

# Interim report

## 1 January – 30 June 2012



- Net sales increased about 6%\* to SEK 209.8 M (196.5). Order bookings totalled SEK 229.8 M (229.5), down about 0.5%\*.
- Operating profit amounted to SEK 3.5 M (7.6). The on-going improvement measures at the unit in Timmerdala have not yet had full effect. Delays to the capacity expansion in Tianjin, China, impacted earnings for the half-year.
- Cost reduction programme introduced immediately with full effect at the turn of the year.
- After financial items, a loss of SEK 0.1 M was reported (profit: 4.6). Net financial items were positively affected by translation differences of SEK 0.6 M (0.1).
- The consolidated loss after tax was SEK 0.3 M (profit: 3.6), corresponding to a loss of SEK 0.05 (earnings: 0.60) per share.

### **President Göran Brorsson's comments:**

*"Delays to the capacity expansion in Tianjin, China, combined with a slight decline in order bookings in the Medical Technology business area late in the second quarter and early in the third quarter have caused us to revise our ambitious growth plan slightly. While we will achieve strong growth in 2012, it will not reach the high level that we had previously anticipated and for which we had planned, why the cost reductions will be implemented. During the second half of the year, we foresee a volume increase at the facility in Tianjin, since capacity has begun to get into phase. Low productivity and delays in growth projects has affected the Nordic units during the quarter.*

*In the Metrology business area, efforts are being focused intently on the development of our product range, which will further strengthen our market position in the coming years. The market scenario remains difficult to assess. The North American markets are developing well, while the other markets are experiencing a weak trend."*

	Apr- June 2012	Apr- June 2011	Jan- June 2012	Jan- June 2011	July- June 2011/12	Jan- Dec 2011
Net sales, SEK M	109.7	99.8	209.8	196.5	427.5	414.2
Growth, %	9.1	10.0	6.0	13.7	12.9	18.5
Operating profit/loss, SEK M	-0.3	0.7	3.5	7.6	18.5	22.6
Operating margin, %	-0.3	0.7	1.7	3.9	4.3	5.5
Profit/loss after financial items, SEK M	-0.2	-0.6	-0.1	4.6	13.2	17.9
Profit/loss after tax, SEK M	-0.2	-0.3	-0.3	3.6	8.9	12.8
Earnings/loss per share, SEK	-0.03	-0.04	-0.05	0.60	1.46	2.11

\* Adjusted for exchange-rate fluctuations

## Operations in general

The Group operates in two business areas – Medical Technology and Metrology. The emphasis is on Medical Technology. Since the autumn of 2010, the establishment of Medical Technology operations in Tianjan, China, has been on-going. During 2011, the offering within Medical Technology was strengthened through the acquisition of Microplast AB, which is active in injection moulding of products for the biotech and medical technology industries.

### Invoicing and earnings April – June 2012

The Group's net sales rose during the quarter to SEK 109.7 M (99.8). Adjusted for exchange-rate fluctuations, the increase was approximately 9.1%. Order bookings declined to SEK 104.5 M (106.7). Adjusted for exchange-rate fluctuations, the decrease was approximately 2.2%. Net sales and order bookings rose for the Medical Technology business area as a result of last year's acquisition of Microplast, while sales and order bookings declined for the Metrology business area.

The company's operating result deteriorated during the quarter and amounted to a loss of SEK 0.3 M (profit: 0.7). The poorer outcome was largely due to the on-going improvement effort at the facility in Timmersdala not yet achieving its full effect and to delays in the capacity expansion of operations in Tianjin. A pending market has resulted in lower demand in both the Medical Technology and Metrology business areas.

The Group's net financial items were positively affected by translation differences of SEK 2.1 M (0.3) and amounted to income of SEK 0.1 M (expense: 1.3). The loss after financial items was SEK 0.2 M (loss: 0.6). The loss after tax amounted to SEK 0.2 M (loss: 0.3), corresponding to a loss of SEK 0.03 per share before dilution (loss: 0.05).

The Group reported comprehensive income of SEK 1.0 M (loss: 1.7). Comprehensive income per share before dilution was SEK 0.17 (loss: 0.28).

### Invoicing and earnings January – June 2012

The Group's net sales rose during the first half of the year to SEK 209.8 M (196.5). Adjusted for exchange-rate fluctuations, the increase was approximately 6.0%. Order bookings totalled SEK 229.8 M (229.5). Adjusted for exchange-rate fluctuations, the change corresponded to a decrease of approximately 0.5%. Net sales and order bookings rose for the Medical Technology business area as a result of last year's acquisition of Microplast, while sales and order bookings declined for the Metrology business area.

Operating profit deteriorated during the first half of the year to SEK 3.5 M (7.6). The poorer outcome was largely due to the on-going improvement effort at the facility in Timmersdala not yet achieving its full effect and to delays in the capacity expansion of operations in Tianjin.

The Group's net financial items were positively affected by translation differences of SEK 0.6 M (0.1) and amounted to an expense of SEK 3.6 M (expense: 3.0). The loss after financial items was SEK 0.1 M (profit: 4.6). The loss after tax amounted to SEK 0.3 M (profit: 3.6), corresponding to a loss of SEK 0.05 per share before dilution (earnings: 0.60).

The Group reported a comprehensive loss of SEK 0.3 M (income: 0.7). The comprehensive loss per share before dilution was SEK 0.05 (income: 0.12).

## Medical Technology

This business area is one of Europe's leading partners in the development and production of precision products used in medical technology and components, such as dental and orthopaedic implants and instruments. The organisation is divided into customer-oriented business units: Dental, Orthopaedics and Medical Devices, as well as Microplast. The business area is collectively marketed as Elos Medtech. The business area has operations in Sweden, Denmark and China. Customers consist primarily of international medical-technology companies.

SEK M	Apr- June 2012	Apr- June 2011	Jan- June 2012	Jan- June 2011	July- June 2011/12	Jan- Dec 2011
Net sales	84.1	70.3	160.6	138.7	317.5	295.6
Growth,%*	18.4	6.0	14.6	10.0	18.6	18.3
Operating loss	-3.5	-3.5	-2.9	-1.0	-2.3	-0.4
Operating margin,%	-4.2	-4.9	-1.8	-0.7	-0.7	-0.1

Early 2012 saw a fairly weak level of activity in most of the segments in which Elos Medtech is active. During the latter part of the first quarter, the level of activity increased somewhat. During the second quarter, the rate of growth slowed. The dental implant market remains weak in Europe, while other parts of the world are reporting growth. The Diabetes segment continued to show stable, positive growth. The trend in Microplast's core markets – cardiovascular and blood analyses – remained favourable. Other segments in the business area showed lower growth during the second quarter than in the first.

Delays in conjunction with the expansion of capacity in Tianjin also had a negative impact on the trend in gross sales during the second quarter. The new capacity will now successively be utilised during the third quarter and is expected to result in an increased delivery rate. The establishment, which is part of the Group's strategy to grow geographically, will provide a base for supplies to the Group's medical-technology customers who are now establishing themselves in the Chinese market.

The Group's strategy in this business area is to develop proprietary products as a complement to the Group's customers' core operations. Products that were introduced during 2010 and 2011 now account for 5% (4) of the business area's net sales. Further supplementary products will be introduced during the second half of 2012.

Net sales, which were affected by the weaker first half of 2012, amounted to SEK 160.6 M (138.7), which corresponds to an increase of 14.6% after adjustment for exchange-rate fluctuations. The increase in volume was primarily attributable to the acquisition of Microplast and to effects from the build-out in Tianjin. Order bookings increased to SEK 182.0 M (173.4), corresponding to an increase of 4.0%, adjusted for exchange-rate fluctuations.

The company posted a loss of SEK 2.9 M (loss: 1.0), corresponding to a negative operating margin of 1.8% (neg: 0.7). The weak earnings resulted from the on-going improvement effort at the facility in Timmersdala not yet achieving the expected impact and to delays in the capacity expansion of operations in Tianjin. The business area's growth in Europe has not matched our established plans, which is having a negative impact on earnings. Cost savings measures will be implemented to improve earnings.

### **Metrology**

This business area consists of Elos Fixturlaser, which develops, manufactures and markets laser-based alignment and positioning systems. The company is regarded as a market leader in its segment, with a global market share of approximately 30%. Products are primarily sold through a worldwide network of distributors.

	<b>Apr- June 2012</b>	Apr- June 2011	<b>Jan- June 2012</b>	Jan- June 2011	<b>July- June 2011/12</b>	Jan- Dec 2011
SEK M						
Net sales	<b>25.6</b>	29.5	<b>49.2</b>	57.8	<b>110.0</b>	118.6
Growth, %*	<b>-13.2</b>	20.9	<b>-14.9</b>	23.5	<b>-0.7</b>	18.8
Operating profit	<b>5.8</b>	7.6	<b>10.4</b>	14.1	<b>29.0</b>	32.7
Operating margin, %	<b>22.7</b>	25.7	<b>21.1</b>	24.4	<b>26.4</b>	27.6

Implemented product launches have strongly contributed to the business area's successes in recent years. The positive trend seen during 2011 was dampened somewhat during the first half of 2012, largely due to the general, global economic scenario. Demand in North America remained satisfactory, while other markets experienced a weaker trend. During 2012, there is a sharp focus on continued work to develop the business area's product range.

Net sales for the business area amounted to SEK 49.2 M (57.8), corresponding to a decline of approximately 14.9%. Order bookings amounted to SEK 47.8 M (56.1). Operating profit amounted to SEK 10.4 M (14.1). The operating margin was 21.1% (24.4).

### **Investments**

The Group's investments in buildings, land, machinery and equipment amounted to SEK 20.4 M (33.1). The build-up of medical-technology operations in Tianjin, the efficiency-enhancing investments in operations in Timmersdala and the expansion of production and warehouse space at the operation in Skara account for a significant part of these investments.

In addition, SEK 5.2 M (2.0) was invested in capitalised development expenditure, and SEK 1.9 M (0) in intangible fixed assets.

## **Financial position and liquidity**

Total consolidated assets increased by SEK 19 M during the first half year to SEK 522 M (533).

The Group's shareholders' equity amounted to SEK 207 M (216). Shareholders' equity per share was SEK 34.19 (35.74). Risk-bearing equity at the close of the first half year amounted to SEK 234 M (243), corresponding to 42.4% (45.6) of total capital. The Group's equity/assets ratio was 37.5% (40.6).

The Group's cash flow from operating activities was SEK 1.9 M (16.4). Cash flow after investments and sales of fixed assets amounted to a negative SEK 25.1 M (negative: 1.6).

The Group's net borrowing increased during the period and amounted to SEK 230 M (196) at 30 June 2012. The Group's cash and cash equivalents, including unutilised overdraft facilities, amounted to SEK 45.3 M (73.0).

## **Personnel**

At the end of the quarter, the Group had 438 (396) full-time employees.

## **Convertible debentures program**

The Annual General Meeting of Elos AB on 3 May 2011 approved the Board's motion to issue convertible debentures in a nominal maximum amount of SEK 13,500,000, which are convertible into Class B shares. The conversion price was set at SEK 85 per share and the issue amount at no more than SEK 13,498,000, corresponding to 158,800 convertible debentures with a term extending from 1 July 2011 through 30 June 2014. Disapplying the preferential rights of shareholders, the right to subscribe for the convertible debentures accrued to persons who, at the expiration of the subscription period on 3 June 2011, were permanently employed by Elos AB or its subsidiaries, and who at that time had not served or received notice terminating their employment. The right to subscribe also accrued to persons who, no later than during the subscription period, had reached agreement on forthcoming permanent employment at Elos AB or its subsidiaries. Subscription acceptances were made during the period 23 May to 3 June 2011. Employees of the Elos Group subscribed for Elos 2011/2014 convertible debentures in a total amount of SEK 10,999,000, corresponding to 129,400 convertible debentures at a conversion price of SEK 85. Debentures were allotted in line with the subscription acceptances. If all convertible debentures are converted to shares, the dilution effect will be 2.1% of the share capital and 0.8% of the voting rights, based on the current number of registered shares. The interest rate on the convertible debentures is set at STIBOR 360 + 1.60 percentage points, which corresponds to 4.61%, based on the STIBOR rate as of 12 May 2011. During the period from 1 May to 13 June 2014, each convertible may be converted to one Class B share in Elos AB. Transactions in conjunction with the convertible debentures were conducted in July 2011 and are included in the Group's subsequent reporting. The equity share was calculated according to IAS 32. Since the interest rate on the convertible debentures essentially matches the market interest rate, the Group's shareholders' equity is not affected.

## **Parent Company**

In addition to central management issues, the Parent Company also provides Group-wide support activities, such as technical support, finance and financial control.

The Parent Company's net sales amounted to SEK 4.8 M (2.7). After financial items, a loss of SEK 3.5 M (loss: 6.2) was reported.

The share of risk-bearing equity was 71.3% (79.6). The equity/assets ratio was 71.2% (79.5). The Parent Company's cash and cash equivalents, including unutilised overdraft facilities, amounted to SEK 34.3 M (49.5). The Parent Company's comprehensive loss amounted to SEK 1.5 M (loss: 5.7).

As a consequence of changed accounting policies for the Parent Company, comparative figures for comprehensive income for the first quarter of 2011 have been adjusted.

## **Significant risks and uncertainties**

The Group's significant risks and uncertainties include business risks associated with customers and suppliers, and other external factors, such as risks related to the prices of input goods. Financial risks also arise in conjunction with changes in exchange and interest rates. A detailed description of the Group's risks and uncertainties, and how they are managed, is presented in the Board of Directors' Report in the 2011 Annual Report.

## Related-party transactions

The company has no on-going transactions with related parties.

## Accounting policies

The consolidated financial statements for 2012, similar to the year-end accounts for 2011, were prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU and with the Swedish Annual Accounts Act. The Parent Company's accounts were prepared in accordance with the Annual Accounts Act and recommendation RFR 2 Reporting for Legal Entities, issued by the Swedish Financial Reporting Board.

This interim report was prepared in accordance with IAS 34. The term IFRS in this document includes application of both IAS and IFRS standards, as well as interpretations of these standards as published by the IASB's Standards Interpretation Committee (SIC) and the International Financial Reporting Interpretations Committee (IFRIC).

The Group applies the same accounting policies as those described in the 2011 Annual Report. New or revised recommendations with application from 2012 are not considered to have any significant impact on the financial statements.

## Forecast for 2012

The market trend in the Medical Technology business area has weakened during the year and become more difficult to assess. Overall, we expect a positive volume trend for medical technology operations in 2012. Actions are in progress to improve the business area's profitability. For the Metrology business area, which significantly improved its market position in 2011, the market trend remains difficult to assess.

### *Previous forecast*

We expect a positive trend within medical-technology operations during 2012. For the Metrology business area, which considerably improved its market position during 2011, the market trend is more difficult to assess.

## Financial information 2012

The interim report for the third quarter of 2012 will be published on 26 October 2012.

The year-end report for 2012 will be published on 22 February 2013.

Lidköping, 22 August 2012

Elos AB (publ)

Board of Directors

### **For further information, contact:**

Göran Brorsson, President and CEO, +46 (0)510-484365, +46 (0)705-117860, e-mail: [goran.brorsson@elos.se](mailto:goran.brorsson@elos.se)

Ulrica Ehn, CFO, +46 (0)510-484367, +46 (0)702-721161, e-mail: [ulrica.ehn@elos.se](mailto:ulrica.ehn@elos.se)

The Board of Directors and President hereby provide their assurance that this interim report presents an accurate overview of the company's and Group's operations, financial position and earnings, and describes the significant risks and uncertainties facing the company and the companies included in the Group.

Elos AB (publ)  
Lidköping, 22 August 2012

Stig-Arne Blom  
Chairman

Göran Brorsson  
President and CEO

Agneta Bengtsson Runmarker  
Board member

Erik Löwenadler  
Board member

Jeppe Magnusson  
Board member

Mats Nilsson  
Board member

Lars Spongberg  
Board member

Thomas Öster  
Board member

## CONSOLIDATED INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME

SEK M	Apr-Jun 2012	Apr-Jun 2011	Jan-Jun 2012	Jan-Jun 2011	Jul-Jun 2011/12	Jan-Dec 2011
Net sales	109,7	99,8	209,8	196,5	427,5	414,2
Cost of goods sold	-83,5	-72,4	-155,5	-136,4	-306,2	-287,1
<b>Gross profit</b>	<b>26,2</b>	27,4	<b>54,3</b>	60,1	<b>121,3</b>	127,1
Selling expenses	-10,0	-9,2	-19,9	-18,3	-38,9	-37,3
Administration expenses	-13,9	-11,5	-26,4	-22,2	-52,9	-48,7
Development expenses	-3,3	-6,8	-7,6	-13,4	-16,0	-21,8
Other operating income/expenses	0,7	0,8	3,1	1,4	5,0	3,3
<b>Operating profit</b>	<b>-0,3</b>	0,7	<b>3,5</b>	7,6	<b>18,5</b>	22,6
Financial income	1,0	1,1	1,0	1,4	4,0	4,4
Financial expenses	-0,9	-2,4	-4,6	-4,4	-9,3	-9,1
<b>Profit before taxes</b>	<b>-0,2</b>	-0,6	<b>-0,1</b>	4,6	<b>13,2</b>	17,9
Income tax	0,0	0,3	-0,2	-1,0	-4,3	-5,1
<b>Net profit for the year</b>	<b>-0,2</b>	-0,3	<b>-0,3</b>	3,6	<b>8,9</b>	12,8
<b>Profit attributable to:</b>						
Parent company shareholders	-0,2	-0,3	-0,3	3,6	8,9	12,8
<b>Statements of comprehensive income</b>						
<b>Result for the period</b>	<b>-0,2</b>	-0,3	<b>-0,3</b>	3,6	<b>8,9</b>	12,8
<b>Other comprehensive income</b>						
Translation difference	0,6	2,7	-1,6	0,5	-0,4	1,7
Remeasurement IAS	0,0	-1,3	0,0	-1,3	1,3	0,0
Hedging of net investment	0,6	-2,8	1,6	-2,1	4,2	0,5
<b>Total comprehensive income</b>	<b>1,0</b>	-1,7	<b>-0,3</b>	0,7	<b>14,0</b>	15,0
<b>Result attributable to:</b>						
Equity holders of the parent	1,0	-1,7	-0,3	0,7	14,0	15,0
EBITDA	8,2%	8,8%	10,4%	11,9%	12,7%	13,4%
EBIT	-0,3%	0,7%	1,7%	3,9%	4,3%	5,5%
Depreciation charged against earnings	9,3	8,1	18,3	15,8	35,9	33,4
Earnings per share, (no dilution) *	-0:03	-0:04	-0:05	0:60	1:46	2:11
Number of shares (thousands) before dilution	6 051	6 051	6 051	6 051	6 051	6 051
Number of shares (thousands) after dilution**	6 180	6 175	6 180	6 206	6 180	6 193
Number of shares end of period (thousands)	6 051	6 051	6 051	6 051	6 051	6 051

\* Attributable to parent company shareholders' share of net income.

\*\* Considerations to convertibles issued 2011-07-01

## CONDENSED CONSOLIDATED BALANCE SHEET

SEK M	2012-06-30	2011-06-30	2011-12-31
<b>Assets</b>			
Intangible fixed assets	63,5	50,7	59,7
Tangible fixed assets	247,3	221,4	244,3
Other current assets	228,4	190,7	199,0
Cash and bank balances	13,2	38,3	29,8
<b>Total assets</b>	<b>552,4</b>	501,1	532,8
<b>Shareholders' equity and liabilities</b>			
Shareholders' equity	206,8	201,9	216,2
Long-term liabilities	207,7	178,1	200,5
Current liabilities	137,9	121,1	116,1
<b>Total shareholders' equity and liabilities</b>	<b>552,4</b>	501,1	532,8
<b>Pledged assets</b>	<b>187,5</b>	186,3	195,7
<b>Contingency</b>	<b>0,4</b>	0,3	0,4

## KEY FIGURES

SEK M		Jan-Jun 2012	Jan-Jun 2011 *	Jan-Dec 2011
Return on capital employed	%	2,0	4,0	6,1
Return on shareholders' equity	%	-0,3	3,5	6,0
Share of risk-bearing capital	%	42,4	44,3	45,6
Equity/assets ratio	%	37,5	40,3	40,6
Net debt	SEK M	230,1	167,7	196,0
Investments excluding shares	SEK M	27,5	35,3	85,7
Number of employees		414	346	373
Shareholders' equity per share	SEK	34:19	33:37	35:74
Dividends	SEK	1:50	1:50	1:50

\* Comparative figures are unchanged from previous reports where otherwise indicated.

## CHANGES IN SHAREHOLDERS' EQUITY

SEK M	30 Jun 2012	31 Dec 2011
Opening balance	216,2	210,3
Dividends	-9,1	-9,1
Total earnings	-0,3	15,0
<b>Closing balance, shareholders' equity</b>	<b>206,8</b>	216,2

## CONSOLIDATED CASH FLOW STATEMENT

SEK M	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Jul-Jun	Jan-Dec
	2012	2011	2012	2011	2011/2012	2011
Profit after net financial items	-0,2	-0,8	-0,1	4,4	13,4	17,9
Reversal of depreciation	9,3	8,1	18,3	15,8	35,9	33,4
Adjustment items	1,2	-0,9	2,4	-0,8	2,9	-0,3
Income tax paid	-1,2	0,3	-3,0	-1,1	-3,2	-1,3
Change in working capital	2,7	8,8	-15,7	-1,9	-29,1	-15,3
<b>Cash flow from remaining operations</b>	<b>11,8</b>	<b>15,5</b>	<b>1,9</b>	<b>16,4</b>	<b>19,9</b>	<b>34,4</b>
Investments in other fixed assets	-14,3	-10,1	-27,0	-18,8	-64,2	-56,0
Sales of other fixed assets	0,0	0,8	0,0	0,8	0,1	0,9
<b>Balance after investments in fixed assets</b>	<b>-2,5</b>	<b>6,2</b>	<b>-25,1</b>	<b>-1,6</b>	<b>-44,2</b>	<b>-20,7</b>
Change in interest-bearing loans	12,8	-17,6	17,7	-13,7	28,3	-3,1
Dividends	-9,1	-9,1	-9,1	-9,1	-9,1	-9,1
<b>Cash flow for the year</b>	<b>1,2</b>	<b>-20,5</b>	<b>-16,5</b>	<b>-24,4</b>	<b>-25,0</b>	<b>-32,9</b>
Liquid funds at beginning of the year	11,8	58,8	29,8	62,7	38,3	62,7
Exchanges-rate differences in liquid funds	0,2	0,0	-0,1	0,0	-0,1	0,0
<b>Liquid funds at end of the period</b>	<b>13,2</b>	<b>38,3</b>	<b>13,2</b>	<b>38,3</b>	<b>13,2</b>	<b>29,8</b>

## NET SALES AND OPERATING PROFIT/LOSS PER BUSINESS AREA

Net sales SEK M	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Jul-Jun	Jan-Dec
	2012	2011	2012	2011	2011/2012	2011
Medical Technology	84,1	70,3	160,6	138,7	317,5	295,6
Metrology	25,6	29,5	49,2	57,8	110,0	118,6
Other	0,0	0,0	0,0	0,0	0,0	0,0
<b>Total net sales</b>	<b>109,7</b>	<b>99,8</b>	<b>209,8</b>	<b>196,5</b>	<b>427,5</b>	<b>414,2</b>

Operating profit/loss SEK M	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Jul-Jun	Jan-Dec
	2012	2011	2012	2011	2011/2012	2011
Medical Technology	-3,5	-3,5	-2,9	-1,0	-2,3	-0,4
Metrology	5,8	7,6	10,4	14,1	29,0	32,7
Other	-2,6	-3,4	-4,0	-5,5	-8,2	-9,7
<b>Total operating profit/loss</b>	<b>-0,3</b>	<b>0,7</b>	<b>3,5</b>	<b>7,6</b>	<b>18,5</b>	<b>22,6</b>



## QUARTERLY FIGURES - GROUP

	Q 2	Q 1	Q 4	Q 3	Q 2	Q 1	Q 4	Q 3	Q 2	Q 1
SEK M	2012	2012	2011	2011	2011	2011	2010	2010	2010	2010
Net sales	109,7	100,1	114,8	102,9	99,8	96,7	99,9	78,6	94,3	85,4
Cost of goods sold	-82,2	-72,0	-77,8	-72,9	-72,4	-64,0	-68,6	-54,7	-65,1	-58,5
<b>Gross profit</b>	<b>27,5</b>	28,1	37,0	30,0	27,4	32,7	31,3	23,9	29,2	26,9
Selling adm. and developm.expens.	-28,5	-26,7	-29,7	-24,2	-27,5	-26,4	-26,2	-18,6	-22,9	-22,4
Other operating items	0,7	2,4	0,5	1,4	0,8	0,6	-0,5	1,1	0,1	1,0
<b>Operating profit/loss</b>	<b>-0,3</b>	3,8	7,8	7,2	0,7	6,9	4,6	6,4	6,4	5,5
Net financial items	0,1	-3,7	-1,0	-0,7	-1,3	-1,7	-1,6	-1,6	-1,7	-1,8
<b>Profit/loss after financial items</b>	<b>-0,2</b>	0,1	6,8	6,5	-0,6	5,2	3,0	4,8	4,7	3,7
<b>Taxes</b>	<b>0,0</b>	-0,2	-2,7	-1,4	0,3	-1,3	-1,2	-1,7	-0,9	-0,8
<b>Profit/loss after taxes remaining operations</b>	<b>-0,2</b>	-0,1	4,1	5,1	-0,3	3,9	1,8	3,1	3,8	2,9

## QUARTELY FIGURES - BUSINESS AREAS

Net sales	Q 2	Q 1	Q 4	Q 3	Q 2	Q 1	Q 4	Q 3	Q 2	Q 1
SEK M	2012	2012	2011	2011	2011	2011	2010	2010	2010	2010
Medical Technology	84,1	76,5	84,5	72,4	70,3	68,4	67,2	58,3	69,9	63,0
Metrology	25,6	23,6	30,3	30,5	29,5	28,3	32,7	20,3	24,4	22,4
Other	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
<b>Total remaining operations</b>	<b>109,7</b>	100,1	114,8	102,9	99,8	96,7	99,9	78,6	94,3	85,4
<b>Operating profit/loss</b>	<b>Q 2</b>	Q 1	Q 4	Q 3	Q 2	Q 1	Q 4	Q 3	Q 2	Q 1
SEK M	2012	2012	2011	2011	2011	2011	2010	2010	2010	2010
Medical Technology	-3,5	0,6	1,2	-0,6	-3,5	2,5	-0,3	4,9	4,7	4,0
Metrology	5,8	4,6	8,8	9,8	7,6	6,5	7,0	3,4	3,8	3,5
Other	-2,6	-1,4	-2,2	-2,0	-3,4	-2,1	-2,1	-1,9	-2,1	-2,0
<b>Total remaining operations</b>	<b>-0,3</b>	3,8	7,8	7,2	0,7	6,9	4,6	6,4	6,4	5,5

## PARENT COMPANY INCOME STATEMENT

SEK	Apr-Jun 2012	Apr-Jun* 2011	Jan-Jun 2012	Jan-Jun* 2011	Jul-Jun 2011/12	Jan-Dec 2011
Net sales	2,4	1,4	4,8	2,7	8,2	6,1
Cost of goods sold	0,0	0,0	0,0	0,0	0,0	0,0
<b>Gross profit</b>	<b>2,4</b>	<b>1,4</b>	<b>4,8</b>	<b>2,7</b>	<b>8,2</b>	<b>6,1</b>
Administration expenses	-4,7	-5,5	-8,4	-9,0	-16,0	-16,6
Other operating income/expenses	0,0	0,0	0,0	0,0	0,1	0,1
<b>Operating profit</b>	<b>-2,3</b>	<b>-4,1</b>	<b>-3,6</b>	<b>-6,3</b>	<b>-7,7</b>	<b>-10,4</b>
Result fr. participations in group comp.	0,0	0,0	0,0	0,0	12,2	12,2
Result fr. participations in associated comp.	0,0	0,3	0,0	0,3	0,0	0,3
Financial income	0,4	0,2	0,9	0,5	2,1	1,7
Financial expenses	-0,2	-0,3	-0,8	-0,7	-2,2	-2,1
<b>Result after financial items</b>	<b>-2,1</b>	<b>-3,9</b>	<b>-3,5</b>	<b>-6,2</b>	<b>4,4</b>	<b>1,7</b>
Appropriations	0,0	0,0	0,0	0,0	0,8	0,8
Taxes	-0,1	1,1	0,3	1,7	-1,5	-0,1
<b>Result for the year</b>	<b>-2,2</b>	<b>-2,8</b>	<b>-3,2</b>	<b>-4,5</b>	<b>3,7</b>	<b>2,4</b>
<b>Result attributable to:</b>						
Parent company shareholders	-2,2	-2,8	-3,2	-4,5	3,7	2,4
<b>Statements of comprehensive income</b>						
<b>Result for the period</b>	<b>-2,2</b>	<b>-2,8</b>	<b>-3,2</b>	<b>-4,5</b>	<b>3,7</b>	<b>2,4</b>
<b>Other comprehensive income</b>						
Hedging of net investment	0,7	-1,7	1,7	-1,2	3,9	1,0
<b>Total comprehensive income</b>	<b>-1,5</b>	<b>-4,5</b>	<b>-1,5</b>	<b>-5,7</b>	<b>7,6</b>	<b>3,4</b>
<b>Result attributable to:</b>						
Parent company shareholders	-1,5	-4,5	-1,5	-5,7	7,6	3,4

## PARENT COMPANY BALANCE SHEET

SEK	2012-06-30	2011-06-30*	2011-12-31
<b>Assets</b>			
Intangible fixed assets	3,8	-	3,9
Tangible fixed assets	0,6	1,8	0,6
Financial fixed assets	176,0	164,9	182,2
Other current assets	61,6	38,9	36,7
Cash and bank balances	3,1	27,8	9,5
<b>Total assets</b>	<b>245,1</b>	<b>233,4</b>	<b>232,9</b>
<b>Shareholders' equity and liabilities</b>			
Shareholders' equity	174,1	173,6	184,7
Untaxed reserves	0,7	1,5	0,7
Provisions	6,1	5,4	6,2
Long-term liabilities	16,6	6,4	17,3
Current liabilities	47,6	46,5	24,0
<b>Total shareholders' equity and liabilities</b>	<b>245,1</b>	<b>233,4</b>	<b>232,9</b>
<b>Pledged assets</b>	<b>2,0</b>	<b>2,0</b>	<b>2,0</b>
<b>Contingent liabilities</b>	<b>0,1</b>	<b>0,1</b>	<b>0,1</b>

\* Figures for quarter 1 and 2 2011 has been adjusted due to changed accounting policy of comprehensive income.

## Note 1 Description of acquisition

Microplast AB was acquired on 1 July 2011. The company has 13 employees and annual sales of approximately SEK 25 M. Microplast is active in injection moulding of thermoplastic medical technology products. The effect of the acquisition of Consolidated sales until the 4th quarter of 2011 is approx. SEK 11.6 M and profit before tax of approx. SEK 3.3 M. The purchase consideration for the acquired operation was SEK 19,5 M plus a conditional purchase consideration based on the performance of the operation during 2011 and 2012, estimated at SEK 2 M. The transaction costs for the acquisition amounted to SEK 0.1 M and are included in operating expenses. The conditional purchase consideration has not yet been re-valued. The acquisition has a positive impact on earnings per share for 2011, and the result is expected to have a positive effect in 2012.

MSEK

<b>Purchase consideration:</b>	
- cash paid consideration	19,5
- estimated add. consideration	2,0
<b>Total consideration</b>	<b>21,5</b>
Total value of acquired assets and liabilities	-14,5
<b>Goodwill</b>	<b>7,0</b>

MSEK	Book value	Real value
Fixed assets	6,8	11,6
Inventories	3,6	4,1
Other current receivables	3,8	3,8
Cash and cash equivalents	4,3	4,3
Current liabilities	-4,0	-4,0
<b>Total assumed net assets</b>	<b>14,5</b>	<b>19,8</b>

Cash paid consideration	-19,5
Cash and cash equivalents in subsidiary acquired	4,3
<b>Effect on consolidated cash equivalents</b>	<b>-15,2</b>

Through the acquisition, intangible fixed assets pertaining to goodwill increased by SEK 7.0 M. As a result of the acquisition, the Group receives expertise in injection moulding with close-fit tolerances for medical technology.

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

The information in this interim report is that which Elos AB (publ) must publish pursuant to the Swedish Securities Market Act and/or the Trading in Financial Instruments Act. The information was published on August 22, 2012 at 08:00 (CET).