



S U M M A R Y
2 0 0 4

The Group in brief

Westergyllen is an industrial group. It is organised into three business areas: Building/Interiors, Electronics and Engineering/Technology.

- All the business areas report higher net turnover and substantially improved earnings.
- Net turnover rose by 19 per cent to SEK 1,467 m (1,230 m).
- Profit after financial items grew by SEK 48 m to SEK 42.7 m (loss of SEK 5.3 m).
- Operating profit totalled SEK 54.9 m (9.2 m).
- Cash flow from operating activities amounted to SEK 119.4 m (57.9 m).
- The cash flow after investment activities amounted to SEK 95.9 m (32.9 m).
- The net debt declined by SEK 80.2 m during the year and amounted to SEK 183.6 m at year-end (263.8 m).
- Liquidity remains healthy.
- The board of directors proposes a dividend of SEK 2.50 (0) per share.



Key ratios

		2004	2003	2002	2001	2000	1999	1998
Net turnover	SEK m	1,467.4	1,230.0	1,251.1	1,388.2	1,850.8	1,067.6	920.0
Profit/loss after financial items	SEK m	42.7	-5.3	-15.8	-35.5	40.6	-35.8	31.4
Risk capital ratio	%	27.4	24.2	24.6	25.9	24.1	26.1	38.5
Equity ratio	%	24.1	21.8	22.4	23.4	21.6	23.8	34.1
Return on capital employed	%	12.9	2.2	1.0	-1.8	12.8	-4.6	10.8
Return on equity	%	16.5	-4.5	-7.9	-14.9	13.8	-13.1	12.5
Earnings/loss per share after tax	SEK	9.73	-2.50	-4.70	-9.90	9.48	-9.10	9.15
Equity per share	SEK	63.80	54.07	57.06	61.79	70.88	63.30	75.95
Proposed dividend	SEK	2.50	-	-	-	2.25	2.00	3.50
No. of full-time employees		745	693	707	823	990	773	696

Comments by the CEO

Our work to improve the Group's market positions and create efficient structures is now bearing fruit



I am pleased to report good earnings for the Group in 2004, actually the best to date for the Group. Favourable market prerequisites, particularly for Electronics, together with our efforts to develop and improve the Group's market positions and efficiency, led to earnings that actually exceeded our expectations a year ago. With these earnings and continued strong cash flow, we have now improved the Group's financial position, thus giving a good platform for the future. This also enables us to once again pay a dividend. During the year, the Group's corporate portfolio became more focused through the sale of Götene Specialinredningar and Ferrocon. Now is the start of the next phase in the Group's development: ensuring stable and sustainable growth in the coming years.

The overall market prerequisites for 2005 seem favourable: A stable and positive outlook for Building/Interiors and Engineering/Technology, while the situation for the Electronics business area is more difficult to assess.

Building/Interiors

Our coordination and standardisation work is now beginning to show results in the form of improved margins. The results of our investment in project activities, where volumes have doubled in the past two years, are promising, which means that we can now raise the level of ambition. Our assessment that there is a good market potential as a complement to major construction firms and municipalities seems to be realistic. We anticipate a growth rate of at least 20 per cent annually in the next two to three years. If we are to realise this growth, we will need to expand our site bank, which will tie up more capital.

After several years characterised by consolidation and adjustment of costs, we are now beginning to discern improved profitability for our customised housebuilding activities. Our margins have improved, providing a base for a more expansionary strategy. At Götenehus and Sjödalshus, we are now enlarging the sales teams, which should lead to improved market positions. We currently have a very stable market scenario based on favourable interest rates and many years of pent-up demand.

Electronics

2004 was a good year in the Electronics business area. The telecommunications sector recovered while one of the company's biggest customers, Kapsch TrafficCom, completed one of its most comprehensive projects ever. Altogether, this meant a 54 per cent increase in turnover. The sharp rise in volumes contributed to improved earnings. At the same time, however, the sharp rise in volumes meant that we had difficulties managing the operations in a cost-effective manner. Our challenge now is to improve our efficiency so that we can meet customer requirements for lower prices and increased flexibility. We will now see stabilisation in conjunction with increasing competition from producers in low-cost countries. This demands that we continue to render our operations more efficient. Some of our prefabrication work is already being conducted in Hungary. We will probably expand our presence in low-cost countries in the next few years.

The demand situation in 2005 is difficult to assess. However, we are seeing positive signals from customers in the industrial segment at the same time as volumes in the telecommunications sector appear to have stabilised. Our development of new customer relations to offset the company's dependence on the extremely competitive mobile telephone industry is still a top priority.

Engineering/Technology

In 2004 we saw the results of our structuring work in our precision engineering business. We also continued investing in increased capacity during the year, which was subsequently fully utilised. The division of Elos into two separate companies, Elos Medical and Elos Precision, has created two very competitive players in their niches.

Elos Medical showed organic growth of 40 per cent in 2004. The company's skill in taking a product all the way from functional description to a sterile and ready to use product in operating rooms is unique in Europe and a key factor behind the company's successes. The reasons for the rapid growth of Elos Medical include increased purchasing by large multinational medical technology companies as well as the fact that the market segments being focused upon are growing by 10 to 20 per cent annually. In 2005, we will continue increasing our production capacity to pave the way for our ambitious growth plans in the area. The goal is for the Group to achieve sales of medical technology exceeding SEK 150 m in 2006.

Elos Precision, which manufactures precision engineering products of the highest possible quality, also showed very satisfactory growth of 30 per cent in 2004. The investments established an effective production structure which, combined with very successful efforts to increase efficiency, led to improved margins. We will continue to develop our customer structure and, in pace with growing demand, continue expanding our capacity.

Fixturlaser's growth has levelled off in the past few years. Lower prices for electronic components combined with increasing competition in the low-price segment means that turnover has stagnated. We undertook measures during the autumn to adapt our cost structure in order to achieve profitability in the company again.

The future

Our challenge now is to continue pursuing improved efficiency and changing the Group's structure so that our market positions can be improved and to achieve a satisfactory rate of growth. As I mentioned previously, there is some uncertainty regarding volumes in the Electronics business area. We must be prepared to pick up the pace in some areas and slow down in others. Despite a slow start, the potential for 2005 seems good. Measures undertaken in the past few years combined with further initiatives to create growth means that we see a good outlook for the years to come.

Götene, Sweden, March 2005

Göran Brorsson
President and CEO

The Westergyllen Group

Operations

Westergyllen is an industrial group organised into three business areas: Building/Interiors, Electronics and Engineering/Technology.

The Building/Interiors business area is dominated by Westergyllen's housing business, which consists of Götenehus and Sjödalshus.

The Electronics business area consists of Elektromekan, a major Swedish sub-contract manufacturer of EMS (Electronic Manufacturing Services).

The Engineering/Technology business area consists of Elos Medical, Elos Precision and Fixturlaser.

The parent company, whose head office is located in Götene, Sweden, manages key management issues and Group support activities such as strategic development, financing and financial control.

Business concept

Westergyllen's business concept is to foster the long-term development of industrial operations in a limited number of areas in which they can achieve a strong market position in selected market segments. The Group's operations are to be developed and managed in order to generate long-term growth for company shareholders.

Strategy

Westergyllen's overall strategy is to have the Group's companies and structure focus on areas where a significant market position can be achieved. The aim is to establish a

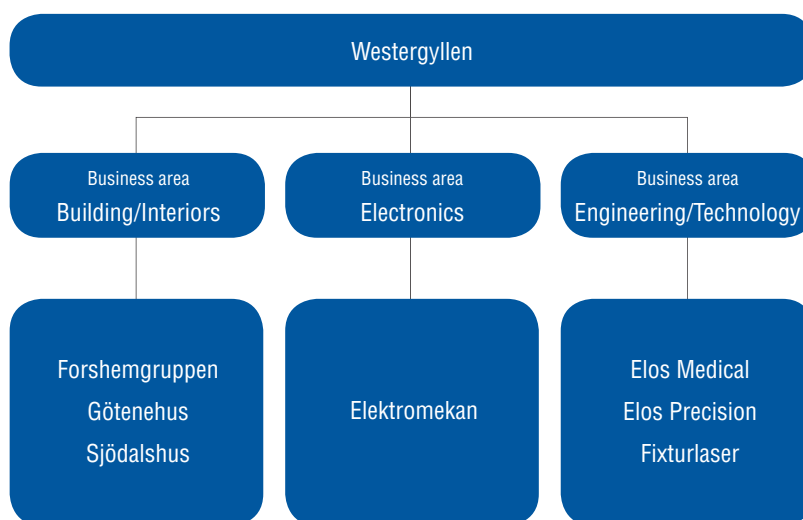
more focused operational base in the Group's business areas. Priority is given to areas where a critical size can be achieved.

Quality and the environment

All levels of the Westergyllen Group have a proactive approach to quality control and the environment. A management system consisting of quality assurance and environmental management systems is considered to be a successful approach to the operations of each company. Several Group companies have obtained quality and environmental certification. Our aim is for the certification of all operative companies in the Westergyllen Group to ISO 9000 for quality management systems and to ISO 14000 for environmental management systems.

Financial targets

- The return on equity should, depending on each company's risk capital ratio, exceed the risk-free long-term interest rate by 5 to 10 per cent. Currently the return should exceed 15 per cent.
- The return on capital employed should amount to at least 15 per cent.
- The risk capital ratio should be at least 30 per cent.
- Liquid funds, including approved but undrawn lines of credit, should amount to 6 to 12 per cent of the Group's annual turnover.



The Westergyllen share

Stock market trading

Westergyllen's Series B shares have been listed on Stockholmsbörsen's O list since 13 June 1989. The high-voting Series A shares are not listed. The price for Westergyllen's shares fluctuated during the year between SEK 49.20 and SEK 112. The closing transaction price in 2004 was SEK 112 (50.50). At year-end 2004, Westergyllen's market capitalization was SEK 309.7 m (139.6 m). In 2004, 529,400 shares were traded for SEK 42.5 m.

Dividend policy

Westergyllen's dividend policy stipulates that 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 correspond to around 30 per cent of the profit after tax.

Dividend proposal

For the 2004 financial year, the board of directors has proposed a dividend of SEK 2.50 (0) per share for a total of SEK 6.9 m. The dividend corresponds to 26 per cent of the profit after tax.

Share capital

At year-end 2004, AB Westergyllen's share capital amounted to SEK 34.6 m. The share capital is divided into Series A and Series B shares. The Series A shares each carry one vote and the Series B shares one-tenth of a vote; otherwise there is no difference in the rights in the company attached to each series. According to Westergyllen's articles of association, holders of Series A shares are entitled to request in writing that the company restamp Series A shares to Series B shares.

Convertible loan stock

In 1999, Westergyllen issued a SEK 4.6 m convertible loan to Group employees. The loan was redeemed in full on the maturity date of 30 June 2004.

Warrants

In 2001, Westergyllen issued a debenture loan for a nominal amount of SEK 1,000 carrying 50,000 detachable warrants for subscription to Series B shares. Following a decision by the annual general meeting, the warrants were offered to certain members of senior management in the Westergyllen Group as part of the employee stock option programme. At the end of the year, 32,000 warrants (35,000) were held by employees. The remaining warrants were owned by a subsidiary of Westergyllen. Each warrant entitles the holder to subscribe to one new Series B share in AB Westergyllen at a price of SEK 105 until 30 November 2005. Exercise of the warrants is conditional on the holder being an employee of the Group at the time of the exercise. In the event of full exercise of all the warrants, the proceeds to Westergyllen will amount to SEK 5.2 m. The share capital will then increase by SEK 0.6 m, divided into 50,000 Series B shares.

Shareholders

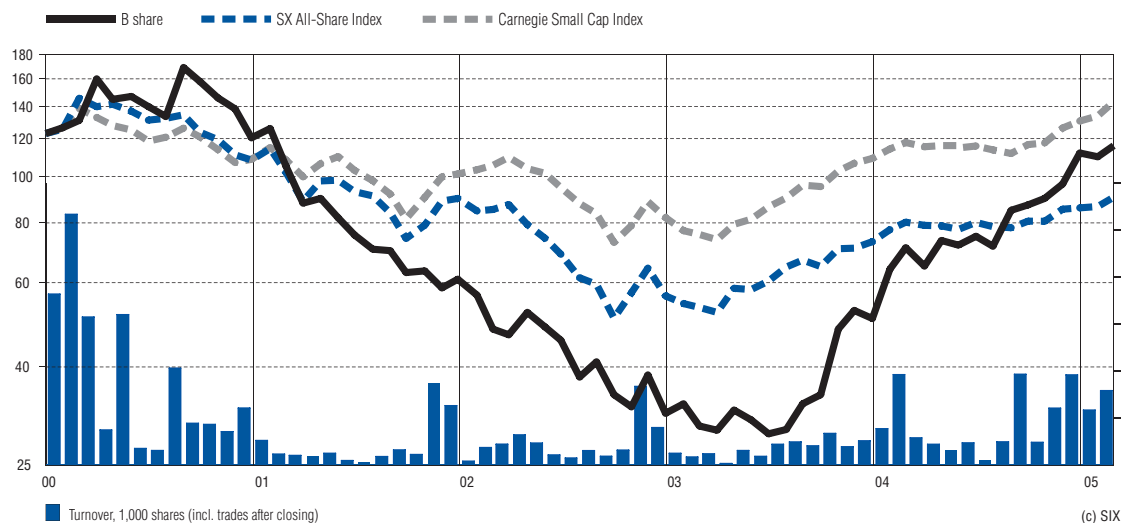
At year-end 2004, Westergyllen had 1,405 shareholders. The holdings of the ten largest shareholders correspond to 58.4 per cent of the capital and 88.6 per cent of the votes. At the end of the year, Swedish and international institutions owned 14.6 per cent of the capital and represented 4.0 per cent of the votes.

Main shareholders

The largest shareholders according to VPC as of 30 December 2004	A shares	B shares	Total	% of share capital	% of votes
Sture Öster, family and companies	189,413	81,180	270,593	9.8	19.5
Lars Runmarker, family	148,973	110,690	259,663	9.4	15.8
Bo Nilsson, family	130,440	80,340	210,780	7.6	13.7
Harald Ulfenborg, family	130,440	79,790	210,230	7.6	13.7
Barbro Nilsson, family 1)	101,374	65,652	167,026	6.0	10.6
Elna Molin, family	68,000	83,200	151,200	5.5	7.5
Rune Bigsten, family	50,000	2,180	52,180	1.9	4.9
SEB Småbolagsfonder	0	124,450	124,450	4.5	1.2
Svenska Industritjänstemannaförbundet	0	109,750	109,750	4.0	1.1
Lannebo Småbolagsfonder	0	58,400	58,400	2.1	0.6
Nordea Småbolagsfond Norden	0	58,400	58,400	2.1	0.6
Other	0	1,092,328	1,092,328	39.5	10.8
Total	818,640	1,946,360	2,765,000	100.0	100.0

1) In January 2005, 69,242 Series A shares were restamped to a corresponding number of Series B shares.

The Westergyllen share's development and turnover, Jan. 2000–Feb. 2005



Shares by class, 30 Dec. 2004

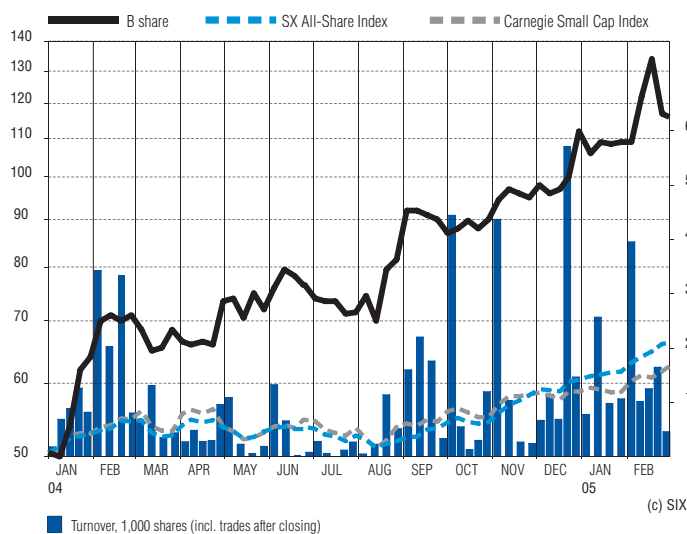
Class of share ¹⁾	No. of shares	% of votes	% of share capital
A	818,640	80.8	29.6
B	1,946,360	19.2	70.4
Total	2,765,000	100.0	100.0

1) In January 2005, 69,242 Series A shares were restamped to Series B shares.

Shareholders by size of holding, 30 Dec. 2004

Size of shareholding	No. of shareholders	No. of shares	% of total no. of shares
1-500	1,032	188,394	6.8
501-1,000	190	160,840	5.8
1,001-2,000	65	104,600	3.8
2,001-5,000	57	190,886	6.9
5,001-10,000	19	150,197	5.4
10,001-20,000	17	247,517	9.0
20,001-50,000	12	359,800	13.0
50,001-100,000	6	399,522	14.5
100,001 -	7	963,244	34.8
Total	1,405	2,765,000	100.0

The Westergyllen share's development and turnover, Jan. 2004–Feb. 2005



Data per share		2004	2003	2002	2001	2000	1999	1998	1997	1996	1995
Profit/loss after tax	SEK	9.73	-2.50	-4.70	-9.90	9.48	-9.10	9.15	7.80	2.60	10.85
Dividend (2004 proposal)	SEK	2.50	-	-	-	2.25	2.00	3.50	3.25	3.00	3.00
Equity	SEK	63.80	54.07	57.06	61.79	70.88	63.30	75.95	70.05	65.25	65.60
Listed price 31 Dec.	SEK	112	50.50	32	61	120.50	123	127	198.50	112	73
Direct yield	%	2.2	-	-	-	1.9	1.6	2.8	1.6	2.7	4.1
P/E ratio	%	175.5	93.4	56.1	98.7	170	194.3	167.5	283.4	171.6	111.3
Average no. of shares	000s	2,765	2,765	2,765	2,765	2,765	2,765	2,765	2,765	2,717	2,650
No. of shares at year-end	000s	2,765	2,765	2,765	2,765	2,765	2,765	2,765	2,765	2,765	2,650

Conversion of outstanding debenture loan and exercise of outstanding warrants have not given rise to a dilution effect.

Prefabricated housing

Westergyllen is a leading producer of prefabricated private housing homes in Sweden.

Marketing and sales take place through the brands Götenehus and Sjödalshus. Production, design, purchasing and administration are organised in Forshemgruppen, the parent company of Westergyllen's prefabricated housing business.

The market

The market for private housing showed positive growth in 2004. Factors behind this development include continued low interest rates, a somewhat stronger labour market and continued rising prices for used houses. An additional underlying driving force is the past few years' low level of new housing starts, which has led to pent-up demand.

For quite a few years now, new housing starts have been concentrated to the metropolitan areas of Stockholm, Gothenburg and Malmö, but in 2004, the fastest growth could be seen in mid-sized and small towns in central and southern Sweden.

For the housing industry, however, metropolitan areas are still the most important markets, although their proportion of new housing starts has declined slightly. The lack of attractive plots for new homes in 2004 continued to slow the growth in these areas.

The market for private housing can be divided into three categories:

- Timber houses built on site, housing projects constructed by major building contractors and prefabricated houses. Westergyllen's prefabricated housing business belongs to the latter category. Prefabricated houses can be divided into three sub-categories:

- Low-price options/bulk production, medium-range housing/less customised housing and customised houses.

Götenehus and Sjödalshus have a significant market position in the customised houses sub-category, with their biggest competitors including Myresjöhus, Trivselhus and Eksjöhus.

Developments during the year

The profitability of Westergyllen's prefabricated housing business improved substantially in 2004. The main improvements could be seen in the private housing businesses of Götenehus and Sjödalshus in Sweden. Götenehus' project activities have also shown satisfactory growth.

Net turnover in 2004 amounted to SEK 663.0 m (644.3 m). Operating profit excluding goodwill amortisation rose to SEK 21.7 m (7.3 m).

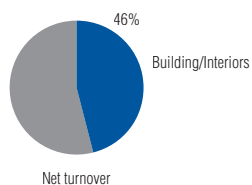
The future

The market for single-family homes is stable and is likely to continue growing in the next few years according to a long-term forecast by the National Board of Housing, Building and Planning.

An essential component of Götenehus and Sjödalshus' competitiveness is their efficient production, construction, purchasing and administration.

The changes to realise more efficient working methods in the business area in the past few years will continue to be implemented with the same determination.

BUILDING/INTERIORS BUSINESS AREA



Income statement, SEK m	2004	2003	2002
Net turnover	686.0	672.3	637.5
Cost of goods sold	-553.8	-551.1	-518.6
Gross profit	132.2	121.2	118.9
Marketing and selling expenses	-83.3	-84.7	-82.3
Administrative expenses	-25.7	-26.2	-32.0
Other operating income/expense	-1.0	-0.1	1.8
Result from participations in associated companies	0	0	0.1
Operating profit	22.2	10.2	6.5

Key ratios			
Operating margin, %	3.2	1.5	1.0
Return on capital employed, %	22.8	8.5	4.6
Capital expenditure, SEK m	4.9	4.4	5.1
No. of full-time employees	252	257	255



The house market showed satisfactory growth in 2004. The number of new housing starts rose by ten per cent compared with the year before.

Projects

Housing projects utilise the Group's unique expertise as a housebuilder for the management of its own projects. The projects are marketed under the Götenehus brand name and accounted for around 35 per cent of Forshemgruppen's total volumes in 2004.

There is healthy demand for single-family homes in estates and the ambition is for additional expansion of project activities. Götenehus' site bank and its experience from developing properties and managing projects mean that the rising demand can quickly be met.



Götenehus' project activities showed positive growth in 2004 with high potential for continued growth during 2005.

Projects are a prioritised growth area for the Group and are managed by Götenehus. Generally, a project consists of 10 to 35 ready to use homes, meaning that key operations are carried out by small local building contractors as well as larger construction firms.

Götenehus' project activities in this market segment have several advantages. With the necessary expertise and financial resources, Götenehus can develop properties in attractive areas and thus compete effectively with local building contractors. At the same time, it has the right size to compete for the production of mid-size projects where Götenehus has the advantage of acting quicker and with more flexibility than the largest players in the market.

Project activities are guided by a policy for the business:

- All purchased properties added to the site bank are to be planned for housing. This means that the site can be developed as soon as there are enough interested parties.
- Knowledge of the local market is crucial. This is why operations focus on four markets: the Stockholm and Gothenburg areas, southwestern Skåne and the local market in former Skaraborg County.
- Selling the houses as early as possible in the building process for speedy completion of projects.

Götenehus handles the entire process: the company buys and develops properties and housing, manages entire projects and sells finished houses. This means that the projects' inherent financial risk and potential are entirely managed by Götenehus.

Götenehus applies continual profit/loss recognition to best calculate the day-to-day results of project activities. This means that project results are reported continually in relation to the degree of completion. This establishes a direct link between work completed during the period and financial reporting.

Strong growth

The positive growth in project activities was boosted in 2004. During the year, delivery volumes rose by 13 per cent compared with 2003.

An attractive and sizeable site bank is crucial to continued growth in the area of project activities.

One contributing factor behind the growth in project activities is the successful adaptation to municipalities' changing approach. In the 1990s, many municipalities dissolved their own organisations for the development of single-family homes. Instead, private developers are now allowed to develop properties through competitive bidding.

Götenehus has been successful in several of these bidding processes, resulting in several completed projects and an expanded site bank. These successes are due to a good reputation in the municipalities and the advantage of Götenehus belonging to a group listed on the stock market.

High rate of turnover for the site bank

To achieve satisfactory earnings, good financing and cash flow are essential. A fundamental assumption of the operations is that no projects can begin until they are fully financed. The site bank's high rate of turnover is also a key factor behind the projects' profitability.

The average length of time between the sale of land to invoicing of a finished house is around two years. Local authorities' processing of building permits alone in metropolitan areas can take up to six months.

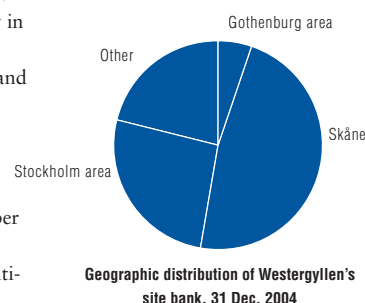
Developments during the year

Project activities showed excellent growth during the year. In the Building/Interiors business area, the percentage of project activities has risen from 30 to 35 per cent.

The earnings trend continued to be satisfactory. Above all, a high rate of turnover for completed projects has resulted in improved margins.

The future

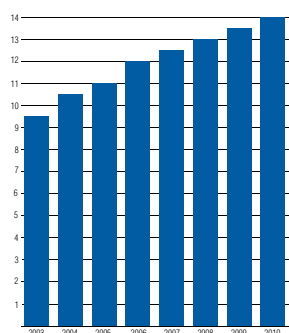
The attractive site bank means that Götenehus' project activities have good potential for continued growth in 2005. To ensure a strong market position in the future, efforts to acquire attractive land through municipalities, individual land owners and estate agents will intensify this year.



THE PHASES OF PROJECT DEVELOPMENT

Götenehus and Sjödalshus

Figures and forecasts from the National Board of Housing, Building and Planning for new housing starts



The years 2004 to 2010 are forecasts.



Götenehus' target group is consumers who appreciate modern and functional design.

Two separate and independent marketing companies are in charge of marketing the Götenehus and Sjödalshus brand. The marketing companies' tasks include marketing and sales in addition to product development.

Together, Götenehus and Sjödalshus have a strong market position for customised single-family homes in Sweden.

The rapid growth of the house market, albeit from an initially low level, is benefiting both Götenehus and Sjödalshus. Both companies will continue with the strategic enhancement of their sales organisations, particularly in locations with good growth potential and where the companies already have a presence.

It is also a venture to take advantage of the trend of 2004 where new housing starts showed the fastest growth outside the three metropolitan areas.

However, Götenehus and Sjödalshus' main markets will continue to be major urban areas and university and college towns with strong demand.

Sales of single-family homes are being boosted by several contributing factors such as continued low interest rates and rising prices for used houses. The difficulty of locating attractive sites in metropolitan areas may, however, slow this growth somewhat.

Götenehus and Sjödalshus are both established brands. Both companies offer customised homes from a catalogue with the possibility of combining various options and thus achieving individualised housing solutions. The handling costs for this type of customisation are often high but can be reduced by using standardised components whenever possible.

Götenehus

Götenehus develops, markets and sells prefabricated single-family houses. One important target group is consumers who appreciate modern and functional design combined with holistic thinking as regards quality and the environment.

Most sales take the form of ready to use housing, a concept that Götenehus has offered the Swedish house market for the past 25 years.

Developments during the year

The growing house market has benefited Götenehus. Metropolitan areas are its most important markets, but a general lack of attractive sites slowed sales. Instead, new housing starts grew in mid-sized and small towns.

In 2004, the decision was taken to cancel commitments in the Norwegian market and concentrate on operations in the Swedish market. Götenehus reported significantly improved earnings compared with the previous year.

The future

Götenehus' goal for 2005 is higher volumes and an improved market position. An important part of this work includes strengthening its sales organisation.

Sjödalshus

Sjödalshus develops, markets and sells prefabricated timber housing with a particular focus on detached houses.

Sjödalshus' target group is households that appreciate classical design – everything from traditional small timber houses to large villas. Sales are carried out through own sales organisations in Sweden and Germany.

Only a small percentage of sales consist of ready to use housing.

Developments during the year

Sjödalshus reported strongly improved earnings for the year. This primarily took place without an increase in volumes. A focused drive to lower costs and improve gross margins has given good results.

Business in Germany remained weak in 2004. Sjödalshus will nevertheless continue its selective sales efforts on the German market.

The future

As for Götenehus, Sjödalshus will strengthen its sales organisation in 2005 with the ambition of improving volumes and its market positions.



Sjödalshus' target group is customers who appreciate classical and elegant design.



Elektromekan

Elektromekan is one of Sweden's leading electronic manufacturing service (EMS) companies.

From a European perspective, Elektromekan can be characterised as a mid-size manufacturer in the industry, a conscious strategy. Multinational corporations continually strive to achieve larger volumes, but many smaller companies are unable to deliver the services – beyond production itself – demanded by an increasing number of customers.

The production plant in Årjäng has six fully automated production lines for surface mounting of printed circuit boards. This gives the highest possible flexibility during the production process.

Elektromekan showed significant improvements in 2004 and exceeded the projections made at the beginning of the year. In 2003, costs were matched to turnover of some SEK 400 m for the 2004 financial year. The plan needed continual revision during the year, however. Sales for 2004 amounted to SEK 584 m, a 54 per cent increase from the previous year.

This positive development was mainly the result of two factors: the overall recovery of the telecommunications sector (both mobile phones and mobile systems), and large orders from Kapsch TrafficCom. Kapsch TrafficCom's international successes made their full impact in 2004. The company develops payment systems for road tolls now being introduced in a growing number of cities. Elektromekan manufactures the transponders fitted in vehicles, making automatic payment possible.

Recovery in the telecommunications sector

The recovery in the telecommunications sector led to an increasing number of orders to Elektromekan from customers such as Ericsson and Sony Ericsson. The telecommunications sector will continue to be a crucial source of customers.

After many years of focused efforts to increase its service content, Elektromekan has developed from being a pure sub-contract manufacturer to a commercialization partner. Customers increasingly request Elektromekan's assistance and expertise throughout the commercialization process for a product – from design and development to the finished product and, at a later stage, logistics and aftermarket services. To broaden and hone its expertise, the company collaborates with several engineering-oriented consulting firms.

When it comes to products containing microwave and Bluetooth applications, Elektromekan is one of the leaders in the Swedish EMS industry.

Production in low-cost countries

Elektromekan has had a business partner located in Hungary since 2000. The Hungarian company has around 100 employees and focuses on labour-intensive manufacturing.

Price pressure in the EMS industry is increasing the importance of locating manual assembly work in Hungary. Surface mounting and final testing of circuit boards are carried out at the plant in Årjäng, Sweden.

The increasing price pressure results in that Elektromekan intends to increase its presence in low-cost countries.

The market

The EMS market is continuing to show good growth. In the next five years, the global market is expected to grow by eleven per cent per year, to USD 160 billion. The most rapid growth is taking place in low-wage countries in Asia, Eastern Europe and South America.

The Nordic EMS market, which had an estimated turnover of over SEK 25 billion in 2004, is likely to grow by around seven per cent per year.

At the same time, however, the competition will increase. The price pressure is very strong, particularly from low-wage countries in Asia and Eastern Europe.

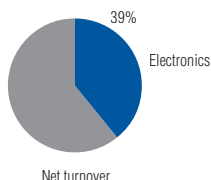
Elektromekan is facing the changes in several different ways:

- increasing its attractiveness as a commercialization partner
- continuing its work to streamline operations, for example by increasing the level of automation



Elektromekan manufactures several details of Ericsson's mobile systems.

ELECTRONICS BUSINESS AREA



Income statement, SEK m				
	2004	2003	2002	
Net turnover	583.5	380.0	414.6	
Cost of goods sold	-518.9	-339.1	-386.1	
Gross profit	64.6	40.9	28.5	
Marketing and selling expenses	-10.7	-10.9	-10.1	
Administrative expenses	-27.0	-21.7	-24.2	
Operating profit/loss	26.9	8.3	-5.8	

Key ratios				
Operating margin, %	4.6	2.2	-1.4	
Return on capital employed, %	27.2	7.1	-4.7	
Capital expenditure, SEK m	8.0	4.9	2.2	

ELEKTROMEKAN'S OFFERINGS AS A COMMERCIALIZATION PARTNER

Design/development > Prototype > Production >

- becoming even more flexible in order to quickly reduce or increase volumes for individual products
- additional adjustment of production for short series.

Elektromekan's competitors are primarily Nordic and global players in the EMS market. In the telecommunications product area, competitors include Flextronics and Elcoteq; in other segments, the main competitors are NOTE, Kitron and Partnertech.

Developments during the year

The sharp rise in volumes in 2004 led to a somewhat complicated adjustment of production capacity, which meant additional costs affecting earnings.

Demand from the telecommunications sector rose during the year for mobile telephone components and mobile systems. Demand also rose from Kapsch TrafficCom.

New customers include Atlas Copco Tools and the Norwegian company Spagat, which manufactures mobile media rendering solutions for the transmission of data from computers and mobile telephones to television monitors.

Net turnover in 2004 amounted to SEK 583.5 m (380.0 m). Operating profit totalled SEK 26.9 m (8.3 m).

The future

The market prerequisites for 2005 are difficult to assess.

One important success factor in a market characterised by considerable volatility is the ability to quickly match costs to volumes. Elektromekan's presence in low-cost countries will become increasingly important.

The company's efforts to improve efficiency and develop new customer relations are top priorities.



The telecommunications sector is a crucial source of customers for Elektromekan.



Elektromekan manufactures mobile media rendering devices for the Norwegian company Spagat. These applications transmit data from computers and mobile telephones to television monitors.



In 2004, Elektromekan received large orders from Kapsch TrafficCom, a manufacturer of payment systems for road tolls.

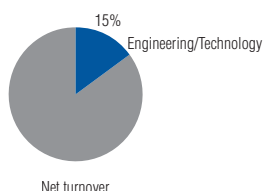
Test/Trials/Trimming > Completed product > Logistics/Distribution > Aftermarket >

Elos Medical

Westergyllen's medical engineering operations are carried out at Elos Medical. Elos Medical has experienced growth far above the average for the market segment as a whole in the past few years.

The company's ambition is to continue pursuing growth. This is to be accomplished by focusing on customers' special requirements and needs as well as through optimal utilisation and enhancement of the company's expertise.

ENGINEERING/TECHNOLOGY BUSINESS AREA



Income statement, SEK m				
	2004	2003	2002	
Net turnover	222.1	191.6	206.8	
Cost of goods sold	-151.0	-142.2	-146.9	
Gross profit	71.1	49.4	59.9	
Marketing and selling expenses	-33.8	-32.6	-31.8	
Administrative expenses	-19.8	-17.8	-16.7	
Other operating income/expense	-0.7	0.2	0.3	
Operating profit/loss	16.8	-0.8	11.7	

Key ratios				
Operating margin, %	7.6	-0.4	5.7	
Return on capital employed, %	12.6	-0.6	9.9	
Capital expenditure, SEK m	29.9	23.9	30.8	
No. of full-time employees	199	225	224	

Elos Medical showed very strong growth in 2004. The volume growth of the past few years continued and amounted to approximately 40 per cent during the year. This means that Elos Medical has strengthened its position as one of the leading Nordic manufacturers of dental and orthopaedic implants and instruments.

The company's role as a commercialization partner for medical engineering companies on the global market has thus been accentuated. One of Elos Medical's competitive factors is its extensive experience in the design and development of medical engineering products and instruments in collaboration with customers.

Elos Medical's customers include the largest and most demanding players in each segment. This means that continued growth hinges upon focused and long-term professional development, comprehensive quality assurance and a wider range of offerings for customers.

The past few years' investments in clean-room processing is one of the explanations behind Elos Medical's successes. The company's expansion of clean-room capacity means that customers can now be offered improved and quality-assured ready to use solutions.

Elos Medical is one of few European companies able to offer customers the entire development chain, from design, production adaptation, production, clean-room processing and sterilisation to the packaged product.

Elos Medical's main product areas

Dental products

Europe is the most important market for the production of dental implants. Manufacturing encompasses everything from individual fixtures to complete systems delivered pre-packaged and ready for use. The demand for dental implants is considerable and, in 2004, investments helped boost capacity.



Elos Medical's market area demands the utmost in expertise and quality.

Trauma

This area consists of fixation products such as plates and screws as well as specially designed surgical instruments for various types of fractures. Here, Elos Medical has some of the largest companies in the industry as customers.

Back, hips and knees

Elos Medical manufactures implants and accompanying instruments in these areas as well as special products for several of the largest customers. Production capacity was increased in 2004, paving the way for more, and larger, jobs.

Other products

Elos Medical also manufactures special products for brain surgery, heart problems, hearing impairments, incontinence, etc.

A growing market

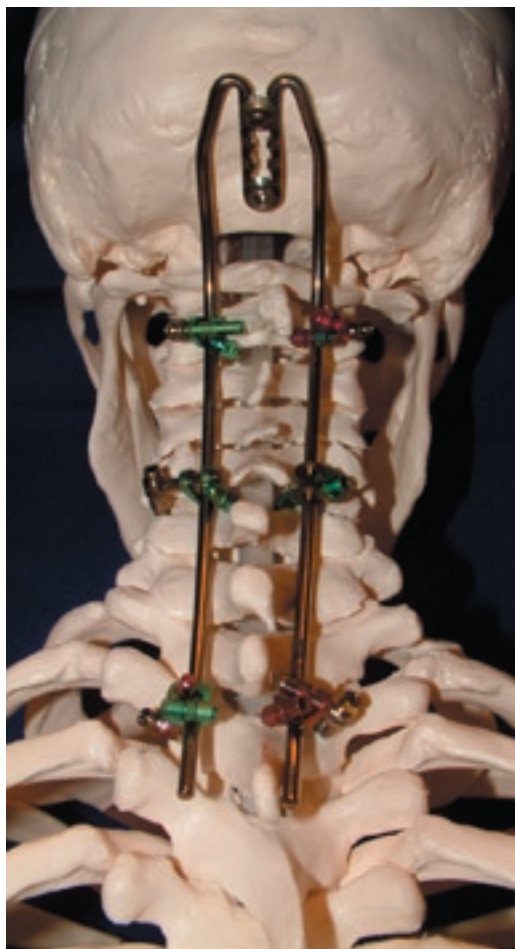
Growth in the segments where Elos Medical's customers are to be found is estimated at 7 to 15 per cent per year. The North American market is the largest, accounting for some 50 per cent of the world market. The fastest growth is currently taking place in Asia, albeit from a relatively low level.

Elos Medical's strengths are its special expertise, its wide range of offerings and quality assurance that permeates all processes. All details of the production process are traceable backwards throughout the production chain.

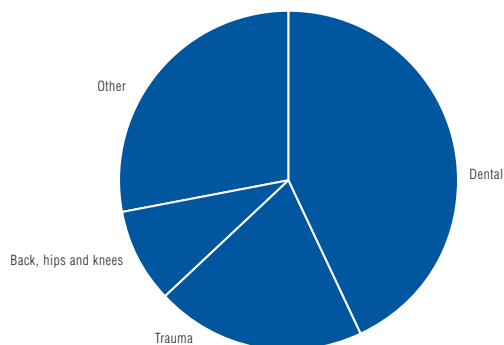
The rapid growth demands a continuing focus on know-how and quality. Professional development is an ongoing process with customers, in the company as well as through international exchange and developments in the science of engineering materials.

Quality assurance is based on solid international standards. The company's operations are certified to ISO 9001 and the EN 13485 medical standard. Elos Medical is also authorised to CE label its orthopaedic and dental products in accordance with the 93/42 EEC medical device directive. On the crucial North American market, Elos Medical operates in accordance with QSR and GMP.

Elos Medical is the only precision engineering company specializing in medical engineering in Sweden. Its competition is global and includes specialised



Elos Medical is a leading Nordic manufacturer of medical implants.



Distribution of Elos Medical's product areas

companies such as Pinol in Denmark, La Precision in France, C & M and Ruetschi in Switzerland, UTI in the USA as well as global medical engineering companies.

Developments during the year

Several customers placed many more orders in 2004, mainly in the dental and trauma product areas.

In order to meet the rising demand, Elos Medical increased its clean-room processing volumes and made several investments to boost capacity, especially for dental and trauma products. Altogether, this gave Elos Medical volume growth of around 50 per cent.

Net turnover in 2004 rose to SEK 75.0 m (52.7 m). Operating profit totalled SEK 9.2 m (0.7 m).

The future

The ambition is continued strong growth. Previous and planned investments to boost capacity should provide the necessary prerequisites to achieve this.

The long-term target is to double the turnover of the year to 150 SEK m per year by 2006. Growth is mainly to be organic, but may also be realised through supplementary acquisitions.

Hemapure

For several years now, Westergyllen has owned shares in Hemapure AB in Uppsala, a medical engineering company that is developing a system to facilitate access to the vascular system for dialysis purposes. Other large shareholders are Industrifonden, the Plena group and the company's founder, Bo G. Danielsson.

In the past few years, the company has completed clinical studies with promising results. Hemapure has now begun the commercialization of the product. The commercialization phase will require additional venture capital.

Elos Precision

Elos Precision manufactures components and products for customers in the engineering and electronics industries. The company is characterised by demands for exacting precision combined with machining of complex materials and alloys. Elos Precision's facilities are located in modern plants in Töreboda and Årjäng, Sweden.

Elos Precision's customers can be found in the electronics, hydraulics and pneumatics, energy, offshore, defence and process industries.

Exacting demands are placed on precision and quality. One unique competitive advantage is the fact that expertise possessed by the sister company Elos Medical – which is also accustomed to exacting precision and quality requirements – can be transferred and adapted to the needs of Elos Precision.

The structural changes carried out in 2003 gave very good results in 2004. The strategy of increasing the focus on customers and market segments matching Elos Precision's know-how was a contributing factor.

Investments to boost capacity were made during the year at both of the company's production units. Satisfactory demand overall resulted in very high capacity utilisation.

Close collaboration with customers

The company's collaboration with Siemens Industrial Turbomachinery was deepened and enhanced during the year. Elos Precision delivers turbine blades, compressor guide vanes and heat shields for Siemens gas turbines.

For many years now, Elos Precision has collaborated with several Saab divisions in the defence industry. Crucial

components of weapon systems demand the utmost in precision and quality.

Elos Precision has nearly 20 years of experience from delivering precision engineering components to the telecommunications industry when it comes to both volume products and short-series components. Elos Precision supplies sister company Elektromekan with components for inclusion in circuit boards for mobile telephone batteries. Orders from Elektromekan were behind much of the rise in turnover during the year.

Elos Precision's strengths include production quality throughout all processes and high precision finished products. The company also offers expertise and extensive experience to help customers launch the commercialization process, from design and development to the finished product.

Elos Precision's two production units are housed in modern facilities in Töreboda and Årjäng. The Töreboda unit is specialised in turning and metal stamping. The Årjäng unit focuses on milling, spark erosion, grinding and tool manufacture.

The company's main competitors in Sweden include Ekets Mekaniska, Willo and Exir.

Developments during the year

Elos Precision grew alongside its customers during the year, for example through its fruitful collaboration with Siemens. The company also gained many new customers, mainly in the electronics and offshore industries.

Capacity utilisation was very high during the year and turnover rose by 29 per cent to SEK 73.0 m (56.8 m). Operating profit totalled SEK 8.9 m (loss of 2.7 m).

The future

Additional investments will be made in 2005 to boost capacity. Other priority areas include the development of customer structure in addition to quality assurance during production.

Altogether, these measures will enhance Elos Precision's offerings.



Elos Precision delivers parts used for Siemens gas turbines.



Laser-based systems for axial alignment are among Fixturlaser's main products.

Fixturlaser

Fixturlaser develops, markets and sells laser-based systems for the alignment and positioning of machines and machine components. The company's main customers are in the process, power and petrochemical industries.

Fixturlaser is a market leader in the axial alignment segment with a market share of over 30 per cent. Customers are located around the globe, but the European and US markets account for more than 50 per cent of sales.

Fixturlaser has worked with laser-based systems since 1980 and has since then developed a wide range of systems for alignment and positioning. The platform is designed for fast, easy and accurate measurement, alignment and documentation.

The launch of a wide range of new products, begun in 2003, continued in 2004. These include products for geometric measurement, such as flatness and parallelism.

However, the introduction of new products and new technology has not yet made a full impact on the market. Demand fell slightly in 2004, which is why the company's costs were gradually adapted to lower volumes.

Additional focus on major customers

Fixturlaser has good long-term market potential. Awareness is increasing in industry about the importance of preventive maintenance to avoid stoppages. Fixturlaser has a solid reputation based on its applications expertise, technical development and understanding of customers' practical needs.

Development takes place in collaboration with several leading manufacturers and customers in various technological fields and markets. This results in unique know-how and experience serving as a platform for the develop-

ment of standard systems that are technically and commercially interesting to a wide range of customers.

Fixturlaser's most advanced systems are marketed under its own brand. Some products are sold by major industrial customers under their own name (private label). Additional investments in private labels are likely in 2005, directed at companies with additional distribution networks.

Fixturlaser has an extensive network of select sub-contractors who supply the company with all the components needed for its products. All assembly crucial to quality and functioning in addition to final quality control are handled by Fixturlaser.

Main competitors include Prüftechnik in Germany and Damalini in Sweden.

Developments during the year

Turnover fell slightly during the year, partly because new products did not make the desired impact on the market. To deal with this situation, the company has adapted its capacity and costs to the prevailing market climate. The costs of the adaptation reduced earnings for 2004.

Turnover amounted to SEK 60.0 m (60.8 m). The operating loss totalled SEK 0.9 m (profit of 1.6 m).

The future

In 2005, Fixturlaser will increase its marketing efforts directed at certain major customers, combined with a continued focus on quality issues.

Employees

The performance of Westergyllen employees is of crucial importance to the achievement of our goals for earnings, quality and service.

Our employees' expertise, motivation and commitment are decisive to the Group's success.

Westergyllen Business School

Westergyllen Business School (WBS) is a tailored internal training programme offered by the Group. The programme is intended for employees and managers of subsidiaries. Its aim is to support them in their current role, but also provide inspiration for new tasks in the Group. The programme consists of six modules, with each level taking two days.

The various modules cover one's own leadership style, finances, economics, management by objectives, change management, situational leadership, project methods and market factors.

Participants are also expected to spend some time on personal studies. The first WBS programme was held between 2001 and 2002. A new training programme was begun in 2004 involving nearly 20 participants. This programme will end in autumn 2005.

Professional development

Continuous professional development permeates all levels of the Westergyllen Group. Planning and decisions regarding content, methods and goals are the responsibility of each subsidiary. Programmes can consist of everything from one-day seminars to extensive courses. Professional development can also take place in project form. Involvement by all divisions of subsidiaries and the effectiveness of professional development are the responsibility of the companies' upper management.



Westergyllen's success hinges upon its employees' professional development. Work environment issues are an important part of daily operations and long-term planning.

The environment

Environmental work is an important component of the Group's daily operations. Westergyllen's overall goal is for the certification of all major divisions of the Group to ISO 14000.

Environmental policy

Westergyllen's environmental policy has been summarized in six items:

- Legislation and regulations are to be adhered to. Specific requirements are to be fulfilled and preferably exceeded.
- We are to initiate and develop methods and approaches to conserve resources, prevent pollution and minimize the overall environmental impact of our operations and products.
- We are to consider new approaches for the improvement of our working environment to minimize risks that can lead to accidents and pollution.
- Upper management is to assure that this policy is observed and followed up by all divisions of the Group. This is to take place through the active provision of information, training, assessments and reporting of environmental targets.
- We encourage transparency and communication of our policy, measures and results.
- We apply this policy during business negotiations and encourage our suppliers and partners to work in accordance with it.

Consolidated income statement

SEK 000s	2004	2003
Net turnover	1,467,419	1,229,959
Cost of goods sold	-1,197,483	-1,017,073
Gross profit/loss	269,936	212,886
Marketing and selling expenses	-127,844	-128,124
Administrative expenses	-79,068	-70,927
Other operating income	2,781	740
Other operating expense	-10,926	-5,416
Operating profit	54,879	9,159
<i>Result from financial investments</i>		
Result from other securities and receivables accounted for as fixed assets	-74	116
Other interest income and similar profit/loss items	778	687
Other interest expense and similar items	-12,843	-15,301
Profit/loss after financial items	42,740	-5,339
Tax on profit for the year	-15,838	-1,545
Minority interests	13	-41
Net profit/loss for the year	26,915	-6,925
Earnings/loss per share (SEK)	9.73	-2.50

Conversion of outstanding debenture loan and exercise of outstanding warrants have not given rise to a dilution effect.

Consolidated balance sheet

SEK 000s

31 Dec. 2004

31 Dec. 2003

ASSETS

Fixed assets

Intangible assets

Capitalized expenditure for development	5,930	7,572
Goodwill	6,398	10,561
Other intangible assets	271	97
	12,599	18,230

Tangible assets

Land and buildings	66,123	72,555
Plant and machinery	106,415	106,331
Equipment, tools, fixtures and fittings	28,187	31,416
	200,725	210,302

Financial assets

Participations in associated companies	45	45
Other shares and participations	10,860	10,070
Long-term receivables	1,564	2,573
	12,469	12,688

Total fixed assets	225,793	241,220
---------------------------	----------------	---------

Current assets

Inventories etc.

Raw materials and consumables	78,314	74,829
Products in progress	33,537	30,509
Finished products	33,713	25,261
Development property	101,383	109,118
	246,947	239,717

Current receivables

Accounts receivable	133,624	112,299
Tax receivable	241	1,044
Accrued income not yet invoiced	32,033	44,730
Other receivables	18,192	7,820
Prepaid expenses and accrued income	12,110	10,492
	196,200	176,385

Cash and bank balances	63,140	27,675
------------------------	--------	--------

Total current assets	506,287	443,777
-----------------------------	----------------	---------

TOTAL ASSETS	732,080	684,997
---------------------	----------------	---------

Consolidated balance sheet

SEK 000s

31 Dec. 2004

31 Dec. 2003

EQUITY AND LIABILITIES

Equity

Restricted equity

Share capital	34,563	34,563
Restricted reserves	37,635	39,828
	72,198	74,391

Non-restricted equity

Non-restricted reserves	77,299	82,028
Profit/loss for the year	26,915	-6,925
	104,214	75,103

Total equity	176,412	149,494
---------------------	----------------	---------

Minority interests	711	724
---------------------------	------------	-----

Provisions

Provisions for pensions	27,293	24,276
Deferred tax liability	23,140	15,636
Other provisions	2,872	2,057
Total provisions	53,305	41,969

Long-term liabilities

Long-term interest-bearing liabilities	182,466	214,990
Total long-term liabilities	182,466	214,990

Current liabilities

Bank overdraft	-	4,674
Loan stock	-	4,571
Other interest-bearing liabilities	36,940	42,975
Advance payments from customers	10,192	8,347
Accounts payable - trade	147,062	124,937
Income tax liability	4,811	195
Invoiced but not accrued income	21,743	13,982
Other liabilities	21,244	15,547
Accrued expenses and deferred income	77,194	62,592

Total current liabilities	319,186	277,820
----------------------------------	----------------	---------

TOTAL EQUITY AND LIABILITIES	732,080	684,997
-------------------------------------	----------------	---------

PLEDGED ASSETS	542,070	523,595
-----------------------	----------------	---------

CONTINGENT LIABILITIES	64,611	39,285
-------------------------------	---------------	--------

Consolidated cash flow statement

SEK 000s	2004	2003
Operating activities		
Profit/loss after financial items	42,740	-5,339
Adjustments for non-cash items	54,397	55,819
	97,137	50,480
Income tax paid	-2,877	-965
Cash flow from operating activities before working capital changes	94,260	49,515
<i>Cash flow from working capital changes</i>		
Increase in inventories	-10,209	-2,836
Increase/decrease in operating liabilities	-19,457	5,363
Increase in operating liabilities	54,838	5,825
Cash flow from operating activities	119,432	57,867
Investing activities		
Investments in shares and participations	-	-1,500
Investments in other fixed assets	-25,562	-22,030
Increase in long-term receivables	-4,031	-1,680
Sale of subsidiaries	4,275	-
Sale of other fixed assets	1,821	234
Cash flow from investing activities	-23,497	-24,976
Financing activities		
Decrease in interest-bearing liabilities	-60,310	-35,697
Dividends paid	-	-
Cash flow from financing activities	-60,310	-35,697
Cash flow for the year	35,625	-2,806
Cash and cash equivalents at the beginning of the year	27,675	30,657
Exchange rate differences in cash and cash equivalents	-160	-176
Cash and cash equivalents at the end of the year	63,140	27,675

Audit Report

*To the general meeting of the shareholders
of AB Westergyllen (publ)
Corporate identity number 556021-9650*

We have audited the annual accounts, the consolidated accounts, the accounting records and the administration of the board of directors and the managing director of AB Westergyllen (publ) for the year 2004. These accounts and the administration of the company and the application of the Annual Accounts Act when preparing the annual accounts and the consolidated accounts are the responsibility of the board of directors and the managing director. Our responsibility is to express an opinion on the annual accounts, the consolidated accounts and the administration based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in Sweden. Those standards require that we plan and perform the audit to obtain reasonable assurance that the annual accounts and the consolidated accounts are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the accounts. An audit also includes assessing the accounting principles used and their application by the board of directors and the managing director and significant estimates made by the board of directors and the managing director when preparing the annual accounts and consolidated accounts as well as evaluating the overall presentation of information in the annual accounts and the consolidated accounts. As a basis

for our opinion concerning discharge from liability, we examined significant decisions, actions taken and circumstances of the company in order to be able to determine the liability, if any, to the company of any board member or the managing director. We also examined whether any board member or the managing director has, in any other way, acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association. We believe that our audit provides a reasonable basis for our opinion set out below.

The annual accounts and the consolidated accounts have been prepared in accordance with the Annual Accounts Act and, thereby, give a true and fair view of the company's and the group's financial position and results of operations in accordance with generally accepted accounting principles in Sweden. The statutory administration report is consistent with the other parts of the Annual Accounts and the consolidated accounts.

We recommend to the general meeting of the shareholders that the income statements and balance sheets of the parent company and the group be adopted, that the profit of the parent company be dealt with in accordance with the proposal in the administration report and that the members of the board of directors and the managing director be discharged from liability for the financial year.

Göteborg February 28, 2005

Ernst & Young AB

Björn Grundvall

Authorized Public Accountant

Board of directors, senior management and auditor

Members

Sture Öster

Lidköping, born 1937.
Chairman. Member since 1981.
Member of the boards of several Group companies.
Chairman of Hemapure AB.
Member of the Chamber of Commerce and Industry of western Sweden.
Shareholding: 189,413 Series A shares, 81,180 Series B shares including family and via companies.



Sture Öster

Agneta Bengtsson Runmarker

Stockholm, born 1960.
Member since 2003. Counsellor at the Swedish Data Inspection Board.
Shareholding: 7,300 Series B shares including family.



Agneta Bengtsson Runmarker

Stig-Arne Blom

Ulricehamn, born 1948.
Member since 2002.
President of IRO AB. Chairman of Borås Wärfveri AB.
Board member of Atlet AB, Pulsen AB, Broström AB and other companies.
Shareholding: 100 Series B shares.



Stig-Arne Blom

Göran Brorsson

Lidköping, born 1952.
President and CEO. Employed in 2000.
Chairman of Group subsidiaries.
Chairman of Gentswear AB and SystemSeparation Sweden Holding AB.
Shareholding: 15,000 Series B shares, 10,000 options.



Mats Johansson

Mats Johansson

Göteborg, born 1944.
Employee representative for PTK. Member since 1982.

Stig Malm

Göteborg, born 1954.
Employee representative for LO. Member since 1995.
Shareholding: 400 Series B shares.



Stig Malm

Lennart Mårtensson

Husvarna, born 1946.
Member since 2000. Chairman of Flexi Ice AB.
Board member of Elos Medical AB, Elos Precision AB, Protolab AB and other companies.
Shareholding: 200 Series B shares.



Lennart Mårtensson

Richard Persson

Vänersborg, born 1937.
Member since 1999. Chairman of VBG AB (publ).
Board member of Elos Medical AB and Elos Precision AB.
Shareholding: 1,000 Series B shares.

Lars Spongberg

Stockholm, born 1945.
Member since 2003. Partner, Nordic Capital.
Board member of Munters AB, Addtech AB, Fixturlaser AB, Skyways Holding AB, Intervallor AB and other companies.

Deputy members

Sven-Olof Hermansson

Göteborg, born 1946.
Employee representative for PTK. Member since 1985.

Bo Nilsson

Lidköping, born 1938.
Member since 1982. Shareholding: 130,440 Series A shares, 80,340 Series B shares including family.



Richard Persson



Lars Spongberg



Sven-Olof Hermansson



Bo Nilsson



Göran Brorsson



Claes Hansson

Group management

Göran Brorsson

Lidköping, born 1952.
President and CEO. Employed in 2000.
Chairman of Group subsidiaries. Chairman of Gentswear AB and SystemSeparation Sweden Holding AB.
Shareholding: 15,000 Series B shares, 10,000 options.

Claes Hansson

Lidköping, born 1957.
CFO. Employed in 1984.
Chairman of RNB Retail and Brands AB.
Board member of Ferrocon AB.
Shareholding: 5,000 Series B shares, 5,000 options.

Auditor

Ernst & Young AB

Head auditor

Björn Grundvall

Gothenburg, born 1955.
Authorized Public Accountant, Ernst & Young AB, Gothenburg.
Westergyllen's auditor since 2003.

Presidents of subsidiary companies

Elektromekan i Ärjäng AB

Johan Halling
Särö, born 1963.
Employed in 2005.

Elos Medical AB

Kjell-Erik Johansson
Götene, born 1954.
Employed in 1999.

Elos Precision AB

Christer Alm
Hjo, born 1953.
Employed in 2004.

Fixturlaser AB

Hans Svensson
Mölnlycke, born 1960.
Employed in 1995.

Forshemgruppen AB

Sören Larsson
Lidköping, born 1965.
Employed in 2003.

Ten-year summary

Income statement. SEK M		2004	2003	2002	2001	2000	1999	1998	1997	1996	1995
Net turnover	SEK M	1,467.4	1,230.0	1,251.1	1,388.2	1,850.8	1,067.6	920.0	753.2	710.8	482.2
Operating profit	SEK M	54.9	9.2	2.3	-11.3	62.1	2.0	45.1	35.1	23.4	27.8
Net financial items	SEK M	-12.2	-14.5	-18.1	-24.2	-21.5	-37.8	-13.7	-0.6	-5.9	6.7
Profit/loss after financial items	SEK M	42.7	-5.3	-15.8	-35.5	40.6	-35.8	31.4	34.5	17.5	34.5
Tax on profit for the year	SEK M	-15.8	-1.6	2.8	8.1	-14.4	10.7	-6.0	-12.7	-5.5	-5.7
Net profit/loss for the year	SEK M	26.9	-6.9	-13.0	-27.4	26.2	-25.2	25.3	21.6	7.0	28.7
Balance sheet items											
Fixed assets	SEK M	225.8	241.2	254.7	266.1	273.9	301.1	270.5	270.3	245.7	173.8
Current receivables and inventories	SEK M	443.2	416.1	419.0	456.8	623.9	426.8	334.8	300.7	229.7	162.1
Cash and cash equivalents	SEK M	63.1	27.7	30.7	8.1	11.0	7.6	10.5	12.0	23.1	22.1
Total assets	SEK M	732.1	685.0	704.4	731.0	908.8	735.5	615.8	583.0	498.5	358.0
Equity	SEK M	176.4	149.5	157.8	170.9	196.0	175.1	210.0	193.7	180.4	173.8
Minority interests	SEK M	0.7	0.7	0.7	0.8	0.8	0.8	0.7	0.7	0.5	0.5
Provisions	SEK M	53.3	42.0	35.7	35.2	38.8	28.0	35.8	35.3	33.9	31.5
Long-term liabilities	SEK M	182.5	215.0	258.7	292.1	302.8	242.9	215.6	168.9	130.2	82.5
Current liabilities	SEK M	319.2	277.8	251.5	232.0	370.4	288.7	153.7	184.4	153.5	69.7
Total equity and liabilities	SEK M	732.1	685.0	704.4	731.0	908.8	735.5	615.8	583.0	498.5	358.0
Cash flow											
Cash flow from operating activities	SEK M	119.4	57.9	96.3	52.3	-51.6	57.4	-8.4	-10.8	53.5	11.4
Cash flow after investing activities	SEK M	95.9	32.9	57.1	24.1	-40.5	-14.9	-43.5	-41.1	-32.1	-3.6
Key figures											
Risk-bearing capital	SEK M	200.3	165.9	173.3	189.4	219.4	192.0	236.8	221.0	205.8	196.8
Share of risk-bearing capital	%	27.4	24.2	24.6	25.9	24.1	26.1	38.5	37.9	41.3	55.0
Equity/assets ratio	%	24.1	21.8	22.4	23.4	21.6	23.8	34.1	33.2	36.2	48.5
Return on capital employed	%	12.9	2.2	1.0	-1.8	12.8	-4.6	10.8	12.5	9.7	17.6
Return on shareholders' equity	%	16.5	-4.5	-7.9	-14.9	13.8	-13.1	12.5	11.5	4.0	17.6
Interest-coverage ratio	times	4.3	0.7	0.2	neg	2.7	neg	3.0	4.5	2.9	4.6
Net indebtedness	SEK M	183.6	263.8	279.0	327.1	338.2	272.3	231.5	192.3	118.9	71.3
Debt/equity ratio	times	1.0	1.7	1.8	1.9	1.7	1.6	1.1	1.0	0.7	0.4
Capital expenditure	SEK M	44.2	35.8	44.9	38.8	69.4	73.3	51.4	46.1	41.9	25.5
Average number of employees		745	693	707	823	990	773	696	654	598	398

Definitions of key figures

Risk-bearing capital

Sum total of reported shareholders' equity, minority interests and deferred tax liabilities.

Share of risk-bearing capital

Risk-bearing capital in relation to total assets.

Equity/assets ratio

Shareholders' equity in relation to total assets.

Return on capital employed

Profit after financial items plus financial expenses in relation to average capital employed.

Capital employed

Total assets less interest-free liabilities including deferred tax liabilities.

Return on shareholders' equity

Net profit in relation to average shareholders' equity.

Interest-coverage ratio

Profit after financial items plus financial expense divided by financial expense.

Net indebtedness

Interest-bearing liabilities less liquid assets.

Debt/equity ratio

Net indebtedness divided by shareholders' equity.

Addresses

Parent Company

AB Westergyllen
P.O. Box 17
SE- 533 21 Götene
Visiting address: Kraftgatan 1
Telephone: +46-511-34 53 00
Fax: +46-511-34 53 12
information@westergyllen.se
www.westergyllen.se

Subsidiary Companies

Forshemgruppen AB
P.O. Box 17
SE- 533 21 Götene
Visiting address: Kraftgatan 1
Telephone: +46-511-34 53 60
Fax: +46-511-34 53 10
info@forshemgruppen.se

Götenehus AB
P.O. Box 17
SE- 533 21 Götene
Visiting address: Kraftgatan 1
Telephone: +46-511-34 56 00
Fax: +46-511-34 56 90
info@gotenehus.se
www.gotenehus.se

Sjödalshus AB
P.O. Box 27
SE- 540 16 Timmersdala
Visiting address: Stensnäs vägen
Telephone: +46-511-34 69 00
Fax: +46-511-810 34
info@sjhus.se
www.sjodalshus.se

Elektromekan i Årjäng AB
P.O. Box 904
SE- 672 29 Årjäng
Visiting address: Brännaregatan 3
Telephone: +46-573-143 00
Fax: +46-573-121 50
info@elektromekan.se
www.elektromekan.se

Elos Medical AB
P.O. Box 45
SE- 540 16 Timmersdala
Visiting address: Bäckedalsvägen 5
Telephone: +46-511-44 06 00
Fax: +46-511-44 06 90
medical@elos.se
www.elos.se

Elos Precision AB - Töreboda
P.O. Box 93
SE- 545 22 Töreboda
Visiting address: Verkstadsgatan 2
Telephone: +46-506-184 00
Fax: +46-506-184 29
precision@elos.se
www.elos.se

Elos Precision AB - Årjäng
P.O. Box 34
SE- 672 21 Årjäng
Visiting address: Industrigatan 8
Telephone: +46-573-395 00
Fax: +46-573-71 13 72
precision@elos.se
www.elos.se

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



AB Westergyllen (publ)
P.O. Box 17, SE-533 21 Götene, Sweden
Telephone: +46 511-34 53 00
Fax: +46 511-34 53 12
www.westergyllen.se