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Interim report January-September 2004

OEM's profit in Q3 increased by 50%

OEM International's profit continues to increase. The net profit after financial items for the third quarter 2004, increased by 50 % to 25,3 MSEK (16,9). Incoming orders increased by 17 % to 323 MSEK (277). The turnover was 339 MSEK (338) which is in parity with previous year.

The profit after nine months has increased by 31 % to 63,8 MSEK (48,6) with a increased order book of 1073 MSEK (1035). The turnover backs 3 % to 1052 MSEK (1088). The reason is disposal and liquidation of non profitable operations. The profit per share after tax increased by 39 % to SEK 5:42 (3:90).

- The Groups Automation and Electronics have experienced an increasing demand, which have resulted in a positive trend in both turnover and profit, says Jörgen Zahlin, CEO of OEM International AB. The operating profit in Groups Hydraulics and EP has improved, but is strongly affected by the close down of Hydroprodukter AB and Jubo Mechatronics AB. Group Mechanics did not achieve expected revenue growth which has lead to a lower profit.

- The increase in demand together with continued rationalizations in our operations, enables us to expect that the total turnover of the Group will end at the same level as previous year. The full-year figures is expected to be approximately 75 MSEK, which is a raise to previous published prognosis, continues Jörgen Zahlin.

The average number of employees in the OEM Group during the first nine months 2004, was 578 persons (635).

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OEM International, whose head office is in Tranås, Sweden, comprises 27 operating units in eight countries. The Group trades in components and systems used in industrial automation. In simple terms OEM provides an alternative way for manufacturers to sell through their own companies. OEM therefore has a responsibility for marketing and selling the products in which the company trades. Visit our website – www.oem.se