

Monday the 28th of September 2002

Financial report January-September 2002

## Increased profit for OEM in the third quarter

**The profit of OEM International after net interest income/expense increased in the third quarter 2002 to 15,9 MSEK (12,8). Sales decreased in comparison with last year to 372,1 MSEK (411,6). The result for nine months was 32,2 MSEK (74,2). Turnover was reduced to 1.157,7 MSEK (1.537,9).**

According to Jörgen Zahlin, the CEO of OEM, the company groups Automation and Mechanics show a considerably improved result during the third quarter, group Hydraulics have improved slightly, while the groups related to electronics and telecom reports substantially reduced sales and impaired results.

– We have, however, also noticed that the cost reduction program initiated last year now is showing result. Operational cost have been decreased by 55 MSEK during the last nine months. We have adjusted our costume to reality. The average number of employees has been reduced from 773 to 715 and continued actions to increase efficiency and adapt capacity will result in a total staff of below 700 persons at the end of the year.

– The market is still difficult to predict, but we anticipate continued low demand. All companies concentrate on increased customer activities, developing the product range and enhancing our inner efficiency. By this we will strengthen our competitiveness and will be well equipped when the business cycle turns, Jörgen Zahlin remarks.

**Jörgen Zahlin**  
*CEO OEM International AB*

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