



## **ELEKTA ANNUAL GENERAL MEETING 2006**

### **PRESS RELEASE**

Stockholm, Sweden, September 20, 2006

**The Annual General Meeting of ElektA AB (publ) 2006 was held today, September 20 at Polstjärnan Konferens in Stockholm. At the Meeting, 224 shareholders entitled to vote participated, representing 52.1 percent of the votes in the company.**

President and CEO Tomas Puusepp opened up his speech to the shareholders by saying: "I am proud to state that ElektA, our clinical solutions, IT systems and services every year is gaining an increasing significance for cancer care worldwide. During the last fiscal year, an estimated 240,000 patients received radiation therapy with equipment developed, installed and continually maintained by ElektA. Some 100,000 patients underwent minimal invasive brain surgery using Leksell Stereotactic System<sup>®</sup> and nearly 50,000 patients were treated with Gamma Knife<sup>®</sup> surgery for primary brain tumors, metastases, vascular malformations or other brain disorders".

Tomas Puusepp then continued with presenting the development of the company during fiscal year 2005/06 and highlighted the strategic decisions taken to continue the transformation of ElektA from predominantly a technology supplier to a comprehensive partner to healthcare providers.

Fiscal year 2005/06 was yet another in a series of successful years for ElektA. Group sales continued to increase and earnings continued to rise. During the year ElektA reinforced its leading position in advanced image guided and stereotactic solutions for radiosurgery and radiation therapy. ElektA's product portfolio is currently stronger than ever, it is young, highly competitive across the line and truly unique in many respects.

The past year provided various forms of confirmation that the strategic choices made by ElektA have been correct. The acquisition of IMPAC Medical Systems has considerably strengthened the ElektA Group. Multi-year product development projects are now being launched in rapid succession and with considerable success.

ElektA's systems and clinical solutions are the result of strategic R&D investments that were often taken several years ago and the development process takes often place in close partnership with customers. One very good example is Leksell Gamma Knife<sup>®</sup> Perfexion<sup>™</sup>, a brand new system for stereotactic radiosurgery with outstanding patient and staff comfort and better dosimetry performance than any other radiosurgical system on the market. First introduced in May this year, the first unit was installed in Marseille, France, in June/July and the first patients were successfully treated in mid July. In August, the US Food and Drug Administration (FDA) issued a 510(k) pre-market clearance for Leksell Gamma Knife Perfexion, allowing ElektA to also market this system to the US market. In July, ElektA booked an order from Cromwell Hospital in London, UK, and in August the first US order was received from the University of Virginia Health System.



For the fiscal year 2005/06 order bookings rose 32 percent to SEK 4,705 M. IMPAC contributed with SEK 952 M and Medical Intelligence with SEK 25 M. Order backlog at year end amounted to an all time high of SEK 3,875 M.

Net sales rose by 40 percent to SEK 4,421 M including SEK 709 M attributed to IMPAC and SEK 23 M to Medical Intelligence. Operating profit amounted to SEK 453 M representing an operating margin of 10 percent.

The financial report for the first quarter for fiscal year 2006/07 was also presented to the participants at the Meeting. Order bookings rose by 4 percent to SEK 987 M. Order bookings for rolling 12 months increased with 24 percent. Order back log at end of the quarter amounted to SEK 3,806 M.

Net sales rose 15 percent to SEK 996 M. Operating profit rose to SEK 85 M (35). Operating margin for the quarter was 9 percent and on a rolling 12-month basis, operating margin was 11 percent.

Elekta strategy is to become a comprehensive partner to healthcare providers in the fight against cancer and brain disorders. The acquisition of IMPAC Medical System in May 2005 was major step in that direction. CEO and President Tomas Puusepp stated at the Meeting that one year after the acquisition of IMPAC, the strategic advantages and synergies has clearly materialized. Not only have Elekta's order bookings for radiation therapy systems in North America doubled, but the business combination has also significantly accelerated IMPAC's growth outside the US. Together with IMPAC, Elekta has become the world leading provider of IT solutions for cancer care.

On other important step in becoming a more compressive partner was the acquisition of 80 percent of Beijing Medical Equipment Institute (BMEI), the largest domestic Chinese supplier of radiation therapy systems with an installed base of around 260 linear accelerators. This strategic acquisition will considerably strengthen Elekta's position on the fast growing Chinese market for radiation therapy solutions and bring to Elekta the ability to fully meet the needs of the Chinese and other emerging markets for affordable and lower cost radiation therapy solutions. The acquisition and creation of the joint venture was finalized in August.

### **Disposition of the Company's earnings**

Elekta's dividend policy is to distribute 20 percent or more of net profit in the form of dividends, share buy-backs or comparable measures.

The Meeting resolved in accordance with the Board's proposal that of the company's disposable earnings of SEK 678,940,828 a dividend be paid to the shareholders in an amount corresponding to SEK 1.00 per share and that the balance be carried forward. The record date for the dividend was set at September 25, 2006.



## **Election of the Board**

During the year, Elektas Nomination Committee has consisted of:

- Ann Ahlberg – SEB Funds
- Åsa Nisell – Robur Funds
- Henrik Rhenman – Carnegie Funds
- Tor Marthin – AMF Pension
- Laurent Leksell, representing his family's and controlled companies' shareholdings.

At the first meeting, the Nomination Committee appointed Laurent Leksell as chairman of the Committee.

Following the recommendations of the Nomination Committee, the Annual General Meeting reelected Akbar Seddigh, Magnus Schmidt, Hans Barella, Carl G. Palmstierna, Tommy H Karlsson, Laurent Leksell and Birgitta Stymne Göransson as Board members.

The Meeting resolved to re-elect Akbar Seddigh as Chairman of the Board.

With regard to Board remuneration, the Meeting decided in accordance with the proposal by the Nomination Committee that the total remuneration to the Board shall be SEK 1,840,000 of which 500,000 to the Chairman, SEK 250,000 each to the external Board members, SEK 60,000 to the Chairman of the Executive Compensation Committee and SEK 30,000 to other members of the Executive Compensation Committee. No remuneration is paid to Board members employed by the company.

## **Adoption of principles for executive compensation**

Under the agenda item covering principles for executive compensation, the Board Chairman Akbar Seddigh reported on Elektas strategy for compensation to managers, in which the aim is to strengthen management by objectives, profit development in the short and long term as well as create long-term value growth and align management with the shareholder perspective.

The Chairman also reported on the work of Elektas Executive Compensation Committee.

The meeting approved the principles for remuneration and other terms of employment for the executive management of the group, as proposed by the Board and presented for example in the Annual Report for 2005/06. The principles will be valid for employment agreements entered into after the meeting and for any changes made to existing employment agreements thereafter.

## **Reduction of share capital**

In accordance with the authorization given at the latest Annual General Meeting, Elektas has during the last financial year acquired 801,700 of its own B-shares. The Board has previously announced that the intention is to cancel the acquired B-shares.



The Meeting decided to reduce the Company's share capital by SEK 1,603,400 through retirement of these 801,700 shares without any repayment. The reduction amount shall be allocated to the Company's disposition fund to be used in accordance with resolutions passed by the shareholders' meeting.

### **Authorization of the Board to purchase and transfer own shares**

The Meeting authorized the Board of Directors during the period until the next Annual General Meeting, on one or more occasions, to decide on acquisition of a maximum number of own shares to the extent that after purchase the company holds not more than 10 percent of the total number of shares in the company.

### **Incentive program**

Elekta's model for a share-related incentive program – Share Unit Plan – was introduced in 2004. This can be summarized as a model for allotment based on performance in relation to the Group's goals, in which participation and allotment require assumption of personal risk through the acquisition of shares, in which participation in the allotment of shares requires continued employment and in which profit is maximized at a reasonable level.

The Meeting decided in accordance with the proposal on the issue of employee stock options in accordance with the Elekta AB 2004 Share Unit Plan and to approve to issue warrants and the approval of the transfer of warrants.

At total exercise of issued warrants the share capital can be increased with a maximum of SEK 4,400,000 by issuance of maximum 2,200,000 class B shares corresponding to, at total exercise, app. 2.30% of the total number of shares and app. 1.72% of the total number of votes in the Company.

### **Composition of Election Committee**

The Meeting decided that that an election committee should be appointed through a procedure whereby the chairman of the Board, before the end of the second quarter of the financial year, contacts three to five representatives for the, at that time, largest holders of A and B shares. Those representatives shall together with the chairman of the Board constitute the election committee and fulfill its obligations in accordance with the Swedish Code of Corporate Governance (sw. Koden för bolagsstyrning). The names of the members of the election committee shall be published as soon as they have been appointed, however, not later than six months before the next Annual General Meeting. The election committee is appointed until a new election committee has been appointed. No remuneration shall be paid for the performance of the work in the election committee.

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Documentation provided at the Meeting is available at [www.elekta.com](http://www.elekta.com), or can be requested from Elekta Corporate Communications, telephone +46 8 587 254 00, [ir@elekta.com](mailto:ir@elekta.com).



**For further information, please contact:**

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**About Elekta**

Elekta is an international medical-technology Group, providing meaningful clinical solutions, comprehensive information systems and services for improved cancer care and management of brain disorders. All of Elekta's solutions employ non-invasive or minimally invasive techniques and are therefore clinically effective, gentle on the patient and cost-effective.

Clinical solutions include among others Leksell Gamma Knife® for non-invasive treatment of brain disorders and Elekta Synergy® for image guided radiation therapy (IGRT). Following the acquisition of IMPAC Medical Systems Inc. in April 2005, The Elekta Group is the world's largest supplier of oncology software.

Elekta's systems and solutions are used at over 4,000 hospitals around the world to treat cancer and manage clinical operations as well as to diagnose and treat brain disorders, including tumors, vascular malformations and functional disorders.

With approx. 2,000 employees, Elekta's corporate headquarter is located in Stockholm, Sweden and the company is listed on the Stockholm Stock Exchange under the ticker EKTA. For additional information about Elekta, please visit [www.elekta.com](http://www.elekta.com).