

ANNUAL EARNINGS FIGURES

YEAR 2003

FOURTH QUARTER 2003

- Turnover 340 SEK million (376)
- Order bookings 331 SEK millions (360)
- Profit before taxes 4,8 SEK million (2,1)
- Profit after taxes 1,9 SEK million (-2,9)
- Earnings per share after taxes SEK 0:24

WHOLE YEAR 2003

- Turnover 1 428 SEK million (1 534)
- Order bookings 1 366 SEK million (1 524)
- Profit before tax 53,4 SEK million (34,3)
- Profit after tax 31,5 SEK million (14,7)
- Earnings per share after taxes SEK 4:14 (1:88)
- Proposed dividend SEK 4:50/share (4:50)



OEM INTERNATIONAL

OEM International with head office in Tranås comprises 28 operating units in eight countries. The Group acts in trading components and systems for industrial automation in Europe. Put simply, OEM acts as an alternative to manufacturers' own local subsidiaries.

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Turnover and profit

Development fourth quarter

The Group turnover amounted to 340 SEK million (376). The decrease depends on continued weak demand, changes in currencies, as well as the sale and shut down of units. The profit was improved compared to last year but is still on a low level. Profit before taxes improved to 4,8 SEK million (2,1) and profit after taxes amounted to 1,9 SEK million (-2,9).

Order bookings was 331 SEK million (360).

Whole year 2003

Continued adjustment to lower demand has i.a. led to:

- Profit before taxes increased to 53,4 SEK million (34,3) and profit after taxes was 31,5 SEK million (14,7).
- Turnover decreased to 1 428 SEK million (1 534).
- Turnover outside Sweden was 470 SEK million (452).
- Average no. of employees has decreased to 636 (701)
- Cost have decreased by 49 SEK million
- Stock value is decreased by 52 SEK million

The part of operations that are directed towards the traditional industry has improved profits with maintained turnover.

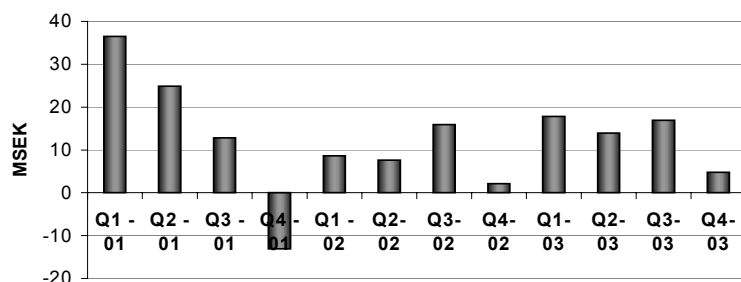
Group Electronics has a continued reduction in turnover with a drop in profit from 11,0 to 2,8 SEK million, owing to the fall of the dollar and reduced demand in the branch.

In line with our strategy to cultivate our business concept Industri AB Reflex has been sold.

Cyncrona in group EP turned a loss of 20 SEK million last year to a profit of 7 SEK million in 2003.

Cash flow from operations amounting to 135 SEK million (156) is i.a. depending on decreased stock and improved profits.

Profits per quarter



General information per 31st December 2003

Accounting principles

The OEM Group use the same accounting principles and methods of calculation as in the latest Annual Report except for the account of bank overdraft, which according to RR 22 is to be accounted for as current liabilities instead of long-term liabilities. Comparable periods have been recalculated accordingly.

Inflow of orders and order book

For the entire year 2003 the inflow of orders was 1 366 SEK million (1 524). The orderbook value, at 31st December 2003, was 213 SEK million (264).

Turnover per market

The breakdown of turnover per market is : Sweden 67 %, Finland 17 %, Norway 3 %, Denmark 6 %, England 4 %, Italy 1 %, Poland 1 % and Holland 1 %.

Investments

Net investments of the Group in fixed assets during the year was 10,3 SEK million (3,4).

Equity/assets ratio

Liquid assets (cash and bank balances with the adding of granted but not exploited credits) amounted per 31st December 2003 to 358 SEK million (299).

Goodwill

The policy is to write off goodwill in 5 years. The profit of 2003 has been charged with 17,0 SEK million (27,3) for amortization of goodwill.

Solidity

As per 31st December 2003 the solidity was 61,0 % (55,5).

Personnel

Average number of employees was 636 persons (701).

Repurchase of shares

During 2003 the company has acquired 213 956 shares at an average price of SEK 78:50. No purchases have been made in the fourth quarter. After the decision by the Annual General Meeting to reduce the share capital there remains 120.000 shares in own holding, equivalent to 1,6 % of the total number of shares. The authorization of the general meeting refers to 10 % of the total number of shares, which would be 772 310.

Parent company

Net turnover was 32,1 SEK million (34,6) and profit after net financial income/expense was -22,5 SEK million (57,2).

Proposed dividend

The proposal is an unaltered dividend of SEK 4:50 per share.

Annual report

The Annual Report for 2003 will be distributed in the end of March 2004 and will be available from the head office and at our website.

Annual General Meeting of shareholders

Annual general meeting of shareholders will take place in Tranås on April 29th 2004.

Next report

Interim report for the period Jan-March 2004 will be published on 29th of April 2004.



Group Automation

Group Automation market components for industrial automation

Year 2003: (MSEK)
Turnover 561 (582) *
Profit 55,4 (53,9)

The drop in turnover is related to the weak pound and the winding up of a product range in Great Britain. During the year we've had strong focus on range development. Thanks to intensified customer activities and rationalisations we have gained market shares and improved our profits.



Group Electronics

Group Electronics market components for the appliance and electronics industry, EMC and microwave components and instruments.

Year 2003: (MSEK)
Turnover 320 (433) *
Profit 2,8 (11,0)

Business demand has decreased by approx. 25 % during 2003. The continued removal of manufacture of electronics products from Sweden is also evident. The dollar drop has reduced margins downwards. The companies have adjusted their range and resources to present market situation.



Group Mechanics

Group Mechanics sell mechanical components such as bearings, seals, linear units.

Year 2003: (MSEK)
Turnover 162 (160)
Profit 6,7 (5,2)

Increasing sales volumes have been checked through the dollar fall in terms of turnover. Profits have improved through higher efficiency in purchase and sales in all units.



Group Hydraulics

Group Hydraulics sell hydraulic components and design and manufacture hydraulic units and hydraulic systems.

Year 2003: (MSEK)
Turnover 146 (152)
Profit -0,6 (-1,6)

Turnover was weakened during the last quarter. The reduction is mainly visible in the industry. Marine/offshore show good development and growth.



Group EP

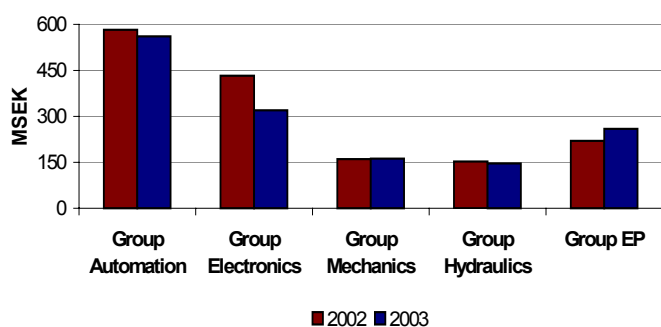
Group EP market production systems and input goods for electronics production.

Year 2003: (MSEK)
Turnover 257 (220)
Profit -6,5 (-27,1)

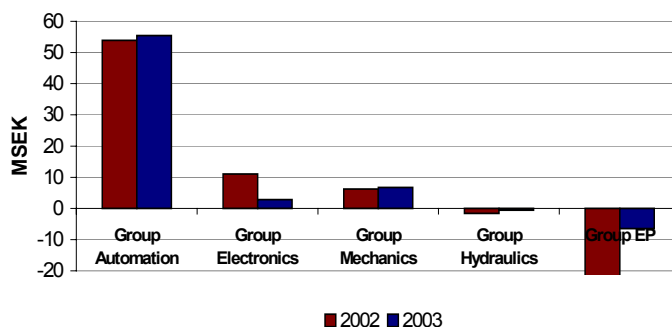
Sales in the Cyncrona companies was somewhat weaker in the last quarter, but the result is still positive. Jubo Mechatronics lost 4 SEK million during the last quarter. Actions have been taken to bring the costs in line.

*from 2003 is business area Component in OEM Automatic OY is accounted for in Group Electronics instead of group Automation as earlier. Turnover and result for the previous year have been revised accordingly.

Turnover per company group



Profit per company group



PROFIT AND LOSS ACCOUNT (SEK MILLION)

	Whole year 2003	Whole year 2002	Q4 2003	Q 3 2003	Q 2 2003	Q 1 2003	Q 4 2002
Net turnover	1 428,1	1 533,8	339,9	338,4	359,7	390,1	376,1
Operating costs	-1 335,8	- 1 442,6	- 323,9	-312,2	- 336,6	- 363,1	- 361,2
Depreciations acc. to plan	- 37,0	- 51,7	- 9,5	-9,1	- 9,1	- 9,3	- 12,4
Operating profit	55,3	39,5	6,5	17,1	13,9	17,8	2,5
Shares in ass. Companies	1,0	0,5	0,3	0,2	-	0,5	0,2
Net interest income/expense	- 2,9	- 5,7	- 2,0	-0,4	-	- 0,5	- 0,6
Profit before tax	53,4	34,3	4,8	16,9	13,9	17,8	2,1
Tax	- 21,9	- 19,6	- 2,9	-6,8	- 5,6	- 6,6	- 5,0
Profit	31,5	14,7	1,9	10,1	8,3	11,2	- 2,9
Earnings per share, SEK	3:87	1:77	0:23	1:25	1:02	1:38	Neg.
Earnings per share, SEK*)	4:14	1:88	0:24	1:34	1:09	1:47	Neg.

*) Key ratios calculated from the number of shares in the market.

BALANCE SHEET (SEK MILLION)

	2003-12-31	2002-12-31
Assets		
Intangible fixed assets	15,6	32,6
Tangible fixed assets	125,6	138,5
Financial fixed assets	17,9	19,2
Inventories	230,9	282,9
Short-term receivables	198,9	229,1
Cash and bank deposits	52,6	44,4
Equity, allocations and debts		
Equity *)	391,1	414,7
Allocations	25,4	27,4
Long-term liabilities	-	1,5
Current liabilities	225,0	303,1
Balance sheet total	641,5	746,7

***) Change of Equity**

At the beginning of the year	414,7
Profit of the period	31,5
Dividend	- 34,2
Buy-back of shares	- 16,8
Conversion difference of the period	- 4,1
At the end of the period	391,1

CASH FLOW ANALYSIS (SEK MILLION)

	Whole year 2003	Whole year 2002	Q4 2003	Q 3 2003	Q 2 2003	Q 1 2003	Q 4 2002
Cash flow from operating business	65,8	73,3	12,2	17,0	16,4	20,2	15,9
Adjustment of working capital	69,1	82,6	43,7	- 6,2	8,0	23,6	51,5
Cash flow before investments	134,9	155,9	55,9	10,8	24,4	43,8	67,4
Investments	- 9,8	- 2,9	-3,0	- 0,7	-4,2	- 1,9	- 0,8
Cash flow after investments	125,1	153,0	52,9	10,1	20,2	41,9	66,6
Cash flow from financial operations	-116,1	- 208,1	-40,8	-7,1	- 34,3	- 33,9	- 90,2
Cash flow	9,0	- 55,1	12,1	3,0	-14,1	8,0	- 23,6

KEY RATIOS

	Whole year 2003	Whole year 2002	Q4 2003	Q 3 2003	Q 2 2003	Q 1 2003	Q 4 2002
Return on capital employed, %	7,8	3,4	0,5	2,6	2,1	2,7	Neg.
Return on operational capital employed, %	11,9	7,1	1,2	3,8	3,1	3,6	0,8
Return on total capital, %	8,1	5,1	0,8	2,6	2,0	2,4	0,5
Equity/assets ratio, %	61,0	55,5					
Earnings per share, SEK	3:87	1:77	0:23	1:25	1:02	1:38	Neg.
Earnings per share, SEK *)	4:14	1:88	0:24	1:34	1:09	1:47	Neg.
Equity per share, SEK *)	51:44	53:06					
Profit margin, %	3,7	2,6	1,4	5,1	3,9	4,5	0,7
Turnover growth, %	Neg.	Neg.					
Profit growth, %	114	Neg.					

*) Key ratios calculated from the number of shares in the market. Per 31st December 7 603 103 shares.

Tranås the 20th February 2004

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