



For immediate publication

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## **Interim Report 1 January-30 June 1999**

Trends in operations are still unsatisfactory at IRO. However, order intake for the second quarter was up by 7 per cent over last year's figure, and order intake for July was 20 per cent higher than for the same month in 1998.

- Operating income totalled MSEK 36 (MSEK 91)
- Costs of MSEK 10 in connection with the ITMA fair were charged against operating income for the period
- Income after financial items totalled MSEK 42 (MSEK 186)
- Turnover fell by 15 per cent to MSEK 477 (MSEK 559)
- Order levels increased again, by 7 per cent during the second quarter
- Earnings per share amounted to SEK 1,92 (SEK 3,90)

Non-recurring costs totalling some MSEK 10 were charged against operating income for the second quarter of the year. In addition, the benefits of the rationalizations decided upon earlier have yet to be felt.

Activity has increased on the Asian market in particular, with the pace of investment stepping up in Korea and Taiwan. Developments on the European market remain stable.

The Chinese market is slowly improving, although there is a reluctance on the part of the industry to invest. The establishment of a Chinese subsidiary for the manufacture of yarn feeders for weaving machines has strengthened IRO's position locally, and will be an important factor when demand begins to increase.

The ITMA (International Textile Machinery Association) fair, held every fourth year and the main event in the industry's calendar, took place in early June and proved to be a major success for the Group. Over 70 per cent of all knitting and weaving machines on display were fitted with yarn feeders from IRO.

"We expect to see a continued increase in demand during the rest of the year," Says IRO President Stig-Arne Blom. "We have laid down the lines of our long-term strategy, under which IRO will aim for steady growth based on the development of new products, reinforcement of our distribution network, and the maintenance of a global presence backed by local marketing organizations."

### **Further information is available from:**

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*IRO is an international group that develops and manufactures yarn feeders for textile machines. Its principal customers are manufacturers of knitting and weaving machines. IRO is the world's leading manufacturer of yarn feeders, with a share of more than 60 per cent of the global market. Production takes place at locations in Sweden, Germany, Italy and China. Markets outside Sweden account for some 98 per cent of sales.*