

# Interim report

January – March 2009



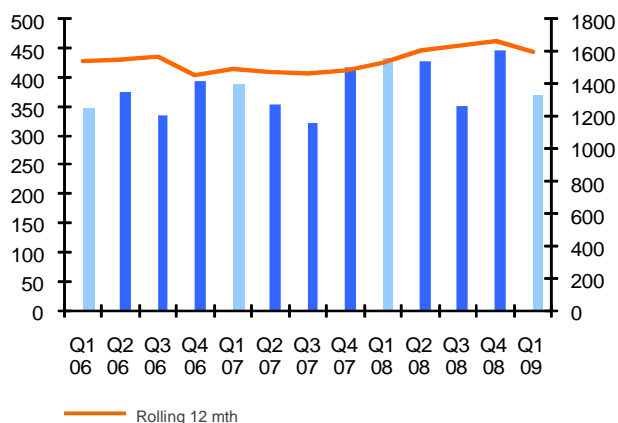
- Turnover amounted to SEK 369 million (432)
- Incoming orders amounted to SEK 351 million (450)
- Profit before tax amounted to SEK 25 million (50)
- Profit after tax amounted to SEK 18 million (35)
- Earnings per share amounted to SEK 0,78 (1,51)





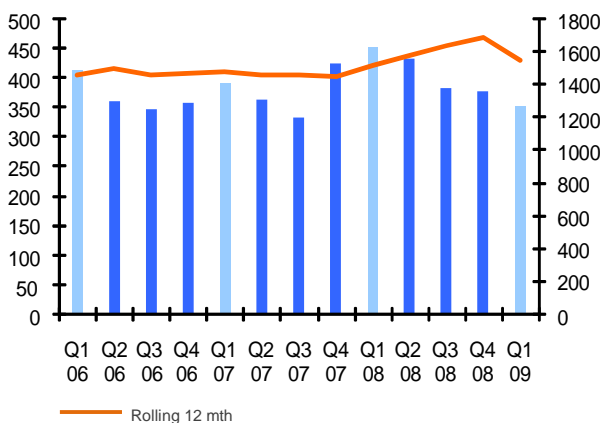
## The Group

### Net sales (SEK million)



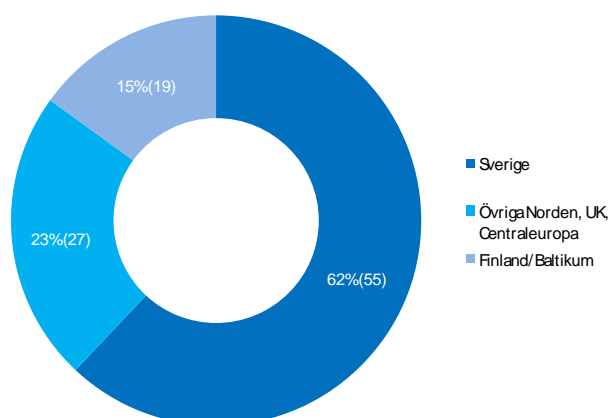
Sales fell by 15 % to SEK 369 million during the first quarter compared with the previous year. For comparable units, sales fell by 20 %. The decrease in demand is mainly a result of the financial crisis and economic downturn.

### Incoming orders (SEK million)



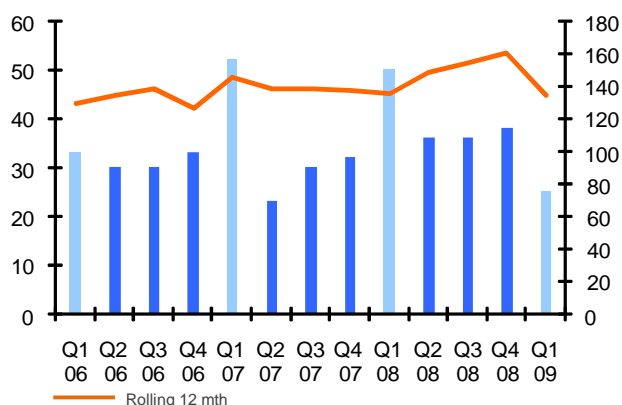
Incoming orders fell by 22 % to SEK 351 million (450) during the first quarter compared with the previous year. For comparable units, incoming orders fell by 27 %. The order book value fell during the period from SEK 243 million to SEK 228 million.

### Sales by geographic market



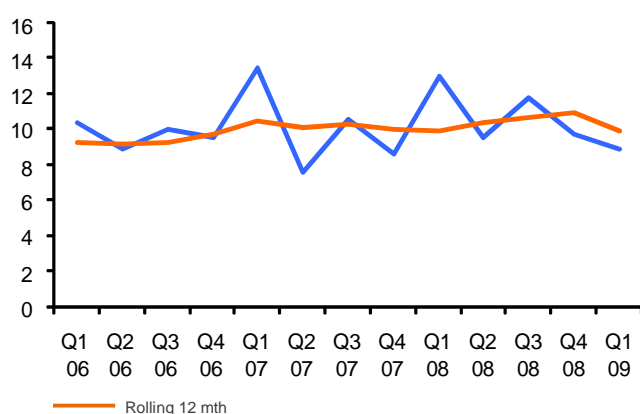
Demand has fallen on all geographic markets, with the largest drop in sales being seen in Finland, the Baltic States and the Czech Republic. Sales in Sweden have been least affected, due in part to last year's acquisitions and the positive currency effect caused by a weak Swedish krona.

### Operating income (SEK million)



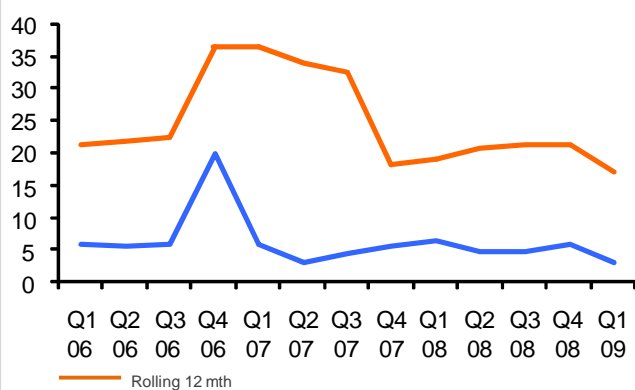
The operating income fell to SEK 25 million (50) as a result of the drop in sales. Last years operating income included a SEK 5 million capital gain from property sales. Cost adjustments implemented during the period burden the result with SEK 4 million, but are expected to reduce costs by SEK 50 million on an annual basis.

### Operating margin (%)



The operating margin fell to 8.9 % (12.9) during the first quarter compared with the same period in the previous year. This change is largely the result of a drop in sales. Operating margin without costs for capacity adjustments was 9.8 %,

### Return on equity (%)



The reduction in income has caused a drop in the return on equity during the period. Shareholders' equity amounts to SEK 610 million (563) with an equity/assets ratio of 62 % (62).

## The divisions

The Group comprises three divisions. The structure is conceptually organised with the aim of creating stability and making use of economies of scale.

### Division Automation

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

SEK million	Q1 2009	Q1 2008	Full year 2008	Rolling 12
Incoming orders	258	290	1127	1096
Sales	267	275	1058	1050
Operating income	22	39	123	106
Operating marg. (%)	10	15	13	11

Sales dropped by 3 % during the first quarter. The weak Swedish currency has had a positive effect on sales and results for the Swedish units. However, for the overseas units the drop in sales has resulted in a lower operating income. Capacity adjustments are being introduced to counter falling demand, together with new product areas.

### Division Components

*Components supplies bearings, seals and appliance components.*

SEK million	Q1 2009	Q1 2008	Full year 2008	Rolling 12
Incoming orders	60	110	373	323
Sales	76	104	378	351
Operating income	7	6	22	23
Operating marg. (%)	10	6	6	7

Sales fell by 13 % for comparable units during the first quarter. The previous year's restructuring work has produced an improved operating margin. Capacity adjustments are being introduced to counter falling demand, together with new product areas.

### Division Production Technology

*Production Technology supplies machinery, peripheral equipment, input material and support for electronics production.*

SEK million	Q1 2009	Q1 2008	Full year 2008	Rolling 12
Incoming orders	29	45	189	172
Sales	26	53	222	195
Operating income	0.3	2	10	9
Operating marg. (%)	3	3	5	5

As a result of poor demand for new production equipment from electronics manufacturers, sales fell by 51 % during the first quarter. Demand for servicing and components has remained good throughout the period. Capacity adjustments are being introduced to counter falling demand, together with new product areas.

## Events after the reporting date

From 16 April, Cyncrona, which is part of Division Production Technology, will be expanding its product range to include cleaning, testing and cable processing as it takes over three employees and six supplier products from Elnitech AB, which has instituted bankruptcy proceedings. This expansion is one element of Cyncrona's work to strengthen its position as an overall supplier within electronics production and also increase sales by approximately SEK 12 million on an annual basis.

## Other financial information

### Cash flow

The cash flow from current operations totalled SEK – 9.7 million (21.1) and was affected by particularly large supplier payments. For the rolling 12 months, the cash flow from current operations amounts to SEK 131 million. The total cash flow for a rolling 12 months amounted to SEK 10 million and during the period it has been affected by, among other things, dividends of SEK 70 million and acquisitions of SEK 55 million.

### Investments

Net investments in fixed assets amounted to SEK 6.8 million (5.9), attributable to property, plant and equipment.

### Cash and cash equivalents

Cash and cash equivalents, comprising cash and bank balances, plus undrawn committed credit facilities, amounted to SEK 330 million (324) as of 31 March 2009.

### Intangible assets

The systematic amortisation of goodwill is no longer permitted following the company's transition to new accounting principles under IFRS (International Financial Reporting Standards) on 1 January 2005. Goodwill and other intangible assets will instead be subject to an annual impairment review. An amortisation of intangible assets totalling SEK 3.6 million (1.0) has had an effect on performance. The net book value in the balance sheet on 31 March 2009 was SEK 111 million (46).

### Equity/assets ratio

The equity/assets ratio as of 31 March 2009 was 61.8 % (61.6).

### Employees

The average number of employees in the Group during the period was 605 (574).

### Share repurchase

The company has not repurchased any shares during the period. The company did not hold any of its own shares on 31 March 2009. The Annual General Meeting's authorisation for the repurchase of shares extends to 10 % of the number of shares, i.e. 2,316,930 shares.

### Accounting principles

The Interim Report for the Group has been prepared and presented in accordance with IAS 34, Interim Financial Reporting. Furthermore, relevant provisions from the Swedish Annual Accounts Act and Securities Market Act have been applied. The same accounting principles and calculation methods were applied as in the latest annual report, with the following exceptions. From 1 January 2009 a new standard becomes effective, IFRS 8 Operating Segments. IFRS 8 is a purely informative standard, which is why it has no effect on the Group's reporting of comprehensive income, financial position, cash flow or changes in shareholders' equity. The operating segments have changed since the latest annual report, as the Group was previously divided into four company groups. From 2009, it comprises three divisions. These new divisions are also described in the latest annual report. In addition to IFRS 8, changes have also been made to IAS 1 Presentation of Financial Statements. These changes do not affect reporting of comprehensive income, financial position, cash flow or changes in shareholders' equity.

The parent company follows the Swedish Annual Accounts Act and recommendation RFR 2.2 Accounting for Legal Entities issued by the Swedish Financial Reporting Board. The same accounting principles and calculation methods were applied as in the latest annual report.

### **Significant risks and uncertainties**

The OEM Group is exposed to both business-related risks and financial risks through its activities. Business-related risks include competition and operational risks, and financial risks include liquidity risk, interest rate risk and currency risk. The financial operations of the OEM Group and management of financial risks are mainly handled by the parent company. Systems for risk management procedures and risk mitigation are in place. These systems are intended to reduce the risk level to a minimum. The basis is structured and efficient management of the financial risks that arise in the business. The 2008 Annual Report provides a detailed account of the risks that the Group faces.

### **Date of next report**

The interim report for the period January - June 2009 will be published on 23 July 2009.

Tranås, 23 April 2009

Jörgen Zahlin

Managing Director and Chief Executive Officer

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

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The information in this report is such that OEM International AB (publ) is obliged to publish in accordance with the Swedish Securities Market Act. The information was released to the media for publication on 23 April 2009 at 14.00.

## Sales and results for the divisions

### Nettoomsättning (MSEK)

	<b>Jan- mars 2009</b>	Jan- mars 2008	Q4 2008	Q3 2008	Q2 2008	Rullande 12 mån	Helår 2008
Automation	<b>267</b>	275	267	237	279	1 050	1 058
Components	<b>76</b>	104	86	89	100	351	378
Production Technology	<b>26</b>	53	94	24	50	195	222
Övriga rörelsessegment	<b>0,2</b>	0,2	0,9	0,2	0,2	1,6	1,6
	<b>369</b>	432	449	350	429	1 597	1 660

### Rörelseresultat (MSEK)

	<b>Jan- mars 2009</b>	Jan- mars 2008	Q4 2008	Q3 2008	Q2 2008	Rullande 12 mån	Helår 2008
Automation	<b>22</b>	39	20	29	35	106	123
Components	<b>7,1</b>	6,3	4,5	8,6	2,8	23	22
Production Technology	<b>0,3</b>	1,5	7,9	-1,1	1,8	8,9	10
	<b>30</b>	47	32	37	40	138	155

### Resultat, koncern (MSEK)

	<b>Jan- mars 2009</b>	Jan- mars 2008	Q4 2008	Q3 2008	Q2 2008	Rullande 12 mån	Helår 2008
Rörelseresultat segment ovan	<b>30</b>	<b>47</b>	32	37	40	138	155
Koncerngemensamma funktioner	<b>-4,1</b>	3,2	5,6	-0,7	-4,0	-3,2	4,1
Finansiella poster netto	<b>0,0</b>	-0,6	-2,5	0,4	0,3	-1,9	-2,4
Resultat före skatt	<b>25</b>	50	35	36	36	133	157



# The Group's outcome and financial position

## SUMMARY STATEMENT OF CONSOLIDATED COMPREHENSIVE INCOME (SEK MILLION)

	Jan- mars 2009	Jan- mars 2008	Q4 2008	Q3 2008	Q2 2008	Rullande 12 mån	Helår 2008
Nettoomsättning	369	432	448	350	429	1 597	1 660
Övriga rörelseintäkter	0,8	5,4	7,4	0	0	8,2	13
Rörelsens kostnader	-337	-382	-412	-309	-388	-1 446	-1 491
Avskrivningar	-7,6	-5,6	-6,0	-5,1	-5,2	-24	-22
<b>Rörelseresultat</b>	<b>25</b>	<b>50</b>	<b>38</b>	<b>36</b>	<b>36</b>	<b>135</b>	<b>159</b>
Finansnetto	0,0	-0,6	-2,5	0,4	0,3	-2	-2,4
<b>Resultat före skatt</b>	<b>25</b>	<b>50</b>	<b>35</b>	<b>36</b>	<b>36</b>	<b>133</b>	<b>157</b>
Skatt	-7,4	-15	-3,6	-11	-11	-33	-40
<b>Periodens resultat</b>	<b>18</b>	<b>35</b>	<b>32</b>	<b>25</b>	<b>25</b>	<b>100</b>	<b>117</b>
<u>Övrigt totalresultat</u>							
Periodens omräkningsdifferenser vid omräkning av utländska verksamheter	0,8	-2,5	8,0	4,3	3,8	17	14
Periodens övrigt totalresultat	0,8	-2,5	8,0	4,3	3,8	17	14
<b>Periodens summa totalresultat</b>	<b>19</b>	<b>33</b>	<b>40</b>	<b>30</b>	<b>29</b>	<b>117</b>	<b>131</b>
Vinst per aktie, kr	0,78	1,51	1,38	1,10	1,08	4,32	5,05
Vinst per aktie kvarvarande verksamhet, kr	0,78	1,51	1,38	1,10	1,08	4,32	5,05

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

	2009-03-31	2008-03-31	2008-12-31
<b>Tillgångar</b>			
Immateriella anläggningstillgångar	111	46	115
Materiella anläggningstillgångar	169	167	167
Finansiella anläggningstillgångar	1	1,5	2,0
Uppskjuten skattefordran	4	5,9	3,9
Varulager	261	244	281
Kortfristiga fordringar	273	298	270
Likvida medel	168	152	163
<b>Summa tillgångar</b>	<b>987</b>	<b>914</b>	<b>1 002</b>
<b>Eget kapital och skulder</b>			
Eget kapital	610	563	591
Långfristiga skulder, räntebärande	21	19	22
Uppskjuten skatteskuld	48	32	48
Kortfristiga skulder, räntebärande	101	77	81
Kortfristiga skulder, ej räntebärande	208	224	260
<b>Summa eget kapital och skulder</b>	<b>987</b>	<b>914</b>	<b>1 002</b>

## SUMMARY STATEMENT OF GROUP CHANGES IN SHAREHOLDERS' EQUITY (SEK MILLION)

	2009-03-31	2008-03-31	2008-12-31
Vid årets början	591	530	530
Periodens summa totalresultat	19	33	131
Lämnad utdelning	-	-	-70
Vid periodens slut	610	563	591

**SUMMARY OF CONSOLIDATED CASH FLOW STATEMENT (SEK MILLION)**

	<b>Jan- mars 2009</b>	<b>Jan- mars 2008</b>	<b>Q4 2008</b>	<b>Q3 2008</b>	<b>Q2 2008</b>	<b>Rullande 12 mån</b>	<b>Helår 2008</b>
Kassaflöde från den löpande verksamheten	<b>19</b>	33	39	32	28	118	133
Förändring av rörelsekapital	<b>-28</b>	-12	6,5	-5,4	40	13	29
<b>Kassaflöde före investeringar</b>	<b>-10</b>	21	45	27	68	131	162
Investeringar	<b>-6,2</b>	-8,2	-65	-2,8	0,9	-73	-75
<b>Kassaflöde efter investeringar</b>	<b>-16</b>	13	-20	24	69	58	86
Kassaflöde från finansieringsverksamheten							
- Förändring av skuld	<b>19</b>	12	31	-17	-11	22	15
- Utbetalad utdelning	<b>0</b>	0	0	0	-70	-70	-70
<b>Kassaflöde</b>	<b>3,3</b>	25	12	6,9	-12	10	32

**KEY INDICATORS**

	<b>Jan- mars 2009</b>	<b>Jan- mars 2008</b>	<b>Q4 2008</b>	<b>Q3 2008</b>	<b>Q2 2008</b>	<b>Rullande 12 mån</b>	<b>Helår 2008</b>
Räntabilitet på eget kapital, %	<b>3,0</b>	6,4	5,6	4,7	4,6	17	21
Räntabilitet på sysselsatt kapital, %	<b>3,6</b>	8,1	5,8	6,2	5,8	20	25
Räntabilitet på totalt kapital, %	<b>2,6</b>	5,7	4,1	4,5	4,2	15	17
Soliditet	<b>61,8</b>	61,6					59
Vinst per aktie före utspädning, kr	<b>0,78</b>	1,51	1,38	1,10	1,08	4,32	5,05
Vinst per aktie efter utspädning, kr	<b>0,78</b>	1,51	1,38	1,10	1,08	4,32	5,05
Eget kapital per aktie, kr	<b>26,33</b>	24,28					25,51
Genomsnittligt antal aktier (tusental)	<b>23 169</b>	23 169	23 169	23 169	23 169	23 169	23 169
Genomsnittligt antal aktier efter utspädning (tusental)	<b>23 169</b>	23 169	23 169	23 169	23 169	23 169	23 169
Rörelsemarginal, %	<b>8,9</b>	12,9	9,7	11,7	9,5	9,9	10,9
Tillväxt i omsättning, %						4,6	12,0

## The parent company's outcome and financial position

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

	Jan- mars 2009	Jan- mars 2008	Q4 2008	Q3 2008	Q2 2008	Rullande 12 mån	Helår 2008
Nettoomsättning	4,3	4,4	33	4,5	4,3	46	46
Rörelsens kostnader	-10	-11	-12	-8,9	-13	-43	-44
Avskrivningar	-0,6	-0,4	-0,6	-0,5	-0,4	-2,1	-1,9
<b>Rörelseresultat</b>	<b>-6,1</b>	<b>-6,5</b>	<b>20</b>	<b>-4,9</b>	<b>-8,6</b>	<b>0,6</b>	<b>0,2</b>
Resultat från andelar i koncernföretag	0	0	6,1	0	0	6,1	6,1
<b>Finansnetto</b>	<b>0,2</b>	<b>0,6</b>	<b>0,4</b>	<b>0,6</b>	<b>1,1</b>	<b>2,3</b>	<b>2,7</b>
<b>Resultat före boksluts- dispositioner och skatt</b>	<b>-5,9</b>	<b>-5,9</b>	<b>27</b>	<b>-4,3</b>	<b>-7,5</b>	<b>9</b>	<b>9,0</b>
Bokslutsdispositioner	0	0	-26	0	0	-26	-26
<b>Resultat före skatt</b>	<b>-5,9</b>	<b>-5,9</b>	<b>0,3</b>	<b>-4,3</b>	<b>-7,5</b>	<b>-17</b>	<b>-17</b>
Skatt	1,6	1,7	1,2	1,3	2,1	6,2	6,3
<b>Periodens resultat</b>	<b>-4,3</b>	<b>-4,2</b>	<b>1,5</b>	<b>-3,0</b>	<b>-5,4</b>	<b>-11</b>	<b>-11</b>

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

	2009-03-31	2008-03-31	2008-12-31
<b>Tillgångar</b>			
Immateriella anläggningstillgångar	1,5	1,5	1,7
Materiella anläggningstillgångar	21	21	21
Finansiella anläggningstillgångar	297	236	296
Kortfristiga fordringar	203	244	231
Likvida medel	100	66	62
<b>Summa tillgångar</b>	<b>623</b>	<b>568</b>	<b>611</b>
<b>Eget kapital och skulder</b>			
Eget kapital	302	312	308
Obeskattade reserver	76	48	74
Uppskjuten skatteskuld	1,8	1,8	1,8
Kortfristiga skulder, räntebärande	-	-	-
Kortfristiga skulder, ej räntebärande	243	207	227
<b>Summa eget kapital och skulder</b>	<b>623</b>	<b>568</b>	<b>611</b>

OEM is one of Europe's leading technical trading companies and consists of 26 operating units in 13 countries with a total of some 600 employees.

