

RaySearch Laboratories AB (publ) Interim report January 1 – September 30, 2009

JANUARY 1 – SEPTEMBER, 30 2009

- Net sales for the period amounted to SEK 47.3 M (41.3)
- Profit after tax was SEK 12.6 M (7.3) and earnings per share amounted to SEK 0.37 (0.21)
- Operating profit was SEK 17.1 M (8.0)
- Cash flow totaled SEK 5.4 M (neg: 20.0)
- The first product from the collaboration with TomoTherapy received FDA clearance in January and has been launched
- Three products from the collaboration with Varian were launched in June
- Breakthrough order for proton treatment planning system was secured in June
- Two new products from the collaboration with Nucletron were launched in September

AFTER THE END OF THE PERIOD

- The new VMAT product from the collaboration with Philips began generating revenues in November
- The collaboration agreement with Siemens, which was signed in May, was expanded and accelerated in November

“It is extremely satisfying that the major development efforts during recent years are now beginning to pay off. In November our new product for Philips started generating revenues and we anticipate that the total revenue contribution from this and other new products will exceed SEK 10 M already in the fourth quarter,” says Johan Löf, President of RaySearch.

“We have also expanded and accelerated our collaboration with Siemens which is now expected to start generating revenues in the second half of 2010 instead of in 2011 as previously stated. Consequently, I can say that the potential for growth has never looked as favorable as it does now,” concludes Johan Löf.

SUMMARY OF FINANCIAL RESULTS

Amounts in SEK 000s

	Jan-Sep		Jul-Sep		Full-year
	2009	2008	2009	2008	2008
Net sales	47,322	41,344	12,660	13,702	62,690
Operating profit	17,050	8,045	445	3,678	21,058
Operating margin, %	36.0	19.5	3.5	26.8	33.6
Net profit	12,620	7,324	316	3,107	18,223
Earnings per share, SEK*	0.37	0.21	0.01	0.09	0.53
Share price at the end of the period, SEK*	25.80	17.30			11.50

*Adjusted for 3:1 stock split

The information in this interim report is such that RaySearch must disclose publicly in accordance with the Swedish Securities and Clearing Operations Act and/or the Financial Instruments Trading Act. The information was made public on November 20, at 7:45 a.m.

CEO comments

The January to September period was characterized primarily by intense work to complete new products for all our partners. We also signed new strategically important agreements and have expanded our development resources to efficiently develop the next generation of products.

It is extremely satisfying that the major development efforts during recent years are now beginning to pay off. In April, our partner Philips began to market our product for Volumetric Modulated Arc Therapy (VMAT) under the SmartArc brand, as an integrated module in the Philips' Pinnacle³ system. Since then, the product has been successfully demonstrated at the major trade shows and an order backlog has been accumulated. In November the roll-out to clinics began, which is an extremely important milestone for RaySearch as that is when the product starts to generate revenues. RaySearch has a very large installed base among Philips' clinics and most of these users are interested in VMAT, which is currently the most important trend in the market. Combined with an attractive royalty level, this means that the product has considerable revenue potential for RaySearch.

In September, Nucletron launched two new products from RaySearch: one for model-based segmentation (MBS) and the other for VMAT. The products were recently completed and have been integrated into Nucletron's Oncentra[®] treatment planning system. Nucletron has begun to fill its order books and the first deliveries to clinics are scheduled for December. Varian has also started quoting the three new products that we have completed for them. The products are treatment planning modules for the optimization of conventional 3D-CRT, radiobiological evaluation and radiobiological optimization and were launched in late June. These are integrated modules in the latest version of Varian's Eclipse[™] treatment planning system. Varian has a very large installed base, so the potential is substantial but we do not expect any revenues until the beginning of next year. Lastly, TomoTherapy has started to receive orders for the new SharePlan[™] solution from RaySearch, which was launched earlier this year.

Although these new products did not contribute to sales during the first nine months, the company's earnings were strong during the period. Profit amounted to SEK 12.6 M, up 73 percent compared with the year-earlier period. We also noted a slight increase in sales, of 14 percent, to SEK 47.3 M, but this was largely attributable to rising currency exchange rates during the period. Had exchange rates remained unchanged, sales during the period would have declined by 5 percent, compared with the first nine months of 2008. The third quarter was relatively weak, with an 8 percent decrease in sales to SEK 12.7 M.

During the period, we experienced a generation shift whereby declining volumes from the old Philips products were offset by a first installment relating to the new agreement with Westdeutsches Protonentherapiezentrum Essen (WPE) in Essen Germany, and increased revenues from the quality assurance system COMPASS[®]. IBA Dosimetry launched a new version of COMPASS[®] earlier in the summer with support for the new VMAT treatments. This makes the system even more competitive and thanks to this extension, we are now beginning to experience an improvement in sales of the system. The weak sales through Philips are due to two factors. Support revenues from our first p-RayOptimizer product declined from the second quarter, since the product requires less maintenance after eight years on the market. In addition, the number of licenses sold declined. As Philips started delivering the new version of its system in mid-November, some customers may have deferred their orders until the new version was available for installation. We have not observed a corresponding decline in license volumes for Nucletron. This is probably because Nucletron is less dependent on the US market, the market that was impacted most severely by the financial crisis during the period.

Our largest project is currently the development of the treatment planning system for proton therapy for WPE. Proton therapy is one of the most advanced forms of radiation therapy and is a key future area for RaySearch. The agreement represents our first commercial proton order and was signed in June, when the first part-delivery also took place. The system will not be integrated into any partner system but is based on RaySearch's proprietary RayStation platform. In addition to optimization of proton treatments, the system will also contain comprehensive support for adaptive radiation therapy. By adapting the treatment for changes occurring in the patient's anatomy during and between

treatment sessions, the precision of the treatment can be improved even further. Adaptive therapy has been a prioritized research area for RaySearch for many years and this will be the first time that our expertise in the field will benefit clinics. The project is progressing as planned and the system is scheduled to be fully developed and clinically operational during the summer of 2010. The system will then be the most advanced proton treatment planning system in the market.

Another project to which we are currently allocating major resources is the partnership with Siemens, which commenced in May. Siemens is one of the leading global suppliers of radiation therapy equipment. Under the agreement with Siemens, RaySearch will provide several different advanced treatment planning modules. The modules will be integrated into Siemens' *syngo*® Suite for Oncology system, which is Siemens' integrated workflow solution for radiation therapy. In November, this collaboration was accelerated and expanded with additional modules. The collaboration is now expected to generate revenues for RaySearch in the second half of 2010 instead of in 2011 as previously communicated.

During the summer, we strengthened our development capacity by recruiting nine additional developers. This allows us to invest resources in more long-term research work which is necessary to strengthen RaySearch's position as the leading developer of advanced radiation therapy software. Another cornerstone in this strategy is to work directly with a selected few leading research-intensive clinics, such as WPE, as a complement to the existing partner-based business model. This type of collaboration will give RaySearch the freedom to develop innovative solutions directly in a clinical environment independently of other companies' priorities, which is a prerequisite for securing RaySearch's long-term position as a leading supplier. Direct collaborations with clinics require solid knowledge of RaySearch's solutions in the market. This year, we have therefore for the first time participated as an exhibitor at the major radiation therapy trade shows. I am convinced that the investment was worthwhile and we intend to continue on this path.

It is difficult to foresee how the sales of existing products will be impacted by the prevailing economic climate. It is therefore reassuring that we have launched several new products and have a solid financial position. Earlier in the summer, a proposal was presented for lower reimbursement levels in the US healthcare system, which contributed to the uncertainty. The proposal was recently amended and it appears that reductions will be significantly lower than initially expected. Accordingly, the US market should be able to recover more rapidly. Furthermore, we already know that the new products that are now being delivered to clinics will generate significant revenues. Based on what we know about our partners' backlogs and delivery capacity, we currently anticipate that the total revenue contribution from the new products via Philips, Nucletron, TomoTherapy and the system to WPE will exceed SEK 10 M already during the fourth quarter this year. Consequently, I can say that the potential for growth has never looked as favorable as it does now.

Stockholm, November 20, 2009

Johan Löf
President, RaySearch Laboratories AB

Significant events

EVENTS DURING THE THIRD QUARTER OF 2009

Two new products from the collaboration with Nucletron were launched

In September, Nucletron launched two new products for model-based segmentation (MBS) and treatment planning of rotational therapies (volumetric modulated arc therapy or VMAT). The products, which have been developed by RaySearch since January, are integrated modules in Nucletron's Oncentra® treatment planning system. VMAT is a new and advanced form of Intensity Modulated Radiation Therapy (IMRT), in which the tumor is continuously irradiated while the source of the beam rotates around the patient in single or multiple arcs. This concept enables faster treatment delivery compared to traditional IMRT, where the patient is irradiated only from a few selected angles. MBS facilitates the segmentation process when three-dimensional models of the tumor and surrounding organs at risk are created prior to the treatment planning process. Traditionally this is a very time-consuming task as the contours are outlined manually. The new MBS software module uses three-dimensional organ models that automatically adapt to patient image data. The product will be available for the treatment planning of both external radiotherapy and brachytherapy, and has the potential to significantly decrease the time spent on segmentation and also improve consistency in the process.

EVENTS AFTER THE END OF THE PERIOD

The new VMAT product from the collaboration with Philips began to generate revenues

In November installation began of RaySearch's new VMAT treatment planning solution, which received 510(k) clearance from the FDA in April. The product has been under development since 2008 as part of the long-term partnership between RaySearch and Philips and is marketed under the name SmartArc as a module in Philips' Pinnacle³ treatment planning system. The new product is the first planning solution that can be used with any VMAT-capable treatment machine in the market. In addition to managing the latest treatment machines, where the dose rate is variable, the new product can also support constant dose rate delivery. This allows clinicians to explore the benefits of VMAT delivery without the expense and downtime associated with an upgrade of their treatment machine.

Collaboration agreement with Siemens expanded and accelerated

In May, RaySearch signed a long-term development and licensing agreement with Siemens Healthcare. The collaboration entails that RaySearch will provide a number of treatment planning modules aimed at improving radiation therapy. The software modules will be integrated in Siemens' syngo® Suite for Oncology, which is Siemens' integrated workflow solution for radiation therapy. In November, the collaboration was expanded to include more modules. In addition, the project was accelerated, and is thus expected to start generating revenues for RaySearch in the second half of 2010 instead of in 2011 as previously communicated.

Financial information

SALES AND EARNINGS FOR THE THIRD QUARTER OF 2009

During the third quarter of 2009, sales decreased by 7.6 percent, compared with the year-earlier period and amounted to SEK 12.7 M (13.7). Operating profit declined during the quarter to SEK 0.4 M (3.7), corresponding to an operating margin of 3.5 percent (26.8). During the quarter, profit after tax totaled SEK 0.3 M (3.1). Sales were positively impacted by rising exchange rates and increased sales via IBA Dosimetry and were adversely affected by a reduction in sales via Philips and Nucletron.

SALES AND EARNINGS FOR THE FIRST NINE MONTHS OF 2009

During the first nine months of 2009, total sales increased 14.5 percent, compared with the year-earlier period, and amounted to SEK 47.3 M (41.3). The rise in sales was primarily due to the strengthening of the USD and EUR against the SEK. At unchanged exchange rates, sales would have decreased 5.0 percent, compared with the first nine months of 2008. Sales mainly comprise license fees through partners and support revenues. The number of licenses sold through partners totaled 389 (439), with license revenues during the first nine months of 2009 amounting to SEK 30.2 M (25.3). The reduction in the number of sold licenses was mainly attributable to Philips. License sales were impacted positively by the first installment relating to the new agreement with WPE and increased revenues from IBA Dosimetry. Support revenues during the first nine months of 2009 rose 6.9 percent to SEK 17.1 M (16.0). Support revenues are based on accumulated license sales and have thus grown continually. However, during the second quarter of 2009, support revenues for RaySearch's first product p-RayOptimizer began to decline as the product has been on the market since 2001, and now requires less maintenance.

The company is dependent on trends in USD and EUR exchange rates against the SEK, since invoicing to Philips is in USD and invoicing to Nucletron and IBA Dosimetry is in EUR. During the first nine months of 2009, revenues in USD were recognized at an average exchange rate of SEK 7.83, compared with SEK 6.27 in the year-earlier period. During the first nine months of 2009, revenues in EUR were recognized at an average exchange rate of SEK 10.65, compared with SEK 9.42 during the year-earlier period. A sensitivity analysis of currency exposure indicates that the impact of a change in the average USD exchange rate of ± 10 percent on the operating profit in the first nine months of 2009 was \pm SEK 3.0 M and that the corresponding effect of a change in the average EUR exchange rate of ± 10 percent was \pm SEK 1.6 M. The company pursues the currency policy set by the Board of Directors.

Operating profit in the first nine months of 2009 totaled SEK 17.1 M (8.0), corresponding to an operating margin of 36.0 percent (19.5). Operating expenses, excluding exchange rate gains and losses, declined by SEK 5.0 M to SEK 28.4 M compared with the first nine months of 2008. The decline in operating expenses was mainly attributable to the redirection of a considerable portion of the research department's resources to development work, due to the large number of products that were launched or are planned for launch during the year. Since the costs for product development projects are capitalized, unlike research projects, this temporary refocusing results in lower costs. Other operating revenues and other operating expenses refer to exchange-rate gains and losses, with the net of these amounting to an expense of SEK 1.0 M (rev: 0.5).

As of September 30, 2009, 52 (42) employees were engaged in research and development. Research and development costs include payroll costs, consulting fees, computer equipment and premises. Before capitalization and amortization of development costs, research and development costs totaled SEK 39.9 M (36.3). During the first nine months of 2009, development costs were capitalized in the amount of SEK 30.2 M (21.8). Amortization of capitalized development costs during the first nine months of 2009 totaled SEK 7.0 M (8.0). The reduction during the period was attributable to the complete amortization of the capitalized development costs relating to the company's first products during the period. Amortization began to rise during the third quarter and will increase as the new products begin to generate revenues. Research and development costs after adjustments for capitalization and amortization of development costs totaled SEK 16.7 M (22.5).

Amortization of intangible fixed assets for the first nine months of 2009 totaled SEK 7.1 M (8.1) and depreciation of tangible fixed assets amounted to SEK 0.1 M (0.2). Overall, amortization and depreciation during the first nine months of 2009 totaled SEK 7.2 M (8.3). Amortization and depreciation related primarily to capitalized development costs.

Profit after tax for the first nine months of 2009 totaled SEK 12.6 M (7.3), corresponding to earnings per share of SEK 0.37 (0.21).

Geographic distribution of license revenues

Although most of RaySearch's customers operate in the US, it is important to note that the proportion of license revenues that derive from North America were at a record low level during the January to September period. License revenues for the first nine months of 2009 were distributed as follows: North America 32 percent (47), Asia 24 percent (26), Europe and the rest of the world 44 percent (27).

LIQUIDITY AND FINANCING

For the first nine months of 2009, cash flow from operating activities amounted to SEK 35.4 M (6.8). Cash flow was SEK 5.4 M (neg: 20.0). The increase was mainly attributable to an improvement in profit to SEK 17.4 M, compared with SEK 10.4 M in the year-earlier period, and a decline in working capital during the January to September period, which had a positive impact of SEK 10.2 M, while the working capital increased during the year-earlier period, which had a negative impact of SEK 6.0 M. In addition, no dividend was paid during the first nine months of 2009, while a dividend of SEK 5.0 M was paid in the year-earlier period.

As of September 30, 2009, cash and cash equivalents amounted to SEK 76.0 M, compared with SEK 59.1 M on September 30, 2008. As of September 30, 2009, current receivables totaled SEK 14.5 M, compared with SEK 26.3 M on September 30, 2008. RaySearch has no interest-bearing liabilities.

INVESTMENTS

Fixed assets primarily comprise capitalized development costs. Investments in intangible fixed assets in the first nine months of 2009 totaled SEK 30.2 M (22.5) and investments in tangible fixed assets amounted to SEK 0.7 M (0.3).

EMPLOYEES

At the end of the third quarter, the number of employees at RaySearch was 56 (48). The average number of employees during the January to September 2009 period was 50 (47).

PARENT COMPANY

Since the financial reporting of the Parent Company corresponds in all material respects to the financial reporting of the Group, the comments for the Group are also relevant to a great extent for the Parent Company. Capitalization of development costs is recognized in the Group, but not in the Parent Company.

CONSOLIDATED INCOME STATEMENT IN SUMMARY

Amounts in SEK 000s	Jan-Sep		Jul-Sep		Full-year
	2009	2008	2009	2008	2008
Net sales	47,322	41,344	12,660	13,702	62,690
Cost of goods sold	-866	-436	-399	-146	-661
Gross profit	46,456	40,908	12,261	13,556	62,029
Other operating income	0	693	0	1 017	2,012
Selling expenses	-2,391	-2,012	-1,261	-779	-2,563
Administrative expenses	-9,284	-8,877	-2,787	-2,551	-11,031
Research and development costs	-16,706	-22,515	-6,699	-7,565	-29,183
Other operating expenses	-1,025	-152	-1,069	0	-206
Operating profit	17,050	8,045	445	3,678	21,058
Result from financial items	398	2,358	71	720	3,048
Profit before tax	17,448	10,403	516	4,398	24,106
Tax	-4,828	-3,079	-200	-1,291	-5,883
Profit for the period	12,620	7,324	316	3,107	18,223
Earnings per share before full dilution (SEK) *	0.37	0.21	0.01	0.09	0.53
Earnings per share after full dilution (SEK) *	0.37	0.21	0.01	0.09	0.53

* Adjusted for 3:1 stock split

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Amounts in SEK 000s	Jan-Sep		Jul-Sep		Full-year
	2009	2008	2009	2008	2008
Profit for the period	12,620	7,324	316	3,107	18,223
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	12,620	7,324	316	3,107	18,223

CONSOLIDATED STATEMENT OF FINANCIAL POSITION IN SUMMARY

Amounts in SEK 000s	Sep 30, 2009	Sep 30, 2008	Dec 31, 2008
ASSETS			
Intangible fixed assets	104,488	76,789	81,705
Tangible fixed assets	1,960	1,972	1,926
Deferred tax assets	10,569	11,253	10,569
Total fixed assets	117,017	90,014	94,200
Current assets	14,474	26,275	23,247
Cash and cash equivalents	76,043	59,089	70,644
Total current assets	90,517	85,364	93,891
TOTAL ASSETS	207,534	175,378	188,091
EQUITY AND LIABILITIES			
Equity	163,055	139,536	150,435
Deferred tax liabilities	32,346	26,722	26,240
Other long-term liabilities	1,610	1,610	1,610
Accounts payable	4,160	1,498	4,283
Other current liabilities	6,363	6,012	5,523
TOTAL EQUITY AND LIABILITIES	207,534	175,378	188,091
Pledged assets	5,000	5,000	5,000
Contingent liabilities	None	None	None

CONSOLIDATED STATEMENT OF CASH FLOW IN SUMMARY

Amounts in SEK 000s	Jan-Sep		Jul-Sep		Full-year
	2009	2008	2009	2008	2008
Profit before tax	17,448	10,403	516	4,398	24,106
Adjusted for non-cash items *	7,214	8,202	3,702	2,775	10,981
Taxes paid	570	-5,796	1,319	-1,434	1,439
Cash flow from operating activities before changes in working capital	25,232	12,809	5,537	5,739	36,526
Cash flow from changes in working capital	10,199	-5,967	7,515	-4,340	-10,481
Cash flow from operating activities	35,431	6,842	13,052	1,399	26,045
Cash flow from investing activities **	-30,032	-21,892	-9,403	-6,351	-29,540
Cash flow from financing activities	0	-4,996	0	-	-4,996
Cash flow for the period	5,399	-20,046	3,649	-4,952	-8,491
Cash and cash equivalents at the beginning of the period	70,644	79,135	72,394	64,041	79,135
Cash and cash equivalents at the end of the period	76,043	59,089	76,043	59,089	70,644

*This amount includes amortization of capitalized development costs.

**This amount includes capitalized development costs.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY IN SUMMARY

Amounts in SEK 000s	Jan-Sep 2009	Full-year 2008
Opening balance	150,435	137,851
Total comprehensive income for the period	12,620	18,223
Dividend paid	0	-5,639
Closing balance	163,055	150,435

CHANGES IN NUMBER OF SHARES

	Jan-Sep 2009	Full-year 2008
Total number of shares (opening and closing balance)	34,282,773	34,282,773
Holding of treasury shares (opening and closing balance)	449,628	449,628
Average number of treasury shares	449,628	449,628

KEY DATA AND FINANCIAL INFORMATION IN SUMMARY

Amounts in SEK 000s	2009	Jan-Sep 2008	2007	Full-year 2008
Net sales	47,322	41,344	50,182	62,690
Operating profit	17,050	8,045	22,098	21,058
Operating margin, %	36.0	19.5	44.0	33.6
Profit margin, %	36.9	25.2	47.3	38.5
Net profit	12 620	7 324	16 773	18 223
Earnings per share, SEK *	0.37	0.21	0.49	0.53
Return on capital employed, %	11.9	10.7	30.3	16.7
Return on equity, %	15.5	7.5	31.3	12.6
Equity/assets ratio, %	78.6	79.6	82.5	80.0
Adjusted equity per share at end of period*	4.76	4.07	3.93	4.39
Share price at end of period, SEK*	25.80	17.30	67.33	11.50

* Adjusted for 3:1 stock split.

PARENT COMPANY INCOME STATEMENT IN SUMMARY

Amounts in SEK 000s

	Jan-Sep		Jul-Sep		Full-year
	2009	2008	2009	2008	2008
Net sales	47,322	41,344	12,660	13,702	62,690
Cost of goods sold	-866	-436	-399	-146	-661
Gross profit	46,456	40,908	12,261	13,556	62,029
Other operating income	0	693	0	1 017	2,012
Selling expenses	-2,391	-2,012	-1,261	-693	-2,563
Administrative expenses	-10,708	-9,980	-3,231	-2,959	-12,461
Research and development costs	-38,488	-35,230	-12,014	-10,807	-46,635
Other operating expenses	-1,025	-152	-1 069	0	-206
Operating profit/loss	-6,156	-5,773	-5,314	114	2,176
Result from financial items	321	1,870	55	496	14,417
Profit/loss after financial items	-5,835	-3,903	-5,259	610	16,593
Appropriations	-	-	-	-	743
Profit/loss before tax	-5,835,	-3,903	-5,259	610	17,336
Tax	1,295	948	1,319	-231	-2,303
Net profit/loss	-4,540	-2,955	-3,940	379	15,033

PARENT COMPANY BALANCE SHEET IN SUMMARY

Amounts in SEK 000s	Sep 30, 2009	Sep 30, 2008	Dec 31, 2008
ASSETS			
Intangible fixed assets	791	1,387	1,221
Tangible fixed assets	1,960	1,972	1,926
Financial fixed assets	2,160	2,160	2,160
Deferred tax assets	10,569	11,253	10,569
Total fixed assets	15,480	16,772	15,876
Current assets	14,464	26,190	35,238
Cash and cash equivalents	72,065	43,194	54,534
Total current assets	86,529	69,384	89,772
TOTAL ASSETS	102,009	86,156	105,648
EQUITY AND LIABILITIES			
Equity	72,214	58,767	76,755
Untaxed reserves	19,290	20,033	19,290
Accounts payable	4,160	1,498	4,283
Other current liabilities	6,345	5,858	5,320
TOTAL EQUITY AND LIABILITIES	102,009	86,156	105,648
Pledged assets	5,000	5,000	5,000
Contingent liabilities	None	None	None

Other information

ACCOUNTING POLICIES IN ACCORDANCE WITH IAS/IFRS

The consolidated financial statements for the nine months of 2009 were prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU, and the Swedish Annual Accounts Act. This interim report was prepared in accordance with IAS 34 Interim Financial Reporting. In addition, applicable provisions of the Swedish Annual Accounts Act were applied. Effective January 1, 2009, RaySearch applies IFRS 8 Operating Segments and the revised IAS 1 Presentation of Financial Statements. Application of IFRS 8 has not resulted in any changes in RaySearch's segment definition. The changes in IAS 1 have resulted in the consolidated income statement being supplemented with a statement of comprehensive income. The Parent Company financial statements were prepared in accordance with the Swedish Annual Accounts Act and the requirements contained in the Swedish Financial Reporting Board's recommendation RFR 2.2 Accounting for Legal Entities.

RISKS AND UNCERTAINTIES IN THE GROUP AND THE PARENT COMPANY

Financial risk management

RaySearch's financial policy governing the management of financial risks was established by the Board of Directors and represents a framework of guidelines and rules in the form of risk mandates and limits for financial activities. RaySearch is primarily affected by exchange-rate risk. All of RaySearch's net sales are in USD or EUR. In accordance with the established financial policy, no currency hedging is employed. The financial policy is updated at least once annually.

Operational risks

As a result of its activities, RaySearch is exposed to various operational risks, including the following: dependency on key persons, competition and strategic partnerships. RaySearch currently has partnerships with Philips, Varian, Siemens, Nucletron, IBA Dosimetry and TomoTherapy. RaySearch also has several research partnerships. If RaySearch were to lose one or more of these partners, this could have a major effect on the company's sales, profit and financial position. This risk decreases as the number of partners increases. RaySearch engages in continuous discussions with a number of medical technology companies in respect of new collaborations.

For more detailed information about RaySearch's financial risk management and operational risks, refer page 49 of the 2008 Annual Report.

RELATED-PARTY TRANSACTIONS

No transactions occurred between RaySearch and related parties that materially affected the company's position and earnings.

ESTIMATES

Preparation of the interim report requires that company management makes estimates that affect the recognized amounts for assets, liabilities, revenues and expenses. The actual outcome could deviate from these estimates. The critical sources of uncertainty in the estimates are the same as in the most recent annual report.

Stockholm, November 20, 2009

Johan Löf
President and Board member

Review report

To the Board of RaySearch Laboratories AB (publ)
Corp. Reg. No: 556322-6157

I have reviewed the attached interim report for RaySearch Laboratories AB (publ), for the period January 1, 2009 to September 30, 2009. The Board of Directors and the President are responsible for the preparation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. My responsibility is to express a conclusion on the interim report based on my review.

I have conducted my review in accordance with the Swedish standard for such reviews, (SÖG) 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Company*. A review of interim financial information consists of making inquiries, primarily with persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with generally accepted auditing standards in Sweden RS and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Therefore, a review does not enable me to express a conclusion with the same degree of assurance that an audit would do.

Based on my review, nothing has come to my attention that causes me to believe that the attached interim report has not been prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act for the Group and the Swedish Annual Accounts Act for the Parent Company.

Stockholm, November 20, 2009

Anders Linér
Authorized Public Accountant
KPMG

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FINANCIAL REPORTING

Year-end report	February 18, 2010
Interim report for the first quarter	May 2010
Annual General Meeting	May 25, 2010 at 6:00 p.m.

ABOUT RAYSEARCH

RaySearch Laboratories is a medical technology company that develops advanced software solutions for improved radiation therapy of cancer. RaySearch's products are sold through license agreements with leading partners, such as Philips, Varian, Siemens, Nucletron, IBA Dosimetry and TomoTherapy. To date, 15 products have been launched and RaySearch's software is used at about 1,500 clinics in more than 30 countries. In addition, existing license agreements cover more than 15 other products that are scheduled to be launched in the coming years. RaySearch was founded in 2000 as a spin-off from Karolinska Institutet in Stockholm and the company is listed in the Small Cap segment of NASDAQ OMX Nordic Exchange Stockholm.

For more information about RaySearch, visit www.raysearchlabs.com.