

ANNUAL REPORT
2009



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Financial information

Elos intends to provide the following financial information for the financial year 2010:

Interim report to 31 March	28 April 2010
Interim report to 30 June	19 August 2010
Interim report to 30 September	27 October 2010
Year-end report	February 2011
Annual Report	March/April 2011

Financial information for Elos is available at:
www.elos.se



The Group in summary



For the Group as a whole, market conditions in 2009 varied substantially between the different market segments. The market situation was characterized by uncertainty regarding demand, resulting in customers postponing orders and reducing order size.

Net sales fell approximately 17 per cent* to SEK 422 million (499). New orders fell approximately 15 per cent* to SEK 431 million (507). In Q4, new orders improved, compared with previous quarters of the year.

Medical technology operations are being established in China. An agreement with Novo Nordisk secures capacity utilisation initially to the end of 2012.

Operating profit amounted to SEK 9.6 million (50.3). The reduction in profit was attributable to the lower volume and capacity adjustment costs. Overall, the measures implemented during the year resulted in a cost reduction equivalent to approximately SEK 30 million per year.

Stable cash flow. Cash flow from operating activities amounted to SEK 43.5 million (69.7).

Profit after financial items was SEK 0.5 million (37.0).

Net profit totalled SEK 1.6 million (27.9), which is equivalent to SEK 0.26 (4.62) per share.

The Board of Directors proposes that no dividend (1.50) be paid.

* Adjusted for exchange rate fluctuations during the year.

Key data		2009	2008	2007	2006 ¹	2006 ²	2005 ²	2005
Net sales	SEKm	422.0	499.4	432.8	400.4	619.2	626.9	1,328.3
Profit/loss after financial items	SEKm	0.5	37.0	37.3	20.1	-16.1	4.9	32.2
Operating margin before depreciation (EBITDA)	%	11.2	17.0	18.8	15.2	6.8	8.5	6.6
Operating margin after depreciation (EBIT)	%	2.3	10.1	11.6	7.3	-0.7	1.9	3.1
Share of risk-bearing capital	%	41.1	40.0	37.9		27.3		27.2
Equity/assets ratio	%	35.8	34.9	33.6		24.5		24.3
Return on capital employed	%	2.9	11.6	11.4		-0.6		8.1
Return on equity	%	1.1	15.0	17.3		-7.3		10.7
Earnings per share after tax, remaining operations, before dilution	SEK	0.26	4.62	4.61	3.07	-2.27	0.29	
Earnings per share after tax, remaining operations, after dilution ³	SEK	0.25	4.58					
Earnings per share after tax, total, before dilution	SEK	0.26	4.62	4.20	0.62	0.62	3.94	3.94
Earnings per share after tax, total, after dilution ³	SEK	0.25	4.58					
Equity per share	SEK	31.01	32.91	28.82		24.61		37.72
Dividend (2009 proposal)	SEK		1.50	1.50		0.50		1.25
Average number of employees		343	368	358	344	503	457	700

¹⁾ Adjusted for the sale of the Electronics business area, which is reported as discontinued operations.

²⁾ Unchanged from previous year, meaning including Electronics business area but excluding Building/Interiors business area.

Shares in the latter were distributed to shareholders in November 2006.

³⁾ Convertibles issued on 1 July 2008 have been taken into account.



Comments by the CEO

Despite a weak global economy in 2009, Elos continued to develop its product range and expand its operations

The financial year 2009 can be characterized as a disappointing year. Medical technology operations did not perform as well as expected. Volume was negatively impacted by uncertainty regarding the market and customers' inventory reductions, while market recovery was slower than anticipated. Cost savings implemented during the year had the intended effect, contributing to Precision Technology's favourable result for the second half of the year.

Despite the weak earnings trend in 2009, we continued building the Elos Group for the future. Marketing and development activities intensified in the medical technology operations. In November 2009, a decision was taken to establish operations in China. This establishment is part of the Group's strategy for developing its medical technology operations geographically and will provide a base for deliveries to medical technology customers now setting up in the Chinese market. During the year, major investments and product launches were implemented in the Precision Technology business area.

For the Group as a whole, market conditions in 2009 varied substantially between the different market segments. The market situation was characterized by uncertainty, resulting in customers postponing orders and reducing order size. We can now discern some stabilization of the market and a slow improvement in demand. Our assessment is that the Group is well positioned to capitalize on the opportunities that will now arise as activity again increases.

An important part of the operational work in 2009 was adapting the Group's costs to the lower volumes. When implementing cost adjustments, we were careful not to eliminate critical competence or to restrict development and marketing activities. As a result, the Group currently has overcapacity in some areas, which will be useful when activity regains momentum.

Despite weak earnings and continued aggressive investments, cash flow was positive and the Group's financial position even improved somewhat. This resulted in risk-bearing capital amounting to 41 per cent at year-end. We continue to have a stable financial base, providing a good platform for future business opportunities.

Medical Technology In 2009, it became clear that market segments such as dental implants, in which the consumer is responsible for part of the product and treatment cost, are impacted more adversely by the economic slowdown than we and our customers had previously estimated. Publicly funded products and treatments have been impacted to a lesser extent by the economic cycle. Since dental implants account for a large share of Elos' operations, declining volume growth resulted in negative earnings for the business area.

During the year, the customer base in the dental segment was further developed and business relations were established with two additional global players. In 2009, we also received the first major contract for deliveries of Elos-developed OEM products to the dental implant market.

The demand situation in the Trauma and Spine orthopaedics segments was affected by customers' uncertainty regarding the market and inventory reductions. During the year, efforts continued to develop new and existing customer relationships. The new Medical Devices Directive, which has now been implemented, is creating opportunities for the Group to expand its business with customers in the orthopaedics area. The requirements benefit companies of similar structure to Elos, with sound quality procedures and the capacity to further develop quality and competence.

The Group's collaboration with Novo Nordisk is

“Elos continues to have aggressive goals. The establishment of medical technology operations in China in 2010 gives us a unique position with operations in both Europe and Asia.”

now resulting in the establishment of operations in Tianjin, China. The plant will initially serve Novo Nordisk's Chinese operations, but within a few years our goal is to supply several of our existing customers, who are increasingly setting up in China.

To better utilize the business opportunities expected to arise in the future, an organizational change was implemented at year-end, with a clear growth character. One consequence of this change is the formation of Elos Medtech, which coordinates Elos Medical and Elos Pinol. Following substantial investments in machinery and purposeful streamlining efforts, we have the capacity to broaden both our geographical markets and the customer base.

The new organization has three business segments – Dental, Orthopaedics and Medical Devices. These are responsible for marketing and sales. The production plants in Timmersdala, Sweden, and Gørlose, Denmark, form separate units, while development, quality management and production structure are coordinated.

Precision Technology The business area's performance in 2009 showed a divided picture. Energy sector-related operations (turbine, offshore and wind power) noted continued strong demand, while other market segments (the process and engineering industries) were appreciably impacted by the economic situation. Overall, the business area reported satisfactory earnings.

The global economic slowdown had a substantial impact on Elos Fixturlaser, resulting in lower volumes during the year. This trend did not mean that we lowered our ambitions to continue developing the product range. Instead, we further strengthened the product range during the autumn by launching two new products.

Expectations of continued growth in Elos Precision's turbine sector were achieved in 2009. Growth in the turbine and offshore segments offset the impact of the economic situation on the other segments. Im-

plemented capacity adjustments together with active productivity growth resulted in positive effects.

The future Elos continues to have aggressive goals. The establishment of medical technology operations in China in 2010 gives us a unique position with operations in both Europe and Asia. This year, we plan to focus on customer relationship development by strengthening our marketing and sales organizations. We are also set to launch new services and products during the year. The increased quality and regulatory requirements in the Medical Technology business area will provide us with good opportunities to improve our market position.

It remains difficult to assess future market developments, even in the short term. At the time of writing, there are still few positive signs. Our overall assessment is that demand for the Group's products and services will gradually strengthen in 2010.

Finally, I would like to extend my thanks to all employees and stakeholders in the Group for their extraordinary efforts during a financial year that, due to the weak global economy, led to new challenges in both our operational work and the planning of future initiatives.

Lidköping, March 2010

Göran Brorsson
President and CEO

The Elos share

Stock market trading Elos' Series B shares have been listed on NASDAQ OMX Stockholm AB Small Cap since 13 June 1989. The high-voting Series A shares are not listed. The share price fluctuated between SEK 26.40 and SEK 45.10 during the year. The closing price at year-end 2009 was SEK 33.00 (26.70). At year-end 2009, Elos' market capitalization was SEK 199.7 million (161.6). In 2009, 857,796 shares were traded at a value of SEK 29.9 million.

Dividend policy Elos' dividend policy stipulates that the dividend is to be based on the Group's earnings performance, while taking into account its future development potential and financial position. The long-term goal is for the dividend to increase at a constant rate and to be equivalent to approximately 30 per cent of the profit after tax.

Proposed dividend For the financial year 2009, the Board of Directors has proposed that no dividend (1.50) be paid to shareholders.

Share capital At year-end 2009, Elos AB's share capital amounted to SEK 37.8 million. The share capital is divided into Series A and Series B shares. Apart from Series A shares each carrying one vote and Series B shares one-tenth of a vote, there is no distinction as regards the rights of the different share series in the company.

In accordance with Elos' Articles of Association, holders of Series A shares have the right to request in writing the conversion of Series A shares into

Series B shares. In 2009, no Series A shares were converted into Series B shares.

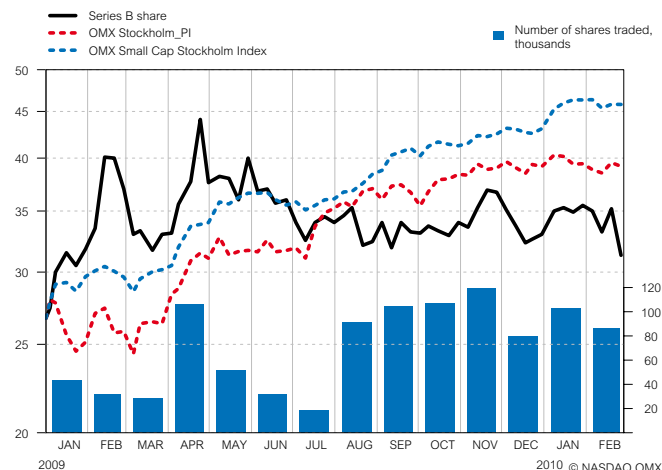
Shareholders At year-end 2009, Elos had 1,476 shareholders. Elos' ten largest shareholders held shares equivalent to 55.4 per cent of the capital and 83.1 per cent of the votes. Swedish and international institutions held 12.7 per cent of the capital and 4.8 per cent of the votes at year-end.

Type of share		31 December 2009	
Type of share	Number of shares	Share in % of votes	Share in % of capital
Series A	1,099,740	69.0	18.2
Series B	4,951,260	31.0	81.8
Total	6,051,000	100.0	100.0

Shareholder structure		31 December 2009	
Number of shares by size	Number of shareholders	Number of shares	Proportion of shares, %
1-500	791	157,652	2.6
501-1,000	286	240,789	4.0
1,001-2,000	168	276,374	4.6
2,001-5,000	107	379,259	6.3
5,001-10,000	52	406,639	6.7
10,001-20,000	28	389,357	6.4
20,001-50,000	25	756,866	12.5
50,001-100,000	7	512,550	8.5
100 001 -	12	2,931,514	48.4
Total	1,476	6,051,000	100.0

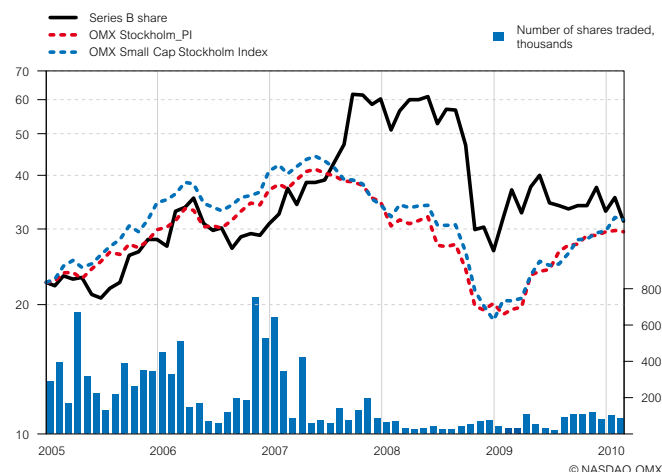
The largest shareholders in Elos AB (publ)					
According to Euroclear on 30 Dec 2009	Series A shares	Series B shares	Total	% of share capital	% of votes
Sture Öster, family and companies	378,826	150,760	529,586	8.7	24.7
Lars Runmarker, family	297,946	202,380	500,326	8.3	20.0
Bo Nilsson, family	260,880	139,480	400,360	6.6	17.2
Elna Molin, family	136,000	169,900	305,900	5.0	9.6
Barbro Nilsson estate, family	26,088	320,120	346,208	5.7	3.6
Magledal Holding APS	0	365,400	365,400	6.0	2.3
Placeringsfond Nordea	0	339,652	339,652	5.6	2.1
Unionen	0	219,500	219,500	3.6	1.4
Kerstin Ulfenborg, family	0	216,660	216,660	3.6	1.4
Hefo APS	0	134,350	134,350	2.2	0.8
Göran Brorsson	0	100,000	100,000	1.7	0.6
Other	0	2 593,058	2 593,058	42.9	16.3
Total	1,099,740	4,951,260	6,051,000	100.0	100.0

**Performance and turnover of the Elos share,
January 2009 – February 2010**



**Performance and turnover of the Elos share,
January 2005 – February 2010**

The Elos share price from January 2005, as reported in the share chart, has been historically adjusted for both a split implemented in May 2005 and the distribution of the shares in Forshem Group AB in November 2006. The adjustment was made on the basis of the change in the Elos share price that arose at the time of distribution.



Data per share		2009	2008	2007	2006*	2006**	2005***	2004	2003	2002	2001	2000
Profit/loss after tax, remaining operations, before dilution	SEK	0.26	4.62	4.61	3.07	-2.27	0.29					
Profit after tax, remaining operations, after dilution	SEK	0.25	4.58									
Profit/loss after tax, discontinued operations	SEK	-	-	-0.41	-2.45	2.89	3.65					
Profit/loss after tax, total, before dilution	SEK	0.26	4.62	4.20	0.62	0.62	3.94	5.62	-1.25	-2.35	-4.95	4.74
Profit after tax, total, after dilution	SEK	0.25	4.58									
Dividend (2009 proposal)	SEK		1.50	1.50		0.50	1.25	1.25				1.12
Equity	SEK	31.01	32.91	28.82		24.61	37.72	32.65	27.04	28.53	30.90	35.44
Closing share price	SEK	33.00	26.70	60.25		30.80	70.50	56.00	25.25	16.00	30.50	60.25
Dividend yield	%		5.6	2.5		1.6	1.8	2.2				1.9
Share price/Equity	%	106.4	81.1	209.1		125.2	186.9	171.5	93.4	56.1	98.7	170.0
Average number of shares	thousands	6,237	6,144	6,051		6,051	5,573	5,530	5,530	5,530	5,530	5,530
Number of shares at year-end	thousands	6,051	6,051	6,051		6,051	6,051	5,530	5,530	5,530	5,530	5,530

Convertibles issued on 1 July 2008 have been taken into account.

A 2:1 split was implemented in 2005. Data per share for other years has been recalculated for comparability.

*) Adjusted for sale of Electronics business area, which is reported as discontinued operations.

**) Unchanged from previous year, meaning including Electronics business area.

***) Recalculated share price on 31 December 2005 for remaining operations was SEK 27.55.



The Elos Group

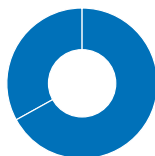
Elos is an industrial group that is organized in two business areas – Medical Technology and Precision Technology. The Group has a significant market position in some areas of these segments.

Vision Elos is the preferred partner of innovative and demanding customers, offering integrated solutions to improve the customer's competitiveness. We provide advanced expertise and an uncompromising focus on quality, creating value for our customers.

Strategy The overall strategy is to focus the Group's companies and structure on segments where a significant market position can be achieved. The goal is to create a more concentrated business base in the Group's business areas, prioritizing segments where a critical mass can be achieved.

Employees by business area

Medical Technology	67%
Precision Technology	33%



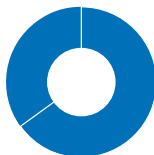
Employment period in the Group

< 5 years	40%
6–10 years	21%
11–15 years	19%
>16 years	20%



Employees by country

Sweden	65%
Denmark	35%



Age distribution

< 29 years	22%
30–39 years	29%
40–49 years	29%
> 50 years	20%



Overall objectives

- Create market-leading positions in selected segments.
- Continuously increase the proportion of our own products and services.
- Achieve stable annual growth in excess of 10 per cent for the Group.
- Achieve profitability that provides a return on operating capital of more than 15 per cent for the Group and an operating margin in excess of 13 per cent.

Financial targets

- The return on equity should exceed the risk-free long-term interest rate by 5 to 10 per cent, depending on the share of risk-bearing capital. The return should exceed 15 per cent in the current situation.
- The return on operating capital should be at least 15 per cent.
- The share of risk-bearing capital should be at least 30 per cent.
- Liquidity, including granted but unutilized bank overdraft facilities, should be between 6 and 12 per cent of the Group's annual turnover.



Elos Medtech

Continued efforts to move closer to customers in a global market

Medical Technology business area

Income statement SEKm	2009	2008	2007
Net sales	251.8	307.1	269.6
Cost of goods sold	-207.8	-231.8	-196.6
Gross profit	44.0	75.3	73.0
Selling expenses	-10.5	-9.5	-8.6
Administrative expenses	-20.4	-20.9	-19.6
Development costs	-10.4	-10.3	-7.8
Other operating income/expenses	-0.1	1.8	2.9
Operating profit	2.6	36.4	39.9

Key data

Operating margin, %	1.0	11.9	14.8
Gross investments excl. shares, SEKm	12.0	31.7	36.5
Average number of employees	231	244	247

Net sales

Medical Technology	60%
Other	40%



Market segments

Dental	36%
Orthopaedics	14%
Diabetes	25%
Sound and vibration	15%
Other	10%



As one of Europe's leading contract manufacturers of medical technology products and components, Elos Medtech's ambition is continued growth. Several of our customers operate in a global market and Elos Medtech took a number of steps in 2009 to move closer to customers and to strengthen market development.

The customer offering is to supply an integrated solution – from development and design to production and sterile packaging of finished products. At the same time, work continues on developing our own products for the company's OEM customers.

To more effectively utilize the business opportunities anticipated by Elos Medtech in the future, a new organizational structure involving the coordination of Elos Medical and Elos Pinol was implemented at year-end, with a clear growth character. Following substantial investments in machinery and purposeful streamlining activities, there is capacity to broaden both geographical markets and the customer base.

The new organization has three business segments – Dental, Orthopaedics and Medical Devices. The production plants in Timmersdala, Sweden, and Gørløse, Denmark, form separate units, while development, quality management, production, marketing and sales are coordinated.

Elos Medtech's Danish operations have cooperated with Novo Nordisk for many years on the development and production of mechanical components for their various generations of reusable insulin pens. Development and production have taken place at Elos Medtech's plant in Gørløse, Denmark, for delivery to Novo Nordisk in Hillerød, Denmark.

Novo Nordisk is a global leader in diabetes treatment and has previously established production of insulin pens in Tianjin, China. To move closer to Novo Nordisk and to shorten the distance to several other

customers in the fast-growing geographical market of Asia, a decision was made in the autumn of 2009 to build a production plant in Tianjin.

The new production plant is expected to be completed in Q3 2010 and to be in full operation by Q3 2011, with approximately 80 employees.

Three business segments with a clear customer focus. The new organization has resulted in the establishment of independent marketing and sales organizations for each business segment.

Dental – for the development and manufacture of implants, abutments, and instruments and tools for dental surgery. Elos Medtech has been the largest player in this market segment in recent years.

Orthopaedics – for the development and manufacture of screws and implants for the upper and lower back and scoliosis treatment (Spine), as well as for the development and manufacture of implants and plates for fracture surgery and small prostheses for hand surgery (Trauma).

Medical Devices – for the development and manufacture of precision products for diabetes treatment, neurosurgery, heart surgery and cancer care, as well as for the development and manufacture of implants and components for surgically implanted hearing devices and components for traditional hearing aids.

Following several years of stable growth, demand for medical technology products declined in 2009. The change in global economic activity reduced demand during the year, while customers prioritized adjustments of inventory volumes to cope with the subdued demand. The underlying demand situation varied

between the different prioritized market segments. Growth in market segments wholly or partly funded by the consumer, such as dental implants and hearing aids, was negatively impacted by the economic situation. Areas where public healthcare is responsible for the cost were impacted to a lesser extent.

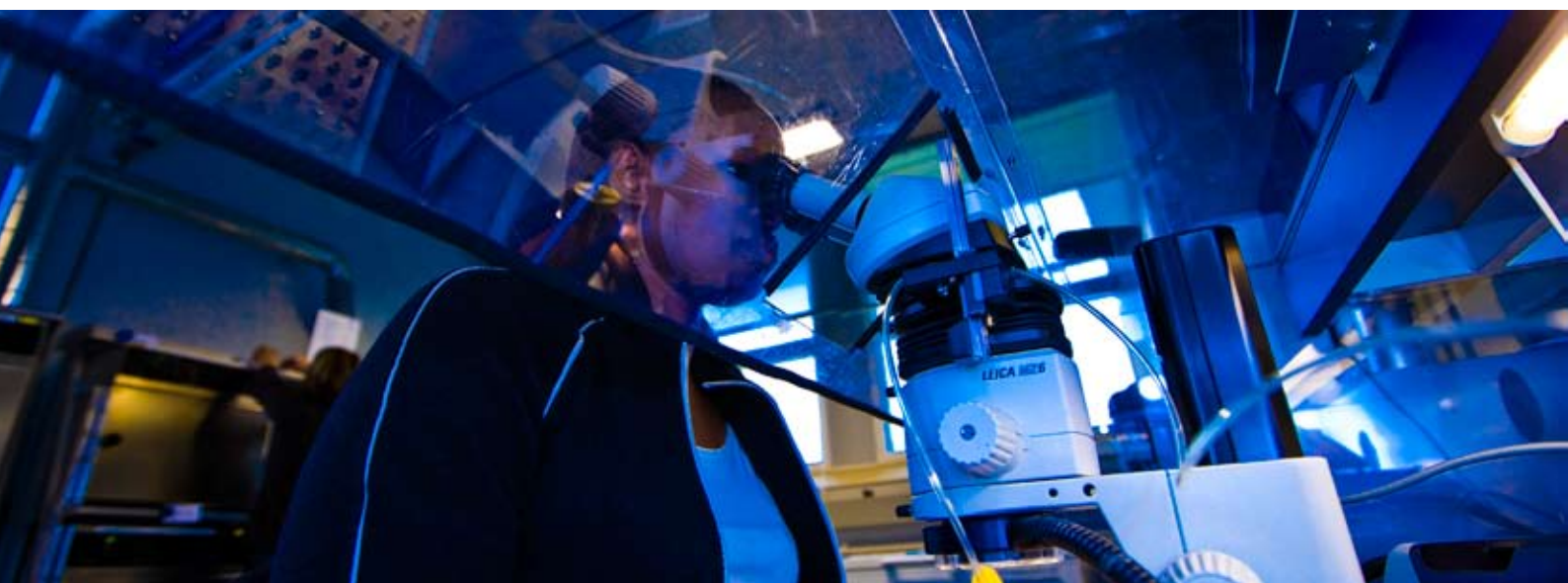
Offering a complete service. Elos Medtech's customers are mainly companies with global operations. The demands on medical technology products are very high, with regard to both product quality and the need for continuous development and evaluation.

As an important part of strengthening its competitiveness, Elos Medtech has long experience of offering customers a complete service, where it acts as an active partner. This is called 'Complete Performance' and includes the whole supply chain – from development, design and regulatory requirements via prototyping, testing and pre-series to production, clean room handling and logistics.

Development services include the design and development of various types of products and instruments in close collaboration with the customer. The design process focuses on Design for Manufacturing, involving a continuous review of the product's structure to achieve cost effectiveness. This work is carried out alongside prototype manufacturing, pre-series production and full-scale production.

To meet the comprehensive regulatory requirements, Elos Medtech has autonomous quality departments, which are certified in accordance with ISO 13485, ISO 14001 and EEC/MDD 93/42. In the USA, Elos Medtech is registered with the FDA (Food and Drug Administration) and complies with such US standards as QSR and GMP.

To meet the requirements for CE marking and FDA approvals, the development of prototypes and subse-



quent testing are carried out in the company's own plants. These tests are both static and biodynamic and mainly focus on strength.

All pre-series are produced using the machinery intended for serial production. Pre-series make it possible to test the production and the products in a large-scale environment and ensure that the quality requirements can be fulfilled in serial production.

Elos Medtech's production structure focuses on being able to produce large volumes with short lead times and similar products at several manufacturing plants.

Performance testing, product assembly, sterile packaging and labelling – all to ISO standards – are carried out in clean rooms.

Finally, the logistics offering consists of several different solutions to facilitate and streamline customers' inventory management, including a VMI (Vendor Managed Inventory) system comprising forecasting, inventory management and continuous deliveries as required.

Continued investments in capacity, quality and competence. Investments in the Medical Technology business area totalled SEK 12 million (30) during the year. The implemented investments should be regarded as supplementing the extensive capacity expansion carried out in 2007 and 2008. Investments in 2010 will largely be associated with establishment in Tianjin, China.

Active collaboration with customers leads to continuous skills development, often linked to the testing and further development of existing products. Moreover, the work of Elos Medtech's Advisory Board, which comprises established orthopaedists and orthopaedic surgeons, has been further developed. Our ambition is that the experiences of these specialists

will lead to continued skills development and the development of product concepts.

The focus on developing our own products continued in 2009, particularly a range of drills and a patented torque wrench for the dental segment. Deliveries are now gradually increasing, albeit from a low base.

Market. During the second half of the 2000s, Elos Medtech experienced stable annual growth in demand. The growth level varied somewhat between the different segments. In 2009, however, the Dental business segment noted a clear decline in demand, mainly due to customers implementing significant inventory reductions in the first half of the year, but also due to the market decline during the year. The reason was that demand for major dental interventions fell in countries where patients fund their own dental care, while demand remained unchanged in countries with public health insurance systems.

Market demand also slowed in the Orthopaedics business segment in 2009. Customers reacted to an uncertain market by reducing both inventories and order size, which affected Elos Medtech's deliveries.

In general, demand is determined by three factors:

Demographics – the global population is ageing

Skills development – research in orthopaedics and surgery is resulting in an increasing number of complex operations being performed each year

Financial development – the amount allocated to healthcare budgets in social insurance systems and the amount individual consumers are willing to pay for dental interventions in particular.

The customer base can be divided into three groups: large global companies, specialized players only offering niche products, and local and regional companies focusing on a given geographical area.



Comprehensive regulatory requirements fully apply, irrespective of customer group. At the same time, these requirements are growing stricter each year. In the USA, the FDA is highly demanding with regard to products from both pharmaceutical companies and medical technology companies. In Europe, a new Medical Devices Directive was adopted by the European Parliament in 2007 and implemented in all EU member states in 2009. Above all, CE marking, contamination and documentation requirements have been considerably tightened, which has led to production adjustments for all manufacturers.

Elos Medtech is a global player and mainly faces competition from a number of companies also operating globally. In Europe, our main competitors are Cendres & Mètaux, Precimed, Maillefer, Ruetschi and Hader (Switzerland) and Protomedical and Gbr Brassler (Germany). In the USA, competitors include Symmetry, Orchid and Veridiam. There is also competition from global medical technology companies with their own production operations.

Developments in 2009. Net sales fell 20 per cent to SEK 252 million (307) and operating profit was SEK 2.6 million (36.4).

Despite a decline in the Dental and Orthopaedics business segments, our assessment is that market shares were maintained. The Medical Devices market showed a divided picture, with continued growth in demand in the diabetes segment, while other products faced a weaker market.

Future plans. Elos Medtech's ambition is continued growth. The investments made in capacity, quality

and competence in recent years are providing opportunities for meeting demanding customers in a global market, in which the competitive means are mainly competent development operations, product quality and delivery reliability.

At the same time, the reorganization of operations brings us an important step closer to our customers. The new organization is structured from a market perspective, to achieve increased specialization, which has an impact on both development operations and marketing and sales. A clear example of the importance of moving closer to the customer is our increased cooperation with Novo Nordisk, which has resulted in the construction of a new production unit in China.

The slowdown in global economic activity in 2009 has increased competition substantially. Combined with increasingly stringent regulatory requirements, small medical technology companies are finding it progressively more difficult to hold their own. A clear trend in 2009 was global customers' preference for partnering major and financially stable suppliers, since rapid changes in demand impose high demands on flexibility.

Today, Elos Medtech is doing business with five of the seven largest customers in the dental segment and the objective is to further consolidate this leading position. The Orthopaedics business segment's ambition is further growth, particularly in the trauma and spine segments, primarily together with the leading global players. With a new production plant in China under construction, favourable opportunities are being created to reach new markets, in which Elos Medtech's presence has so far been limited.

Elos Medtech's design process focuses on Design for Manufacturing, involving a continuous review of the product's structure to achieve cost effectiveness.





Elos Precision

Divided market picture in subdued industrial activity

Elos Precision's offering is to develop and manufacture precision parts and products in difficult-to-machine materials. Customers mainly operate in the turbine, offshore, process, hydraulics and defence industries. Precision and quality requirements are very high and work is largely carried out in collaboration between Elos Precision and its customers.

Precision Technology business area

Income statement SEKm	2009	2008	2007
Net sales	173.4	194.2	166.6
Cost of goods sold	-119.3	-130.1	-108.4
Gross profit	54.1	64.1	58.2
Selling expenses	-15.5	-17.4	-17.1
Administrative expenses	-16.7	-18.0	-16.7
Development costs	-9.4	-8.6	-9.4
Other operating income/expenses	1.6	0.9	0.6
Operating profit	14.1	21.0	15.6

Key data

Operating margin, %	8.1	10.8	9.4
Gross investments excl. shares, SEKm	28.1	10.9	6.5
Average number of employees	108	120	107

Net sales

Precision Technology	40%
Other	60%



A significant part of Elos Precision's competitiveness lies in its competence to act as an active industrial partner. As a result, the customer can choose the whole offering or parts of an offering, ranging from product development to logistics. Production concentrates on the machining of parts demanding high precision in complex materials, such as titanium, in-conel and various types of stainless acid-resistant materials.

Elos Precision has two modern production plants; operations such as grinding, milling and electro-erosion are carried out in Årjäng, while the machining of round bars is concentrated in Töreboda. During the year, approximately SEK 22 million was invested in the Årjäng plant, mainly to meet rising demand from the largest customer, Siemens, and to create increased capacity to serve new customers in the turbine segment. Contacts have been established with a large number of potential new customers in the turbine market.

Siemens, which is one of the leading global manufacturers of gas and steam turbines, has experienced very strong demand for its products in recent years. Cooperation between Siemens and Elos Precision has gradually deepened and products with a substantially increased volume include turbine blades, vane carriers, compressor guide vanes and heat shields.

Demand from customers in the offshore segment was satisfactory in 2009. Customers in other industry segments were affected by the very weak global economy in 2009. In general, orders were lower than in previous years and the weak market led to a necessary cost adjustment. At the same time, intensive efforts continued to be made in an attempt to further streamline the whole business.

Developments in 2009. Demand showed a divided picture during the year, with customers in the energy



sector continuing to expand, while other industrial customers noted a significant decline. Overall, sales rose to SEK 102 million (101). Operating profit increased to SEK 4.3 million (1.0), mainly due to implemented manpower reductions at the Töreboda plant and implemented efficiency savings at the Årjäng plant resulting in increased efficiency.

Future plans. As industrial activity has shown the first signs of slow recovery and companies in the energy sector are operating in a growth area, it is probable that Elos Precision's market will gradually strengthen this year. In order to meet future demand, continued flexibility will be required, involving a

continuous review of operations to ensure maximum efficiency, while maintaining a readiness to make new investments in areas in which Elos Precision's customers are expanding.

Sales by segment Elos Precision

Turbine	62%
Industry	19%
Offshore	10%
Hydraulics	4%
Defence	5%



Elos Fixturlaser

Continued product development consolidates position at the leading edge of technology

As a developer, manufacturer and marketer of laser-based measuring instruments, Elos Fixturlaser operates in a highly specialized market segment. Demand is mainly from the process, power, shipbuilding, engineering and wind power industries, where customers have machinery requiring regular alignment to ensure maximum efficiency.

Elos Fixturlaser is one of three companies in its niche and has a global market. Over the past three years, extensive product development has been carried out, based on the Fixturlaser XA alignment system launched in 2006. This system launched a brand new technology platform, on which applications and new products have been developed.

In 2009, two new products were launched. **Fixturlaser UPAD XA** is a portable system in which the wireless display unit is worn on the arm, allowing the user to have free hands.

Fixturlaser XA Geometry is also equipped with an icon-based user interface to facilitate understanding.

Together with the Fixturlaser XA system and the mid-priced Fixturlaser GO system, four new products have thus been launched in as many years, establishing Elos Fixturlaser at the leading edge of technology.

All of these systems are equipped with large clear screens, which present all information in an easy-to-understand way, resulting in simple and flexible use, while they support all alignment phases: measurement, alignment and documentation.

Elos Fixturlaser's product family includes instruments for shaft alignment and geometric measurements, such as flatness, straightness and perpendicular alignment. The various functions can be combined according to current requirements thanks to a simple upgrading system.

Elos Fixturlaser's systems contribute substantially to improved customer cost-effectiveness, since regular alignment checks considerably improve the potential for undisrupted machine operation, reducing the number of stoppages.

One of three players in the global market.

Elos Fixturlaser operates globally through three sales channels. In its main markets in Europe, North America, South America, Asia and Australia, sales take place through selected distributors operating in clearly defined geographical areas.

Sales arguments are largely linked to the brand, using brand values such as express, user-friendliness, quality, breadth of range, product knowledge and service. Another important channel is the OEM market, where Elos Fixturlaser supplies complete products, which are then sold under private labels, meaning the customers' own brands. A further target group is special customers, who have specific, often complicated requirements, where a certain amount of product customization is necessary.

It is easy to obtain an overview of the competitive situation, since there are only three players in the global market: Elos Fixturlaser, Prüftechnik (Germany) and Damalini (Sweden). Elos Fixturlaser's market share is estimated at one-third of the total market.

Developments in 2009. The global recession that characterized 2009 left its mark on industry's willingness to invest. Elos Fixturlaser's sector was also affected by declining demand. However, the slow-down was mitigated to some extent, since customers value problem-free operation even in periods of declining industrial activity. At the same time, optimizing the operation of existing equipment is a cost-effective alternative to investments in new machinery.

Our assessment is that Elos Fixturlaser maintained its market share in a declining total market. However, weakening demand resulted in sales falling SEK 22 million to SEK 71 million (93). Operating profit was SEK 9.8 million (19.9).

Future plans. It is difficult to assess the market in 2010. In pace with a slow but nevertheless clear recovery in the global economy, Elos Fixturlaser sees a somewhat stronger order situation at the beginning of 2010 than a year ago. The company's market position will in all probability be further consolidated, as a result of the product launches of recent years. Given an improvement in the global economy, our assessment is that Elos Fixturlaser will increase its sales in 2010.

Sales by segment Elos Fixturlaser

Distributors in North and South America	28%
Distributors in Europe	32%
OEM market	17%
Distributors in Asia	16%
Rest of the world	2%
Special customers	5%



Over the past three years, extensive product development has been carried out, based on the Fixturlaser XA alignment system.



Corporate Social Responsibility (CSR)

Elos' stakeholders are our customers, employees, owners and business partners, politicians, opinion formers, and local, national and international authorities. Our work has the largest impact on our customers, employees and owners – and they also have the largest opportunity to influence our operational work.

For our customers, it is crucial that we deliver products and services with documented quality. This quality aspect includes an expectation that we respect the environment and act correctly.

For our employees, it is important that Elos is a responsible employer with a safe and attractive work environment. Our employees are in many cases specialists with unique competencies. It is therefore vital to act responsibly in the event of changes and show by our actions that we are an attractive workplace. It is also of importance that skills development is continuous and that we are able to communicate on Elos' performance and the future careers opportunities available within the company.

Our owners demand that Elos should contribute to long-term value creation and that, as a company in our sector, we should work towards sustainable development and identify sustainable business opportunities that secure growth.

In Elos' business partnerships with other companies, such as new product development, there are mutual requirements for clarity and transparency.

Elos' credibility with politicians, opinion formers and local, national and international authorities is based on showing responsibility for the environment and human beings and on our business ethical conduct being impeccable. Our conduct requires analysis and careful consideration, not least due to the expansion of the Elos Group through the development of new operations in non-Scandinavian countries.

There are a number of other stakeholders in our environment who are also impacted by or influence Elos. These include all of the individuals who come into direct or indirect contact with our operations. Elos has a responsibility to be open and act correctly in its conduct towards all of these parties.

Common values. Elos makes active efforts to live up to and exceed the expectations of the world around us. Our vision and our policies actively support the development of quality and environmental management systems that guide our daily work. With our common values for long-term and sustainable development, we inspire the confidence of our customers, employees, suppliers and owners.

These common values have been summarized in three core values:

Passionate – We are committed, determined and dedicated. With a positive attitude, we drive our development forward and find solutions. Cooperation and solidarity are important, resulting in job satisfaction for our customers and ourselves.

Trustworthy – At Elos, we are open and honest. We

take responsibility for our actions and products and keep our promises. We apply our policies in our daily work and influence our suppliers and partners to work in line with our way of working.

Result-oriented – By taking initiative and wanting to win, we achieve the targets that create value for the customer. Our targets should be ambitious and achievable as well as firmly established internally and with our customers. We create the best value for all parties through cooperation and participation.

On the basis of our fundamental values and our existing policies in different areas, the Group will jointly draw up a code of conduct in 2010. This code will be a living document containing guidelines for such issues as health and safety, environmental impact, human rights, corruption, ethics, insider trading, and employee and community relations. The code is to then be communicated to and discussed with our employees and partners.

Staff and competence. The Group's development and success are dependent on prioritizing skills development and work environment issues. Skills and organizational development activities are largely decentralized in the Elos Group. In addition, there are some Group-wide activities.

Job-related training is an important part of the development of the Group's organization and competence. Implementation may vary, ranging from one-day courses to longer training programmes. These programmes are generally adapted to the specific requirements of the unit concerned. One example of this type of programme is GMP training, which employees at Elos Medtech complete. This continuing professional development is important to meet the increasing demands for competence in regulatory requirements as well as the demands for stable production and work processes.

To create a more active exchange of experience and competence between the Group's units, study visits have been arranged for CNC operators at the different units. These experiences provide a basis for establishing best practice methods for different work processes.

Lean manufacturing activities continued during the year in each unit. The Elos Production School was established in 2009, to increase the focus on the improvement potential from utilizing lean manufacturing principles. This programme lasts 18 months and includes managers from all of the Group's units. It aims to increase knowledge of the various tools used in lean philosophy as well as increasing management competence.

Work environment. Our employees are a strategically important resource for Elos and work environment and safety are therefore a high priority. We have a "zero vision" for occupational injuries and have introduced a common measure for occupational injuries. In 2009, the Group had no occupational injuries causing absence. In 2008, there was one occupa-

tional injury causing absence. Continued work on preventive measures and a focus on near-accidents are prioritized, to maintain this positive trend.

Increased focus on quality. The Group's customers make demands on the security and safety of the products and processes we supply. To achieve zero faults, the Group's units comply with the requirements made by various types of standards.

Regulatory requirements are met through independent quality departments. Operations are certified in accordance with ISO 9001, ISO 14001, ISO 13485 and EEC/MDD 93/42. In the USA, Elos is registered with the FDA (Food and Drug Administration) and complies with such US standards as QSR and GMP. Laws and regulations also govern our quality management, such as SFS 1993:584, which stipulates the sanctions that may be applied if statutory requirements are not fulfilled.

Individual customers also have special requirements, which are determined by their organizations and the requirements of public authorities in the countries in which they sell their products.

This is further emphasized in the revised European Medical Devices Directive 2007/47/EC, which comes into force in March 2010, in which the importance of effective control of subcontractors is stressed. Increased documentation and control of the processes used are required to guarantee product safety. In addition, there are stricter documentation requirements for intended use, validation reports, clinical assessment and so forth. There is also an increased focus on chemical substance leakage from packaging material that comes into contact with the product. The concept of Post Market Surveillance also acquires a central role, which means that there must be a plan for systematically monitoring products released in the market. The above results in more stringent demands on our customers with regard to monitoring their suppliers. This will lead in turn to a reduction in the number of suppliers, as very close collaboration between customer and supplier will be required to meet all of the requirements. Together with some of our major customers, we therefore invested considerable time in 2009 to meet these new requirements.

Monitoring and audits are regularly carried out in all of the Group's units. Audits relating to ISO stan-

dards and similar standards are carried out by accredited organizations. Operations are also monitored by our customers, who check compliance with standards and their own requirements. During 2009, a total of 42 man-days were spent on auditing the Group's operations. In addition, further time was spent by members of the Group's own staff, who take part in these audits as well as carrying out internal audits for monitoring purposes.

In addition, some of the Group's major customers have invested time together with us in the task of validating the processes used.

Number of audit days in 2009

	Medical Technology	Precision Technology
ISO 14001, 9000:2008, 13485	16	5
Customers	15	6

Reduced environmental impact. Elos aims to protect resources and minimize the negative impact on the environment, health and safety, which can be associated with our operations and our products.

All of the units in the Group have a very small environmental impact on their immediate surroundings and excellent control of their environment-impacting processes. Elos' ambition is that environmental activities should be preventive and strive to constantly improve products, processes and plants to minimize their environmental impact. The companies also have good relationships with their local municipalities and neighbours.

2009 saw a lower rate of production, resulting in the previous positive trend for reduced energy consumption per production hour being broken. The explanation for this deterioration is that the energy consumption required to heat and ventilate our industrial properties is a significant part of total consumption.

During 2010, the Group plans to carry out an energy survey at two of its units.

The Group makes continuous efforts to reduce energy consumption through such means as stopping compressed air leakage and using movement detectors for lighting.



Consolidated income statement

SEK thousand	2009	2008
Net sales	422,002	499,419
Cost of goods sold	-323,778	-360,197
Gross profit	98,224	139,222
Selling expenses	-26,126	-26,933
Administrative expenses	-44,205	-45,895
Development costs	-19,827	-18,897
Other operating income	1,766	3,123
Other operating expenses	-217	-290
Operating profit	9,615	50,330
<i>Result from financial investments</i>		
Other interest income and similar profit/loss items	378	1,412
Other interest expenses and similar profit/loss items	-9,463	-14,724
Profit after financial items	530	37,018
Taxes	1,035	-9,084
Net profit for the year	1,565	27,934
Attributable to parent company shareholders	1,565	27,934
Minority interest	0	0
Other comprehensive income		
Translation differences	-5,715	13,911
Hedging of net investment	2,543	-7,967
Total comprehensive income	-1,607	33,878
Attributable to parent company shareholders	-1,607	33,878
Minority interest	0	0
Earnings per share, before dilution (SEK)	0.26	4.62
Earnings per share, after dilution (SEK)	0.25	4.58

Consolidated cash flow statement

SEK thousand	2009	2008
Operating activities		
Profit after financial items	530	37,018
Adjustment for non-cash items	38,086	33,831
	38,616	70,849
Income tax paid	-3,744	-814
Cash flow from operating activities before working capital changes	34,872	70,035
Cash flow from working capital changes		
Decrease/Increase in inventories	9,094	-12,771
Decrease in operating receivables	15,415	10,305
Decrease/Increase in operating liabilities	-15,890	2,097
Cash flow from operating activities	43,491	69,666
Investing activities		
Investments in other non-current assets	-17,245	-18,905
Sale of other non-current assets	114	3,059
Cash flow from investing activities	-17,131	-15,846
Financing activities		
Decrease in interest-bearing liabilities	-37,030	-24,417
Dividend to shareholders	-9,076	-9,077
Cash flow from financing activities	-46,106	-33,494
Cash flow for the year	-19,746	20,326
Cash and cash equivalents at beginning of year	41,214	20,803
Exchange rate differences in cash and cash equivalents	-52	85
Cash and cash equivalents at year-end	21,416	41,214

Consolidated balance sheet

SEK thousand	31 Dec 2009	31 Dec 2008
ASSETS		
Non-current assets		
<i>Intangible assets</i>		
Capitalized expenditure for R&D	10,227	10,083
Goodwill	42,007	44,392
Other intangible assets	2,494	2,848
	54,728	57,323
<i>Property, plant and equipment</i>		
Buildings and land	100,008	107,715
Plant and machinery	136,033	128,137
Equipment, tools, fixtures and fittings	13,657	16,090
Construction in progress	0	0
	249,698	251,942
<i>Financial assets</i>		
Other shares and interests	20	20
	20	20
Total non-current assets	304,446	309,285
Current assets		
<i>Inventories, etc.</i>		
Raw materials and consumables	33,255	39,031
Products in progress	29,575	26,559
Finished products	56,103	62,437
	118,933	128,027
<i>Current receivables</i>		
Trade receivables	69,500	81,519
Current tax asset	4,696	654
Other receivables	1,241	3,517
Prepaid expenses and accrued income	4,580	5,700
	80,017	91,390
Cash and bank balances	21,416	41,214
Total current assets	220,366	260,631
Asset held for sale	1,500	1,500
TOTAL ASSETS	526,312	571,416

Consolidated balance sheet

SEK thousand	31 Dec 2009	31 Dec 2008
EQUITY AND LIABILITIES		
Equity		
Equity attributable to parent company shareholders		
Share capital	37,819	37,819
Other capital contributed	55,526	55,526
Reserves	2,996	6,168
Profit brought forward incl. net profit for the year	92,124	99,635
Total equity	188,465	199,148
Non-current liabilities		
Provisions for pensions	15,560	14,103
Deferred tax liability	27,838	29,620
Other non-current provisions	77	142
Non-current interest-bearing liabilities	179,638	195,017
Total non-current liabilities	223,113	238,882
Current liabilities		
Bank overdraft facility	20,811	20,408
Other interest-bearing liabilities	34,293	37,458
Advance payments from customers	503	46
Trade payables	22,276	28,550
Other liabilities	15,901	25,191
Accrued expenses and deferred income	20,950	21,733
Total current liabilities	114,734	133,386
TOTAL EQUITY AND LIABILITIES	526,312	571,416
PLEDGED ASSETS	260,863	266,383
CONTINGENT LIABILITIES	1,022	2,319

Board of Directors and auditor

Board of Directors



Stig-Arne Blom

Ulricehamn, born 1948, Master of Engineering. Chairman of the Board. Director since 2002. Chairman of the Board of Borås Wärfveri AB, Plastal AB, Pulsen AB and Liljedahlsbolagen. Director of Beijer Electronics AB, the Board of Handelsbankens Region Väst and others. Shareholding: 200 Series B shares.



Agneta Bengtsson Runmarker

Stockholm, born 1960, Bachelor of Law. Director since 2003. Legal Adviser at the Swedish Data Inspection Board. Director of the Joint Supervisory Body of Europol and chair of its appeals committee. Director of Investment AB Brunnslöykan and Runmarker Fastigheter i Varberg AB. Shareholding: 14,600 Series B shares incl. family.



Göran Brorsson

Lidköping, born 1952, Bachelor of Economics. Director since 2000. President and CEO. Employed since 2000. Chairman of the Board of the Group's subsidiaries. Chairman of the Board of Gents Wear AB and Director of Clean Tech East Holding AB. Shareholding: 100,000 Series B shares. Convertible debentures equivalent to 15,000 Series B shares.



Erik Löwenadler

Gothenburg, born 1945, Master of Engineering. Director since 2007. Vice Chairman of the Board of University of Skövde. Shareholding: 4,000 Series B shares.



Lars Spongberg

Stockholm, born 1945, Bachelor of Economics, Bachelor of Law. Director since 2003. Industrial Adviser at Nordic Capital. Director of Addtech AB, BE Group AB, Intervallor AB, Skyways Holding AB and others. Shareholding: 400 Series B shares.



Thomas Öster

Stockholm, born 1963, Master of Engineering. Director since 2005. Sales and Business Management Director, Ericsson AB Stockholm. Shareholding: 46,100 Series B shares.

Deputy Director



Bo Nilsson

Lidköping, born 1938, Master of Engineering. Director since 1982. Deputy Director of Forshem Group AB. Shareholding: 260,880 Series A shares, 139,480 Series B shares incl. family.

Auditor

Ernst & Young AB

Auditor in charge

Björn Grundvall

Gothenburg, born 1955. Authorized Public Accountant, Ernst & Young AB, Gothenburg. Auditor in the company since 2003.

Senior management

Group management



Göran Brorsson

Lidköping, born 1952, Bachelor of Economics. President and CEO. Employed since 2000. Chairman of the Board of the Group's subsidiaries. Chairman of the Board of Gents Wear AB and Director of Clean Tech East Holding AB. Shareholding: 100,000 Series B shares. Convertible debentures equivalent to 15,000 Series B shares.



Karin Edholm

Lidköping, born 1972, Bachelor of Economics. CFO. Employed since 2002. Shareholding: 400 Series B shares. Convertible debentures equivalent to 15,000 Series B shares.



Patrick Juslin

Lidköping, born 1965, Master of Engineering. CTO. Employed since 2008. Shareholding: Convertible debentures equivalent to 15,000 Series B shares.

Elos Medtech



Kjell-Erik Johansson

Götene, born 1954, Master of Engineering. Business Area Manager Dental and Orthopaedics. Employed since 1999. Shareholding: Convertible debentures equivalent to 8,000 Series B shares.



Søren Olesen

Gørlose, Denmark, born 1961, economist. Business Area Manager Medical Devices and Gørlose site manager. Employed since 1984. Shareholding: 365,400 Series B shares via companies. Convertible debentures equivalent to 15,000 Series B shares.



Gunnar Hellichius

Skövde, born 1967, graduate engineer. Timmersdala site manager. Employed since 2005. Shareholding: Convertible debentures equivalent to 500 Series B shares.



Stefaan Dewaele

Tianjin, China, born 1966, Master of Engineering. Tianjin site manager. Employed since 2010. Shareholding: No holding.

Elos Precision



Christer Alm

Hjo, born 1953, Master of Engineering. President. Employed since 2004. Shareholding: 4,000 Series B shares. Convertible debentures equivalent to 6,000 Series B shares.

Elos Fixturlaser



Hans Svensson

Mölnlycke, born 1960, Master of Engineering. President. Employed since 1995. Shareholding: 400 Series B shares. Convertible debentures equivalent to 15,000 Series B shares.

Ten-year summary

Income statements		2009	2008	2007*	2006**	2005***	2005	2004	2003	2002	2001	2000
Net sales	SEKm	422.0	499.4	432.8	400.4	626.9	1,328.3	1,467.4	1,230.0	1,251.1	1,388.2	1,850.8
Operating profit/loss	SEKm	9.6	50.3	50.1	29.4	11.8	41.4	59.0	9.2	2.3	-11.3	62.1
Net financial items	SEKm	-9.1	-13.3	-12.8	-9.3	-7.0	-9.2	-12.2	-14.5	-18.1	-24.2	-21.5
Profit/loss after financial items	SEKm	0.5	37.0	37.3	20.1	4.9	32.2	46.8	-5.3	-15.8	-35.5	40.6
Taxes	SEKm	1.1	-9.1	-9.4	-1.5	-3.3	-10.2	-15.8	-1.6	2.8	8.1	-14.4
Net profit/loss for the year, remaining operations	SEKm	1.6	27.9	27.9	18.6	1.6	22.0	31.0	-6.9	-13.0	-27.4	26.2
Net profit/loss for the year, discontinued operations	SEKm			2.5	-14.8	20.4						
Net profit/loss for the year	SEKm	1.6	27.9	25.4	3.8	22.0	22.0	31.0	-6.9	-13.0	-27.4	26.2
Balance sheets												
Non-current assets	SEKm	304.4	309.2	278.1	311.6	382.8	382.8	229.9	241.2	254.7	266.1	273.9
Receivables and inventories	SEKm	199.0	219.5	218.9	275.7	499.9	499.9	443.2	416.1	419.0	456.8	623.9
Cash and cash equivalents	SEKm	21.4	41.2	20.8	19.8	56.1	56.1	63.1	27.7	30.7	8.1	11.0
Asset held for sale	SEKm	1.5	1.5	1.5								
Total assets	SEKm	526.3	571.4	519.3	607.1	938.8	938.8	736.2	685.0	704.4	731.0	908.8
Equity	SEKm	188.5	199.1	174.4	148.9	228.2	228.2	181.2	150.2	158.5	171.7	196.8
Non-current liabilities	SEKm	223.1	238.9	220.2	246.8	341.3	341.3	234.7	257.0	294.4	327.3	341.6
Current liabilities	SEKm	114.7	133.4	124.7	211.4	369.3	369.3	320.3	277.8	251.5	232.0	370.4
Total equity and liabilities	SEKm	526.3	571.4	519.3	607.1	938.8	938.8	736.2	685.0	704.4	731.0	908.8
Cash flow												
Cash flow from operating activities	SEKm	43.5	69.7	26.8	43.7	40.9	57.6	119.4	57.9	96.3	52.3	-51.6
Cash flow after investments	SEKm	26.4	53.9	9.3	22.4	-22.5	-12.0	95.9	32.9	57.1	24.1	-40.5
Key data												
Operating margin before depreciation (EBITDA)	%	11.2	17.0	18.8	15.2	8.15	6.6	7.1	4.9	4.1	2.8	5.9
Operating margin after depreciation (EBIT)	%	2.3	10.1	11.6	7.3	1.9	3.1	4.0	0.7	0.2	-0.8	3.4
Risk-bearing capital	SEKm	216.3	228.8	196.8	165.6	255.1	255.1	204.4	165.9	173.3	189.4	219.4
Share of risk-bearing capital	%	41.1	40.0	37.9	27.3	27.2	27.2	27.8	24.2	24.6	25.9	24.1
Equity/assets ratio	%	35.8	34.9	33.6	24.5	24.3	24.3	24.1	21.9	22.5	23.5	21.6
Return on capital employed	%	2.9	11.6	11.4	-0.6	2.4	8.1	13.7	2.2	1.0	-1.8	12.8
Return on equity	%	1.1	15.0	17.3	-7.3	0.8	10.7	18.8	-4.5	-7.9	-14.9	13.8
Interest coverage ratio	multiple	1.1	3.5	3.8	neg.	1.6	4.3	4.6	0.7	0.2	neg.	2.7
Net debt	SEKm	228.9	225.8	227.9	295.5	336.3	336.3	183.6	263.8	279	327.1	338.2
Debt/equity ratio	multiple	1.2	1.1	1.3	2.0	1.6	1.5	1.0	1.7	1.8	1.9	1.7
Other												
Gross investments excluding shares	SEKm	42.3	44.7	46.3	51.6	43.8	50.0	44.2	35.8	44.9	38.8	69.4
Average number of employees		343	368	358	503	457	700	745	693	707	823	990

* Remaining operations.

** Income statement, cash flow, EBITDA and EBIT refer to remaining operations, other figures are unchanged compared with the previous year's reporting.

*** Including Electronics business area but excluding Building/Interiors business area. Shares in the latter were distributed to shareholders in November 2006.

Other values remain unchanged.



Definitions of key data

Risk-bearing capital The total of equity, minority interests and deferred tax liability.

Share of risk-bearing capital Risk-bearing capital as a percentage of total assets.

Equity/assets ratio Equity including minority interests as a percentage of total assets.

Return on capital employed Profit/loss after net financial items plus financial items as a percentage of average capital employed.

Capital employed Total capital as per the balance sheet less non-interest-bearing liabilities and non-interest-bearing provisions.

Return on equity Net profit for the year as a percentage of average equity.

Interest coverage ratio Operating profit excluding profit participation in associated companies plus financial income, divided by financial expenses.

Net debt Interest-bearing liabilities less cash and cash equivalents.

Debt/equity ratio Net debt in relation to equity.

Addresses

Parent company

Elos AB

Nya Stadens Torg 10
SE-531 31 Lidköping
Sweden
Telephone: +46 510 48 43 60
Fax: +46 510 680 04
Email: info@elos.se
www.elos.se

Subsidiaries

Medical Technology

Elos Medical AB

Box 45
SE-540 16 Timmersdala
Sweden
Visiting address: Bäckedalsvägen 5
Telephone: +46 511 44 06 00
Fax: +46 511 44 06 90
Email: info@elosmedical.se
www.elosmedical.se

Elos Pinol A/S

Engvej 33
DK-3330 Gørlose
Denmark
Telephone: +45 4821 6400
Fax: +45 4821 6469
Email: pinol@elos-pinol.dk
www.elos-pinol.dk

Elos Medtech Tianjin Co. Ltd.

D5-3, Xeda International Industrial City
Xiqing Economic Development Area
Tianjin 300385
P.R. China
www.elos.se

Precision Technology

Elos Precision AB

Unit in Töreboda:
Box 93
SE-545 22 Töreboda
Sweden
Visiting address: Verkstadsgatan 2
Telephone: +46 506 184 00
Fax: +46 506 184 29
Email: info@elosprecision.se
www.elosprecision.se

Unit in Årjäng:

Box 34
SE-672 21 Årjäng
Sweden
Visiting address: Industrigatan 8
Telephone: +46 573 395 00
Fax: +46 573 71 13 72

Elos Fixturlaser AB

Box 7
SE-431 21 Mölndal
Sweden
Visiting address: Östergårdsgatan 9
Telephone: +46 31 706 28 00
Fax: +46 31 706 28 50
Email: info@fixturlaser.se
www.fixturlaser.se

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Elos AB (publ)
Nya Stadens Torg 10
SE-531 31 Lidköping
Sweden
Telephone: +46 510 48 43 60
Fax: +46 510 680 04
Email: info@elos.se
www.elos.se

