



PRESS RELEASE

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Agreement between Philips and RaySearch regarding adaptive radiation therapy is finalized

RaySearch Laboratories AB announces that a long-term license and development agreement has been reached with Royal Philips Electronics covering a suite of new products within adaptive radiation therapy. The agreement covers three products, the first of which will be launched during the second half of 2007. Adaptive radiation therapy, considered to be the next technology shift within radiation therapy, increases geometric precision by taking into account changes in the patient's anatomy during the actual treatment. The higher precision makes it possible to deliver higher doses to the tumor and at the same time reduce side-effects.

“It is extremely pleasing that we have concluded the contract with Philips. This is one of the most important milestones in RaySearch's history. We are now initiating cooperation with Philips in which we will jointly develop the next generation of treatment planning systems for adaptive radiation therapy. Given Philips leading position in the treatment planning market and that the cooperation within IMRT has been an important factor for RaySearch's favorable development, we have great hopes that the joint efforts now being initiated will be just as successful. Adaptive radiation therapy will be a major growth area in the future and of central importance for RaySearch's continued expansion,” says Johan Löf, President and CEO of RaySearch Laboratories AB.

In IMRT (Intensity Modulated Radiation Therapy), the patient is treated with a dose distribution that is tailored to the tumor volume. This improves treatment quality significantly, but to achieve an even better treatment result, software is required that effectively deals with the problems that can arise due to changes in the patient geometry over time. By taking, for example, X-rays during the course of treatment, and feeding back the information, the treatment can be corrected so that errors can be avoided or dealt with. This approach is known as adaptive radiation therapy. Today, there are linear accelerators with integrated computer tomography that facilitate daily imaging of the patient's anatomy. These systems are currently used for so-called image-guided radiation therapy (IGRT), which is a simpler form of adaptive radiation therapy, in which the treatment couch is moved so that the tumor is correctly aligned in relation to the rays. With the correct software, these accelerators are well suited for full adaptive radiotherapy. All available degrees of freedom can then be utilized to optimally adapt treatment to the changes in the patient's geometry.

Within the framework of the cooperation, three products within adaptive radiation therapy will be developed. The first is a tool for IGRT which utilizes strictly geometrical information about the patient's anatomy. The second product facilitates more advanced adaptation of the treatment also taking into account dosimetric aspects. The third product can deliver full four dimensional adaptive radiation therapy.

RaySearch and Philips are already now involved in highly advanced research activities within adaptive radiation therapy, including cooperation with Princess Margaret Hospital in Toronto, Canada. At the major annual American ASTRO congress 2005, the opportunity was provided at a large plenary presentation to present the results of the research carried out at the Princess Margaret Hospital with the aid of RaySearch's and Philip's software for adaptive radiation therapy to an audience of 5,000. There was major interest and the response was highly positive. The license agreement now concluded means that RaySearch and Philips will move into a new production-oriented phase of cooperation, at the same time as research continues.

RaySearch and Philips began cooperation within the development of IMRT products already in 2000. The first product, RayOptimizer, was integrated in Philips' Pinnacle treatment planning system and was introduced clinically in 2001. Later, the supplemental products RayMachine and RayBiology were launched and sales of all three products have been successful. Philips has a world-leading position in treatment planning, with the world's largest installed customer base, and about 1,500 RayOptimizer licenses have been sold to date to clinics and hospitals worldwide.

About Royal Philips Electronics

Royal Philips Electronics is Europe's largest and one of the world's leading electronics companies, with sales in 2005 of EUR 30 billion. The company is world leading in color-TVs, lighting, electric shavers, color tubes for TV and imaging displays, medical diagnostics and patient monitoring and components for single-chip TVs. The company's 126,000 employees in more than 60 countries work within lighting, consumer electronics, domestic and personal care appliances, semiconductors and medical systems. Philips is listed on the stock exchanges in New York (symbol: PHG), London, Frankfurt, Amsterdam and others. More information is available at www.philips.com/newscenter.

About RaySearch

RaySearch develops and markets software for radiation therapy of cancer. The products are specially designed to optimize radiation therapy with the aim of tailoring the radiation dose to the contour of the tumor, which then allows high doses to be delivered to the tumor while minimizing the dose to surrounding healthy tissue.

RaySearch, a spin-off from Karolinska Institutet, was formed in 2000. Since 2001, the company has sold its product, RayOptimizer, to more than 900 hospitals internationally through a licensing agreement with Philips, thus enabling more than one hundred thousand patients to receive improved radiation therapy. Sales through Philips 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 additional 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. The products OM-Machine and OM-Machine+ were released in July 2006. In February 2006 an agreement was signed with Scanditronix-Wellhöfer

regarding development of products for improved quality assurance for IMRT. In October 2006, RaySearch signed an agreement with Philips covering development of products within adaptive radiation therapy.

RaySearch was listed on the Stockholm Stock Exchange O-List in November 2003. During the period July 2005 – September 2006, RaySearch was listed on the Attract40 segment. From October 2006, RaySearch is listed on the Nordic List, on the Small Cap segment in the Health Care sector. RaySearch is based in Stockholm and currently has 28 employees.

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