

02

FINANCIAL REPORT JANUARY – MARCH 2002

- Profit prior tax amounts to 8,7 SEK million (36,5)
- Turnover was 396,5 SEK million (568,5)
- Order bookings amounted to 401,2 SEK million (582,4)
- Earnings per share after estimated tax SEK 0:52 (3:44)
- Earlier initiated action program is beginning to show positive results
- For the telecom related parts of the Group the uncertainty is still high



OEM INTERNATIONAL

Turnover and profit

Turnover of the Group during the first quarter amounted to 396,5 SEK million (568,5) and profit after net financial income/expense amounted to 8,7 SEK million (36,5). Turnover outside Sweden amounted to 128,6 SEK million (165,0).

The recession in telecom and the electronic industry has resulted in drastically reduced demand, mainly in Group EP and Group Electronics. Both these Groups are responsible for the main part of the drop in turnover and for the entire drop in profits.

In other product areas the recession is clearly evident but continued high market activities has resulted in increased market shares. Together with improved cost control it will lead to profits on a par with last year.

Orders booked for the Group was 401,2 SEK million (582,4) and follows the same pattern as turnover with poor inflow of orders for the Groups EP and Electronics.

We plan for a continued weak demand in the present year and have a strong focus on activities to gain new market shares and to increase our inner efficiency.

The action program that was launched during quarter 4 past year has reduced people employed from 773 to 721.

Expenses for Q1 were reduced by 13 SEK million compared to the same quarter last year. Continued effectiveness and adjustments of capacity in the second quarter will lower people employed to roughly 700.

General information quarter 1 2002

Accounting principles

The OEM Group use the same accounting principles and methods of calculation as in the latest Annual Report.

Inflow of orders and order book

During the first three months incoming orders amounted to 401,2 SEK million (582,4). The orderbook value, at 31st March 2002, was 266,5 SEK million (454,1).

Investments

Net investments of the Group in fixed assets during the period amounted to -0,4 SEK million (16,1).

Equity/assets ratio

Liquid assets, consisting of cash and bank balances with the adding of granted but not exploited credits, amount at 31st March 2002 to 244,6 SEK million. The corresponding amount at the turn of the year was 216,1 SEK million.

Goodwill

The policy of OEM International is to write off goodwill in 5 years. The profit for the first three months this year has been charged with 7,3 SEK million (7,1) for amortization of goodwill.

Solidity

As per 31st March 2002 the solidity was 48,8 % (41,1).

Personnel

The total number of employees on 31st March 2002 was 721 persons (773).

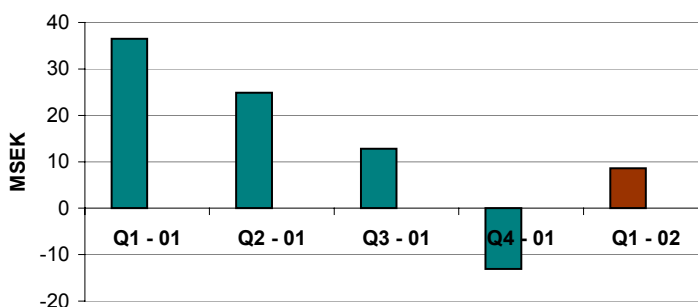
Prognosis for the whole year

Due to the uncertainty in the market no prognosis is made for the rest of the year.

Next report

A financial report for the period January-June will be published on 9th of August 2002.

Profit per quarter





Group Automation

Group Automation market components for industrial automation

First quarter: (MSEK)
Turnover 158,7 (161,8)
Profit 14,9 (15,9)

Several of the companies experience a weak demand. No clear signs evident for increased demand.

The improvement of efficiency of operations together with increased utilization of synergies as well as activities for increasing market shares makes the downturn only 6% compared to previous year.



Group Electronics

Group Electronics market components for the appliance and electronics industry, EMC and microwave components and instruments.

First quarter: (MSEK)
Turnover 111,4 (150,4)
Profit 2,2 (14,5)

Companies with major customers in the telecom sector has a considerable decrease in invoicing. We expect no rise in demand in the near future, which leads us to adjust resources to a lower level of demand.

In other units in the group there has been a marginal decrease in demand.

A couple of new big agencies have been added, which will bring a profit contribution during the autumn.



Group Mechanics

Group Mechanics sell mechanical components such as bearings, seals, linear units.

First quarter: (MSEK)
Turnover 44,3 (43,9)
Profit 2,8 (1,4)

Increased market shares in a weak market improves profits during the first three months.

Increased customer activities in the companies has brought a larger project base, which indicates a continued positive development.

Main focus is to use the gained advantages in competition to create further organic expansion in the group..



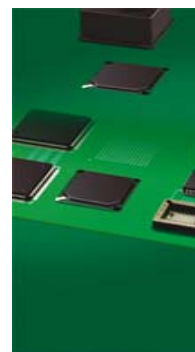
Group Hydraulics

Group Hydraulics sell hydraulic components and design and manufacture hydraulic units and hydraulic systems.

First quarter: (MSEK)
Turnover 42,2 (45,8)
Profit 0,8 (0,5)

Profits increased during the first three months compared with last year, in spite of a lower turnover.

During Q1 some large customers have indicated a weaker demand for the later part of the year, which lowers our expectations for the second half of 2002.



Group EP

Group EP market production systems and input goods for electronics production.

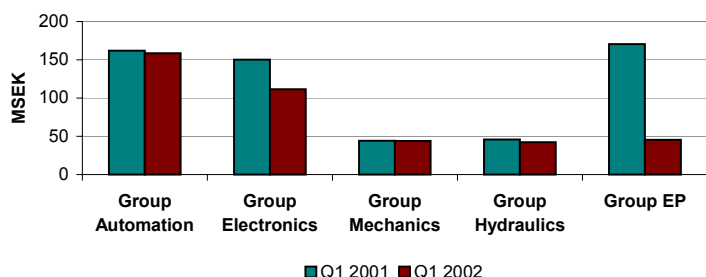
First quarter: (MSEK)
Turnover 45,6 (170,5)
Profit -9,9 (7,8)

The decline in the telecom industry has caused more or less of a standstill of investments in this branch.

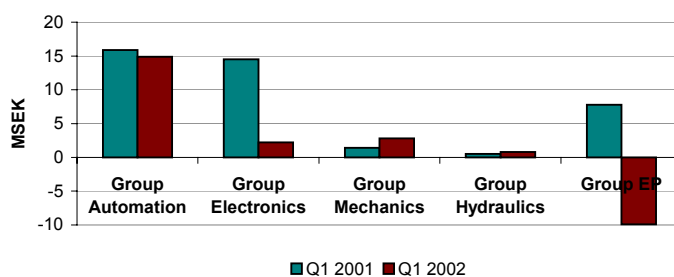
We see no clear signs for demand to increase during the present year.

The re-focusing of the product range and adjustment of capacity to present demand is in progress.

Turnover per company group



Profit per company group



PROFIT AND LOSS ACCOUNT (SEK MILLION)

| | Jan-Mar 2002 | Jan-Mar 2001 | Q 4 2001 | Q 3 2001 | Q 2 2001 | Rolling 12 months | Whole year 2001 |
|-----------------------------|-------------------------|-----------------|-------------|-------------|-------------|----------------------|--------------------|
| Net turnover | 396,5 | 568,5 | 406,2 | 411,6 | 557,8 | 1.772,1 | 1.944,1 |
| Operating cost | - 372,2 | -516,2 | - 407,2 | - 382,2 | - 515,7 | - 1.677,3 | - 1.821,3 |
| Deprecations acc. to plan | - 13,7 | -15,0 | - 14,5 | - 14,5 | - 14,5 | - 57,2 | - 58,5 |
| Operating profit | 10,6 | 37,3 | - 15,5 | 14,9 | 27,6 | 37,6 | 64,3 |
| Shares in ass. companies | 0,1 | 0,6 | 0,1 | - 0,1 | 0 | 0,1 | 0,6 |
| Net interest income/expense | - 2,0 | -1,4 | 2,3 | - 2,0 | - 2,7 | - 4,4 | - 3,8 |
| Profit before tax | 8,7 | 36,5 | - 13,1 | 12,8 | 24,9 | 33,3 | 61,1 |
| Tax | - 4,5 | -7,8 | -8,7 | - 3,0 | -6,5 | - 22,7 | - 26,0 |
| Profit | 4,2 | 28,7 | - 21,8 | 9,8 | 18,4 | 10,6 | 35,1 |
| Earnings per share, SEK | 0:51 | 3:44 | Neg. | 1:08 | 2:02 | 1:27 | 4:22 |
| Earnings per share, SEK *) | 0:52 | 3:44 | Neg. | 1:21 | 2:26 | 1:30 | 4:32 |

*) Key ratios calculated from the number of shares in market.

BALANCE SHEET (SEK MILLION)

| | 2002-03-31 | 2001-03-31 | 2001-12-31 |
|--------------------------------------|-------------------|------------|------------|
| Assets | | | |
| Immaterial fixed assets | 51,6 | 76,5 | 59,2 |
| Tangible fixed assets | 160,2 | 195,2 | 170,2 |
| Financial fixed assets | 23,6 | 23,5 | 23,9 |
| Inventories | 309,7 | 347,4 | 342,2 |
| Short-term receivables | 312,0 | 376,8 | 291,6 |
| Cash and bank deposits | 89,5 | 160,7 | 101,2 |
| Equity, allocations and debts | | | |
| Equity *) | 461,6 | 484,9 | 464,0 |
| Allocations | 38,3 | 48,6 | 39,1 |
| Long-term liabilities | 202,2 | 250,4 | 251,4 |
| Current liabilities | 244,5 | 396,2 | 233,8 |
| Balance sheet total | 946,6 | 1.180,1 | 988,3 |

***) CHANGE OF EQUITY**

| | |
|-------------------------------------|--------------|
| At the beginning of the year | 464,0 |
| Profit from the period | 4,2 |
| Buy-back of shares | - |
| Conversion difference of the period | - 6,6 |
| At the end of the period | 461,6 |

CASH FLOW ANALYSIS (SEK MILLION)

| | Jan-Mar 2002 | Jan-Mar 2001 | Q 4 2001 | Q 3 2001 | Q 2 2001 | Rolling 12 months | Whole year 2001 |
|-------------------------------------|-------------------------|-----------------|-------------|-------------|-------------|----------------------|--------------------|
| Cash flow from operating business | 14,9 | 39,8 | 2,0 | 26,8 | 16,0 | 59,7 | 84,6 |
| Adjustment of working capital | 25,9 | 46,0 | 45,8 | - 7,4 | - 79,6 | - 15,3 | 4,8 |
| Cash flow before investments | 40,8 | 85,8 | 47,8 | 19,4 | - 63,6 | 44,4 | 89,4 |
| Investments | - 0,5 | - 19,2 | 0,1 | - 9,5 | 5,5 | - 4,4 | - 23,1 |
| Cash flow after investments | 40,3 | 66,6 | 47,9 | 9,9 | - 58,1 | 40,0 | 66,3 |
| Cash flow from financial operations | - 49,1 | - 25,0 | - 28,5 | - 14,9 | - 18,3 | - 110,8 | - 86,7 |
| Cash flow | - 8,8 | 41,6 | 19,4 | - 5,0 | - 76,4 | - 70,8 | - 20,4 |

KEY RATIOS

| | Jan-Mar 2002 | Jan-Mar 2001 | Q 4 2001 | Q 3 2001 | Q 2 2001 | Rolling 12 months | Whole year 2001 |
|---|-------------------------|-----------------|-------------|-------------|-------------|----------------------|--------------------|
| Return on capital employed, % | 0,9 | 5,9 | Neg. | 2,2 | 4,0 | 2,2 | 7,1 |
| Return on operational capital employed, % | 1,6 | 5,5 | Neg. | 2,3 | 4,0 | 6,9 | 10,4 |
| Return on total capital, % | 1,2 | 3,4 | Neg. | 1,6 | 2,6 | 4,6 | 7,0 |
| Equity/assets ratio, % | 48,8 | 41,1 | | | | | 47,0 |
| Earnings per share, SEK | 0:51 | 3:44 | Neg. | 1:08 | 2:02 | 1:27 | 4:22 |
| Earnings per share, SEK *) | 0:52 | 3:44 | Neg. | 1:21 | 2:26 | 1:30 | 4:32 |
| Equity per share, SEK *) | 56:76 | 58:20 | | | | | 57:06 |
| Profit margin, % | 2,7 | 6,6 | Neg. | 3,6 | 4,9 | 2,1 | 3,3 |
| Turnover growth, % | | | | | | Neg. | Neg. |
| Profit growth, % | | | | | | Neg. | Neg. |

*) Key ratios calculated from the number of shares in the market, per 31st March 2002 amounting to 8.132.203 shares.

Tranås on 29th April 2002

OEM INTERNATIONAL AB (PUBL)

Jörgen Zahlin
**CEO and
Managing Director**

This report has not been subject to any review by the company auditors.



This is OEM International

OEM International with head office in Tranås consist of 27 operational companies in eight countries. In 2001 the turnover was 1.944 SEK million with a profit of 61,1 SEK million. The average number of employees in the Group was 773 persons in 2001.

Visit our website!

On our website you'll find current information about the company. Why not order "newsletter" and you'll get eMail regularly with news about what's up at OEM.

www.oem.se

The Group aims to be a leading player in the trade in components and systems for automation in Europe. Being a leading player means:

- Creating added value for customers, suppliers, personnel and shareholders.
- Creating opportunities for employees to realise their ambitions.
- Having a level of knowledge and service-mindedness in our companies that is among the very best in each sector.
- Marketing products that live up to or exceed the customer's expectations.
- Making our suppliers market leaders in their particular areas.
- Having a level of efficiency in our companies which makes us more profitable than our competitors.

In simple terms, OEM acts as an alternative to manufacturers' own local sales companies and thereby has marketing and sales responsibility for the products with which the company deals.

Customers are offered extensive knowledge and a broad spectrum of components and systems.

Manufacturers are offered a strong local position on the market. This creates added value for both customer and supplier. This added value is OEM's raison d'être and the basis for a continued profitable expansion.

Since 1983 OEM has been listed on the Stockholm Stock Exchange's O-list.



OEM INTERNATIONAL

Box 1011, SE-573 28 Tranås Sweden Tel: +46-140-360 000 Fax: +46-140-360 099.
E-Mail info@int.oem.se www.oem.se