China radiation oncology market
Elekta Approach

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Human Care Makes the Future Possible
Market outlook - China

• Overall China Linac market: 11%-13% growth coming years
  – Underserved RT market – 1.1 Linac/million
  – Healthcare reform expands medical coverage to rural population
  – General economic growth and demographic trend

• Elekta China – best positioned to maintain market leadership
  – Focused organization
  – Critical size, 350 staff in China, the 3rd largest subsidiary in Elekta
  – Full range of business activities – R&D, engineering, manufacturing, sourcing, sales, marketing, services enabling Elekta to fully leverage the China market potential, supplier base and group of talents
China radiation oncology market
- market drivers: need of training and education

Source: Prof. Yin Weibo – The fifth nationwide survey on radiation oncology of China in 2006
China radiation oncology market
- market drivers: lack of equipment

Source: Prof. Yin Weibo – The fifth nationwide survey on radiation oncology of China in 2006
China radiation therapy resources

• ~ 1,000 Radiotherapy centers
• ~ 1,400 Linear accelerator, 1.1 linac/mil
• Annual market size average 130-150 in the past 3 years, 70% import and 30% domestic
• Average size of treatment center:
  – Most are small centers with 1-2 linacs
  – ~60 large centers with >3 linacs
• Acute shortage of physicists
  - less than 1 per machine

Source: IAEA database extract 2009 (updated by BU Managers)
Five highlights of the China Health Reform
market drivers: large investments in healthcare

• Increase of medical insurance coverage to all citizens
  – Provide a basic safety net to all citizens

• Establishing a national system for basic drugs
  – Will lower drug prices

• Improving the community-level medical and health service system
  – Will make primary level medical service more professional and accessible

• Promoting equality in right to basic health services
  – Will improve social equity and rural spending

• Pushing the reform of public hospitals
  – Ensuring accessibility and affordability of health care
Elekta China - milestones

- 1982 - Start up of sales activities
- 1994 - Representative office in Beijing
- 2000 - JV SEOS* in Shanghai with NPSS
- 2002 - 100% ownership of SEOS*
- 2005 - Start of global sourcing
- 2006 - JV EBMEI started in Beijing
- 2008 - COMPACT received CE Mark
  Start of TPS R&D activities in Shanghai

*Shanghai Elekta Oncology System
Elekta’s market position

- Elekta growing market share. Full product offering to meet China expanding RT needs
- Market share new sales: 40%
- Market leadership in IGRT segment with China IGRT consortium, education and publication
- Leksell Gamma Knife: 17 units

*2009/2010
Lifecycle services gaining share despite rapid growth in hardware

**Installed base Linacs**

- **2008**: 12%
- **2009**: 19%
- **2010**: 21%

*Excluding EBMEI installed base*
Affordability
- High technology radiotherapy solutions
Affordability - Elekta Compact™

• Cost-effective solution for a variety of conventional radiation therapy techniques
• Delivery of simple to complex and multi-field/complex 3D and/or IMRT treatments
• Compatible with a range of Elekta products from the Stereotactic portfolio
• Small footprint – ideal for small treatment rooms
• Entry Level Treatment System that is upgradable to meet clinical needs
Affordability - China: BMEI

- Incorporated in 2000, having existed as a research and production institute since the late 1970’s
- Strong R&D focus and team of highly skilled engineers, developed COMPACT with CE mark in 2 years
- Located in a modern purposely-built Linac facility in Chang Ping, a suburb north of Beijing, China

The platform for a major Chinese presence
Accessibility - LGK Networking Solution
Training and education

Sponsorship and scholarship
• Wuhan Medical University
  – Bachelor of Medical Physicist Program
• Tsinghua University
  – Master of Medical Physicist Program

International exchange and symposium
• ASTRO, ESTRO, and others

Elekta system technical and operation training
• Around 100 Classes per year
Elekta future in China

• Continuous investment in:
  – Expanding R&D Center and launch of New Products
  – Expanding international supply and sourcing team
  – Marketing, technical, and supporting teams

• Best practice cancer care model
  – Create platforms and initiatives for leading hospitals to develop “Best Practice”
  – Use Elekta capacity for workflow and benchmark process improvement

• Work with public health officials
  – Healthcare Reform - National Standards
  – Bidding and Procurement Process
  – Reimbursement levels
  – Approval for foreign qualified investors in health care