

ANNUAL REPORT 2010



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The English version of Elos' Annual Report for 2010 comprises selected parts of the Swedish Annual Report for 2010. The content of the text and tables has been translated from the Swedish version. The Swedish version has been audited by Elos' authorized public accountant, Björn Grundvall, Ernst & Young AB.

Financial information

Elos intends to provide the following financial information for the financial year 2011:

Interim report for Jan-March	3 May	2011
Interim report for Jan-June	18 August	2011
Interim report for Jan-Sep	26 October	2011
Year-end report	February	2012
Annual report	March/April	2012



Elos' financial information is available at: www.elos.se

The Group in summary



Market conditions for the Group's operations improved in 2010, although there were variations between the Group's different market segments. The improvement in demand resulted in an increase in the Group's net sales and profit.

The focus on Medical Technology continues. The subsidiary Elos Precision was divested and the Group is now looking for complementary acquisitions.

Net sales for continuing operations rose approximately 17 per cent* to SEK 358 million (321). New orders increased approximately 23 per cent* to SEK 376 million (323).

The establishment of Medical Technology operations in Tianjin, China is progressing largely in line with expectations.

Operating profit for continuing operations increased to SEK 22.9 million (5.3). The increase in profit is attributable to stronger demand. The establishment of operations in Tianjin, China had a negative impact of approximately SEK 7 million on earnings for the year.

The Group's profit after tax, including discontinued operations, amounted to SEK 28.7 million (1.6), equivalent to SEK 4.75 (0.26) per share.

The Board of Directors proposes that a dividend of SEK 1.50 (0.00) per share be paid.

* Adjusted for exchange rate fluctuations during the year.

Key Figures		2010	2009*	2009**	2008	2007	2006
Net sales	SEKm	358.2	320.9	422.0	499.4	432.8	400.4
Profit/loss after financial items	SEKm	16.2	-3.1	0.5	37.0	37.3	20.1
Operating margin before depreciation (EBITDA)	%	14.1	10.5	11.2	17.0	18.8	15.2
Operating margin after depreciation (EBIT)	%	6.4	1.7	2.3	10.1	11.6	7.3
Share of risk-bearing capital	%	47.3	41.1	41.1	40.0	37.9	27.3
Equity/assets ratio	%	43.2	35.8	35.8	34.9	33.6	24.5
Return on capital employed	%	7.8	2.9	2.9	11.6	11.4	-0.6
Return on equity	%	19.2	1.1	1.1	15.0	17.3	-7.3
Earnings per share after tax, continuing operations, before dilution	SEK	1.92	-0.18	0.26	4.62	4.61	3.07
Earnings per share after tax, continuing operations, after dilution***	SEK	1.86	-0.17	0.25	4.58		
Earnings per share after tax, total, before dilution	SEK	4.75	0.26	0.26	4.62	4.20	0.62
Earnings per share after tax, total, after dilution***	SEK	4.60	0.25	0.25	4.58		
Equity per share	SEK	34.75	31.01	31.01	32.91	28.82	24.61
Dividend (2010 proposal)	SEK	1.50			1.50	1.50	0.50
Average number of employees		298	273	343	368	358	344

* Adjusted for the sale of Elos Precision, which took place in 2010 and is reported as discontinued operations.

** Unchanged from previous year, i.e. including Elos Precision.

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



Comments by the CEO

Elos is now creating a platform for growth and profitability

In 2010, several steps were taken in the continued development of the Elos Group. Operations started in Tianjin, China and the subsidiary Elos Precision was divested. The divestment created resources for complementary acquisitions.

Following a weak 2009, operations have now returned to growth. Our business performed positively during the year, although the market recovery in some segments, including dental implants, was slower than expected.

As previously communicated, Elos focused mainly on two areas in 2010: continued initiatives to expand the marketing and development organizations, and the establishment of the production plant in Tianjin, China. This involved considerable investments and it is gratifying to note that the stable cash flow enabled implementation of the Group's extensive investment programme without a negative impact on financial ratios.

Market conditions for the Group's operations improved in 2010, although there were variations between the different market segments. Stronger demand resulted in an increase in both the Group's net sales and profit. Following a weak 2009, growth gradually returned in 2010. This gave us the strength and courage to advance the Group's market positions mainly by persistently strengthening the customer bases of both business areas.

The establishment of operations in Tianjin, China progressed largely in line with expectations and is part of the Group's strategy of geographical growth. The plant will provide a base for deliveries to several of the Group's medical technology customers currently setting up on the Chinese market. Establishment costs had an impact of approximately SEK 7 million on earnings for the year. The first commercial

deliveries were made in December, one year after the establishment decision, and the production rate will gradually increase this year.

The divestment of Elos Precision was part of a strategy for creating resources to increase the growth rate. We now have the resources to implement complementary acquisitions to achieve further growth and strengthen our market positions, without disturbing the Group's financial basis.

Medical Technology Our experience from 2009 is that market segments, in which the consumer pays part of the product and/or treatment cost, are more adversely impacted by an economic slowdown than previously estimated. This has been particularly evident in the dental implant market, where we have not yet noted any appreciable recovery. However, leading industry players expect growth to accelerate in 2011. This is a positive forecast for Elos' operations.

During the year considerable efforts were made to further develop our customer offering, particularly Elos-developed OEM products, and new products are set to be launched in 2011.

Elos needs to strengthen the current market position and improve the profitability of the Trauma and Spine orthopaedic segments, where it is still a small player. When looking for acquisition opportunities the priority is identifying complementary acquisitions to strengthen our market position. The primary objective in 2010 was improving Elos' market position in relation to existing customers, and a number of new cooperation projects were initiated. The increased regulatory requirements benefit Elos, since we have developed competence that more than matches the market's future requirements. These requirements are gradually becoming more stringent, which will probably lead to a future consolidation of the supplier structure.

“Efforts to develop our own Medical Technology products are a priority. The plan is to launch new products, mainly in the dental implant segment, in 2011.”

The construction of the production plant in Tianjin has strengthened our cooperation with Novo Nordisk and led to our current participation in several interesting new development projects. Delivery volumes will also gradually increase in 2011.

We are currently establishing Elos Medtech as a common brand. A group-wide marketing and sales organization and a common brand create opportunities for demonstrating our competencies more effectively and thus our attractiveness as a partner and supplier.

Metrology Elos' metrology operations are a good complement to medical technology. Its strong market position and good profitability create positive values for the Group.

The successful product launches implemented in 2009 together with the market recovery in 2010 meant that we achieved a record year. A cautious assessment is that Elos Fixturlaser further consolidated its market position. One clear priority is the development of our distribution channels through new cooperation projects and our own marketing companies in key markets, to fully exploit the potential offered by the product range. New product development resulted in a product launch in 2010 and we plan to launch several new products in the coming years.

The future Elos has a clear focus on growth and profitability. Following the divestment of Elos Precision, we have a strong financial basis that can be utilized for complementary acquisitions. The establishment in China is intended to improve our market position, while developed marketing and sales activities with clear goals will bring us closer to customers. Efforts to develop our own medical technology products are also a priority. The plan is to launch new products, mainly in the dental implant segment, in 2011.

There is some uncertainty as to how the medical

technology market will develop. To date, demand has not yet accelerated in Europe. If the large budget deficits of a number of countries lead to subdued growth overall, this may have an impact on Elos. My confidence in the future is nevertheless positive.

In 2010, and in previous years, we had problems in managing the start-up of new projects sufficiently effectively. Project resources will be considerably strengthened to eliminate similar problems in the future and to constantly maintain a high growth rate.

Finally, I should like to thank all employees in the Elos Group and its stakeholders for their extraordinary efforts in 2010, and especially those employees who have been or are involved in the establishment in China.

Lidköping, March 2011



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 31.00 and SEK 50.00 during the year. The closing price at year-end 2010 was SEK 46.50 (33.00). At year-end 2010, Elos' market capitalization was SEK 281.4 million (199.7). In 2010, 951,805 shares were traded at a value of SEK 38.8 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 2010, the Board of Directors has proposed that a dividend of SEK 1.50 (0.00) per share be paid to shareholders. The Group's equity/assets ratio was 43.2 per cent on the reporting date. The equity/assets ratio adjusted for the proposed dividend was 42.1 per cent on the reporting date.

Share capital At year-end 2010, 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 2010, no Series A shares were converted into Series B shares.

Shareholders At year-end 2010, Elos had 1,395 shareholders. Elos' ten largest shareholders held shares equivalent to 51.0 per cent of the capital and 81.4 per cent of the votes. Swedish and international institutions held 14.4 per cent of the capital and 5.5 per cent of the votes.

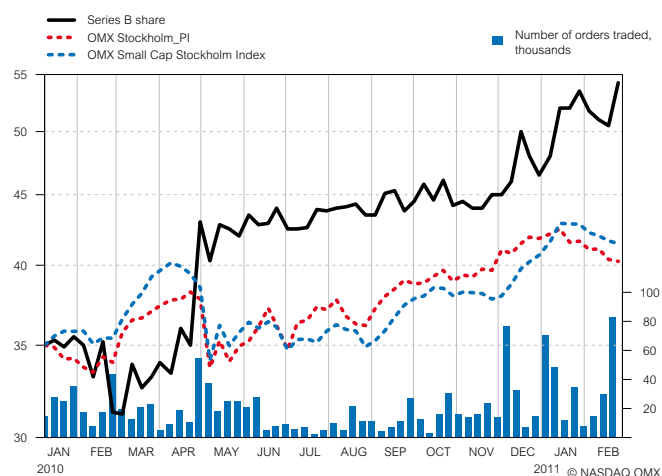
Type of share		31 Dec 2010	
Type of share	Number of shares	Share in % of votes	Share in % of capital
Series A	1,099,740	69.0	18.2
Series B	4,951,260	31.0	81.8
Total	6,051,000	100.0	100.0

Shareholder structure		31 Dec 2010	
Number of shares by size	Number of shareholders	Number of shares	Proportion of shares, %
1–500	752	151,855	2.5
501–1,000	262	219,065	3.6
1,001–2,000	163	269,100	4.4
2,001–5,000	95	336,308	5.6
5,001–10,000	45	333,026	5.5
10,001–20,000	30	421,826	7.0
20,001–50,000	27	870,522	14.4
50,001–100,000	9	666,174	11.0
100,001–	12	2,783,124	46.0
Total	1,395	6,051,000	100.0

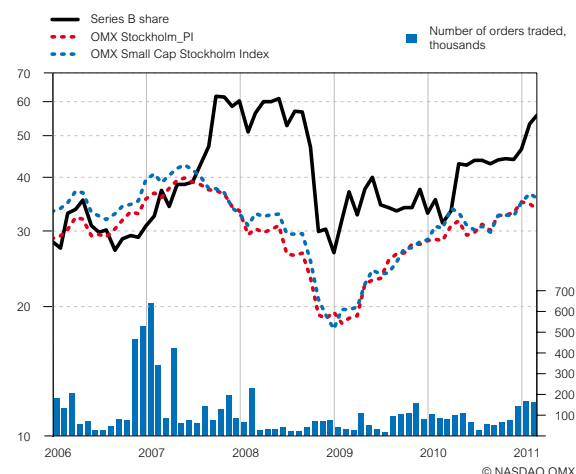
The largest shareholders in Elos AB (publ)

	Series A shares	Series B shares	Total	% of share capital	% of votes
According to Euroclear on 30 Dec 2010					
Sture Öster, family and companies	378,826	145,439	524,265	8.7	24.7
Lars Runmarker, family	297,946	201,180	499,126	8.3	20.0
Bo Nilsson, family	260,880	138,880	399,760	6.6	17.2
Elna Molin, family	136,000	169,400	305,400	5.1	9.6
Magledal Holding APS	0	365,400	365,400	6.0	2.3
Placeringsfond Nordea	0	341,342	341,342	5.6	2.1
Ulrika Erlandsson	26,088	72,304	98,392	1.6	2.1
Unionen	0	219,500	219,500	3.6	1.4
Kerstin Ulfenborg, family	0	196,410	196,410	3.3	1.2
Hefo APS	0	134,350	134,350	2.2	0.8
Other	0	2,967,055	2,967,055	49.0	18.6
Total	1,099,740	4,951,260	6,051,000	100.0	100.0

Performance and turnover of the Elos share, January 2010 – February 2011



Performance and turnover of the Elos share, January 2006 – February 2011



The Elos share price as from January 2006, as reported in the share chart, has been historically adjusted for 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		2010	2009 [*]	2009 ^{**}	2008	2007	2006 [*]	2006 ^{**}	2005 ^{***}	2004	2003	2002	2001
Profit/loss after tax, continuing operations, before dilution	SEK	1.92	-0.18	0.26	4.62	4.61	3.07	-2.27	0.29				
Profit/loss after tax, continuing operations, after dilution	SEK	1.86	-0.17	0.25	4.58								
Profit/loss after tax, discontinued operations, before dilution	SEK	2.83	0.44			-0.41	-2.45	2.89	3.65				
Profit/loss after tax, discontinued operations, after dilution	SEK	2.74	0.43										
Profit/loss after tax, total, before dilution	SEK	4.75	0.26	0.26	4.62	4.20	0.62	0.62	3.94	5.62	-1.25	-2.35	-4.95
Profit/loss after tax, total, after dilution	SEK	4.60	0.26	0.25	4.58								
Dividend (2010 proposal)	SEK	1.50			1.50	1.50		0.50	1.25	1.25			
Equity	SEK	34.75		31.01	32.91	28.82		24.61	37.72	32.65	27.04	28.53	30.90
Closing share price	SEK	46.50		33.00	26.70	60.25		30.80	70.50	56.00	25.25	16.00	30.50
Dividend yield	%	3.2			5.6	2.5		1.6	1.8	2.2			
Share price/Equity	%	133.8		106.4	81.1	209.1		125.2	186.9	171.5	93.4	56.1	98.7
Average number of shares on full conversion	thousands	6,237		6,237	6,144	6,051		6,051	5,573	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	6,051	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 previous years has been recalculated for comparability.

^{*} Adjusted for the sale of Elos Precision in 2010 and Electronics business area in 2007, which are reported as discontinued operations.

^{**} Unchanged from previous year, i.e. including Elos Precision and Electronics business area.

^{***} Recalculated share price on 31 December 2005 for continuing operations was SEK 27.55.



The Elos Group

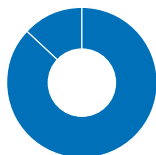
Elos is an industrial group that is organized in two business areas – Medical Technology and Metrology. The Group has a significant market position in some areas of these segments.

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 operations and structure on segments where a significant market position can be achieved. The goal is to create a more concentrated business base in segments where a critical mass can be achieved.

Employees by business area

Medical Technology	87 %
Metrology	13 %



Employment period in the Group

< 5 years	42 %
6–10 years	19 %
11–15 years	18 %
> 16 years	21 %



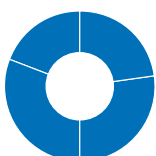
Employees by country

Sweden	52 %
Denmark	41 %
China	7 %



Age distribution

< 29 years	23 %
30–39 years	27 %
40–49 years	31 %
> 50 years	19 %

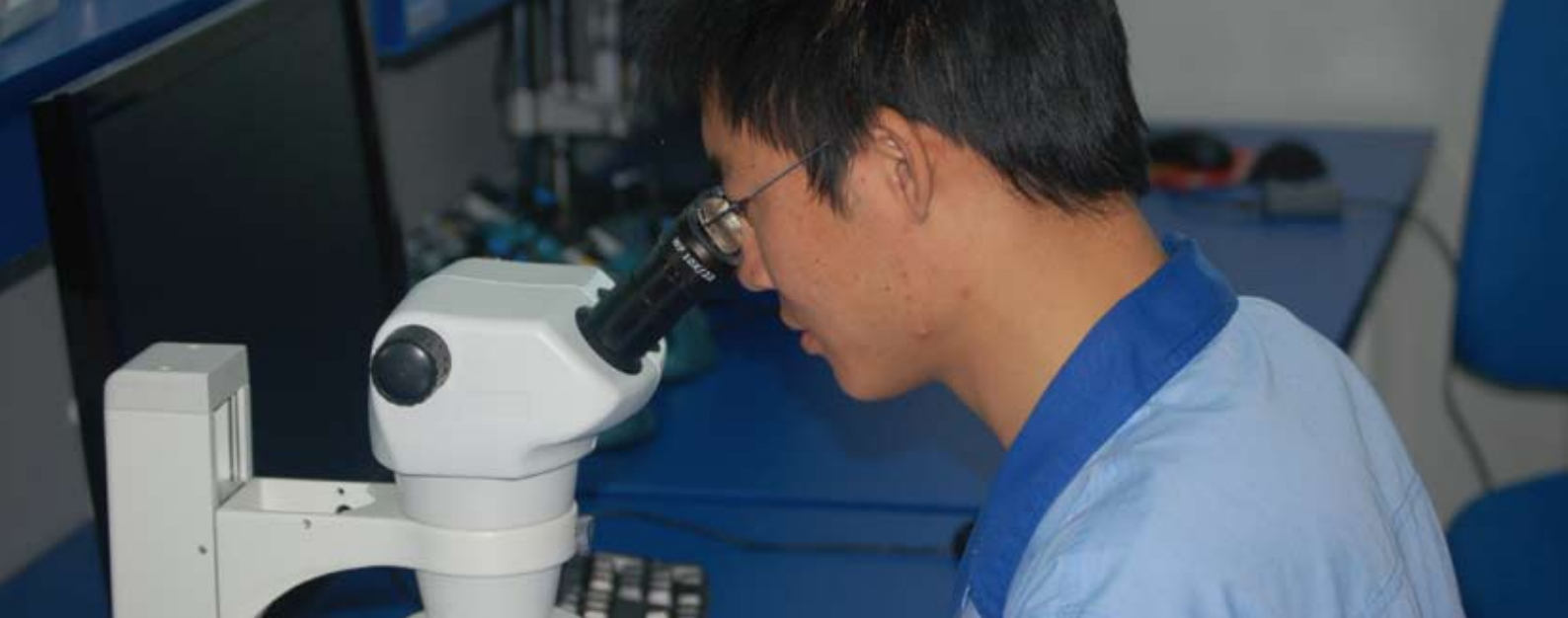


Overall objectives

- 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.



Business Area Medical Technology – Elos Medtech

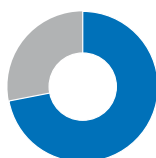
Consistent efforts to increase the growth rate in Medical Technology

Business Area Medical Technology

Income statement SEKm	2010	2009	2008
Net sales	258.4	251.8	307.1
Cost of goods sold	-201.3	-207.8	-231.8
Gross profit	57.1	44.0	75.3
Selling expenses	-16.4	-10.5	-9.5
Administrative expenses	-19.7	-20.4	-20.9
Development costs	-8.8	-10.4	-10.3
Other operating income/expenses	1.1	-0.1	1.8
Operating profit	13.3	2.6	36.4
Key data			
Operating margin, %	5.1	1.0	11.9
Gross investments excl. shares, SEKm	53.2	12	31.7
Average number of employees	254	231	244

Net sales

Medical Technology	72 %
Other	28 %



Elos Medtech sales by segment

Dental	37 %
Orthopaedics	12 %
Diabetes	19 %
Sound and vibration	24 %
Other	8 %



Elos Medtech is one of Europe's leading development and production partners in medical technology precision products, such as dental and orthopaedic implants and instruments. The customer offering mainly consists of supplying integrated solutions – from development and design to production and sterile packaging of finished products. Work continues in parallel on developing our own products.

The reorganization of Elos, with a concentration of operations on Medical Technology and Metrology, has created scope for further expansion of Elos Medtech. As a leading player in the market, with operations in Europe and China and global customers, Elos has good potential for continuing to strengthen its market presence, expanding its customer base and thereby increasing its market shares.

The organizational change implemented in 2010 was an important step in increasing the customer focus. The operations of Elos Medical in Sweden, Elos Pinol in Denmark and Tianjin in China were coordinated into Elos Medtech, which is marketed through three business units (Dental, Orthopaedics and Medical Devices), while production is carried out by development and production plants in Timmersdala in Sweden, Görlöse in Denmark and Tianjin in China. The aim of this organizational change is to exploit synergies in market development and to achieve better capacity utilization in production.

Elos Medtech's investments totalled SEK 53 million (12) during the year. The majority of investments relate to the build-up of operations in China, while the remainder relate to the development of the production structure in Görlöse and Timmersdala.



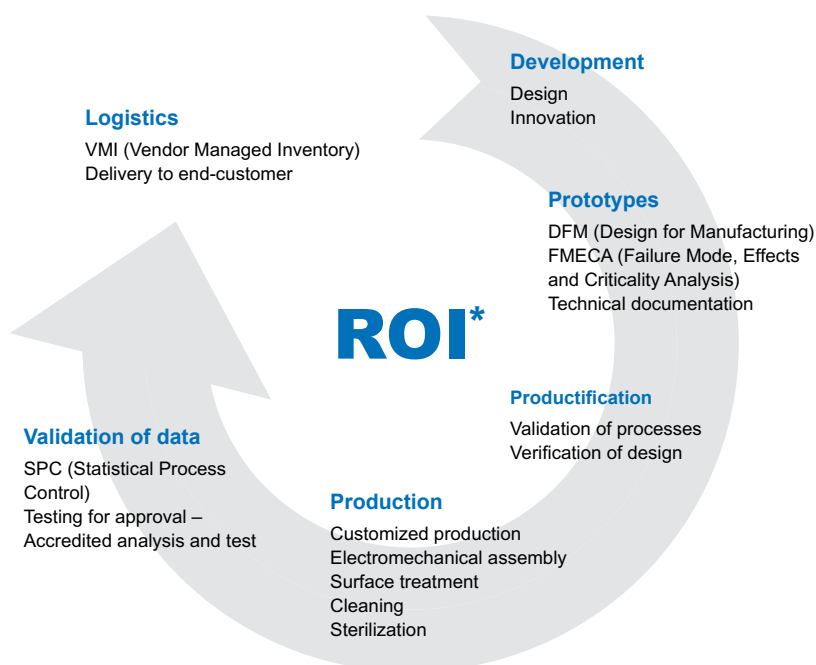
Elos Medtech's integrated offering increases customer efficiency and profitability

Integrated offering Producers in medical technology face very high demands with regard to both the quality of the finished products and the capacity to carry out continuous development and evaluation. There are also stringent regulatory requirements to meet the detailed specifications and quality levels stipulated by public authorities in the user countries concerned.

Elos Medtech's customers are mainly international companies with a global market. The complexity of the products involves long lead times from new specifications to finished details, opening up the possibility of close cooperation between customer and supplier. Elos Medtech's strategy is to strengthen competitiveness through an integrated offering – to act as an active partner. Under the name "Complete Performance", cooperation involves a complete service, which includes the whole supply chain – from development, design and regulatory requirements via prototypes, testing and pre-series to production, clean room handling and logistics.

Development and design include the work of designing and developing different types of products and instruments jointly with the customer and implementing continuous modifications of the products' structure to achieve cost effectiveness. This work is carried out alongside prototype manufacturing, pre-series production and full-scale production.

Elos Medtech has independent quality departments to meet the comprehensive regulatory requirements. Operations are certified in accordance with ISO 9001, ISO 14001, ISO 13485 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. Requirements for CE marking and FDA approvals are met by the development of documentation and prototypes and implementing subsequent testing in the company's own laboratories. These tests are both static and biodynamic and mainly focus on strength.



*ROI = Return on Investment .

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

Elos Medtech's production structure is organized to handle considerable volumes with short lead times and to enable similar products to be produced at different 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 dif-

ferent solutions to facilitate and streamline customers' inventories, such as a VMI (Vendor Managed Inventory) system that includes inventory management and continuous deliveries as required.

General market outlook and competitive situation Following weak demand in 2009, the market picture gradually improved during the year, albeit with variations between the different segments.

The factors driving demand are in general:

- Demographics – the global population is ageing
- Skills development – continued research in orthopaedics and surgery means that an increasing number of complex operations can be 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 apply fully, irrespective of customer group. Moreover, these requirements are growing more stringent each year,

both from the FDA in the USA and as a result of the EU's new Medical Devices Directive, which came into force in all EU member states in 2010. In particular, this applies to risk analyses, process validation and contamination, which leads to continuous 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 & Métaux, Greatbatch Medical, Maillefer, Ruetschi and Hader (Switzerland) and Protomedical and Gbr Brassler (Germany). In the USA, competitors include Symmetry, Orchid and Veridium. There is also competition from global medical technology companies with their own production operations.

Business Unit Dental Dental operations mainly comprise the development and manufacture of implants, abutments, and instruments and tools for dental surgery. Elos Medtech has been the largest European contract manufacturer in this market segment in recent years.

Following sharply declining demand in 2009, the market stabilized in 2010 and volume growth improved gradually. The US market was the fastest to recover and a satisfactory increase was noted in Asia, while recovery was slower on European markets.

The development of our own products on an OEM





basis in the Business Unit Dental has been successful. Elos Medtech's patented torque wrench has been positively received by the market, volumes increased gradually during the year and the customer base grew to around 15 regular customers.

Development work for the OEM segment continued strongly and several products that have sprung from both our own and specific customer projects are in the pipeline.

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

Demand normalized during the year although growth was somewhat lower than forecast. The market is very homogenous, with only six players accounting for approximately 80 per cent of the global mar-

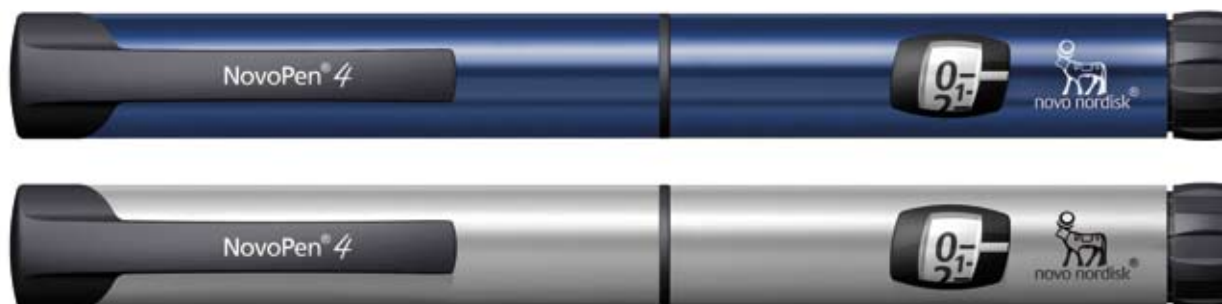
ket. Elos Medtech sees good potential for moving closer to the customer in pace with the constantly increasing regulatory requirements. Major resources have been invested for a number of years with the aim of offering well-developed services to meet these regulatory requirements cost-effectively.

Business Unit Medical Devices Medical Devices operations focus on the development and manufacture of precision products for diabetes treatment, neurosurgery and heart surgery. In addition, we develop and manufacture other implants and components, such as surgically implanted hearing devices and components for traditional hearing aids.

Volume growth in the business unit was satisfactory in 2010. In particular, demand growth was strong in the Diabetes segment.

Cooperation with the Danish company Novo Nordisk deepened further in 2010 in connection with the construction of Elos Medtech's production plant in Tianjin. Elos Medtech and Novo Nordisk have long ex-

Elos Medtech and Novo Nordisk have long experience of jointly developing and manufacturing mechanical components for Novo Nordisk's different generations of reusable insulin pens.



perience of jointly developing and manufacturing mechanical components for Novo Nordisk's different generations of reusable insulin pens. Production in Tianjin began in December 2010 and deliveries to Novo Nordisk will gradually increase. The geographical location of the Chinese production plant was a natural choice since Novo Nordisk, a global leader in diabetes treatment, is already established in Tianjin. Novo Nordisk has decided to further expand its operations in Tianjin in the coming years.

Developments in 2010 Net sales rose to SEK 258 million (252), an increase of 9 per cent after adjustment for exchange rate fluctuations. Operating profit was SEK 13.3 million (2.6). The operating margin rose to 5.1 per cent (1.0). The increase in profit is mainly attributable to stronger demand. The establishment of operations in China had a negative impact of approximately SEK 7 million on earnings and one-off costs totalled approximately SEK 3 million.

The future The investments made in capacity, quality and competence in recent years provide Elos Medical with good opportunities for continued growth. The establishment in China is part of the strategy of broadening our geographical base and moving closer to those customers who are currently building up their own operations on the Chinese market.

The new marketing organization improves our opportunities for actively increasing participation in both close cooperation with customers and projects for future product launches.

Increased resources and efforts will also be devoted to building further on our own product portfolio. Elos Medtech has an interesting development portfolio, with additional products set to be launched in 2011.

Demand has continued to strengthen this year and Elos Medtech's new orders have increased, providing a positive outlook overall for the financial year 2011.



Elos Medtech's patented torque wrench is sold to around 15 dental implant customers.





Business Area Metrology – Elos Fixturlaser

Strong market demand met by product development and increased sales initiatives

Business Area Metrology

Income statement SEKm	2010	2009	2008
Net sales	99.8	71.1	92.8
Cost of goods sold	-45.6	-33.9	-41.9
Gross profit	54.2	37.2	50.9
Selling expenses	-16.3	-12.0	-14.3
Administrative expenses	-7.0	-6.7	-7.8
Development costs	-13.8	-10.3	-9.5
Other operating income/expenses	0.6	1.6	0.7
Operating profit	17.7	9.8	20.0

Key data

Operating margin, %	17.8	13.8	21.6
Gross investments excl. shares, SEKm	2.3	5.8	4.9
Average number of employees	40	38	39

Net sales

Metrology	28 %
Other	72 %



Elos Fixturlaser sales by segment

Distributors in North and South America	29%
Distributors in Europe	25%
Distributors in Asia	13%
OEM market	26%
Rest of the world	3%
Special customers	4%



Elos Fixturlaser develops, manufactures and markets laser-based measuring instruments. The broad range of instruments providing many unique benefits and functions facilitates the maintenance of machinery requiring regular alignment to ensure maximum efficiency. End-customers are mainly in the process, power, shipbuilding, engineering and wind power industries.

Elos Fixturlaser is a market leader in the specialized niche of laser-based alignment and positioning systems. As one of three companies in this area, Elos Fixturlaser has a global market. Demand for its products correlates with global economic activity, making large demands on product development to maintain competitiveness.

The Fixturlaser XA alignment system was launched in 2006 and is the platform for several product lines, which have been customized through a number of applications for the various needs of industrial customers. Product development has remained intensive. Global market share is estimated at just over one-third.

In 2010, Fixturlaser GO Pro was launched, which with its new interface and newly developed functions reduces the risk of misinterpretation of the values under adjustment. It is an easy-to-use system intended for the maintenance and service of machinery with rotating shafts. This means that together with the Fixturlaser XA system, Fixturlaser UPAD XA, Fixturlaser Geometry XA and Fixturlaser GO Basic five new products have been launched over the past five-year period, strengthening Elos Fixturlaser's role as an innovative company at the leading edge of technology.

The common denominator for all these systems is that they have a user interface with large clear icons, which present all information in an easy-to-understand manner. This results in both simple and flexible use and support for all alignment phases: measurement, alignment and documentation by print-out.

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 by means of a simple upgrading system.

The competitive edge of Elos Fixturlaser's systems is that they contribute substantially to improved customer cost-effectiveness. Regular measurement of machinery contributes to higher production efficiency, since undisrupted machine operation reduces the number of stoppages.

Three different sales channels Elos Fixturlaser uses three different sales channels for the efficient development of its global market. 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 linked to the brand, which represents advanced technical development, documented quality and a wide range. The distributors add their product knowledge and service.

Another important channel is the OEM market, where Elos Fixturlaser supplies complete products, which are sold under private labels, that is, the customers' own brands. The third channel consists of sales to special customers, who require customized systems to meet specific, often complicated requirements.

With principally three players in the whole global market, it is easy to assess the competitive situation. Apart from Elos Fixturlaser, there are two other players Prüftechnik (Germany) and Damalini (Sweden).

Developments in 2010 Following the substantial downturn in industrial activity in 2009, demand gradually strengthened in 2010. Although industry needs problem-free operation in periods of declining demand, willingness to invest is considerably higher when demand from end-customers rises. The rapid recovery in economic activity in 2010 strengthened customer confidence in the future, and Elos Fixturlaser therefore chose to considerably increase its efforts to move closer to customers.

During the year a representative office opened in Dubai and a sales company in Italy. Another sales company has recently (Feb 2011) opened in Hungary. All these sales companies are developing markets with strong clusters of manufacturing industries, where the need for quality products and good service is growing strongly.

Elos Fixturlaser maintained its strong market position in a total market estimated to have grown by approximately 10 per cent. Sales rose by fully 40 per cent to SEK 100 million (71). Operating profit increased to SEK 17.7 million (9.8) and the operating margin rose to 17.8 per cent (13.8).

The future The market is expected to remain strong in 2011. The order situation remains stable at the beginning of 2011 and Elos Fixturlaser has good potential for continued growth. The establishment of our own sales companies in Italy and Hungary are important pilot schemes. If these initiatives are successful Elos Fixturlaser plans to continue its concentrated efforts in markets showing strong demand. Supporting interesting markets with our own sales companies is an effective way of increasing organic growth.

Regular measurement of machinery using Elos Fixturlaser's systems contributes to higher production efficiency, since undisrupted machine operation reduces the number of stoppages.



Corporate Social Responsibility (CSR)

Elos' stakeholders are our customers, employees, owners, 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 for influencing 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 centrally manage to communicate how Elos is developing and the future opportunities available within the company.

Our owners make both demands 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.

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 value basis 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:

Passion – 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 operate 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.

Social responsibility policy

General – As an international organization, with operations in Sweden, Denmark and China, Elos is aware of the need for and the benefits of social responsibility.

It is important that Elos is perceived as a company that takes responsibility for employees and our environment from a social perspective. We should therefore not only focus on finances but assess the outcomes of our operations, in order to continue operating efficiently without having a negative impact on people and our environment.

Elos operates in a manner that meets or exceeds the ethical, legal, commercial and public expectations placed on business operations by the societies in which we operate. Social responsibility is a guiding principle for every decision made and in all areas of the company.

Human rights – Elos shall respect the human rights of workers and treat employees with dignity and respect.

Child labour – Elos shall not recruit or employ child labour. The minimum age of workers shall be 15 years or the minimum age set by the national laws in the country of operation, whichever is higher. Young workers, i.e. those above the minimum age and below the age of 18, may not be employed for hazardous work or work alone no matter what labour laws say.

Freedom of association and collective bargaining – Elos shall respect the rights of employees established in local law to join or not join trade unions, seek representation and join worker organizations. Workers shall be able to bargain collectively, and worker representatives shall not be discriminated against.

Freedom of communication – Workers shall be able to communicate openly with management regarding working conditions without fear of reprisal, intimidation or harassment.

Where the right to freedom of association and collective bargaining is restricted by law, we encourage our partners to facilitate the development of parallel means of free association and bargaining such as worker representatives or works councils.

Non-discrimination – Elos and all its employees shall not discriminate on the grounds of race, caste, national origin, religion, age, disability, gender, marital status, pregnancy, sexual orientation, union membership or political affiliation, or engage in any other form of discrimination.

Treatment of employees – Elos shall treat its employees with respect and dignity, and shall not subject them to any kind of cruel, inhuman or degrading punishment, physical, verbal or sexual abuse, or threat of abuse or harassment. A motivation and employee satisfaction survey will be performed on a regular basis.

Labour practices

Wages and benefits – Elos will pay its employees a fair and market-based wage required by law or the prevailing industry standard in the country concerned, whichever is greater, and shall provide all legally mandated benefits, such as medical insurance, social insurance and pensions, in full and on time.

Working hours and holiday – Elos shall not breach local regulations on working hours and shall remunerate overtime in accordance with local laws and regulations as a minimum. Employees, including those on temporary contracts, shall not be required to work more than 60 hours a week, including overtime, on a regular basis (or the maximum legal working hours if less than 60). If required, overtime shall generally be voluntary but in special cases it may be mandatory, in which case it must be communicated to the employee. Overtime shall be remunerated at a higher rate than the hourly rate.

Employees shall be entitled to at least two days off in every fourteen-day period and shall receive paid annual leave and public holidays in accordance with local legislation.

Wage deductions as a disciplinary measure shall not be permitted, nor shall any wage deductions that are not stipulated by national legislation be permitted without the express permission of the worker concerned. All disciplinary measures shall be recorded.

Health & Safety – Elos shall provide its employees with a safe, healthy and hygienic workplace.

We will:

- implement effective programmes and systems for ensuring the safety of workers by minimising work-related accidents and illnesses, and provide sufficient protection against exposure to chemical, biological or physical hazards in the working environment;
- identify and assess emergency situations, implement emergency plans and response procedures in the workplace and provide sufficient fire exits, escape routes and firefighting equipment;
- provide regular health checks and safety training for employees;
- provide unlimited access to drinking water and hygienic toilet facilities in the workplace, and continuously improve safety performance by setting targets, initiating action plans and undertaking necessary improvements identified by internal or external assessments.

Freely chosen employment – Elos shall not use forced or involuntary labour (e.g. forced, bonded, indentured or involuntary prison labour). Employers shall not retain workers' identity papers or hold deposits from workers.

Workers shall have a copy of the written employment contract setting out the terms and conditions of their employment.

Staff and competence

Elos' 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 at the different units. These experiences provide a basis for establishing best practice methods for different work processes.

Lean manufacturing 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 has been in progress for 18 months and includes managers from all 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 the 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. The Group had no occupational injuries causing absence in either 2009 or 2010. 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 includes 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 came 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 has also acquired 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 the requirements. Together with several of Elos' major customers, a continuous programme is in progress to meet these new requirements.

Monitoring and audits are regularly carried out in all the Group's units. Audits relating to ISO 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 2010, a total of 64 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 2010

	Medical Technology	Metrology
ISO 14001, 9000:2008, 13485	22	2
Customers	34	0
CSR	6	0

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 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.

The Group makes continuous efforts to reduce energy consumption and energy surveys are an important basis for defining the active measures to be implemented.



Consolidated income statement and statement of comprehensive income

SEK thousand	2010	2009
Net sales	358,179	320,921
Cost of goods sold	-246,913	-237,826
Gross profit	111,266	83,095
Selling expenses	-32,683	-22,096
Administrative expenses	-34,952	-37,370
Development costs	-22,454	-19,827
Other operating income	1,893	1,766
Other operating expenses	-214	-217
Operating profit	22,856	5,351
<i>Result from financial investments</i>		
Other interest income and similar profit/loss items	243	378
Other interest expenses and similar profit/loss items	-6,915	-8,805
Profit after financial items	16,184	-3,076
Tax expense	-4,596	1,947
Net profit for continuing operations	11,588	-1,129
Profit from discontinued operations	17,157	2,694
Net profit for the year	28,745	1,565
Attributable to parent company shareholders	28,745	1,565
Minority interest	0	0
Other comprehensive income		
Translation differences	-14,543	-5,715
Hedging of net investment	7,610	2,543
Total comprehensive income	21,812	-1,607
Attributable to parent company shareholders	21,812	-1,607
Minority interest	0	0
Earnings per share, before dilution (SEK)	4.75	0.26
Earnings per share, after dilution (SEK)	4.60	0.25

Consolidated cash flow statement

SEK thousand	2010	2009
Operating activities		
Profit after financial items	16,184	-3,076
Adjustment for non-cash items	28,319	28,415
	44,503	25,339
Tax paid	-4,596	-3,420
Cash flow from operating activities before working capital changes	39,907	21,919
<i>Cash flow from working capital changes</i>		
Decrease in inventories	1,073	5,580
Increase/decrease in operating receivables	-2,285	15,731
Increase/decrease in operating liabilities	9,576	-13,908
Cash flow from operating activities	48,271	29,322
Investing activities		
Investments in other non-current assets	-43,661	-11,914
Sale of other non-current assets	814	114
Cash flow from investing activities	-42,847	-11,800
Financing activities		
Decrease in interest-bearing liabilities	-21,250	-28,189
Dividend to shareholders	-	-9,076
Cash flow from financing activities	-21,250	-37,265
Cash flow for the year from continuing operations	-15,826	-19,743
Cash flow from discontinued operations	57,212	-3
Cash flow for the year	41,386	-19,746
Cash and cash equivalents at beginning of year	21,416	41,214
Cash and cash equivalents in discontinued operations	-28	-
Exchange rate differences in cash and cash equivalents	-82	-52
Cash and cash equivalents at year-end	62,692	21,416

Consolidated balance sheet

SEK thousand	31 Dec 2010	31 Dec 2009
ASSETS		
Non-current assets		
<i>Intangible assets</i>		
Capitalized expenditure for R&D	6,613	10,227
Goodwill	36,073	42,007
Other intangible assets	6,935	2,494
	49,621	54,728
<i>Property, plant and equipment</i>		
Buildings and land	83,105	100,008
Plant and machinery	107,603	136,033
Equipment, tools, fixtures and fittings	11,401	13,657
	202,109	249,698
<i>Financial assets</i>		
Other shares and interests	-	20
	-	20
Total non-current assets	251,730	304,446
Current assets		
<i>Inventories etc.</i>		
Raw materials and consumables	29,703	33,255
Products in progress	22,750	29,575
Finished products	41,639	56,103
Advance payments to suppliers	177	-
	94,269	118,933
<i>Current receivables</i>		
Trade receivables	51,711	69,500
Current tax asset	841	4,696
Other receivables	20,195	1,241
Prepaid expenses and accrued income	4,866	4,580
	77,613	80,017
Cash and bank balances	62,692	21,416
Total current assets	234,574	220,366
Asset held for sale	600	1,500
TOTAL ASSETS	486,904	526,312

Consolidated balance sheet

SEK thousand	31 Dec 2010	31 Dec 2009
EQUITY AND LIABILITIES		
Equity		
Equity attributable to parent company shareholders		
Share capital	37,819	37,819
Other capital contributed	55,526	55,526
Reserves	-3,937	2,996
Profit brought forward incl. net profit for the year	120,869	92,124
Total equity	210,277	188,465
Non-current liabilities		
Provisions for pensions	15,380	15,560
Deferred tax liability	20,265	27,838
Other non-current provisions	92	77
Non-current interest-bearing liabilities	126,069	179,638
Total non-current liabilities	161,806	223,113
Current liabilities		
Bank overdraft facility	21,395	20,811
Other interest-bearing liabilities	37,399	34,293
Advance payments from customers	945	503
Trade payables	23,683	22,276
Other liabilities	13,397	15,901
Accrued expenses and deferred income	18,002	20,950
Total current liabilities	114,821	114,734
TOTAL EQUITY AND LIABILITIES	486,904	526,312
PLEDGED ASSETS	172,167	260,863
CONTINGENT LIABILITIES	330	1,022

Board of Directors and auditor

Directors



Stig-Arne Blom

Ulricehamn, born 1948, Master of Engineering. Chairman of the Board. Director since 2002. Chairman of the Board of Plastal AB, Pulsen AB and Liljedahlsbolagen. Director of Beijer Electronics AB, Bergs Propulsion 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 Brunnslöcken 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. Shareholding: 2,828 Series B shares.



Lars Spongberg

Stockholm, born 1945, Bachelor of Economics, Bachelor of Law. Director since 2003. Director of Addtech AB, BE Group AB, Intervall AB, Cobolt 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.

Suppleant



Mats Nilsson

Stockholm, born 1969, biologist, PhD. Director since 2010. Professor of molecular diagnostics at Uppsala University. Chairman of the Board of Q-linea AB. Director of Halo Genomics AB and Olink Bioscience AB. Shareholding: 40,500 Series B shares.

Auditor

Ernst & Young AB

Auditor in charge

Björn Grundvall

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

Senior management

Group management



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.



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: 1,700 Series B shares. Convertible debentures equivalent to 15,000 Series B shares.

Elos Medtech



Kjell-Erik Johansson

Götene, born 1954, Master of Engineering. Business Unit 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 Unit Manager Medical Devices and Site Manager Gørlose. Employed since 1984. Shareholding: 365,400 Series B shares via companies. Convertible debentures equivalent to 15,000 Series B shares.



Lars-Eric Florberger

Lidköping, born 1951, Bachelor of Law, MBA. Site Manager Timmersdala. Employed since 2011. Shareholding: No holding.



Stefaan Dewaele

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



Tina Friis Poulsen

Køge, Denmark, born 1964, Quality Engineer. RA/QA Manager Elos Medtech. Employed since 2009. Shareholding: No holding.

Elos Fixturlaser



Hans Svensson

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



Peter Strömberg

Gothenburg, born 1972, Master of Science. R&D Manager. Employed since 2001. Shareholding: No holding. Convertible debentures equivalent to 4,000 Series B shares.

Ten-year summary

Income statements		2010*	2009*	2009	2008	2007*	2006**	2005***	2005	2004	2003	2002	2001
Net sales	SEKm	358.2	320.9	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
Operating profit/loss	SEKm	22.9	5.4	9.6	50.3	50.1	29.4	11.8	41.4	59.0	9.2	2.3	-11.3
Net financial items	SEKm	-6.7	-8.4	-9.1	-13.3	-12.8	-9.3	-7.0	-9.2	-12.2	-14.5	-18.1	-24.2
Profit/loss after financial items	SEKm	16.2	-3.1	0.5	37.0	37.3	20.1	4.9	32.2	46.8	-5.3	-15.8	-35.5
Taxes	SEKm	-4.6	2.0	1.1	-9.1	-9.4	-1.5	-3.3	-10.2	-15.8	-1.6	2.8	8.1
Net/profit loss for the year, continuing operations	SEKm	11.6	-1.1	1.6	27.9	27.9	18.6	1.6	22.0	31.0	-6.9	-13.0	-27.4
Net profit/loss for the year, discontinued operations	SEKm	17.1	2.7	-	-	-2.5	-14.8	20.4	-	-	-	-	-
Net profit for the year	SEKm	28.7	1.6	1.6	27.9	25.4	3.8	22.0	22.0	31.0	-6.9	-13.0	-27.4
Balance sheets													
Non-current assets	SEKm	251.7	304.4	304.4	309.2	278.1	311.6	382.8	382.8	229.9	241.2	254.7	266.1
Receivables and inventories	SEKm	171.9	199.0	199.0	219.5	218.9	275.7	499.9	499.9	443.2	416.1	419.0	456.8
Cash and cash equivalents	SEKm	62.7	21.4	21.4	41.2	20.8	19.8	56.1	56.1	63.1	27.7	30.7	8.1
Asset held for sale	SEKm	0.6	1.5	1.5	1.5	1.5	-	-	-	-	-	-	-
Total assets	SEKm	486.9	526.3	526.3	571.4	519.3	607.1	938.8	938.8	736.2	685.0	704.4	731.0
Equity	SEKm	210.3	188.5	188.5	199.1	174.4	148.9	228.2	228.2	181.2	150.2	158.5	171.7
Non-current liabilities	SEKm	161.8	223.1	223.1	238.9	220.2	246.8	341.3	341.3	234.7	257.0	294.4	327.3
Current liabilities	SEKm	114.8	114.7	114.7	133.4	124.7	211.4	369.3	369.3	320.3	277.8	251.5	232.0
Total equity and liabilities	SEKm	486.9	526.3	526.3	571.4	519.3	607.1	938.8	938.8	736.2	685.0	704.4	731.0
Cash flow													
Cash flow from operating activities	SEKm	48.3	29.3	43.5	69.7	26.8	43.7	40.9	57.6	119.4	57.9	96.3	52.3
Cash flow after investments	SEKm	5.4	17.5	26.4	53.9	9.3	22.4	-22.5	-12.0	95.9	32.9	57.1	24.1
Key data													
Operating margin before depreciation (EBITDA)	%	14.1	10.5	11.2	17.0	18.8	15.2	8.5	6.6	7.1	4.9	4.1	2.8
Operating margin after depreciation (EBIT)	%	6.4	1.7	2.3	10.1	11.6	7.3	1.9	3.1	4.0	0.7	0.2	-0.8
Risk-bearing capital	SEKm	230.5	216.3	216.3	228.8	196.8	165.6	255.1	255.1	204.4	165.9	173.3	189.4
Share of risk-bearing capital	%	47.3	41.1	41.1	40.0	37.9	27.3	27.2	27.2	27.8	24.2	24.6	25.9
Equity/assets ratio	%	43.2	35.8	35.8	34.9	33.6	24.5	24.3	24.3	24.1	21.9	22.5	23.5
Return on capital employed	%	7.8	2.9	2.9	11.6	11.4	-0.6	2.4	8.1	13.7	2.2	1.0	-1.8
Return on equity	%	19.2	1.1	1.1	15.0	17.3	-7.3	0.8	10.7	18.8	-4.5	-7.9	-14.9
Interest coverage ratio	multiple	3.3	1.1	1.1	3.5	3.8	neg.	1.6	4.3	4.6	0.7	0.2	neg.
Net debt	SEKm	137.6	228.9	228.9	225.8	227.9	295.5	336.3	336.3	183.6	263.8	279.0	327.1
Debt/equity ratio	multiple	0.6	1.2	1.2	1.1	1.3	2.0	1.6	1.5	1.0	1.7	1.8	1.9
Other													
Gross investments excl. shares	SEKm	57.7	20.0	42.3	44.7	46.3	49.0	43.8	50.0	44.2	35.8	44.9	38.8
Average number of employees		298	273	343	368	358	344	457	700	745	693	707	823

* Continuing operations, i.e. after divestment of Elos Precision in 2010 and divestment of Electronics business area in 2007.

** Income statement, cash flow, EBITDA, EBIT, gross investments and average number of employees refer to continuing operations. Other figures are unchanged compared with the previous year's reporting

*** Including Electronics business area but excluding Building/Interiors. 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.

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