

Earnings

See the company's Fiscal Year 2005 Annual Report on Form 10-K for Consolidated Statements of Earnings

(In thousands, except per-share amounts)

	<i>Fiscal Years</i>		
	2005	2004	2003
Revenues		<i>(As adjusted)</i>	<i>(As adjusted)</i>
<i>Product</i>	\$1,161,837	\$1,058,702	\$907,668
<i>Service contracts and other</i>	220,720	176,821	133,889
<i>Total revenues</i>	<u>1,382,557</u>	<u>1,235,523</u>	<u>1,041,557</u>
Cost of revenues			
<i>Product</i>	662,019	604,789	531,270
<i>Service contracts and other</i>	127,517	112,565	89,194
<i>Total cost of revenues</i>	<u>789,536</u>	<u>717,354</u>	<u>620,464</u>
Gross margin	<u>593,021</u>	518,169	421,093
Operating expenses			
<i>Research and development</i>	82,063	72,106	59,176
<i>Selling, general, and administrative</i>	205,982	189,378	164,380
<i>Total operating expenses</i>	<u>288,045</u>	<u>261,484</u>	<u>223,556</u>
Operating earnings	<u>304,976</u>	256,685	197,537
Interest income	8,048	5,970	7,401
Interest expense	<u>(4,698)</u>	<u>(4,668)</u>	<u>(4,383)</u>
Earnings from operations before taxes	308,326	257,987	200,555
Taxes on earnings	<u>101,750</u>	<u>90,300</u>	<u>70,200</u>
Net earnings	<u>\$206,576</u>	<u>\$167,687</u>	<u>\$130,355</u>
Net earnings per share: Basic	<u>\$1.56</u>	\$1.23	\$0.96
Net earnings per share: Diluted	<u>\$1.50</u>	\$1.18	\$0.92
Shares used in the calculation of net earnings per share			
<i>Weighted average shares outstanding: Basic</i>	132,435	136,036	136,113
<i>Weighted average shares outstanding: Diluted</i>	<u>137,835</u>	<u>142,215</u>	<u>142,153</u>

Note: This table does not represent the company's complete set of audited financial statements, which are available together with accompanying notes in the company's Fiscal Year 2005 Annual Report on Form 10-K filed with the U.S. Securities and Exchange Commission.

Except for historical information, this summary annual report contains "forward-looking" statements within the meaning of the Private Securities Litigation Reform Act of 1995. Statements concerning industry outlook, including market acceptance of or transition to new products or technology such as intensity-modulated radiation therapy (IMRT), image-guided radiation therapy (IGRT), software, and advanced X-ray products; growth drivers; our orders, sales, backlog, or earnings growth; future financial results and any statements using the terms "set the stage," "can," "expect," "think," "should," "believe," "continue," "will," "could," "may," "would," "eliminate," "promises," "enable," "make," "might," "potential," "becoming," "transforming," "growing," "gaining," "momentum," "continued," "designed," "hope," or similar statements are forward-looking statements that involve risks and uncertainties that could cause our actual results to differ materially from those anticipated. Such risks and uncertainties include, without limitation, demand for our products; our ability to develop and commercialize new products; the impact of competitive products and pricing; the effect of economic conditions and currency exchange rates; our ability to meet demand for manufacturing capacity; the effect of environmental claims and expenses; our ability to protect our intellectual property; the impact of managed care initiatives or other healthcare reforms on capital expenditures and/or third-party reimbursement levels; our ability to meet U.S. FDA and other regulatory requirements or product clearances; our dependency on a small number of customers for a significant amount of our sales; our reliance on a limited group of suppliers, and in some cases sole-source suppliers, for some product components; the potential loss of key distributors; the possibility that material product liability claims could harm future sales or require us to pay uninsured claims; the risk of operations interruptions due to events beyond our control; and other risks detailed from time to time in our filings with the Securities and Exchange Commission. We assume no obligation to update or revise any forward-looking statements because of new information, future events, or otherwise.