



INTERIM REPORT

Q2

2011



SECOND QUARTER 2011

- Incoming orders increased by 9% to SEK 429 million (395)
- Net sales rose by 13% to SEK 408 million (361)
- Profit before tax increased by 30% to SEK 43 million (33)
- Two acquisitions with an annual turnover of SEK 50 million were completed

FIRST SIX MONTHS 2011

- Incoming orders increased by 13% to SEK 836 million (740)
- Net sales rose by 14% to SEK 792 million (693)
- Profit before tax increased by 32% to SEK 82 million (63)
- Profit after tax increased by 30% to SEK 60 million (46)
- Earnings per share were SEK 2.56 (1.98)

Managing Director REVIEW

Strong growth continues in second quarter

OEM International's sales increased by 13% to SEK 408 million. In local currency, the growth amounted to 19%. New orders rose 9% to SEK 429 million and the order book has increased by SEK 47 million since January 1. Practically all the companies have reported increased sales and profits during the quarter. Growth was strongest for the companies in the UK, Finland, the Czech Republic and OEM Electronics in Sweden.

Increasing profits

The operating margin rose to 10.6% during the quarter, compared to 9.0% in the year-ago quarter. The growth in profits is being driven by economies of scale and constant cost reduction by streamlining sales and logistics routines. Profit before tax increased by 30% to SEK 43 million.

Successful acquisitions

Two acquisitions were completed during the second quarter - Svenska Helag AB and the operations of Scapro AB. We had previously acquired a company in the UK earlier in the year. The total annual turnover of the acquired companies is approximately SEK 60 million. These acquisitions provide us with a broader range of offerings as well as cost and sales synergies. Acquisitions are a key dimension of the Group's strategy for growth and our ambition is to acquire an annual turnover of at least SEK 100 million this year.

Portfolio development

We have taken a number of steps this quarter to continue enhancing our competitive position in the market. We have expanded our portfolio of products through partnerships with totally new suppliers. We have, for instance, extended our range of flow components products in Denmark and launched new installation products in Sweden. As a result of our geographical spread, we are continuously rolling out products that are successful in one market to new markets. One example is our launch of the product area motors in Norway.

Our new web platform has been launched in four companies. Based on the success of the new logistics centre in Tranås in Sweden, we have decided to expand the logistics system in Finland to further increase our delivery capacity and efficiency.

Strong financial position

Over the past 12 months, we have generated a positive cash flow after investing activities amounting to SEK 92 million and have paid out SEK 70 million in dividends. The equity/assets ratio improved to 61% which gives us a strong financial position to drive expansion and pursue further acquisitions.

Positive signs continue

During the first six months of the year, sales increased by 14% and operating profit by 36%. Trailing-twelve-month sales and earnings from continuing operations are currently at record level. Most of the geographic markets are showing positive signs and we see good prospects for continued growth.



Jörgen Zahlin,
Managing Director and Chief Executive Officer

THE GROUP

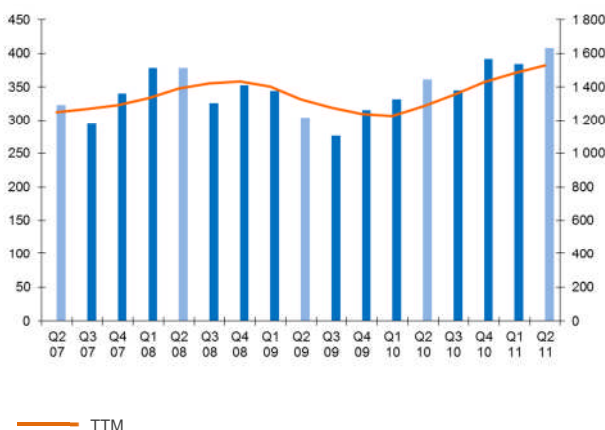
INCOMING ORDERS (SEK million)



Incoming orders increased during the second quarter by 9% to SEK 429 million (395) compared with the previous corresponding quarter. For the first half of 2011, incoming orders exceeded the same period the previous year by 13%. More or less all companies have reported positive growth. During the period, incoming orders were 6% higher than net sales.

On 30 June 2011, the order book had increased by 17% over the previous year to SEK 288 million (247).

NET SALES (SEK million)

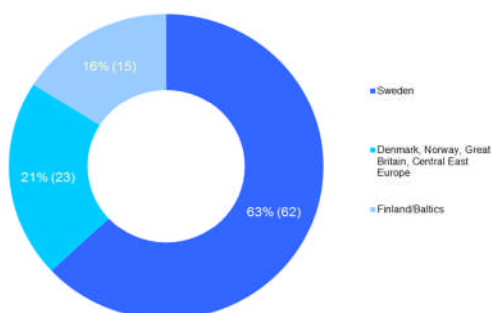


Net sales increased during the second quarter by 13% to SEK 408 million (361) compared with the previous corresponding quarter. Net sales are higher than our peak quarters in 2008.

In the first half of 2011, net sales exceeded the same period last year by 14%. Net sales increased by about 21% excluding the impact of currency translation.

Percentage sales growth was strongest in the UK, Finland, Denmark and OEM Electronics in Sweden.

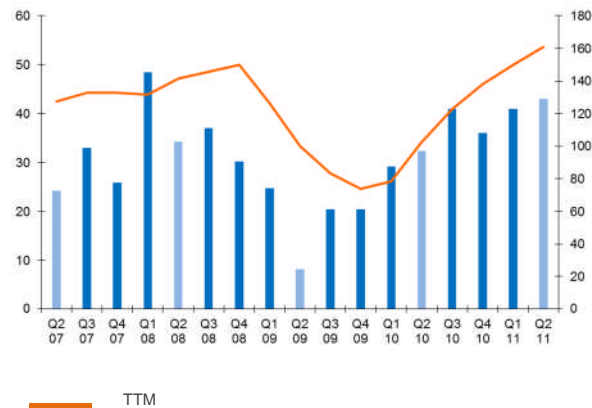
SALES BY REGION (SEK million)



Small changes between the regions, mainly based on currency fluctuations and completed acquisitions.

Volume growth has been consistent between the regions.

OPERATING PROFIT (SEK million)

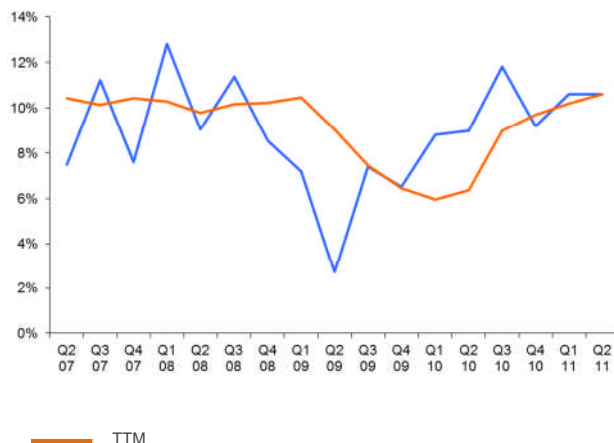


Operating profit increased during the second quarter by 33% to SEK 43 million (32) compared with the previous corresponding quarter. The operating profit for the first six months exceeded the previous year by 36%. The increase is due to sales growth and margin improvement.

Operating profit for the trailing 12 months increased by 58% to SEK 161 million (102).

Note:
Q1 2008 sale of property + SEK 5.4 million

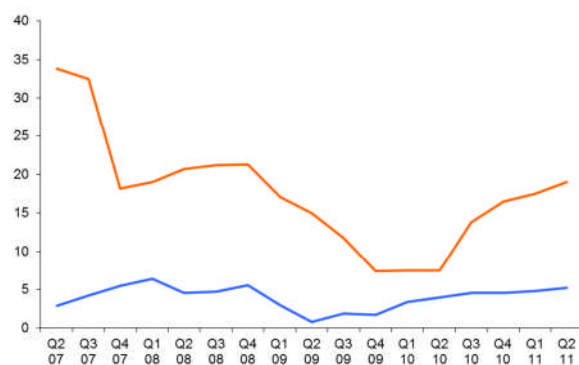
OPERATING MARGIN (%)



The operating margin increased to 10.6% (9.0%) in the second quarter. The operating margin was 10.6% for the first half of 2011, compared to 8.9% last year.

The trailing-twelve-month operating margin has increased to 10.6% compared to 9.7% for the whole of 2010.

RETURN ON EQUITY (%)



Return on equity improved over the second quarter in the previous year by 5.2% (4.1). The trailing-twelve-month return on equity was 19% compared to the target of 20%.

Equity amounted to SEK 586 million (550) on 30 June 2011 and the equity/assets ratio was 61% (61%).

THE REGIONS

SWEDEN

Sales are conducted under the company names of OEM Automatic, OEM Motor, OEM Electronics, Internordic Bearings, Telfa and Elektro Elco.

| SEK million | Q1- Q2 2011 | Q1- Q2 2010 | Full year 2010 | Trailing 12 |
|-------------------------|----------------------------|-------------------|----------------------|----------------|
| Incoming orders | 555 | 460 | 923 | 1 018 |
| Net sales | 515 | 437 | 905 | 983 |
| Operating profit/loss | 70 | 52 | 113 | 132 |
| Operating margin (%) | 14 | 12 | 13 | 13 |

Net sales increased by 18% in the first six months compared with the previous year. The increase in volume was approximately 24%. Incoming orders exceed net sales by 5%. Combined with the increase in sales, this bodes well for the future.

Strong net sales and margin improvement resulted in a 36% increase in the operating profit.

FINLAND AND THE BALTIC STATES

Sales are conducted under the company names of OEM Automatic, OEM Electronics and Internordic Bearings.

| SEK million | Q1- Q2 2011 | Q1- Q2 2010 | Full year 2010 | Trailing 12 |
|-------------------------|----------------------------|-------------------|----------------------|----------------|
| Incoming orders | 114 | 114 | 224 | 224 |
| Net sales | 115 | 101 | 215 | 229 |
| Operating profit/loss | 11 | 8 | 20 | 23 |
| Operating margin (%) | 10 | 8 | 9 | 10 |

Net sales increased by 14% in the first six months compared with the previous year. In local currency, net sales increased by 27%.

Strong net sales and margin improvement resulted in a 41% increase in the operating profit.

DENMARK, NORWAY, UK AND CENTRAL EASTERN EUROPE

Sales are conducted under the company names of OEM Automatic, OEM Automatic Klitsö and OEM Electronics.

| SEK million | Q1- Q2 2011 | Q1- Q2 2010 | Full year 2010 | Trailing 12 |
|-------------------------|----------------------------|-------------------|----------------------|----------------|
| Incoming orders | 167 | 166 | 321 | 322 |
| Net sales | 162 | 155 | 310 | 317 |
| Operating profit/loss | 11 | 9 | 18 | 21 |
| Operating margin (%) | 7 | 6 | 6 | 7 |

Net sales increased by 5% in the first six months compared with the previous year. In local currency, net sales increased by 14 %. Incoming orders amounted to SEK 167 million (166) and exceed net sales by 3%.

Net sales and margin improvement resulted in a 28% increase in the operating profit.

OTHER FINANCIAL INFORMATION

Cash flow

Cash flow from operating activities was SEK 42 million (28). Cash flow generated by operating activities was SEK 130 million (85) in the trailing 12 months. Total cash flow was SEK -31 million in the first six months and was affected, in part, by investing activities by SEK 27 million and dividend payouts of SEK 70 million. Total cash flow was SEK 22 million in the trailing 12 months and was affected, in part, by investing activities by SEK 38 million and dividend payouts of SEK 70 million.

Investments

The Group's net investments in property, plant and equipment totalled SEK 28 million (6.8). Property, machinery and equipment accounted for SEK 6.4 million of this total, and business combinations for SEK 21 million. SEK -1.5 million (6.6) of the net investment amount is attributable to exchange rate movements when the balance sheet is translated at the closing rate on the balance sheet date.

Cash and cash equivalents

Cash and cash equivalents, comprising cash and bank balances, plus committed but undrawn credit facilities, amounted to SEK 358 million (328) on 30 June 2011.

Intangible assets

Amortisation of intangible assets totalling SEK 6.2 million (5.3) has been charged to the income statement. On 30 June 2011, the balance sheet carrying amount was SEK 123 million (104).

Equity/assets ratio

On 30 June 2011, the equity/assets ratio was 61% (61).

Employees

The Group had an average of 550 (493) employees in continuing operations during the period. At the end of the period, the number of employees was 567.

Share repurchase

The company has not repurchased any shares during the period. The Company did not hold any of its own shares on 30 June 2011. The Annual General Meeting's authorisation for the repurchase of shares extends to 10% of the number of shares, i.e. 2,316,930.

Acquisitions in 2011

All shares in Echobeach Ltd. and Svenska Helag AB have been acquired. In addition, OEM Electronics AB has acquired Scapro AB's components sales business.

Echobeach Ltd. reports sales of approximately SEK 12 million and markets electrical components in the United Kingdom. The company was merged with OEM Automatic Ltd. during the spring of 2011. On the 1 March 2011, the company became part of the Denmark, Norway, UK and Central Eastern Europe region. The consideration for the acquired business was SEK 4.7 million and a contingent consideration, based on the performance of the business throughout 2011, is estimated at SEK 2.2 million. The acquisition is expected to have a marginal positive impact on OEM's profit in 2011.

Svenska Helag, based in the Swedish town of Borås, produces and markets connection technology components for electrical systems and electronics. The company reported sales of SEK 21 million in 2010. This acquisition will strengthen OEM's range of products within connection technology. The consideration is SEK 10 million and a contingent consideration based on how the company develops during 2011 and 2012 is estimated at SEK 5 million. The acquisition is expected to have a marginal positive impact on OEM's profit in 2011.

OEM Electronics AB has acquired Scapro AB's components sales business. The annual turnover is approximately SEK 30 million and the product range consists of keyboards, capacitors and ferrites. The acquisition is an asset deal where OEM acquires stock of goods, equipment, customer and supplier deals as well as intellectual property. The consideration is approximately SEK 2.7 million plus a contingent consideration based on how the business develops during 2011. The acquisition is expected to have a marginal positive impact on OEM's profit for 2011.

Preliminary acquisition cost estimate

| The acquired companies' net assets at the time of acquisition | Company carrying values | Fair value adjustment | Group fair value |
|---|-------------------------|-----------------------|------------------|
| Intangible assets | - | 16.2 | 16.2 |
| Other non-current assets | 0.2 | - | 0.2 |
| Inventories | 7.5 | - | 7.5 |
| Other current assets | 6.3 | - | 6.3 |
| Other liabilities | -5.8 | -4.7 | -10.5 |
| Net identifiable assets/liabilities | 8.2 | 11.5 | 19.7 |
| Consolidated goodwill | - | 5.0 | 5.0 |
| Consideration | | | 24.7 |

As a result of the acquisitions, other intangible assets have increased by SEK 16.2 million. The amount relates to customer relations that will be amortised over a 5-year period.

OEM normally uses an acquisition structure with a base consideration and additional contingent consideration. The additional consideration is initially valued at the present value of the probable earnings, which amounts to SEK 7.2 million for the acquisitions this year. The period for additional considerations is two years and the earnings may amount to a maximum of SEK 9.2 million.

Transaction expenses for the acquisitions completed during the period amount to SEK 0.2 million and are included in the operating costs. A revaluation of additional contingent considerations has not yet been carried out.

The effect of the implemented acquisition on consolidated sales during the first six months is approximately SEK 11 million and on profit before tax approximately SEK 1.2 million.

Accounting policies

This condensed consolidated interim report has been prepared in compliance with IAS 34 Interim Financial Reporting and applicable provisions of the Swedish Annual Accounts Act. The interim report for the Parent Company has been prepared in compliance with Chapter 9, Interim Reports, of the Swedish Annual Accounts Act. The Group and the Parent Company have applied the same accounting policies and basis of preparation as in the latest annual report, apart from the changes described below. The Group's operations are divided into operating segments based on the business

areas for which the company's chief operating decision maker, the Group management, monitors the profit, returns and cash flows that the Group's various segments generate. From January 2011, the Group has undergone a reorganisation and is primarily managed as three market regions, i.e. Sweden, Finland and the Baltic States, and Denmark, Norway, the UK and Central Eastern Europe. The purpose of the new organisation is to consolidate OEM's long-term competitive edge and increase growth outside of Sweden. Before 2011, OEM was a matrix organisation with product and country lines, grouped into three divisions: Automation, Components and Production Technology. The Production Technology Division was discontinued in 2010. The focus was moved from the product organisation to the market regions. Each operating segment in the form of a market region has one manager, except for Sweden which has two managers who are responsible for the day-to-day operations and who provide the Group management with regular reports on the performance of the segment and resource requirements. The Group's internal reporting system is designed to allow the Group management to monitor the performance and results of each of the market regions. The Group's segments have been identified using data from this internal reporting system, through a process of assessing the different areas in order to merge segments that are similar. This means that segments have been merged if they share similar economic properties, such as long-term gross margins and have similar product areas, customer categories and methods of distribution, and operate in an environment that has similar sets of rules and regulations.

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 OEM Group's financial activities and management of financial risks are conducted primarily by the Parent Company. Frameworks for risk management procedures and risk mitigation are in place. These systems are characterised by a low risk level. The basis is the structured and efficient management of the financial risks that arise in the business. For a complete report on the risks affecting the Group, please refer to the annual report for 2010, pages 46-48. No changes have occurred during the period.

Estimates and assessments

Preparation of the interim report requires company management to make estimates, assessments and assumptions that affect the application of the accounting policies and the reported amounts for assets, liabilities, income and expenses. Actual outcomes may differ from these estimates and assessments. The critical assessments and sources of uncertainty in the estimates are the same as in the latest annual report.

Parent Company

Net turnover was SEK 9.3 million (9.7) and profit after financial items was SEK 0.5 million (20.0).

After the close of the reporting period

There are no significant events to report.

Date of next report

The interim report for the period January – September 2011 will be published on 24 October 2011.

Assurance

The Board of Directors and the Managing Director give their assurance that the six-month interim report gives a true and fair view of the Group's and the Parent Company's operations, position and income and describes the principal risks and uncertainties faced by the Parent Company and the Group's Companies.

Tranås, 18 July 2011

Lars-Åke Rydh
Chairman of the Board

Ulf Barkman
Member of the Board

Hans Franzén
Member of the Board

Jerker Lövgren
Member of the Board

Petter Stillström
Member of the Board

Agne Svenberg
Member of the Board

Jörgen Zahlin
Managing Director and Chief Executive Officer

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

For further information, please contact MD Jörgen Zahlin, phone +46 (0)75-242 40 22
or Finance Director Jan Cnattingius on +46 (0)75-242 40 03.

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| The information in this report is of such a nature that its disclosure by OEM International AB (publ.) is required under the Swedish Securities Market Act. The information was released to the media for publication on 18 July 2011 at 2 p.m. |
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REGIONS' SALES AND INCOME

TURNOVER AND RESULTS BY REGION *

Net turnover (SEK million) *

| | Jan- June 2011 | Jan- June 2010 | Q2 2011 | Q1 2011 | Q4 2010 | Q3 2010 | Q2 2010 | Rolling 12 mth | Full year 2010 |
|--|----------------------|----------------------|------------|------------|------------|------------|------------|-------------------|-------------------|
| Sweden, external income | 515 | 437 | 270 | 245 | 260 | 208 | 227 | 983 | 905 |
| Sweden, income from other segments | 30 | 30 | 15 | 15 | 15 | 16 | 16 | 60 | 60 |
| Finland and the Baltic States, external income | 115 | 101 | 58 | 57 | 56 | 58 | 55 | 229 | 215 |
| Finland and the Baltic States, income from other segments | 1,3 | 5,6 | 0,6 | 0,7 | 0,8 | -3,7 | 4,9 | -1,6 | 2,8 |
| Denmark, Norway, the United Kingdom and Central Eastern Europe, external income | 162 | 155 | 80 | 82 | 76 | 79 | 79 | 317 | 310 |
| Denmark, Norway, the United Kingdom and Central Eastern Europe, income from other segments | 3,3 | 0,7 | 3,0 | 0,2 | 0,3 | 0,2 | 0,4 | 3,7 | 1,1 |
| Other operating segments/elimination | -35 | -35 | -19 | -15 | -16 | -12 | -21 | -62 | -63 |
| | 792 | 693 | 408 | 384 | 392 | 345 | 361 | 1 529 | 1 430 |

Operating profit (SEK million) *

| | Jan- June 2011 | Jan- June 2010 | Q2 2011 | Q1 2011 | Q4 2010 | Q3 2010 | Q2 2010 | Rolling 12 mth | Full year 2010 |
|--|----------------------|----------------------|------------|------------|------------|------------|------------|-------------------|-------------------|
| Sweden | 70 | 52 | 39 | 32 | 31 | 30 | 27 | 132 | 113 |
| Finland and the Baltic States | 11 | 7,8 | 5,2 | 5,8 | 4,8 | 7,1 | 4,6 | 23 | 20 |
| Denmark, Norway, the United Kingdom and Central Eastern Europe | 11 | 8,7 | 4,9 | 6,3 | 3,2 | 6,1 | 4,2 | 21 | 18 |
| | 93 | 68 | 49 | 44 | 39 | 43 | 36 | 175 | 151 |

Consolidated profit/loss (SEK million) *

| | Jan- June 2011 | Jan- June 2010 | Q2 2011 | Q1 2011 | Q4 2010 | Q3 2010 | Q2 2010 | Rolling 12 mth | Full year 2010 |
|----------------------------------|----------------------|----------------------|------------|------------|------------|------------|------------|-------------------|-------------------|
| Operating profit, above segments | 93 | 68 | 49 | 44 | 39 | 43 | 36 | 175 | 151 |
| Group functions | -8,4 | -6,6 | -5,3 | -3,1 | -3,4 | -2,4 | -3,8 | -14 | -12 |
| Net financial items | -1,7 | 1,0 | -0,8 | -0,9 | 0,1 | -2,9 | 0,5 | -4,5 | -1,8 |
| Profit/loss before tax | 82 | 63 | 43 | 40 | 36 | 38 | 33 | 156 | 136 |

Other disclosures (SEK million) *

| | Jan- June 2011 | Jan- June 2010 | Q2 2011 | Q1 2011 | Q4 2010 | Q3 2010 | Q2 2010 | Rolling 12 mth | Full year 2010 |
|---|----------------------|----------------------|------------|------------|------------|------------|------------|-------------------|-------------------|
| <u>Sweden</u> | | | | | | | | | |
| Assets | 460 | 395 | 460 | 452 | 443 | 422 | 395 | 444 | 443 |
| Liabilities | 179 | 163 | 179 | 220 | 227 | 152 | 163 | 195 | 227 |
| <u>Finland and the Baltic States</u> | | | | | | | | | |
| Assets | 88 | 81 | 88 | 88 | 85 | 84 | 81 | 86 | 85 |
| Liabilities | 42 | 47 | 42 | 38 | 39 | 42 | 47 | 40 | 39 |
| <u>Denmark, Norway, the United Kingdom and Central Eastern Europe</u> | | | | | | | | | |
| Assets | 162 | 149 | 162 | 170 | 144 | 148 | 149 | 156 | 144 |
| Liabilities | 72 | 68 | 72 | 81 | 61 | 58 | 68 | 68 | 61 |

* Continuing operations

THE GROUP'S PERFORMANCE AND FINANCIAL POSITION

CONDENSED CONSOLIDATED COMPREHENSIVE INCOME STATEMENT (SEK MILLION)

| | Jan- June 2011 | Jan- June 2010 | Q2 2011 | Q1 2011 | Q4 2010 | Q3 2010 | Q2 2010 | Rolling 12 mth | Full year 2010 |
|--|----------------------|----------------------|------------|-------------|-------------|-------------|-------------|-------------------|-------------------|
| Continuing operations | | | | | | | | | |
| Net sales | 792 | 693 | 408 | 384 | 392 | 345 | 361 | 1 529 | 1 430 |
| Operating costs | -694 | -619 | -358 | -337 | -349 | -297 | -322 | -1340 | -1 265 |
| Intangible asset amortisation | -6,2 | -5,3 | -3,2 | -3,0 | -3,0 | -2,7 | -2,7 | -12 | -11 |
| Depreciation of property, plant and equipment | -7,7 | -8,0 | -3,9 | -3,8 | -4,4 | -4,2 | -4,0 | -16 | -17 |
| Operating profit/loss | 84 | 62 | 43 | 41 | 36 | 41 | 32 | 161 | 138 |
| Net finance income/expense | -1,7 | 1,0 | -0,8 | -0,9 | 0,1 | -2,9 | 0,5 | -4,6 | -1,8 |
| Profit/loss before tax | 82 | 63 | 43 | 40 | 36 | 38 | 33 | 156 | 136 |
| Tax | -23 | -17 | -12 | -11 | -8,4 | -11 | -8,9 | -43 | -37 |
| Profit/loss for the period from continuing operations | 60 | 46 | 31 | 29 | 28 | 27 | 24 | 114 | 100 |
| Discontinued operations | | | | | | | | | |
| Profit/loss for the period from discontinued operations, net after tax | -0,2 | -4,1 | -0,1 | -0,1 | 0,6 | -1,0 | -1,6 | -0,6 | -4,5 |
| Profit/loss for the period | 59 | 42 | 31 | 29 | 28 | 26 | 22 | 113 | 95 |
| Other comprehensive income | | | | | | | | | |
| Exchange differences for the period arising on translation of foreign operations | 2,4 | -10 | 3,9 | -1,4 | -2,8 | -6,9 | -4,5 | -7,2 | -20 |
| Other comprehensive income for the period | 2,4 | -10 | 3,9 | -1,4 | -2,8 | -6,9 | -4,5 | -7,2 | -20 |
| Total comprehensive income for the period | 62 | 31 | 35 | 27 | 25 | 19 | 18 | 106 | 76 |
| Earnings per share, SEK* | 2,55 | 1,80 | 1,31 | 1,24 | 1,21 | 1,11 | 0,96 | 4,87 | 4,12 |
| Earnings per share from continuing operations, SEK* | 2,56 | 1,98 | 1,32 | 1,24 | 1,19 | 1,15 | 1,04 | 4,90 | 4,32 |

* No effects of dilution present and the results are attributable to shareholders of the parent.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (SEK MILLION)

| | 2011-06-30 | 2010-06-30 | 2010-12-31 |
|--|------------|------------|------------|
| Assets | | | |
| Goodwill | 60 | 49 | 55 |
| Other intangible assets | 63 | 55 | 52 |
| Property, plant and equipment | 182 | 188 | 182 |
| Financial assets | 3,5 | 3,9 | 4,6 |
| Deferred tax assets | 4,0 | 4,4 | 3,9 |
| Inventories | 237 | 192 | 220 |
| Current receivables | 267 | 289 | 241 |
| Cash and cash equivalents | 143 | 122 | 173 |
| Total assets | 959 | 902 | 932 |
| Equity and liabilities | | | |
| Equity | 586 | 550 | 594 |
| Non-current interest-bearing liabilities | 19 | 17 | 17 |
| Deferred tax liabilities | 54 | 47 | 50 |
| Current interest-bearing liabilities | 86 | 88 | 65 |
| Current non-interest-bearing liabilities | 213 | 201 | 205 |
| Total equity and liabilities | 959 | 902 | 932 |

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (SEK MILLION)

| | 2011-06-30 | 2010-06-30 | 2010-12-31 |
|---|------------|------------|------------|
| At beginning of year | 594 | 565 | 565 |
| Total comprehensive income for the period | 62 | 31 | 76 |
| Dividends paid | -70 | -46 | -46 |
| At the end of the period | 586 | 550 | 594 |

CONDENSED CONSOLIDATED CASH FLOW STATEMENT (SEK MILLION)

| | Jan- June 2011 | Jan- June 2010 | Q2 2011 | Q1 2011 | Q4 2010 | Q3 2010 | Q2 2010 | Rolling 12 mth | Full year 2010 |
|--|----------------------|----------------------|------------|------------|------------|------------|------------|-------------------|-------------------|
| Cash flows from operating activities | | | | | | | | | |
| before changes in working capital | 70 | 47 | 34 | 36 | 50 | 36 | 25 | 156 | 134 |
| Changes in working capital | -28 | -20 | -7,0 | -21 | 6,9 | -5,1 | -11 | -26 | -18 |
| Cash flows from operating activities | 42 | 28 | 27 | 16 | 57 | 31 | 14 | 130 | 116 |
| Cash flows from investing activities | -27 | -9,0 | -13 | -14 | -6,7 | -4,6 | 0,0 | -38 | -20 |
| Cash flows after investing activities | 15 | 19 | 14 | 1,3 | 50 | 26 | 14 | 92 | 95 |
| Cash flows from financing activities | | | | | | | | | |
| - Change in liabilities | 23 | -13 | 6,5 | 17 | -8,1 | -15 | -13 | -0,3 | -36 |
| - Dividends paid | -70 | -46 | -70 | 0,0 | 0,0 | 0,0 | -46 | -70 | -46 |
| Cash flows for the period | -31 | -41 | -49 | 18 | 42 | 11 | -45 | 22 | 13 |
| Cash and cash equivalents at the beginning c | 173 | 165 | 191 | 173 | 132 | 122 | 168 | 122 | 165 |
| Exchange rate differences | 1,0 | -2,7 | 1,2 | -0,2 | -0,8 | -1,1 | -1,0 | -0,8 | -4,6 |
| Cash and cash equivalents at the end of the | 143 | 122 | 143 | 191 | 173 | 132 | 122 | 143 | 173 |

KEY PERFORMANCE INDICATORS

| | Jan- June 2011 | Jan- June 2010 | Q2 2011 | Q1 2011 | Q4 2010 | Q3 2010 | Q2 2010 | Rolling 12 mth | Full year 2010 |
|--|----------------------|----------------------|------------|------------|------------|------------|------------|-------------------|-------------------|
| Return on equity, % | 10,0 | 7,5 | 5,2 | 4,8 | 4,6 | 4,4 | 4,1 | 19,0 | 16,5 |
| Return on capital employed, % * | 12,5 | 9,4 | 6,7 | 5,8 | 5,5 | 6,1 | 5,1 | 24,1 | 21,0 |
| Return on total capital % * | 9,1 | 6,9 | 4,8 | 4,3 | 4,0 | 4,4 | 3,8 | 17,5 | 15,5 |
| Equity/assets ratio, % | 61,1 | 60,9 | | | | | | | 63,8 |
| Earnings per share, SEK* | 2,55 | 1,80 | 1,31 | 1,24 | 1,21 | 1,11 | 0,96 | 4,87 | 4,12 |
| Earnings per share from continuing operation | 2,56 | 1,98 | 1,32 | 1,24 | 1,19 | 1,15 | 1,04 | 4,90 | 4,32 |
| Equity per share, SEK | 25,29 | 23,73 | | | | | | | 25,63 |
| Average number of shares (thousands) | 23 169 | 23 169 | 23 169 | 23 169 | 23 169 | 23 169 | 23 169 | 23 169 | 23 169 |
| Average number of diluted shares (thousands) | 23 169 | 23 169 | 23 169 | 23 169 | 23 169 | 23 169 | 23 169 | 23 169 | 23 169 |
| Operating margin, % * | 10,6 | 8,9 | 10,6 | 10,6 | 9,3 | 11,8 | 9,0 | 10,6 | 9,7 |

* Under IFRS 5, Division Production Technology operations are recognised as discontinued operations. Marked KPIs apply to continuing operations. Comparative figures have been restated. Other KPIs apply for the total operations (incl. Production Technology operations) as the balance sheet for the comparative periods, under IFRS 5, is not restated.

** There are no dilution effects

THE PARENT COMPANY'S PERFORMANCE AND FINANCIAL POSITION

CONDENSED INCOME STATEMENT OF THE PARENT COMPANY (SEK MILLION)

| | Jan- June 2011 | Jan- June 2010 | Q2 2011 | Q1 2011 | Q4 2010 | Q3 2010 | Q2 2010 | Rolling 12 mth | Full year 2010 |
|--|----------------------|----------------------|-------------|-------------|-------------|-------------|-------------|-------------------|-------------------|
| Net sales | 9,3 | 9,7 | 4,9 | 4,3 | 24 | 3,9 | 5,1 | 37 | 37 |
| Operating costs | -20 | -20 | -11 | -8,9 | -8,9 | -8,1 | -11 | -37 | -37 |
| Depreciation | -1,5 | -1,2 | -0,8 | -0,7 | -1,0 | -0,4 | -0,7 | -3,0 | -2,6 |
| Operating profit/loss | -13 | -12 | -7,3 | -5,3 | 14 | -4,6 | -6,8 | -3,3 | -2,5 |
| Income from shares | | | | | | | | | |
| in Group companies | 12 | 31 | 12 | 0,0 | -9,9 | 0,0 | 31 | 2,2 | 21 |
| Net financial income/expense | 1,0 | 0,4 | 0,6 | 0,4 | 0,4 | 0,2 | 0,3 | 1,7 | 1,1 |
| Profit/loss after financial items | 0,5 | 20 | 5,4 | -4,9 | 4,4 | -4,3 | 24 | 0,6 | 20 |
| Appropriations | 0,0 | 0,0 | 0,0 | 0,0 | -12 | 0,0 | 0,0 | -12 | -12 |
| Profit/loss before tax | 0,5 | 20 | 5,4 | -4,9 | -8,1 | -4,3 | 24 | -12 | 7,2 |
| Tax | 3,0 | 3,1 | 1,8 | 1,3 | -1,0 | 1,0 | 4,4 | 3,0 | 3,1 |
| Profit/loss for the period | 3,6 | 23 | 7,2 | -3,6 | -9,0 | -3,4 | 29 | -8,8 | 10 |

CONDENSED PARENT COMPANY BALANCE SHEET (SEK MILLION)

| | 2011-06-30 | 2010-06-30 | 2010-12-31 |
|--|------------|------------|------------|
| Assets | | | |
| Intangible assets | 3,5 | 3,9 | 3,9 |
| Property, plant and equipment | 20 | 20 | 20 |
| Financial assets | 307 | 294 | 304 |
| Current receivables | 121 | 154 | 203 |
| Cash and bank balances | 101 | 82 | 122 |
| Total assets | 552 | 555 | 653 |
| Equity and liabilities | | | |
| Equity | 293 | 307 | 359 |
| Untaxed reserves | 98 | 85 | 98 |
| Deferred tax liabilities | 2,0 | 1,9 | 1,9 |
| Current interest-bearing liabilities | 0,0 | 0,0 | 0,0 |
| Current non-interest-bearing liabilities | 159 | 160 | 194 |
| Total equity and liabilities | 552 | 555 | 653 |
| Pledged assets | 7,5 | 7,5 | 7,5 |
| Contingent liabilities | 196 | 247 | 196 |

OEM is one of Europe's leading technology trading companies and consists of 21 operating units in 13 countries.

