

Interim Report January 1 – March 31, 2008



Profit after financial items for remaining units rose to SEK 9.8 M (6.6). Operating margin was 11.1% (8.9).

New sector classification as Health Care Company by OMX

Board proposes company name change to Elos AB to Annual General Meeting

Summary January – March 2008

- Net sales for remaining operations rose 13% to SEK 115 M (102).
- Operating profit for remaining operations increased 42% and amounted to SEK 12.8 M (9.1). Profit after financial items amounted to SEK 9.8 M (6.6). Profit after tax for remaining operations totalled SEK 7.0 M (4.7), corresponding to SEK 1.16 (0.77) per share.
- Cash flow for remaining operations from operating activities amounted to SEK 6.6 M (9.4). Cash flow from investments and sales of fixed assets totalled SEK 1.2 M (4.4).
- Favourable growth and improved earnings within all of the Group's business areas.
- Westergyllen's B share sector classified as Health Care Company by OMS since February 2008.
- The Board proposes to the Annual General Meeting that the company's registered name be changed to Elos AB.

Operations in general

In recent years, the Westergyllen Group has been restructured from being a diversified engineering company to a company with high technology and expertise content within Medical Technology and Precision Technology. This has occurred through the distribution of the housing business in the form of the Forshem Group to the shareholders in 2006 and through sale of the electronics operations in 2007. The overall direction is to focus operations on market segments in which the Group can develop leading positions. The Group's core operations are in Medical Technology.

To highlight the Group's new direction and create a simpler view of the Group's affiliation, the Board is proposing to the Annual General Meeting that the company's registered name be changed to Elos AB.

Market conditions remained satisfactory during the period. Net sales developed positively and earnings improved.

Invoicing and earnings

Consolidated net sales for remaining operations rose during the quarter by 13 percent to SEK 115 M (102). Market conditions remained satisfactory. Operating profit for the remaining operations improved to SEK 12.8 M (9.1) and operating margin was 11.1 percent (8.9). Profit after financial items for the remaining operations amounted to SEK 9.8 M (6.6). The improvement in earnings is attributable to all business areas.

Profit after tax for remaining operations for the quarter totalled SEK 7.0 M (4.7), corresponding to SEK 1.16 (0.77) per share.

Medical Technology

The business area comprises the companies Elos Pinol and Elos Medical. Combined, these units form one of Europe's leading development and production partnerships for precision mechanical medical-technology products and components, such as dental and orthopaedic implants and instruments.

SEK M	Jan-Mar 2008	Jan-Mar 2007	Apr-Mar 2007/2008	Jan-Dec 2007
Net sales	70.0	61.8	277.8	269.6
Growth, %	13.3	7.5	8.8	7.4
Operating profit	9.3	8.1	41.1	39.9
Operating margin, %	13.3	13.1	14.8	14.8

Medical Technology, which is a prioritized growth area within the Group, continued to develop positively in the beginning of 2008. Delivery volume rose during the quarter by 13.3 percent (7.5) and amounted to SEK 70.0 M (61.8). Overall, demand is satisfactory. In the dental segment, we are still noting a varying demand situation, which results in dampened growth. Demand in the orthopaedic segments Trauma and Spine continued to develop positively and during the quarter deliveries were completed to a number of new customers. Elos Medical has now completed the commercial delivery of drills used in various types of dental and orthopaedic treatments, with favourable experiences. The market response to the introduction of Elos Pinol's products within oral surgery was positive.

Precision Technology

The business area comprises the companies Elos Precision, specialized in the manufacture of small, complex parts characterized by a high degree of precision and quality, and Fixturlaser, which manufactures and markets laser-based alignment and positioning systems.

SEK M	Jan-Mar 2008	Jan-Mar 2007	Apr-Mar 2007/2008	Jan-Dec 2007
Net sales	45.5	40.8	171.3	166.6
Growth, %	11.5	-5.1	15.1	10.3
Operating profit	5.0	2.2	18.4	15.6
Operating margin, %	11.0	5.4	10.7	9.4

The business area's delivery volume developed positively and rose 11.5 percent (down: 5.1). Demand in the turbine segment, Elos Precision's largest area, is now rising strongly. Demand trends within the other segments remained satisfactory although competition has intensified somewhat. Fixturlaser's positive development continued during the quarter. Demand in North America weakened somewhat while at the same time primarily Europe developed well.

Investments

The Group's investments in buildings, land, machinery and equipment totalled SEK 9.9 M (8.4). Most of these investments, SEK 8.1 M, are attributable to the Group's operations in Medical Technology, Elos Medical and Elos Pinol. In addition, SEK 0.6 M (0.8) was invested in capitalized development costs.

Financial position and liquidity

The Group's total assets increased by SEK 6 M since year-end, totalling SEK 525 M (519).

The Group's shareholders' equity rose during the quarter by SEK 6 M and amounts to SEK 181 M (174). Equity per share amounted to SEK 29.88 (28.82).

The financial position improved during the year. Risk-bearing capital amounted at year-end to SEK 203 M (197), which corresponds to 38.7 percent (37.9) of total capital. The Group's equity/assets ratio was 34.4 percent (33.6).

The Group's cash flow from operating activities was SEK 6.6 M (9.4) for remaining operations. Cash flow was adversely affected during the period through an increase in raw materials and semi-finished products. Cash flow after investments and sale of fixed assets amounted to SEK 1.2 M (4.4).

The Group's net loan debt during the quarter increased by SEK 3 M to SEK 231 M (228) at the end of the quarter. The Group's cash and cash equivalents, including unutilized overdraft facilities, amounted to SEK 70 M (73).

Personnel

At the end of the period, the Group had 370 employees (369).

Discontinued operations

The Electronics business area comprising the subsidiary Elektromekan i Årjäng AB was divested at the end of November 2007. Earnings from the Electronics business area for the period January 1 through November 30, 2007 are included in "Earnings from discontinued operations" as well as the impairment loss on the Hemapure project, which affected earnings during the fourth quarter of 2007.

Other

As of February 4, Westergyllen's B share is sector classified as a Health Care company on the OMX Nordic Exchange's price lists. The complete designation is **35101010 - Health Care Equipment**.

Parent Company

In addition to central management issues, the Parent Company also handles Group support activities, such as technical support, finance and financial controls.

The Parent Company's net sales amounted to SEK 1.1 M (1.2). Loss after financial items amounted to SEK 1.8 M (loss: 2.3).

The share of own risk-bearing capital was 76.6 percent (76.4). The equity/assets ratio was 76.6 percent (75.8). The Parent Company's cash and cash equivalents, including unutilized overdraft facilities, amounted to SEK 58.0 M (54.6).

Significant risks and uncertainty factors

The Group's significant risks and uncertainty factors include business risks associated with customers and suppliers and other external factors such as risks associated with the prices of input goods. In addition, there are financial risks associated with changes in currency exchange and interest rates. A detailed description of the Group's risks and uncertainty factors, and of how they are being managed, is presented in the Board of Directors' Report in the 2007 Annual Report.

Accounting principles

This interim report for the Group was prepared in accordance with IAS 34, Interim Financial Reporting and the Annual Accounts Act. The accounting principles and basis of calculation are unchanged compared with the 2007 Annual Report.

This interim report is unaudited.

Forecast for 2008

The strategy is that Westergyllen's operations are focused within Medical Technology and Precision Technology.

The Group's units have had continued favourable demand at the beginning of 2008. Short term, the market conditions are assessed as good.

Financial information 2008

The interim report for the second quarter of 2008 will be published on August 21, 2008.

The interim report for the third quarter of 2008 will be published on October 24, 2008.

Lidköping, April 28, 2008

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CONDENSED CONSOLIDATED INCOME STATEMENT

SEK M	Jan-Mar 2008	Jan-Mar 2007	Apr-Mar 2007/2008	Jan-Dec 2007
Net sales	115,3	101,6	446,5	432,8
Cost of goods sold	-80,8	-71,2	-311,3	-301,7
Gross profit	34,5	30,4	135,2	131,1
Selling expenses	-6,5	-6,5	-25,7	-25,7
Administration expenses	-10,9	-11,7	-40,7	-41,5
Development expenses	-4,6	-3,2	-18,7	-17,3
Other operating income/expenses	0,3	0,1	3,7	3,5
Operating profit	12,8	9,1	53,8	50,1
Financial income	0,3	0,3	0,4	0,4
Financial expenses	-3,3	-2,8	-13,7	-13,2
Result after financial items	9,8	6,6	40,5	37,3
Taxes	-2,8	-1,9	-10,3	-9,4
Result for the year from remaining operations	7,0	4,7	30,2	27,9
Result from discontinued operations	-	-1,0	-1,5	-2,5
Result for the year	7,0	3,7	28,7	25,4
EBITDA	18,0%	16,5%	19,1%	18,8%
EBIT	11,1%	8,9%	12,0%	11,6%
Depreciation charged against earnings for remaining operations	8,0	7,7	31,4	31,1
Earnings per share (SEK) remaining operations	1:16	0:77	5:00	4:61
Earnings per share (SEK) discontinued operations	-	-0:16	-0:25	-0:41
Earnings per share (SEK)	1:16	0:61	4:75	4:20
Number of share (SEK)	6 051	6 051	6 051	6 051
Number of shares after exercise (thousands)	6 051	6 051	6 051	6 051

NET SALES AND OPERATING PROFIT/LOSS PER BUSINESS AREA

Net sales SEK M	Jan-Mar 2008	Jan-Mar 2007	Apr-Mar 2007/2008	Jan-Dec 2007
Medical Technology	70,0	61,8	277,8	269,6
Precision Technology	45,5	40,8	171,3	166,6
Other	-0,2	-1,0	-2,6	-3,4
Total remaining operations	115,3	101,6	446,5	432,8
Operating profit/loss SEK M	Jan-Mar 2008	Jan-Mar 2007	Apr-Mar 2007/2008	Jan-Dec 2007
Medical Technology	9,3	8,1	41,1	39,9
Precision Technology	5,0	2,2	18,4	15,6
Other	-1,5	-1,2	-5,7	-5,4
Total remaining operations	12,8	9,1	53,8	50,1

CONDENSED CONSOLIDATED BALANCE SHEET

SEK M	2008-03-31	2007-03-31	2007-12-31
Assets			
Intangible fixed assets	49,2	50,4	49,7
Tangible fixed assets	230,2	254,3	228,4
Financial fixed assets	0,0	10,2	0,0
Other current assets	220,4	296,5	218,9
Cash and bank balances	23,9	13,8	20,8
Asset for sale	1,5	-	1,5
Total assets	525,2	625,2	519,3
Shareholders' equity and liabilities			
Shareholders' equity	180,8	154,3	174,4
Long-term liabilities	219,7	241,8	220,2
Current liabilities	124,7	229,1	124,7
Total shareholders' equity and liabilities	525,2	625,2	519,3

CONSOLIDATED CASH-FLOW STATEMENT

SEK M	Jan-Mar 2008	Jan-Mar 2007	Jan-Dec 2007
Profit after net financial items	9,8	6,6	37,3
Adjustment items	7,9	8,9	34,6
Income tax paid	-1,2	-0,9	-1,3
Change in working capital	-9,9	-5,2	-43,8
Cash flow from remaining operations	6,6	9,4	26,8
Investments in other fixed assets	-5,6	-5,0	-27,3
Long-term claims	-	-	1,6
Sales of other fixed assets	0,2	-	8,2
Balance after investments in fixed assets	1,2	4,4	9,3
Change in interest-bearing loans	1,9	-10,5	-37,9
Dividends	-	-	-3,0
Cash flow for the year from remaining operations	3,1	-6,1	-31,6
Net cash flow from discontinued operations	-	0,2	33,0
Cash flow for the year	3,1	-5,9	1,4
Liquid funds at beginning of the year	20,8	19,7	19,7
Liquid funds from discontinued operations	-	-	-0,3
Exchange-rate differences in liquid funds	0,0	0,0	0,0
Liquid funds at end of the period	23,9	13,8	20,8

KEY FIGURES

SEK M		Jan-Mar 2008	Jan-Mar 2007 *	Jan-Dec 2007
Return on capital employed	%	12,2	7,6	11,4
Return on shareholders' equity	%	15,9	9,8	17,3
Share of risk-bearing capital	%	38,7	27,4	37,9
Equity/assets ratio	%	34,4	24,7	33,6
Net debt	SEK M	231,2	298,1	228,0
Investments excluding shares remaining operations	SEK M	10,5	9,2	46,3
Number of employees from remaining operations		369	354	358
Shareholders' equity per share	kr	29:88	25:51	28:82

* The numbers are unchanged, except the investments och number of employees.

QUARTERLY FIGURES - GROUP

	Q1 2008	Q4 2007	Q3 2007	Q2 2007	Q1 2007	Q4 2006	Q3 2006	Q2 2006	Q1 2006
SEK M									
Net sales	115,3	120,8	99,5	110,9	101,6	108,6	93,9	97,6	100,3
Cost of goods sold	-80,8	-82,5	-68,1	-79,9	-71,2	-76,8	-68,0	-73,8	-74,0
Gross profit	34,5	38,3	31,4	31,0	30,4	31,8	25,9	23,8	26,3
Selling, admin. and developm.expens.	-22,0	-23,5	-18,6	-20,9	-21,5	-22,2	-17,8	-20,8	-20,9
Other operating items	0,3	0,5	1,5	1,3	0,2	1,4	-0,1	0,7	1,3
Operating profit/loss	12,8	15,3	14,3	11,4	9,1	11,0	8,0	3,7	6,7
Net financial items	-3,0	-3,6	-3,5	-3,2	-2,5	-2,8	-2,2	-1,7	-2,6
Profit/loss after financial items	9,8	11,7	10,8	8,2	6,6	8,2	5,8	2,0	4,1
Taxes	-2,8	-2,1	-3,1	-2,3	-1,9	-0,6	-0,4	-0,2	-0,3
Profit/loss after taxes for remaining operations	7,0	9,6	7,7	5,9	4,7	7,6	5,4	1,8	3,8

QUARTERLY FIGURES - BUSINESS AREAS

Net sales	Q1 2008	Q4 2007	Q3 2007	Q2 2007	Q1 2007	Q4 2006	Q3 2006	Q2 2006	Q1 2006
SEK M									
Medical Technology	70,0	73,2	63,4	71,2	61,8	67,4	62,6	63,6	57,5
Precision Technology	45,5	48,8	36,7	40,3	40,8	42,5	31,1	34,4	43,0
Other	-0,2	-1,2	-0,6	-0,6	-1,0	-1,3	0,2	-0,4	-0,2
Total remaining operations	115,3	120,8	99,5	110,9	101,6	108,6	93,9	97,6	100,3
Operating profit/loss	Q1 2008	Q4 2007	Q3 2007	Q2 2007	Q1 2007	Q4 2006	Q3 2006	Q2 2006	Q1 2006
SEK M									
Medical Technology	9,3	10,2	9,9	11,7	8,1	11,8	7,4	4,5	2,6
Precision Technology	5,0	6,4	5,9	1,1	2,2	-0,1	2,3	0,7	5,0
Other	-1,5	-1,3	-1,5	-1,4	-1,2	-0,7	-1,7	-1,5	-0,9
Total remaining operations	12,8	15,3	14,3	11,4	9,1	11,0	8,0	3,7	6,7

CHANGES IN SHAREHOLDERS' EQUITY

	Jan-Mar 2008	Jan-Mar 2007	Jan-Dec 2007
SEK M			
Opening balance	174,3	148,9	148,9
Translation difference	-0,7	2,3	3,8
Net loss/gain on hedge of net investment	0,2	-0,6	-0,8
Dividends	-	-	-3,0
Profit for the period	7,0	3,7	25,4
Closing balance, shareholders' equity	180,8	154,3	174,3

PARENT COMPANY INCOME STATEMENT

SEK	Jan-mar 2008	Jan-mar 2007	Apr-mar 2007/2008	Jan-dec 2007
Net sales	1,1	1,2	4,0	4,1
Cost of goods sold	0,0	0,0	0,0	0,0
Gross profit	1,1	1,2	4,0	4,1
Administration expenses	-2,8	-2,7	-9,9	-9,8
Other operating income/expenses	0,0	0,0	0,0	0,0
Operating profit	-1,7	-1,5	-5,9	-5,7
Result fr. participations in group comp.	0,0	0,0	12,7	12,7
Result fr. participations in associated comp.	0,0	0,0	-7,0	-7,0
Financial income	0,6	0,1	1,0	0,5
Financial expenses	-0,7	-0,9	-3,2	-3,4
Result after financial items	-1,8	-2,3	-2,4	-2,9
Appropriations	0,0	0,0	-0,1	-0,1
Taxes	0,5	0,6	2,4	2,5
Result for the year	-1,3	-1,7	-0,1	-0,5

PARENT COMPANY BALANCE SHEET

SEK	2008-03-31	2007-03-31	2007-12-31
Assets			
Tangible fixed assets	0,5	0,2	0,5
Financial fixed assets	139,9	177,0	139,9
Other current assets	19,4	13,3	25,0
Cash and bank balances	23,0	7,0	19,6
Total assets	182,8	197,5	185,0
Shareholders' equity and liabilities			
Shareholders' equity	139,0	135,1	140,3
Untaxed reserves	1,4	1,3	1,4
Provision	5,7	6,1	5,7
Long-term liabilities	22,8	30,9	25,0
Current liabilities	13,9	24,1	12,6
Total shareholders' equity and liabilities	182,8	197,5	185,0

The information of this interim report is of the kind that Westergyllen have to make public according to the Securities Markets Act and/or the Financial Instruments Trading Act.

The information was made public in Swedish on April 28, 2008 at 13.00 (CET)