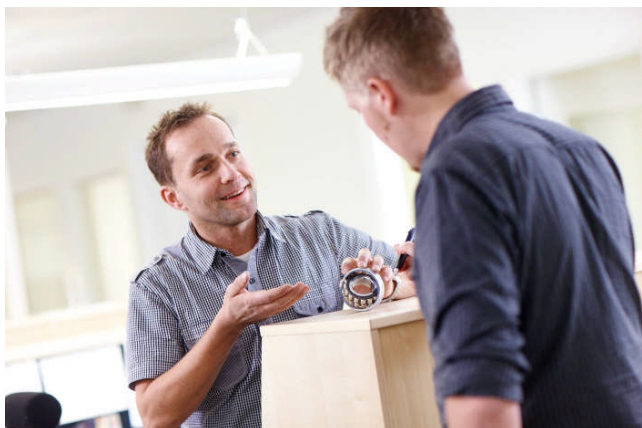




Financial statement OEM International

Annual Earnings 2010

Q1 Q2 Q3 **Q4**



FOURTH QUARTER 2010

- Incoming orders increased by 22% to SEK 390 million (319)
- Net sales increased by 24% to SEK 392 million (315)
- Profit before tax increased by 83% to SEK 36 million (20)

FULL YEAR 2010

- Incoming orders increased by 22% to SEK 1,468 million (1,199)
- Net sales increased by 15% to SEK 1,430 million (1,240)
- Profit before tax increased by 86% to SEK 136 million (73)
- Profit after tax increased by 97% to SEK 100 million (51)
- Earnings per share amounted to SEK 4.32 (2.19)
- The Board proposes a dividend of SEK 3.00 per share (2.00)
- Operations in Division Production Technology divested

Operations in Division Production Technology are recognised as divested operation on a separate line in the income statement. This means that the figures in the entire interim report for incoming orders, new sales and profit refer to remaining operations.

MD comments

Looking back on 2010, I can sum up the year as being a very successful one. The year got off to an uncertain start, but we gradually noticed an increase in demand. As of the second quarter, growth has been stable and both the third and fourth quarters surpassed sales from corresponding quarters in 2008. Net sales rose a total of 15% and incoming orders 22% for the whole year. Excluding foreign exchange effects, the increase in net sales was about 22%.

Due to turnover growth and implemented streamlining measures, profit after tax rose by 97% and operating margin improved from 6.0% to 9.7% for the whole of 2010.

All companies in the Group report better turnover and profits. Together with Elektro Elco in Sweden, operations in Finland and the UK are those companies that showed the fastest growth and most improvement in profitability.

We made one acquisition, All Motion Technology. This company has been incorporated into OEM Motor, creating excellent conditions for continued growth in electric motors.

The divestment of Cyncrona means that the company will now fully focus on selling component to industries, thereby enabling us to concentrate on developing our core business.

In 2010, we reinforced our range of products, adopted an aggressive marketing approach, and improved logistics through, among other things, our new logistics centre outside the city of Tranås. In addition, pivotal steps have been taken to develop and improve our web solution and e-commerce. Because of these investments, we are well prepared for the future.

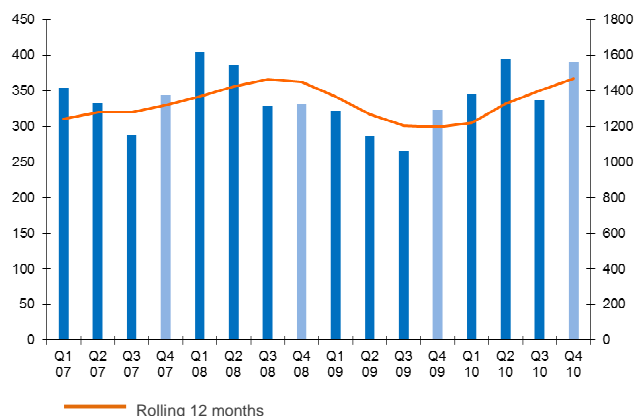
I look back on 2010 as the year we strengthened our position and made the most of the streamlining activities and the investments carried out in 2009. As a result, we are in an excellent position to aspire to positive growth and development.



Jörgen Zahlin,
Managing Director and Chief Executive Officer

The Group

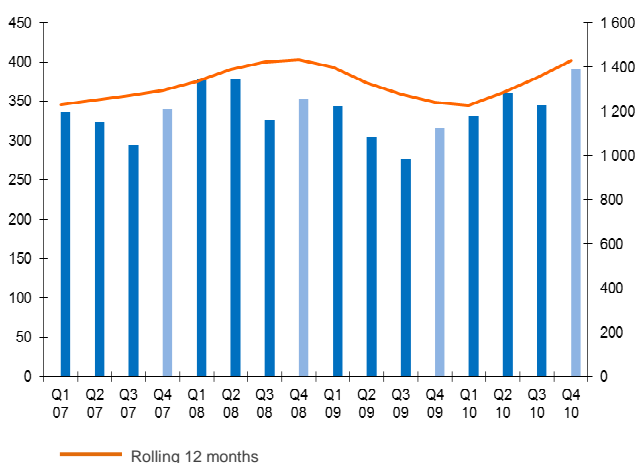
Incoming orders (SEK million)



Incoming orders increased in the fourth quarter by 22% to SEK 390 million (319) and 22% to SEK 1,468 million (1,199) for the whole of 2010 compared with the same period the previous year. Operations in the UK, Finland, Denmark and the Czech Republic report the greatest improvement.

The order book shows positive growth, amounting to SEK 241 million (197) on 31 December 2010.

Net sales (SEK million)

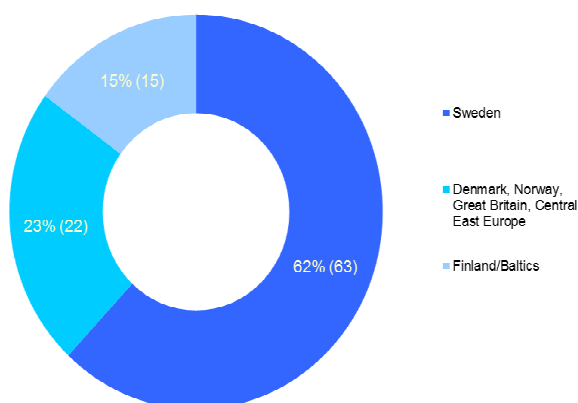


Net sales increased in the fourth quarter 2010 by 24% to SEK 392 million (315), and 15% to SEK 1,430 million (1,240) for the whole of 2010 compared with the same period the previous year.

Excluding foreign exchange effects, net sales rose by about 22%.

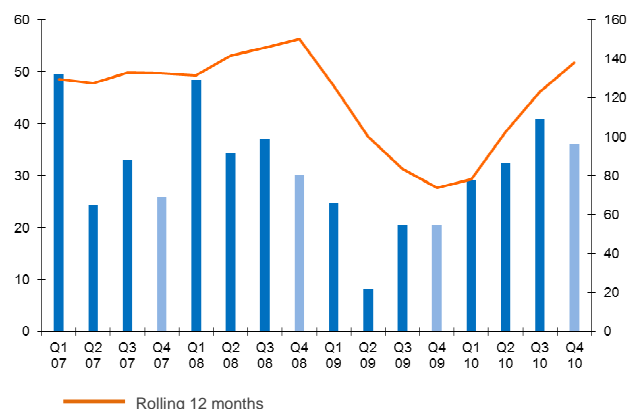
Both the third and fourth quarter 2010 surpassed the sales figures for the same quarters 2008.

Turnover by geographic market



After translation into Swedish kronor, distribution across the geographic markets remained relatively stable despite the strong growth outside Sweden. In local currencies, the Czech Republic reported an increase of 40% Finland/Baltic countries 34% and the UK 33%.

Operating income (SEK million)

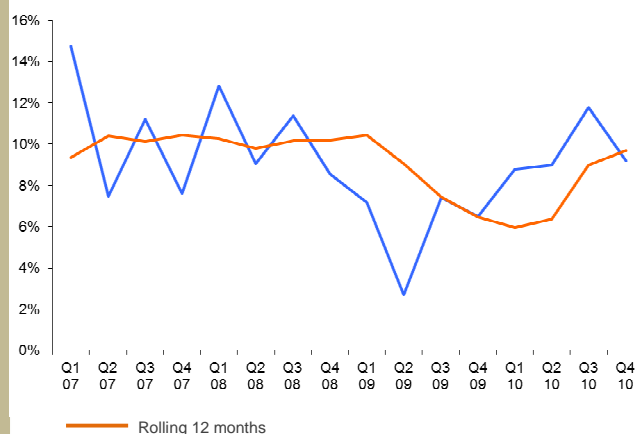


Operating income amounted to SEK 36 million (20) in the fourth quarter, surpassing the previous year by 78%. The improvement in earnings was a result of higher net sales and implemented streamlining activities.

Information diagram

Q1 2007, real estate was sold generating SEK +13 million
Q1 2008, real estate was sold generating SEK +5.4 million

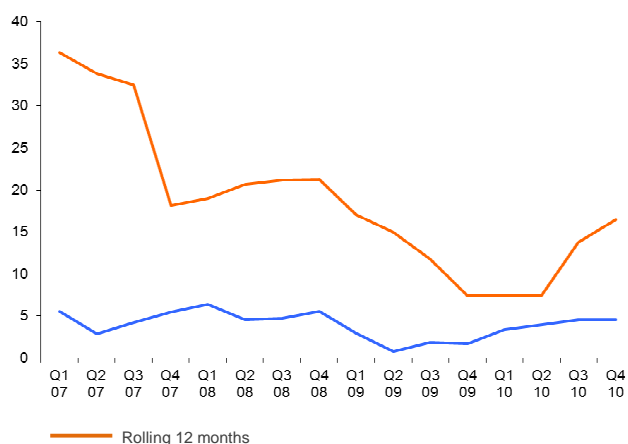
Operating margin (%)



Operating margin increased to 9.3% (6.4%) in the fourth quarter.

Operating margin totalled 9.7% (6.0%) for the whole of 2010.

Return on equity (%)



Return on equity has improved since the second quarter 2009, amounting to 4.6% for the fourth quarter 2010. This means that the yield for the whole year reached 16.5%. Equity amounts to SEK 594 million (565) with an equity/assets ratio of 64% (62%).

The Divisions

The Group comprises two divisions. The structure is conceptually organised with the aim of creating stability and utilising economies of scale.

Division Automation

Automation supplies electrical components, flow components, and installation components.

SEK m	Full year 2010	Full year 2009
Incoming orders	1 162	965
Net sales	1 140	976
Operating profit/loss	125	69
Operating marg. (%)	11	7

Net sales rose by 17% in 2010.

Incoming orders rose even more, increasing 20%. Excluding foreign exchange effects, net sales increased by about 25%. The acquisition of ALL Motion Technology AB in September had a marginal effect on the net turnover and operating profit. Operations in the UK, the Czech Republic, Finland and Swedish Elektro Elco have had the greatest growth.



Division Components

Components supplies components to equipment and electronics manufacturers as well as bearings and seals.

SEK m	Full year 2010	Full year 2009
Incoming orders	306	234
Net sales	289	262
Operating profit/loss	25	15
Operating marg. (%)	9	6

Net sales rose by 10% in 2010. The increase in incoming orders, and originated primarily from the Swedish units, was stronger and totalled 31%.

Excluding currency fluctuation, net sales increased about 16%. Swedish Internordic Bearings has shown good growth, while the other operation are on par with last year. Operating margin climbed from 6% to 9%.

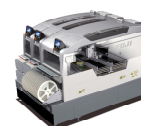


Division Production Technology

OEM International has sold the operations in division Production Technology to ElektronikGruppen as of 1 June, 2010 through the transfer of assets and liabilities. ElektronikGruppen assumed the stock, equipment, customer and supplier agreements as well as intangible values. The purchase price amounted to about SEK 6 million plus an additional purchase price based on the operations' contribution margin over the next two years.

Loss from divested business unit

SEK m	Full year 2010	Full year 2009
Net sales	45	92
Income from sale of operations	3,0	-
Costs	- 55	- 103
Loss before tax	-6,9	- 11
Tax	2,4	2,9
Loss for the period	4,5	- 7,8



Other financial information

Cash flow

Cash flow from current operations totalled SEK 116 million (104). Total cash flow was SEK 13 million (2.3) and was affected by, among other events, investments for SEK 20 million (47) and dividends of SEK 46 million (70) during the year.

Investments

The Group's net investments in fixed assets amounted to SEK 24 million (53), SEK 21 million of which is attributable to property, plant and equipment, SEK 5.2 million to business acquisitions, and SEK -1.8 million to the transfer of operations in Division Production Technology.

Cash and cash equivalents

Cash and cash equivalents, comprising cash on hand and bank deposits plus undrawn committed credit facilities, amounted to SEK 403 million (371) on 31 December 2010.

Intangible assets

Amortisation of intangible assets totalling SEK 11 million (12) was recognised in the profit. The book value in the statement of financial position amounted to SEK 107 million (109) on 31 December 2010.

Equity-assets ratio

The equity/assets ratio as of 30 December 2010 was 64% (62).

Employees

The Group's average number of employees in the remaining operations was 504 (516) for the period. At the end of the period, the number of employees was 514.

Share repurchase

The company has not repurchased any shares during the period. The Company did not hold any of its own shares on 31 December 2010. The Annual General Meeting's authorisation for the repurchase of shares extends to 10% of the number of shares, i.e. 2,316,930.

Acquisition

In September, all shares in All Motion Technology were acquired. All Motion Technology markets electric motor solutions with high requirements for accuracy and precision. The company has a turnover of about SEK 30 million on an annual basis with sales in the Nordic countries. The company is part of the division Automation starting from 1 September. The purchase price for the acquired business amounted to SEK 9.5 million as well as a contingent additional purchase price that is based on the business' performance up to the end of 2012. At a maximum, SEK 4 million can be paid as an additional purchase price and the preliminary acquisition is estimated at SEK 2 million. Transaction expenses for the acquisition are less than SEK 0.2 million and are included in the operating costs. Through the acquisition, the goodwill in the Group has increased by SEK 2 million and other intangible assets by SEK 3.2, which are supplier relations. Deferred tax liability amounts to SEK 0.7 million. The effect of the implemented acquisition on the Group's turnover in 2010 is about SEK 10 million and about SEK 1 million on earnings before tax. If the acquired business has been consolidated from the start of the year, the effect on net turnover and pre-tax earnings would have been about SEK 29 million and SEK 2.5 million respectively.

Acquisition calculation

	Recognised value in the company	Fair value adjustment	Fair value in the Group
The acquired company's net assets at the time of acquisition			
Intangible fixed assets	-	3	3
Other non-current assets	-	-	0
Inventory	5	-	5
Other current assets	9	-	9
Interest-bearing liabilities	-1	-	-1
Other liabilities	-6	-1	-7
Net identifiable assets/liabilities	7	2	9
Group goodwill	-	-	2
Purchase price	-	-	11

Accounting principles

This interim report for the Group has been prepared in accordance with IAS 34 Interim Reporting and the applicable provisions in the Swedish Annual Accounts Act. The interim report for the Parent Company has been prepared in accordance with the Swedish Annual Accounts Act, Chapter 9, Interim Reports. For the Group and the Parent Company, the same accounting principles and calculation methods were applied as in the latest annual report, with the following exceptions.

Starting from 2010, the Group applies the revised IFRS 3 Business Combinations. Among other consequences, this means that transaction expenses for business combinations are to be expensed, contingent purchase prices are to be recorded at fair value at the acquisition date and effects of revaluation of liabilities related to contingent purchase prices recognised as an income or expense in the profit/loss for the year.

Risks and uncertainties

The OEM Group is exposed to both operations-related risks and financial risks through its activities. Operations-related risks can include competition and business risks, while financial risks can include liquidity, interest rate and currency risks. The OEM Group's financial activities and management of financial risks are conducted primarily by the Parent Company. Frameworks for risk management procedures and risk mitigation are in place. These systems are characterised by a low risk level. The basis is structured and efficient management of the financial risks that arise in the business. For a complete report on the risks affecting the Group, please refer to the annual report for 2009, pages 72-73. No changes have occurred during the period.

Estimates and assessments

Preparation of the interim report requires company management to make estimates, assessments and assumptions that affect the application of the accounting principles and the reported amounts for assets, liabilities, income and expenses. Actual outcomes may differ from these estimates and assessments. The critical assessments and sources of uncertainty in the estimates are the same as in the latest annual report.

Parent Company

Net turnover was SEK 37 million (43) and profit after financial items was SEK 30 million (50).

After the close of the reporting period

As of 2011, the Group's operating segments changes and the current matrix organisation, based on a product and country organisation, assumes a central role. Emphasis shifts from a product organisation to the market regions of Sweden, Finland, the Baltic countries, Denmark, Norway, the UK and central Eastern Europe.

This also coincides with the way in which performance will be followed up in future within the Group. This move is aimed at consolidating OEM's long-term competitive edge and accelerating its growth rate outside of Sweden.

Transactions with associated parties

No transactions between OEM and associated parties that significantly affect the Group's position and income have occurred in 2010.

Nomination Committee

The Nomination Committee, which will convene prior to the Annual General Meeting on 3 May 2011, has the following composition.

Lars-Åke Rydh (Chairman)

Jerker Löfgren, Orvaus AB

Hans Franzén

Agne Svenberg

Bengt Stilleström, AB Traction

The Nomination Committee can be contacted through Lars-Åke Rydh, tel. +46 (0)705-92 45 70 or via email lasse@lasserydh.se

Proposed dividends

The Board proposes a dividend of SEK 3.00 per share (2.00).

Annual Report

The 2010 Annual Report will be distributed towards the end of March 2011 and will be available at the company's head office and its website the week starting 28 March 2011.

Annual General Meeting

The Annual General Meeting will be held on 3 May 2011 in Tranås, Sweden.

Financial information

OEM provides financial information on the following occasions:

Annual General Meeting 2011	3 May 2011
Interim report, first quarter 2011	3 May 2011
Interim report, second quarter 2011	18 July 2011
Interim report, third quarter 2011	24 October 2011

Tranås, 21 February 2011



Jörgen Zahlin

Managing Director and Chief Executive Officer

This report has not been reviewed by the company's auditors.

For more information, please contact MD Jörgen Zahlin, tel. +46 75 242 40 22 or Finance Director Jan Cnattingius, tel. +46 75 242 40 03.

The information in the report is such that OEM International AB (publ) is obliged to publish in accordance with the Securities Act. The information was released to the media for publication on 21 February 2011 at 2 p.m.

Turnover and results for the divisions

TURNOVER AND RESULTS BY DIVISION *

Net sales (SEK million) *

	Jan- Dec 2010	Jan- Dec 2009	Q4 2010	Q3 2010	Q2 2010	Q1 2010	Q4 2009	Rolling 12 mth	Full year 2009
Automation	1 140	976	316	278	285	261	250	1 140	976
Components	289	262	76	67	76	71	65	289	262
Other operating segments	0,8	1,2	0,1	0,0	0,3	0,3	0,4	0,8	1,2
	1 430	1 240	392	345	361	332	315	1 430	1 240

Operating income (SEK million) *

	Jan- Dec 2010	Jan- Dec 2009	Q4 2010	Q3 2010	Q2 2010	Q1 2010	Q4 2009	Rolling 12 mth	Full year 2009
Automation	125	69	35	37	30	24	16	125	69
Components	25	15	4,8	6,3	6,5	7,8	3,4	25	15
	151	83	39	43	36	32	19	151	83

Group results (SEK million) *

	Jan- Dec 2010	Jan- Dec 2009	Q4 2010	Q3 2010	Q2 2010	Q1 2010	Q4 2009	Rolling 12 mth	Full year 2009
Operating income, above segments	151	83	39	43	36	32	19	151	83
Group-wide functions	-12	-9,0	-3,4	-2,4	-3,8	-2,7	0,8	-12,4	-9,0
Net financial items	-1,8	-1,1	0,1	-2,9	0,5	0,5	-0,5	-1,8	-1,1
Profit/loss before taxation	136	73	36	38	33	30	20	136	73

* Remaining operations

The Group's outcome and financial position

SUMMARY STATEMENT OF CONSOLIDATED COMPREHENSIVE INCOME (SEK MILLION)

	Jan- Dec 2010	Jan- Dec 2009	Q4 2010	Q3 2010	Q2 2010	Q1 2010	Q4 2009	Rolling 12 mth	Full year 2009
Remaining operations									
Net sales	1 430	1 240	392	345	361	332	315	1 430	1 240
Other operating income	0,0	0,2	0,0	0,0	0,0	0,0	-0,1	0	0,2
Operating costs	-1 265	-1 138	-349	-297	-322	-296	-288	-1 265	-1 138
Amortisation intangible fixed assets	-11	-12	-3,0	-2,7	-2,7	-2,7	-2,8	-11	-12
Depreciation property, plant and equipment fixed asse	-17	-16	-4,4	-4,2	-4,0	-4,0	-3,8	-17	-16
Operating profit/loss	138	74	36	41	32	29	20	138	74
Net financial income/expenses	-1,8	-1,1	0,1	-2,9	0,5	0,5	-0,5	-1,8	-1,1
Profit/loss before taxation	136	73	36	38	33	30	20	136	73
Taxes	-37	-22	-8,4	-11	-8,9	-7,9	-6,5	-37	-22
The period's profit/loss from remaining operations	100	51	28	27	24	22	13	100	51
Divested operations									
The period's profit/loss from divested operations, net after tax	-4,5	-7,8	0,6	-1,0	-1,6	-2,5	-3,7	-4,5	-7,8
Profit for the period	95	43	28	26	22	19	9,5	95	43
Other comprehensive income									
Translation differences for the period from translation of overseas operations	-20	-0,1	-2,8	-6,9	-4,5	-5,7	7,4	-20	-0,1
Other comprehensive income for period	-20	-0,1	-2,8	-6,9	-4,5	-5,7	7,4	-20	-0,1
The period's total profit/loss	76	43	25	19	18	14	17	76	43
Earnings per share, SEK*	4,12	1,86	1,21	1,11	0,96	0,84	0,42	4,12	1,86
Earnings per share from remaining operations, SEK**	4,32	2,19	1,19	1,15	1,04	0,94	0,57	4,32	2,19

** No effects of dilution present and the results are attributable to the parent company's shareholders.

SUMMARY STATEMENT OF THE GROUP'S FINANCIAL POSITION (SEK MILLION)

	2010-12-31	2009-12-31
Assets		
Goodwill	55	51
Other intangible fixed assets	52	58
Property, plant and equipment	182	197
Financial assets	4,6	2,1
Deferred tax claim	3,9	5,1
Inventory	220	217
Current receivables	241	220
Liquidity	173	165
Total Assets	932	915
Equity and liabilities		
Equity	594	565
Non-current liabilities, interest-bearing	17	19
Deferred tax liability	50	48
Current liabilities, interest-bearing	65	99
Current liabilities, non-interest bearing	205	184
Total Equity and Liabilities	932	915

SUMMARY STATEMENT OF GROUP CHANGES IN EQUITY (SEK MILLION)

	2010-12-31	2009-12-31
At beginning of year	565	591
The period's total profit/loss	76	43
Issued dividend	-46	-70
At the end of the period	594	565

SUMMARY OF CONSOLIDATED CASH FLOW STATEMENT (SEK MILLION)

	Jan- Dec 2010	Jan- Dec 2009	Q4 2010	Q3 2010	Q2 2010	Q1 2010	Q4 2009	Rolling 12 mth	Full year 2009
Cash flow from operations									
before changes in working capital	134	56	50	36	25	22	25	134	56
Changes in working capital	-18	48	6,9	-5,1	-10,8	-8,9	9,2	-17,9	48
Cash flow from current operations	116	104	57	31	14	13	34	116	104
Cash flow from investment operations	-20	-47	-6,7	-4,6	0,0	-9,0	-14	-20	-47
Cash flow after investment operations	95	57	50	26	14	4,2	20	95	57
Cash flow from financing activities									
- Change in liabilities	-36	15	-8,1	-15	-13	0,0	7,0	-36	15
- Paid dividend	-46	-70	0,0	0,0	-46	0,0	0,0	-46	-70
Cash flow for the period	13	2,3	42	11	-45	4,2	27	12,6	2,3
Cash and cash equivalents at the start of the period	165	163	132	122	168	165	138	165	163
Exchange rate difference	-4,6	-0,3	-0,8	-1,1	-1,0	-1,8	0,7	-4,6	-0,3
Cash and cash equivalents at the end of the period	173	165	173	132	122	168	165	173	165

KEY INDICATORS

	Jan- Dec 2010	Jan- Dec 2009	Q4 2010	Q3 2010	Q2 2010	Q1 2010	Q4 2009	Rolling 12 mth	Full year 2009
Return on equity, %	16,5	7,4	4,6	4,4	4,1	3,4	1,7	16,5	7,4
Return on capital employed, % *	21,0	11,9	5,5	6,1	5,1	4,3	4,0	21,0	11,9
Return on total capital % *	15,5	8,6	4,0	4,4	3,8	3,3	3,0	15,5	8,6
Equity ratio %	64	62							62
Earnings per share, SEK*	4,12	1,86	1,21	1,11	0,96	0,84	0,42	4,12	1,86
Earnings per share from remaining operations, SEK*/	4,32	2,19	1,19	1,15	1,04	0,94	0,57	4,32	2,19
Equity per share, SEK	25,63	24,37							24,37
Average number of shares (thousands)	23 169	23 169	23 169	23 169	23 169	23 169	23 169	23 169	23 169
Average number of shares after dilution (thousands)	23 169	23 169	23 169	23 169	23 169	23 169	23 169	23 169	23 169
Operating margin, % *	9,7	6,0	9,3	12	9,0	8,8	6,4	9,7	6,0

* Pursuant to IFRS 5, the operations in Division Production Technology are recognised as divested operations. Marked key indicators apply to remaining operations. The comparative figures are recalculated. Other key indicators apply for the total operations (incl. the Production Technology operations) when the balance sheet for the comparative periods, in accordance with IFRS 5, is not recalculated.

The Parent Company's outcome and financial position

SUMMARY OF PARENT COMPANY'S INCOME STATEMENT (SEK MILLION)

	Jan- Dec 2010	Jan- Dec 2009	Q4 2010	Q3 2010	Q2 2010	Q1 2010	Q4 2009	Rolling 12 mth	Full year 2009
Net sales	37	43	24	3,9	5,1	4,6	29	37	43
Operating costs	-37	-38	-8,9	-8,1	-11	-9,0	-9,3	-37	-38
Depreciation	-2,6	-2,3	-1,0	-0,4	-0,7	-0,5	-0,6	-2,6	-2,3
Operating profit/loss	-2,5	2,7	14	-4,6	-6,8	-5,0	19	-2,5	2,7
Income from participation in Group companies	21	46	-9,9	0,0	31	0,0	13	21	46
Net financial income/expenses	1,1	0,8	0,4	0,2	0,3	0,2	0,3	1	0,8
Income after financial items	20	50	4	-4,3	24	-4,8	33	20	50
Appropriations	-12	-11	-12	0,0	0,0	0,0	-11	-12	-11
Profit/loss before taxation	7,2	38	-8,1	-4,3	24	-4,8	22	7	38
Taxes	3,1	1,6	-1,0	1,0	4,4	-1,3	-2,6	3,1	1,6
Profit for the period	10	40	-9,0	-3,4	29	-6,1	19	10	40

SUMMARY OF PARENT COMPANY'S BALANCE SHEET (SEK MILLION)

	2010-12-31	2009-12-31
Assets		
Intangible fixed assets	3,9	1,1
Property, plant and equipment	20	20
Financial assets	304	295
Current receivables	203	218
Cash and bank balance	122	116
Total Assets	653	650
Equity and liabilities		
Equity	359	331
Untaxed reserves	98	85
Deferred tax liability	1,9	1,8
Current liabilities, interest-bearing	0,0	0,0
Current liabilities, non-interest bearing	194	232
Total Equity and Liabilities	653	650
Pledged assets	7,5	7,5
Contingent liabilities	196	247

OEM is one of Europe's
leading technical trading
companies and consists of 20
operating units in 13
countries

