

Pressrelease

Westergyllen's subsidiary Elos Medical increases production capacity by approximately SEK 17 million to meet increased demand

Westergyllen's new strategic direction – focusing on medical technology and precision mechanics following the spin-off of its single-family home operations – is being strengthened through efforts in the area of medical technology aimed at enhancing the company's market position.

Over the past few years, Elos Medical in Timmersdala, Sweden has invested in increased industrial capacity to meet increasingly higher demand from the international market for medical technology. Growth has been strongest within the dental market. Production and office facilities are now being used to capacity and new construction is necessary for additional expansion. Westergyllen's Board has decided to invest approximately SEK 17 million to enlarge production facilities by about 1,400 square meters and office space by about 300 square meters. Construction will start shortly and the new facilities are expected to be ready for use following the summer of 2007.

"An enlargement of facilities is necessary insofar as demand for both dental and orthopaedic products is expected to increase dramatically in the years ahead. We must have the possibility to increase our manufacturing capacity to meet specific demands from our clients," says Kjell-Erik Johansson, President of Elos Medical. "Our clients are happy with our integrated 'Complete Performance' business concept, which is all-encompassing and competitive in the marketplace. This means that we can assist our clients with development/design, producing prototypes, CE-marking, series production and clean-room packaging."

Westergyllen acquired Pinol A/S in Denmark slightly more than one year ago as an element of its focus on medical technology within the Group. To further strengthen the Group's positions within the international market for medical technology, the coordination of Elos Medical's and Pinol's operations is in progress. The Westergyllen Group is today one of the leading European providers of precision-mechanical products to the medical device market.

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Westergyllen's main operations encompass the manufacture and marketing of products for industry in the business areas Medical Technique, Industrial Technique and Electronics. For additional information, visit "www.westergyllen.se".