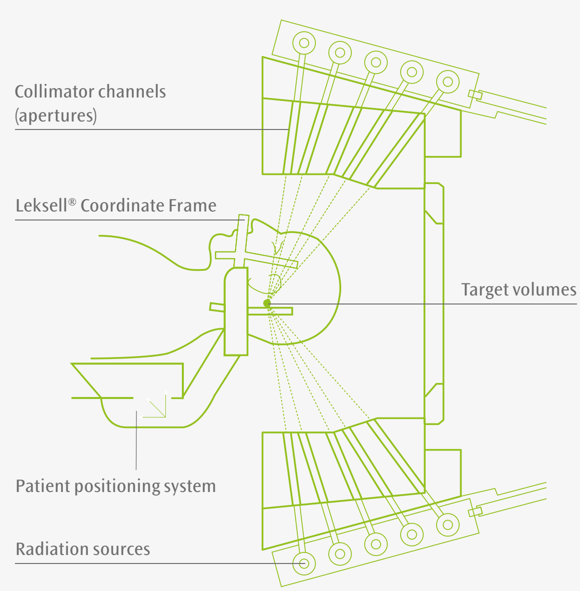
In a study conducted jointly with KLAS, an independent market research company in the US, Leksell Gamma Knife Perfexion was ranked – by a wide margin – the best of six advanced radiation therapy systems in 2011. The report, entitled Radiation Therapy 2011: A Dose of New Technology, is based on interviews of 213 healthcare providers in the US. Speed, precision, reliability and its sophisticated technology contributed to the top ranking.

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.



LEKSELL STEREOTACTIC SYSTEM: CORRECT LOCALIZATION AND TREATMENT

Leksell Stereotactic System® is the most used and reliable stereotactic system in the market and a benchmark for stereotactic neurosurgery. This comprehensive system comprises tools that provide safe, correct localization and treatment of neurological targets through minimally invasive surgery. The system is used for both diagnosis and treatment, from biopsies (tissue specimens) of deep-seated brain targets to the correct placement of implantable electrodes for deep brain stimulation. The system is designed to shorten planning times, offer a wider selection of alternative approaches and obtain superior clinical precision. Elekta's integrated system for neurosurgery also contains Leksell SurgiPlan®, an advanced planning software, and Leksell® Neuro Generator, a complete system for functional neurosurgery and pain management.

Leksell Stereotactic Systems are used for stereotactic neurosurgery on a daily basis at more than 1,300 clinics worldwide and has been documented in over 1,000 clinical trials.

MAGNETOENCEPHALOGRAPHY: PRECISION BRAIN MAPPING

Magnetoencephalography (MEG) is a method used by clinics and researchers to map normal and abnormal neurological activity by studying the brain's magnetic field in a non-invasive manner. Elekta is the leading MEG player and manufactures Elekta Neuromag®, which enables researchers and physicians to capture neurological activity with precision millisecond resolution and localization.

During the year, Elekta's new MEG system, Elekta Neuromag® TRIUX™, was established in the market. The new platform is more robust, more patient and user-friendly and designed to function in essentially all clinical environments, particularly hospitals and research centers with a high usage rate. It includes built-in shielding, which protects the system's ultra-sensitive sensors from magnetic disruption.

Several major research institutions use Elekta Neuromag for clinical research into neurological and mental disorders, such as Alzheimer and other dementia illnesses, epilepsy, autism, schizophrenia, depression, traumatic brain injury and for a range of learning disorders such as dyslexia. However, these are not approved indications for the product. A potentially growing area of application is the ability to discover and more easily localize mild traumatic brain injuries, such as concussions, which may be of significance in sports.

Another application area for Elekta's MEG technology has emerged in the pharmaceutical field. This application of MEG can accelerate and reduce costs when developing new pharmaceuticals, by measuring the effect of the drug and the brain function in real time at critical phases of the pharmaceutical development process. ■

Leksell Gamma Knife Society

In March 2012, the Leksell Gamma Knife Society held its 16th meeting, this time in Sydney, Australia. Around 300 neurosurgeons, radiation oncologists and other care providers from all over the world attended the meeting.

The Society was founded in 1989 and is a multidisciplinary forum for sharing information and clinical partnerships in the aim of contributing to improved clinical treatment results. Since its inception, the Society has succeeded in advancing positions in radiosurgery by developing and communicating best practices in the area.

During the international meeting, the fundamental role of Leksell Gamma Knife in the treatment of benign tumors and vascular malformations in the brain received support from several studies on the long-term effects in large patient groups. Data was also presented on the increasingly widespread use of Leksell Gamma Knife for multiple brain metastases and, in this context, proof that treatment with the Gamma Knife® surgery is cost-efficient. Promising research into new indications, such as epilepsy and the tremors associated with Parkinson's disease, were also presented. Minutes of the meeting will be published in the esteemed Journal of Neurosurgery in December 2012.

The annual mapping of the Leksell Gamma Knife clinics, which is conducted by the Leksell Gamma Knife Society, showed that more than 612,000 patients had been treated by year-end 2010, with an annual treatment rate of about 60,000 patients. ■

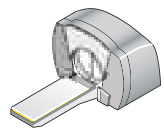
SOLUTIONS

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®.

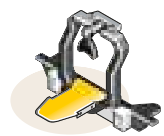
Stereotactic neurosurgery
Stereotactic neurosurgery is an integrated solution for minimally invasive neurosurgery for localization and treatment of neurological targets.

Functional brain mapping
Magnetoencephalography (MEG) provides physicians and researchers with sophisticated quantification of neurological activity, generates 3D and functional mapping and performs real-time measurements.

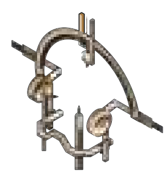
PRODUCTS



Leksell Gamma Knife
Stereotactic radiosurgery is a non-invasive technique for treating neurological conditions with a single, focused, high-radiation dose delivered to a limited area in the cranium. The latest product, Leksell Gamma Knife® Perfexion™, is a fully integrated and automated system that enables highly advanced treatment with the highest level of safety and comfort.



Extend
With Extend™, Gamma Knife® surgery with fractionated treatment provide both neurosurgeons and radiation oncologists with new patient treatment possibilities, such as treating large, critically located lesions with fractionation.



Leksell Stereotactic System
Leksell Stereotactic System® is the world's most advanced system for stereotactic neurosurgery. The system's high degree of accuracy, easy handling and versatility offers the surgeon an optimal system for functional neurosurgery. It is also the first choice for biopsies.

Elekta Neuromag
Elekta Neuromag® is the most advanced system for magnetoencephalography (MEG). It maps neurological activity in real-time through the non-invasive and high-resolution measurement of the brain's magnetic fields that are produced by brain cells.

Burdenko Institute first in Russia to use Leksell Gamma Knife Perfexion

From left: Irina Sandin, Eastern Europe BU Manager, Elekta; Inna Naisheva, Administrator; Prof. Andrey V. Golanov, M.D., Ph.D, Chief of Department of Radiotherapy and Radiosurgery; Physicist Marina Zotova (all from N.N. Burdenko Neurosurgical Institute, Moscow); and Nabil Elias Romanos, Vice President, Eastern Europe & Middle East, Elekta.

The Burdenko Institute of Neurosurgery is the largest neurosurgical institute in Russia and the world's largest clinic for the care of patients with conditions of the central and peripheral nervous system. Overall, the institute offers hospital beds for 4,000–5,000 patients on an annual basis.

The institute was formed in Moscow in 1932 and has since been at the forefront of promoting the implementation of new technology and advances in the practical application of neurosurgery. A key milestone was passed in April 2005 when the first treatment was completed using Leksell Gamma Knife®.

"That date can in fact be considered the date on which radiosurgery was born in Russia. Since then, slightly more than 2,300 patients have been treated with Gamma Knife radiosurgery at our institute," says Professor Andrey Golanov, Head of the Radiotherapy and Radiosurgery Department at the Burdenko Institute.

In 2011, a major new leap forward was taken with the installation of Russia's first Leksell Gamma Knife® Perfexion™. The first patient – a 59-year-old woman – was treated in June 2011.

Leksell Gamma Knife Perfexion has provided a dramatic enhancement in workflow efficiency at the clinic through quicker planning and treatment of one or more tumors in a single session.

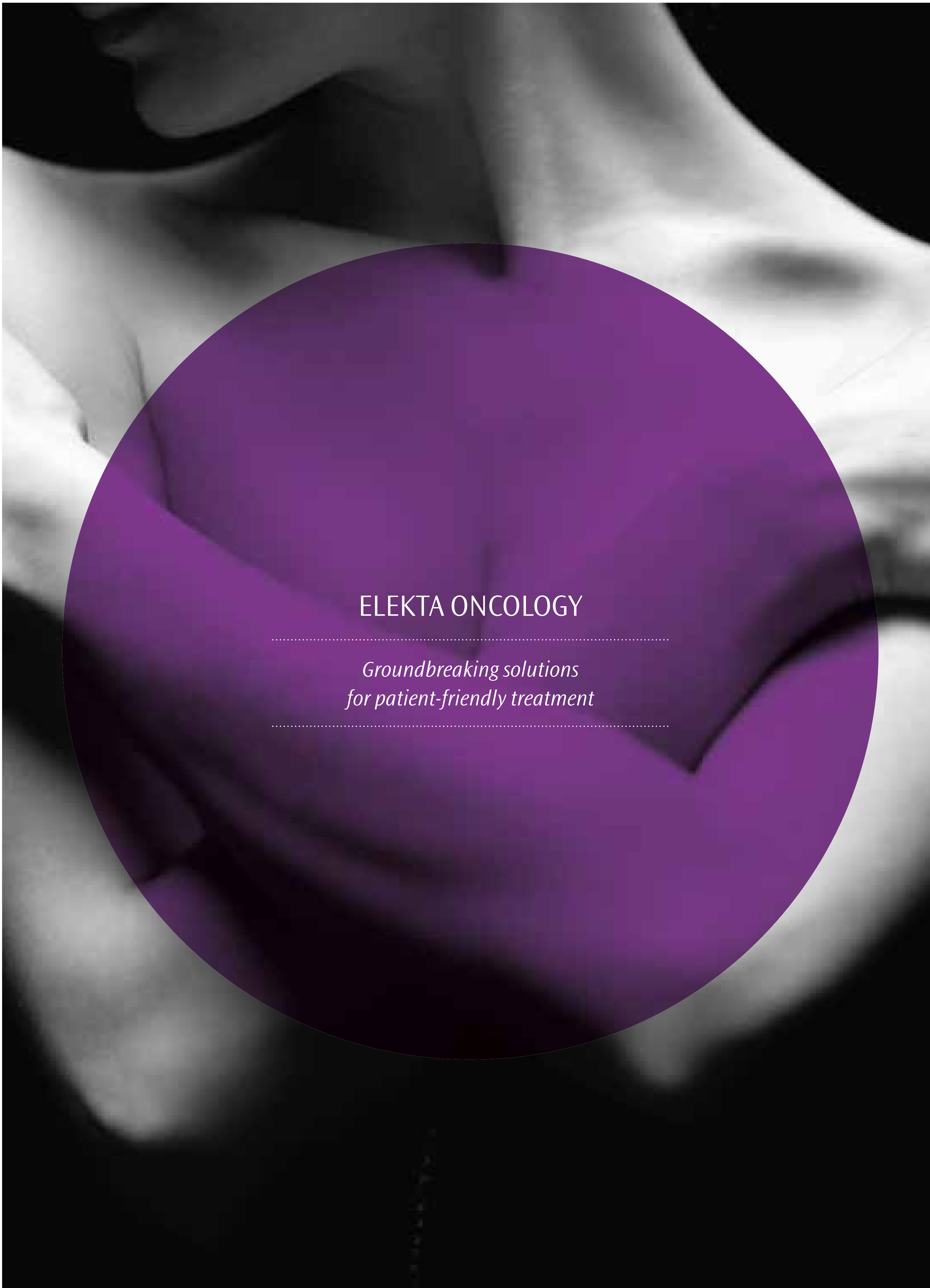
"We are undoubtedly pleased with Leksell Gamma Knife Perfexion. The Leksell Gamma Knife has defined the standard for intracranial radiosurgery for many years. Leksell Gamma Knife Perfexion generates more refined, precise and efficient Gamma Knife surgery," says Professor Golanov.

"Leksell Gamma Knife Perfexion simplifies the entire process, for both patients and clinical personnel," he continues. "There is potential for the treatment of several indications, it facilitates the planning and treatment process and its dose planning is superior with its high level of conformity. As an example, we recently treated a patient who had five metastases in only one hour and these were large tumors requiring more than one beam per tumor."

Professor Golanov, who is a highly experienced neurosurgeon, says Leksell Gamma Knife Perfexion has entirely changed the clinic's approach to multiple metastases. "An international discussion is underway concerning how many metastases can be treated in a single session. Using our former Leksell Gamma Knife, the maximum number of metastases treated in one session was 32, although this naturally took several hours. We no longer experience any limitations."

Between June 2011 and year-end 2011, slightly more than 500 patients with various forms of neurological conditions were treated at the clinic. Of these treatments, 37 percent pertained to single or multiple metastases, while others comprised a variety of different benign and malignant vascular and functional diseases, such as arteriovenous malformations, trigeminal neuralgia, vestibular schwannoma and meningioma. For these and previous initiatives and efforts in the area of stereotactic radiosurgery and brain metastases, Professor Golanov was personally – along with the clinic as whole – awarded the prestigious Russian In Vita Veritas oncology award, in the category of Advances in Radiosurgery.

"The advances that have been made to date as a result of Leksell Gamma Knife Perfexion provide ample reason for future optimism," says Professor Golanov. "In addition, at our most recent Leksell Gamma Knife Society meeting, we realized that development of Gamma Knife radiosurgery does not end here. I would personally very much like to see the possibility of image guidance when using Leksell Gamma Knife Perfexion. That could be a revolutionary step forward in clinical practice and entail an even higher quality of care." ■



ELEKTA ONCOLOGY

Groundbreaking solutions
for patient-friendly treatment

CLOSE CUSTOMER RELATIONS THE DRIVING FORCE FOR INNOVATION AND GROWTH

Elekta Oncology endeavors to be the number one partner for cancer care. In partnership with world-leading clinics, several groundbreaking technological advancements have been introduced over the years and Elekta Oncology pursues an ongoing innovation process that allows the Company, together with its customers, to develop new solutions that enable increasingly efficient and patient-friendly treatment. The most recent example of such a groundbreaking advancement is the Agility™ multileaf collimator.

Elekta is the world's leading innovator of digital linear accelerators. In terms of market share, Elekta Oncology is currently number two globally and has strengthened its position in recent years by growing at a faster rate than the entire market.

One driving force behind the Company's growth is Elekta's tradition of close collaboration with its customers and the research community during the innovation process, always focusing on the best interests of the patient. For example, Elekta works in close partnership with St. James's University Hospital in Leeds in the UK, which participated in the system verification and testing of Agility over the course of two years. In April 2012, the hospital became the first customer to deploy the new multileaf collimator for clinical use. On the same day another hospital – the new radiation therapy center at James Cook University Hospital in Middlesbrough in the UK – introduced radiation treatment using Agility.

Elekta Oncology also generates growth by utilizing the potential that exists in its installed base of 2,460 linear accelerators worldwide. This is realized through creation of customer value in the form of upgrades, system expansions, service and training. All aimed at ensuring that customers' systems uphold the highest standards of safety, performance and efficiency.

New markets can also be created in new technology segments and emerging countries. Emerging countries currently account for a substantial share of the Company's new orders and are expected to grow at a significantly faster rate than the established markets, mainly due to the high economic growth rate in these countries and an increasing proportion of older people in these already large populations. In a number of markets, such as Russia, China and Brazil, healthcare is also undergoing a large-scale structural expansion.

INNOVATIONS THAT CREATE CUSTOMER VALUE

The latest innovations that Elekta has taken to market are good examples of the Company's ability to create value for its customers.

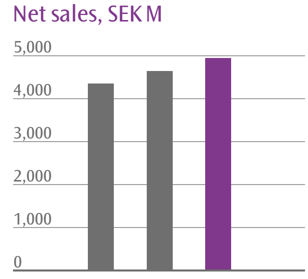
Elekta's revolutionary new Agility multileaf collimator (MLC) was launched during the year. Thanks to its groundbreaking properties, Agility will enable significantly faster and more precise target-guided treatment for patients. The precision radiation treatment made possible by Agility is accompanied by a dramatic reduction in radiation leakage outside the treatment area compared with other MLCs on the market. With significantly more leaves than a standard MLC, Agility can, with extreme precision, sculpt the delivered radiation to the unique contours of the tumor. The Agility leaves move at speeds of up to 6.5 centimeters per second, double the speed than other systems on the market.

2,460

installed linear accelerators

Share of total net sales

Net sales, SEK M



This results in shorter treatment times for patients and enables clinics to provide effective treatment for more patients.

In April 2012, Elekta obtained clearence to CE-mark Agility for use in the EU, allowing clinics throughout Europe to begin using the technology. In June 2012 Agility also received 510(k) clearence from the US Food and Drug Administration for use in USA.

Great strides were also made during the year with regard to motion management during radiation treatment when a new option known as Autoscan was added to Elekta's groundbreaking Clarity® image guidance technology. Autoscan is a flexible alternative to traditional, handheld scanners and enables automated ultrasound scanning of the prostate, controlled and monitored from outside the treatment room. In the long term, Clarity® Autoscan could become a highly effective platform for real-time imaging applications during treatment. During the year, Elekta received 510(k) clearance from the US Food and Drug Administration (FDA) for Clarity Autoscan.

Integrity™ R1.1, the new generation of Elekta's digital control system, also obtained 510(k) clearance from the FDA during the year for use in the US, as well as clearence to CE-mark for use in the EU. Integrity functions as a control system during radiation treatment. The most significant advancement offered by Integrity is that the system enables the use of a continuously variable dose rate. Tests of Integrity have shown that continuously variable radiation doses can reduce treatment time by up to 30 percent.

The Elekta Axesse™ linear accelerator has also resulted in a major shift toward increasingly efficient and gentle treatment for patients. Elekta Axesse combines stereotactic radiosurgery and stereotactic body radiation therapy with three-dimensional image guidance technology, robotic positioning and 6D immobilization. It enables focused treatment of diseased tissues only, while minimizing exposure to healthy tissues.

In early 2012, Elekta received the Queen's Award for Enterprise in the UK. Among other accomplishments, Elekta was recognized for its positive performance and solid growth. The Queen's Award is the UK's top distinction for successful enterprise and is awarded each year by Queen Elizabeth II based on the recommendations of the UK Prime Minister and representatives of the government, the industrial and trade sectors and various trade unions.

INTERACTING WITH USERS

At the 2012 European Society for Therapeutic Radiology and Oncology (ESTRO) held in Barcelona in May. The display showcased its comprehensive solutions for patients throughout the entire course of their treatment. The aim of the exhibition was to highlight Elekta's ability to provide its customers with more complete, integrated solutions to meet the entire cancer clinic requirements. The new Agility multileaf collimator was displayed prominently during the exhibition, which was the first step in its commercial launch. ■

»Elekta Oncology continues to invest in developing world class product creation, manufacturing and service resources. This is clearly evident with this year's very successful launch of the world's most advanced beam shaping system, Agility™. Elekta Oncology has once again demonstrated its ability to push innovation by working in close collaboration with its customers. An important driving force in these partnerships is the will to jointly find solutions and technologies that lead to a better cancer care for the patient. This is the foundation of our business that we will continue to build on for future years.«

Bill Yaeger, Executive Vice President, Elekta Oncology

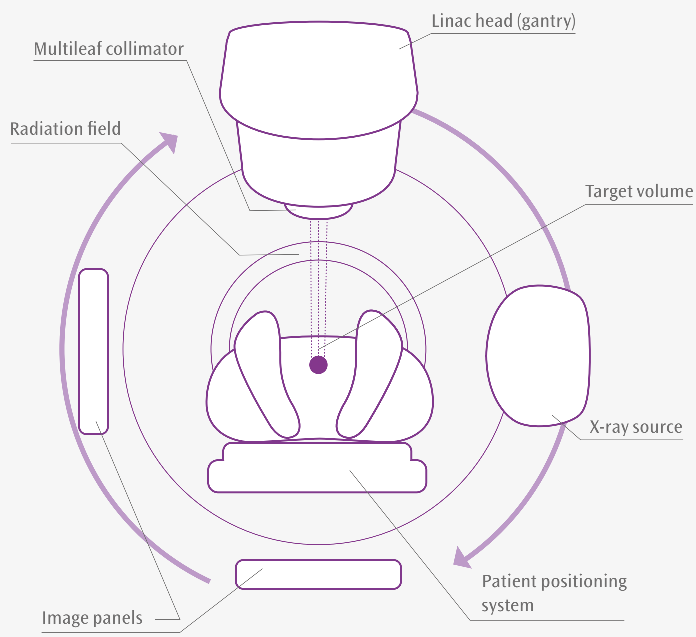
RADIATION THERAPY WITH A LINEAR ACCELERATOR

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 contours 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 linear accelerator head is rotated around the patient at different angles so that the entire tumor receives an optimal radiation dose.

In addition, image guided radiation therapy using Elekta Synergy® allows the patient to be imaged in the treatment position during or immediately prior to 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.

Symmetry™ makes it possible to use time based volumetric imaging to generate 4D cone beam computer tomography images.



New research group for pediatric cancer

Elekta has a long tradition of supporting research groups devoted to exploring the potential of the Company's technologies. These groups include for example the Elekta International IMRT Consortium, the Elekta Synergy Research Group, the Leksell Gamma Knife Society and the Elekta Clarity Consortium.

As a complement to these initiatives, Elekta also supports two previously established groups – the Elekta Spine Consortium and the Elekta Lung Research Group – both of which focus on critical and particularly complex clinical problems involved in the treatment of particular cancer diseases.

During the past fiscal year, the initiative was taken to establish a new, unique clinical research collaboration through the formation of the Elekta Pediatric Research Group. This collaborative group, which met for the first time in March 2012 in São Paulo, Brazil, is composed of specialists in the treatment of children with cancer. Childhood cancer is very rare. In the western world, the ratio of childhood cancer cases to adult cancer cases is 1:150. Today no radiotherapy systems are specific approved for pediatric use since the long term effects are not evaluated. Pediatric radiation oncology is thus a unique specialty and nearly all children treated in the western world are placed on clinical trials. Pediatric cancer researchers and specialists are also uncommon, and sharing clinical data and results helps advance their specialty.

The biggest challange when treating pediatric cancer is that children who undergo radiation therapy run a significantly higher risk of suffering from side effects than adults. For example, exposing bone structures to radiation impedes growth, potentially limiting a child's height or causing dispropriatonate growth. Problems with impeded development can also arise from radiation delivered to other organs.

The requirement to use as little radiation as possible and limiting the radiation to the tumor itself are thus even more important for children than adults.

Immobilization, which involves fixing the child's position during treatment, also represents a challenge in an environment that can be frightening for small children.

The extreme complexity of treating children imposes strict demands on clinics and the equipment used, since nowhere else are the requirements for precision, accuracy, safety and speed as great.

At the São Paulo meeting, participants discussed these challenges and the potential opportunities they might have to collaborate, and in partnership with Elekta, improve the treatment of these patients. ■


ELEKTA

ENABLING TECHNOLOGIES

Elekta VMAT
Elekta VMAT (Volumetric Modulated Arc Therapy) is a treatment solution developed to overcome the traditional limitations of radiation treatment. It allows for lower radiation doses to the patient, while dramatically reducing treatment times. Elekta VMAT is an integrated function in Elekta Infinity™ and Elekta Axesse™ and is available as an upgrade for Elekta Synergy®.

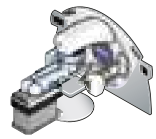
Elekta IGRT
Elekta supplies a broad range of treatment systems that facilitate high-resolution 2D, 3D and 4D imaging at the time of treatment. Using a number of advanced guidance tools, Elekta IGRT (Image Guided Radiation Therapy) offers flexible options for adapting imaging for the needs of individual patients, with exceptionally reliable image guidance during treatment.

Agility
Elekta's Agility™ multileaf collimator is based on an integrated technology offering exceptional beam-shaping capabilities and improved protection of sensitive organs, while providing genuine multi-functional treatment possibilities.

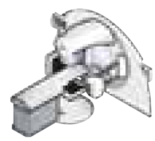
Respiratory motion management
Elekta's innovative solutions for managing respiratory motion enable clinics to compensate for and reduce the effects of patient breathing, thereby increasing treatment accuracy and safety.

Positioning and immobilization
A comprehensive range of positioning and immobilization solutions that enable the patient's position to be reproduced, guarantee patient safety and comfort, and allow optimal treatment set-up for the head and body.

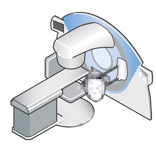
DELIVERY SYSTEMS



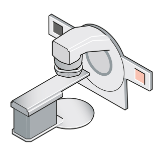
Elekta Axesse
Elekta Axesse™ is a fully integrated stereotactic system that combines 2D, 3D and 4D image guidance with high-resolution dynamic beam-shaping and robotic patient positioning with sub-millimeter accuracy for rapid, effective and customized treatment.



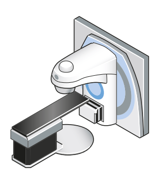
Elekta Infinity
Elekta Infinity™ is a digital linear accelerator optimized for VMAT. It offers rapid IMRT (Intensity Modulated Radiation Therapy) delivered in single or multiple arcs that more precisely target tumors while protecting surrounding healthy tissues.



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 tumors, while minimizing damage to surrounding tissues.



Precise Treatment System
Precise Treatment System™ is an advanced digital treatment system that provides a wide range of radiation delivery techniques and energy levels. Combined with the choice of a fully integrated MLCi2™ (multileaf collimator) or Beam Modulator beam-shaping, Precise Treatment System offers flexibility in treatment options.



Elekta Compact
Elekta Compact™ is a cost-efficient and versatile linear accelerator that satisfies the fundamental radiation treatment requirements. With the options of MLCi2 beam-shaping and iViewC imaging capacity, Elekta Compact allows new components and functionality to be added as the clinic's needs grow. Elekta Compact is equipped with a single low-energy photon beam, making it ideal for smaller treatment rooms.

First patients receive treatments using Agility

In April 2012, the first patients received treatment using Elekta's new Agility™ multileaf collimator at St. James's University Hospital in Leeds in the UK. Shortly thereafter, the first treatments using Agility were also conducted at James Cook University Hospital's new radiation therapy center in Middlesbrough.

Treatments of these first patients commenced after Elekta was granted approval in the EU to certify (CE mark) the revolutionary beam shaping equipment, which is a component of the gantry in a linear accelerator.

Agility is the result of an extensive Elekta R&D initiative aimed at taking cancer treatment to a new level. Agility was designed to sculpt the radiation beam to mirror the tumor's shape as accurately as possible. It has significantly more tungsten leaves as other frequently used collimators on the market, which enables the beam doses to be precisely customized, based on the tumor's contours. In addition, the collimator leaves shift twice as quickly as other multileaf collimators in the industry. This results in shorter treatment times for the patient and more efficient clinical workflow for the clinic.

"This truly represents a radical improvement in the way we deliver radiotherapy, combining both speed and precision in tailoring the radiation beams to the exact shape of the patient's tumor," says Vivian Cosgrove, Ph.D., head of radiotherapy physics at St. James's., where Agility underwent trials and was validated in recent years.

"Deploying Agility in combination with VMAT has enabled us to deliver stereotactic radiation therapy significantly faster and more effectively than using our former treatment method. This entails a major advantage for our patients and marks a considerable improvement that harmonizes with other current and future technological advancements."

According to Dr. Cosgrove, a highly significant advance using Agility is the limited radiation leakage combined with the precision dose formation. "Agility can deliver extremely complex patterns with considerable accuracy. This is particularly important, for example, when treating small target tumors and when treating the cranium and throat."

James Cook University Hospital also emphasizes the high precision that Agility provides. "This enables us to give a high radiation dose to a smaller anatomical structure with extreme accuracy and fewer side effects," says Fiona Milnes, Head of the clinic's radiation therapy services team. "The demand for cancer treatment is continuously rising, and the expansion of the radiation center gives our patients access to the very latest technology in a customized unit that will truly raise James Cook's profile."

St. James University Hospital is one of Europe's and the UK's largest university hospitals and the cancer clinic is one of the most advanced in the world. About 6,500 new radiation therapy patients are treated annually. The clinic offers a significant number of products and solutions from Elekta, including 12 linear accelerators, two of which are used for research, as well as two Elekta Synergy® systems for clinical use and two for research purposes. The clinic also features a Nucletron afterloader and a Leksell Gamma Knife® Perfexion™, and uses Elekta's MOSAIQ®, XiO®, Monaco® and Oncentra® MasterPlan software.

James Cook University Hospital is also among the highest ranking in Europe. The new oncology center has been equipped to offer the most advanced cancer care and the unit for radiation treatment's features include three new linear accelerators. ■


ELEKTA BRACHYTHERAPY
Precision cancer treatment solutions

GLOBAL LEADER WITH INNOVATIVE SOLUTIONS

Elekta Brachytherapy is a world-leading innovator of products and solutions in brachytherapy – cancer treatment through the application of internal radiation. The technology enables radiation therapy by applying effective doses with extreme precision directly into the tumor or in direct proximity to the tumor, which minimizes the irradiation of healthy tissues. Patients also benefit from shorter treatment times.

Brachytherapy is Elekta's newest product area and was formed in 2011 through the acquisition of Nucletron. Nucletron was founded in 1975 in the Netherlands and has since evolved into a global leader in brachytherapy with a presence in more than 100 countries. Nucletron is number one in most of the markets in which it is active, with an estimated global market share of 60 percent in high dose rate brachytherapy.

To date, the most significant area of application for brachytherapy is in the treatment of gynecological diseases and prostate cancer, either as the exclusive treatment or in combination with other forms of cancer treatment, such as external radiation therapy. At the same time, there is a trend toward an increased use of this therapy for other cancer diseases. For example, in Asia, which has high incidence of lung cancer, brachytherapy is expected to play a significant role in treatments to reduce lung tumors and thereby enhance the patient's quality of life. Brachytherapy, which treats the core of the tumor, is particularly effective in the treatment of well-defined tumors and specific indications.

Nucletron has experienced growth as a result of a strong focus on research, development and the manufacturing of innovative products and solutions in brachytherapy. This involves equipment used to deliver radiation therapy, known as afterloaders and applicators, but also software in such areas as treatment planning. Elekta Brachytherapy offers open and flexible solutions that enable integration with various systems and thus an optimal use of resources at the attending clinic.

SYNERGIES AND DRIVERS FOR GROWTH

Elekta and Nucletron already have a long history of collaboration. The acquisition marks a significant step in Elekta's growth strategy. Nucletron conducts direct sales in around 30 countries, and more than 3,000 clinics worldwide deploy Nucletron's products and services. A significant portion of its revenue is generated from the sale of services and upgrades for the installed base.

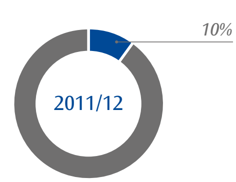
With Elekta's customer base encompassing some 5,000 clinics, the merger enables considerable growth synergies in the form of increased sales at each installed base. Although Elekta and Nucletron are already represented side by side among a considerable number of customers, the merger results in an addition of 1,000 unique clients to Elekta, and the customer base has thereby increased to a total of 6,000 customers. Accordingly, efforts to advance the shared customer base constitute one of the key drivers identified in increasing the growth rate under Elekta's growth strategy.

The growth strategy also includes bolstering research and development efforts, particularly in the development of special applicators to expand the use of brachytherapy in the treatment of other major cancer diseases, an example of which is rectal cancer.

1,000

Oncentra® Brachy Systems installed

Share of total net sales



Net sales, SEK M

873

A geographic expansion is being facilitated by merging pre-existing offices in markets with a dual presence and by launching offices in new markets to increase the proportion of direct sales, which generally produce higher growth than sales through distributors. A proprietary market presence also generates a more expansive and attractive customer offering.

Elekta Brachytherapy also ultimately foresees significant growth potential from the Asia Pacific region and emerging markets, and is targeting a growth rate that is in line with the Elekta Group's expectations. This will be supported by efforts to increase awareness of brachytherapy and the dissemination of knowledge about existing clinical evidence concerning the treatment method. Elekta Brachytherapy is also developing specialist body sites with the aim to develop programs for specific cancer types. This will create an integrated view on clinical needs when treating a specific form of cancer.

INTEGRATION DURING THE YEAR

Financially, the Nucletron acquisition proceeded as planned during the past year. The integration of the two companies has also progressed favorably, with the merger of offices in about 20 countries. The integration has been well received by customers, who appreciate the ability to collaborate with a single entity instead of several. The integration has also worked well internally, particularly as a result of two similar corporate cultures and the healthy prospects for growth in the long term. This is evident in, for example, the employee survey that was conducted at Nucletron during the fall of 2011; the results of which were comparable with those of the preceding year and significantly outperformed the industry benchmark.

IMPORTANT NEW CLEARANCES

In October 2011, Nucletron was granted U.S. FDA 510(k) clearance for its new Vaginal CT/MR Multi Channel (VCMC) Applicator. The applicator offers a brachytherapy treatment option that enables high-precision dose delivery for gynecological cancers, that may contribute to fewer side effects, and considerably enhanced quality of life for patients. Combined with Oncentra® treatment planning software the applicator also enables a higher level of workflow optimization.

In February 2012, the Japanese Ministry of Health, Labor and Welfare granted Shonin approval to market the microSelectron® Digital (HDR-V3) afterloader in Japan. The afterloader offers reliability in afterloading and has the world's largest installed base.

The 1,000th Oncentra Brachy was installed during the year at St. Vincent's Private Hospital in Dublin, Ireland. Oncentra Brachy is a comprehensive and user-friendly software solution that includes advanced algorithms to ensure efficient and highly accurate treatment planning.

The National Physical Laboratory (NPL) in the UK purchased a Flexitron afterloader from Elekta Brachytherapy in 2012. The aim is for NPL to continue to offer its brachytherapy calibration service with the new afterloader, and ensure source calibrations in radiotherapy centers remain traceable to NPL's primary standard. ■

» We have a rewarding year behind us with the successful integration of Nucletron and Elekta. I think brachytherapy has a clear roadmap at Elekta with a renewed emphasis on innovation and awareness to broaden the solutions that are available to treat cancer. It is clear that our customers also see the value that brachytherapy brings to Elekta – as well as the value that Elekta brings to further developing brachytherapy. Together we will now continue our full commitment to give cancer patients around the world the best treatment solution.«

John Lapré, Executive Vice President, Elekta Brachytherapy

Patient centered treatment with high precision

Brachytherapy is a radiation therapy technique that is used to treat a wide range of cancers. Unlike other radiation treatments, brachytherapy uses a radiation source that is placed inside the body, in or adjacent to the actual tumor. This facilitates the achievement of two objectives that are fundamental to all successful radiation treatment: to deliver the most efficient dose of radiation possible directly into the tumor, while also sparing the surrounding healthy tissue.

Advantages for the patient

The method entails significant advantages for the patient. The high precision enables the radiation dose for every given treatment session to be individually adjusted in terms of radiation intensity. It allows for short treatment times and less impact on the patient's daily life. For example, with a high dose rate (HDR) brachytherapy, two sessions can be sufficient for the treatment of prostate cancer. As a general rule, the side effects caused by the treatment are few and short-term.

Most common areas of application

Brachytherapy as the sole form of treatment is best suited for smaller, simple tumors. For more complex tumors, the method is often applied in conjunction with external radiation and other therapies, including chemotherapy and surgery.

Brachytherapy is the standard treatment for a number of gynecological cancers and is also frequently used in the treatment of prostate cancer. Other cancer diseases can also be treated with brachytherapy, either alone or in combination with other therapies. The treatment can be used for curative purposes, but can also play a significant role in palliative care (in the case of incurable cancer). This is especially true for lung cancer and cancer of the gastrointestinal tract. Treatment can alleviate symptoms and pain, and enhance the patient's remaining quality of life.

High cost-effectiveness

With shorter treatment times and less expensive and cumbersome equipment, brachytherapy is a cost-effective alternative or supplement to other forms of treatment. For a cancer clinic, brachytherapy can facilitate resource optimization by, for example, reduce waiting times for external beam radiation therapy.

A number of organizations support the use of brachytherapy in their treatment guidelines. These organizations include the American Brachytherapy Society (ABS), the American Society of Radiation Oncology (ASTRO), the European Society for Therapeutic Radiology and Oncology (ESTRO) and the National Comprehensive Cancer Network (NCCN). ■

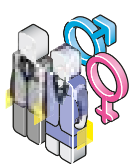
SOLUTIONS

Treatment of prostate cancer

Elekta's prostate solution covers all clinical treatment needs, whether they relate to low dose rate (LDR) or high dose rate (HDR), or both. This seamless, all-in-one solution is unique because it offers both LDR and HDR in a single software configuration and combines dynamic treatment planning and radiation delivery with advanced robotic precision.

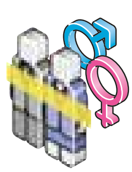
Treatment of gynecological cancer

Brachytherapy is a standard care element in the treatment of gynecological cancer, either as the exclusive treatment method or in combined therapy. In Europe and the US, 50 percent of all brachytherapy treatments pertain to gynecological cancer. Elekta offers a range of effective solutions for treating these patients and uses our latest software and applicator technology to enable the treatment of the most complex forms of gynecological cancer.



Treatment of rectal cancer

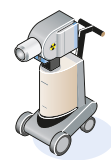
Endorectal brachytherapy is a non-invasive solution that enables the tumor's size to be reduced prior to a surgical procedure. Its advantages include a reduction in the toxicity of the treatment, while also improving the possibility of preserving the sphincter.



Treatment of breast cancer

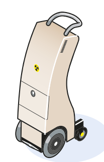
Breast conservation treatment requires a number of alternative methods of radiation following surgery. These alternatives include radiation of the entire breast with an increased additional dose, or what is known as accelerated partial breast radiation. Elekta's advanced solutions for treatment planning and radiation delivery enable the care team to provide the breast cancer patient with the most effective treatment.

PRODUCTS



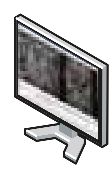
microSelectron

The microSelectron® afterloader is a proven, reliable product and has the largest installed base in the world. The scalable and upgradeable platform features six, 18 or 30 channels and covers the needs of a substantial number of brachyterapy patients and customers.



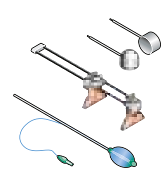
Flexitron

Flexitron is the newest afterloader in the market and offers unrivalled potential for continued innovation. As a result of an additional source drive, it creates the potential for advanced brachytherapy techniques in the future. Flexitron's design is strongly influenced by input from customers.



Oncentra Brachy

Oncentra® Brachy is a treatment-planning platform that improves workflows and reduces treatment planning time by up to 50 percent, while simultaneously providing a very high level of processing accuracy and reliability. The advanced brachytherapy software also meets the requirements of reproducibility through the use of applicator modelling and planning library, thus recreating the appropriate treatment plan at each planning stage.



Applicators for HDR and PDR brachytherapy

Elekta Brachytherapy offers a complete, customer-centric portfolio of specialist applicators, for both pulsed dose rate (PDR) and high dose rate (HDR) treatments. The latest addition is the Vaginal CT/MT Multi Channel (VCMC) Applicator, which enables a highly precise dosage in the treatment of gynecological cancer. The applicator is the first to feature the new Precise Dose Delivery Solution technology, which provides a dose very close to the target area and allows for greater treatment precision.

St. Vincent's – 1,000th customer for Oncentra Brachy

For four years, the treatment planning system for brachytherapy has been installed in more than 100 countries and now has a global market share of 60 percent. St. Vincent's Hospital in Ireland became the 1,000th customer for Oncentra® Brachy.

In April 2012, St. Vincent Private Hospital in Dublin, Ireland, installed Elekta's brachytherapy treatment planning software, Oncentra Brachy, thus making the hospital the company's 1,000th customer to install the software.

Oncentra Brachy was introduced to the global market in 2008 and has been installed in more than 100 countries over the course of four years. The planning system is customized for Elekta's products for internal radiation treatment.

Michael Redmond, Managing Director of St. Vincent's, commented on the selection of the treatment planning system: "We selected Oncentra Brachy software because it is state-of-the-art, user friendly and ensures precise cancer treatment."

The hospital already used Elekta's products and noted the advantages of using Elekta as a brachytherapy supplier as well. In addition to the gratifying milestone for Elekta Brachytherapy, St. Vincent is an example of the synergy between Elekta and Nucletron, which was acquired in June 2011.

The area of the organization now known as Elekta Brachytherapy has been focusing on developing systems for internal radiation therapy for 35 years. The first clinical version of Oncentra Brachy was installed at the Academic Medical Center (AMC) in Amsterdam in 2007. Since then, the system has been upgraded six times. AMC, which has praised the software over the years, appreciates the technical updates and currently uses the latest version, Oncentra Brachy 4.1.

The next milestone in the treatment planning system is to upgrade it for the treatment of cervical cancer and expanded planning capacity. This version, Oncentra Brachy 4.3, is expected to be available in the market by late 2012 to further facilitate care providers the possibility of an advanced treatment for their patients. ■


ELEKTA SOFTWARE
World's leading software
for oncology

SOLUTIONS FOR MORE EFFICIENT CLINICS AND ENHANCED CARE

Elekta Software delivers advanced software systems tailored to the needs and practices of cancer care. Based on close customer relationships and knowledge about what customers want, Elekta continuously develops these systems to enable increasingly efficient clinical operations. This gives clinicians greater ability to focus on the patient and to adapt treatment to each patient's needs.

Elekta Software is recognized as the world's leading developer of solutions for patient information, workflow management and treatment planning in oncology. These software solutions support Elekta's strategy to empower hospitals and clinics to digitally manage and streamline all aspects of cancer care. Throughout the flow of patient care, from diagnosis to imaging and planning, treatment and follow-up, software solutions from Elekta facilitate and record activities that are critical for patient safety, clinical workflow, and evidence-based healthcare.

Software plays an increasingly prominent role in Elekta's business operations. Population growth and increased average life expectancy, particularly in emerging countries, are contributing to a growing demand for care, which in turn incurs increased costs for society. Continuous technological improvements enable the treatment of an increasing number of cancers, whether the aim is curative or palliative. Consequently, care providers aim to reduce the cost of patient care by maximizing the efficiency of healthcare services.

Elekta is exceptionally well-positioned to satisfy this market trend. In many emerging markets, cancer care is rapidly expanding within the framework of major government-funded programs. This also prompts a need to build the software infrastructure in to achieve maximum efficiency from the new investments. Elekta's MOSAIQ® Oncology Information Management System is already the world's most widely used oncology specific software platform and has also made major advances in emerging markets. Elekta meets the needs of these emerging markets by providing MOSAIQ in 15 different languages, including Japanese, Chinese and Russian. Additionally, customers receive training and support in their native languages.

The cornerstone of Elekta's OIS extensible platform continues to be its commitment to open systems and its ability to connect with virtually any vendor's linear accelerator. This system neutrality philosophy is also a key distinctive strength of Elekta's treatment planning systems.

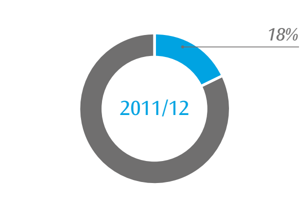
Workflow Manager highlights the extensibility of the MOSAIQ platform. This powerful toolkit empowers users to build IQ Scripts to customize MOSAIQ to meet their unique operational and cultural needs. Elekta's clinical partners have embraced this development and are actively building a vast library of IQ Scripts that solve both routine and complex challenges that can then be shared with the global MOSAIQ community of users. Through MOSAIQ Workflow Manager, Elekta is able to harness the expertise and vision of the thousands of clinicians that use MOSAIQ everyday.

During the year, Elekta became the first partner to collaborate with the National Comprehensive Cancer Network® (NCCN®) in the US to integrate NCCN™ Guidelines for clinical standards in MOSAIQ. The partnership provides Elekta users with real-time access to NCCN's evidence-based clinical data, directly in MOSAIQ's electronic records, without requiring clinicians to change monitors and log in separately to NCCN Guidelines.

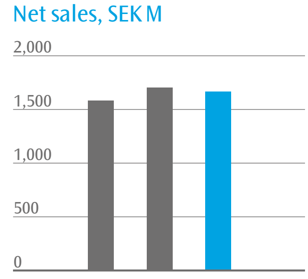
120,000

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

Share of total net sales



Net sales, SEK M



In a study conducted by the independent US research company KLAS, MOSAIQ was once again ranked number one in the 2011 Oncology Software category. The ranking is a summary of point-based assessments compiled by KLAS over 12 months, and is based entirely on feedback from nearly 18,000 care providers in the various categories.

In another survey in the US, Black Book Rankings 2011, MOSAIQ also ranked first among 20 comprehensive suppliers of electronic records in oncology and hematology. The Black Book Rankings' survey encompassed more than 500 qualified users and customers in oncology and hematology care.

In addition to MOSAIQ, Elekta Software's other flagship products include Monaco®, XiO® and Oncentra® treatment planning systems, ABAS autosegmentation software, and Clarity® soft tissue visualization system. During the last fiscal year, Elekta has developed and released significant advances for each of these solutions.

MONACO: UPDATED VERSION LAUNCHED

Monaco is Elekta's advanced treatment planning system, which uses biological optimization and the powerful Monte Carlo dose algorithm to provide robust plans with exceptional dose conformity. Monaco supports both intensity modulated radiation therapy (IMRT) and volumetric modulated arc therapy (VMAT), making Monaco the market's most sophisticated planning tool for both stereotactic radiation surgery and stereotactic body radiation therapy (SBRT).

During the year, an updated version was launched, Monaco 3.0, which, among other features, facilitates dose planning during stereotactic radiation therapy. Among the new functions is Dynamic Conformal Arc (DCA) therapy, which enables a high degree of conformity in stereotactic planning. By using a dynamic multileaf collimator, the treatment beam is dynamically shaped around the tumor target as the beam rotates around the patient.

XIO: COMPREHENSIVE PLATFORM FOR 3D PLANNING

XiO is a comprehensive platform for 3D treatment planning of IMRT. The platform combines the latest tools and most stable dose calculation algorithms with a user-friendly interface that enables the user to rapidly and accurately prepare plans for an optimal radiation therapy application to the tumor.

XiO is compatible with a wide range of techniques, including 2D, 3D, multileaf collimator-based IMRT, solid compensator-based IMRT and brachytherapy.

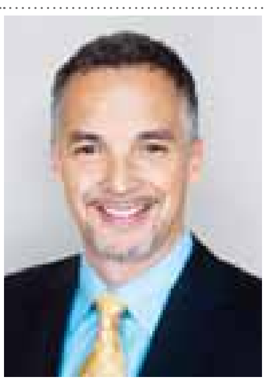
At proton treatment clinics, XiO is the most widely used treatment planning system. The platform can be used for both passive scattering and active scanning techniques. Active scanning is a proton therapy treatment method that involves constructing a highly conformal dose to the tumor by using thousands of small individual beamlets instead of a single large beam. This novel approach enables Intensity Modulated Proton Therapy (IMPT).

During the year, another version of XiO was launched together with the Focal™ visualization system. The reinforcement of XiO includes an improved segmentation algorithm for IMRT, which, combined with the advancement of Focal's contouring tool, facilitates rapid contouring of anatomies by clinical staff. The new functions were developed in accordance with requests from users to improve its clinical efficiency.

ONCENTRA: OPEN, FAST AND ACCURATE TREATMENT PLANNING IN ONE PLATFORM

Oncentra is a modular, multi-modality, Microsoft Windows based treatment planning system that combines external beam photon and electron planning with brachytherapy planning into a single system. Oncentra can be used as a distributed system throughout the department, and oncologists and physicists can remotely access all Oncentra functionality while off site.

Oncentra External Beam is fully compliant with the DICOM (Digital Imaging and Communications in Medicine) and IHE-RO (Integrating the Healthcare Enterprise in Radiation Oncology) standards acknowledged by ASTRO, and offers support for all linear accelerators, including the majority of the commonly used types of multileaf collimators and Cobalt-60 machines. Oncologists can use Oncentra for review of plans and dose distributions generated by any DICOM compliant treatment planning system.



»It has been an exciting year as Elekta remains the industry leader in oncology software. Through close collaboration with customers and our global development team, Elekta continues to meet the ever-demanding, unique technology requirements needed in the delivery of oncology care that can only be met by oncolgy specific application. MOSAIQ® Workflow Manager empowers our 15,000 plus users to solve and share solutions to common problems. It is simply amazing the creativity and ingenuity that occurs when everyone comes together as a community with the common goal of saving lives. With the addition of Nucletron, we continue to expand our expertise in radiation treatment planning. This expertise moves us even closer to MOSAIQ® RTP.«

Todd Powell, Executive Vice President, Elekta Software

Oncentra offers advanced tools for automation of routine tasks, which speeds up the planning process. For example, creation of an external beam plan, including fitting of the multileaf collimator for all beams to a specific margin around the target volume, is achieved in three mouse clicks. This workflow automation allows reproducibility and reduces user dependency of critical steps in the planning process.

Oncentra External Beam is the first commercial treatment planning system that utilizes the power of the computer's GPU (Graphics Processor Unit). By harnessing the computing power of the GPU, Oncentra is capable of using more advanced and accurate dose calculation algorithms. This innovation reduces the dose calculation time required for complex cases and brings this capability into clinical routine.

ABAS: THE LEADER IN AUTOSEGMENTATION

Elekta's Atlas-Based Autosegmentation™ (ABAS) software has given Elekta a dominant position in autosegmentation. ABAS dramatically enhances 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.

CLARITY: UNSURPASSED VISUALIZATION OF SOFT TISSUE

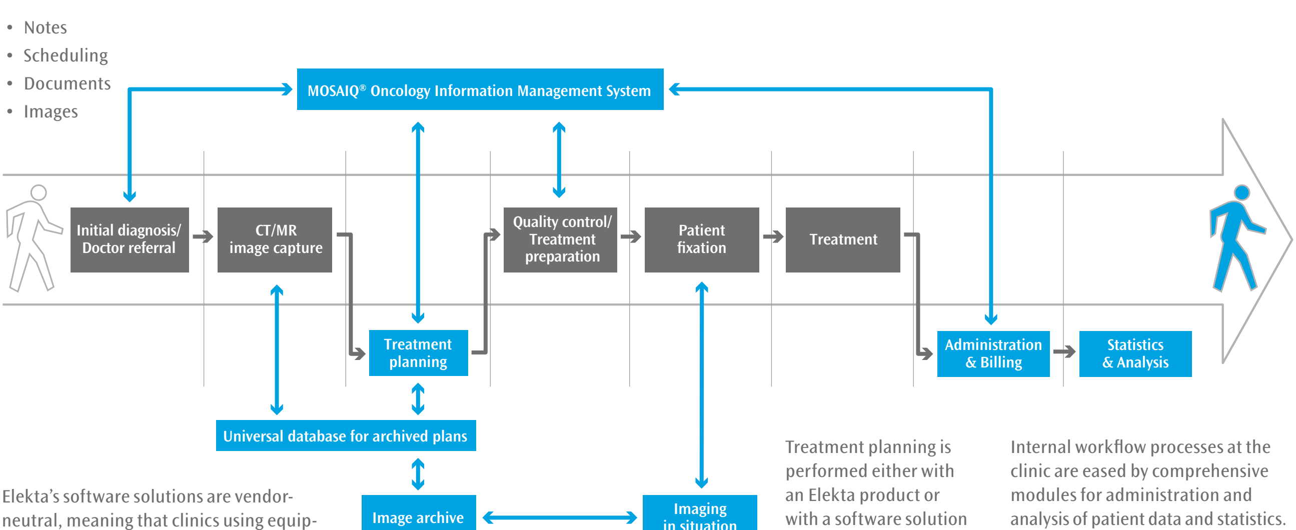
Clarity® is a ground-breaking, non-invasive, non-ionizing image guidance technology that provides exceptionally sharp images of soft tissue and represents a good platform for the next generation of motion management.

Clarity can be integrated with all linear accelerators and provides precision when visualizing the prostate, breast and other organs, thereby improving contouring and patient set-up. With Clarity, clinicians can add high-quality, image guided radiation therapy (IGRT) to the linear accelerators in use today that not integrated imaging systems. Furthermore, the added soft tissue detail that Clarity provides is highly complementary to linear accelerators already equipped with cone beam computed tomography or portal imaging technology.

Clarity® Autoscan is a flexible alternative to traditional, handheld scanning. Employing a motorized probe, Clarity Autoscan enables automated ultrasound acquisition scanning of the patient's pelvic anatomy from outside the treatment room. Clarity Autoscan ultimately is expected to become a highly effective platform for future imaging applications that can monitor the prostate and surrounding structures in real-time during treatment, thus reducing treatment margins around the tumor target.

During the year, Elekta secured 510(k) clearance from the U.S. Food and Drug Administration for Clarity Autoscan. ■

Elekta's software systems encompass the complete flow of information for the patient being treated for cancer



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

Treatment planning is performed either with an Elekta product 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 RTP – the next generation planning tool is emerging

For more than 20 years, MOSAIQ® has been the world's leading platform for oncology information management systems. This continuously evolving platform gives caregivers a cohesive and centralized portal that supports improvements in workflows, data management and patient care for radiation oncology, particle therapy and medical oncology, all within a single system and user interface.

Essentially all linear accelerators that Elekta delivers are equipped with MOSAIQ, and Elekta also has a major market for MOSAIQ in equipment from other suppliers.

MOSAIQ® RTP has grown from a traditional application centric approach to treatment planning to a patient centric approach, due to the strong connection with the Electronic Medical Record.

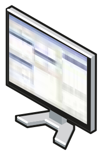
Evaluate: The fist step

With the introduction of MOSAIQ® Evaluate last year, Elekta has initiated the process of unifying the electronic medical record and the treatment planning system. MOSAIQ Evaluate, the first package of a suite of tools in MOSAIQ RTP, integrates plan and dose review capabilities into the workflow with MOSAIQ Oncology Information Management System.

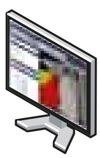
MOSAIQ Evaluate is designed to simplify the treatment plan review tasks of the radiation oncologist, physicist and dosimetrist, thereby streamlining overall department workflow. Equally important, MOSAIQ Evaluate represents a migration of our technology to support evidence-based medicine activities, which ultimately will be fully realized in the complete MOSAIQ RTP.

Elekta Software is now pursuing the successive integration of additional advanced tools in MOSAIQ RTP, with the ultimate goal of creating a comprehensive planning system and thus a single source for treatment planning and oncology information. The advantage for an oncology department is improved coordination and planning of the department's activities in a way that was not possible before, employing separate workflow tools for different planning needs. ■

PRODUCTS



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



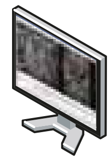
MOSAIQ Data Director
A solution with an integrated image and data management archive solution for oncology departments. MOSAIQ® Data Director helps clinicians locate, view, move, archive and manage different types of images and data files.

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.

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

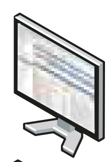
Monaco
Monaco® is a dose planning system within IMRT planning. In combination with VMAT (Volumetric Modulated Arc Therapy) functionality, Monaco provides more accurate calculations and much faster treatment through the implementation of Monte Carlo based radiobiological optimization.

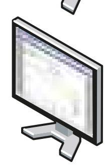
Oncentra External Beam
Oncentra® External Beam is a multimodality platform that combines all external beam workflows with brachytherapy planning in one system. Plan templates tremendously speed up the treatment planning process, reducing the time spent on routine tasks, while the GPU empowered Collapsed Cone dose calculation brings accurate dose calculation into routine clinical use.



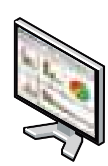
Oncentra Brachy
Oncentra® 4.1 is a platform for treatment planning that improves workflows and reduces planning time by automatically reconstructing the radiation applicator's exact geometry using a 3D library. It guarantees an exact positioning of the applicator during each treatment.

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.





Cancer Registry Systems
Elekta's leading cancer registry products, METRIQ® and Précis-Central™, increase productivity and improve data quality. These products meet various 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 disease pattern information.



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

Clarity
Clarity® is a ground-breaking, non-invasive, non-ionizing image guidance technology that provides exceptionally sharp images of soft tissue at all patient imaging touch points within the radiation oncology workflow and represents a unique platform for the next generation of motion management.

Sun Yat-sen University Cancer Center in China enhancing efficiency using MOSAIQ

In recent years, the Chinese cancer care sector has been modernizing and expanding dramatically. A key example is the Sun Yat-sen University Cancer Center (SYSUCC) in Guangzhou in Southern China. SYSUCC is the largest integrated cancer center in the region, with more than 1,000 hospital beds, and is one of the highest ranked centers in the country.

In several aspects, Elekta is building long-term partnerships with SYSUCC. For example, the center is a key member of Elekta China's IGRT, VMAT and SBRT consortia, and of Elekta's global nasopharynx consortium. Elekta and SYSUCC also are jointly building a clinical training center to spread clinical experiences to other users in China.

The center currently has three Elekta Synergy® systems featuring VMAT, a Precise Treatment System™, a recently acquired Synergy platform, three Nucletron simulators and one afterloader, as well as 25 Elekta treatment planning stations.

During the spring of 2012, SYSUCC also became the first clinic in China to add the new Chinese language platform for Elekta MOSAIQ® to its other advanced Elekta solutions.

"Utilizing a fully integrated hardware and software system from Elekta has enabled us to reliably optimize our workflows," says Ma Jun, Executive Vice President of the center. "It has enabled our physicians to cut down patient waiting times for treatment from one month to 20 days. The number of patients treated during a month has also increased from 520 to 600."

MOSAIQ in the Chinese Language is more than just a translation. Elekta has worked intently on harmonizing the system to be compatible with the unique cultural and workflow priorities of the Chinese healthcare organization.

"Accordingly, the Chinese version of MOSAIQ is easy for staff to understand," adds Dr Sun Ying, Vice Director. "Effective data management between different departments and locations had previously been a challenge. We had to use four different systems to schedule appointments for each patient. Using MOSAIQ we only have to find a suitable time and subsequently schedule the appointment once."

The MOSAIQ waiting-list management system enables patients to check in at an electronic scheduling unit ahead of their daily radiation treatment. Once they have signed in, patients can see their waiting time and clinicians can view the waiting list in real-time from the treatment room. The oncologists also wanted to communicate with patients via text messaging to give them information before their appointment. Because MOSAIQ is an extensible platform, capable of meeting the special needs of local cultures, Elekta's Chinese software development team developed this functionality and patient texting is now available throughout China.

MOSAIQ also facilitates the clinician's ability to view the workload and schedule. A highly significant improvement was the ability to link the center's hospital information system to that of the clinic, via MOSAIQ, for purposes such as identifying patients. This reduces the need for the manual entry of patient data and facilitates the transfer of data structures between the systems.

"Since MOSAIQ is supplier-neutral, SYSUCC's radiation oncologists also have full flexibility to choose the optimal tools for their patients," notes SYSUCC Director Dr Liu Meng Zhong. "In addition to the freedom to integrate any technology, rapid, reliable access to patient data is vital in managing our patients' care. We now quickly find what we need, when we need it."

In addition to a comprehensive range of cancer diagnosis and treatment services, SYSUCC also is involved in research and international partnerships, including its role as a cancer research collaboration center for the World Health Organization (WHO). The center is also a sister institution to the M. D. Anderson Cancer Center at the University of Texas and has established a partner laboratory with Sweden's Karolinska Institute for researching immunotherapy, molecular virology and oncological epidemiology.

SYSUCC is presently in a strong period of expansion. The current facility will be further supplemented by a large building, in addition to which there are plans for two entirely new campuses. ■


AXESSE


ELEKTA SERVICES
Efficient clinics,
increased patient benefit

SATISFIED CUSTOMERS CREATE GROWTH

The objective of Elekta Services is to ensure that customers receive the greatest benefit from their cancer treatment solutions, providing their patients with the highest quality treatment, without interruptions and unexpected waiting times.The service offering provided by Elekta helps customers shorten treatment waiting times, change treatment routines, simplify workflows and enhance efficiency throughout the clinic.

Elekta Services employs a strategic approach to caring for and developing the installed base of equipment and software in all of Elekta's markets. In the aftermarket, Elekta Services constitutes an integrated representative for Elekta's entire range of products and solutions. Elekta Services also comprises a link for integration and collaborations within the company, which is in demand among Elekta's customers.

By contributing to strengthening customers' competitiveness and ensuring that customers derive the greatest possible return on their investments, Elekta Services contributes to healthy customer relations. A high level of customer loyalty is a key prerequisite for growth. It bolsters the potential for ancillary sales of accessories, upgrades, services and new systems among existing customers, while also strengthening the Company's brand throughout the market, since satisfied customers often become ambassadors for Elekta as a whole.

In recent years, Elekta has strengthened its focus on measuring customer loyalty. This provides the basis for a systematic improvement effort aimed at encouraging existing customers to increasingly want to recommend and promote Elekta's solutions and services.

6,000

customers in 2011/12

The 2011 survey indicated a new trend in which safety represents the most important factor for customer satisfaction in all regions. The term includes both patient safety and product safety and the perception of the supplier as a safety-oriented company. In this area, Elekta received high scores compared with its competitors.

In another external customer survey, MD Buyline's Quarterly Satisfaction User Report, from the first quarter of 2012, Elekta was ranked the foremost supplier in stereotactic radiosurgery and treatment planning systems for the eighth consecutive quarter. Elekta's oncology information systems, linear accelerators and afterloaders for brachytherapy all shared first place. MD Buyline is a market survey company that measures customer satisfaction based on evaluations from more than 3,300 hospitals included in the membership network. Six categories are measured: system performance, reliability, installation/implementation, application training, response times for service and repair quality.

SERVICES FROM INSTALLATION TO OPERATION

The successful integration of new technology in the clinical environment requires careful planning and meticulous implementation, for which most clinics have neither the time or resources. Elekta's installation and start-up team assists customers in rapidly launching operations to derive the greatest output from their new equipment and new clinical applications. The services include planning, project management, installation, testing and verification. During clinical operations, customers are offered the level of service they need, from comprehensive service and support programs to partnership agreements and support services on request. The agreements are adapted to the customer's organizational and financial needs and apply to both hardware and software. Customers are also offered access to user forums and online support.

FOCUS ON REMOTE SERVICES

The online Remote Services offering further improves the ability to perform advanced troubleshooting and provides rapid 24-hour assistance for customers. It also enables Elekta to capitalize on the fact that its proprietary products are entirely digitalized. Remote Services can monitor and access the customer's systems and thus reduce downtime and interruptions in the clinic's treatment schedule. For example, Elekta's linear accelerators are equipped with 2,000 detection devices capable of transmitting signals directly from the machine. This enables Remote Services to more rapidly diagnose system problems, ensure that the right components are identified and ordered and, in conjunction with this, also make a service appointment before the problem causes consequences for the customer.

The ability to update software remotely at predetermined times also facilitates the customers' ability to plan for for the addition of new functionality. This reduces the need for shutdowns, since updated software can be installed outside business hours. Round-the-clock availability, combined with the ability to make online repairs, generates faster assistance and environmental benefits in the form of fewer trips. There was an intense focus on the development and marketing of Remote Services during the year and the solutions were presented at such events as ESTRO, the European Society for Radiotherapy and Oncology, in May 2012. Elekta's Remote Services comprise a comprehensive solution in which processes and structure are product-independent, which eliminates differences between subsystems and allows customers to perceive greater uniformity in their Elekta solution.

TRAINING FOR PROPER APPLICATION

Training courses are a cornerstone in Elekta Services. The offering is comprehensive and courses are available for system planning, administration, getting started and advanced training. The range is geared toward both beginners and experienced specialists and is also supplemented by an e-learning module. The training courses are decisive for ensuring that advanced products and solutions, such as IGRT, IMRT, VMAT and Leksell Gamma Knife®, are deployed properly as the system is upgraded and clinical applications are developed. Clinical training courses are conducted in close collaboration with leading university hospitals.

In Elekta's strategy for emerging markets, training initiatives and aftermarket services play a decisive role in setting the quality standard for future cancer care.

CONSULTING SERVICES

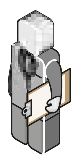
For Elekta Services, future growth potential also lies in developing and introducing new services that strengthen customers' competitiveness and efficiency. This applies to such efforts as helping customers develop fluid work flows and processes, or services that maximize the benefit of all software available at the clinic. It may also involve specifically adapting a system to a particular customer's needs, or advisory services and management support in conjunction with an expansion to meet growing care needs.

Increasing care needs also lead to customers redefining their operations in consideration of the access to specialist expertise made available to them. The shortage of hospital physicists also leads to clinics increasingly purchasing all of their technology services from Elekta. ■

»2011/12 was an exciting year for Elekta Services, including the launch of a comprehensive 'Service Excellence' program. This entails that we have a number of focus areas that are to collectively contribute to improved capacity utilization of the service organization, as well as higher customer satisfaction. Elekta's aftersales of services, software and upgrades to existing customers is greater than new sales of equipment to new customers. That provides a strong foundation to stand on.«

Göran Sommar, Director Aftersales, Elekta Services

SERVICES

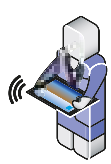


Installation & implementation

Elekta's installation and implementation team assists customers in the rapid adoption of new solutions from Elekta. The services include facility planning, project management, training courses, establishing workflows, and monitoring and calibration after installation.

Service & support

Elekta offers its customers customized support agreements, based on the level chosen by the customer and their needs, to maintain a high level of performance and continuous operation. This may entail anything from comprehensive support and service agreements to partnership agreements and agreements for support on request. Online support is available 24 hours a day.

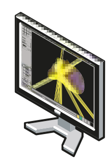


Remote services

Elekta Remote Services can remotely monitor and address problems with the customer's systems using advanced technology to reduce the risk of interruptions and disturbances in the clinic's treatment schedule. The ability to update software remotely at predetermined times enables customers to make plans for new functionalities in advance.

Education & training

Elekta offers a comprehensive selection of instruction and training courses using an instructional concept that enables both new users and experienced specialists to improve their user skills to optimize 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 access to the latest clinical treatment advances. This takes the shape of installing new software or new accessories and by upgrading the hardware that contributes to both increased efficiency and improved treatment results.

Consulting services

Elekta's experienced employees can offer the monitoring of and advisory services concerning the customer's current processes and software use. Elekta provides tools to develop new processes that enhance the efficiency of daily operations and that contribute to improved quality of care, regardless of whether it pertains to cancer treatment, marketing or software aimed at improving clinical and administrative processes.

Financial solutions

In collaboration with a number of selected partners, Elekta can offer a number of different financing solutions to enable the expansion or upgrading of the customer's operations.

Remote Services generates enhanced patient quality and ensures more system uptime

The greatest advantage of Elekta's Remote Services is that the service shortens the clinic's unscheduled system downtime, which leads to enhanced patient quality and more time for treatment. Remote Services provides service technicians with digital access to the clinic's systems, which also provides advantages when training courses, maintenance or software updates are scheduled.

RAPID ACTION SAVES TREATMENT TIME

Dr. LeAnn Akley, a Radiologist at ROSA of Georgia in Greensboro, USA, finds Remote Services highly valuable. "It is a very efficient service that resolves problems quickly." By digitally accessing the clinic's systems directly, Elekta's service technicians can seamlessly troubleshoot systems on a remote basis and resolve problems quickly and effectively. Sandy Cribb, a Radiation Oncologist at ROSA of Georgia in Macon, USA, says "shorter periods of inactivity free up more time for patient treatment. Remote Services ensures that we complete the task and treat the next patient in line." As a result of the rapid action, the clinics do not have to cancel or reschedule subsequent patients in line during the period in which the system would otherwise have been inactive. Using Remote Services, service technicians can perform the same actions as before, but now remotely. Dr. Alok Kumar, Chief Medical Physicist at the Mahavir Cancer Sansthan in Patna, India, recalls an episode that was resolved by employing the service. "Using Remote Services, the issue was resolved in half an hour. It saved a full day of treatments that we were not forced to cancel."

SHARED SCREEN – SEAMLESS MUTUAL TROUBLESHOOTING

An advantage of Remote Services is that it facilitates the troubleshooting by providing the technician with online access to the system and enables them to share the screen with the clinic. Without the service, the personnel at the clinic and the technicians must initially communicate by phone, which means that the staff must convey certain information about the equipment to technicians. Mary Johnson, a Therapist at Morehead Memorial Hospital in Eden, North Carolina, USA, says: "It makes life easier. The service technician can make a quicker diagnosis, which makes life easier for us as therapists. There is no more running between the telephones and the equipment to answer questions." Heidi Hurst, a Medical Radiation Physicist at Radiation Oncology Services in Riverdale, Georgia, USA, also appreciates that ability to monitor the actions performed in real-time on the screen.

FOCUS ON MAINTENANCE INSTEAD OF URGENT ISSUES

"All situations that result in cancelling a patient's treatment are critical," explains Lisa Gill, a Lead Therapist at ROSA of Georgia in Gwinnet, USA. "For us, Remote Service entailed a major improvement." Since Remote Services reduces the time required to address issues, service technicians can instead focus on maintenance to avoid urgent issues, thus enabling problems to be resolved before they occur through proactive measures, or when they are relatively minor and do not cause serious issues.

FACILITATES TRAINING COURSES AND UPDATES

For certain clinics, Remote Services can also be used to train staff at the clinics about how the equipment works. Software updates can also be sent directly to the clinics and installed using the service. ■

RESPONSIBLE ENTERPRISE BASED ON TRUST

Elekta creates value for customers and patients by developing solutions and products that improve cancer care worldwide. In Elekta's operations, responsible and sustainable enterprise comprise the very core of the Company's goodwill. It is also decisive to Elekta's ability to complete its most important mission: to improve, prolong and save lives.

Elekta's responsibility in its operations directly impacts the Company's ability to build and maintain a strong and renowned brand, which, in turn, is the basis for a long-term sustainable market presence and growth. Accordingly, Elekta aims to continuously conduct and advance discussions on responsible enterprise with all stakeholders. During these discussions, based on mutual respect, Elekta can specify the substance of the guiding principles on which Elekta bases its perspective on the Company's responsibility, which also builds on the Company's mission, vision and values.

THE CODE OF CONDUCT IS A CULTURAL CONDUIT

Elekta's Code of Conduct is one of the Company's most important policy documents for responsible enterprise and a conduit for the Company's culture. It clarifies the fundamental principles by which Elekta expects each employee and partner – such as suppliers and distributors – to abide. The Code includes comprehensive information concerning Elekta's view on its responsibility in terms of social, environmental and financial matters. The areas of responsibility described include employee rights, product safety, corruption, conflicts of interest and competition.

Elekta's Code of Conduct adheres to principles established by international bodies, such as the UN Declaration on Human Rights, the UN Global Compact, the OECD Guidelines for Multinational Enterprises and the ILO Declaration on Fundamental Principles and Rights at Work.

The Code of Conduct is actively maintained in a many ways, including being signed by all senior executives on an annual basis. The Code plays a key role during the integration of new acquisitions.

Supplemental anti-corruption policy

A new anti-corruption policy was adopted by Elekta as a supplement to the Code of Conduct. The cornerstone of the policy is zero tolerance for corruption. A substantial portion of the policy focuses on the interaction with healthcare personnel and with Elekta's other customers and business representatives – such as distributors and agents. The rules cover a wide range of improper behavior that may damage Elekta's credibility in such areas as hospitality, consultancy agreements, gifts, donations to charity and research agreements.

The policy is communicated to all employees using an e-learning program that primarily emphasizes the approach to business-ethical matters. The policy applies to all companies and employees of the Elekta Group. It is also to be communicated and applied in all contractual relations with Elekta's business partners.

Ultimate responsibility for informing employees and partners about the Code of Conduct and policy rests with the management of each of the Group's legal entities. The Group's Head of CSR is in charge of implementing and monitoring compliance through such measures as regular audits.

Serious incidents are to be reported directly to the CEO and Board of Directors. A whistleblower procedure has been implemented and enables employees to turn directly to the Head of CSR if they suspect improprieties, without risking sanctions.

International partnerships

Elekta is also a member of a number of industry organizations that have produced sector-wide Codes of Conduct, such as COCIR in Europe and MITA in the US. These Codes also clarify what rules should apply in the Company's relationships with decision-makers and clients in the care sector, including physicians, nurses, hospital managers and consultants appointed by hospitals.

Authorities and legislation

Elekta's employees and suppliers must always comply with the prevailing legislation and the regulations and international conventions that apply in the countries in which Elekta conducts operations or otherwise maintains contact.

Elekta respects and complies with competition regulations, environmental legislation, labor laws, safety requirements and other provisions that are relevant to its operations. Elekta also participates in a regular dialog with authorities and legislators through its membership in various industry organizations.
For its financial activities, Elekta complies with all legislation and all regulations concerning accounting to guarantee correct and transparent information regarding the Company's operations, structure, financial situation and performance.

SUPPLIERS AND DISTRIBUTORS

Elekta's relationship with its suppliers and distributors is to be hallmarked by favorable business practices and a high level of ethics. The contents of Elekta's Code of Conduct are also included in all standard agreements with suppliers and distributors.

Elekta in society, part I

Elekta is surrounded by a number of stakeholders who are directly or indirectly impacted by the Company's operations. For Elekta, it is important to be a good citizen, both locally and in broader contexts. This is the hallmark of the products and services that Elekta develops to care for and save lives. It is also reflected in Elekta's support and financing of a number of initiatives and research in cancer care, and in the fact that the Company and its employees are involved in an array of various charitable and sponsorship activities.

ART ALSO CONTRIBUTES TO WELLBEING

While Ronald McDonald House at the University Hospital in Linköping has not had any trouble locating donors for wheelchairs, furniture, toys or games, finding art donors of art was more challenging, until Elekta entered the picture.

Ronald McDonald House is a cozy housing facility for young patients who receive treatment during a certain period of time, but who do not require hospitalization. Many of the guests are children with cancer who are in regular contact with oncology care providers, often accompanied by the family.

Elekta's donation, the colorful weave entitled "I vår Herres hage" (In our Lord's Meadow), by Inger Åberg, is just as unique as it is popular.

"This initiative is closely related to our operations since many of the residents are cancer patients," says Jonas Karlström, Vice President Service & Operations in Linköping. "At Elekta, we are proud of the Company's holistic approach, which includes a healthy living environment for young patients. We are delighted to have contributed to making the house an even more pleasant place to stay at."

LIGHT THE NIGHT

In the autumn of 2011, hundreds of Elekta employees went into the streets throughout North America to collect money for the Leukemia & Lymphoma Society's (LLS) Light the Night Walk events.

Elekta's employees mainly participated in the event in four cities: St. Louis, San Jose, Atlanta and Las Vegas, each of which received a donation of USD 10,000 from Elekta, to enable the employees who wanted – and their families – to participate.

"We wanted to support our employees' participation as a team since we want to encourage collaborative efforts in the fight against cancer," says Cathy Jamieson, Workplace Advocate Manager in San Jose. "It was thus natural for us to support the Leukemia & Lymfoma Society, since Walk the Night offers this type of opportunity for solidarity and to be a night that everyone will remember."

LLS is the world's largest volunteer organization involved in the fight against blood cancer. The organization supports research on blood cancer worldwide and also offers free informational and support services. Since its formation in 1949, LLS has resulted in or contributed to such advances as chemotherapy treatment and bone marrow and stem-cell transplants. In 2010 alone, LLS invested more than USD 750 M in research.

SAFETY FOR BREAST CANCER PATIENTS

October is international breast cancer month, which is when attention is geared toward this specific condition worldwide. Accordingly, Elekta opted to hold a fundraiser in conjunction with the America Society for Radiation Oncology's (ASTRO) annual meeting in Miami in October 2011. The fundraiser benefited the local Sandy B. Muller Breast Cancer Foundation.

Every time a visitor registered their visitor pass at Elekta's stand during the ASTRO meeting, the Company made a donation to the foundation. Combined with another donation from Elekta North America, these efforts raised USD 53,000 for the foundation.

"Our goal is to reassure women and men who have recently been diagnosed with breast cancer that their basic living expenses will be covered while they are undergoing treatment and in many cases are unable to work," says the foundations founder, Sandy B. Muller. "We want to enable cancer patients to complete their treatments without having to worry about their financial situation, for their own sake and that of their children. We share Elekta's vision of improving life for people who are undergoing cancer treatment and are grateful for this contribution to our cancer patients." ■

Work on including Elekta's Code of Conduct in existing agreements with external partners is continuously under way in conjunction with the renewal or renegotiation of old agreements. Elekta continuously conducts compliance reviews of its Code, for example, to ensure that suppliers respect employee rights, local legislation and are environmentally considerate. Reviews and audits are conducted on supply reliability, quality and quality systems and the results are regularly communicated to the partners concerned.

CUSTOMER PARTNERSHIPS FOR INNOVATION

Elekta is renowned for building long-term and partnership-focused relationships with its customers. The company views its customers as far more than partners and over the years, these collaborations have resulted in – and continue to generate – key breakthroughs for increasingly enhanced treatment options and treatment practices for cancer diseases. In partnership with its customers, the functionality of Elekta's products is advanced toward increasingly enhanced efficiency and higher performance. Elekta also supports the transfer of knowledge and exchange of best practice by coordinating several product associations and users meetings, during which researchers and healthcare specialists can present scientific reports and the latest research results. These meetings are highly prioritized and comprise a source of information for future product development.

Elekta conducts regular customer surveys, which provide valuable feedback from users' experiences of the Company's products and services. The results are meticulously analyzed and integrated into the plans for future product development and other improvements at the Company. Elekta ranks high in both internal and external customer satisfaction surveys.

INCREASINGLY ENHANCED TREATMENT FOR CANCER PATIENTS

Elekta's mission is to protect life. Everything that Elekta does is in the aim of improving, extending and saving lives – from equipment to software and systems, which have all been developed in the aim of providing patients with the best possible treatment. Elekta manufactures equipment and systems for cancer treatment, although it does not provide specific medical advice concerning the treatment of individual patients, which is the responsibility of physicians and hospitals. However, Elekta's online Patient Center includes compilations of data, extensive patient information about how various treatments are applied and information about the most common forms of cancer. The Virtual clinic illustrates various stages of the treatment processes during radiation therapy and radiosurgery. Elekta Patient Center also provides links to relevant online communities, professional associations and patient organizations.

STRICTER REQUIREMENTS ON PRODUCT LIABILITY

As a manufacturer of medical equipment, Elekta operates in a stringently regulated environment. The company must live up to rigorous requirements in international legislation and product-safety standards, such as IEC and ISO standards, the European directive on medical-technical products, US FDA requirements on quality systems and innumerous national directives and legislation. The registration and approval of products in various countries, through certificates, licenses and similar systems, is becoming increasingly important as Elekta becomes operational in a growing number of countries.

Elekta's products are developed, manufactured, marketed, sold and serviced in accordance with controlled procedures and processes. These are described in the ISO 9001 (quality management) and ISO 13485 (quality management for the design and manufacturing of medical-technical devices) quality systems, and in standards that are specifically applicable to medical-technical products. Quality systems are audited and certified by external supervisory bodies and the FDA conducts regular inspections.

The evaluation of product risks and safety aspects are conducted as an integrated part of the product development process. The evaluation covers all phases of the product's lifecycle, including installation, handling and application. Elekta aims to supply the safest products possible, for customers and patients, but also for its own installation and service technicians.

A basic training course on the functionality and application of Elekta's products is conducted as part of the delivery. Safety messages and controls are implemented in the software to assist the user.

Processes are in place to handle circumstances in the event of an incident or if a complaint is reported by a customer. This feedback plays a key role in maintaining safety among the products used. Specific procedures have been established for corrective or preventative initiatives, the updating of user information, the updating of products in the market and for reporting in accordance with official requirements.

ENVIRONMENTAL EFFORTS FOR INCREASED SUSTAINABILITY

Elekta's vision is to be an environmentally sustainable organization that continuously strives to 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 transportation and for business travel.

In its environmental work, Elekta complies with and observes all applicable environmental legislation. For example, this applies to the REACH regulation on the registration, evaluation, authorization and limitation of chemicals, and the WEEE rules concerning waste from electric and electronic equipment. Under the European industry organization COCIR, Elekta is involved in work on a plan that uses ecodesign and energy efficiency measures to facilitate voluntarily joining the ErP directive regarding energy-related products. Elekta is also participating in the creation of international standards, such as IEC 60601-1-9 – Environmentally Conscious Design of Medical Electrical Equipment.

Several climate initiatives

For the third consecutive year, Elekta has published detailed information about the company's climate impact and carbon emissions within the framework of the Carbon Disclosure Project (CDP) investor initiative. CDP constitutes a basis on which investors can determine how a company identifies and manages risks and opportunities related to climate changes. In emission reporting for the past year, Elekta received an auditing score of 76. The CDP's definition of a high value is 70 plus.

Elekta established targets for reducing greenhouse gas emissions for the first time in 2010. The target was set at a reduction of 35 percent per unit revenue by 2015, with 2009 as the base year. Achieving this target requires substantial efforts at various facilities in the coming years. For example, this applies to reduced emissions of the SF6 greenhouse gas and less overall energy consumption. SF6 is one of the strongest active greenhouse gases and constitutes a necessary component to generating radiation inside a linear accelerator. Elekta is currently investing in equipment that recycles production gases. The goal is to recycle all SF6 gases.

Elekta's Intellimax solution for the monitoring and remote servicing of linear accelerators reduces the need for onsite service initiatives. For Elekta's service technicians, this entails less travel and thus reduced emissions. A large share of Elekta's installed based is connected to Intellimax.

Elekta also has internal web conference systems that are frequently used and that reduce the need for business travel. Using various incentives, Elekta locally encourages employees to use public transport, carpooling, a bicycle pool and so forth.

For more detailed information, visit www.cdproject.net.

Ecodesign constitutes a competitive advantage

Offering energy efficient products and solutions has become a key competitive advantage for Elekta, as customers – hospitals and clinics – try to reduce their energy consumption and thus their costs. Accordingly, ecodesign is deeply integrated in Elekta's product and business development. An example is Elekta's linear accelerators, which consume about 30 percent less energy than similar equipment in the market. This corresponds to annual energy savings at a hospital of about 21,000 KWh for each system, and an approximately 10.5-metric ton reduction in CO2 emissions.

Elekta's work on organically sustainable design is conducted in accordance with international standards for ecodesign requirements for medical-technical equipment. Elekta's equipment product developers complete training courses in ecodesign. Elekta's proprietary EcoDesign process is based on a lifecycle process and aims to limit the use of hazardous substances, minimize energy and resource consumption from production to use, encourage and facilitate upgrades and recycling, and avoid composite materials that complicate recycling. ■

Elekta in society, part II

USING THE SUN AS AN ENERGY SOURCE

Elekta strives to reduce its environmental and climate impact and that of its products. An example of this is making the linear accelerators developed by Elekta as energy efficient as possible to reduce customers' energy costs and climate impact. The Lake Constance Radiation Oncology Centre in Singen in southern Germany has capitalized on this.

As recently as four years ago, Holger Wirtz, Technical Director and Head of Medical Physics at the clinic, decided to purchase two new Elekta Synergy® systems and a Synergy system to the satellite clinic in Friedrichshafen, Germany.

"At that time, these linear accelerators consumed 30–40 percent less energy than other systems in the market," he says.

To further reduce energy costs, at his behest, the clinic decided to proceed on the matter and focus on renewable energy. This led to 232 solar panels being installed on the roof in August 2011. The 400 square meter energy collector now generates hundreds of kilowatt hours of electricity on a daily basis.

Admittedly, this covers far less than the entire clinic's annual needs, although during the summer months it is more than sufficient to cover the energy consumption of the clinic's operation of the two Synergy systems, a major computed tomography system, as well as the clinic's IT technology, lighting and air conditioning.

"As a result of this project, we can now offer environmentally friendly radiation therapy, which is near and dear to our patients' and employees' hearts," adds Professor Johannes Lutterbach, the clinic's Medical Director.

RELAY RACE FOR LIFE

Every year, the Roparun relay race from Paris to Rotterdam is held to raise funds for cancer patients. The 520 kilometer race was initially run in 1992. Elekta Brachytherapy employees participated in the race for the fifth consecutive year in 2011 as one of the 274 teams that collectively managed to raise nearly EUR 3 M for cancer patients.

Each team consists of a maximum of eight runners who run an average of 65 kilometers in total, divided into two-kilometer stages – with a total distance exceeding that of a marathon. Marcel van der Schans, the team captain from Elekta Brachytherapy's R&D division, called the race "an adventure for life."

"Roparun is the perfect extension to what we want to achieve as a company."

The funds raised are used to enhance quality of life for patients before and after treatment. Patients receive such assistance as coming into contact with one another and with professional care providers. The contributions can also be used to buy equipment and furniture for hospitals and palliative units.

In late May 2012, an Elekta team participated in the race again; this time from Hamburg, Germany, to Rotterdam, the Netherlands. ■

A VALUES-BASED, GROWTH-ORIENTED ORGANIZATION

Elekta's success depends on the Company's ability to meet the challenges of a constantly changing world. Its business operations and capacity to develop the right products and solutions, as well as the internal structure of the organization and the Company's expertise, must always work together to respond to new and changing demands from the operating environment. Values-based leadership and clearly defined goals are key success factors.

Elekta has grown rapidly over the past seven to eight years, nearly tripling the size of its personnel. At the same time, the Company has successfully increased the profitability thanks to its highly qualified employees and world-leading products. However, Elekta's growth, generated by numerous acquisitions and entries into new markets, created its own challenges and initially resulted in a new organizational structure based on a matrix model, which the Company began implementing in 2008/09. Based on this model, an agenda – known as One Elekta – was established as a guide for the Company's systematic efforts to create a stronger shared corporate culture.

The agenda is partly based on Elekta's common set of values, which promotes values-driven leadership and employeeship that contribute to meeting Elekta's ambitious growth targets. The agenda is also based on the success factors identified in Elekta's 2011 employee survey – Cooperation, Responsibility, Communication and Trust – as well as in Elekta's strategic growth project.

LEADERSHIP THAT BREEDS SUCCESS

Solid leadership and the contributions, competence and commitment of the Company's employees play a crucial role in Elekta's ability to meet its business challenges and achieve its long-term ambition of being number one in the markets in which it operates. Leadership training is thus the core of the Company's One Elekta initiative, which began with a comprehensive management training program. The agenda will also influence the Company's internal performance management process, with the ambition being that Elekta will provide clearer direction, as an employer, and that various individual goals will be integrated into the Group's targets in a more consistent manner.

Elekta's performance management process is linked to the skills deemed necessary to achieve successful business operations and to individual attitudes towards Elekta's values. The process encompasses all employees. Through individual targets for employee work efforts, professional development and clear assessments, Elekta aims to strengthen its supply of expertise and raise the overall level of competency in the organization.

The aim of increasing employee empowerment and providing all employees with the optimal environment to perform at their best is also linked to the performance management process.

Elekta's employees are provided with skills training in the processes included in their individual work duties, as well as in general compliance issues connected with Elekta's operations in the medical technology field.

As a complement to the performance management process, Elekta conducts proactive executive leadership succession planning, in which Group management and other critical Group positions are reviewed on a yearly basis. The aim is to support and develop Elekta's employees and their careers in order to prepare them for future assignments with increased responsibility in the Company.

A STRONG SET OF COMMON VALUES

A passion for the Company's products and customers, combined with an aspiration to improve, prolong and save patients' lives, is the common denominator of Elekta's values. The values distinguish the Company from other players and provide a framework for all forms of decision-making and external relations.

The cornerstones of these 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 to research and development, being inventive and thus expanding the frontiers of what is possible and being open to the views of patients and customers to enable the 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 will help define care in the future.

EMPLOYEE SURVEYS

Elekta is a highly attractive employer, which is evidenced by the constant flow of spontaneous job applications received by the Company. In order to retain capable employees in the long term, Elekta endeavors internally to strengthen the Company's ability to satisfy its employees' need for recognition, opportunities for development and to be fairly compensated for their achievements in a more methodical manner. The global employee survey conducted every other year constitutes an important tool for this purpose and various activities are carried out in the period between surveys. These follow-up activities are an integrated part of the surveys and the most important component of the process. As part of the work related to the One Elekta agenda, the 2011 employee survey played a significant role in identifying the success factors on which the Company will build and evolve. A new feature in 2011 was the development of a leadership index (LSI), which gave employees the opportunity to express their views on the Company's leadership. Other questions were used to establish an employee satisfaction index (ESI) and a net promoter score (NPS). ESI and NPS measurements improved in all parameters compared with the results from 2009.

EQUAL OPPORTUNITIES AND DIVERSITY

Through its global breadth, Elekta is a company for which diversity constitutes a natural component. Elekta promotes diversity and equal treatment at the local and regional level and in its various units. Discrimination is not 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 any other reason prohibited by local law. Elekta also 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, dependent 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 thus traditionally male-dominated industry. Gender distribution viewed by work role and position is balanced. However, a conscious effort is being made to achieve a more balanced gender distribution in certain units and certain geographic markets.

RESPECT FOR EMPLOYEES' RIGHTS

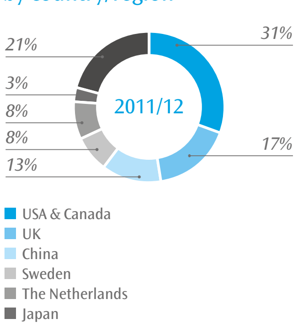
Elekta complies with the applicable labor laws in all countries in which it operates and expects the same from its partners. Elekta's policy is to respect the rights of all employees to freely associate with the workers' association or group of their choice and, if desired, negotiate to secure collective bargaining agreements in accordance with local legislation and applicable conventions. Elekta also cares for its employees' health, safety and well-being, and the Company expects all its employees and partners to comply with and contribute to achieving these goals in all business relations with Elekta. Compliance with all local legislation with respect to working conditions and workplace safety is required of Elekta and all the Company's partners.

ELEKTA'S EMPLOYEES AROUND THE WORLD

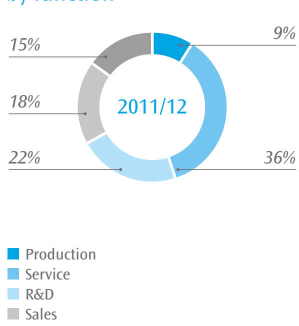
As of April 30, 2012, Elekta had 3,366 employees globally, working at 35 offices in 26 countries. 264 of the Company's employees work in Sweden, where the head office and Neuroscience product area are located. Most employees are located in the US (957), followed by the UK (566) and China (429).

Every fifth employee at Elekta works in the area of research and development. ■

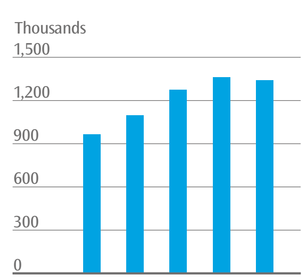
Employees distributed by country/region



Employees distributed by function



Value added per employee



GOOD DEVELOPMENT OF THE ELEKTA SHARE

Elekta B-shares have been listed on the NASDAQ OMX Stockholm since 1994. Total trading in Elekta shares during the period May 1, 2011–April 30, 2012 amounted to 112,1 million shares (102.9), corresponding to 119 percent (110) of the total number of shares. The average number of shares traded each day during the period amounted to 441,382 (406,756). Market capitalization at April 30, 2012 amounted to SEK 32,309 M (25,954), an increase by 24 percent.

DISTRIBUTION OF SHARES APRIL 30, 2012

			Percentage of	
Class of share	No. of shares	No. of votes	capital	votes
A-shares	3,562,500	35,625,000	3.7	28.0
B-shares	91,687,316	91,687,316	96.3	72.0
Total	**95,249,816**	**127,312,316**	**100.0**	**100.0**

Treasury shares as per 30 April, 2012, amounted to 502,000 series B shares. See Note 24 for more information on Elekta's share capital.

DISTRIBUTION OF SHARES AFTER DILUTION

			Percentage of	
Class of share	No. of shares	No. of votes	capital	votes
A-shares	3,562,500	35,625,000	3.7	27.7
B-shares	93,010,623	93,010,623	96.3	72.3
Total	**96,573,123**	**128,635,623**	**100.0**	**100.0**

DIVIDEND AND PROPOSAL TO REPURCHASE SHARES

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 5.00 (4.00) per share for 2011/12, corresponding to approximately SEK 474 M and 39 percent of net profit for the year. The Board also intends to propose to the Annual General Meeting 2012 to renew the authorization for the Board to repurchase a maximum of 10 percent of the number of shares outstanding in Elekta AB. The Board also intends to propose to the Annual General Meeting a split of the Elekta share of 4:1. The purpose is to facilitate increased liquidity and turnover in the share.

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, 2012	502,709
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, 2012	461,145
Subscription period	2008-11-01 – 2012-07-31
Warrant price, SEK	5.00
Subscription price, SEK	109.00

SHARE PROGRAM

The Annual General Meetings of 2009, 2010 and 2011 respectively resolved to adopt the Elekta AB 2009 Performance Share Plan, the Elekta AB 2010 Performance Share Plan and the Elekta AB 2011 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, 2010/11–2012/13 and 2011/12–2013/14 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	2012-12-10
Number of shares as of April 30, 2012	125,974

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	2013-10-01
Number of shares as of April 30, 2012	79,585

SHARE PROGRAM 2011/14

Number of shares after confirmed performance goals	219,304
Theoretical value at time of allotment, SEK	66,306,468
Allotment of shares	2014-11-14
Number of shares as of April 30, 2012	217,327

OWNERSHIP STRUCTURE APRIL 30, 2012

Shareholding, no. of shares	No. of share-holders	Percent-age of share-holders	No. of shares	Percent-age of share capital	Average no. per share-holder
1–500	14,322	79.2	1,772,661	1.9	124
501–1,000	1,696	9.4	1,317,175	1.4	777
1,001–10,000	1,582	8.7	4,594,524	4.8	2,904
10,001–100,000	327	1.8	11,436,554	12.0	34,974
100,001–	156	0.9	76,128,902	79.9	488,006
Total	**18,083**	**100.0**	**95,249,816**	**100.0**	**5,267**

Source: SIS Ägarservice AB and Euroclear AB

MAJOR SHAREHOLDERS APRIL 30, 2012[1)]

Owner	No. of shares	Percentage of capital	Percentage of votes
Laurent Leksell and companies	5,982,425	6.3	29.9
Swedbank Robur funds	4,229,200	4.4	3.3
AMF Insurance & funds	4,175,980	4.4	3.3
SEB funds	2,079,642	2.2	1.6
Första AP-fonden	1,970,011	2.1	1.5
Norwegian government	1,682,582	1.8	1.3
Skandia Liv	1,362,433	1.4	1.1
Fjärde AP-fonden	1,280,146	1.3	1.0
Fidelity funds (USA)	1,278,503	1.3	1.0
T Rowe Price funds (USA)	965,291	1.0	0.8
Other	70,243,603	73.7	55.2
Total	**95,249,816**	**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, 2012. Foreign ownership was approximately 56 percent (53). Of these shares, 79 percent (61) 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. 19 percent (16) was owned by Swedish institutes.

CHANGES IN SHARE CAPITAL UNTIL APRIL 30, 2012

Year	Transaction	Total number of shares	Total share capital
1994	New issue	7,397,180	36,985,900
1994	Exercise of warrants	7,897,180	39,485,900
1997	New issue	10,497,451	52,487,255
2000	New issue	27,853,617	139,268,085
2001	Conversion of debentures	31,661,867	158,309,335
2001	Exercise of warrants	31,678,867	158,394,335
2002	Exercise of warrants	32,181,742	160,908,710
2003	Exercise of warrants	32,647,067	163,235,335
2003	Conversion of debentures	32,781,267	163,906,335
2003	Exercise of warrants	32,953,967	164,769,835
2003	Redemption of shares	31,066,254	155,331,270
2004	Exercise of warrants	31,567,454	157,837,270
2005	Exercise of warrants	31,596,236	157,981,180
2005	Bonus issue	31,596,236	189,577,416
2005	Split 3:1	94,788,708	189,577,416
2005	Cancellation of repurchased shares	94,114,008	188,228,016
2005	Exercise of warrants	94,194,372	188,388,744
2006	Exercise of warrants	94,451,456	189,902,912
2006	Redemption of shares	93,649,756	187,299,512
2006	Exercise of warrants	93,741,598	187,483,196
2007	Exercise of warrants	93,880,090	187,760,180
2007	Conversion of debentures	93,900,016	187,800,032
2007	Exercise of warrants	92,272,445	187,806,632
2007	Cancellation of repurchased shares	93,903,316	184,544,890
2008	Exercise of warrants	93,075,863	186,151,726
2008	Cancellation of repurchased shares	92,124,563	184,249,126
2009	Exercise of warrants	92,237,944	184,475,888
2010	Exercise of warrants	94,188,044	188,376,088
2011	Exercise of warrants	94,769,763	189,539,526
2012	Exercise of warrants	95,249,816	190,499,632

FINANCIAL CALENDAR

Three-month interim report May – July 2012/13	September 4, 2012
Six-month interim report May – October 2012/13	December 4, 2012

DATA PER SHARE

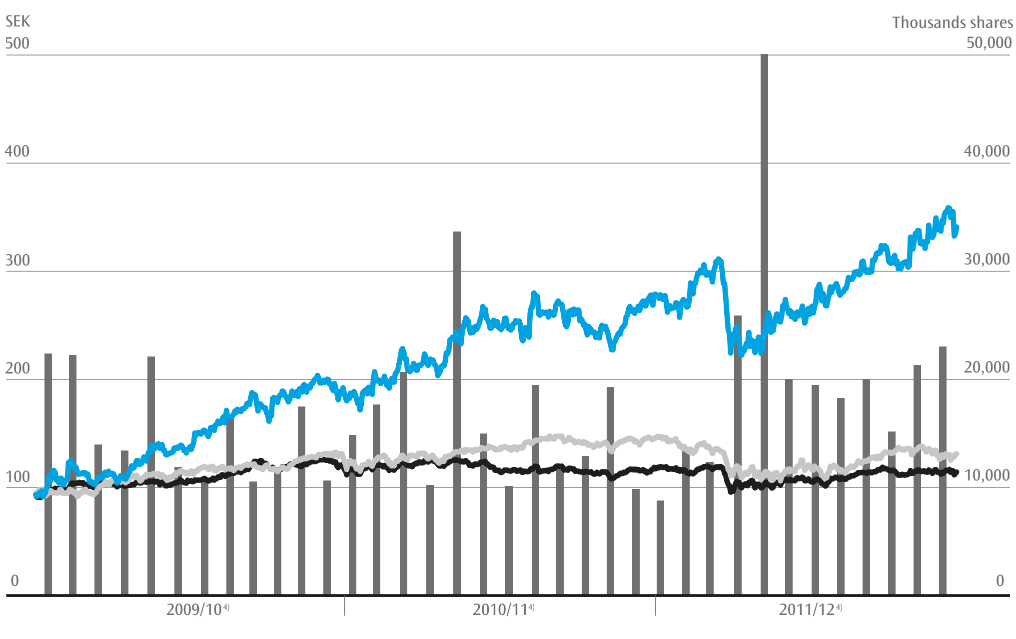
	2007/08	2008/09	2009/10	2010/11	2011/12
Earnings per share					
before dilution, SEK	4.46	6.00	9.09	11.04	13.04
after dilution, SEK	4.44	6.00	9.01	10.91	12.91
Cash flow per share[1]					
before dilution, SEK	–3.04	6.30	10.50	5.25	–28.30
after dilution, SEK	–3.03	6.30	10.41	5.19	–28,02
Shareholders' equity per share					
before dilution, SEK	19.70	27.67	34.95	40.89	52,76
after dilution, SEK	20.03	27.67	37.50	42.44	53,23
Dividend, SEK	1.75	2.00	3.00	4.00	5.00[2]
Share price, Elekta Series B, April 30, SEK	104.25	93.75	189.50	275.40	341.00
Market capitalization, April 30, SEK M	9,546	8,637	17,585	25,954	32,309
Lowest share price, SEK	91.50	72.50	91.00	171.50	207.80
Highest share price, SEK	130.00	142.00	207.00	283.40	363.00
Average number of shares					
before dilution, 000's	92,199	92,029	92,208	93,341	94,108
after dilution, 000's	92,479	92,029	92,945	94,507	95,031
Number of shares, April 30					
before dilution, 000's	91,570	92,125	92,795	93,738	94,748[3]
after dilution, 000's	92,245	92,125	95,895	95,905	96,071

[1] Excluding the acquisitions of 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, Nucletron 2011/12 SEK 7.10 before dilution and SEK 7.03 after dilution. Dilution 2007/08 refer to option program 2004/08. Dilution 2009/10 – 2011/12 refers to option program 2007/12 and 2008/12 and share programs 2009/12 , 2010/13 and 2011/14.

[2] Proposed dividend.

[3] Number of registered shares on April 30, 2012 95,250 (94,240) excluding treasury shares 502 (502).

The Elekta share



[4] 1 May – 30 April.

Sources: SIX Trust and Fidessa

FIVE YEAR REVIEW, KEY FIGURES AND DEFINITIONS

INCOME STATEMENT

SEK M	2007/08	2008/09	2009/10	2010/11	2011/12
Net sales	5,081	6,689	7,392	7,904	9,048
Operating expenses	–4,431	–5,859	–6,160	–6,402	–7,199
Operating result	**650**	**830**	**1,232**	**1,502**	**1,849**
Financial net	–26	–56	–40	–38	–141
Profit before tax	**624**	**774**	**1,192**	**1,464**	**1,708**
Income taxes	–218	–228	–359	–433	–480
Profit for the year	**406**	**546**	**833**	**1,031**	1,228
Profit attributable to					
Parent company shareholders	411	552	838	1,031	1,227
Non-controlling interests	–5	–6	–5	0	1

CASH FLOW

SEK M	2007/08	2008/09	2009/10	2010/11	2011/12
Cash flow from operating activities	319	740	1,056	840	635
Cash flow from investing activities	–599	–160	–88	–349	–3,298
Cash flow from financing activities	199	–239	–571	–227	3,164
Cash flow for the year	**–81**	**341**	**397**	**264**	**501**

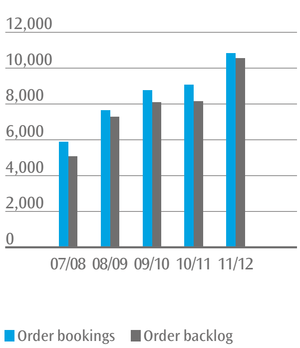
BALANCE SHEET

SEK M	April 30, 2008	April 30, 2009	April 30, 2010	April 30, 2011	April 30, 2012
Intangible assets	2,659	3,150	2,880	2,692	6,457
Tangible fixed assets	226	265	247	236	407
Financial assets	37	59	60	67	147
Deferred tax assets	14	34	128	206	233
Inventories	529	553	592	540	755
Receivables	2,455	3,062	3,434	3,858	5,341
Cash and cash equivalents	402	828	1,174	1,363	1,895
Total assets	**6,322**	**7,951**	**8,515**	**8,962**	**15,235**
Shareholders' equity	1,813	2,555	3,244	3,833	5,010
Interest-bearing liabilities	1,449	1,627	1,039	881	4,530
Interest-free liabilities	3,060	3,769	4,232	4,248	5,695
Total shareholders' equity and liabilities	**6,322**	**7,951**	**8,515**	**8,962**	**15,235**

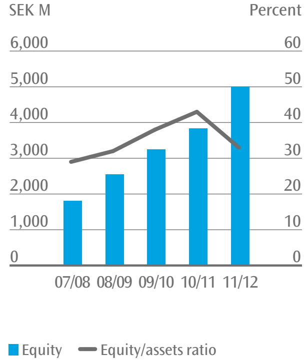
KEY FIGURES

	2007/08	2008/09	2009/10	2010/11	2011/12
Order bookings, SEK M	5,882	7,656	8,757	9,061	10,815
Order backlog, SEK M	5,069	7,267	8,093	8,147	10,546
Operating margin, %	13	12	17	19	20
Profit margin, %	12	12	16	19	19
Shareholders' equity, SEK M	1,813	2,555	3,244	3,833	5,010
Capital employed, SEK M	3,262	4,182	4,283	4,714	9,540
Net debt (+) /Net cash (–), SEK M	1,047	799	–135	–482	2,635
Equity/assets ratio, %	29	32	38	43	33
Net debt / equity ratio, multiple	0.58	0.31	–0.04	–0.13	0.53
Interest cover ratio, multiple	9.2	8.2	24.8	26.1	9.5
Return on shareholders' equity, %	23	27	30	30	29
Return on capital employed, %	24	24	30	35	28
Capital turnover ratio, multiple	0.9	1.0	0.9	0.9	0.8
Investments in tangible and intangible assets, SEK M	108	142	186	274	432
Depreciation, SEK M	–176	–208	–229	–241	–295
Average number of employees	2,113	2,446	2,485	2,621	3,162

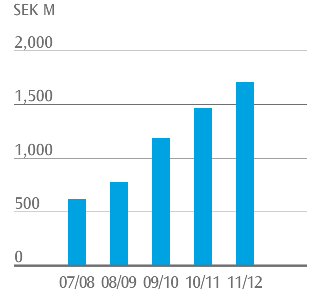
Orderbookings and order backlog



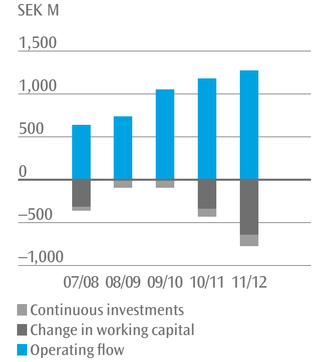
Equity and equity/assets ratio



Profit before tax



Cash flow after continuous investments



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.

Contribution margin per region
Net sales less cost of products sold and expenses directly attributable to the respective region.

CONTENTS

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 2011/12, covering the period May 1, 2011 – April 30, 2012. 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 leader in clinical solutions for image guided radiation therapy and stereotactic radiosurgery, giving 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 four product areas: Neuroscience, Oncology, Brachytherapy 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 as well as niche players such as Accuray. Elekta is currently the world's second largest supplier of radiation therapy equipment. Elekta is the leader on the market for administrative software. 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.

The recent financial debt crisis in Europe is assessed as only having had a limited impact on market conditions so far.

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 2011/12

- Order bookings increased to SEK 10,815 M (9,061), equivalent to 10 percent based on unchanged exchange rates and excluding Nucletron. Including Nucletron order bookings increased with 19 percent.
- Net sales increased to SEK 9,048 M (7,904), equivalent to 7 percent based on unchanged exchange rates and excluding Nucletron. Including Nucletron net sales grew by 18 percent based on unchanged exchange rates, whereof Nucletron contributed with 11 percentage points.
- Operating result increased by 22 percent to SEK 1,837 M (1,502) excluding non-recurring items of SEK 12 M (–).
- Net income increased by 19 percent to SEK 1,228 M (1,031).
- Earnings per share amounted to SEK 13.04 (11.04) before dilution and SEK 12.91 (10.91) after dilution.

- Cash flow from operating activities decreased by 24 percent to SEK 635 M (840). Cash flow after investments was SEK –2,663 M (491), including acquisition effects of SEK –3,166 M (–259).
- On September 15, 2011, Elekta completed the acquisition of Nucletron, world leader in brachytherapy treatment planning and delivery. The acquisiation amounted to SEK 3,385 M (EUR 373 M)
- On September 30, 2011, Elekta divested its pathology business, PowerPath®. The net gain amounted to SEK 180 M.
- During April 2012, a convertible bond issue was conducted, raising approximately SEK 1,894 M for the company, before transaction costs.
- The Board proposes a dividend of SEK 5.00 (4.00) per share.

ORDER BOOKINGS AND ORDER BACKLOG

Order bookings increased 19 percent to SEK 10,815 M (9,061). Order bookings increased 10 percent excluding Nucletron and based on unchanged exchange rates. Based on unchanged exchange rates and exclusive of Nucletron order bookings in North and South America rose 11 percent, region Europe, Middle East and Africa rose 5 percent and Asia Pacific rose 14 percent. Order backlog on April 30, 2012 was SEK 10 546 M (8,147). The translation of the backlog at exchange rates as of 30 April 2012 compared to exchange rates as of 30 April 2011 resulted in a positive translation difference of SEK 699 M on the order backlog.

Order bookings

SEK M	2011/12	2010/11	Change
North and South America	4,081	3,507	16%
Europe, Middle East and Africa	3,653	3,077	19%
Asia Pacific	3,081	2,477	24%
Group total	**10,815**	**9,061**	**19%**

MARKET COMMENTS

North and South America

In the North American market, demand strengthened for radiotherapy solutions. This was primarily attributable to a rising incidence of cancer among a growing and aging population, as well as the need for investments to replace the large installed base of linear accelerators. Elekta has been entrusted with delivering radiotherapy solutions to a number of major customers in North America, including US Oncology. Elekta is the second-largest player in the North American market and is deemed to be growing faster than the market as a whole. Like other emerging markets, the South American market is driven by a substantial capacity shortage of treatment and an increased focus on improving cancer care. Elekta's order bookings grew strongly in South America during the fourth quarter. When combined with Elekta's increasing presence in selected countries, this level of progress supports the company's growth prospects on this continent.

Europe, Middle East and Africa

The market trend was mixed, with favorable growth in northern regions of Europe and in emerging markets. Order bookings for the year were particularly strong in the UK and Germany. The southern regions of Europe and the North African countries experienced a weaker trend. Emerging markets are generally characterized by a rising incidence of cancer and a lack of linear accelerator capacity. During the year, Elekta secured substantial orders from Russia. The long-term, sustainable growth rate is expected to continue, particularly as a result of strong emerging markets in Eastern Europe and the Middle East.

Asia Pacific

In general, the region is characterized by a major capacity shortage of treatment, although countries including Australia, Japan, Taiwan, Hong Kong and Singapore have highly developed healthcare systems. Elekta is the market leader, and by maintaining a focus on growth, the company is well positioned to support care providers in these countries in their endeavor to advance and enhance cancer care. Order bookings were highly favorable in China and India, in which Elekta is the leader in radiotherapy. The demand trend in Japan gave positive indications during the fourth quarter. Elekta has a strong presence in neurosurgery and software and is well positioned to in-crease its market share in oncology. In Japan, only 25–30 percent of cancer patients receive radiation therapy, compared with more than 50 percent in Europe.

NET SALES

Net sales increased 14 percent to SEK 9,048 M (7,904) equivalent to 18 percent based on unchanged exchange rates. Excluding Nucletron and based on unchanged exchange rates, net sales grew by 7 percent.

SEK M	2011/12	2010/11	Change
North and South America	3,122	2,818	11%
Europe, Middle East and Africa	3,206	2,795	15%
Asia Pacific	2,720	2,291	19%
Group total	**9,048**	**7,904**	**14%**

EARNINGS

Cost of product sold amounted to SEK 4,831 M (4,237) and gross margin amounted to 47 percent (46). Operating result amounted to SEK 1,849 M (1,502). Excluding non-recurring items the increase was 22 percent to SEK 1,837 M (1,502). The increase is mainly related to higher volumes. The effect from changes in exchange rates was negative of approximately SEK 100 M. Operating margin increased to 20 percent (19). Non-recurring items comprise transaction costs and restructuring costs related to the acquisition of Nucletron of SEK –168 M (–) and net gain from the divestment of the pathology business of SEK 180 M (–) based on current exchange rate.

Net financial items amounted to SEK –141 M (–38). The change over last year is mainly due to the financing of the acquisition of Nucletron. Income before tax amounted to SEK 1,708 M (1,464). Tax expense amounted to SEK 480 M (433) or 28 percent (30). Net income amounted to SEK 1,228 M (1,031). Earnings per share amounted to SEK 13.04 (11.04) before dilution and SEK 12.91 (10.91) 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 47 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 27 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 16 M.

INVESTMENTS AND DEPRECIATION

Investments in intangible and tangible fixed assets amounted to SEK 432 M (274). Amortization of intangible assets and depreciation of tangible fixed assets amounted to SEK 295 M (241). Capitalization of development costs and amortization of capitalized development costs amounted to net SEK 201 M (92), of which 174 M (86) relates to the R&D function. Capitalization within the R&D function amounted to SEK 246 M (148) and amortization to SEK 72 M (62).

LIQUIDITY AND FINANCIAL POSITION

Cash flow from operating activities was SEK 635 M (840). Cash flow after investments amounted to SEK –2,663 M (491), including business combinations, business divestment and investment in associate of net SEK –3 166 M (–259).

Cash conversion was 33 percent (59). In cash flow from operating activities, SEK 168 M is included related to restructuring and transaction costs associated with the acquisition of Nucletron. Cash and cash equivalents amounted to SEK 1,895 M (1,363) and interest-bearing liabilities amounted to SEK 4,530 M (881). Thus, net debt amounted to SEK 2,635 M (net cash 482). Net debt/equity ratio was 0.53 (–0.13) and equity/assets ratio was 33 percent (43). On April 30, 2012 Elekta had undrawn committed credit facilities of SEK 2,351 M (1,351).

BUSINESS COMBINATIONS

On September 15, 2011, Elekta acquired 100 percent of the shares as well as votes in Nucletron (New Nucletron Company B.V.), with registered office in Veenendaal, the Netherlands. Nucletron is world leading in brachytherapy, treatment planning and delivery. The acquisition cost amounted to SEK 3,385 M (EUR 373 M). Goodwill and identifiable intangible assets, mainly customer relationships and certain technology, amount to SEK 3,513 M (EUR 387 M) according to the purchase price allocation. Elekta has consolidated Nucletron from September 15, 2011. From the date of acquisition Nucletron has contributed with order bookings of SEK 1,182 M, net sales of SEK 873 M and operating result of SEK 189 M. Transaction costs related to the acquisition have been expensed when incurred and amount to approximately SEK 40 M. Restructuring costs are expected to amount to SEK 130 M of which SEK 128 M have been expensed in the post-acquisition period. Elekta expects the integrated businesses to generate both revenue and cost synergies. Annual cost synergies have been estimated to approximately SEK 75 M and are expected to be realized in fiscal year 2012/13. For more information regarding business combinations see Note 32.

BUSINESS DIVESTMENT

On September 30, 2011, Elekta divested its Anatomic Pathology Information System business, marketed under the brand name PowerPath®. The consideration amounted to SEK 201 M (USD 30.5 M), through an asset deal on a cash and debt-free basis. The buyer was Sunquest Information Systems, Inc., a U.S. based company providing closely related diagnostic IT solutions. During fiscal year 2010/11 the Pathology Information System generated revenues of approximately SEK 80 M and operating result of SEK 19 M with 44 employees in the U.S. The capital gain amounted to SEK 180 M before tax based on current exchange rate.

OTHER SIGNIFICANT EVENTS DURING THE YEAR

- On May 5, 2011, Elekta strengthened its long term loan financing by entering into a private placement agreement with U.S. institutional investors. The transaction amount was USD 200 million with tenors between seven and twelve years.
- On July 8, 2011, Elekta extended its financing through a revolving credit facility of SEK 1,000 M. The tenor is one year with an option to prolong for another year.
- On November 8, 2011, Elekta signed a three-year loan agreement of SEK 400 M with AB Svensk Exportkredit, to further strengthen Elekta's funding through diversification and to have a longer maturity profile.
- During April 2012 Elekta conducted an issue of convertible bonds with preferential rights for Elekta's shareholders. The issue raised approximately SEK 1,894 M for the company, before transaction costs. Elekta issued the convertible bonds to be able to capture the growth opportunities the company sees both through expansion in emerging markets and through improved market positions in established markets. In addition, Elekta continually evaluates potential acquisition targets.
- Elekta has during the year initiated a strategic review of magnetoencephalography (MEG). The initial phase of the strategic review of Elekta's MEG operations is completed. Elekta remains strongly committed to the clinical MEG community and when improvements have been fully implemented, strengthened financial performance is assumed.

EMPLOYEES

The average number of employees was 3,162 (2,621). The number of employees on April 30, 2012 totaled 3,366 (2,760). The acquisition of Nucletron has contributed to an increase of approximately 500 employees. Value added per average employee amounted to SEK 1,342 K (1,362).

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, before capitalization of development costs, increased by 22 percent over last year and totaled SEK 778 M (638), corresponding to 9 percent (8) of net sales. Costs related to the R&D function amounted to SEK 604 M (552) and capitalization of development costs within the R&D function and amortization of capitalized development costs amounted to net SEK 174 M (86). Capitalization amounted to SEK 246 M (148) and amortization to SEK 72 M (62).

SIGNIFICANT EVENTS AFTER YEAR-END

Changes in Executive Management

On June 5 2012 the following changes in Elekta's Executive Management were announced:

- Johan Sedihn has been appointed Chief Operating Officer. Johan was previously Executive Vice President (EVP) Oncology.
- Bill Yaeger has been appointed EVP Oncology. Bill comes from Oncology Services International where he was CEO.
- Olof Sandén, EVP and head of region Europe, Africa, Latin America and the Middle East, has decided to leave Elekta. Tomas Puusepp, president and chief executive, will take over his responsibilities on an interim basis.
- John Lapré, previously VP R&D Brachytherapy, has been appointed EVP Brachytherapy. He will succeed Jos Lamers who has decided to leave Elekta.

On August 1 2012, it was announced that Ian Alexander has been appointed Executive Vice President of region Europe, Africa, Latin America and Middle East. He will join the Executive Management September 1.

Business combinations

On June 19, 2012, Elekta acquired Radon Ltda., the leading linear accelerator (linac) service company in Brazil. Most of the service contracts held by the company are with clinics that use equipment delivered by Siemens. The acquisition significantly strengthens Elekta's market position, making it the leading organization for installation, service and aftermarket services. Through the acquisition, Elekta's customer base has increased with 25 percent in Brazil. Radon is expected to add revenue to Elekta by approximately USD 6 million during the 2012/13 fiscal year. The transaction is forecasted to be accretive to Elekta earnings per share (EPS) during Elekta's fiscal year 2012/13. The transaction structure includes a clause regarding an earn-out.

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 page 64 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 competitiveness. 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 600 M (249). Profit for the year amounted to SEK 596 M (249) inclusive of dividends from subsidiaries of SEK 340 M (357). Total assets amounted to SEK 8,654 M (3,937) of which shares in subsidiaries amounted to SEK 1,764 M (1,729) and short-term receivables from subsidiaries amounted to SEK 2,608 M (1,023). Investments in subsidiaries amounted to SEK 40 M (310). The acquisition of Nucletron was performed by the subsidiary Elekta Instrument AB. Cash and cash equivalents at year-end amounted to SEK 1,347 M (1,006). Cash flow for the year amounted to SEK 341 M (328). Shareholders' equity amounted to SEK 2,304 M (1,876). Long-term and short-term liabilities totaled SEK 6,320 M (2,031) of which interest-bearing liabilities amounted to SEK 6,172 M (1,972). The average number of employees during the year was 22 (22). The number of employees on April 30, 2011 was 22 (23). 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

During the year 1,010,147 new Series B shares were subscribed through exercise of warrants distributed within the framework of the established employee option programs. Total number of registered shares on April 30, 2012 was 95,249,816 divided between 3,562,500 A-shares and 91,687,316 B-shares whereof 502,000 treasury shares equivalent to 0.5 percent of the total number of outstanding 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 68–70.

DIVIDEND AND PROPOSAL TO REPURCHASE SHARES

In accordance with the Company's dividend policy, the Board proposes a dividend of SEK 5.00 (4.00) per share for 2011/12, corresponding to approximately SEK 474 M and 39 percent of net profit for the year.

The Board also intends to propose to the Annual General Meeting 2012 to renew the authorization for the Board to repurchase a maximum of 10 percent of the number of shares outstanding in Elekta AB. The Board also intends to propose to the Annual General Meeting a split of the Elekta share of 4:1. The purpose is to facilitate increased liquidity and turnover in the share.

APPROPRIATION OF PROFIT

Amounts in SEK.

Distributable shareholders' equity of the Parent Company:	
Premium reserve	532,128,418
Retained earnings	828,795,339
Profit for the year	596,243,736
Total	**1,957,167,493**
The Board of Directors and the CEO propose:	
to be distributed to the shareholders, a dividend of SEK 5.00 per share[1)]	473,739,080
and that the remaining amount be carried forward	1,483,428,413
Total	**1,957,167,493**

[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.

OUTLOOK FOR 2012/13

For fiscal year 2012/13, net sales is expected to grow by more than 15 percent in local currency, including Nucletron. Operating profit in SEK is expected to grow by more than 17 percent. Currency is estimated to have a positive effect of about SEK 50 M including hedging effects on earnings for fiscal year 2012/13.

GUIDELINES FOR REMUNERATION TO EXECUTIVE MANAGEMENT

The Board of Directors proposes that the Annual General Meeting on September 4, 2012 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 13, 2011.

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 contractual 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 2011/12

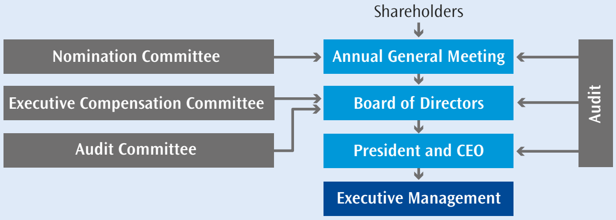
Elekta AB is a Swedish public limited liability company. Elekta is listed on NASDAQ OMX Stockholm. Corporate Governance of Elekta is based on Swedish legislation, primarily the Swedish Companies Act, NASDAQ OMX Stockholm's Rule Book for Issuers, the Swedish Corporate Governance Code (the Code) and other relevant rules and guidelines. Elekta's internal Code of Conduct, as well as its vision and values, form the basis for the internal corporate governance rules.

Elekta has applied the Code since 2005. Elekta has implemented and complies with the Code with one exception concerning 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 of the company, 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 Nomination 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



GENERAL MEETING OF SHAREHOLDERS

The shareholders' right of decision in Elekta's affairs is exercised at general 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 weeks and not later than four weeks in advance of the meeting.

To be able to participate in decisions, shareholders must be present at the AGM personally or by proxy. Shareholders may register their participation by mail, fax, telephone or e-mail. The language for the AGM is Swedish, and all documentation is available in Swedish and English. Matters considered at the AGM include dividend, adoption of the annual accounts, election of members of the Board of Directors and, where necessary, the appointment of auditors, remuneration to the Board of Directors and auditors as well as other important issues resulting from laws or the articles of association.

At General Meetings , 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 a qualified majority is required. All relevant documentation for General Meetings 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 13, 2011, 433 shareholders entitled to cast votes participated, representing 59 percent of the votes in the Company. For more information about the 2011 AGM, please visit www.elekta.com.

At an Extraordinary Meeting of Shareholders on April 2, 2012, 353 shareholders participated, representing about 51 percent of the votes in the Company. For more information about the 2012 Extraordinary General Meeting, please visit www.elekta.com.

Information regarding direct or indirect shareholding in Elekta representing at least one-tenth of the voting right for all shares in the Company and information about mandates required by the General Meeting to the Board of Directors to decide upon repurchases of own shares is set out in the Board of Directors' report on pages 77–78.

NOMINATION COMMITTEE

The 2011 AGM resolved that the Nomination Committee for the 2012 AGM should be appointed through a procedure whereby the Chairman of the Board, before the end of the second quarter of the fiscal year, contacts not less than three and not more than five representatives for the largest holders of A and B shares, which should be given the possibility to appoint one member each, as per the last banking day in September. Those members shall, together with the Chairman of the Board, constitute the Nomination Committee and fulfill its obligations in accordance with the Code. The procedure is described in its entirety in the minutes of the 2011 AGM, which can be found on Elekta's website www.elekta.com. The names of persons appointed to the Nomination Committee were announced in a press release on October 27, 2011. The Nomination Committee's assignment is valid until a new Nomination Committee has been named.

The Nomination Committee consists of the following individuals, who were appointed by the listed shareholders:

- Åsa Nisell – Swedbank Robur Fonder
- Anna Ohlsson-Leijon – SEB Fonder
- Ingrid Bonde – AMF Försäkring och Fonder
- Laurent Leksell – personal holdongs and via companies
- Akbar Seddigh – Chairman of the Board

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

The Nomination Committee appointed Laurent Leksell as Committee Chairman and held three meetings at which minutes were recorded. The Committee performed its duties as set out in the Code and has thus been tasked with preparing proposals for the composition of the Board of Directors and an auditor to be presented to the AGM for decision and to prepare other issues before the Meeting. Prior to the nomination process for Elekta's Board of Directors, an evaluation was conducted under the Chairman's leadership of the performance of all Board members. In addition, all Board members have also filled out 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 2012 AGM, the Nomination Committee will submit proposals for the Chairman of the AGM, the number of Board members, the Chairman of the Board, Board members and the appointment of an auditor. The Nomination Committee will also submit proposals for remuneration to the Chairman and other members of the Board, as well as any work on Board committees and auditors' fees, and propose a procedure for appointment of a new Nomination Committee. The Nomination Committee's proposals are presented in the notice of the AGM, and on Elekta's website. 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 are elected by the AGM. The Board of Directors approves Elekta's strategy and goals, evaluates the day-to-day operations and monitors the Company's development and financial position. The 2011 AGM appointed the persons presented on page 82 as Board members until the 2012 AGM. In addition to these persons Vera Kallmeyer was appointed Board member. Vera Kallmeyer passed away during the autumn 2011. Seven of the eight Board members are independent of the Company and its senior management, as well as of major shareholders in the Company, according to the Code. Information regarding provisions of the articles of association for appointment and dismissal of Board members and provisions stipulated in the articles of association regarding changes to the articles of association is presented on page 77. During the 2011/12 fiscal year, the Board held ten meetings at which minutes were recorded.

As part of its work, the Board regularly visits Elekta's larger units around the world. During the year, the Board traveled to Beijing, China, for a meeting concerning emerging markets, where the Board held meetings with external experts and advisors, as well as to Veenendaal, the Netherlands, for a meeting at Nucletron's headquarters. Other meetings were held at the head office in Stockholm, all with Elekta's General Counsel acting as secretary. Representatives from the Executive Committee and other managerial representatives regularly participated in Board meetings to report on issues relating to their respective areas during the year.

MEETING ATTENDANCE AND FEES FOR THE BOARD OF DIRECTORS 2011/12, THOUSANDS

Name	Independent[1]	Regular Remuneration	Remuneration Compensation Committee	Remuneration Audit Committee	Attendance
Chairman:					
Akbar Seddigh	yes	725	70	–	10/10
Members:					
Hans Barella	yes	330	–	150	10/10
Luciano Cattani	yes	330	35	–	8/10
Birgitta Stymne Göransson	yes	330	–	70	10/10
Laurent Leksell	no	[2]	–	–	10/10
Siaou-Sze Lien	yes	330	–	–	6/10
Wolfgang Reim	yes	330	–	–	6/10
Jan Secher	yes	330	–	70	10/10
Total		**2,705**	**105**	**290**	

[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.

RULES OF PROCEDURE FOR THE BOARD

Within the Board of Directors, there is no special distribution of responsibility among Board members except for the tasks that the Board has delegated to the Executive Compensation Committee and the Audit Committee. In addition to the division of responsibilities that generally apply under the Swedish Companies Act, Elekta's articles of association and the Code, the work of the Board of Directors is regulated by its rules of procedure, which stipulate that the Board should, for example:

- Hold at least seven ordinary meetings.
- Resolve on 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 estate, shares or the acquisition of operations in another company.
- Decide on the establishment and capitalization of subsidiaries.
- Resolve on the terms of employment for the CEO.
- Resolve on the annual accounts and interim reports.

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

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

BOARD OF DIRECTORS

AKBAR SEDDIGH

Born: 1943

Chairman

Member of the Board since 1998

Holdings: 3,300 B-shares, 3,300 B-convertibles

Graduate Chemist, Marketing Specialist

Other board memberships:
Chairman of the Board: A+ Science Holding AB, Blekinge Tekniska Högskola, Innovationsbron AB and Sweden Bio
Member of the Board: Athera Biotechnologies AB and 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 Investment BV

LUCIANO CATTANI

Born: 1945

Member of the Board since 2008

Holdings: 1,000 B-shares, 1,000 B-convertibles

Interim CEO of Eucomed, Senior Advisor on Global Health Care to Private Equity Funds

Former Group President International and Former Executive Vice President International Public Affairs, Stryker Corporation MBA

Other board memberships:
Member of the Board: Egea-Carpi and Sorin (both non-executive)

LAURENT LEKSELL

Born: 1952

Member of the Board since 1972

Holdings: 3,562,500 A-shares, 2,419,925 B-shares (incl via companies), 45,000 employee options, 3,562,500 A-convertibles, 2,500,681 B-convertibles

Former President and CEO of Elekta AB, 1972–2005 and Executive 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

SIAOU-SZE LIEN

Born: 1950

Member of the Board since 2011

Holdings: –

Former Managing Director of Hewlett Packard's Asia-Pacific & Japan region

MSc

Other board memberships:
Luvata Holding, Nanyang Technological University (NTU), NTU's Confucius Institute and Republic Polytechnic Singapore

WOLFGANG REIM

Born: 1956

Member of the Board since 2011

Holdings: –

Former CEO of Draeger Medical

PhD in physics

Other board memberships:
Carl Zeiss Meditec AG (Germany), GN Store Nord A/S (Denmark), Esaote S.p.A. (Italy), Sabir Medical (Spain)

JAN SECHER

Born: 1957

Member of the Board since 2010

Holdings: 2,200 B-shares, 2,340 B-convertibles

Former CEO at Ferrostaal AG

MSc

Other board memberships:
Chairman of the Board: Peak Management AG

BIRGITTA STYMNE GÖRANSSON

Born: 1957

Member of the Board since 2005

Holdings: 1,900 B-shares, 1,900 B-convertibles

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 and Stockholm Chamber of Commerce

SIGNIFICANT DECISIONS DURING THE YEAR

In addition to decisions on plans and strategy, continuous monitoring of business operations and approval of interim and year-end reports, the Board of Directors decided during the 2011/12 fiscal year on matters including:

- Long-term financing and financial policy
- Plan for succession management
- The acquisition of Nucletron
- The divestment of the information system business for anatomical pathology, marketed under the PowerPath® brand
- A decision on the issue of convertible bonds with preferential rights for the company's shareholders
- Major investments in R&D and product development programs

Remuneration to the Board of Directors is resolved on by the AGM and is paid to those Board members who are not Elekta employees. Elekta has not introduced any share, or share-based incentive program for Board members are not employed in the Company. Remuneration to the respective members is detailed in the table on page 81.

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 within Elekta as well as other remuneration plans throughout Elekta.

The objective of the Committee is to achieve maximum shareholder and customer value through ensuring fairness and internal equality of the structure, scope and level of executive compensation in Elekta while maintaining market competitiveness.

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

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

During the 2011/12 fiscal year, the ECC held two formal meetings. Minutes were taken at every meeting. Attendance at the committee meetings was 100 percent. More important matters dealt with by the ECC during the fiscal year included:

- Yearly remuneration audit for the CEO and the Executive Managment
- Compensation benchmark for the CEO and Executive Managment
- Review of the Group's remuneration philosophy and strategy
- An evaluation of the company's existing long-term incentive plan
- Proposals for the revision of the long-term incentive plan

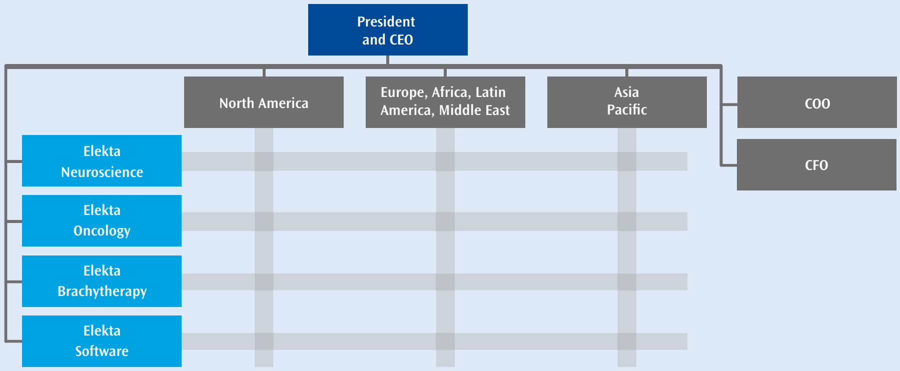
Information on Elekta's principles for remuneration of Executive Management and outstanding share and share-based incentive plans is presented on pages 78–79 and in Note 5.

AUDIT COMMITTEE

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

The Audit Committee's members were Hans Barella (Chairman), Birgitta Stymne Göransson and Jan Secher. During the 2011/12 fiscal year, the Audit Committee held four meetings. Minutes were taken at every meeting.

Elekta's organization



The more important matters dealt with by the Audit Committee during the fiscal year included:

- Monitoring of compliance and review of plans and measures for compliance
- Risk Management and prioritization of resources to ensure proper risk management
- Proposals for the establishment of an Internal audit function
- Evaluation of reports from external auditors
- Analysis of balance sheet and income statement, monitoring and review of performance indicators
- Review of principles for revenue recognition
- Review and evaluation of auditor's impartiality and independence
- Adoption of internal control processes

AUDITORS

The AGM on September 18, 2008 elected Deloitte AB as audit firm until the 2012 AGM, with Jan Berntsson as auditor in charge. Deloitte AB has been the auditor of Elekta AB since the 2002 AGM.

Jan Berntsson, born 1964 and an authorized public accountant, has been senior auditor of Elekta AB since 2008.

In addition to Elekta, Jan Berntsson's auditing assignments include Atlas Copco 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.

PRESIDENT AND CEO

The President and CEO is appointed by the Board of Directors and shall oversee the operational management of Elekta 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, of major significance, or are explicitly defined as the responsibility of the Board of Directors.

Tomas Puusepp has served as President and CEO of Elekta since May 1, 2005. Born in 1955, he has a total of 30 years of experience in international medical technology. Following studies in engineering and physics and management training at IMD in Lausanne, Switzerland, Tomas Puusepp held various positions at the Research Institute for Atomic Physics, Scanditronix and Ericsson before being employed by Elekta in 1988. Since then, he 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 has no 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 holding in Elekta is noted in the presentation of the Executive Committee on page 85.

EXECUTIVE MANAGEMENT

Elekta's Executive Management consists of the President and CEO, the Chief Financial Officer, the Chief Operating Officer, the managers of four product areas and the three regions – a total of ten members. The President and CEO oversees the work of the Executive Managment and the Executive Managment makes jointly decisions after consulting with the team. Executive Manganment meetings are held one or two days each month. The meetings, with Elekta's General Counsel acting as secretary, are often held in conjunction with visits to the Group's various units. Details regarding remuneration of the President and CEO and Executive Managment are provided in Note 5.

FINANCIAL REPORTING AND INFORMATION

Elekta provides the market with continuous information regarding the Company's performance and financial position in accordance with the guidelines specified in the Board's communications policy. Financial information is published regularly in the form of:

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

According to policy, Elekta has a silent period prior to each quarterly report, during which the Company does not present at investor seminars or conduct meetings with investors or analysts, in person or over telephone. The length of this silent period is to be determined by the CEO. It should not be shorter than 14 days.

RISK MANAGEMENT AND INTERNAL CONTROL

During the year, Elekta continued the implementation of a more systematic approach in working with risk management and internal control resulting in the Elekta Risk Management and Internal Control process, see figure on page 86. The method was developed from already established approaches to identify and handle risks and includes risk management and internal control as an integral part of the strategy and management processes. The method is to focus on managing strategic risks, operational risks, legal and regulatory compliance risks and risks related to financial reporting with the aim of providing reasonable assurance that Elekta's long and short-term objectives are achieved. Risk Management and Internal Control over financial reporting aim to make external financial reporting reliable in relation to 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 sets standards for corporate conduct. The internal environment embraces Elekta's mission, vision

EXECUTIVE MANAGEMENT

TOMAS PUUSEPP

Born: 1955

President and CEO, Acting Executive Vice President Europe, Middle East and Africa[1]

Employed since 1988

Holdings: 150,000 B-shares, 150,000 B-convertibles

[1] Acting since 5 June 2012. In fiscal year 2011/12 Olof Sanden was Executive Vice President, Region Europe, Africa, Latin America and the Middle East.

JOHAN SEDIHN

Born: 1965

Chief Operating Officer[2]

Employed since 1993

Holdings: 19,753 B-shares, 19,753 B-convertibles

[2] Appointed on 5 June 2012.

HÅKAN BERGSTRÖM

Born: 1956

CFO

Employed since 2001

Holdings: 35,013 B-shares, 35,013 B-convertibles

JAMES P. HOEY

Born: 1958

Executive Vice President, Region North America

Employed since 2005 (Founded IMPAC 1990)

Holdings: 1,500 B-shares

GILBERT WAI

Born: 1953

Executive Vice President, Region Asia Pacific

Employed since 1998

Holdings: 161,100 B-shares

ÅSA HEDIN

Born: 1962

Executive Vice President, Elekta Neuroscience

Employed 1994–2000 and since 2007

Holdings: 327 B-shares, 40,000 employee options, 327 B-convertibles

BILL YAEGER

Born: 1961

Executive Vice President, Elekta Oncology[3]

Employed 2000–2008 and since 2011

Holdings: 1,050 B-shares

[3] Appointed on 5 June 2012. In fiscal year 2011/12 Johan Sedihn was Executive Vice President, Elekta Oncology.

JOHN LAPRÉ

Born: 1964

Executive Vice President Elekta Brachytherapy[4]

Employed since 2011 (Employeed at Nucletron since 2009)

Holdings: 1,215 B-shares

[4] Appointed on 5 June 2012. In fiscal year 2011/12 Jos Lamers was Executive Vice President, Elekta Brachytherapy.

TODD POWELL

Born: 1965

Executive Vice President, Elekta Software

Employed since 2005 (Employed at IMPAC since 1992)

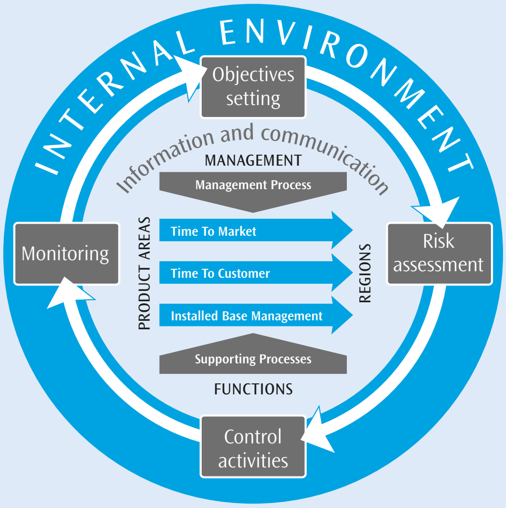
Holdings: 6,612 employee options

and values as guiding principles and is supplemented by further descriptions in the company's business-management systems, which encompass documented policies, procedures, processes and terms of reference that are made available in the organization.

The Elekta Code of Conduct serves as an overall policy to ensure that all employees understand, and act in accordance with, the company's responsibility regarding business ethics and conduct in the areas of social, environmental and economic issues. Other policies, procedures, processes and terms of reference describe how Elekta conducts its business operations, including the strategy and management process, the main business processes (Time to Market, Time to Customer and Installed Base Management) and supporting processes such as purchasing, customer feedback, IT and human resources. There are also policies, procedures, processes and terms of reference regarding the financial reporting in the Financial Guide, including authorization procedures, accounting policy and reporting instruction. In addition, there are terms of reference established for supporting, for example, the accounting IT systems and an information policy.

As a medical technology company, Elekta operates according to several external requirements and standards established by supervisory authorities. These requirements and standards are implemented and followed up through the company's Business Management Systems.

The organizational structure is transparent with defined roles, whereby authorities and responsibilities are documented in job descriptions at all levels in the Company. The Board of Directors has established terms of reference for the Board of Directors, the Audit Committee, the Executive Compensation Committee, the CEO and instructions regarding financial reporting. Evaluation of performance is done on an annual basis in order to ensure relevant competency and any needs for personal development. The organizational structure is described on page 83.



The Elekta Risk Management and Internal Control process is developed from the principles and definition of Enterprise Risk Management established by COSO, The Committee of Sponsoring Organizations of the Treadway Commission.

Objectives and risk assessment

As part of the Elekta strategy and management processes, the Company establishes long and short-term objectives. A risk assessment is performed in connection with the strategy process in order to identify the risks that could affect the achievement of the established objectives, including risks in conjunction with financial reporting, under the supervision of the Risk Manager. The risks are documented in a company risk map. In addition, risks that emerge during the year are continuously evaluated and added, where necessary, to the company risk map. The major risks are described on pages 74 and 102–103.

The risk assessment is performed by assessing the risk level, based on an impact and probability perspective, and defines the appropriate actions for managing the risks. All risks are subsequently handled by appointed risk owners and risk actionees.

Governance activities

The governance activities are designed to manage risks that the Audit Committee, the CEO and the Executive Managment believe could impact the achievement of the established strategic objectives, and the objectives for business operations, legal and regulatory compliance and for financial reporting.

Policies and Procedures are established and implemented to ensure that the risk responses are effectively carried out, for example:

- Changes in the business model to avoid risks
- Accept the current risk level and ensuring the monitoring of any changes
- Improve business processes to mitigate risks
- Share risk between entities
- Transfer risks to external parties as appropriate

Governance activities regarding financial reporting are designed so that the fundamental requirements on the external financial reporting are fulfilled. They comprise overall and detailed controls and could be preventative or detective. Governance activities are often integrated in central processes, such as order and revenue recognition, and should comprise analytical reviews such as outcome and performance follow-up. Areas that are covered by control activities include approvals and authorizations of business transactions, reliability of business IT systems, compliance with laws, applicable accounting standards and other requirements on listed companies and areas that include a certain degree of assessment.

Monitoring

Monitoring of the risk management and internal control process to ensure the effectiveness of the process is conducted by the Board of Directors, the Audit Committee, the CEO, the Executive Managment and other appointed dedicated committees and relevant employees. Monitoring includes such actions as review of monthly operational and financial reports, quarterly business reviews, monthly reviews of order recognition by the Order Committee and follow-up of internal quality audit reports of the business operations related to, for example, quality of product, product development and manufacturing by the Quality function, and reports from the external auditors.

The status of prioritized risks is compiled by the risk manager and reported on a quarterly basis to the Audit Committee and the Board, while all overall company risks are monitored by the Executive Management as an integrated part of business reviews.

Information and communication

As part of the Elekta strategy and management processes, the Board of Directors, the CEO and the Executive Management decide on the company's long-term strategies, operational plans and company policies. These are all communicated to relevant levels within the company as a basis for organizational control.

Management at different levels within the organization makes daily decisions based on relevant reported operational and financial information and ensures that decisions are implemented and are in line with overall strategies, plans and policies.

Elekta has several different channels for communication within the organization, including the company's intranet, information letters, regular meetings and company magazines. The aim is to ensure that necessary information reaches the relevant employees.

The Elekta communications policy regulates communication with external parties including the financial market.

Suspected violations of the Code of Conduct can be reported, also anonymously, directly to Elekta's Corporate Social Responsibility Officer.

The company currently has no separate internal audit function. During the year, activities related to risk management and internal control over financial reporting were performed by the risk manager, other internal functions and external resources. The Board of Directors continuously evaluates the need and scope of an internal audit function for financial reporting.

INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME

INCOME STATEMENT

		Group		Parent Company	
SEK M	Note	2011/12	2010/11	2011/12	2010/11
Net sales	4	9,048	7,904	–	–
Cost of products sold		–4,831	–4,237	–	–
Gross profit		**4,217**	**3,667**	**–**	**–**
Selling expenses		–1,084	–957	–	–
Administrative expenses		–754	–749	–87	–97
R&D expenses		–604	–552	–	–
Exchange rate differences		62	93	0	–2
Operating result before non-recurring items		**1,837**	**1,502**	**–87**	**–99**
Transaction and restructuring costs		–168	–	–24	–
Net gain from divested business		180	–	–	–
Operating result	**4–9**	**1,849**	**1,502**	**–111**	**–99**
Income from participations in Group companies	10	–	–	768	357
Income from participations in associates	11	–1	–1	–	6
Interest income and similar items	12	45	26	112	26
Interest expenses and similar items	12	–200	–58	–179	–45
Exchange rate differences		15	–5	10	–5
Appropriations	13	–	–	0	9
Profit before tax		**1,708**	**1,464**	**600**	**249**
Income taxes	14	–480	–433	–4	0
Profit for the year		**1,228**	**1,031**	**596**	**249**
Profit attributable to:					
Parent company shareholders		1,227	1,031		
Non-controlling interests		1	0		
Earnings per share:					
Earnings per share before dilution, SEK		13.04	11.04		
Earnings per share after dilution, SEK		12.91	10.91		
Average number of shares before dilution, thousands		94,108	93,341		
Average number of shares after dilution, thousands		95,031	94,507		

STATEMENT OF COMPREHENSIVE INCOME

Profit for the year	**1,228**	**1,031**	**596**	**249**
Other comprehensive income:				
Revaluation of cash-flow hedges	–94	62	–	–
Translation differences from foreign operations	171	–322	–	–
Hedge of net investment	9	–9	9	–9
Income tax relating to components of other comprehensive income	22	–14	–2	2
Other comprehensive income, net	**108**	**–283**	**7**	**–7**
Total comprehensive income	**1,336**	**748**	**603**	**242**
Comprehensive income attributable to:				
Parent company shareholders	1,335	748		
Non-controlling interests	1	0		

COMMENTS ON THE INCOME STATEMENT

In the income statement presented on the previous page non-recurring items have been separately recognized. The table below presents the income statement down to operating result before and after non-recurring items with non-recurring items allocated by function.

		Group 2011/12				Parent Company 2011/12		
SEK M	Note	Excluding non-recurring items	Transaction and restructuring costs	Net gain from divested business	Including non-recurring items	Excluding non-recurring items	Transaction and restructuring costs	Including non-recurring items
Net sales	4	9,048	–	–	9,048	–	–	–
Cost of products sold		–4,831	–5	–	–4,836	–	–	–
Gross profit		**4,217**	**–5**	**–**	**4,217**	**–**	**–**	**–**
Selling expenses		–1,084	–10	–	–1,094	–	–	–
Administrative expenses		–754	–149	–	–903	–87	–24	–111
R&D expenses		–604	–4	–	–608	–	–	–
Other operating income		–	–	180	180	–	–	–
Exchange rate dfferences		62	–	–	62	–	–	–
Operating result	**4–9**	**1,837**	**–168**	**180**	**1,849**	**–87**	**–24**	**–111**

Net sales

Net sales rose 14 percent to SEK 9,048 M (7,904) equivalent to 18 percent based on unchanged exchange rates. Excluding Nucletron and based on unchanged exchange rates, net sales grew by 7 percent.

	Net sales, SEK M	Change, %	Operating profit, SEK M	Change, %
Q1	1,428	–12	92	–40
Q2	1,936	3	385	27
Q3	2,565	41	597	102
Q4	3,119	21	775	3
Full year 2011/12	**9,048**	**14**	**1,849**	**23**

Earnings

Operating result increased by 22 percent and amounted to SEK 1,837 M (1,502). The increase is mainly related to higher volumes. The effect from changes in exchange rates was negative SEK 100 M.

Gross margin amounted to 47 percent (46) and operating margin was 20 percent (19).

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

Research and development expenditures before capitalization of development costs rose 18 percent to SEK 778 M (638) equal to 9 percent (8) of net sales. Capitalization of development costs and amortization of capitalized development costs amounted to net SEK 201 M (92), of which SEK 174 M (86) relates to the R&D funtion. Capitalization within the R&D function amounted to SEK 246 M (148)) and amortization to SEK 72 M (62).

Costs for Elekta's ongoing incentive programs amounted to SEK 35 M (47).

The change in unrealized exchange rate effects from cash flow hedges amounted to SEK –94 M (62) and is reported in other comprehensive income. Closing balance of unrealized exchange rate effects from cash flow hedges in shareholders' equity was SEK 34 M (128) 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 –141 M (–38). The change over last year is mainly due to the financing of the acquisition of Nucletron.

Income before tax amounted to SEK 1,708 M (1,464). Tax expense amounted to SEK 480 M (433) or 28 percent (30). Profit after tax amounted to SEK 1,228 M (1,031).

BALANCE SHEET

SEK M	Note	Group April 30, 2012	Group April 30, 2011	Parent Company April 30, 2012	Parent Company April 30, 2011
ASSETS					
Non-current assets					
Intangible assets	15	6,457	2,692	–	–
Tangible fixed assets	16	407	236	–	–
Shares in subsidiaries	17	–	–	1,764	1,729
Shares in associates	18	4	3	15	12
Receivables from subsidiaries	19	–	–	2,754	85
Other financial assets	19	143	64	38	22
Deferred tax assets	14	233	206	15	17
Total non-current assets		**7,244**	**3,201**	**4,586**	**1,865**
Current assets					
Inventories	20	755	540	–	–
Accounts receivable	21	2,692	2,273	1	–
Accrued income		1,953	1,080	–	–
Receivables from subsidiaries		–	–	2,608	1,023
Other current receivables	22	696	505	112	43
Cash and cash equivalents	23	1,895	1,363	1,347	1,006
Total current assets		**7,991**	**5,761**	**4,068**	**2,072**
Total assets		**15,235**	**8,962**	**8,654**	**3,937**
EQUITY AND LIABILITIES					
Equity					
Parent company shareholders:					
Share capital	24	191	189	191	189
Contributed funds		688	489	–	–
Statutory reserve		–	–	156	156
Reserves		–238	–346	–	–
Retained earnings		4,357	3,500	1,957	1,531
Parent company shareholders, total		*4,999*	*3,832*	*2,304*	*1,876*
Non-controlling interests		*11*	*1*	–	–
Total equity		**5,010**	**3,833**	**2,304**	**1,876**
Untaxed reserves	13	**–**	**–**	**30**	**30**
Non-current liabilities					
Long-term interest-bearing liabilities	25	4,417	782	4,467	817
Deferred tax liabilities	14	675	300	–	–
Long-term provisions	26	181	109	22	22
Other long-term liabilities		11	10	–	–
Total non-current liabilities		**5,284**	**1,201**	**4,489**	**839**
Current liabilities					
Short-term interest-bearing liabilities	25	113	99	1,705	1,155
Accounts payable		842	544	12	3
Advances from customers		1,086	1,113	–	–
Current tax liabilities	14	181	194	–	–
Short-term provisions	26	63	63	–	–
Other current liabilities	27	2,656	1,915	114	34
Total current liabilities		**4,941**	**3,928**	**1,831**	**1,192**
Total equity and liabilities		**15,235**	**8,962**	**8,654**	**3,937**
Assets pledged	28	7	3	–	–
Contingent liabilities	29	68	55	1,043	804

COMMENTS ON THE BALANCE SHEET

Assets and capital employed

The Group's total assets increased by SEK 6,273 M to SEK 15,235 M (8,962) whereof Nucletron contributed with SEK 4,262 M at the date of acquisition.

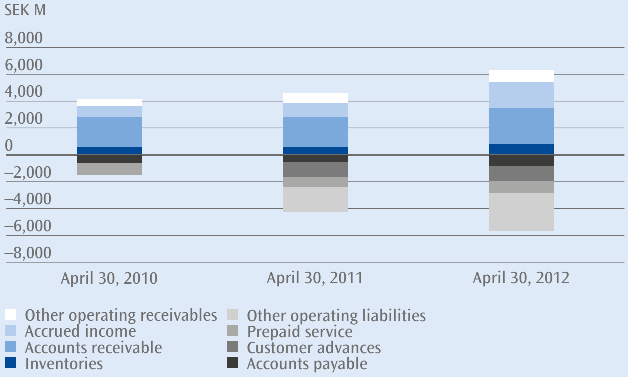
The Group's fixed assets totaled SEK 7,244 M (3,201) at year-end of which goodwill amounted to 4,482 M (2,047). The increase in goodwill is mainly attributable to the Nucletron acquisition.

Current assets, excluding cash and cash equivalents, increased by SEK 1,698 M to SEK 6,096 M (4,398). Accounts receivable, accrued income and inventories increased by 39 (6) percent. Inventory value in relation to net sales was 8 percent (7).

Cash and cash equivalents increased by SEK 532 M to SEK 1,895 M (1,363) at year-end, totaling 12 percent (15) of total assets. Of total bank balances SEK 7 M (3) were pledged primarily for commercial guarantees.

The Group's capital employed increased to SEK 9,540 M (4,714). The increase mainly due to the acquisition of Nucletron. Capital turnover ratio was 0.8 (0.9).

Composition of working capital



Liabilities and shareholders' equity

Interest-bearing liabilities totaled SEK 4,530 M (881) on April 30, 2012.

Net debt amounted to SEK 2,635 (net cash 482) M. Net debt/equity ratio was 0.53 (–0.13) and equity/assets ratio was 33 percent (43).

Interest-free liabilities and provisions increased with 1,447 to SEK 5,695 M (4,248). Operating assets exceeded operating liabilities by SEK 634 M (356).

Shareholders' equity was SEK 5,010 M (3,833).

Return on shareholders' equity was 29 percent (30) and return on capital employed totaled 28 percent (35).

CHANGES IN SHAREHOLDERS' EQUITY

Group, SEK M	Share capital	Other contributed capital	Translation reserve	Hedge reserve	Retained earnings	Elekta AB's owners, total	Non-controlling interests	Total equity
Opening balance May 1, 2010	186	312	–112	49	2,808	**3,243**	1	**3,244**
Profit for the year					1,031	**1,031**	0	**1,031**
Revaluation of cash-flow hedges	–	–	–	*62*	–	***62***	–	***62***
Translation differences from foreign operations	–	–	*–321*	–	–	***–321***	*0*	***–321***
Exchange difference on net investment in foreign operations	–	–	*–9*	–	–	***–9***	–	***–9***
Tax relating to components of other comprehensive income (Note 14)	–	–	*2*	*–17*	–	***–15***	–	***–15***
Other comprehensive income, net after tax	0	0	–328	45	0	**–283**	0	**–283**
Total comprehensive income	**0**	**0**	**–328**	**45**	**1,031**	**748**	**0**	**748**
Dividend	–	–	–	–	–280	**–280**	–	**–280**
Incentive programs	–	–	–	–	19	**19**	–	**19**
Tax effect incentive programs	–	–	–	–	22	**22**	–	**22**
Repurchase of shares	–	–	–	–	–100	**–100**	–	**–100**
Exercise of warrants	3	177	–	–	–	**180**	–	**180**
Transactions with the shareholders, total	**3**	**177**	**–**	**–**	**–339**	**–159**	–	**–159**
Closing balance April 30, 2011	**189**	**489**	**–440**	**94**	**3,500**	**3,832**	**1**	**3,833**
Opening balance May 1, 2011	189	489	–440	94	3,500	**3,832**	1	**3,833**
Profit for the year					1,227	**1,227**	1	**1,228**
Revaluation of cash-flow hedges	–	–	–	*–94*	–	***–94***	**–**	***–94***
Translation differences from foreign operations	–	–	*171*	–	–	***171***	**–**	***171***
Exchange difference on net investment in foreign operations	–	–	*9*	–	–	***9***	**–**	***9***
Tax relating to components of other comprehensive income (Note 14)	–	–	*–2*	*24*	–	***22***	**–**	***22***
Other comprehensive income, net after tax	0	0	178	–70	0	**108**	1	**109**
Total comprehensive income	**0**	**0**	**178**	**–70**	**1,227**	**1,335**	**1**	**1,336**
Acquisition	–	–	–	–	–	**–**	10	**10**
Dividend	–	–	–	–	–376	**–376**	–	**–376**
Incentive programs	–	–	–	–	25	**25**	–	**25**
Tax effect incentive programs	–	–	–	–	–19	**–19**	–	**–19**
Exercise of warrants	2	113	–	–	–	**115**	–	**115**
Option value convertibel loan	–	86	–	–	–	**86**	–	**86**
Transactions with the shareholders, total	**2**	**199**	**–**	**–**	**–370**	**–169**	**10**	**–159**
Closing balance April 30, 2012	**191**	**688**	**–262**	**24**	**4,357**	**4,999**	**11**	**5,010**

COMMENTS ON CHANGES IN SHAREHOLDERS' EQUITY

In 2011 Elekta paid a dividend of SEK 4.00 per share, totaling SEK 376 M. The dividend payment has affected equity through a reduction of retained earnings.

During 2011/12, 1,010,147 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 115 M in total.

The total number of shares in Elekta as of April 30, 2012, amounted to 95,249,816 of which 3,562,500 A-shares and 91,687,316 B-shares.

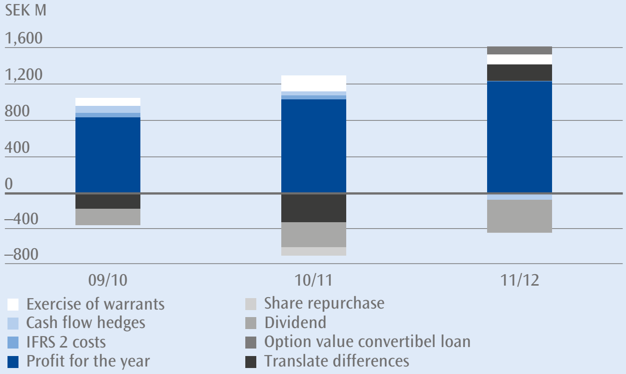
See Note 24 for more information on share capital.

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 178 M in 2011/12. Shareholders' equity in foreign currency is hedged when it is deemed appropriate in individual cases.

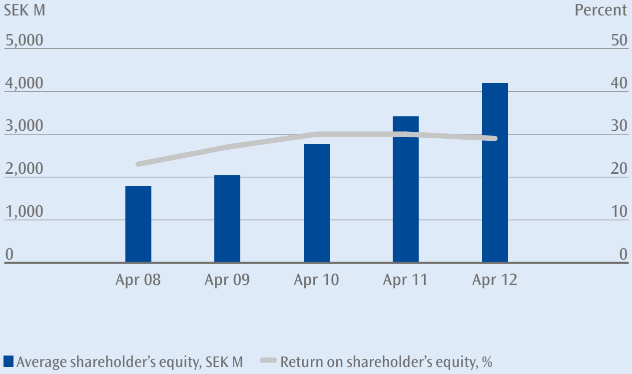
The translation reserve includes all exchange rate differences arising in conjunction with the translation of foreign operations that have

Parent Company, SEK M	Share capital	Statutory reserve	Premium reserve	Retained earnings	Total equity
Opening balance May 1, 2010	186	156	156	1,336	**1,834**
Profit for the year				249	**249**
Exchange difference on net investment in subsidiary	–	–	–	*–9*	***–9***
Tax relating to components of other comprehensive income (Note 14)	–	–	–	*2*	***2***
Other comprehensive income	0	0	0	–7	**–7**
Total comprehensive income	**0**	**0**	**0**	**242**	**242**
Dividend	–	–	–	–280	**–280**
Repurchased shares	–	–	–	–100	**–100**
Exercise of warrants	3	–	177	–	**180**
Transactions with the shareholders, total	**3**	**–**	**177**	**–380**	**–200**
Closing balance April 30, 2011	**189**	**156**	**333**	**1,198**	**1,876**
Opening balance May 1, 2011	189	156	333	1,198	**1,876**
Profit for the year				596	**596**
Exchange difference on net investment in subsidiary	–	–	–	*9*	***9***
Tax relating to components of other comprehensive income (Note 14)	–	–	–	*–2*	***–2***
Other comprehensive income	0	0	0	7	***7***
Total comprehensive income	**0**	**0**	**0**	**603**	**603**
Dividend	–	–	–	–376	**–376**
Repurchased shares	–	–	–	–	**–**
Exercise of warrants	2	–	113	–	**115**
Option value convertibel loan	–	–	86	–	**86**
Transactions with the shareholders, total	**2**	–	**199**	**–376**	**–175**
Closing balance April 30, 2012	**191**	**156**	**532**	**1,425**	**2,304**

Changes in shareholders' equity



Shareholders' equity and return



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 –262 M on April 30, 2012.

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 2011/12 the change in the hedge reserve was SEK –70 M after tax and the closing balance of the hedge reserve was SEK 24 M.

CASH FLOW STATEMENT

SEK M	Note	Group 2011/12	Group 2010/11	Parent Company 2011/12	Parent Company 2010/11
Operating activities					
Profit before tax		1,709	1,464	600	249
Depreciation / Amortization	6, 15, 16	295	241	–	–
Other non-cash items	30	–169	–114	–53	0
Change in working capital	30	–641	–340	–1,565	221
Cash flow from operating activities before interest and tax		*1,194*	*1,251*	*–1,018*	*470*
Interest received		35	16	21	25
Interest paid		–132	–44	–118	–44
Income taxes paid	14	–462	–383	–3	–5
Cash flow from operating activities		**635**	**840**	**–1,118**	**446**
Investing activities					
Business combinations	30	–3,363	–250	–	–
Divestments of business		201	–	–	–
Investments in subsidiaries	17	–	–	393	–310
Investments in other shares	18	–4	–8	4	7
Repayments from partnerships	18	5	8	–	–
Increase (–) / decrease (+) in long-term receivables		–16	0	–2,694	4
Investments in intangible assets	15	–4	–10	–	–
Investments in machinery and equipment	16	–128	–89	–	–
Sale of fixed assets		11	0	–	–
Cash flow from investing activities		**–3,298**	**–349**	**–2,297**	**–299**
Cash flow after investments		**–2,263**	**491**	**–3,415**	**147**
Financing activities					
Borrowings		3,342	17	3,933	425
Repayment of debt		–1	–44	–	–44
New issues, warrant premiums, repurchase of shares		199	80	199	80
Dividend		–376	–280	–376	–280
Cash flow from financing activities		**3,164**	**–227**	**3,756**	**181**
Cash flow for the year		**501**	**264**	**341**	**328**
Change in cash and cash equivalents during the year					
Cash and cash equivalents at the beginning of the year		1,363	1,174	1,006	678
Cash flow for the year		501	264	341	328
Exchange rate differences		31	–74	–	–
Cash and cash equivalents at the end of the year	**23**	**1,895**	**1,363**	**1,347**	**1,006**

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 1,276 M (1,180), an improvement of SEK 146 M compared with the preceding year.

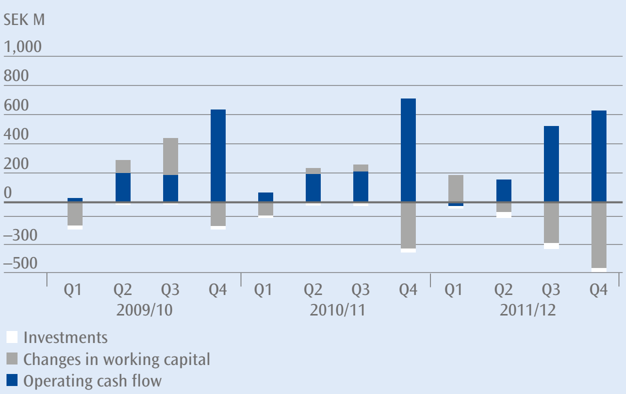
Cash flow from operating activities amounted to SEK 635 M (840), the cash flow from operating activites including transactions and restructuring cost for the Nucletron acqusition of SEK 168 M.

Cash flow from continuous investments and divestments amounted to SEK –132 M (–90). Cash flow after continuous investments was SEK 503 M (750).

Cash flow after investments was positive SEK –2,663 M (491), including business combinations of SEK –3,166 M (–259).

Cash flow after continuous investments

Specification of cash flow after continuous investments



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, 2012, 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, 2011

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 24 Related Party Disclosures. Effective 1 January 2011
- 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

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
- IFRS 7 Financial Instruments: Disclosures. Effective 1 July 2013. Not yet endorsed by the EU
- IFRS 9 Financial Instruments. Effective 1 January 2015. Not yet endorsed by the EU
- IFRS 10 Consolidated Financial Statements. Effective 1 January 2014 Not yet endorsed by the EU
- IFRS 11 Joint Arrangements. Effective 1 January 2014. Not yet endorsed by the EU
- IFRS 12 Disclosure of Interests in Other Entities. Effective 1 January 2014. 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.
- 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 27 Separate Financial Statements. Effective 1 January 2014 Not yet endorsed by the EU
- IAS 28 Investments in Associates and Joint Ventures. Effective 1 January 2014. Not yet endorsed by the EU
- IAS 32 Financial instruments: Presentation. Effective 1 January 2014 Not yet endorsed by the EU
- Improvements to IFRS (May 2012). Effective 1 January, 2013. Not yet endorsed by the EU

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 subsidiaries. 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 Managment. 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 for three geographic regions which are Elekta's operating segments:

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

The same accounting principles are applied in the segment reporting as for the Group.

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 deprecation. 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 for example 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.

A convertible loan is recognized as a compound financial instrument divided into a liability component and an equity component. Upon initial recognition of the convertible bond, the fair value of the liability component is determined based on the present value of the contractually determined stream of cash flows based on a discount rate determined from the market rate of comparable instruments without the conversion option. Subsequent to initial recognition, the liability component is measured based on its amortized cost, using the effective interest method. The carrying value of the liability component gradually approaches the nominal value of the convertible loan. The gradual increase in the liability component is recognized in the income statement as interest expense and the total interest expense of the convertible loan therefore includes the gradual increase in the liability component as well as the cash coupon. The equity component is calculated as the difference between the nominal value of the convertible loan and the initially recognized liability component. The equity component is carried at a fixed value in shareholders' equity. Transaction costs related to the issue of the convertible loan are distributed between the liability and equity component in proportion to the distribution of the issue proceeds. The transaction costs are included in the calculation of amortized cost, using the effective interest method, and are expensed over the term of the convertible loan.

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 reported in accordance wit RFR 2. Group contributions received and paid are recognized as financial inome and finanial expenses repectively in the inome statement. The tax effect of group contributions is recognized in the inome statement in accordance with IAS 12.

EXCHANGE RATES

		Average rate			Closing rate		
Country	Currency	April 30, 2012	April 30, 2011	Change	April 30, 2012	April 30, 2011	Change
Australia	AUD	6.884	6.608	4%	7.020	6.555	7%
Canada	CAD	6.631	6.855	–3%	6.851	6.308	9%
China	CNY	1.036	1.039	0%	1.065	0.930	15%
Euroland	EUR	9.019	9.220	–2%	8.900	8.911	0%
Great Britain	GBP	10.514	10.848	–3%	10.943	10.010	9%
Hong Kong	HKD	0.849	0.894	–5%	0.866	0.773	12%
Japan	JPY	0.084	0.082	2%	0.084	0.074	14%
USA	USD	6.604	6.949	–5%	6.721	6.005	12%

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 0.5. On April 30, 2010 shareholders' equity in Elekta amounted to SEK 5,010 M (3,833) and net debt/equity ratio was 0.53 (–0.13).

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 99 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.

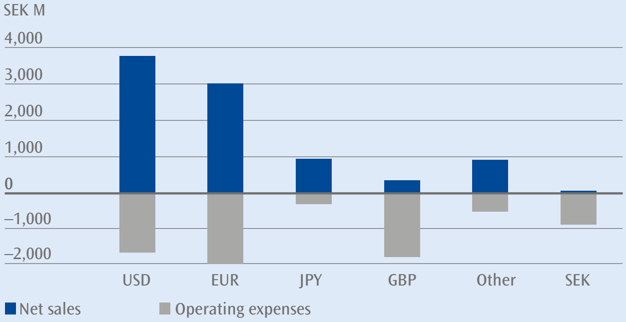
Translation exposure

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 27 M. Currency hedging limits the short-term effect of exchange rate movements. The Group's net sales and operating expenses by currency for 2011/12 are shown in the following diagram.

NET SALES AND OPERATING EXPENSES PER CURRENCY 2011/12



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 12 percent (15) 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, 2012, interest-bearing liabilities totaled SEK 4,530 M (881), of which SEK 1 M (2) pertained to financial leasing. The average fixed interest term was 5.2 years (2.8) and the weighted average interest rate taking interest rate derivatives into account was 3.7 percent (3.7). 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 16 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	1 yr	1–5 yrs	> 5 yrs	April 30, 2012 Total
Loans (Note 25)	263	3,726	1,627	5,616
Finance leases (Note 25)	1	–	–	1
Accounts payable	842	–	–	842
Derivative financial instruments (Note 27)	42	–	–	42
Other liabilities (Note 27)	210	–	–	210
Total	**1,358**	**3,726**	**1,627**	**6,711**

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, 2012, available cash and cash equivalents amounted to SEK 1,888 M (1,360), or 21 percent (17) of net sales. In addition, Elekta had SEK 2,351 M (1,351) 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

		April 30, 2012		April 30, 2011	
SEK M	Note	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	8	8	7	7
Loan receivables and accounts receivable:					
Other financial assets	19	143	143	64	64
Accounts receivable	21	2,692	2,692	2,273	2,273
Other receivables	22	245	245	147	147
Cash and cash equivalents	23	1,895	1,895	1,363	1,363
Derivatives used for hedging purposes:					
Derivative financial instruments – hedging	22	83	83	175	175
FINANCIAL LIABILITIES					
Financial liabilities at fair value through profit or loss:					
Derivative financial instruments – non-hedging	27	35	35	11	11
Financial liabilities measured at amortized cost:					
Long-term interest-bearing liabilities	25	4,417	4,612	782	602
Short-term interest-bearing liabilities	25	113	113	99	99
Accounts payable		842	842	544	544
Other liabilities	27	210	210	171	171
Derivatives used for hedging purposes:					
Derivative financial instruments – hedging	27	7	7	14	14

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

	April 30, 2012				April 30, 2011			
SEK M	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	–	8	–	8	–	7	–	7
Derivatives used for hedging purposes:								
Derivative financial instruments – hedging	–	83	–	83	–	175	–	175
Total financial assets	**–**	**91**	**–**	**91**	**–**	**182**	**–**	**182**
FINANCIAL LIABILITIES								
Financial liabilities at fair value through profit or loss:								
Derivative financial instruments – non-hedging	–	35	–	35	–	11	–	11
Derivatives used for hedging purposes:								
Derivative financial instruments – hedging	–	7	–	7	–	14	–	14
Total financial liabilities	**–**	**42**	**–**	**42**	**–**	**25**	**–**	**25**

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

	April 30, 2012				April 30, 2011			
SEK M	Nominal	Asset	Liability	Hedge reserve after tax	Nominal	Asset	Liability	Hedge reserve after tax
Currency derivatives:								
Cash flow hedges	1,566	42	7	24	2,344	142	14	94
Non-hedging	2,023	8	35	–	1,137	2	8	–
Currency derivatives, total	**3,589**	**50**	**42**	**24**	**3,481**	**144**	**22**	**94**
Interest rate derivatives:								
Fair value hedges	269	41	–	–	240	33	0	–
Non-hedging	–	–	–	–	0	5	3	–
Interest rate derivatives, total	**269**	**41**	**–**	**–**	**240**	**38**	**3**	**–**
Derivatives, total	**3,858**	**91**	**42**	**–**	**3,721**	**182**	**25**	**94**

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

	April 30, 2012				April 30, 2011			
Currencies	Currency	Amount	Term	Exchange rate	Currency	Amount	Term	Exchange rate
USD/SEK	USD	38 M	3–12 mon	6.760 USD/SEK	USD	50 M	2–24 mon	7.139 USD/SEK
USD/GBP	USD	56 M	2–12 mon	0.628 USD/GBP	USD	78 M	2–24 mon	0.642 USD/GBP
EUR/SEK	EUR	22 M	5–18 mon	9.212 EUR/SEK	EUR	42 M	6–24 mon	9.542 EUR/SEK
EUR/GBP	EUR	40 M	2–18 mon	0.864 EUR/GBP	EUR	66 M	3–24 mon	0.867 EUR/GBP
JPY/SEK	JPY	2,800 M	3–18 mon	0.086 JPY/SEK	JPY	4,100 M	3–24 mon	0.084 JPY/SEK
JPY/GBP	JPY	1,200 M	3–12 mon	0.008 JPY/GBP	JPY	2,200 M	3–24 mon	0.008 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

2011/12 SEK M	North and South America	Europe, Middle East and Africa	Asia Pacific	Group total	Percent of net sales
Net sales	3,122	3,206	2,720	9,048	
Operating expenses	–1,981	– 2,095	–1,854	–5,930	66
Contribution margin	**1,141**	**1,111**	**866**	**3,118**	**34**
Contribution margin, %	37	35	32	34	
Non-recurring items				12	
Global costs				–1,281	
Operating result				**1,849**	
Income from participations in associated companies				–1	
Interest income and similar items				45	
Interest expenses and similar items				–200	
Exchange rate differences				15	
Income before tax				**1,708**	
Income tax				–480	
Profit for the year				**1,228**	
Net sales per product type					
Hardware	1,441	1,867	1,846	5,154	
Software / Service	1,681	1,339	874	3,894	
Total	**3,122**	**3,206**	**2,720**	**9,048**	
Depreciation / Amortization	–124	–148	–23	–295	
Investments	139	260	33	432	

2010/11 SEK M	North and South America	Europe, Middle East and Africa	Asia Pacific	Group total	Percent 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**	
Depreciation / Amortization	–129	–94	–18	–241	
Investments	95	161	18	274	

NOTE 4 Segment reporting, cont.

NET SALES PER COUNTRY

SEK M	2011/12	2010/11
Sweden	56	42
USA	2,477	2,352
Japan	962	958
China	799	550
Germany	488	439
Italy	370	338
United Kingdom	348	275
Australia	345	219
France	324	297
Canada	308	177
India	271	182
Other countries	2,300	2,075
Total	**9,048**	**7,904**

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

	Group		Parent Company	
SEK M	2011/12	2010/11	2011/12	2010/11
Salaries, wages and other remuneration:				
Board of Directors and CEO	92	73	10	13
Other employees	1,869	1,613	25	20
Total salaries, wages and other remuneration	**1,961**	**1,686**	**35**	**33**
Pensions costs	120	99	7	9
Other social security costs	306	252	18	21
Total social security costs	**426**	**351**	**25**	**30**
Total salaries, wages, other remuneration and social security costs	**2,387**	**2,037**	**60**	**63**

Bonuses included in the above wages, salaries and other remunerations paid to the Boards and the Managing directors of subsidiaries amounted to SEK 17 M (18), and SEK 2 M (5) in the Parent Company. Total pension costs in the Group amounted to SEK 120 M (99) of which SEK 12 M (8) concern defined benefit pension plans . Total pension costs in the Parent Company amounted to SEK 7 M (9) of which SEK 1 M (3) concern defined benefit pension plans. For further information regarding the defined benefit pension plans see Note 26.

REMUNERATION TO THE BOARD OF DIRECTORS

According to the resolution by the Annual General Meeting, fees totaling SEK 3,465,000 were paid, of which SEK 725,000 to the Chairman of the Board, SEK 1,980,000 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 150,000 to the Chairman and SEK 140,000 distributed among the two remaining members of the Audit Committee. See also 'Attendance and remuneration for the Board of Directors in Elekta AB 2011/12' on page 81.

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 4, 2012, are presented on pages 78–79. The proposed guidelines are unchanged compared to those proposed by the Board of Directors and approved by the Annual General Meeting on September 13, 2011. The Executive Management for 2011/2012 was comprised of a total of nine people, of whom four are located in Sweden and five in China, the Netherlands, the UK and the US. The table below displays remunerations and other benefits to the Executive Management during the year.

REMUNERATION AND OTHER BENEFITS DURING THE YEAR 2011/12

Thousands	Fixed salary	Variable remuneration	Other benefits	Pension costs	Total
President and CEO	4,273	2,289	63	5,542	**12,167**
Other senior executives resident in Sweden (3)	5,265	1,887	244	1,287	**8,683**
Other senior executives resident abroad (5)	9,743	4,426	1,628	851	**16,648**
Total senior executives	**19,281**	**8,602**	**1,935**	**7,680**	37,498
Executive Director of the Board / Previous President and CEO	3,519	1,736	94	631	**5,980**

REMUNERATION AND OTHER BENEFITS DURING THE YEAR 2010/11

Thousands	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 abroad (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 2011/12 and 2010/11 fiscal year, which was partly paid quarterly during the fiscal year and partly paid the coming fiscal year.

SHARE BASED PAYMENT

Elekta currently has one outstanding employee stock option program and three outstanding share programs. The employee stock option program is based on warrants. There are 963,854 warrants outstanding as per April 30, 2012, where 451,854 of the warrants may be utilized for subscription of shares when exercising the outstanding employee stock options and 512,000 warrants may be utilized to cover social security fees. The employee stock options outstanding, including warrants to cover social security fees in connection with the employee stock option program, as per April 30, 2012, thus entitle to acquisition of a total of 963,854 additional new B shares. The total number of shares that may be allotted, including shares to cover social security fees, under the share programs are 608,700 B shares. Upon full exercise of the outstanding employee stock options, including warrants to cover social security fees, the Company's share capital will increase by SEK 1,927,708. There is no dilutive effect from the share programs since they are secured by delivery of shares held by Elekta and, consequently, no new shares will be issued under the share programs. The Executive Management for 2011/2012 was comprised of a total of nine people, of whom four are located in Sweden and five in China, the Netherlands, the UK and the US. The table shows the Executive Management remuneration paid during the year.

The share-related incentive programs are reported in accordance with IFRS 2 'Sharebased payments'. The recognized costs related to the employee stock option program amounted to SEK 6 M (33), whereof social security costs amounted to SEK 5 M (29). The recognized costs related to the share programs amounted to SEK 29 M (14), whereof social security costs amounted to SEK 5 M (3).

EMPLOYEE STOCK OPTION PROGRAM

In 2007 the Annual General Meeting of shareholders resolved to adopt the Elekta AB 2007 Share Unit Plan, which has been allotted under two series, 2007/12 and 2008/12. The 2007 Share Unit Plan granted employee stock options to approximately 75 key employees within the Group during the fiscal years 2007/08–2009/10. Board members who are not employed in the Company are not encompassed by Elekta's employee stock option program. The main terms of the 2007 Share Unit Plan are that (i) it is required that, for an employee to receive employee stock options and retain the possibility to acquire shares, the employee acquires a certain number of shares in the Company on the market and hold these shares until exercise of the employee stock option; (ii) the number of shares that will be acquirable based on the employee stock options are determined based on the fulfillment of a collectively established performance goal; (iii) it shall be possible to exercise one fourth of the employee stock options annually under stock option program 2007/12 and to exercise one third of the employee stock options annually under stock option program 2008/12; (iv) the employee options are non-transferable; (v) the employee stock options are dependent upon continued employment; (vi) the price that shall be paid to receive shares on exercise of the employee stock option shall not be less than 110 percent of the share's market value at the time of the employee stock option offer; (vii) the lifetime of the employee stock option shall be a maximum of five years, and (viii) the financial gain that the employee could receive on the granted employee stock options is maximized to 400 percent of the price that shall be paid for the shares. Delivery of shares under the 2007 Share Unit Plan has been secured through Elekta issuing warrants for subscription of new B shares to a subsidiary. Employee stock options granted in 2007 entitle the holders to acquire a total of maximum 1,597,500 B shares. Employee stock options granted in 2008 entitle the holders to acquire a total of maximum 1,500,000 B shares. Should the underlying warrant not be exercised before March 16, 2012, the recalculation provision in the terms and conditions for the warrants will be activated in connection with the issue of the convertible bonds. Such recalculation may lead to a change in the subscription price and the number of shares each warrant entitles to. The employee stock options will lapse July 31, 2012.

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

OPTIONS PROGRAM (SHARE UNIT PLAN)

	2007/12	2008/12
Number of shares after split after confirmed performance requirements	1,597,500	1,500,000
Exercise price per share, SEK	124.00	114.00
Expiration day for options	2012-07-31	2012-07-31
Number of shares as per outstanding options, April 30, 2011	732,159	750,674
Expired during the year	–7,500	–13,332
Number of shares acquired during the year (option exercise)	–477,950	–532,197
Number of shares as per outstanding options, April 30, 2012	**246,709**	**205,145**

SHARE PROGRAMS

In 2009, 2010 and 2011 the Annual General Meetings resolved to adopt the Performance Share Programs 2009/12, 2010/13 and 2011/14 respectively. The Performance Share Programs cover approximately 75, 100 and 120 key employees of the Group respectively. The Performance Share Programs entitle the participants to obtain, free of charge, B shares in Elekta upon fulfillment of certain performance requirements. The main terms of the Performance Share Programs are that (i) a performance share award shall entitle a participant to receive, subject to the terms and conditions set forth in the Performance Share Plans 2009, 2010 and 2011 and applicable award agreements, a number of B shares based upon the attainment of performance targets over a three year 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 financial targets defined as average annual percentage growth rate in earnings per share (EPS) during the fiscal years 2009/10, 2010/11, 2011/12 respectively, until the fiscal years 2011/12, 2012/13 and 2013/14 respectively, versus EPS for the fiscal years 2008/09, 2009/10 and 2010/11 respectively, (v) under Performance Share Program 2009/12 the maximum number of shares will be allotted if the annual average EPS growth is or exceeds 26 percent, no 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. Under Performance Share Program 2010/13 the maximum number of shares will be allotted if the annual average EPS growth is or exceeds 25 percent, no 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. Under Performance Share Program 2011/14 the maximum number of shares will be allotted if the annual average EPS growth is or exceeds 18 percent, no allotment of shares will occur if the annual average EPS growth is below 13 percent and allotment of shares between annual average EPS growth 13 and 18 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. The number and kind of shares covered by the share programs may be equitably adjusted in relation to the issue of the convertible bonds. Potential allotments of shares will take place December 10, 2012, October 1, 2013 and November 14, 2014 respectively. Participants shall at allotment of shares receive compensation for any cash dividends paid during the respective three year performance period.

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.

The conditions of the share programs state that the right to Performance Share Awards may be settled in other ways than through the delivery of shares. As per 30 April 2012 there was no present obligation to settle in any other way than through shares.

SHARE PROGRAM

SEK M	2009/12	2010/13	2011/14
Number of shares after confirmed performance goals	133,602	83,066	219,304
Theoretical value at time of issue, SEK	21,510,000	21,475,000	66,306,468
Allotment of shares	2012–12–10	2013–10–01	2014–11–14
Number of shares as of April 30, 2011	131,863	83,066	–
Granted during the year	–	–	219,304
Expired during the year	–5,889	–3,481	–1,977
Number of share as of April 30, 2012	**125,974**	**79,585**	**217,327**

NOTE 6 Depreciation/amortization

SEK M	Group 2011/12	2010/11
Cost of products sold	82	70
Selling expenses	74	39
Administrative expenses	60	52
R&D expenses	79	80
Total	**295**	**241**

NOTE 7 Operating leases

SEK M	Group 2011/12	2010/11
Leasing fees paid during the year	119	103
Nominal value of agreed future leasing fees:		
Due for payment within 1 year	125	91
Due for payment after 1 year but within 5 years	276	233
Due for payment after more than 5 years	209	101
Total	**610**	**425**

Leasing fees paid by the Parent company during the year amounted to SEK 248 K (212). Future leasing fees due for payment within one year amount to SEK 248 K (205), after 1 year but within 5 years SEK 44 K (185).

NOTE 8 Remunerations to auditors

	Group		Parent Company	
SEK M	2011/12	2010/11	2011/12	2010/11
Deloitte:				
Audit engagements	13	13	3	3
Audit-related services	1	0	1	–
Tax consultancy	1	1	–	–
Other services	8	6	8	0
Other auditors:				
Audit engagements	0	1	–	–
Audit-related services	0	1	–	–
Tax consultancy	0	0	–	–
Other services	0	1	–	–
Total	**23**	**23**	**12**	**3**

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 7,273 M (6,495). Below, these costs are broken down by nature:

SEK M	Group 2011/12	2010/11
Purchase of products, materials and consumables	3,208	2,798
Salaries, wages and other remuneration (Note 5)	1,960	1,686
Social security costs (Note 5)	422	351
Depreciation and amortization (Notes 6, 15 and 16)	295	241
Operating leasing fees (Note 7)	119	103
Other expenses	1,269	1,316
Total	**7,273**	**6,495**

NOTE 10 Income from participations in Group companies

SEK M	Parent Company 2011/12	2010/11
Dividends from subsidiaries	340	357
Divestment of shares in subsidaries	428	–
Total	**768**	**357**

NOTE 11 Income from participations in associates

	Group		Parent Company	
SEK M	2011/12	2010/11	2011/12	2010/11
Income from participations in associates	0	–7	–	–
Divestment of shares in associates	–	–	–	6
Adjustment for internal profit of products sold	–1	6	–	–
Total	**–1**	**–1**	**–**	**6**

The result from divestment of shares in associates in the Parent company 2010/11 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 12 Interest income, interest expense and similar items

SEK 91 M (15) of the Parent Company's interest income of SEK 112 M (26) was received from Group companies. SEK 17 M (8) of the Parent Company's interest expense and similar items of SEK 179 M (45) relates to Group companies.

NOTE 13 Appropriations and untaxed reserves

PARENT COMPANY	Appropriations		Untaxed reserves	
SEK M	2011/12	2010/11	April 30, 2012	April 30, 2011
Tax allocation reserve	0	9	30	30
Total	**0**	**9**	**30**	**30**

NOTE 14 Taxes

INCOME TAXES	Group		Parent Company	
SEK M	2011/12	2010/11	2011/12	2010/11
Current taxes	–407	–400	–3	–5
Deferred taxes / Adjustments for prior years	20	16	0	4
Deferred taxes	–93	–48	–1	1
Participations in taxes of associates	0	–1	–	–
Total	**–480**	**–433**	**–4**	**0**

Swedish tax	26%	26%
Effect of other tax rates for foreign companies	3%	5%
Changes in tax legislation	0%	0%
Tax related to prior years	–1%	–1%
Other	0%	0%
Tax rate	**28%**	**30%**

CURRENT TAX (LIABILITY + / RECEIVABLE –)	Group		Parent Company	
SEK M	2011/12	2010/11	2011/12	2010/11
Opening balance, May 1	194	200	–1	3
Business combinations	–3	–	–	–
Reclassifications	8	–	–	–
Adjustment for prior years	–20	–16	0	–4
Current tax for the year	407	400	3	5
Paid taxes	–462	–383	–3	–5
Translation differences	19	–7	–	–
Closing balance, April 30	**143**	**194**	**–1**	**–1**

DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES

Deferred tax assets/liabilities in the balance sheet are attributable to the following:

	Assets (+)		Liabilities (–)		Net	
GROUP	April 30, 2012	April 30, 2011	April 30, 2012	April 30, 2011	April 30, 2012	April 30, 2011
Loss carry-forwards	47	85	–	–	47	85
Untaxed reserves	–	–	–93	–79	–93	–79
Intangible assets	3	8	–581	–241	–578	–233
Tangible fixed assets	12	9	–15	–15	–3	–6
Financial assets	–	–	–13	–27	–13	–27
Other assets	76	47	–14	–4	62	43
Operating liabilities / Provisions	137	144	–1	–21	136	123
Deferred tax assets / liabilities	**275**	**293**	**–717**	**–387**	**–442**	**–94**
Offsetting	–42	–87	42	87	0	0
Deferred tax assets / liabilities, net	**233**	**206**	**–675**	**–300**	**–442**	**–94**

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

SEK M	Group, net	Parent Company, net
Opening balance May 1, 2010	–112	14
Business combinations	55	–
Deferred taxes for the year	–48	1
Deferred taxes charged against shareholders' equity	5	2
Translation differences	6	–
Closing balance April 30, 2011	**–94**	**17**
Business combinations	–241	–
Divested business	–12	–
Adjustment for prior years	4	–
Deferred taxes for the year	–93	–1
Deferred taxes charged against shareholders' equity	–4	–2
Translation differences	–2	–
Closing balance April 30, 2012	**–442**	**15**

TAX RELATING TO COMPONENTS OF OTHER COMPREHENSIVE INCOME

	Group		Parent Company	
SEK M	2011/12	2010/11	2011/12	2010/11
Revaluation of cash-flow hedges	24	–17	–	–
Exchange difference on net investment in foreign operations	–2	2	–2	2
Total	**22**	**–15**	**–2**	**2**

NOTE 15 Intangible assets

SEK M	Goodwill	Capitalized development costs	Customer relationships	Other intangible assets	Total
Accumulated acquisition value May 1, 2011	2,047	494	191	548	3,280
Reclassifications	–	20	–	–20	0
Business combinations	2,295	–	977	240	3,512
Divested business	–	–	–	–46	–46
Purchases/capitalization	–	300	–	4	304
Divestments/disposals	–	–1	–	–6	–7
Translation differences	140	32	3	44	219
Accumulated acquisition value April 30, 2012	**4,482**	**845**	**1,171**	**764**	**7,262**
Accumulated amortization May 1, 2011	–	–234	–54	–300	–588
Reclassifications	–	–16	–	16	0
Divested business	–	–	–	27	27
Divestments/disposals	–	0	–	6	6
Amortization for the year	–	–95	–40	–70	–205
Translation differences	–	–12	–6	–27	–45
Accumulated amortization April 30, 2012	**–**	**–357**	**–100**	**–348**	**–805**
Carrying amount April 30, 2012	**4,482**	**488**	**1,071**	**416**	**6,457**
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**

Capitalized developmnet costs comprise capitalized expenditure for research and development as well as other capitalized development costs such as Software. Of total capitalized development costs of SEK 300 M (175) capitalization of development costs within R&D amounted to SEK 246 M (148). 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, 2012	April 30, 2011
Brachytherapy	2,253	–
IMPAC	995	889
Radiation Therapy	419	403
CMS	413	368
Medical Intelligence	176	176
BMEI	136	118
RMI Resonant	78	81
Other	12	12
Total	**4,482**	**2,047**

Impairment testing goodwill 2012

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 2012 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 percent – 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.

Impairment testing goodwill 2011

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 percent – 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, 2011	120	668	7	32	827
Reclassifications	4	–1	–3	–	0
Business combinations	1	42	–	80	123
Purchases	4	116	1	7	128
Divestments/disposals	–	–16	0	–3	–19
Translation differences	12	45	1	4	62
Accumulated acquisition value April 30, 2012	**141**	**854**	**6**	**120**	**1,121**
Accumulated depreciation May 1, 2011	–76	–508	–3	–4	–591
Reclassifications	0	0	0	–	0
Divestments/disposals	–	10	–	–	10
Depreciation for the year	–6	–79	–1	–4	–90
Translation differences	–9	–33	0	–1	–43
Accumulated depreciation April 30, 2012	**–91**	**–610**	**–4**	**–9**	**–714**
Carrying amount April 30, 2012	**50**	**244**	**2**	**111**	**407**
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**

NOTE 17 Shares in subsidiaries

SEK M	Parent Company
Opening balance May 1, 2010	1,419
Investments	310
Closing balance April 30, 2011	**1,729**
Investments	40
Divestments	–5
Closing balance April 30, 2012	**1,764**

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
Elekta Medical System India Private Limited	U33112DL2005 PTC139794	New Delhi, India	10,000	100.0	24
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	0
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 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	164
Elekta Medical Systems Comercio e Prestacao de Servicos para Radiologia, Radiocirur,gia e Radioterapia Ltda		Sao Paolo, 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.	143446-8510RC0001	Montreal, Canada	100	100.0	229
Elekta Limited, Korea	1311111-0259	Seongnam-si, Korea	473,879	100.0	15
Elekta Services S.R.O	292 80 095	Czech Republik		100.0	0
Elekta Finance Belgium	0843.972.353	Zaventem, Belgium	600,000	100.0	1
Total					**1,764**

NOTE 18 Shares in associates

SEK M	Group April 30, 2012	Group April 30, 2011	Parent Company April 30, 2012	Parent Company April 30, 2011
Opening balance, May 1	3	24	12	12
Reclassification	–	–4	–	–
Investments	4	8	4	8
Divestments	–	–10	–	–8
Participations in income of associates	–1	–1	–	–
Dividends etcetera	–5	–8	–	–
Translation differences	4	–6	–	–
Closing balance, April 30	**4**	**3**	**15**	**12**

The Parent company's investment 2011/12 of SEK 4 M and 2010/11 SEK 8 M relates to Global Medical Investments GMI AB and the divestment 2010/11 of SEK –8 M relates to Motala Verkstad. In 2010/11 Elekta AB divested its shares in AB Motala Verkstad. The profit amounted to SEK 5 M for the Group and was recognized in the Group's administrative expenses.

As of April 30, 2012, the carrying amount of the Parent company's holding in Global Medical Investments GMI AB was SEK 15 M and the Group's holding in Global Medical Investments GMI AB SEK 0 M.

NOTE 19 Other financial assets

SEK M	Group April 30, 2012	Group April 30, 2011	Parent Company April 30, 2012	Parent Company April 30, 2011
Receivables from Group companies	–	–	2,754	85
Participations in other companies	6	6	–	–
Other non-current receivables	137	58	38	22
Total	**143**	**64**	**2,792**	**107**

NOTE 20 Inventories

SEK M	Group April 30, 2012	Group April 30, 2011
Components	222	75
Work in progress	103	78
Finished goods	430	387
Total	**755**	**540**

NOTE 21 Accounts receivable

SEK M	Group April 30, 2012	Group April 30, 2011
Accounts receivable, gross	2,757	2,313
Provision for bad debts	–65	–40
Carrying amount	**2,692**	**2,273**

Credit risk analysis of accounts receivable		
Not due	1,478	1,371
Overdue < 30 days	244	302
Overdue 30–60 days	304	121
Overdue 60–90 days	147	96
Overdue > 90 days	519	383
Total accounts receivables, net	**2,692**	**2,273**

Provision for bad debts	April 30, 2012	April 30, 2011
Opening balance, May 1	–40	–38
Increase through business combinations	–18	–1
Provisions	–12	–18
Reversals	7	13
Realized loss	1	–1
Translation differences	–3	5
Closing balance, April 30	**–65**	**–40**

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 22 Other current assets

	Group		Parent Company	
SEK M	April 30, 2012	April 30, 2011	April 30, 2012	April 30, 2011
Derivative financial instruments (Note 2)	91	182	41	35
Prepayments to suppliers	32	15	–	–
Current tax assets	38	–	1	–
Other receivables	245	147	25	1
Prepaid expenses	290	161	45	7
Total	**696**	**505**	**112**	**43**

NOTE 23 Cash and cash equivalents

	Group		Parent Company	
SEK M	April 30, 2012	April 30, 2011	April 30, 2012	April 30, 2011
Current investments	–	1,173	–	525
Cash and bank	1,895	190	1,347	481
Total	**1,895**	**1,363**	**1,347**	**1,006**

NOTE 24 Share capital

Number of shares in Elekta AB (publ)	Series A	Series B	Total	Share capital
Number of shares May 1, 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**
Exercise of warrants	–	1,010,147	1,010,147	2,020,294
Number of shares April 30, 2012	**3,562,500**	**91,687,316**	**95,249,816**	**190,499,632**
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 376 M, corresponding to SEK 4.00 per share. At the Annual General Meeting on 4 September, 2012, a dividend of SEK 5.00 per share for the year 2011/12 – a total sum of approximately SEK 474 M will be proposed.

The average number of shares during the year, to the nearest thousand, was 94,108 thousand (93,341). The average number of shares after full conversion of outstanding warrants, similarly rounded, was 95,031 thousand (94,507).

Repurchases of shares were performed during the year 2010/11. The number of repurchased shares on April 30, 2012, 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 68–70.

NOTE 25 Interest-bearing liabilities

	Group		Parent Company	
SEK M	April 30, 2012	April 30, 2011	April 30, 2012	April 30, 2011
Bond loan	2,213	781	2,213	781
Convertible loan	1,804	–	1,804	–
Liabilities to credit institutions	512	98	400	–
Liabilities to Group companies	–	–	1,755	1,191
Finance lease liabilities	1	2	–	–
Total	**4,530**	**881**	**6,172**	**1,972**
Maturity term structure, external loans				
< 1 year	113	99	–	–
> 1 year < 3 years	400	782	400	781
> 3 year < 5 years	2,681	–	2,681	–
> 5 years	1,336	–	1,336	–
Total	**4,530**	**881**	**4,417**	**781**

SPECIFICATION BY CURRENCY

	Amount		SEK M	
Currency	April 30, 2012	April 30, 2011	April 30, 2012	April 30, 2011
Swedish kronor, SEK M	2,204	–	2,204	–
US dollars, USD M	329	130	2,214	783
Chinese yuan, CNY M	105	105	112	98
Total			**4,530**	**881**

FIXED INTEREST TERM INCLUDING EFFECTS OF DERIVATIVES

	April 30, 2012	April 30, 2011
< 1 year	513	340
> 1 year < 5 years	2,681	541
> 5 years	1,336	–
Total	**4,530**	**881**

NOTE 26 Provisions

SEK M	Group April 30, 2012	Group April 30, 2011	Parent Company April 30, 2012	Parent Company April 30, 2011
Warranty provisions	63	63	–	–
Short-term provisions	**63**	**63**	–	–
Provision for pensions	61	48	14	14
Other provisions	120	61	8	8
Long-term provisions	**181**	**109**	**22**	**22**

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	Group 2011/12	Group 2010/11	Parent Company 2011/12	Parent Company 2010/11
Current service cost	–8	–7	–2	–1
Interest expense	–4	–4	–2	–1
Return on plan assets	2	2	2	1
Actuarial gains (+) and losses (–)	–2	3	1	–2
Curtailments / Settlements	0	–2	–	–
Total pension costs defined benefit plans	**–12**	**–8**	**–1**	**–3**

Defined benefit pension plans	Group April 30, 2012	Group April 30, 2011	Parent Company April 30, 2012	Parent Company April 30, 2011
Defined benefit obligation, funded plans	104	88	46	45
Fair value of plan assets	–69	–58	–32	–31
Provision for pensions, funded plans	**35**	**30**	**14**	**14**
Defined benefit obligation, unfunded plans	26	18	–	–
Provision for pensions, unfunded plans	**26**	**18**	**–**	**–**
Pension provision for defined benefit plans, net	**61**	**48**	**14**	**14**

Movement in provision for pensions, net

SEK M	Group April 30, 2012	Group April 30, 2011	Parent Company April 30, 2012	Parent Company April 30, 2011
Opening balance, May 1	48	46	14	11
Pension costs	12	8	1	3
Contributions	–3	–3	–1	0
Benefit payments	–1	–1	–	–
Business combinations	4	–	–	–
Translation differences	1	–2	–	–
Closing balance, April 30	**61**	**48**	**14**	**14**

NOTE 26 Provisions, cont.

Main actuarial assumptions (weighted average)	Group	
	April 30, 2012	April 30, 2011
Discount rate	3.6%	4.1%
Expected return on plan assets	3.8%	4.5%
Future salary increases	2.3%	2.6%

Warranty provisions and other provisions	Group		Parent Company
SEK M	Warranty provisions	Other provisions	Other provisions
Opening balance May 1, 2010	70	42	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**
Company acquisition	5	4	–
Provisions / reversals during the year	48	68	0
Provisions released during the year	–59	–21	–
Reclassification	1	7	–
Translation differences	5	1	–
Closing balance April 30, 2012	**63**	**120**	**8**

NOTE 27 Other current liabilities

	Group		Parent Company	
SEK M	April 30, 2012	April 30, 2011	April 30, 2012	April 30, 2011
Accrued expenses and prepaid income (see below)	2,404	1,719	77	25
Derivative financial instruments (Note 2)	42	25	34	7
Other liabilities	210	171	3	2
Total	**2,656**	**1,915**	**114**	**34**
Accrued expenses and prepaid income				
Prepaid service income	900	731	–	–
Reserve for additional project costs	443	353	–	–
Accrued commission costs	153	79	–	–
Accrued vacation pay liability	121	86	6	5
Accrued social costs	43	27	11	1
Accrued interest expenses	46	7	44	6
Other items	698	436	16	13
Total	**2,404**	**1,719**	**77**	**25**

NOTE 28 Assets pledged

Collateral pledged for contingent liabilities	Group	
SEK M	April 30, 2012	April 30, 2011
Bank balances	7	3
Total	**7**	**3**

NOTE 29 Contingent liabilities

	Group		Parent Company	
SEK M	April 30, 2012	April 30, 2011	April 30, 2012	April 30, 2011
Guarantees	68	55	–	–
Guarantees on behalf of subsidiaries	–	–	1,043	804
Total	**68**	**55**	**1,043**	**804**

NOTE 30 Cash flow statement

	Group		Parent Company	
SEK M	2011/12	2010/11	2011/12	2010/11
Adjustments for non-cash items				
Participation in profit / loss of associates, after tax (Note 11)	1	1	–	–
Result from divestments/disposals of fixed assets	–2	–5	–	–
Net gain from divested business	–180	–	–	–
Net gain from divested subsidiaries	–	–	–428	–
Cost of incentive programs	11	32	–	–
Capitalized development costs (Note 15)	–300	–175	–	–9
Appropriations	–	–	0	–26
Interest income	–35	–16	–21	42
Interest expenses	170	42	155	–44
Unrealized exchange rate effects etc	186	–44	240	–
Other items	–20	51	0	37
Total	**–169**	**–114**	**–54**	**0**
Change in working capital				
Increase (–) / decrease (+) in inventories	–70	2	–	–
Increase (–) / decrease (+) in operating receivables	–754	–1,019	–1,654	215
Increase (+) / decrease (–) in operating liabilities	183	677	89	6
Total	**–641**	**–340**	**–1,565**	**221**
Business combinations				
Purchase price	3,386	238		
Acquired cash and cash equivalents	–55	0		
Unpaid part of purchase price	–	–		
Payments related to acquisitions in prior years	32	12		
Total	**3,363**	**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 129 M (179). Purchases from associates amounted to SEK 0 M (42). Receivables from associates amounted to SEK 58 M (78) and liabilities to associates amounted to SEK 0 M (0).

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

2011/12
In 2011/12 the acquisition of Nucletron was performed.

NUCLETRON
On September 15, 2011, Elekta acquired 100 percent of the shares as well as votes in Nucletron (New Nucletron Company B.V.), with registered office in Veenendaal, the Netherlands. Nucletron is world leading in brachytherapy, treatment planning and delivery. The acquisition cost amounted to SEK 3,385 M. According to the purchase price allocation goodwill amounts to SEK 2,297 M and identifiable intangible assets, mainly customer relationships and certain technology, amount to SEK 1,216 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 deductable. Elekta has consolidated Nucletron from September 15, 2011. From the date of acquisition Nucletron has contributed with order bookings of SEK 1,182 M, net sales of SEK 873 M and operating result of SEK 189 M. Transaction costs related to the acquisition have been expensed when incurred and amount to SEK 40 M. Restructuring costs are expected to amount to SEK 130 M of which SEK 128 M have been expensed in the post-acquisition period. Elekta expects the integrated businesses to generate both revenue and cost synergies. Annual cost synergies have been estimated to approximately SEK 75 M and are expected to be realized in fiscal year 2012/13.

2010/11
Two business combinations were 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 deductable. 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	2011/12	2010/11
Purchase price and goodwill:		
Cash paid	3,385	238
Total purchase price	**3,385**	**238**
Fair value of acquired net assets	–1,088	–133
Goodwill	**2,297**	**105**

SEK M	2011/12	2010/11
Acquired assets and liabilities according to purchase price allocations:		
Intangible assets	1,216	73
Other non-current assets	157	78
Inventories	94	21
Receivables	438	14
Cash and cash equivalents	55	0
Provisions	–319	–20
Other liabilities	–543	–33
Non-controlling interests	–10	–
Fair value of acquired net assets	**1,088**	**133**

Non-controlling interest relates to a minority shareholding in one of Nucletron's subsidiaries.

The fair value of acquired receivables was at the time of acquisition SEK 438 (14) M inclusive of trade receviables amounting to SEK 410 (2) M. The gross amount of overdue trade receivables was SEK 36 (1.4) M, of which SEK 2 (1) M were not expected to be collected.

SEK M	2011/12	2010/11
Effect on cash and cash equivalents:		
Purchase price settled in cash	–3,386	238
Cash and cash equivalents in acquired operations	55	0
Total effect on Group cash and cash equivalents	**–3,331**	**238**

Payments related to deferred considerations regarding acquisition in previous years amounted to SEK 32 (12) M. Transaction costs for the year amounted to SEK 40 (7) M and are reported as administrative expenses in the Group's income statement.

SEK M	2011/12	2010/11
Sales and income in acquired entities:		
Net sales	1,275	19
Net income	214	–33
Net sales from time of acquisition	873	19
EBIT from time of acquisition	189	–38
Net income from time of acquisition	47	–30

NOTE 33 Average number of employees

	Men		Women		Total	
	2011/12	2010/11	2011/12	2010/11	2011/12	2010/11
Parent Company	12	11	10	11	22	22
Subsidiaries:						
Sweden	154	133	74	56	228	189
Australia	30	18	10	7	40	25
Belgium	7	7	1	1	8	8
Brazil	25	17	10	9	35	26
Finland	25	24	5	5	30	29
France	52	44	13	8	65	52
Greece	10	10	3	3	13	13
Hong Kong	23	21	10	5	33	26
India	74	52	3	1	77	53
Italy	56	47	17	14	73	61
Japan	81	70	22	16	103	86
Canada	55	49	13	14	68	63
China	292	244	111	92	403	336
The Netherlands	202	14	49	4	251	18
New Zealand (branch)	3	3	–	–	3	3
Switzerland (branch)	3	4	–	–	3	4
Singapore	9	3	2	2	11	5
Spain	29	26	6	6	35	32
Great Britain	447	427	90	84	537	511
South Africa	5	6	2	2	7	8
South Korea	8	8	2	3	10	11
Czech Republic	9	–	3	–	12	–
Germany	131	107	53	42	184	149
Hungary	–	1	–	–	–	1
USA	566	542	324	327	890	869
Austria	16	16	5	5	21	21
Total average number of employees	**2,324**	**1,904**	**838**	**717**	**3,162**	**2,621**

SPECIFICATION MEN/WOMEN AMONG BOARD OF DIRECTORS AND EXECUTIVE MANANGEMENT

During the financial year, the Board of Directors of Elekta AB consisted of 75 percent (75) men. The Executive Managment consisted of 88 percent (88) 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 2, 2012

Akbar Seddigh
Chairman of the Board

Hans Barella
Member of the Board

Luciano Cattani
Member of the Board

Birgitta Stymne Göransson
Member of the Board

Siaou-Sze Lien
Member of the Board

Wolfgang Reim
Member of the Board

Laurent Leksell
Member of the Board

Jan Secher
Member of the Board

Tomas Puusepp
President and CEO

Our audit report was submitted on August 2, 2012
Deloitte AB

Jan Berntsson
Authorized Public Accountant

AUDITOR'S REPORT

To the annual meeting of the shareholders of Elekta AB (publ)
Corporate identity number 556170-4015

REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

We have audited the annual accounts and consolidated accounts of Elekta AB (publ) for the financial year 2011-05-01 – 2012-04-30 except for the corporate governance statement on pages 80–87. The annual accounts and consolidated accounts of the company are included in the printed version of this document on pages 74–126.

Responsibilities of the Board of Directors and the Managing Director for the annual accounts and consolidated accounts

The Board of Directors and the Managing Director are responsible for the preparation and fair presentation of these annual accounts and consolidated accounts in accordance with International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act, and for such internal control as the Board of Directors and the Managing Director determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these annual accounts and consolidated accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts and consolidated accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the annual accounts and consolidated accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors and the Managing Director, as well as evaluating the overall presentation of the annual accounts and consolidated accounts.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinions

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 30 April 2012 and of its financial performance and its cash flows for the year then ended in accordance with the Annual Accounts Act, and the consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 30 April 2012 and of their financial performance and cash flows in accordance with International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance statement on pages 80–87. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the annual meeting of shareholders adopt the income statement and balance sheet for the parent company and the group.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In addition to our audit of the annual accounts and consolidated accounts, we have examined the proposed appropriations of the company's profit or loss and the administration of the Board of Directors and the Managing Director of Elekta AB (publ) for the financial year 2011-05-01 – 2012-04-30. We have also conducted a statutory examination of the corporate governance statement.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss, and the Board of Directors and the Managing Director are responsible for administration under the Companies Act and that the corporate governance statement on pages 80–87 has been prepared in accordance with the Annual Accounts Act.

Auditor's responsibility

Our responsibility is to express an opinion with reasonable assurance on the proposed appropriations of the company's profit or loss and on the administration based on our audit. We conducted the audit in accordance with generally accepted auditing standards in Sweden.

As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss, we examined whether the Board of Directors' reasoned statement and a selection of suporting evidence in order to be able to assess whether the proposal in accordance with the Companies Act.

As a basis for our opinion concerning discharge from liability, in addition to our audit of the annual accounts and consolidated accounts, we examined significant decisions, actions taken and circumstances of the company in order to determine whether any member of the Board of Directors or the Managing Director is liable to the company. We also examined whether any member of the Board of Directors or the Managing Director has, in any other way, acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Furthermore, we have read the corporate governance statement and based on that reading and our knowledge of the company and the group we believe that we have a sufficient basis for our opinions. This means that our statutory examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden.

Opinions

We recommend to the annual meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

A corporate governance statement has been prepared, and its statutory content is consistent with the other parts of the annual accounts and consolidated accounts.

Stockholm, August 2, 2012

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.

Production: Hallvarsson & Halvarsson. Print: Elanders in Falköping, 2012. Translation: The Bugli Company.

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