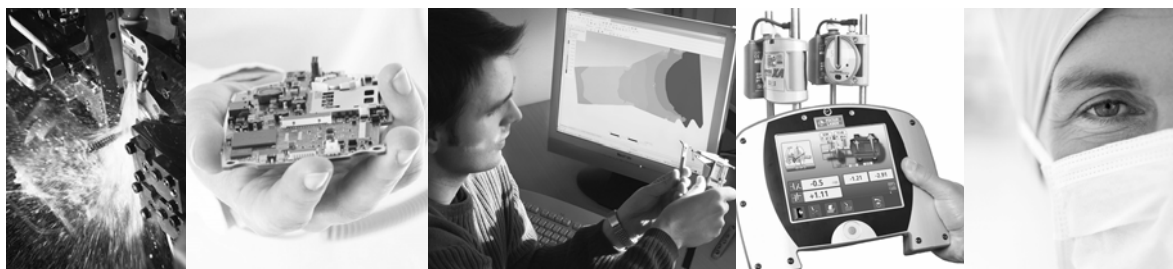


Interim report

January 1 – June 30, 2007



Profit after financial items rose to SEK 15.2 M (loss: 5.0).

January – June 2007 summary

- Net sales amounted to SEK 342 M (330).
- Operating profit totaled SEK 22.7 M (0.3). Profit after financial items was SEK 15.2 M (loss: 5.0).
- Profit after tax totaled SEK 11.0 M (loss: 4.3). Earnings per share totaled SEK 1.81 (loss: 0.71) for remaining operations.
- Cash flow from operating activities amounted to SEK 8.7 M (negative: 40.6). Cash flow after investments totaled a negative SEK 6.5 M (negative: 56.9).
- Stable growth within Medical Technology.
- Positive earnings and volume development in the Electronics business area.
- The Group's operations will focus on Medical Technology and Precision Technology.

April – June 2007 summary

- Net sales amounted to SEK 178 M (159).
- Operating profit totaled SEK 14.2 M (loss: 2.7). Profit after financial items was SEK 10.0 M (loss: 4.7).
- Profit after tax totaled SEK 7.3 M (loss: 3.7). Earnings per share amounted to SEK 1.20 (loss: 0.61) for remaining operations.

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. Westergyllen's operations will be focused on Medical Technology and Precision Technology. The company's headquarters have been moved to Lidköping.

Market conditions have generally been satisfactory during the period. The demand situation for the Electronics business area has improved at the same time as implemented cost adaptations have yielded results.

Invoicing and earnings, second quarter 2007

Consolidated net sales for the remaining operations rose during the second quarter by 12 percent to SEK 178 M (159). The increase in sales is attributable to all of the business areas. Market conditions remained satisfactory. Delivery volume within Medical Technology increased by 12 percent. Consolidated operating profit improved to SEK 14.2 M (loss: 2.7). Profit after financial items totaled SEK 10.0 M (loss: 4.7). The improvement in earnings is attributable to the Medical Technology and Electronics business areas.

Invoicing and earnings, January – June 2007

Consolidated net sales for the remaining operations totaled SEK 342 M (330). The increase in sales is primarily attributable to the Medical Technology business area. Operating profit improved to SEK 22.7 M (0.3). Profit after financial items totaled SEK 15.2 M (loss: 5.0). The improvement in earnings is attributable to the Medical Technology and Electronics business areas.

Medical Technology

The business area comprises the companies Pinol and Elos Medical. Combined 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. Demand within the dental segment has successively improved during the period following a slow start. Demand within orthopedics and other

areas continued to develop favorably. During the period, expansion of Elos Medical's facility in Timmersdala was started. The expansion, which covers approximately 1,900 m², will be put into operation in August. Net sales totaled SEK 133.0 M (121.1), corresponding to an increase of 10 percent. Operating profit improved and amounted to SEK 19.8 M (7.1), corresponding to an operating margin of 14.8 percent (5.9).

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 alignment and positioning systems.

Lower demand from the turbine segment, Elos Precision's largest area, combined with weak productivity performance contributed to negative volume and earnings development for the period. Demand trends within the other segments were positive. Demand for Fixturlaser's products continued to develop very favorably during the period. Customer reactions to the Fixturlaser XA alignment instrument, launched in 2006, continue to be very positive. This applies particularly to North American markets. Net sales for the business area totaled SEK 81.1 M (77.4). Combined operating profit totaled SEK 3.3 M (5.7), while the operating margin amounted to 4.1 percent (7.3).

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 developed well. The increase amounted to slightly more than 50 percent compared with last year. Volume within the Telecom segment continued to decline and accounted for 12 percent (31), while volumes in other mobile communications developed favorably. Net sales in the Electronics business area declined by SEK 3 M, totaling SEK 130.5 M (133.3). Operating income has successively improved during the period and amounted to SEK 2.2 M (loss: 10.1). During the period, the number of full-time employees declined by 21. The operating margin was 1.7 percent (negative: 7.6).

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 sold operations, which 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 21.3 M (26.0). In addition, SEK 1.5 M (4.0) was invested in intangible fixed assets.

Financial position and liquidity

The Group's total assets increased by SEK 16 M since year-end, totaling SEK 623 M (607).

The Group's net loan debt increased by approximately SEK 20 M during the period, to total SEK 315.8 M (295.5). The Group's cash and cash equivalents, including unutilized overdraft facilities, amounted to SEK 44 M (63).

The share of own risk-bearing capital was 28.2 percent (27.3) at mid-year. The equity/assets ratio was 25.4 percent (24.5).

The Group's cash flow from remaining current operations was SEK 8.7 M (negative: 40.6). Cash flow after investments and sale of fixed assets amounted to a negative SEK 6.5 M (negative: 56.9).

Personnel

At the end of the period, the Group had 499 full-time employees (515), which amounts to a reduction of 16 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 2.4 M (5.4). Profit after financial items amounted to SEK 1.0 M (33.9). The profit figure includes intra-Group dividends and accounting profits of SEK 5.0 M, net (35.8).

The share of own risk-bearing capital was 71.1 percent (65.9) compared with the year-end. The equity/assets ratio was 70.8 percent (65.5). The Parent Company's cash and cash equivalents, including unutilized overdraft facilities, amounted to

SEK 27.8 M (50.1).

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 2006 Annual Report.

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 2006 Annual Report.

Forecast for 2007

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

The conditions 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 third quarter will be published on October 25, 2007.

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CONDENSED CONSOLIDATED INCOME STATEMENT

SEK M	Apr-Jun 2007	Apr-Jun 2006	Jan-Jun 2007	Jan-Jun 2006	Jul-Jun 2006/2007	Jan-Dec 2006
Net sales	178,0	158,5	342,0	330,1	631,1	619,2
Cost of goods sold	-138,6	-132,9	-266,7	-274,5	-495,2	-503,0
Gross profit	39,4	25,6	75,3	55,6	135,9	116,2
Selling expenses	-8,0	-8,8	-16,4	-19,8	-34,3	-37,7
Administration expenses	-12,8	-16,1	-28,2	-31,1	-57,2	-60,1
Development expenses	-5,7	-4,2	-9,6	-7,4	-17,5	-15,3
Other operating income/expenses	1,3	0,8	1,6	3,0	-9,1	-7,7
Operating profit	14,2	-2,7	22,7	0,3	17,8	-4,6
Financial income	0,0	0,6	0,3	0,6	1,0	1,3
Financial expenses	-4,2	-2,6	-7,8	-5,9	-14,7	-12,8
Result after financial items	10,0	-4,7	15,2	-5,0	4,1	-16,1
Taxes	-2,7	1,0	-4,2	0,7	-2,5	2,4
Result for the year from remaining operations	7,3	-3,7	11,0	-4,3	1,6	-13,7
Result from discontinued operations	-	7,1	-	15,0	2,5	17,5
Result for the year	7,3	3,4	11,0	10,7	4,1	3,8
Depreciation charged against earnings for remaining operations	10,1	11,9	20,1	23,9	42,6	46,4
Earnings per share (SEK) remaining operations	1:20	-0:61	1:81	-0:71	0:25	-2:27
Earnings per share (SEK) discontinued operations	-	1:17	-	2:48	0:41	2:89
Earnings per share (SEK)	1:20	0:56	1:81	1:77	0:66	0:62
Number of share (SEK)	6 051	6 051	6 051	6 051	6 051	6 051
Number of shares after exercise (thousands)	6 051	6 051	6 051	6 051	6 051	6 051

NET SALES AND OPERATING PROFIT/LOSS PER BUSINESS AREA

Net sales SEK M	Apr-Jun 2007	Apr-Jun 2006	Jan-Jun 2007	Jan-Jun 2006	Jul-Jun 2006/2007	Jan-Dec 2006
Medical Technology	71,2	63,6	133,0	121,1	263,0	251,1
Precision Technology	40,3	34,4	81,1	77,4	154,7	151,0
Electronics	67,7	61,3	130,5	133,3	218,4	221,2
Other	-1,2	-0,8	-2,6	-1,7	-5,0	-4,1
Total remaining operations	178,0	158,5	342,0	330,1	631,1	619,2
Operating profit/loss SEK M	Apr-Jun 2007	Apr-Jun 2006	Jan-Jun 2007	Jan-Jun 2006	Jul-Jun 2006/2007	Jan-Dec 2006
Medical Technology	11,7	4,5	19,8	7,1	39,0	26,3
Precision Technology	1,1	0,7	3,3	5,7	5,5	7,9
Electronics	2,7	-6,5	2,2	-10,1	-12,4	-24,7
Other	-1,3	-1,4	-2,6	-2,4	-14,3	-14,1
Total remaining operations	14,2	-2,7	22,7	0,3	17,8	-4,6

CONDENSED CONSOLIDATED BALANCE SHEET

SEK M	2007-06-30	2006-06-30	2006-12-31
Assets			
Intangible fixed assets	50,2	66,7	50,2
Tangible fixed assets	255,9	305,8	251,2
Financial fixed assets	10,2	11,1	10,1
Other current assets	304,6	560,3	275,9
Cash and bank balances	1,6	42,4	19,7
Total assets	622,5	986,3	607,1
Shareholders' equity and liabilities			
Shareholders' equity	158,3	229,7	148,9
Long-term liabilities	246,8	377,2	246,8
Current liabilities	217,4	379,4	211,4
Total shareholders' equity and liabilities	622,5	986,3	607,1

CONSOLIDATED CASH-FLOW STATEMENT

SEK M	Jan-Jun 2007	Jan-Jun 2006	Jan-Dec 2006
Profit after net financial items	15,2	-5,0	-16,1
Adjustment items	22,0	23,0	56,4
Income tax paid	-3,0	-5,9	-5,9
Change in working capital	-25,5	-52,7	-2,3
Cash flow from remaining operations	8,7	-40,6	32,1
Investments in other fixed assets	-15,5	-16,6	-28,1
Long-term claims	-	-0,1	-1,6
Sales of other fixed assets	0,3	0,4	5,8
Balance after investments in fixed assets	-6,5	-56,9	8,2
Change in interest-bearing loans	-8,6	-1,1	-8,0
Dividends	-3,0	-7,6	-7,6
Cash flow for the year from remaining operations	-18,1	-65,6	-7,4
Cash flow from discontinued operations			
Cash flow from current operations	-	25,7	-19,9
Cash flow from investments	-	-0,1	-6,0
Cash flow from financing	-	26,4	45,8
Net cash flow from discontinued operations	-	52,0	19,9
Cash flow for the year	-18,1	-13,6	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	-0,1	0,0
Liquid funds at end of the period	1,6	42,4	19,7

KEY FIGURES

SEK M		Jan-Jun 2007	Jan-Jun 2006 *	Jan-Dec 2006
Return on capital employed	%	9,8	7,1	-0,6
Return on shareholders' equity	%	14,3	9,3	-7,3
Share of risk-bearing capital	%	28,2	26,0	27,3
Equity/assets ratio	%	25,4	23,3	24,5
Net debt	SEK M	315,8	388,6	295,5
Investments excluding shares remaining operations	SEK M	22,8	30,0	51,6
Number of employees from remaining operations		491	532	503
Shareholders' equity per share	SEK	28:16	37:97	24:61

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

QUARTERLY FIGURES - GROUP

	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
SEK M	2007	2007	2006	2006	2006	2006	2005	2005	2005	2005
Net sales	178,0	164,0	157,1	132,0	158,5	171,6	186,4	127,4	158,6	154,5
Cost of goods sold	-138,6	-128,1	-122,0	-106,5	-132,9	-141,6	-149,3	-102,9	-130,0	-131,3
Gross profit	39,4	35,9	35,1	25,5	25,6	30,0	37,1	24,5	28,6	23,2
Selling, admin. and developm.expens.	-26,5	-27,6	-29,9	-24,9	-29,1	-29,2	-34,8	-18,7	-24,1	-21,9
Other operating items	1,3	0,2	-10,6	-0,1	0,8	2,2	2,5	-0,6	-1,0	-3,0
Operating profit/loss	14,2	8,5	-5,4	0,5	-2,7	3,0	4,8	5,2	3,5	-1,7
Net financial items	-4,2	-3,3	-3,4	-2,8	-2,0	-3,3	-1,9	-1,7	-1,4	-1,9
Profit/loss after financial items	10,0	5,2	-8,8	-2,3	-4,7	-0,3	2,9	3,5	2,1	-3,6
Taxes	-2,7	-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	7,3	3,7	-7,8	-1,6	-3,7	-0,6	1,6	1,8	1,2	-3,0

QUARTERLY FIGURES - BUSINESS AREAS

	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
SEK M	2007	2007	2006	2006	2006	2006	2005	2005	2005	2005
Net sales	178,0	164,0	157,1	132,0	158,5	171,6	186,4	127,4	158,6	154,5
Medical Technology	71,2	61,8	67,4	62,6	63,6	57,5	52,1	20,5	23,5	17,4
Precision Technology	40,3	40,8	42,5	31,1	34,4	43,0	43,0	35,1	35,5	31,0
Electronics	67,7	62,8	49,4	38,5	61,3	72,0	96,6	76,6	105,5	110,9
Other	-1,2	-1,4	-2,2	-0,2	-0,8	-0,9	-5,3	-4,8	-5,9	-4,8
Total	178,0	164,0	157,1	132,0	158,5	171,6	186,4	127,4	158,6	154,5
Operating profit/loss	14,2	8,5	-5,4	0,5	-2,7	3,0	4,8	5,2	3,5	-1,7
Medical Technology	11,7	8,1	11,8	7,4	4,5	2,6	3,3	1,4	2,1	1,7
Precision Technology	1,1	2,2	-0,1	2,3	0,7	5,0	4,5	5,7	2,7	1,6
Electronics	2,7	-0,5	-7,1	-7,5	-6,5	-3,6	0,2	0,1	0,7	-3,4
Other	-1,3	-1,3	-10,0	-1,7	-1,4	-1,0	-3,2	-2,0	-2,0	-1,6
Total	14,2	8,5	-5,4	0,5	-2,7	3,0	4,8	5,2	3,5	-1,7

CHANGES IN SHAREHOLDERS' EQUITY

	Jan-Jun	Jan-Jun	Jan-Dec
SEK M	2007	2006	2006
Opening balance	148,9	228,2	228,2
Translation difference	1,8	-1,6	-2,8
Net loss/gain on hedge of net investment	-0,4	0,0	0,7
Dividends	-3,0	-7,6	-7,6
Dividends of the Forshem Group AB	-	-	-73,4
Profit for the period	11,0	10,7	3,8
Closing balance, shareholders' equity	158,3	229,7	148,9

PARENT COMPANY INCOME STATEMENT

SEK	Apr-Jun 2007	Apr-Jun 2006	Jan-Jun 2007	Jan-Jun 2006	Jul-Jun 2006/2007	Jan-Dec 2006
Net sales	1,2	2,3	2,4	5,4	4,1	7,1
Cost of goods sold	0,0	-1,0	0,0	-2,5	0,0	-2,5
Gross profit	1,2	1,3	2,4	2,9	4,1	4,6
Administration expenses	-2,5	-2,5	-5,2	-4,7	-10,0	-9,5
Other operating income/expenses	0,0	-0,3	0,0	-0,2	-3,5	-3,7
Operating profit	-1,3	-1,5	-2,8	-2,0	-9,4	-8,6
Result fr. participations in group comp.	5,0	35,8	5,0	35,8	-19,1	11,7
Financial income	0,3	0,2	0,4	0,3	1,8	1,7
Financial expenses	-0,7	0,5	-1,6	-0,2	-3,3	-1,9
Result after financial items	3,3	35,0	1,0	33,9	-30,0	2,9
Appropriations	0,0	0,0	0,0	0,0	0,5	0,5
Taxes	0,5	1,3	1,1	2,6	3,7	5,2
Result for the year	3,8	36,3	2,1	36,5	-25,8	8,6

PARENT COMPANY BALANCE SHEET

SEK	2007-06-30	2006-06-30	2006-12-31
Assets			
Tangible fixed assets	0,5	0,7	0,2
Financial fixed assets	176,9	247,6	178,0
Other current assets	15,3	81,1	13,1
Cash and bank balances	0,2	26,3	18,4
Total assets	192,9	355,7	209,7
Shareholders' equity and liabilities			
Shareholders' equity	136,5	204,9	137,4
Untaxed reserves	1,3	1,8	1,3
Long-term liabilities	34,8	48,1	38,3
Current liabilities	20,3	100,9	32,7
Total shareholders' equity and liabilities	192,9	355,7	209,7

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

The Board of Directors and the President have ensured that six-month report provides an accurate overview of the Parent Company's and the Group's operations, financial position and results, and that it describes the significant risks and uncertainties faced by the Parent Company and the companies in the Group.

AB Westergyllen
Lidköping, August 16, 2007

Sture Öster
Chairman

Agneta Bengtsson Runmarker
Board member

Stig-Arne Blom
Board member

Erik Löwenadler
Board member

Lars Spongberg
Board member

Göran Brorsson
President and CEO