RaySearch Laboratories AB (publ)
Interim Report January 1 – June 30, 2011

JANUARY 1 – JUNE 30, 2011

- Net sales for the period totaled SEK 47.6 M (60.9)
- Profit after tax was SEK 1.3 M (17.4) corresponding to earnings per share of SEK 0.04 (0.51)
- Operating profit totaled SEK 2.0 M (23.8)
- Cash flow was a negative SEK 27.0 M (pos: 2.1)
- RaySearch established a sales organization in the US in January
- Two new orders for RayStation® from Switzerland and Canada were received in February
- RaySearch licensed pioneering technology from Princess Margaret Hospital in March
- A clinic in the Netherlands placed an order for RayStation® in April
- RaySearch became involved in a US patent dispute in May

AFTER THE END OF THE PERIOD

- Three US cancer centers placed orders for RayStation® in August

"Financially, the first six months of the year were weak. The profit is declining faster than the revenues due to the investment in our proprietary RayStation® treatment planning system where costs were incurred for development, marketing and the build-up of the sales and service organizations, but we have not yet benefitted from significant revenues from the product," says Johan Löf, President of RaySearch.

"We are however starting to see results from our RayStation® sales effort. In August, we announced three new orders from clinics in New Jersey and New York with a combined order value exceeding one million US dollars," concludes Johan Löf.

SUMMARY OF FINANCIAL RESULTS

Amounts in SEK 000s	Jan-June		Apr-June		Full-year
	2011	2010	2011	2010	2010
Net sales	47,570	60,908	24,523	32,846	117,728
Operating profit/loss	1,964	23,764	-119	12,523	39,873
Operating margin, %	4.1	39.0	-0.5	38.1	33.9
Net profit/loss	1,265	17,354	-332	9,120	28,895
Earnings/loss per share, SEK	0.04	0.51	0.00	0.27	0.84
Share price at close of period	24.00	32.80			38.00

The information in this interim report is such that RaySearch must disclose publicly in accordance with the Swedish Securities and Clearing Operating Act and/or the Financial Instruments Trading Act. The information was submitted for publication on August 30, at 7:45 a.m.

CEO comments

During the first half of 2011, we focused on the strategic shift, where we move from complete dependence on partners to having opportunities to sell directly to clinics in parallel with the partner-based business model. Accordingly, we have invested a great deal of energy on developing our treatment planning system RayStation® and have expanded our organization with functions for sales and service. This effort has now begun to bear fruit. In June we were able to install the first clinical version of RayStation® at MGH in the US and RISO in the Netherlands. Naturally, it is a critical milestone for us that RayStation® now is available for clinical use.

Also, in terms of sales we are now starting to see results, primarily in North America where our sales team has been in operation since January. In the beginning of August we returned from the major annual American AAPM trade show, which this year was held in Vancouver, where we participated as exhibitor. In connection with the conference, we also organized the first user meeting for existing and prospective RayStation users. Interest for the user meeting exceeded our expectations by far and approximately 200 physicists attended and listened when leading physicists shared their experiences of RayStation® and the algorithms that are included in the system. This contributed to a very large interest for RayStation® at the trade show and we conducted hundreds of demonstrations for potential customers. The major interest in the US has now begun to be evident in our order books. In August, we announced three new orders from clinics in New Jersey and New York with a combined order value exceeding one million US dollars. I also anticipate we will be signing more contracts in the North American market later in the autumn.

We have also focused on RayStation® sales in the European market. We have established a service organization in Stockholm to support our European customers and we are now building up a sales organization in Europe. In the meantime, sales will continue from our head office in Stockholm. We are also setting up relations with distributors in the Asian market and for some countries in southern Europe and we are working intensely to finalize these negotiations later this year.

Financially, the first six months of the year were weak. Revenues declined 21.9 percent to SEK 47.6 M. Earnings declined to SEK 1.3 M from SEK 17.4 M in the first half of 2010. The profit is declining faster than the revenues due to the investment in RayStation® where costs were incurred for development, marketing and the build-up of the sales and service organizations, but we have not yet benefitted from significant revenues from the product. A large part of the decline in revenues was due to weaker trends for the USD and EUR. The number of licenses sold was 421 (568), which, with unchanged exchange rates, correspond to a revenue decline of 10.4 percent.

The decline in the number of licenses was primarily due to lower sales via Philips, which accounts for the majority of partner sales. Historically, Philips' sales of existing products have fluctuated a great deal from one quarter to another, so it is too early to view this as a downward trend. During the first half of the year, Philips experienced some problems with its sales team in the US, which have now been resolved. The company believes that the second half year will be stronger.

Sales via Nucletron were largely in line with the preceding year. The company is being acquired by the Swedish company Elekta and the transaction is currently under investigation by the Anti -trust Authorities. The process is anticipated to be completed later in the autumn. There is a risk that Nucletron's customers will wait to place orders until the acquisition has been finalized. In the short-term, this could have a negative impact on RaySearch's revenues through Nucletron. In the long-term, it is currently unclear whether Elekta's take over will have any significance to this cooperation. There are both positive and negative scenarios for RaySearch, but it is currently too early to draw conclusions either way.

Sales of the COMPASS® quality assurance system via IBA Dosimetry declined slightly during the first half of the year. We are currently focusing on adapting the system to a new detector and the new version will be launched later this year, which has the potential to increase sales via IBA Dosimetry. We are also working on expanding COMPASS® with a sophisticated product that will monitor radiation doses taking into account changes occurring in a patient's anatomy during the course of treatment. This product was scheduled to be launched in 2011 but has now been postponed to accommodate work on adaptation for the new detector.

The cooperation with Varian is progressing nicely and revenues rose during the first half year, albeit from a low level. The product from the cooperation with TomoTherapy, which has now been acquired by Accuray, continues to sell at approximately the same levels as earlier quarters.

A positive item is that the cooperation with Siemens started generating revenues during the second quarter of 2011. Under the terms of the agreement with Siemens, RaySearch has provided a number of treatment planning modules for advanced radiation therapy. In December we finalized the integration of the modules into Siemens' *syngo*® Suite for Oncology, an integrated platform for workflow management in radiation therapy clinics. The products have now been installed at one clinic and are undergoing intense testing prior to commencing sales to a broader public.

The remainder of 2011 will be characterized by intense development work. In the autumn, we plan to introduce another version of RayStation®, which will feature greater functionality and comprise a totally complete system for customer installation on a broad scale. RayStation® will include a number of unique tools such as our market-leading tools for multi-criteria optimization and adaptive radiation therapy. In March, we licensed technology from Prince Margaret Hospital (PMH), the world leader in adaptive radiation therapy. The cooperation will both help us develop cutting-edge products and win customer confidence for them, since PMH has invested substantial resources to validate these adaptive algorithms.

We will continue to work with our partners and in parallel continue to strengthen our organization, primarily in sales and marketing. However, we are proceeding cautiously and will build the infrastructure step by step with the goal of a positive profit contribution from the direct sales effort also in the short-term. We also have to deal with other challenges. In May, we were sued by a US company called Prowess, which claims that we have infringed on a US patent controlled by Prowess. We believe there is no infringement and in addition, that the patent should be invalidated since there is prior art in older publications describing the same concept. We have a strong defense and hope to win the case but court processes proceed slowly and nothing significant has happened since May. Consequently, it is still difficult to foresee how long the process will take, and the cost this will entail for RaySearch.

The end of the year will be very interesting. We have now noted an expanding order book, as a result of major interest in RayStation®, primarily in the US, and I am convinced that the customer list will expand during 2011. Naturally, working directly with clinics creates new challenges for us as a company but it's also extremely inspiring to come one step closer the clinical reality. Opportunities to develop important new products will be further enhanced and the potential to create values is much greater.

Stockholm, August 30, 2011

Johan Löf
President and CEO
RaySearch Laboratories AB (publ)

Significant events

EVENTS DURING THE SECOND QUARTER OF 2011

Dutch clinic placed order for RayStation®

In April, RaySearch received an order for its RayStation® treatment planning system from RISO, the Radiotherapeutic Institute in Deventer, the Netherlands. RISO is a public independent radiotherapeutic institute that provides radiation therapy treatment for several hospitals in the region. RISO will use RayStation® as its treatment planning system for conventional 3D-CRT treatments as well as more advanced treatments such as IMRT. The order includes functionality covering the full spectrum from all the necessary basic tools needed for patient segmentation and creation of conventional 3D-CRT plans, to advanced tools enabling a more efficient treatment planning process. RISO is planning to start using the system clinically in 2011.

RaySearch involved in US patent dispute

In May the US company Prowess filed a complaint against RaySearch for patent infringement in a court in Baltimore, Maryland. The complaint is based on Prowess' claim that RaySearch has infringed on a US patent in respect of which Prowess has a license. The patent concerns direct optimization of machine parameters in radiation treatment planning and was issued in 2007 by the US patent authority USPTO. Prowess has said that it holds an exclusive license to this patent which is owned by the University of Maryland. RaySearch had previously been involved in discussions with Prowess where RaySearch stated its position that there is no infringement and in addition, that the patent could be invalidated since there is prior art in older publications describing the same concept. These discussions were fruitless and instead Prowess commenced a legal process that is likely to last for a long period of time.

EVENTS AFTER THE END OF THE PERIOD

Three US cancer centers selected RayStation®

In August, RaySearch received three new orders for RayStation® from the Valley Hospital Cancer Center in Paramus, New Jersey; Advanced Radiation Oncology Services in Nyack, New York and Health Quest Systems in LaGrange, New York. They will use RayStation® as the treatment planning system for conventional 3D-CRT treatments as well as more advanced treatments such as IMRT. The orders include basic functionality as well as advanced tools such as RaySearch's solution for multi-criteria optimization. This highly intuitive tool lets the clinician evaluate the impact of changing different treatment priorities in real-time, which has a large potential to speed up the time-consuming treatment planning optimization process.

Financial information

SALES AND EARNINGS FOR THE SECOND QUARTER OF 2011

During the second quarter of 2011, sales declined 25.3 percent year-on-year and amounted to SEK 24.5 M (32.8). Operating profit declined during the quarter and amounted to a loss of SEK 0.1 M (profit: 12.5), corresponding to a negative operating margin of 0.5 percent (pos: 38.1). A loss after tax of SEK 0.5 M (profit: 9.1) was reported during the quarter. The strong sales decline was primarily attributable to lower license revenue from the cooperation with Philips. The increasing costs were explained by costs for development, marketing and the build-up of sales and service for RayStation®.

SALES AND EARNINGS FOR THE FIRST HALF OF 2011

During the first half of 2011, sales dropped 21.9 percent year-on-year and amounted to SEK 47.6 M (60.9). Sales consist primarily of license revenue via partners and support revenue. The total number of licenses sold via partners and direct sales amounted to 421 (568) and license revenue during the first half of 2011 amounted to SEK 38.8 M (51.0). The decline in license revenue was due mainly to lower volumes for products sold via Philips. During the first half of the year, Philips made changes in its North American sales organization and lacked certain language versions in Europe. The decline via Philips was partially offset by the strong revenue increase from direct sales of RayStation®. Support revenue during the first half of 2011 fell 10.6 percent to SEK 8.8 M (9.9) since declining support revenue for older products was not fully offset by support revenue from new products.

The company is dependent on trends in USD and EUR exchange rates in relation to SEK, since invoicing is denominated in USD and EUR, while the majority of expenses are denominated in SEK. During the first half of 2011, revenue in USD was reported at an average exchange rate of SEK 6.27, compared with SEK 7.37 during the corresponding period in 2010. During the first half year, revenue in EUR was booked at an average exchange rate of SEK 8.93, compared with SEK 9.69 during the year-earlier period. Consequently, the exchange rates had a negative impact on sales. With unchanged exchange rates, sales would have decreased 10.4 percent compared with the corresponding period in 2010. A sensitivity analysis of currency exposure shows that the effect on operating profit for the first half of 2011 from a change in the average USD exchange rate of +/- 10 percent would have been +/- SEK 3,0 M and the corresponding effect of a change in the average EUR exchange rate of +/- 10 percent would have been +/- SEK 1.5 M. The company pursues the currency policy set by the Board of Directors.

Operating profit for the first half of 2011 amounted to SEK 2.0 M (23.8), corresponding to an operating margin of 4.1 percent (39.0). Operating expenses, excluding exchange-rate gains and losses, increased SEK 7.9 M from the first half of 2010 to SEK 44.9 M. Other operating expenses pertain to exchange-rate losses, with the net of these amounting to a loss of SEK 0.4 M (loss: 0.1) during the first half of 2011. The increase in operating expenses was mainly due to higher costs for research and development and higher costs for marketing and sales and service staff as a result of the direct sales of RayStation®.

At June 30, 2011, 64 (56) 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 43.4 M (35.8). The increase was due mainly to more employees in research and development activities. During the first half of 2011, capitalized development costs totaled SEK 30.1 M (22.9). Amortization of capitalized development costs during the first half of 2011 amounted to SEK 16.1 M (13.2). Research and development costs after adjustments for capitalization and amortization of development costs totaled SEK 29.2 M (26.1).

Amortization of intangible assets during the first half of 2011 amounted to SEK 16.1 M (13.2) and depreciation of tangible fixed assets totaled SEK 0.3 M (0.2). Total amortization and depreciation for the first half of 2011 amounted to SEK 16.4 M (13.4). Amortization and depreciation primarily comprised capitalized development costs.

Profit after tax for the first half of 2011 totaled SEK 1.3 M (17.4), corresponding to earnings per share of SEK 0.04 (0.51).

Geographic distribution of license revenues
The majority of RaySearch's existing customers are in the US. It should be noted that the portion of license revenue derived from North America declined during the period. License revenues for the first half of 2011 were distributed as follows: North America 31 percent (51), Asia 32 percent (23), Europe and the rest of the world 37 percent (26).

LIQUIDITY AND FINANCING
Cash flow from operating activities during the first half of 2011 decreased to SEK 21.2 M (43.1), which was primarily attributable to lower earnings. Cash flow from investing activities declined to a negative SEK 31.2 M (neg: 24.1) due to higher development expenditure.
Cash flow for the period amounted to a negative SEK 27.0 M (pos: 2.1) including a dividend paid of SEK 17.0 M.

At June 30, 2011, cash and cash equivalents totaled SEK 47.9 M, compared with SEK 82.1 M at June 30, 2010. At June 30, 2011, current receivables amounted to SEK 37.7 M compared with SEK 27.5 M on June 30, 2010. The receivables primarily comprise accounts receivable. RaySearch has no interest-bearing liabilities.

INVESTMENTS
Fixed assets primarily comprise capitalized development costs. Investments in intangible fixed assets during the first half of 2011 totaled SEK 30.1 M (23.0) and investments in tangible fixed assets amounted to SEK 1.7 M (1.7).

EMPLOYEES
At the end of the first half of 2011, the number of employees at RaySearch was 77 (62). The average number of employees during the January – June 2011 period was 73 (61).

PARENT COMPANY
Since the financial reporting of the Parent Company corresponds in all material matters to the financial reporting of the Group, the comments for the Group are also highly relevant for the Parent Company. Capitalization of development costs is recognized in the Group, but not in the Parent Company. During the period, the tax allocation reserve was redeemed, which had a positive impact of SEK 8.4 M on earnings in the Parent Company.

CONSOLIDATED INCOME STATEMENT IN SUMMARY

Amounts in SEK 000s	Jan-June 2011	Jan-June 2010	Apr-June 2011	Apr-June 2010	Full-year 2010
Net sales	47,570	60,908	24,523	32,846	117,728
Cost of goods sold	-346	-31	-56	-28	-92
Gross profit	**47,224**	**60,877**	**24,467**	**32,818**	**117,636**
Other operating income	318	1,419	318	1,419	0
Selling expenses	-6,098	-1,344	-4,181	-928	-4,687
Administrative expenses	-9,545	-9,546	-5,020	-5,654	-17,756
Research and development costs	-29,241	-26,114	-15,703	-15,132	-53,500
Other operating expenses	-694	-1,528	0	0	-1,820
Operating profit/loss	**1,964**	**23,764**	**-119**	**12,523**	**39,873**
Result from financial items	609	5	360	-1	249
Profit before tax	**2,573**	**23,769**	**241**	**12,522**	**40,122**
Tax	-1,308	-6,415	-573	-3,402	-11,227
Profit/loss for the period[1)]	**1,265**	**17,354**	**-332**	**9,120**	**28,895**
Earnings/loss per share before full dilution (SEK)	0.04	0.51	0.00	0.27	0.84
Earnings/loss per share after full dilution (SEK)	0.04	0.51	0.00	0.27	0.84

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Amounts in SEK 000s	Jan-June 2011	Jan-June 2010	Apr-June 2011	Apr-June 2010	Full-year 2010
Profit/loss for the period	1,265	17,354	-332	9,120	28,895
Translation difference for the period	-92	-	-2	-	-
Comprehensive income for the period[1)]	**1,173**	**17,354**	**-330**	**9,120**	**28,895**

1) 100% attributable to shareholders in the Parent Company

RaySearch Laboratories

CONSOLIDATED STATEMENT OF FINANCIAL POSITION IN SUMMARY

Amounts in SEK 000s	June 30, 2011	June 30, 2010	Dec. 31, 2010
ASSETS			
Intangible fixed assets	147,878	121,799	133,981
Tangible fixed assets	4,097	3,184	3,157
Deferred tax assets	3,842	8,216	3,842
Total fixed assets	**155,817**	**133,199**	**140,980**
Current receivables	37,665	27,539	39,930
Cash and cash equivalents	47,904	82,092	75,016
Total current assets	**85,569**	**109,631**	**114,946**
TOTAL ASSETS	**241,386**	**242,830**	**255,926**
EQUITY AND LIABILITIES			
Equity	180,944	185,221	196,762
Deferred tax liabilities	43,240	37,516	41,767
Other long-term liabilities	642	642	642
Accounts payable	4,939	4,065	5,743
Other current liabilities	11,621	15,386	11,012
TOTAL EQUITY AND LIABILITIES	**241,386**	**242,830**	**255,926**
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-June		Apr-June		Full-year
	2011	**2010**	**2011**	**2010**	**2010**
Profit before tax	2,573	23,769	241	12,522	40,122
Adjusted for non-cash items *	16,357	13,465	8,483	6,819	28,044
Taxes paid	-1,717	-546	-1,203	-825	-2,710
Cash flow from operating activities before changes in working capital	**17,213**	**36,688**	**7,521**	**18,516**	**65,456**
Cash flow from changes in working capital	3,952	6,439	2,807	15,694	-2,671
Cash flow from operating activities	**21,167**	**43,127**	**10,330**	**34,210**	**62,785**
Cash flow from investing activities **	-31,194	-24,057	-17,099	-13,303	-50,791
Cash flow from financing activities	-16,991	-16,991	-16,991	-16,991	-16,991
Cash flow for the period	**-27,020**	**2,079**	**-23,762**	**3,916**	**-4,997**
Cash and cash equivalents at the beginning of the period	75,016	80,013	71,664	78,176	80,013
Exchange-rate difference in cash and cash equivalents	-92		-2		
Cash and cash equivalents at the end of the period	**47,904**	**82,092**	**47,904**	**82,092**	**75,016**

*These amounts include amortization of capitalized development costs.
**These amounts include capitalized development costs.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY IN SUMMARY

Amounts in SEK 000s	Jan-June 2011	Jan-June 2010	Full-year 2010
Opening balance	196,762	184,858	184,858
Earnings for the period	1,265	17,354	28,895
Translation difference for the period	-92	0	0
Dividend	-16,991	-16,991	-16,991
Closing balance	180,944	185,221	196,762

A dividend corresponding to SEK 0.50/share was paid on the record date of May 30.

CHANGES IN NUMBER OF SHARES

Amounts in SEK 000s	Jan-June 2011	Full-year 2010
Total number of shares (opening and closing balance)	34,282,773	34,282,773
Holding of treasury shares, opening balance	299,628	299,628
Holding of treasury shares, closing balance	299,628	299,628
Average number of treasury shares	299,628	299,628

KEY DATA AND FINANCIAL INFORMATION IN SUMMARY

Amounts in SEK 000s		Jan-June		Full-year
	2011	2010	2009	2010
Net sales	47,570	60,908	34,662	117,728
Operating profit	1,964	23,764	16,605	39,873
Operating margin, %	4.1	39.0	47.9	33.9
Profit margin, %	2.7	39.0	48.8	34.1
Net profit	1,265	17,354	12,304	28,895
Earnings per share, SEK	0.04	0.51	0.36	0.84
Return on capital employed, %	10.3	27.6	23.5	21.0
Return on equity, %	7.0	20.3	17.6	15.1
Equity/assets ratio, %	75.0	76.3	79.2	76.9
Adjusted equity per share at the end of the period, SEK	5.28	5.40	4.75	5.74
Share price at the end of the period, SEK	24.00	32.80	25.70	38.0

PARENT COMPANY INCOME STATEMENT IN SUMMARY

Amounts in SEK 000s	Jan-June		Apr-June		Full-year
	2011	**2010**	**2011**	**2010**	**2010**
Net sales	47,570	60,908	24,523	32,846	117,728
Costs of goods sold	-346	-31	-56	-28	-92
Gross profit	**47,224**	**60,877**	**24,467**	**32,818**	**117,636**
Other operating income	0	1,419	318	1,419	0
Selling expenses	-3,174	-1,344	-2,426	-928	-4,687
Administrative expenses	-9 535	-9,542	-5,013	-5,650	-17,728
Research and development costs	-43,272	-35,874	-23,174	-20,888	-75,482
Other operating expenses	-376	-1,528	0	0	-1,820
Operating profit/loss	**-9,133**	**14,008**	**-5,828**	**6,771**	**17,919**
Result from financial items	489	5	173	-1	5,038
Profit/loss after financial items	**-8,644**	**14,013**	**-5,655**	**6,770**	**22,957**
Appropriations	8,427	-	8,427	-	-3,941
Profit/loss before tax	**-217**	**14,013**	**2,772**	**6,770**	**19,016**
Tax	179	-3,810	-819	-1,850	-4,374
Profit/loss for the period	**-38**	**10,203**	**1,953**	**4,920**	**14,642**

PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME

Amounts in SEK 000s	Jan-June		Apr-June		Full-year
	2011	**2010**	**2011**	**2010**	**2010**
Profit/loss for the period	-38	10,203	1,953	4,920	14,642
Translation difference for the period	-	-	-	-	-
Comprehensive income/loss for the period	**-38**	**10,203**	**1,953**	**4,920**	**14,642**

PARENT COMPANY BALANCE SHEET IN SUMMARY

Amounts in SEK 000s	June 30, 2011	June 30, 2010	Dec. 31, 2010
ASSETS			
Intangible fixed assets	179	352	312
Tangible fixed assets	4,097	3,184	3,157
Financial fixed assets	5,249	2,160	2,160
Deferred tax assets	3,842	8,216	3,842
Total fixed assets	**13,367**	**13,912**	**9,471**
Current receivables	37,609	27,539	44,727
Cash and cash equivalents	44,802	74,670	67,610
Total current assets	**82,411**	**102,209**	**112,337**
TOTAL ASSETS	**95,778**	**116,121**	**121,808**
EQUITY AND LIABILITIES			
Equity	62,781	75,521	79,960
Untaxed reserves	16,713	21,199	25,140
Accounts payable	4,887	4,065	5,743
Other current liabilities	11,397	15,336	10,965
TOTAL EQUITY AND LIABILITIES	**95,778**	**116,121**	**121,808**
Pledged assets	5,000	5,000	5,000
Contingent liabilities	none	none	none

Other information

ACCOUNTING POLICIES IN ACCORDANCE WITH IAS/IFRS

This interim report in summary for the Group was prepared in accordance with IAS 34, Interim Financial Reporting and applicable provisions of the Swedish Annual Accounts Act. The Parent Company's financial statements were prepared pursuant to Chapter 9 of the Annual Accounts Act, Interim Financial Reporting. The same accounting policies and basis of computation that were applied in the most recent Annual Report were used to prepare the Group and Parent Company accounts. New or revised IFRS standards during 2010 and 2011 have not affected RaySearch during the period and no known changes are expected to affect RaySearch during 2011.

RaySearch has only one segment and, accordingly, no segment reporting was prepared.

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 affected primarily by exchange-rate risk. All of RaySearch's net sales are denominated in USD and 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: dependence on key persons, competition and strategic partnerships. RaySearch has partnerships today 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 impact on the company's sales, profit and financial position. This risk decreases as the number of partners and percentage of direct sales increase.

For more detailed information about RaySearch's financial risk management and operational risks, refer to page 72 of the 2010 Annual Report.

RELATED-PARTY TRANSACTIONS
No transactions between RaySearch and related parties materially affected the company's position and earnings.

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

This six-month report was subject to review by the company's auditor. The review report is available on page 14.

The Board of Directors and President affirm that the six-month report provides a fair view of the Group's and the Parent Company's operations, financial position and profit and describes the significant risks and uncertainties facing the Parent Company and the companies included in the Group.

Stockholm, August 30, 2011

Erik Hedlund Chairman	Johan Löf President and Board member
Carl Filip Bergendal Board member	Hans Wigzell Board member

Review report

To the Board of RaySearch Laboratories AB
Corporate Registration Number: 556322-6157

Introduction
I have reviewed the attached interim report for RaySearch Laboratories AB (publ) for the period January 1, 2011 to June 30, 2011. The Board of Directors and the President are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. My responsibility is to express a conclusion on the financial information in this interim report based on my review.

The scope of the 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 of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review has a different focus and is substantially less in scope than an audit conducted in accordance with generally accepted auditing standards in Sweden ISA and good auditing practice in general. The measures taken during a review do not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Thus, the conclusion expressed on the basis of a review does not offer the same degree of assurance as a conclusion based on an audit.

Conclusion
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, August 30, 2011

Anders Linér
Authorized Public Accountant
KPMG

FOR ADDITIONAL INFORMATION, PLEASE CONTACT:

Johan Löf, President
Tel: +46 (0)8-545 061 30
johan.lof@raysearchlabs.com

RaySearch Laboratories AB (publ)
Corporate Reg. No: 556322-6157
Sveavägen 25
SE-111 34 Stockholm

FINANCIAL REPORTING

Interim report for the third quarter	November 24, 2011
Year-end report	February 16, 2012

ABOUT RAYSEARCH

RaySearch Laboratories is a medical technology company that develops advanced software solutions for improved radiation therapy of cancer. RaySearch's products are mainly sold through license agreements with leading partners such as Philips, Nucletron, IBA Dosimetry, Varian, TomoTherapy and Siemens. To date, 15 products have been launched through partners and RaySearch's software is used at some 1,800 clinics in more than 30 countries. In addition, RaySearch offers the proprietary treatment planning system RayStation® directly to clinics. RaySearch was founded in 2000 as a spin-off from Karolinska Institutet in Stockholm and the company is listed in the Small Cap segment on NASDAQ OMX Stockholm.

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