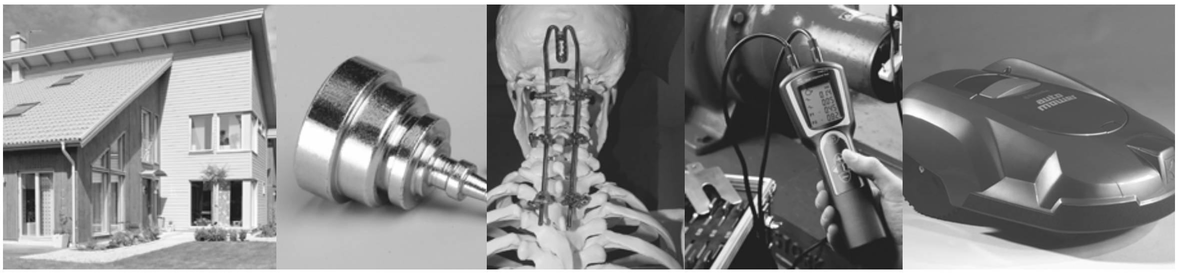
Year-end Report
January 1 – December 31, 2005



Improved earnings in the fourth quarter. Distribution of Building/ Interior business area planned during second half of 2006.

Summary January – December 2005
- Net sales amounted to SEK 1,328 M (1,467).
- Operating profit amounted to SEK 41.4 M (59.0). Profit after financial items amounted to SEK 32.2 M (46.8).
- Profit after tax was SEK 22.0 M (31.0), corresponding to SEK 3.94 (5.62) per share.
- Cash flow from operating activities was SEK 57.6 M (119.4). Cash flow after investments, excluding company acquisitions, amounted to SEK 21.4 M (95.9).
- The Danish medical-technology company Pinol A/S was acquired in November 2005.
- The Board proposes a dividend of SEK 1.25 (1.25).
- The Board intends to propose that the Building/Interior business area be distributed to the shareholders.

Summary October - December 2005
- Net sales amounted to SEK 386 M (402).
- Operating profit amounted to SEK 16.1 M (15.3). Profit after financial items amounted to SEK 13.8 M (13.0).
- Profit after tax was SEK 9.6 M (8.4), corresponding to SEK 1.68 (1.54) per share.
- Cash flow from operating activities amounted to SEK 31.3 M (29.4). Cash flow after investments, excluding company acquisitions, amounted to SEK 19.6 M (29.4).

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Operations
Westergyllen is an industrial group organized in three business areas: Building/Interior, Electronics and Engineering/Technology.

Market conditions during the year were favorable for the Building/Interior and Engineering/Technology business areas. Net sales and earnings increased. Order bookings in both business areas were higher than delivery volumes.

Demand in the Electronics business area was weak. Order bookings were in line with delivery volumes. During the year, efficiency-enhancement and capacity-alignment measures were implemented. Excluding company acquisitions, Group cash flow was positive.

Distribution of Building/Interior business area
The Building/Interior business area comprises Forshemgruppen, which is the parent company of Götenhus and Sjödalshus, plus a smaller unit producing biofuels. Basically, the operations of the Building/Interior business area have nothing in common with the industrial operations conducted within the Group's Electronics and Engineering/Technology business areas. Growth opportunities in the residential building market and market conditions for the construction of small homes are judged to be favorable. Against this background, the Board considers that an independent and focused unit, with strong resources, would have the best potential to create a strong market position and favorable growth.

Accordingly, the Board intends to propose that the operations conducted within the Building/Interior business area be organized within Forshemgruppen AB and spun off in accordance with the so-called Lex ASEA precedent to Westergyllen's shareholders and that an application for a separate stock exchange listing be made for Forshemgruppen. This proposal is in line with the Group's direction toward fewer business areas. A concentration and streamlining of operations is also expected to create added value for shareholders over the long term. The complete Board proposal will be presented, as planned, in August 2006. It is intended that the proposed spin-off of Forshemgruppen be addressed by a Special General Meeting during autumn 2006, immediately followed by a listing of the share.

Following the implementation of the spin-off, it is also intended that Forshemmgruppen's operations focus on medical technology and precision engineering.

Acquisition of Pinol A/S
On November 21, 2005, Westergyllen acquired the Danish precision-engineering company Pinol A/S. Located in Görlöse, about 30 km northwest of Copenhagen. Pinol focuses mainly on the production of medical-technology products, such as implants and instruments. Production consists primarily of the turning, cutting and laser processing of advanced materials, such as specialist steels and titanium.

During recent years, Pinol has been restructured from a traditional light engineering company producing large volumes for the telecom sector to become a precision producer of primarily medical-technology products. In 2005, the company had net sales of SEK 142 M, with about 135 employees.

Pinol complements Westergyllen's medical-technology company, Elos Medical, in the Engineering/Technology business area. As development and production partners, Pinol and Elos Medical will form one of Europe's larger players in the field of precision-engineered components and products for the medical-technology sector.

Invoicing and earnings for the fourth quarter of 2005
Consolidated net sales in the fourth quarter amounted to SEK 386 M (402). Operating profit amounted to SEK 16.1 M (15.3). Profit after financial items amounted to SEK 13.8 M (13.0). The Building/Interior and Engineering/Technology business areas posted operating profit of SEK 10.7 M (5.9) and SEK 7.8 M (2.8), respectively, the best quarterly results ever achieved by these two business areas.

Invoicing and earnings January – December 2005
Consolidated net sales amounted to SEK 1,328 M (1,467) during the period. Operating profit declined to SEK 41.4 M (59.0). Profit after financial items amounted to SEK 32.2 M (46.9). Earnings were affected by result participations and write-downs in regard to Hemapure in a negative amount of SEK 3.5 M (neg: 4.0). The acquisition of Pinol had only a marginal effect on 2005 earnings. The lower sales and weaker profits were attributable solely to the Electronics business area.

The Group's financial net improved by SEK 3.0 M in 2005 to an expense of SEK 9.2 M (expense: 12.2). The improvement was due primarily to lower average net loan debt and a lower interest rate.

Profit for the period, after tax, amounted to SEK 22.0 M (31.0). Earnings per share amounted to SEK 3.94 (5.62). The return on capital employed was 8.1 percent (13.7). The return on shareholders' equity, after tax, was 10.7 percent (18.8).

Building/Interior
The Building/Interior business area comprises mainly the Götenehus and Sjödalshus home building companies, which jointly are one of the largest players in the single-family homes market in Sweden. Westergyllen's small-homes operations consist of project operations that market and build groups of small homes and of operations that build individual single-family homes.

Demand in the Swedish market for single-family homes was very favorable in 2005. Prices for used single-family homes continued to increase. This, together with low interest rates, had a positive effect on new production.

Net sales in the Building/Interior business area amounted to SEK 699 M (686). Operating profit improved to SEK 28.1 (22.2). The operating margin was 4.0 percent (3.2). The improvement in earnings was primarily due to Götenhus' single-family homes operations in Sweden. Delivery volumes were in line with 2004. Order bookings were highly favorable during the year. For individual homes, order bookings measured in units rose by 32 percent, compared with 2004, and were about 33 percent higher than deliveries during the year. Several new projects were added to the project portfolio during 2005. The number of building rights in the project portfolio corresponded to about 470 single-family homes at year-end, up by 150 units since year-end 2004.

Electronics
The Electronics business area comprises Elektromekan, which is one of Sweden's leading EMS (Electronic Manufacturing Service) companies. The company produces components and products for the telecom sector, other mobile communications, and the process control and engineering industries.

In recent years, the market for contract manufacturing of electronics has been characterized by considerable variation in demand. This has been particularly true of the telecom market, which in recent times has become Elektromekan's largest market segment.
To meet declining demand from the telecom industry, Elektromekan has invested greater resources in the industrial segment. To date, growth in the industrial segment has not been sufficient to compensate for the decreased telecom volumes. Lower demand and growing competition from producers in low-cost countries led to a decrease in delivery volumes during the year. As a result of newly developed technology, one of the volume products in latter years, circuit boards for mobile phone batteries, was gradually phased out in 2005 and the beginning of 2006. Production of several labor-intensive products will be outsourced to Elektromekan's production partners in low-cost countries in 2006. Following a review of operations, company decided in February 2006 to serve 45 employees with termination notices.

Net sales in the Electronics business area declined by 33 percent to SEK 390 M (584).
An operating loss of SEK 2.4 M (profit: 26.9) was reported, which included the negative effect of write down of receivables and inventory due to a customer filing for bankruptcy during the year. The operating margin was negative at 0.6 percent (positive: 4.6). Order bookings during the year were in line with delivery volumes and amounted to SEK 387 M (567).

Engineering/Technology
The Engineering/Technology business area comprises the precision engineering units Pinol, Elos Medical and Elos Precision, as well as Fixturlaser.

Market conditions for the precision engineering units remained favorable during 2005, while demand for Fixturlaser's products improved during the second half. Capacity within the precision-engineering units was gradually expanded during the year. Increasing the share of medical technology in the Group's total operations is an established strategy and has high priority within Westergyllen. The acquisition of Pinol is a result of this strategy.

Net sales in Engineering/Technology increased for the second consecutive year by 16 percent and amounted to SEK 258 M (222). For comparable units, net sales rose by 11 percent. Operating profit improved and amounted to SEK 23.0 M (16.8). Pinol, acquired during the year, affected operating profit by SEK 1.6 M. The operating margin was 8.9 percent (7.6). The improvement in earnings was primarily attributable to the improvement in earnings at Fixturlaser.
Order bookings during the year were 13 percent higher than delivery volumes and amounted to SEK 291 M (223).

Other
At mid-year, Westergyllen owned 24.6 percent of Hemapure AB, in Uppsala, a medical-technology company that is developing a system to facilitate access to blood flow during dialysis. Effective 2005, Hemapure is reported as an associated company. During the year, Westergyllen contributed SEK 2.0 M (4.0) to the company through share issues. Westergyllen's participation in Hemapure's results during 2005 amounted a loss of SEK 2.5 M It is difficult to assess the value of Hemapure. In addition to the participation in results, Westergyllen's holding was written down during the year by an additional SEK 1.0 M. At year-end, the book value of the shareholding in Hemapure amounted to SEK 10.3 M. In addition, Westergyllen has loan receivables amounting to SEK 0.6 M.

Investments
During the year, SEK 77.9 M (0.0) was invested in the acquisition of subsidiaries, of which the acquisition of Pinol accounted for SEK 77.2 M.
The Group's investments in buildings, land, machinery and equipment amounted to SEK 43.4 M (42.4), of which SEK 0.9 M (0.0) was financed through localization subsidies. Of these investments, 54 percent (65) were attributable to the Group's precision-engineering operations, Pinol, Elos Medical and Elos Precision. In addition, SEK 2.4 M (4.0) was invested in financial fixed assets and SEK 6.6 M (1.8) in intangible fixed assets.

Financial position and liquidity
The Group's total assets increased by SEK 203 M to SEK 939 M (736). The acquisition of Pinol affected total assets by SEK 221 M.

Two new share issues were implemented during the year. A total of 480,000 B shares were issued in conjunction with the acquisition of Pinol. In addition, 41,000 B shares were issued in conjunction with the exercise of personnel options issued earlier. The share issues contributed funds of approximately SEK 33.4 M to the company.

Despite the Pinol acquisition, a positive cash flow, the net profit for the year and the share issues implemented led to the Group's financial position remaining largely unchanged compared with year-end 2004. Own risk-bearing capital amounted to SEK 255.1 M (204.4), equivalent to 27.2 percent (27.8) of total capital at year-end. The equity/assets ratio was 24.3 percent (24.6). Shareholders' equity per share totaled SEK 37.72 (32.65).

The cash flow from operating activities amounted to SEK 57.6 M (119.4). Cash flow was negatively affected in an amount of SEK 24.2 M (positive: 17.9) due to a change in the size of sold accounts receivable. Cash flow after investments was negative and amounted to SEK 12.0 M (positive: 95.9). Excluding company acquisitions, cash flow after investments amounted to SEK 21.4 M (95.9).

During the fourth quarter, cash flow from operating activities amounted to SEK 31.3 M (29.4). Cash flow after investments was negative and amounted to SEK 13.8 M (24.7). Excluding company acquisitions, cash flow after investments amounted to SEK 19.6 M (29.4).

The Group's net debt increased by SEK 152.7 m during the year and amounted to SEK 336.3 M (183.6) at year-end. The increase was due exclusively to the acquisition of Pinol. At year-end, the Group's liquid funds, including unutilized overdraft facilities, amounted to SEK 171.2 M (149.1). The increase in liquidity was attributable to increased overdraft facilities.

Personnel
At the end of the year, the Group had 756 full-time employees (734). The average number of employees during the year was 700 (745).

Dividend
The Board proposes to the Annual General Meeting that a dividend of SEK 1.25 (1.25) per share be paid. In accordance with the proposal, the total dividend payment would amount to SEK 7.7 M.

Parent Company
In addition to central management issues, the Parent Company is responsible for Group support activities, such as financing and financial control. In 2005, the Parent Company's net sales amounted to SEK 10.3 M (9.8). Profit after financial items was SEK 2.4 M (5.1). Earnings include internal Group dividends and write-downs of shares in subsidiaries amounting to a net of SEK 11.3 M (20.4). Profit included intra-Group dividends and write-downs of holdings in associated companies amounting to SEK 3.5 M (4.0). The share of own risk-bearing capital was 55.2 percent (53.4). The equity/assets ratio was 54.0 percent (52.1). The Parent Company's liquid funds, including unutilized overdraft facilities, amounted to SEK 129.0 M (88.9).

Accounting principles – Transition to IFRS
This year-end report for the Group was prepared in accordance with IAS 34 Interim Financial Reporting, which complies with the requirements set by the Swedish Financial Accounting Standards Council's recommendation RR31 Interim Reporting for Groups. As of 2005, IAS 39 Financial Instruments is applied. This application has not had any significant effect on Westergyllen's reporting of financial instruments.

Through year-end 2004, Westergyllen has reported its consolidated financial statements in accordance with the Swedish Financial Accounting Standards Council's recommendations, which in recent years have largely been adapted to IAS/IFRS. Accordingly, the transition to IFRS in the income statement and balance sheet is limited to the following items:

Amortization of goodwill ceases (IFRS 3 and IAS 38).

Derivative instruments shall be reported at fair value in the balance sheet (IAS 39).

Provisions shall be reclassified and presented as long-term and current liabilities.

Minority interest shall be reclassified and reported in shareholders' equity.

Other effects of the restatement of comparable figures for 2004 and for shareholders' equity at the beginning and end of 2004 are presented in tables on page 8.

2:1 share split
As of May 24, 2005, a share split was implemented whereby the par value of the Westergyllen share was changed from SEK 12.50 to SEK 6.25. After the split and the new share issues implemented in 2005, the number of shares in the Company amounts to 6,051,000.

Forecast for 2006
Market conditions for the Building/Interior and Engineering/Technology business areas during 2006 are assessed as favorable. It is estimated that delivery volumes from the Electronics business area to the telecom market will decrease as early as the first quarter of 2006, which it is assessed will lead to a decrease in full-year net sales for this business area.

Annual General Meeting
The Annual General Meeting will be held in Götene on Thursday, April 27, 2006.

Nomination Committee
At the 2005 Annual General Meeting, it was resolved that a new Nomination Committee be established. The Committee shall consist of the Board Chairman, a representative of each of the three shareholders with the largest number of voting rights as per September 30 each year, and a person to represent the smaller shareholders. The task of the Nomination Committee prior to the 2006 General Meeting is to present proposals for Board membership and the fees to be paid to the Board and the Auditors. The Nomination Committee prior to the 2006 Annual General Meeting consist of Bo Nilsson, Lars Runmarker and Sture Öster, representing the three largest shareholders, and Ingemar Johansson representing the smaller shareholders.

Annual Report
It is expected that Westergyllen's Annual Report will be completed at the end of March 2006, at which time it will be available at the company and simultaneously distributed to shareholders.

Financial information 2006
The interim report for the first quarter of 2006 will be published on April 27, 2006.

The interim report for the second quarter of 2006 will be published on August 17, 2006.

The interim report for the third quarter of 2006 will be published on October 27, 2006.

Götene, February 22, 2006
AB Westergyllen (publ)
Board of Directors

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CONDENSED CONSOLIDATED INCOME STATEMENT

SEK M	**Oct-Dec 2005**	Oct-Dec 2004	**Jan-Dec 2005**	Jan-Dec 2004
Net sales	**386,1**	401,7	**1 328,3**	1 467,4
Cost of goods sold	**-309,7**	-333,8	**-1 089,4**	-1 214,9
Gross profit	**76,4**	67,9	**238,9**	252,5
Selling expenses	**-39,4**	-36,8	**-130,4**	-122,9
Adminstrative expenses	**-23,9**	-16,9	**-65,8**	-66,6
Other operating income/expenses	**3,0**	1,1	**-1,3**	-4,0
Operating profit	**16,1**	15,3	**41,4**	59,0
Financial income	**0,8**	0,4	**1,2**	0,7
Financial expenses	**-3,1**	-2,7	**-10,4**	-12,9
Profit after financial items	**13,8**	13,0	**32,2**	46,8
Taxes	**-4,2**	-4,6	**-10,2**	-15,8
Profit after taxes	**9,6**	8,4	**22,0**	31,0
Depreciation charged against earnings	**13,4**	10,7	**46,5**	45,1
Earnings per share (SEK)	**1:68**	1:54	**3:94**	5:62
Number of shares (thousands)	**5 704**	5 530	**5 573**	5 530
Number of shares after exercise (thousands)	**6 051**	5 530	**6 051**	5 530

Data per share after exercise of warrants outstanding does not result in any dilution effect during 2004.

NET SALES AND OPERATING PROFIT/LOSS PER BUSINESS AREA

Net sales SEK M	**Oct-Dec 2005**	Oct-Dec 2004	**Jan-Dec 2005**	Jan-Dec 2004
Building/Interior	**199,2**	206,8	**699,3**	686,0
Electronics	**96,6**	148,1	**389,6**	583,5
Engineering/Technology	**95,1**	53,3	**258,1**	222,1
Other	**-4,8**	-6,5	**-18,7**	-24,2
Total	**386,1**	401,7	**1 328,3**	1 467,4

Operating profit/loss SEK M	**Oct-Dec 2005**	Oct-Dec 2004	**Jan-Dec 2005**	Jan-Dec 2004
Building/Interior	**10,7**	5,9	**28,1**	22,2
Electronics	**0,2**	5,8	**-2,4**	26,9
Engineering/Technology	**7,8**	2,8	**23,0**	16,8
Other	**-2,6**	0,8	**-7,3**	-6,9
Total	**16,1**	15,3	**41,4**	59,0

CONDENSED CONSOLIDATED BALANCE SHEET

SEK M	**2005-12-31**	2004-12-31
Assets		
Intagible fixed assets	**64,1**	16,7
Tangible fixed assets	**307,4**	200,7
Financial fixed assets	**11,3**	12,5
Other current assets	**499,9**	443,2
Cash and bank balances	**56,1**	63,1
Total assets	**938,8**	736,2
Shareholders' equity and liabilities		
Shareholders equity	**228,2**	181,2
Long-term liabilities	**341,3**	234,7
Current liabilities	**369,3**	320,3
Total shareholders' equity and liabilities	**938,8**	736,2

CONSOLIDATED CASH-FLOW STATEMENT

SEK M	**Jan-Dec 2005**	Jan-Dec 2004
Profit after net financial items	**32,2**	46,8
Adjustment items	**56,3**	50,3
Income tax paid	**-9,3**	-2,9
Change in working capital	**-21,6**	25,2
Cash flow from operating activities	**57,6**	119,4
Investments in fixed assets	**-33,4**	-
Investments in other fixed assets	**-36,5**	-29,6
Sales of companies and fixed assets	**0,3**	6,1
Balance after investments in fixed assets	**-12,0**	95,9
Change in interest-bearing loans	**9,6**	-60,3
New issue of shares	**2,2**	-
Dividends	**-6,9**	0,0
Cash flow for the year	**-7,1**	35,6
Liquid funds at beginning of the year	**63,1**	27,7
Exchange-rate differences in liquid funds	**0,1**	-0,2
Liquid funds at end of the period	**56,1**	63,1

KEY FIGURES

SEK M		**Jan-Dec 2005**	Jan-Dec 2004
Return on capital employed	%	**8,1**	13,7
Return on shareholders' equity	%	**10,7**	18,8
Share of risk-bearing capital	%	**27,2**	27,8
Equity/assets ratio	%	**24,3**	24,6
Net debt	SEK M	**336,3**	183,6
Investments excluding shares	SEK M	**50,0**	44,2
Number of employees		**700**	745
Shareholders' equity per share	SEK	**37:72**	32:65

Data per share after exercise of warrants outstanding did 2004 not result in any dilution effect.

QUARTERLY FIGURES - GROUP

SEK M	**Q4 2005**	Q3 2005	Q2 2005	Q1 2005	Q4 2004	Q3 2004	Q2 2004	Q1 2004
Net sales	**386,1**	266,4	366,3	309,5	401,7	321,9	424,8	319,0
Cost of goods sold	**-309,7**	-215,8	-304,1	-259,8	-333,8	-266,2	-351,3	-263,6
Gross profit	**76,4**	50,6	62,2	49,7	67,9	55,7	73,5	55,4
Selling and admin. expenses	**-63,3**	-38,4	-50,4	-44,1	-53,7	-40,8	-51,2	-43,8
Other operating items	**3,0**	-0,6	-0,9	-2,8	1,1	-0,4	-3,0	-1,7
Operating profit/loss	**16,1**	11,6	10,9	2,8	15,3	14,5	19,3	9,9
Net financial items	**-2,3**	-2,2	-2,2	-2,5	-2,3	-3,2	-3,1	-3,6
Profit/loss after financial items	**13,8**	9,4	8,7	0,3	13,0	11,3	16,2	6,3
Taxes	**-4,2**	-3,3	-2,6	-0,1	-4,6	-3,4	-5,6	-2,2
Profit/loss after taxes	**9,6**	6,1	6,1	0,2	8,4	7,9	10,6	4,1

QUARTERLY FIGURES - BUSINESS AREAS

Net sals SEK M	**Q4 2005**	Q3 2005	Q2 2005	Q1 2005	Q4 2004	Q3 2004	Q2 2004	Q1 2004
Building/Interior	**199,2**	138,3	207,3	154,5	206,8	129,4	196,0	153,8
Electronics	**96,6**	76,6	105,5	110,9	148,1	147,3	174,3	113,8
Engineering/Technology	**95,1**	55,6	59,0	48,4	53,3	50,8	61,9	56,1
Other	**-4,8**	-4,1	-5,5	-4,3	-6,5	-5,6	-7,4	-4,7
Total	**386,1**	266,4	366,3	309,5	401,7	321,9	424,8	319,0

Operating profit/loss SEK M	**Q4 2005**	Q3 2005	Q2 2005	Q1 2005	Q4 2004	Q3 2004	Q2 2004	Q1 2004
Building/Interior	**10,7**	5,9	7,7	3,8	5,9	5,1	7,9	3,3
Electronics	**0,2**	0,1	0,7	-3,4	5,8	6,9	10,7	3,5
Engineering/Technology	**7,8**	7,1	4,8	3,3	2,8	3,8	4,7	5,5
Other	**-2,6**	-1,5	-2,3	-0,9	0,8	-1,3	-4,0	-2,4
Total	**16,1**	11,6	10,9	2,8	15,3	14,5	19,3	9,9

CHANGES IN SHAREHOLDERS' EQUITY

SEK M	**Jan-Dec 2005**	Jan-Dec 2004
Opening balance	**181,2**	150,8
Application of RR 29 Empoyee Benefits	**-**	-1,3
Reclassification of minority interests in accord. with IFRS	**-**	0,7
Opening balance adjusted in accord. with IFRS	**181,2**	150,2
Acquisition of minority interests	**-0,7**	-
Translation difference	**-1,1**	0,0
Net gain on hedge of net investment	**0,4**	-
New issue of shares	**33,3**	-
Dividends	**-6,9**	-
Profit for the period	**22,0**	31,0
Closing balance, shareholders' equity	**228,2**	181,2

RECONCILIATION PROFIT SWEDISH GAAP AND IFRS

SEK M	Jan-Dec 2004
Profit for the period, Swedish GAAP	26,9
Goodwill	4,1
Profit for the period, IFRS	31,0

RECONCILIATION SHAREHOLDERS' EQUITY SWEDISH GAAP AND IFRS

SEK M	Jan-Dec 2004
Closing balance, Swedish GAAP	176,4
Reclassification of minority interest	0,7
Goodwill	4,1
Closing balance in accord. with IFRS	181,2