



Interim report January 1 – June 30, 2008

Net sales rose 12% to SEK 238 M (213). Order bookings increased 17% to SEK 250 M (213).

Profit after financial items for remaining operations rose 28% to SEK 18.9 M (14.8).

The name of the company has been changed to Elos AB from AB Westergyllen following the approval of the Annual General Meeting. In terms of industry categorization, the OMX Nordic Exchange classifies the company as a Health Care company.

Summary, January – June 2008

- Net sales for remaining operations increased 12%, amounting to SEK 238 M (213). Order bookings rose 17%, totaling SEK 250 M (213) for the period.
- Operating profit for remaining operations advanced 22%, amounting to SEK 25.0 M (20.5). Profit after financial items was SEK 18.9 M (14.8). Profit after tax for remaining operations totaled SEK 13.6 M (10.6), or SEK 2.24 (1.74) per share.
- Cash flow for remaining operations from operating activities amounted to SEK 22.8 M (2.3). Cash flow after investments and sales of fixed assets totaled SEK 9.5 M (negative: 11.5).
- The name of the company was changed to Elos AB to emphasize the Group's new business direction.
- Since February 2008, the Elos B share has been sector classified as a Health Care company among the share price lists of the OMX Nordic Exchange in Stockholm.

	Apr-Jun 2008	Apr-Jun 2007	Jan-Jun 2008	Jan-Jun 2007	Jul-Jun 2007/2008	Jan-Dec 2007
Remaining operations	2008	2007	2008	2007	2007/2008	2007
Net sales, SEK M	122.7	110.9	238.0	212.5	458.3	432.8
Growth, %	10.6	13.6	12.0	7.4	10.4	8.1
Operating profit, SEK M	12.2	11.4	25.0	20.5	54.6	50.1
Operating margin, %	9.9	10.3	10.5	9.6	11.9	11.6
Earnings per share, SEK	1.08	0.97	2.24	1.74	5.11	4.61

Operations in general

In recent years, the Group has been restructured from having been a diversified industrial group to a company with high technology and expertise in Medical Technology and Precision Technology. This was accomplished through the spin-off in 2006 of private home construction operations – the Forshem Group – to shareholders and via the sale of electronics operations in 2007. The overall business direction is to focus operations on market segments in which the Group can develop leading positions. The company's core activities are in Medical Technology.

As part of efforts to highlight the company's new business direction and create a uniform image of the Group's business affinity, the company's name was changed to Elos AB on May 15, 2008, following the approval of the Annual General Meeting.

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

Invoicing and earnings, second quarter 2008

The Group's net sales for remaining operations increased during the second quarter by 11%, totaling SEK 123 M (111). The improvement in sales was attributable to all business areas. Market conditions remained satisfactory. Order bookings rose 20%, amounting to SEK 134 M (2007: 112). Operating profit advanced to SEK 12.2 M (11.4). Profit after financial items totaled SEK 9.1 M (8.2). Earnings were adversely impacted by costs in connection with the commissioning of new products in the orthopedic segment.

Invoicing and earnings, January – June 2008

Group net sales for remaining operations rose 12% during the period, amounting to SEK 238 M (213). Market conditions remained generally satisfactory. Order bookings during the period totaled SEK 250 M (213), up 17%. Operating profit for remaining operations increased to SEK 25.0 M (20.5), with an operating margin of 10.5% (9.6). Profit after financial items for remaining operations totaled SEK 18.9 M (14.8). The higher earnings were attributable to the Precision Technology business area.

Profit after tax for remaining operations totaled SEK 13.6 M (10.6), or SEK 2.24 (1.74) per share.

Medical Technology

The business area comprises the Elos Pinol and Elos Medical units. Combined, these units represent some of Europe's leading development and production partners in precision products used in medical technology and components such as dental and orthopedic implants and instruments.

SEK M	Apr-Jun 2008	Apr-Jun 2007	Jan-Jun 2008	Jan-Jun 2007	Jul-Jun 2007/2008	Jan-Dec 2007
Net sales	78.8	71.2	148.8	133.0	285.4	269.6
Growth. %	10.7	11.9	11.9	9.8	8.5	7.4
Operating profit	9.6	11.7	18.9	19.8	39.0	39.9
Operating margin. %	12.2	16.4	12.7	14.9	13.7	14.8

Medical Technology, which is a priority growth area in the Group, continued to report positive development in 2008. Delivery volumes increased 11.9% (9.8), amounting to SEK 148.8 M (133.0). Overall demand remains satisfactory. During the second quarter, Elos Medical commenced production of a large number of new products, leading to start-up costs and has created basis for further growth in the orthopedics segment, Trauma and Spine. More stable growth is anticipated in the dental segment following a period of varying demand. Order bookings totaled SEK 152 M (126) during the period.

Precision Technology

The business area comprises the Elos Precision and Fixturlaser units. Elos Precision specializes in the manufacture of small, complex components with stringent precision requirements. Fixturlaser manufactures and markets laser-based alignment and positioning systems.

SEK M	Apr-Jun 2008	Apr-Jun 2007	Jan-Jun 2008	Jan-Jun 2007	July-Jun 2007/2008	Jan-Dec 2007
Net sales	44.6	40.3	90.1	81.1	175.6	166.6
Growth, %	10.7	17.1	11.1	4.8	13.1	10.3
Operating profit	4.6	1.1	9.6	3.3	21.9	15.6
Operating margin, %	10.3	2.7	10.7	4.1	12.5	9.4

The business area's shipment volumes developed favorably during the period, rising by 11.1% (4.8). Order bookings totaled SEK 99 M (87) during the period. Strong demand from the turbine segment, which is Elos Precision's largest area, entail that shipments will increase in the future. Trial shipments to new customers in the turbine segment will be conducted during the second six months of the year. The performance trend in other segments remained satisfactory, although competition is becoming increasingly tough. Fixturlaser's positive trend continued during the first six months. Demand in North America weakened slightly, while other areas, primarily Europe, progressed favorably. Product launches made during the last years have created basis for Fixturlaser's further development.

Investment

The Group's investment in buildings, land, machinery and inventories totaled SEK 17.5 M (17.3). SEK 10.4 M of this amount is attributable to the Group's medical technology operations at Elos Medical and Elos Pinol. In addition, SEK 1.5 M (1.5) was invested in capitalized development costs.

Financial position and liquidity

The Group's total assets increased by SEK 18 M since year-end, amounting to SEK 537 M (519).

Group shareholders' equity rose by SEK 4 M since year-end, totaling SEK 178 M (174). Shareholders' equity per share was SEK 29.50 kronor (28.82) on the closing date. Risk bearing shareholders' equity amounted to SEK 201 M compared with SEK 197 M at year-end, corresponding to 37.4% (37.9) of total capital. The Group's equity/assets ratio was 33.2% (33.6).

The Group's cash flow from operating activities amounted to SEK 22.8 M (2.3) for remaining operations. During the period, cash flow was adversely impacted by an increase in working capital. Cash flow after investments and sales of fixed assets totaled SEK 9.5 M (negative 11.5).

The Group's net borrowing rose by SEK 4 M during the year and amounted to SEK 234 M (228). The Group's cash and cash equivalents, including unutilized overdraft facilities, totaled SEK 72 M (73).

Personnel

The Group had 375 (369) employees at the end of the period.

Discontinued operations

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

Miscellaneous

Effective February 4, the Elos Series B share has been sector classified as a Health Care company in the share price lists of the OMX Nordic Exchange in Stockholm. The complete designation is **35101010 - Health Care Equipment**.

Convertibles program

The Annual General Meeting of Elos AB of April 28, 2008 approved the Board's proposal of the issuance of a maximum of 200,000 convertibles in a nominal maximum amount of SEK 16,000,000, with a lifetime extending from July 1, 2008 through June 30, 2011. Notwithstanding the preferential rights of shareholders, the right to subscribe for the convertibles accrues to persons who at the expiration of the subscription period were permanently employed in the Group. Employees in the Elos Group have subscribed for convertibles in a total amount of SEK 13,920,000, corresponding to 185,600 convertibles at a conversion price of SEK 75. If all convertibles are converted to shares, the dilution effect will be 3.1% of the share capital and 1.2% of the voting rights, based on the current number of registered shares. The interest rate on the convertibles is set at 4.45%. During the period May 1 through till June 15, 2011, the convertibles may be converted to Series B shares in Elos AB. Transactions in conjunction with the convertibles were conducted in July and are thus not included in the six-month figures.

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 2.2 M (2.4). Profit before financial items amounted to SEK 3.8 M (1.0). Profit includes intra-Group dividends in a net amount of SEK 7.5 M (5.0).

The share of risk-bearing capital was 74.2% (76.4). The equity/assets ratio was 74.2% (75.8). The Parent Company's cash and cash equivalents amounted to SEK 56.3 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 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 Swedish Annual Accounts Act. The accounting principles and basis of calculation are unchanged compared with the 2007 Annual Report

The company's auditors have not audited this interim report.

Forecast for 2008

The strategy is to developing the Group's operations in Medical Technology and Precision Technology.

The Group's units have had favorable growth during 2008. Market conditions are deemed to continue favorable.

Financial information in 2008

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

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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 21, 2008, at 07.30 (CET).

CONDENSED CONSOLIDATED INCOME STATEMENT

SEK M	Apr-Jun 2008	Apr-Jun 2007	Jan-Jun 2008	Jan-Jun 2007	Jul-Jun 2007/2008	Jan-Dec 2007
Net sales	122,7	110,9	238,0	212,5	458,3	432,8
Cost of goods sold	-87,7	-79,9	-168,5	-151,1	-319,1	-301,7
Gross profit	35,0	31,0	69,5	61,4	139,2	131,1
Selling expenses	-7,3	-6,4	-13,8	-12,9	-26,6	-25,7
Administration expenses	-11,9	-9,3	-22,8	-21,0	-43,3	-41,5
Development expenses	-4,5	-5,2	-9,1	-8,4	-18,0	-17,3
Other operating income/expenses	0,9	1,3	1,2	1,4	3,3	3,5
Operating profit	12,2	11,4	25,0	20,5	54,6	50,1
Financial income	0,4	0,0	0,7	0,3	0,8	0,4
Financial expenses	-3,5	-3,2	-6,8	-6,0	-14,0	-13,2
Result after financial items	9,1	8,2	18,9	14,8	41,4	37,3
Taxes	-2,5	-2,3	-5,3	-4,2	-10,5	-9,4
Result for the year from remaining operations	6,6	5,9	13,6	10,6	30,9	27,9
Result from discontinued operations	-	1,4	-	0,4	-2,9	-2,5
Result for the year	6,6	7,3	13,6	11,0	28,0	25,4
EBITDA	16,7%	17,2%	17,4%	16,9%	18,9%	18,8%
EBIT	9,9%	10,3%	10,5%	9,6%	11,9%	11,6%
Depreciation charged against earnings for remaining operations	8,4	7,7	16,4	15,4	32,1	31,1
Earnings per share (SEK) remaining operations	1:08	0:97	2:24	1:74	5:11	4:61
Earnings per share (SEK) discontinued operations	-	0:23	-	0:07	-0:48	-0:41
Earnings per share (SEK)	1:08	1:20	2:24	1:81	4:63	4:20
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 2008	Apr-Jun 2007	Jan-Jun 2008	Jan-Jun 2007	Jul-Jun 2007/2008	Jan-Dec 2007
Medical Technology	78,8	71,2	148,8	133,0	285,4	269,6
Precision Technology	44,6	40,3	90,1	81,1	175,6	166,6
Other	-0,7	-0,6	-0,9	-1,6	-2,7	-3,4
Total remaining operations	122,7	110,9	238,0	212,5	458,3	432,8
Operating profit/loss SEK M	Apr-Jun 2008	Apr-Jun 2007	Jan-Jun 2008	Jan-Jun 2007	Jul-Jun 2007/2008	Jan-Dec 2007
Medical Technology	9,6	11,7	18,9	19,8	39,0	39,9
Precision Technology	4,6	1,1	9,6	3,3	21,9	15,6
Other	-2,0	-1,4	-3,5	-2,6	-6,3	-5,4
Total remaining operations	12,2	11,4	25,0	20,5	54,6	50,1

CONDENSED CONSOLIDATED BALANCE SHEET

SEK M	2008-06-30	2007-06-30	2007-12-31
Assets			
Intangible fixed assets	49,6	50,2	49,7
Tangible fixed assets	231,1	255,9	228,4
Financial fixed assets	0,0	10,2	0,0
Other current assets	230,3	304,6	218,9
Cash and bank balances	24,7	1,6	20,8
Asset for sale	1,5	-	1,5
Total assets	537,2	622,5	519,3
Shareholders' equity and liabilities			
Shareholders' equity	178,3	158,3	174,4
Long-term liabilities	224,3	246,8	220,2
Current liabilities	134,6	217,4	124,7
Total shareholders' equity and liabilities	537,2	622,5	519,3

CONSOLIDATED CASH-FLOW STATEMENT

SEK M	Jan-Jun 2008	Jan-Jun 2007	Jan-Dec 2007
Profit after net financial items	18,9	14,8	37,3
Adjustment items	16,1	16,8	34,6
Income tax paid	-3,0	-2,9	-1,3
Change in working capital	-9,2	-26,4	-43,8
Cash flow from remaining operations	22,8	2,3	26,8
Investments in other fixed assets	-13,6	-14,1	-27,3
Long-term claims	0,0	-	1,6
Sales of other fixed assets	0,3	0,3	8,2
Balance after investments in fixed assets	9,5	-11,5	9,3
Change in interest-bearing loans	3,5	-3,6	-37,9
Dividends	-9,1	-3,0	-3,0
Cash flow for the year from remaining operations	3,9	-18,1	-31,6
Net cash flow from discontinued operations	-	0,0	33,0
Cash flow for the year	3,9	-18,1	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	24,7	1,6	20,8

KEY FIGURES

SEK M		Jan-Jun 2008	Jan-Jun 2007 *	Jan-Dec 2007
Return on capital employed	%	12,0	9,8	11,4
Return on shareholders' equity	%	15,4	14,3	17,3
Share of risk-bearing capital	%	37,4	28,2	37,9
Equity/assets ratio	%	33,2	25,4	33,6
Net debt	SEK M	233,6	315,8	228,0
Investments excluding shares remaining operations	SEK M	19,0	18,8	46,3
Number of employees from remaining operations		372	357	358
Shareholders' equity per share	SEK	29:50	28:16	28:82

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

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	2008	2008	2007	2007	2007	2007	2006	2006	2006	2006
Net sales	122,7	115,3	120,8	99,5	110,9	101,6	108,6	93,9	97,6	100,3
Cost of goods sold	-87,7	-80,8	-82,5	-68,1	-79,9	-71,2	-76,8	-68,0	-73,8	-74,0
Gross profit	35,0	34,5	38,3	31,4	31,0	30,4	31,8	25,9	23,8	26,3
Selling, admin. and developm.expens.	-23,7	-22,0	-23,5	-18,6	-20,9	-21,5	-22,2	-17,8	-20,8	-20,9
Other operating items	0,9	0,3	0,5	1,5	1,3	0,2	1,4	-0,1	0,7	1,3
Operating profit/loss	12,2	12,8	15,3	14,3	11,4	9,1	11,0	8,0	3,7	6,7
Net financial items	-3,1	-3,0	-3,6	-3,5	-3,2	-2,5	-2,8	-2,2	-1,7	-2,6
Profit/loss after financial items	9,1	9,8	11,7	10,8	8,2	6,6	8,2	5,8	2,0	4,1
Taxes	-2,5	-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	6,6	7,0	9,6	7,7	5,9	4,7	7,6	5,4	1,8	3,8

QUARTERLY FIGURES - BUSINESS AREAS

	Q 2	Q 1	Q 4	Q 3	Q 2	Q 1	Q 4	Q 3	Q 2	Q 1
SEK M	2008	2008	2007	2007	2007	2007	2006	2006	2006	2006
Net sales	78,8	70,0	73,2	63,4	71,2	61,8	67,4	62,6	63,6	57,5
Medical Technology	78,8	70,0	73,2	63,4	71,2	61,8	67,4	62,6	63,6	57,5
Precision Technology	44,6	45,5	48,8	36,7	40,3	40,8	42,5	31,1	34,4	43,0
Other	-0,7	-0,2	-1,2	-0,6	-0,6	-1,0	-1,3	0,2	-0,4	-0,2
Total remaining operations	122,7	115,3	120,8	99,5	110,9	101,6	108,6	93,9	97,6	100,3

	Q 2	Q 1	Q 4	Q 3	Q 2	Q 1	Q 4	Q 3	Q 2	Q 1
SEK M	2008	2008	2007	2007	2007	2007	2006	2006	2006	2006
Operating profit/loss	9,6	9,3	10,2	9,9	11,7	8,1	11,8	7,4	4,5	2,6
Medical Technology	9,6	9,3	10,2	9,9	11,7	8,1	11,8	7,4	4,5	2,6
Precision Technology	4,6	5,0	6,4	5,9	1,1	2,2	-0,1	2,3	0,7	5,0
Other	-2,0	-1,5	-1,3	-1,5	-1,4	-1,2	-0,7	-1,7	-1,5	-0,9
Total remaining operations	12,2	12,8	15,3	14,3	11,4	9,1	11,0	8,0	3,7	6,7

CHANGES IN SHAREHOLDERS' EQUITY

	Jan-Jun	Jan-Jun	Jan-Dec
SEK M	2008	2007	2007
Opening balance	174,3	148,9	148,9
Translation difference	0,0	1,8	3,8
Net loss/gain on hedge of net investment	-0,5	-0,4	-0,7
Dividends	-9,1	-3,0	-3,0
Profit for the period	13,6	11,0	25,4
Closing balance, shareholders' equity	178,3	158,3	174,4

PARENT COMPANY INCOME STATEMENT

SEK M	Apr-Jun 2008	Apr-Jun 2007	Jan-Jun 2008	Jan-Jun 2007	Jul-Jun 2007/2008	Jan-Dec 2007
Net sales	1,1	1,2	2,2	2,4	3,9	4,1
Cost of goods sold	0,0	0,0	0,0	0,0	0,0	0,0
Gross profit	1,1	1,2	2,2	2,4	3,9	4,1
Administration expenses	-2,8	-2,5	-5,6	-5,2	-10,2	-9,8
Other operating income/expenses	0,0	0,0	0,0	0,0	0,0	0,0
Operating profit	-1,7	-1,3	-3,4	-2,8	-6,3	-5,7
Result fr. participations in group comp.	7,5	5,0	7,5	5,0	15,2	12,7
Result fr. participations in associated comp.	0,0	0,0	0,0	0,0	-7,0	-7,0
Financial income	0,5	0,3	1,1	0,4	1,2	0,5
Financial expenses	-0,7	-0,7	-1,4	-1,6	-3,2	-3,4
Result after financial items	5,6	3,3	3,8	1,0	-0,1	-2,9
Appropriations	0,0	0,0	0,0	0,0	-0,1	-0,1
Taxes	0,5	0,5	1,0	1,1	2,4	2,5
Result for the year	6,1	3,8	4,8	2,1	2,2	-0,5

PARENT COMPANY BALANCE SHEET

SEK M	2008-06-30	2007-06-30	2007-12-31
Assets			
Tangible fixed assets	0,4	0,5	0,5
Financial fixed assets	139,9	176,9	139,9
Other current assets	23,2	15,3	25,0
Cash and bank balances	21,3	0,2	19,6
Total assets	184,8	192,9	185,0
Shareholders' equity and liabilities			
Shareholders' equity	136,0	136,5	140,3
Untaxed reserves	1,4	1,3	1,4
Provision	5,7	6,0	5,7
Long-term liabilities	22,1	28,8	25,0
Current liabilities	19,6	20,3	12,6
Total shareholders' equity and liabilities	184,8	192,9	185,0

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.

Elos AB (publ)
Lidköping, August 21, 2008

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

