



INTERIM REPORT

JANUARY - SEPTEMBER 2007

THIRD QUARTER 2007

- Turnover amounted to SEK 322 million (335)
- Profit before tax amounted to SEK 29.3 million (29.8)
- Incoming orders amounted to SEK 332 million (346)
- Acquisition any in Denmark within industrial batteries

JANUARY – SEPTEMBER 2007

- Turnover increased by 1 % to SEK 1,065 million (1,058)
- Profit before tax increased by 13 % to SEK 106 million; excluding property sales, profit amounted to SEK 93 million (94)
- Profit after tax amounted to SEK 75 million (67)
- Earnings per share after tax amounted to SEK 3.23 million (3.29)

The comparative figures for turnover, incoming orders and profit exclude sold hydraulic operations.
The comparative figures for earnings per share exclude sold hydraulic operations.





THIRD QUARTER 2007

The group's turnover amounted to SEK 322 million (335). Turnover for OEM Automatic and Development increased, while that of OEM Electronics and Cyncrona fell.

Incoming orders amounted to SEK 332 million (346).

Profit before tax amounted to SEK 29.3 million (29.8).

OEM International AB has acquired all shares in MPX Elektra ApS in Denmark, with effect from 1 September 2007.

MPX Elektra ApS is a company that sells a wide range of industrial batteries on the Danish market and has a turnover of around DKK 14 million and a profit level of approximately DKK 0.8 million.

MPX will be integrated into OEM Automatic Denmark, which will strengthen the position on the Danish market and create possibilities to broaden the customer offer within batteries in all Nordic countries and the Baltic States. The acquisition will have a small effect on the Group result for the present year.

JANUARY – SEPTEMBER 2007

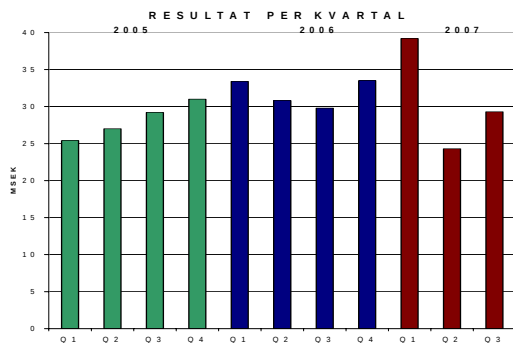
The group's turnover increased by 1 % to SEK 1,065 million (1,058). Turnover outside Sweden amounted to SEK 412 million (438).

Turnover for OEM Automatic and Development increased by 14 %, while that of OEM Electronics and Cyncrona fell by 20 %.

Incoming orders amounted to SEK 1,085 million (1,107). The order book value as of 30 September 2007 was SEK 243 million (242).

All corporate groups have incoming orders that exceed invoicing.

The profit before tax increased by 13 % to SEK 106 million. Excluding property sales, the profit amounted to SEK 92.8 million (94.0). OEM Automatic and Development showed a profit increase of 12 %, while OEM Electronics and Cyncrona experienced a 59 % drop in profit compared with the corresponding period of the previous year.



excluding property sales

Turnover by market

Sweden 61 % (59), Finland 19 % (23), the rest of Scandinavia 9 % (8), outside Scandinavia 11 % (10).

Cash flow

The cash flow from current operations was SEK 13.1 million (50.8). Total cash flow amounted to SEK – 164 million and has been affected during the period by, among other things, dividends and redemption of shares totalling SEK 220 million.

Investments

Net investments in fixed assets amounted to SEK 16.3 million (47.9), of which SEK 6.5 million (19.4) is attributable to company acquisitions and SEK 9.8 million (28.5) to properties, machinery and equipment.

Liquidity

Liquid funds, consisting of cash and bank balances, together with granted but unused credit, amounted to SEK 337 million (250) in total as of 30 September 2007.

Intangible assets

From 2005, new accounting principles, International Financial Reporting Standards (IFRS), apply, which means that planned goodwill depreciation will not be applied. However, the goodwill items and other intangible assets will be examined for any write-down requirements. The profit has been burdened by write-down on intangible assets of SEK 1.5 million (-). The book value in the balance sheet amounts to SEK 23.6 million as of 30 September 2007.

Equity/assets ratio

The equity/assets ratio as of 30 September 2007 was 64.5 % (57.9).

Employees

The average number of employees in the group during the period was 562 (530).

Share repurchasing

The company has not repurchased any shares during the year. There was no own holding of shares as of 30 September. The Annual General Meeting has authorised repurchasing of up to 10 % of the shares, which corresponds to 2,316,930.

Share splitting and redemption of shares

In order to increase the number of regular lots and, thereby, trading of the shares, and change the company's capital structure, the Annual General Meeting decided to divide up each OEM share into four shares (share split 4:1), one of which was designated a redemption share. The redemption shares were automatically redeemed for a redemption settlement of SEK 20 in cash on 15 June. This means that approximately SEK 154 million was distributed to the shareholders. Following implementation of the share split, 23,169,309 shares in the company were divided into 4,767,096 class A shares and 18,402,213 class B shares.

Accounting principles

This interim report for the group has been drafted in accordance with IAS 34 Interim Reporting and the Swedish Financial Accounting Standards Council's recommendation RR31 Interim Reporting for Groups. The accounting principles for the group remain unchanged from those applied to the annual report for 2006.



Significant events

During the first six months, a property was sold, yielding a capital gain of SEK 13.2 million.

OEM International AB has acquired the remaining 50 % of the shares in Crouzet AB from Crouzet Automatismes SAS. The company is active in the automation component sector and had 17 employees. The company had a turnover of SEK 51 million and a profit of SEK 3.4 million before tax in 2006. SEK 18 million of the invoicing related to deliveries to OEM Automatic. The company has been incorporated into OEM Automatic. This acquisition is expected to have little impact on profit for 2007.

OEM International AB has acquired all shares in MPX Elektra ApS in Denmark, with effect from 1 September 2007.

MPX Elektra ApS is trading a wide range of industrial batteries on the Danish market and has a turnover of around DKK 14 million and a profit level of approximately DKK 0.8 million.

The purchase price amounts to DKK 4 million, of which DKK 3.5 million is goodwill.

Important assessments

The following important accounting assessments have been made:

Sale of operations

In calculating the profit relating to operations sold off in 2006, a reservation of SEK 3 million has been implemented. The final payment as agreed, amounting to SEK 11.4 million, will be made on 31 December 2007. The agreement includes guarantees for customer receivables and claims.

Write-down examination for goodwill

In assessing the write-down requirement for goodwill, cash-generating units' recovery values have been calculated. The assessment is that no reasonable changes to the most important assumptions would lead to the calculated recovery values of the units being lower than the reported values.

Valuation of other intangible assets

Other intangible fixed assets consist of values realised on acquisitions. The current supplier relationships have continued to show positive development, which means that there is no write-down requirement. The current customer relationships consist of establishment on new markets and these are amortised over a five-year period.

Date of next report

The financial statement for the whole of 2007 will be published on 22 February 2008.

OEM AUTOMATIC

Components for industrial automation



- Turnover SEK 592 million (508)
- Operating income SEK 75.9 million (67.9)

Demand remains strong and both overseas and Swedish operations are developing well. Turnover increased by 17 % and operating income by 12 %. The recently-acquired Crouzet AB has now been fully integrated into the company and integration of the newly-acquired MPX Electra ApS is in progress. Both acquisitions have a positive impact on annual turnover, while the impact on profit is marginally.

OEM ELECTRONICS

Appliance and circuit board components, EMC and microwave components

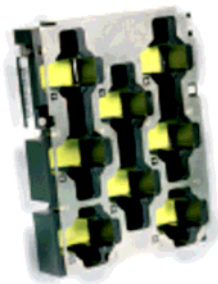


- Turnover SEK 208 million (233)
- Operating income SEK 11.4 million (15.4)

Turnover has fallen by 11 %, resulting in a deterioration in profit compared with last year. The reduction in turnover is centred on the Swedish operation. Measures have been implemented to adjust operating costs to a lower turnover, but these will not be fully realised until next year.

CYNCRONA

Production equipment and input goods for electronics production



- Turnover SEK 112 million (169)
- Operating income SEK -2.2 million (6.8)

Lack of any major machinery orders resulted in turnover falling by 34 %, producing a negative result for the first three quarters of the year. During the third quarter, Cyncrona has experienced a better level of incoming orders, increasing the order book value by SEK 19 million. Measures have been implemented to adjust operating costs to a lower turnover, but these will not be fully realised until next year.

DEVELOPMENT

Ball bearings, seals, linear units, motors and transmissions



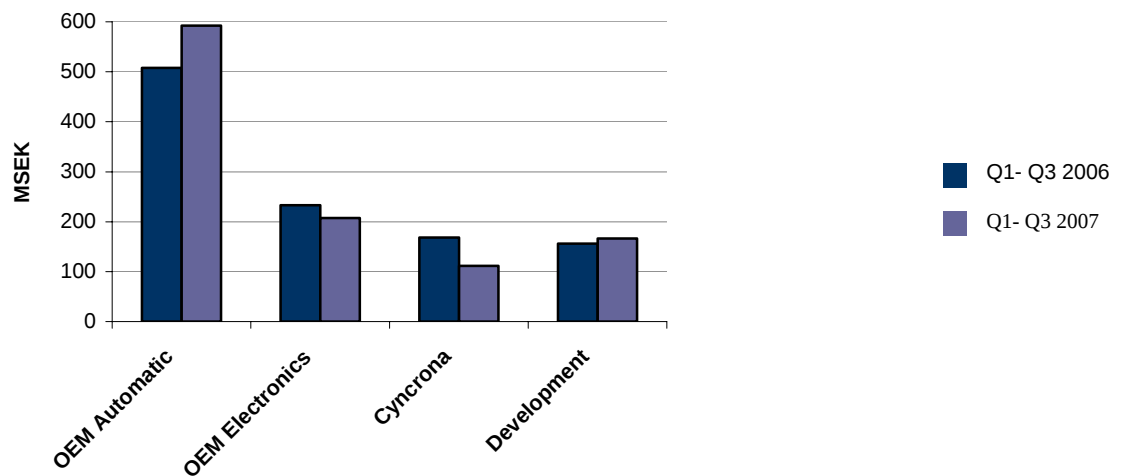
- Turnover SEK 166 million (156)
- Operating income SEK 13.2 million (11.5)

A good level of demand resulted in turnover increasing by 6 % and operating income by 15 %. Measures to improve margins have led to income increasing more than turnover.

TURNOVER & PROFIT PER COMPANY GROUP

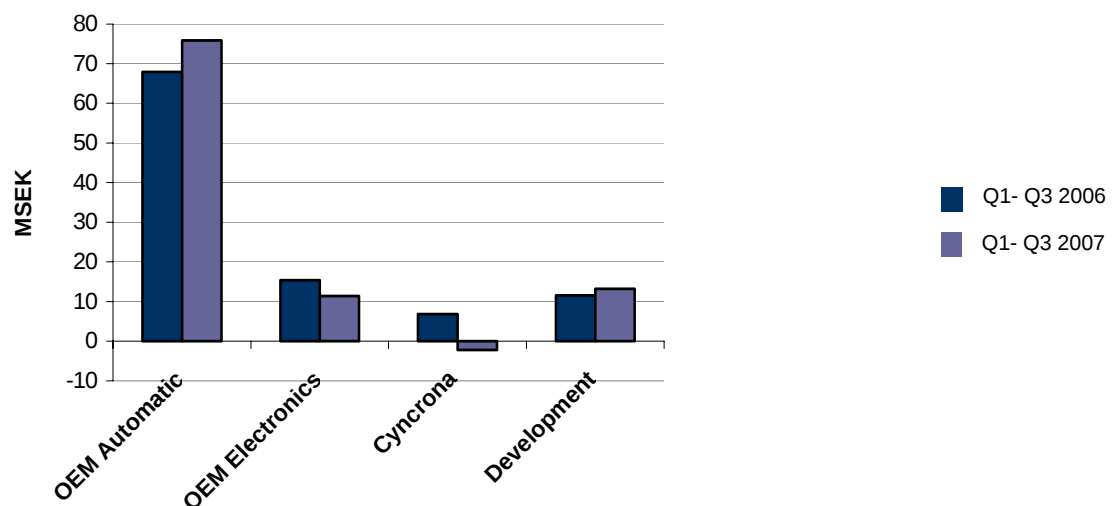
Net turnover (SEK million)

	Jan-sept 2007	Jan-sept 2006	Q3 2007	Q2 2007	Q1 2007	Q4 2006	Q3 2006	Rullande 12 mån	Helår 2006
OEM Automatic	592,2	507,9	187,3	197,5	207,4	189,9	161,8	782,1	697,8
OEM Electronics	207,5	233,0	64,7	69,8	73,0	73,6	69,9	281,1	306,6
Cyncrona	111,7	168,6	28,1	31,1	52,5	76,0	59,5	187,7	244,6
Development	166,2	156,4	47,9	56,3	62,0	56,4	46,5	222,6	212,8
Övrig verksamhet/eliminering	-12,6	-8,1	-5,9	-0,3	-6,4	-3,3	-2,9	-15,9	-13,9
	1 065,0	1 057,8	322,1	354,4	388,5	392,6	334,8	1 457,6	1 447,9



Operating income (SEK million)

	Jan-sept 2007	Jan-sept 2006	Q3 2007	Q2 2007	Q1 2007	Q4 2006	Q3 2006	Rullande 12 mån	Helår 2006
OEM Automatic	75,9	67,9	25,1	22,5	28,3	23,1	22,4	99,0	91,0
OEM Electronics	11,4	15,4	4,6	2,3	4,5	3,4	5,5	14,8	18,8
Cyncrona	-2,2	6,8	-3,1	-1,4	2,3	7,4	2,6	5,2	14,2
Development	13,2	11,5	4,9	2,2	6,1	1,5	3,0	14,7	13,0
Övrig verksamhet/eliminering	6,3	-8,3	-1,6	-2,8	10,7	-2,0	-3,2	4,3	-10,3
	104,6	93,3	29,9	22,8	51,9	33,4	30,3	138,0	126,7





CONSOLIDATED INCOME STATEMENT (SEK million)

vecklad verksamhet	0,0	9,0	0,0	0,0	0,0	81,8	2,6	81,8	90,8
Årets resultat	74,8	76,3	20,7	17,0	37,1	105,3	23,6	180,1	181,6
Vinst per aktie före utspädning, kr	3,23	3,29	0,89	0,73	1,60	4,54	1,02	7,76	7,84
Vinst per aktie efter utspädning, kr	3,23	3,28	0,89	0,73	1,60	4,54	1,01	7,76	7,81
*Vinst per aktie före utspädning, kr	3,23	2,92	0,89	0,73	1,60	1,00	0,94	4,22	3,92
*Vinst per aktie efter utspädning, kr	3,23	2,90	0,89	0,73	1,60	1,00	0,94	4,22	3,90

*kvarvarande verksamhet

CONSOLIDATED BALANCE SHEET (SEK million)

	2007-09-30	2006-09-30	2006-12-31
Tillgångar			
Immateriella anläggningstillgångar	23,6	25,8	20,5
Materiella anläggningstillgångar	142,3	152,3	139,6
Finansiella anläggningstillgångar	1,5	8,1	7,4
Uppskjuten skattefordran	4,1	5,5	3,9
Varulager	220,7	213,8	214,6
Kortfristiga fordringar	251,9	276,4	279,2
Likvida medel	128,2	52,2	288,5
Eget kapital och skulder			
Eget kapital	498,1	424,7	640,7
Långfristiga skulder, räntebärande	9,7	9,0	9,3
Uppskjuten skatteskuld	27,3	23,3	26,6
Kortfristiga skulder, räntebärande	58,6	72,9	56,0
Kortfristiga skulder, ej räntebärande	178,6	204,2	221,1
Balansomslutning	772,3	734,1	953,7

GROUP CHANGES IN EQUITY (SEK million)

	30-09-2007	30-09-2006	31-12-2006
At the start of the year	640.7	477.9	477.9
Repurchase of own shares	-	-74.6	38.8
Issued dividend	-65.6	-53.0	-53.0
Redemption of shares	-154.5	-	-
Profit for the period	74.8	76.3	181.6
Annual translation difference	2.7	-1.9	-4.6
At the end of the period	498.1	424.7	640.7

CASH FLOW STATEMENT (SEK million)

	Jan-sept 2007	Jan-sept 2006	Q3 2007	Q2 2007	Q1 2007	Q4 2006	Q3 2006	Rullande 12 mån	Helår 2006
Kassaflöde från den									
löpande verksamheten	70,1	73,2	20,6	10,2	39,3	24,8	29,6	94,9	98,0
Förändring av rörelsekapital	-57,0	-22,4	-15,5	-2,3	-39,2	37,8	-15,1	-19,2	15,4
Kassaflöde före									
investeringar	13,1	50,8	5,1	7,9	0,1	62,6	14,5	75,7	113,4
Investeringar	40,1	-46,6	-10,1	-7,1	57,3	78,5	-10,1	118,6	31,9
Kassaflöde efter									
investeringar	53,2	4,2	-5,0	0,8	57,4	141,1	4,4	194,3	145,3
Kassaflöde från									
finansieringsverksamheten									
- Förändring av skuld	3,0	26,0	-6,7	1,3	8,4	-16,6	19,9	-13,6	9,4
- Utbetald utdelning	-65,6	-53,0	0,0	-65,6	0,0	0,0	0,0	-65,6	-53,0
- Inlösen aktier	-154,5	0,0	0,0	-154,5	0,0	0,0	0,0	-154,5	0,0
- Återköp egna aktier	0,0	-74,6	0,0	0,0	0,0	113,4	-25,0	113,4	38,8
Kassaflöde	-163,9	-97,4	-11,7	-218,0	65,8	237,9	-0,7	74,0	140,5

KEY INDICATORS

	Jan-sept 2007	Jan-sept 2006	Q3 2007	Q2 2007	Q1 2007	Q4 2006	Q3 2006	Rullande 12 mån	Helår 2006
Räntabilitet på eget kapital, %	13,1	17,5	4,2	2,9	5,6	19,8	5,6	39,0	32,5
* Räntabilitet på sysselsatt kapital, %	17,2	19,3	5,8	3,5	7,3	5,6	6,3	26,7	21,2
* Räntabilitet på totalt kapital, %	12,7	12,9	4,2	2,6	5,5	4,0	4,2	19,0	15,2
Soliditet	64,5	57,9							67,2
Vinst per aktie före utspädning, kr	3,23	3,29	0,89	0,73	1,60	4,54	1,02	7,76	7,84
Vinst per aktie efter utspädning, kr	3,23	3,28	0,89	0,73	1,60	4,54	1,01	7,76	7,81
Eget kapital per aktie, kr	21,50	18,33							27,65
Genomsnittligt antal aktier (tusental)	23 169	23 169	23 169	23 169	23 169	23 169	23 169	23 169	23 169
Genomsnittligt antal aktier efter utspädning (tusental)	23 169	23 289	23 169	23 169	23 169	23 208	23 289	23 179	23 269
* Rörelsemarginal, %	10,9	9,7	10,5	7,6	13,4	9,5	10,0	10,5	9,7
* Tillväxt i omsättning, %								3,5	6,0

* Enligt IFRS 5 redovisas avyttrad Hydraulikverksamhet 2006 som avvecklad verksamhet. Markerade nyckeltal gäller kvarvarande verksamheter.

Övriga nyckeltal gäller för den totala verksamheten då balansräkningen för jämförelseperioderna, i enlighet med IFRS 5, inte omräknas.

PARENT COMPANY'S INCOME STATEMENT (SEK million)

	Jan-sept 2007	Jan-sept 2006	Q 3 2007	Q 2 2007	Q1 2007	Q4 2006	Q3 2006	Rullande 12 mån	Helår 2006
Nettoomsättning	12,3	12,3	3,9	4,5	3,9	27,2	4,0	39,5	41,3
Övriga rörelseintäkter	0,0	0,0	0,0	0,0	0,0	1,8	0,0	1,8	1,8
Rörelsens kostnader	-30,8	-30,4	-9,1	-11,6	-10,1	-10,5	-9,9	-41,3	-42,6
Avskrivningar	-1,1	-1,4	-0,3	-0,4	-0,4	-0,4	-0,5	-1,5	-1,8
Rörelseresultat	-19,6	-19,5	-5,5	-7,5	-6,6	18,1	-6,4	-1,5	-1,3
Resultat från andelar i koncernföretag	42,0	0,0	2,0	40,0	0,0	104,2	0,0	146,2	104,2
Resultat från andelar i intresseföretag	0,0	1,0	0,0	0,0	0,0	0,0	0,0	0,0	1,0
Finansnetto	2,9	1,9	0,4	1,5	1,0	0,2	0,5	3,1	2,0
Resultat före boksluts- dispositioner och skatt	25,3	-16,6	-3,1	34,0	-5,6	122,5	-5,9	147,8	105,9
Bokslutsdispositioner						-14,5		-14,5	-14,5
Resultat före skatt	25,3	-16,6	-3,1	34,0	-5,6	108,0	-5,9	133,3	91,4
Skatt	4,1	5,3	0,8	1,7	1,6	-1,1	1,7	3,0	3,7
Resultat	29,4	-11,3	-2,3	35,7	-4,0	106,9	-4,2	136,3	95,1

PARENT COMPANY'S BALANCE SHEET (SEK million)

	2007-09-30	2006-09-30	2006-12-31
Tillgångar			
Materiella anläggningstillgångar	20,4	21,2	21,0
Finansiella anläggningstillgångar	199,2	208,6	189,1
Kortfristiga fordringar	163,4	153,9	245,5
Likvida medel	70,4	0,0	220,8
Eget kapital och skulder			
Eget kapital	238,6	166,5	429,4
Obeskattade reserver	37,5	23,0	37,5
Uppskjuten skatteskuld	1,8	1,8	1,7
Kortfristiga skulder, räntebärande	0,0	21,2	0,0
Kortfristiga skulder, ej räntebärande	175,5	171,2	207,8
Balansomslutning	453,4	383,7	676,4



Tranås, 26 October 2007

OEM INTERNATIONAL AB (PUBL)

Jörgen Zahlin
Managing Director and CEO

This interim report has not been examined by OEM International AB's auditors.

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OEM International, with its head office in Tranås, Sweden, comprises 23 operational units in ten countries. The group works within industrial trading in northern Europe. In simple terms, OEM acts as an alternative for manufacturers to selling through their own companies.

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