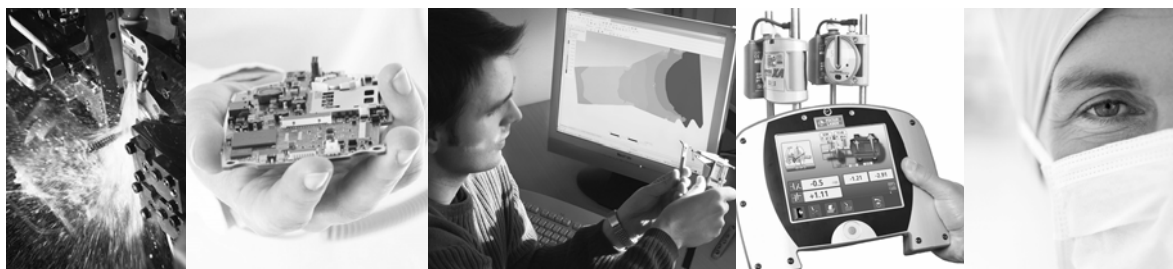


Interim report

January 1 – March 31, 2007



The Group's profit after financial items rose to SEK 5.2 M (loss: 0.3).

- Net sales amounted to SEK 164 M (172).
- Operating profit totaled SEK 8.5 M (3.0). Profit after financial items was SEK 5.2 M (loss: 0.3).
- Profit after tax totaled SEK 3.7 M (loss: 0.6). Earnings per share totaled SEK 0.61 (loss: 0.10) for remaining operations.
- Cash flow from operating activities amounted to SEK 11.1 M (3.3). Cash flow after investments totaled SEK 6.0 M (negative: 6.6).
- Continued favorable development within Medical Technology.
- Improved earnings and stabilized volume development in the Electronics business area.
- The Group's operations will focus on Medical Technology and Precision Technology.

Operations in general

Westergyllen is an industrial group organized on the basis of three business areas: Medical Technology, Precision Technology and Electronics.

At an Extraordinary General Meeting in November 2006, it was decided to spin off the Forshem Group (formerly Building/Interior) to Westergyllen's shareholders. The decision is in line with the Group's trend towards fewer business areas. The spin-off meant that the Group's business volume more than halved. In the future, Westergyllen's operations will be focused on Medical Technology and Precision Technology.

Market conditions have been satisfactory during the period. Delivery volume within Medical Technology increased 7 percent. Demand at Precision Technology is estimated to improve incrementally. The demand situation for the Electronics business area has improved during the past half year, as implemented cost adaptations have yielded results.

Invoicing and earnings

Consolidated net sales, for the remaining operations, totaled SEK 164 M (172). Operating profit for the quarter improved to SEK 8.5 M (3.0). Profit after financial items totaled SEK 5.2 M (loss: 0.3). The lower net sales were attributable to the Electronics business area. Earnings improvements were attributable to the Medical Technology and Electronics business areas.

Medical Technology

The business area comprises the companies Pinol and Elos Medical. Together they form one of Europe's leading development and production partners for mechanical medical technology products and components, such as dental and orthopedic implants and instruments.

Medical technology operations, which are a prioritized growth area within the Group, have continued to develop favorably during 2007. Within the dental segment, demand has been somewhat lower than expected. Demand within orthopedics and other areas has developed favorably. During the period, expansion of Elos Medical's facility was started. The expansion, which covers approximately 1,900 m², will be put into operation in August. Net sales totaled SEK 61.8 M (57.5), corresponding to an increase of 7 percent. Operating profit improved and amounted to SEK 8.1 M (2.6), giving an operating margin of 13.2 percent (4.5).

Precision Technology

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

Lower demand from the turbine segment, which is Elos Precision's largest area, meant that volume and earnings development was weak during the period. Demand trends within the other segments remained good. Demand for Fixturlaser's products continued to develop favorably during the period. The Fixturlaser XA alignment instrument, launched in 2006, has continued to receive a positive response from the market. Net sales for the business area totaled SEK 40.8 M (43.0). Combined operating profit totaled SEK 2.2 M (5.0), while the operating margin amounted to 5.5 percent (11.6).

Electronics

The Electronics business area comprises Elektromekan, which is a large contract manufacturer of electronics. The company produces components and products for mobile communications, process control and the engineering industry.

Growth within the Industry segment has continued to develop favorably and now accounts for 68 percent (41) of net sales. The increase amounted to 51 percent. Volume within the Telecom segment accounted for only 8 percent (33), while volumes in other mobile communications developed favorably. Net sales in the Electronics business area declined by SEK 9.2 M, totaling SEK 62.8 M (72.0). Operating income improved and amounted to a loss of SEK 0.5 M (loss: -3.6). During the period, the number of full-time employees dropped by 24. The operating margin was a negative 0.8 percent (negative: 5.0).

Other

Gambro acquired the assets and operations of the partly owned company Hemapure during the second quarter of 2006. The ultimate purchase price depends on the future performance over the next few years of the operation sold, and is difficult to estimate definitively. The book value at year-end was SEK 8.5 M.

Investments

The Group's investments in buildings, land, machinery and equipment totaled SEK 9.1 M (12.7). In addition, SEK 0.7 M (2.3) was invested in intangible fixed assets.

Financial position and liquidity

The Group's total assets increased by SEK 18 M since the start of the year, totaling SEK 625 M (607).

The Group's net loan debt increased by approximately SEK 3 M during the quarter, and totaled SEK 298.1 M (295.5). The Group's cash and cash equivalents, including unutilized overdraft facilities, amounted to SEK 57 M (63).

The share of own risk-bearing capital was 27.4 percent (27.3) at year-end. The equity/assets ratio was 24.7 percent (24.5).

The Group's cash flow from remaining current operations was SEK 11.1 M (3.3). Cash flow after investments and sale of fixed assets amounted to SEK 6.0 M (negative: 6.6).

Personnel

At the end of the period, the Group had 494 full-time employees (515), which amounts to a reduction of 21 during the year.

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 1.2 M (3.1). Profit after financial items amounted to a loss of SEK 2.3 M (loss: 1.1).

The share of own risk-bearing capital was 68.8 percent (65.9) compared with the year-end. The equity/assets ratio was 68.4 percent (65.9). The Parent Company's cash and cash equivalents, including unutilized overdraft facilities, amounted to SEK 62.0 M (50.1).

Accounting principles

This interim report for the Group was prepared in accordance with IAS 34, Interim Financial Reporting, which is in line with the requirements stipulated in the Swedish Financial Accounting Standards Council's Recommendation RR 31, Interim Reports for groups. The accounting principles and basis of calculation are unchanged compared with the Annual Report for 2006.

The interim report has not been subject to review by the company's auditors.

Forecast for 2007

The strategy is for Westergyllen's operations to focus on Medical Technology and Precision Technology.

The prerequisites for continued stable growth for Medical Technology are deemed to be highly favorable for 2007.

A successive increase in volume within Precision Technology is anticipated during the year.

Delivery volumes and earnings are expected to improve for the Electronics business area.

Overall, earnings are expected to improve considerably during 2007.

Financial information in 2007

The interim report for the second quarter will be published on August 16, 2007.

The interim report for the third quarter will be published on October 25, 2007.

Götene, April 25, 2007

Göran Brorsson
President and CEO

For further information, contact:

Göran Brorsson, President and CEO
Telephone: +46 510-48 43 65, +46 705-11 78 60

E-post: goran.brorsson@westergyllen.se

CONDENSED CONSOLIDATED INCOME STATEMENT

SEK M	Jan-March 2007	Jan-March 2006	April-March 2006/2007	Jan-Dec 2006
Net sales	164,0	171,6	611,6	619,2
Cost of goods sold	-128,1	-141,6	-489,5	-503,0
Gross profit	35,9	30,0	122,1	116,2
Selling expenses	-8,4	-11,0	-35,1	-37,7
Administration expenses	-15,4	-15,0	-60,5	-60,1
Development expenses	-3,9	-3,2	-16,0	-15,3
Other operating income/expenses	0,3	2,2	-9,6	-7,7
Operating profit	8,5	3,0	0,9	-4,6
Financial income	0,3	0,0	1,6	1,3
Financial expenses	-3,6	-3,3	-13,1	-12,8
Result after financial items	5,2	-0,3	-10,6	-16,1
Taxes	-1,5	-0,3	1,2	2,4
Result for the year from remaining operations	3,7	-0,6	-9,4	-13,7
Result from discontinued operations	-	7,9	9,6	17,5
Result for the year	3,7	7,3	0,2	3,8
Depreciation charged against earnings for remaining operations	10,0	12,0	44,4	46,4
Earnings per share (SEK) remaining operations	0:61	-0:10	-1:55	-2:27
Earnings per share (SEK) discontinued operations	-	1:31	1:58	2:89
Earnings per share (SEK)	0:61	1:21	0:03	0:62
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

SEK M	Jan-March 2007	Jan-March 2006	April-March 2006/2007	Jan-Dec 2006
Net sales				
Medical Technology	61,8	57,5	255,4	251,1
Precision Technology	40,8	43,0	148,8	151,0
Electronics	62,8	72,0	212,0	221,2
Other	-1,4	-0,9	-4,6	-4,1
Total remaining operations	164,0	171,6	611,6	619,2
Operating profit/loss				
Medical Technology	8,1	2,6	31,8	26,3
Precision Technology	2,2	5,0	5,1	7,9
Electronics	-0,5	-3,6	-21,6	-24,7
Other	-1,3	-1,0	-14,4	-14,1
Total remaining operations	8,5	3,0	0,9	-4,6

CONDENSED CONSOLIDATED BALANCE SHEET

SEK M	2007-03-31	2006-03-31	2006-12-31
Assets			
Intangible fixed assets	50,4	65,5	50,2
Tangible fixed assets	254,3	308,4	251,2
Financial fixed assets	10,2	10,7	10,1
Other current assets	296,5	526,9	275,9
Cash and bank balances	13,8	66,8	19,7
Total assets	625,2	978,3	607,1
Shareholders' equity and liabilities			
Shareholders' equity	154,3	235,3	148,9
Long-term liabilities	241,8	377,8	246,8
Current liabilities	229,1	365,2	211,4
Total shareholders' equity and liabilities	625,2	978,3	607,1

CONSOLIDATED CASH-FLOW STATEMENT

SEK M	Jan-March 2007	Jan-March 2006	Jan-Dec 2006
Profit after net financial items	5,2	-0,3	-16,1
Adjustment items	11,3	13,0	56,4
Income tax paid	-1,0	-5,6	-5,9
Change in working capital	-4,4	-3,8	-2,3
Cash flow from remaining operations	11,1	3,3	32,1
Investments in other fixed assets	-5,1	-10,0	-28,1
Long-term claims	-	-	-1,6
Sales of other fixed assets	-	0,1	5,8
Balance after investments in fixed assets	6,0	-6,6	8,2
Change in interest-bearing loans	-11,9	3,5	-8,0
Dividends	-	-	-7,6
Cash flow for the year from remaining operations	-5,9	-3,1	-7,4
Cash flow from discontinued operations			
Cash flow from current operations	-	-3,3	-19,9
Cash flow from investments	-	-1,2	-6,0
Cash flow from financing	-	18,5	45,8
Net cash flow from discontinued operations	-	14,0	19,9
Cash flow for the year	-5,9	10,9	12,5
Liquid funds at beginning of the year	19,7	56,1	56,1
Liquid funds from discontinued operations	-	-	-48,9
Exchange-rate differences in liquid funds	0,0	-0,2	0,0
Liquid funds at end of the period	13,8	66,8	19,7

KEY FIGURES

SEK M		Jan-March 2007	Jan-March 2006 *	Jan-Dec 2006
Return on capital employed	%	7,6	9,3	-0,6
Return on shareholders' equity	%	9,8	12,6	-7,3
Share of risk-bearing capital	%	27,4	26,8	27,3
Equity/assets ratio	%	24,7	24,0	24,5
Net debt	SEK M	298,1	353,2	295,5
Investments excluding shares remaining operations	SEK M	9,8	15,0	51,6
Number of employees from remaining operations		501	489	503
Shareholders' equity per share	SEK	25:51	38:88	24:61

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

QUARTERLY FIGURES - GROUP

	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
SEK M	2007	2006	2006	2006	2006	2005	2005	2005	2005
Net sales	164,0	157,1	132,0	158,5	171,6	186,4	127,4	158,6	154,5
Cost of goods sold	-128,1	-122,0	-106,5	-132,9	-141,6	-149,3	-102,9	-130,0	-131,3
Gross profit	35,9	35,1	25,5	25,6	30,0	37,1	24,5	28,6	23,2
Selling, admin. and developm.expenses	-27,6	-29,9	-24,9	-29,1	-29,2	-34,8	-18,7	-24,1	-21,9
Other operating items	0,2	-10,6	-0,1	0,8	2,2	2,5	-0,6	-1,0	-3,0
Operating profit/loss	8,5	-5,4	0,5	-2,7	3,0	4,8	5,2	3,5	-1,7
Net financial items	-3,3	-3,4	-2,8	-2,0	-3,3	-1,9	-1,7	-1,4	-1,9
Profit/loss after financial items	5,2	-8,8	-2,3	-4,7	-0,3	2,9	3,5	2,1	-3,6
Taxes	-1,5	1,0	0,7	1,0	-0,3	-1,3	-1,7	-0,9	0,6
Profit/loss after taxes for remaining operations	3,7	-7,8	-1,6	-3,7	-0,6	1,6	1,8	1,2	-3,0

QUARTERLY FIGURES - BUSINESS AREAS

Net sales	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
SEK M	2007	2006	2006	2006	2006	2005	2005	2005	2005
Medical Technology	61,8	67,4	62,6	63,6	57,5	52,1	20,5	23,5	17,4
Precision Technology	40,8	42,5	31,1	34,4	43,0	43,0	35,1	35,5	31,0
Electronics	62,8	49,4	38,5	61,3	72,0	96,6	76,6	105,5	110,9
Other	-1,4	-2,2	-0,2	-0,8	-0,9	-5,3	-4,8	-5,9	-4,8
Total	164,0	157,1	132,0	158,5	171,6	186,4	127,4	158,6	154,5

Operating profit/loss	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
SEK M	2007	2006	2006	2006	2006	2005	2005	2005	2005
Medical Technology	8,1	11,8	7,4	4,5	2,6	3,3	1,4	2,1	1,7
Precision Technology	2,2	-0,1	2,3	0,7	5,0	4,5	5,7	2,7	1,6
Electronics	-0,5	-7,1	-7,5	-6,5	-3,6	0,2	0,1	0,7	-3,4
Other	-1,3	-10,0	-1,7	-1,4	-1,0	-3,2	-2,0	-2,0	-1,6
Total	8,5	-5,4	0,5	-2,7	3,0	4,8	5,2	3,5	-1,7

CHANGES IN SHAREHOLDERS' EQUITY

	Jan-March	Jan-March	Jan-Dec
SEK M	2007	2006	2006
Opening balance	148,9	228,2	228,2
Translation difference	2,3	-0,3	-2,8
Net gain on hedge of net investment	-0,6	0,1	0,7
Dividends	-	-	-7,6
Dividends of the Forshem Group AB	-	-	-73,4
Profit for the period	3,7	7,3	3,8
Closing balance, shareholders' equity	154,3	235,3	148,9