

RaySearch Laboratories AB (publ) Interim Report, January 1 – June 30, 2005

- Net sales for the period amounted to SEK 33.7 M (20.5)
- Profit after tax totaled SEK 14.2 M (5.7)
- Earnings per share after tax amounted to SEK 1.25 (0.54)
- Operating profit amounted to SEK 19.7 M (7.9)
- Cash flow from operating activities amounted to SEK 15.4 M (2.7)

Johan Löf, President and CEO of RaySearch Laboratories AB, comments on the first six months of the year as follows:

“The strong growth rate reported for the first quarter accelerated sharply in the second quarter. We are pleased to report a twofold increase in sales and a fourfold increase in operating profit for the second quarter of the year, compared with the corresponding period in the preceding year.

Sales of OM-Optimizer, which is included in Nucletron’s Oncentra MasterPlan, which began in the end of April, generated revenue only during slightly more than two of the quarter’s three months. The third quarter will be the first period to receive the full impact of sales of OM-Optimizer. Nucletron enthusiastically proclaims that OM-Optimizer is a key factor in the success of the Oncentra MasterPlan. Customers have shown considerable interest in the OM-Optimizer, particularly because the system is highly efficient, and therefore it represents a unique means of saving time at the clinics. The OM-Optimizer is the first of six products to be integrated in the Nucletron treatment planning system. The five products that remain to be introduced represent a substantial sales potential.

RayMachine, which is part of the company’s cooperation with Philips, grew to 184 systems sold in the first half of the year, compared with 70 systems in the year-earlier period, while 67 systems of OM-Optimizer were sold from its introduction until June. It is encouraging to see that our intensive work on these two products has begun to bear fruit. Everything is proceeding according to plan, and we have shown that our strategy of focusing on these new products was correct. Since revenues from Nucletron are recognized in EUR, the company’s relative exposure to the USD will decline in the future.

In May, the company signed a letter of intent with Philips regarding a long-term development and license agreement in adaptive radiation therapy, which will be the major development area in the future. The negotiations have been complex and I am very hopeful that we will soon be able to sign the agreement. The agreement will be an important factor for our future success in adaptive radiation therapy.

Adaptive radiation therapy increases geometrical precision, by taking into account changes in the patient’s anatomy during the actual treatment, which makes the treatments even more efficient and safe. RaySearch is currently cooperating with Philips and the Princess Margaret Hospital in Toronto on Image Guided Adaptive Radiation Therapy (IGART), which will be further developed under the supervision of Dr. David Jaffray at the hospital.

Our quality system received ISO certification at the end of July. This is a very important aspect of our relations and cooperation with partners old and new. The certification makes it easier to integrate our products with our partners’ systems and places us in a position to launch CE-labeled products of our own in the future.

Given these excellent conditions, there is good reason for optimism about the development of RaySearch in both the long and the short term.”

Summary of financial results

	2005	2004	2005	2004	2004
	Jan-June	Jan-June	Apr-June	Apr-June	Jan-Dec
Amounts in SEK 000s	(6 months)	(6 months)	(3 months)	(3 months)	(12 months)
Net sales	33,729	20,486	20,607	10,406	39,479
Operating profit	19,677	7,941	13,475	3,017	12,460
Operating margin, %	58.3	38.8	65.4	29.0	31.6
Profit margin, %	58.8	39.1	66.0	29.6	32.0
Net income	14,247	5,656	9,756	2,170	11,215
Equity/assets ratio, %	76	75	76	75	72
Adjusted shareholders’ equity per share	5.86	3.23	5.86	3.23	3.75
Share price in SEK at end of period	105.00	50.75	105.00	50.75	48.60

This is a translation of the Swedish Interim Report

Sales and earnings

For the first six months of 2005, total sales rose by 65 percent compared with the corresponding period in 2004 and amounted to SEK 33.7 M (20.5). The number of licenses sold totaled 420 (234), of which 160 (150) pertained to RayOptimizer, 184 (70) to RayMachine, 9 (14) to RayBiology and 67 (0) to OM-Optimizer. License revenues for the first six months of 2005 increased to SEK 29.8 M (16.9). Sales largely comprise license revenues from RayOptimizer, RayMachine and OM-Optimizer. During the first six months of 2005, these products represented 35 percent (61), 27 percent (19) and 26 percent (0) of total sales. Support revenues amounted to SEK 3.9 M (3.6).

The company is dependent on the performance of the US dollar since invoicing to Philips is in USD. During the first six months of 2005, revenues were booked at an average USD rate of SEK 7.18, compared with SEK 7.66 during the corresponding period in 2004. If exchange rates had remained unchanged compared with the corresponding period in 2004, total sales for the first six months of 2005 would have been SEK 35.4 M, which would have meant an increase of 73 percent. Invoicing to Nucletron is in EUR. This invoicing commenced during the second quarter of 2005.

Operating profit amounted to SEK 19.7 M (7.9), which corresponds to an operating margin of 58.3 percent (38.8). During the first six months of 2005, operating profit increased by 148 percent compared with the corresponding period in 2004.

Compared with the year-earlier period, operating expenses, excluding currency effects, increased by SEK 3.1 M to SEK 14.8 M during the first six months of 2005. The increase was mainly attributable to an increased focus on research and development, primarily in adaptive radiation therapy, and development of the new products for Nucletron. A number of persons were recruited during full-year 2004. The costs for this recruitment did not affect the first quarter of 2004, but affected the second quarter of 2004 to some extent. The increase in operating expenses is also attributable to increased administrative expenses in connection with the non-cash issue implemented during the first quarter of 2005.

At June 30, 2005, 24 persons (21) worked in research and development. Other research and development expenses also include costs for computer equipment and premises. Research and development costs before capitalization and amortization amounted to approximately SEK 12.5 M (9.8) and are also expected to represent a considerable portion of costs in the future.

Amortization and depreciation during the first six months of 2005 amounted to SEK 2.3 M (1.9) on intangible assets and SEK 0.1 M (0.1) on tangible assets. Total amortization and depreciation during the first six months of 2005 amounted to SEK 2.4 M (2.0). Amortization and depreciation are mainly included in the research and development expenses.

Profit after tax for the first six months of 2005 totaled SEK 14.2 M (5.7), which means that earnings per share after tax amounted to SEK 1.25 (0.54).

During the second quarter of 2005, sales increased by 98 percent, compared with the corresponding period in 2004, to SEK 20.6 M (10.4).

Operating profit during the second quarter amounted to SEK 13.5 M (3.0), corresponding to an operating margin of 65.4 percent (29.0). Operating profit increased by 347 percent during the second quarter of 2005, compared with the year-earlier period.

Profit after tax for the second quarter of 2005 amounted to SEK 9.8 M (2.2), corresponding to earnings per share after tax of SEK 0.85 (0.21).

Geographical distribution of sales

The majority of RaySearch's customers are in the US. Sales during the first six months of 2005 were distributed as follows: North America 73 percent (89), Asia 5 percent (3), Europe and the rest of the world 22 percent (8).

Capitalization of development costs

During the first six months of 2005, development costs amounting to SEK 7.1 M (5.7) were capitalized. Amortization for the first six months of 2005 totaled SEK 2.3 M (1.9). Deferred tax was taken into consideration.

Liquidity and financing

Cash flow during the first six months of 2005 totaled SEK 21.8 M (negative: 2.9). Cash flow from operating activities amounted to SEK 15.4 M (2.7). SEK 13.3 M (0.0) of total cash flow pertains to sales of shares in RaySearch Medical and RaySearch Laboratories, which were owned by RayIncentive. The sales were made to options holders. The shares in RaySearch Medical were then transferred in kind to RaySearch Laboratories at a value of SEK 46.9 M.

At June 30, 2005, the value of cash and cash equivalents and short-term investments amounted to SEK 35.4 M, compared with SEK 8.6 M at June 30, 2004. At June 30, 2005, current receivables amounted to SEK 18.9 M, compared with SEK 13.3 M at June 30, 2004. RaySearch has no interest-bearing liabilities.

Investments

Fixed assets mainly comprise capitalized development costs. Investments in intangible fixed assets during the first six months amounted to SEK 7.1 M (5.9) and investments in tangible fixed assets amounted to SEK 0.1 M (0.3).

Employees

At the end of the first six months of 2005, the number of employees at RaySearch amounted to 28 persons (24). The average number of employees during the period January-June 2005 totaled 26 (21).

Parent Company

The Group's Parent Company is RaySearch Laboratories. This company has not conducted any operating activities during the year.

The Parent Company's shares in the subsidiary RaySearch Medical are reported at SEK 233.7 M (186.8).

The Parent Company's sales amounted to 0 (0). Pretax loss amounted to SEK 802,000 (loss: 355,000). Investments in tangible fixed assets during the period amounted to SEK 0 (0). At June 30, 2005, the Parent Company had cash and cash equivalents amounting to SEK 0 (0).

Extraordinary General Meeting and non-cash issues

The Extraordinary General Meeting of shareholders in RaySearch Laboratories held on January 25, 2005, approved non-cash issues involving a total of 914,530 Series B shares and implying an increase of SEK 1,371,795 in the Company's shareholders' capital and SEK 45,497,918 in its share-premium reserve. The decisions were made as part of the company's Employee Option Program, which has existed since 2001. Remaining option programs, which refer to existing shares, are described in the 2004 Annual Report. The non-cash issue was carried out during the first quarter of 2005. The increase in shareholders' capital was registered in April 2005. RayIncentive's holding of shares in RaySearch Laboratories amounted to 149,876 shares on June 30, 2005. RayIncentive has issued options on

115,500 of these shares. The consolidated book value of these 149,876 shares in RaySearch Laboratories is SEK 0.

Key events in the second quarter of 2005

New liquidity guarantor

RaySearch has appointed Remium Securities, effective April 11, 2005, as the new liquidity guarantor for its shares, which are listed on the Stockholm Stock Exchange. The purpose of having a liquidity guarantor is to promote liquidity in the shares.

New letter of intent regarding adaptive radiation therapy signed by Philips and RaySearch

On May 18, 2005, RaySearch announced it had signed a letter of intent with Philips regarding an agreement on the long-term development and licensing of new products in adaptive radiation therapy, which is considered to be the next technology leap within radiation treatment. Adaptive radiation therapy increases geometrical precision in that it takes changes in the patient's anatomy during the actual treatment into account, which makes the treatments even more efficient and safe. RaySearch and Philips already conduct extensive research and development in the area, and a prototype of a system for adaptive radiation therapy has already been produced. For example, the companies are engaged in a cooperation with the Princess Margaret Hospital in Toronto on Image Guided Adaptive Radiation Therapy (IGART), which will be developed further under the leadership of Dr. David Jaffray at the hospital.

The licensing agreement will mean that the cooperation between RaySearch and Philips enters a new production-oriented phase and pertains to a suite of advanced products in adaptive radiation therapy, while at the same time the companies' joint research will continue. The negotiations have been complex. It is hoped the parties will be able to finalize the agreement soon.

No organizational connection between RaySearch and RayClinic

During the second quarter of 2005, RaySearch became aware that the RayClinic AB (publ) company (RayClinic) was promoting a new issue aimed at the general public via advertisements in the media. In view of the similarity between the names of the companies and the fact that both companies are active in one way or another in radiation therapy for cancer, RaySearch made a pressrelease that there is no organizational or ownership connection whatsoever between the companies, nor any cooperation between them.

On the contrary, RaySearch has informed RayClinic on several occasions of its strong displeasure with RayClinic's name, secondary names, etc., and has demanded that RayClinic cease and desist with the use of the "Ray" prefix. It did not appear that this has not been disclosed in RayClinic's prospectus for the new issue. RaySearch is considering taking legal action against RayClinic.

Key events after the close of the reporting period

Listing on Attract40

As of July 1, 2005, RaySearch Laboratories has been listed on the Attract40 segment of the O List of the Stockholm Stock Exchange. In November 2003, RaySearch was listed on the O List. During the past six months, market interest in RaySearch has been so great that the company now qualifies for inclusion in the Attract40 segment. According to the Stockholm Exchange, the purpose of Attract40 is to showcase attractive O List companies for foreign investors and small individual share investors in Sweden. To qualify for inclusion in this segment, the share turnover rate in the past six months must be among the forty highest on the O List of the Stockholm Stock Exchange.

ISO certification

RaySearch's quality system received ISO certification on July 22, 2005. The quality system was thus certified in accordance with SS-EN ISO 9001:2000 and with SS-EN ISO 13485:2003 for medical-technology products. RaySearch has been working with its quality systems that have now been adapted to meet the requirements of the international certification standards. This is a very important aspect of RaySearch's relations and cooperation with old and new partners since the certification makes it easier for RaySearch to integrate its products with its partners' systems. Moreover, the certification also provides the company the possibility to CE-label its own products in the future.

Market

RaySearch operates in the field of intensity-modulated radiation therapy (IMRT), which is an advanced method for radiation treatment of cancer. IMRT enables a tumor to be treated with a higher dose of radiation than is possible using conventional treatment, while the risk of damage to adjacent healthy tissue is reduced. When planning IMRT, advanced methods are required for optimization, since radiation therapy must be adapted to the anatomy of the individual patient.

It is estimated that there are currently 5,500 clinics throughout the world that treat patients using radiation therapy. Of these, it is estimated that 2,800 have advanced treatment planning systems in the sense that the calculation of radiation doses takes into consideration that patient anatomy is three-dimensional. Clinics with advanced treatment planning systems represent the direct target group for RaySearch's IMRT software solutions. The market for treatment planning systems grows by 7-8 percent annually. Through its partners Philips and Nucletron, RaySearch reaches more than 50 percent of the market. In the most rapidly growing segment, IMRT, RaySearch's partners have two thirds of the market. IMRT is growing considerably more rapidly than the overall treatment planning market. In the US and Canada, RaySearch's products are installed at about 30 percent of the 2,100 clinics. The market for IMRT is growing more rapidly in the US than the rest of the world. It is probable that the leading clinics in Europe will also begin to use IMRT to a greater extent. In Europe, RaySearch's partners have about 30 percent of the installed base of treatment planning systems and Nucletron represents the largest portion. Accordingly, the prospects are promising for favorable growth for RaySearch's products in Europe.

Commercial partners

During RaySearch's first four years, Philips was the exclusive distributor of RaySearch's software modules for clinics. Through an agreement with Nucletron in 2004, marketing and the sale of products from RaySearch was broadened considerably. For each module sold, RaySearch receives a fixed license fee. Following a purchase, the customer has the opportunity to sign a support agreement, which also includes updating the modules. By relying on commercial partners, the business model becomes scalable, that is, the company can increase its sales to hospitals without costs increasing to the same extent. The agreement with Nucletron means that RaySearch receives revenues from Nucletron in EUR, which reduces the company's exposure to USD in relative terms.

Philips and RaySearch now intend to initiate cooperation in adaptive radiation therapy, which means they will enter the next phase of their cooperation. Adaptive radiation therapy aims to take into consideration changes in the patient's anatomy that occur during the period when the treatment is being administered and to correct any errors that arise during treatment. RaySearch has developed a prototype of a system for adaptive radiation therapy that was presented together with Philips at a major international congress in October 2004. The system has also been installed at the Princess Margaret Hospital in Toronto. The aim is to gain in-depth knowledge of how the clinical workflow is affected during adaptive radiation therapy and to acquire valuable views from physicians and hospital physicists.

Products

RaySearch develops software that improves the treatment planning systems currently used to plan the radiation treatment of cancer. RaySearch's technology platform, ORBIT, is a general framework for solving optimization problems in radiation therapy and the result of many years of research at Karolinska Institute and RaySearch. During development, object-oriented technologies and advanced methods of software design were used. With its sophisticated architecture, ORBIT represents a highly appropriate platform for innovative products in the radiation-therapy field, in which new treatment methods, more exact biological models and more efficient calculation methods are continuously being developed.

To date, parts of ORBIT's functionality have been packaged in four products: RayOptimizer, RayBiology, RayMachine and OM-Optimizer. Until the beginning of 2004, only RayOptimizer was sold and then only as a plug-in module in Philips' Pinnacle treatment planning system. When the distribution of RayBiology and RayMachine started a total of three products are distributed through Philips.

OM-Optimizer, the first product developed within the framework of the partnership with Nucletron, was introduced in the market in April 2005. In total, six products based on RaySearch's ORBIT platform will be integrated in Nucletron's Oncentra MasterPlan treatment-planning product. For the effective clinical introduction of IMRT, physicians require access to advanced multimodal image treatment and effective tools for organ contouring, as well as reliable and fast dose and optimization algorithms. The combination of IMRT optimization in ORBIT from RaySearch and image processing in Oncentra MasterPlan from Nucletron with organ contouring and dose calculation algorithms, provides the user with access to very powerful systems.

When all six products are delivered to Nucletron, RaySearch's product portfolio will comprise a total of nine products, with Philips' and Nucletron's total installation base as potential customers.

Research and development

Research work at RaySearch mainly focuses on the following areas: algorithm development and modeling in adaptive radiation therapy, the development of algorithms for direct optimization of machine parameters, development of advanced dose calculation algorithms and optimization algorithms for radiation therapy and medical image processing. The research activities are conducted in close cooperation with the Karolinska Institute in Solna and the Royal Institute of Technology in Stockholm.

Development activities focus on transforming market demands, customer requests and research results into products. This is achieved through the development of new products and the further development and maintenance of existing products. During 2005, the company's development work has focused on adaptive radiation therapy, in which there is great need of new, innovative tools and algorithms and of development and elaboration of the products involved in the ongoing partnerships with Philips and Nucletron. Adaptive radiation therapy enhances geometrical precision by taking into consideration changes in the patient's anatomy during the actual treatment. RaySearch conducts cooperation in adaptive radiation therapy on a number of fronts.

Accounting principles in accordance with IAS/IFRS

This interim report has been prepared in accordance with IAS 34, Interim Financial Reporting, which corresponds to the requirements contained in the Swedish Financial Accounting Standards Council's RR31 recommendation, Interim Reports for Groups. The accounting principles have changed compared with the most recent Annual Report as a result of the transition to IFRS.

The 2004 Annual Report presents a description of the accounting principles affected by the transition to IFRS. For a description of the accounting principles applied by RaySearch in the interim report for the second quarter of 2005, see the section "New accounting principles 2005" in the 2004 Annual Report.

These principles have been applied from January 1, 2005 and the comparison year 2004 has been recalculated. The transition rules are contained in IFRS 1, First-time Adoption of International Financial Reporting Standards, which is based on all standards being applied retroactively.

The most significant effect of the transition to IAS/IFRS for RaySearch is that development costs during the period January 1, 2002 – May 28, 2003 were capitalized by SEK 11.7 M. The changed accounting principles mean that the costs of research and development will increase by SEK 2.3 M per year (SEK 1.7 M after tax) during the years 2005-2008. Pretax profit/loss is negatively affected in an amount of SEK 0.6 M per quarter (SEK 0.4 M after tax). Shareholders' equity rose by SEK 8.4 M at January 1, 2004 and by SEK 6.8 M at December 31, 2004. The above changes have no impact on cash flow.

IAS 39 Financial Instruments: Recognition and Measurement, IFRS 4 Insurance Contracts and IFRS 5 Non-current Assets Held for Sale and Discontinued Operations shall be applied as of January 1, 2005, and are exempted from the requirement of recalculation for the comparative year. As of January 1, 2005, the Parent Company applies RR32 Accounting for legal entities. RR 32 primarily means that IFRS shall be applied, but with certain exceptions. The application of these accounting principles will have no effect on the Group's or the Parent Company's earnings and financial position.

In the consolidated accounts as of January 1, 2005, RayIncentive is consolidated as a subsidiary, since this company's shareholding in RaySearch Medical has been sold and replaced by cash equivalents due to the redemption of the options program. Due to the fact that RayIncentive has received cash proceeds in exchange for the shares, the holding is considered to be significant.

Apart from the changes described above, the Group's accounting principles have not been affected as a result of the introduction of the IFRS rules, compared with the accounting principles described in the 2004 Annual Report.

Consolidated income statement 2004, description of effects of change to IFRS

Amounts in SEK 000s

RR is the Swedish Financial Accounting Standards Council

	2004 Apr.-June		2004 Apr.-June
	In accordance with RR's principles	Effect of change to IFRS	In accordance with IFRS
Gross profit	9,983	-	9,983
Research and development costs	-2,719	-586	-3,305
Other operating costs	-3,661	-	-3,661
Operating profit	3,603	-586	3,017
Result from financial items	64	-	64
Profit before tax	3,667	-586	3,081
Tax	-1,075	164	-911
PROFIT FOR THE PERIOD	2,592	-422	2,170
Earnings per share before full dilution, SEK	0.25	-0.04	0.21
Earnings per share after full dilution, SEK	0.23	-0.04	0.19

Amounts in SEK 000s

RR is the Swedish Financial Accounting Standards Council

	2004 Jan.-June		2004 Jan.-June
	In accordance with RR's principles	Effect of change to IFRS	In accordance with IFRS
Gross profit	19,757	-	19,757
Research and development costs	-4,864	-1,172	-6,036
Other operating costs	-5,780	-	-5,780
Operating profit	9,113	-1,172	7,941
Result from financial items	76	-	76
Profit before tax	9,189	-1,172	8,017
Tax	-2,689	328	-2,361
PROFIT FOR THE PERIOD	6,500	-844	5,656
Earnings per share before full dilution, SEK	0.62	-0.08	0.54
Earnings per share after full dilution, SEK	0.57	-0.07	0.50

Consolidated balance sheet, 2004-06-30, description of effects of change to IFRS

Amounts in SEK 000s

	June 30, 2004 In accordance with RR's principles	Effect of change to IFRS	June 30, 2004 In accordance with IFRS
ASSETS			
Intangible fixed assets	10,947	10,549	21,496
Other fixed assets	1,868	-	1,868
Current assets	21,941	-	21,941
TOTAL ASSETS	34,756	10,549	45,305
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity	26,322	7,594	33,916
Liabilities	8,434	2,955	11,389
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	34,756	10,549	45,305

Future financial reports

Interim report for third quarter
Year-end report

November 16, 2005
February 2006

Stockholm, August 24, 2005

RaySearch Laboratories AB
Johan Löf, CEO

Review Report

I have reviewed this interim report in accordance with the recommendation issued by FAR. A review is considerably limited in scope compared with an audit. Nothing has come to my attention that causes me to believe that the interim report does not comply with the requirements of the Exchange and Clearing Operations Act and the Annual Accounts Act.

Stockholm, August 24, 2005

Anders Linér
Authorized Public Accountant
KPMG

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About RaySearch

RaySearch develops and sells software for radiation therapy for cancer treatment. The products are specially developed to optimize radiation therapy and the purpose is to adapt the radiation dose to the shape of the tumor, which allows high doses to be delivered to the tumor while minimizing the dose to surrounding healthy tissue.

RaySearch, a spin-off from Karolinska Institute, was formed in 2000. RaySearch has sold its product, RayOptimizer, to more than 800 hospitals around the world through a licensing agreement with Philips, enabling more than hundred thousand of patients to receive improved radiation therapy.

RaySearch was listed on the Stockholm Stock Exchange O List in November 2003. As of July 1, 2005, RaySearch has been listed on the Attract40 segment of the O List of the Stockholm Stock Exchange. Sales of the products RayBiology and RayMachine began in 2004. The partnership with Philips continues and RaySearch signed a licensing agreement with Nucletron at the beginning of 2004. The latter agreement made RaySearch's products available to a large number of new clinics worldwide and, consequently, increased the number of potential end customers sharply. Delivery to clinics of OM-Optimizer, the first product based on the partnership with Nucletron, began in April 2005. RaySearch is based in Stockholm and currently has 28 employees.

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Consolidated income statement

Amounts in SEK 000s	2005	2004	2005	2004	2004
	Jan.–June	Jan.–June	Apr.–June	Apr.–June	Jan.–Dec.
	(6 months)	(6 months)	(3 months)	(3 months)	(12 months)
Net sales	33,729	20,486	20,607	10,406	39,479
Cost of goods sold	-562	-729	-300	-423	-1,238
Gross profit	33,167	19,757	20,307	9,983	38,241
Selling expenses	-580	-518	-314	-238	-1,139
Administrative expenses	-6,494	-5,223	-3,509	-3,310	-10,995
Research and development costs	-7,758	-6,036	-3,909	-3,305	-13,147
Other operating income	1,580	162	905	22	212
Other operating expenses	-238	-201	-5	-135	-712
Operating profit	19,677	7,941	13,475	3,017	12,460
Result from financial items	152	76	121	64	158
Profit before tax	19,829	8,017	13,596	3,081	12,618
Tax	-5,582	-2,361	-3,840	-911	-1,403
PROFIT FOR THE PERIOD	14,247	5,656	9,756	2,170	11,215
Earnings per share before full dilution, SEK	1.26	0.54	0.85	0.21	1.07
Earnings per share after full dilution, SEK	1.25	0.50	0.85	0.19	0.98
Number of shares outstanding before full dilution	11,427,591	10,513,061	11,427,591	10,513,061	10,513,061
Number of shares outstanding after full dilution	11,427,591	11,427,591	11,427,591	11,427,591	11,427,591
Average number of shares outstanding before full dilution	11,300,573	10,513,061	11,427,591	10,513,061	10,513,061
Average number of shares outstanding after full dilution	11,427,591	11,427,591	11,427,591	11,427,591	11,427,591

Consolidated balance sheet

Amounts in SEK 000s	June 30, 2005	June 30, 2004	Dec. 31, 2004
ASSETS			
Intangible fixed assets	30,390	21,496	25,707
Tangible fixed assets	1,566	1,698	1,722
Financial fixed assets	28	170	98
Deferred tax assets	2,130	-	2,130
	34,114	23,364	29,657
Current assets			
Current receivables	18,864	13,336	12,844
Cash and bank balances	35,346	8,605	12,294
	54,210	21,941	25,138
TOTAL ASSETS	88,324	45,305	54,795
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity	66,958	33,916	39,475
Accounts payable, trade	1,848	1,589	2,102
Other noninterest-bearing liabilities	19,518	9,800	13,218
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	88,324	45,305	54,795

Cash-flow statements Group

Amounts in SEK 000s	2005 Jan.–June (6 months)	2004 Jan.–June (6 months)	2005 Apr.–June (3 months)	2004 Apr.–June (3 months)	2004 Jan.-Dec. (12 months)
Cash flow from operating activities before changes in working capital	21,702	8,923	14,800	3,384	16,230
Cash flow from changes in working capital	-6,344	-6,199	-6,165	-3,826	-3,358
Cash flow from operating activities	15,358	2,724	8,635	-442	12,872
Cash flow from investing activities	-6,870	-5,644	-3,544	-2,813	-11,843
Cash flow from financing activities	13,279	-	783	-	-
Cash flow for the period	21,767	-2,920	5,874	-3,255	1,029
Cash and cash equivalents at the beginning of the year	12,294	11,496	29,472	11,913	11,496
Cash and cash equivalents added from RayIncentive	1,285	-	-	-	-
Exchange rate difference in cash and cash equivalents	-	29	-	-53	-231
Cash and cash equivalents at the end of the period	35,346	8,605	35,346	8,605	12,294

Changes in consolidated shareholders' equity

Amounts in SEK 000s

	2005	2004	2004
	Jan.–June	Jan.–June	Jan.–Dec.
	(6 months)	(6 months)	(12 months)
Opening balance in accordance with RR		19,821	19,821
IFRS Capitalization of development expenses		8,439	8,439
Opening balance in accordance with IFRS	39,475	28,260	28,260
Change of accounting principle Consolidation of RayIncentive	-188	-	-
Transfer of own shares	13,424	-	-
Result for the period	14,247	5,656	11,215
Closing balance	66,958	33,916	39,475

Changes in number of shares

	2005	2004	2004
	Jan.–June	Jan.–June	Jan.–Dec.
	(6 months)	(6 months)	(12 months)
Opening balance	10,513,061	10,513 061	10,513,061
Non-cash issue	914,530	-	-
Closing balance	11,427,591	10,513,061	10,513,061