



OEM INTERNATIONAL

Financial report January – March 2001

- Profit increased by 4 % to 36,5 SEK million (35,3)
- Turnover increased by 31 % to 568,5 SEK million (432,8)
- Order bookings increased by 32 % to 582,4 SEK million (440,6)
- Earnings per share after estimated tax increased by 19% to SEK 3:44 (2:90)
- Turnover outside Sweden increased by 12 %
- The acquisition of Ernström Hydraulik has had a positive development and the first quarter contributed a turnover of 45,2 SEK million
- Considering the uncertainty in the telecom sector the prognosis for the whole year is expected to be on a level with last year

Managing Directors review

Our long-term goal is an annual growth of 15 %. Over the last five years the company has achieved an average increase in profit after net financial items by 22,6 % per year.

The turnover of the Group increased during the first quarter by 31 % to 568,5 SEK million and the profit after net financial items increased by 4 % to 36,5 SEK million.

For the divisions OEM Industrial Components and OEM EPT the outcome is according to plan. The figures for OEM Systemteknik, however, have decreased owing to the reductions in the telecom sector.

In OEM EPT and OEM Systemteknik production machines and systems for the telecom sector makes out an important part of the turnover. OEM EPT supplies equipment for mobile systems as well as for the production of mobile phones in Sweden and Finland. OEM Systemteknik has mainly supplied equipment for the Swedish mobile phone production. The reduced demand in this sector leads to our looking for new customer applications.

The inflow of new customers to OEM Industrial Components is continuously good and the growth in turnover was 48 % the first quarter. From this growth half originates from acquired companies and the other half is organic growth.

Our expectations for the whole year is profit on a level with last year.

OEM International's policy is to amortise goodwill over a five-year period. The figures for the first quarter 2001 have been debited with 7,1 SEK million (7,2) for depreciation of goodwill.

Equity/assets ratio per March 31st 2001 was 41,1 % (51,1).

The share buy-back programme that was authorised by the annual general meeting has improved our capital structure and made a positive contribution to the return on equity and earnings per share. Per March 22nd 2001 we have bought back a total of 781 500 shares at an average price of SEK 127:09, in other words 8,57 % of the shares in issue. The general meeting authorised the board to buy back up to 10 % of the company's shares, which would be 911.370 shares.

SUMMARY JANUARY - MARCH 2001

Turnover and profit

Total turnover of the Group during the first quarter of 2001 amounted to 568,5 SEK million (432,8) and the profit amounted to 36,5 SEK million (35,3).

The turnover outside Sweden amounted to 165,0 SEK million (146,9).

Accounting principles

The Group use the same accounting principles and the same calculation methods as in the latest Annual report.

Inflow of orders and orderbook

Incoming orders for the Group during the first quarter amounted to 582,4 SEK million (440,6). The orderbook value, at 31st March 2001, was 454,1 SEK million (311,9).

Investments

Net investments of the Group in fixed assets during the period amounted to 16,1 SEK million (-0,4).

Equity/assets ratio

Liquid assets, consisting of cash and bank balances with the adding of granted but not exploited credits, amounted at 31st March 2001 to 231,4 SEK million. The corresponding amount at the turn of the year was 167,7 SEK million.

Personnel

The total number of employees during the first quarter 2001 was 773 persons (627).

Prognosis for the whole year

The prognosis for the whole year is an expected profit on a level with last year.

Next report

A financial report for the period January-June is published on 3rd August 2001.

DIVISIONS

OEM Industrial Components

The division markets components for industrial automation in the groups Automation, Electronics, Mechanics, Hydraulics and Europe.

The turnover during the first quarter amounted to 363,5 SEK million (245,8) and the profit to 30,1 SEK million (23,3), an increase by 48 and 29 percent respectively. From the growth in turnover half originates from acquired companies and the other half from organic growth.

The Group has a continued positive development. The Swedish companies still generate the bigger part of the growth.

The acquisition of Ernström Hydraulik has so far fulfilled our expectations and they contribute to the positive profit development.

The companies in group Electronics have a further positive development. The growth during the first quarter was 38 %.

Order bookings during the first quarter amounted to 390,5 SEK million, an increase by 38% in comparison with corresponding period in 2000.

The demand for the products of the division is still strong, however with a certain weakening on the telecom side.

OEM Systemteknik

The division OEM Systemteknik AB is divided in two groups; Industrial automation and I.T.

Group Industrial automation, which is responsible for approx. 80% of the turnover of the division, supplies customized production equipment, often based on industrial robots, mainly to the telecom and pharmaceutical industries.

Group I.T. market products and services in computer security and communication.

The turnover during the first quarter amounted to 58,3 SEK million (98,4) and the profit amounted to -3,6 SEK million (6,0).

Order bookings during the first quarter amounted to 54,8 SEK million (64,5).

The changes in the manufacture of mobile phones at Ericsson has lead to substantial decrease in the order booking and covering of Jubo Mechatronics. The company, which was the most profitable in the division during last year, now risk a decrease in profit the size of 20 SEK million. Activities are in progress to obtain new projects. These activities will, however, not be in time to cover the drop by Ericsson during this year.

Other companies were developed according to plan.

OEM Electronic Production Technology

The companies in the division OEM EPT market machine equipment, systems and insertion material for the production and test of printed circuit boards and micro electronics in the Nordic market. A considerable part of the turnover originates from the telecom industry.

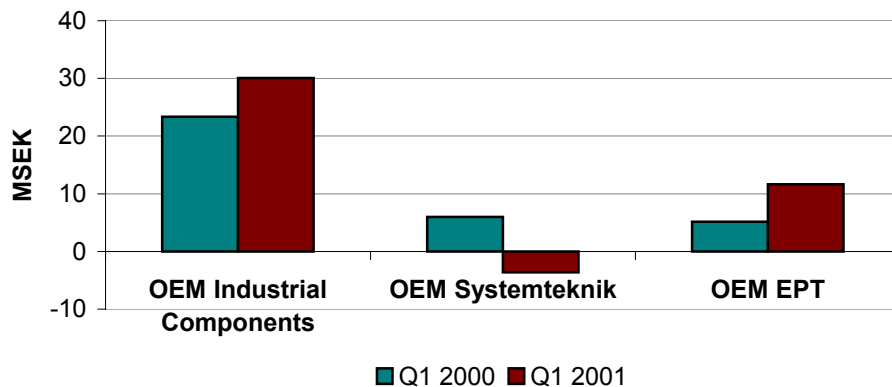
The turnover during the first quarter amounted to 147,9 SEK million (89,8) and the profit amounted to 11,6 SEK million (5,1).

Order bookings the first quarter amounted to 138,4 SEK million (94,6).

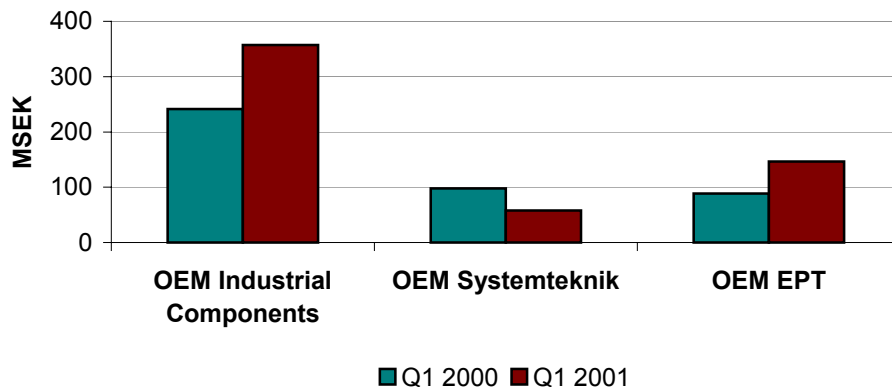
The Swedish and the Finnish company in the division have had a strong first quarter.

Since the main part of the turnover of the companies consist of production machinery, where singular orders can amount to very big sums in comparison with the totality, it is natural to have large variances between different quarters.

Profit per division



Turnover per division



THIS IS OEM INTERNATIONAL AB

OEM International with head office in i Tranås owns and develops companies that market components and systems for industrial automation in Europe.

The Group consist of 28 operating companies in eight countries. Turnover in 2000 was 1.967,4 SEK million with profits of 148,3 SEK million. The number of employees in the Group in 2000 amounted to 676 persons. OEM International aims to reach a good return on equity with limited financial risks, while undergoing a strong and stable growth. The long-term targets are:

- **15 % annual growth**
- **20 % return on equity**
- **35 % equity/assets ratio**

Since 1983 the company has been listed at the O-list at the Stockholm stock exchange. Market value on 31st December 2000 was 1.176 SEK million.

Simply put OEM serves as an alternative to the manufacturer's local subsidiaries and hence has a responsibility for marketing and sales of the products that the company deals in. The company has no production of it's own, but in the division OEM Systemteknik, customized equipment is produced, for instance robot lines and other complex systems.

OEM International offer it's customers a substantial know-how and a broad range of components and systems.

The manufacturers OEM represents are offered a strong position in each local market. Through this, added value is created for the customer as well as the supplier. This added value is the "raison d'être" for OEM and the basis for a continous profitable expansion.

You'll find more information about OEM at our website www.oem.se

PROFIT AND LOSS ACCOUNT (SEK million)

	Jan-March 2001	Jan-Mar 2000	Q 4 2000	Q 3 2000	Q 2 2000	Rolling 12 months	Whole year 2000
Net turnover	568,5	432,8	604,0	487,5	443,1	2103,1	1.967,4
Operating cost	-516,2	- 384,9	- 549,9	- 429,3	- 399,0	-1894,4	- 1.763,1
Items affecting comparability	-	-	9,0	6,9	-	15,9	15,9
Depreciations acc to plan	-15,0	- 13,4	- 15,6	- 13,7	- 12,9	-57,2	- 55,6
Operating profit	37,3	34,5	47,5	51,4	31,2	167,4	164,6
Shares in ass. companies	0,6	0,5	0,3	- 0,1	0,5	1,3	1,2
Net interest income/expense	-1,4	0,3	- 0,8	- 0,2	- 0,9	-3,3	- 1,6
Profit before tax	36,5	35,3	47,0	51,1	30,8	165,4	164,2
Tax	-7,8	- 8,8	- 8,1	- 10,3	- 7,8	-34,0	- 35,0
Profit	28,7	26,5	38,9	40,8	23,0	131,4	129,2

BALANCE SHEET (SEK million)

	2001-03-31	2000-03-31	2000-12-31
Assets			
Immaterial fixed assets	76,5	78,4	83,2
Tangible fixed assets	195,2	148,4	184,0
Financial fixed assets	23,5	9,4	23,0
Inventories	347,4	228,0	328,1
Short-term receivables	376,8	302,0	430,5
Cash and bank deposits	160,7	158,1	113,1
Equity, allocations and debts			
Equity *	484,9	472,7	492,1
Allocations	48,6	41,7	48,1
Long-term liabilities	250,4	95,8	233,7
Current liabilities	396,2	314,1	388,0
Balance sheet total	1180,1	924,3	1161,9

***) Change of equity**

At the beginning of the year	492,1
Profit of the period	28,7
Buy-back of shares	- 41,7
Translation difference of the period	+ 5,8
At the end of the period	484,9

CASH FLOW ANALYSIS (SEK million)

	Jan-March 2001	Jan-Mar 2000	Q 4 2000	Q 3 2000	Q 2 2000	Rolling 12 months	Whole year 2000
Cash flow from operating business	39,8	39,3	70,6	55,8	29,4	195,6	195,1
Adjustment of working capital	46,0	- 28,5	- 33,0	- 58,1	- 26,1	- 71,2	- 145,7
Cash flow before investments	85,8	10,8	37,6	- 2,3	3,3	124,4	49,4
Investments	- 19,2	0,4	- 38,2	- 44,6	- 6,7	- 108,7	- 89,1
Cash flow after investments	66,6	11,2	- 0,6	- 46,9	- 3,4	15,7	- 39,7
Cash flow from financial operations	- 25,0	- 0,6	6,0	26,9	- 29,0	- 21,1	3,3
Cash flow	41,6	10,6	5,4	- 20,0	- 32,4	- 5,4	- 36,4

KEY RATIOS

	Jan-March 2001	Jan-Mar 2000	Q 4 2000	Q 3 2000	Q 2 2000	Rolling 12 months	Whole year 2000
Return on capital employed, %	5,9	5,8	8,2	8,7	4,9	27,4	27,4
Return on operational capital employed, % *)	5,5	6,6	6,0	7,7	5,6	24,2	24,3
Return on operational capital employed, %	5,5	6,6	7,3	8,8	5,6	26,6	26,8
Return on total assets, % *)	3,4	4,0	3,7	4,8	3,5	15,0	14,8
Return on total assets, %	3,4	4,0	4,5	5,5	3,5	16,5	16,3
Equity/assets ratio %	41,1	51,1					42,4
Earnings per share, SEK *) **)	3:44	2:90	3:75	4:04	2:53	14:40	13:60
Earnings per share, SEK **)	3:44	2:90	4:50	4:60	2:53	15:77	14:92
Equity per share, SEK	58:20	51:87					56:84
Operating margin, % *)	6,6	8,0	6,4	9,1	7,0	7,2	7,6
Increase turnover, %						18,3	10,4
Increase profit, %						55,7	56,8

*) Excl items affecting comparability

**) Key ratios calculated on basis of actual number of shares on the market. Per 31st March 8.332.203 shares.

Tranås the 26th of April 2001

OEM INTERNATIONAL AB (PUBL)

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This report has not been reviewed by the company auditor.

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