

02

ANNUAL EARNINGS FIGURES YEAR 2002

FOURTH QUARTER 2002

- Profit was 2,1 SEK million (-13,1)
- Turnover was 376 SEK million (406)
- Order bookings were 360 SEK million (354)

WHOLE YEAR 2002

- Profit 34,3 SEK million (61,1)
- Turnover 1.534 SEK million (1.944)
- Order bookings 1.524 SEK million (1.750)
- Operational cash flow 155,9 SEK million (89,4)
- Earnings per share after taxes SEK 1:77 (4:22)
- Action program has lowered costs on an annual basis by 65 SEK million



OEM INTERNATIONAL

OEM International with headoffice in Tranås comprises 27 operating companies in eight countries. The Group acts in trading components and systems for automation in Europe. Put simply, OEM acts as an alternative to manufactureres' own local subsidiaries.

Visit our website – www.oem.se

Turnover and profit

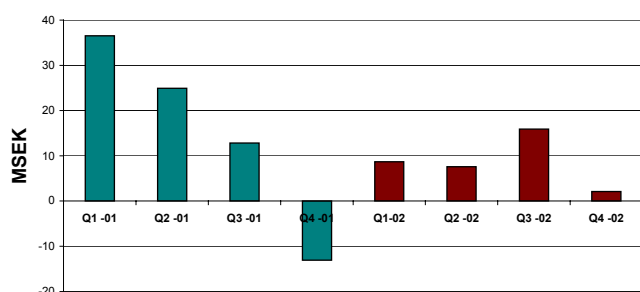
Fourth quarter 2002

The Group turnover during the fourth quarter amounted to 376 SEK million (406) and profit after net financial income/expense amounted to 2,1 SEK million (-13,1).

The turnover of the fourth quarter was lower than expected in the groups Electronics, Mechanics and EP. The lower turnover resulted in a profit that was the lowest of the year. The profit was charged with costs of non-recurrent nature to the amount of approx. 5 SEK million.

Orders booked for the Group was 360 SEK million (354). The largest company group Automation has increased order bookings by 11%, while in the groups EP and Electronics incoming orders were low.

Profit per quarter



Whole year 2002

The Group turnover amounted to 1.534 SEK million (1.944) and profit after net financial income/expense amounted to 34,3 SEK million (61,1).

Turnover outside Sweden was 29,5 % (34,5 %).

Order bookings amounted to 1.524 SEK million (1.750).

The action program that was started in the fourth quarter of year 2001 has lowered operational costs during 2002 by approx. 65 SEK million.

The turnover drop is mainly due to the decline in telecom, which has lead to decreased profit in affected units by approx. 50 SEK million. In remaining units the turnover is unaltered but profit has increased.

Operational cash flow amounts to 155,9 SEK million (89,4), partly due to a reduction of inventories by 17 % 2002 to 283 SEK million.

Future

We plan for low demand and focus in increasing our market shares at the same time as we develop our product offering. Implemented rationalisations strengthen our competitiveness and will increase the profit level 2003 even by unaltered turnover.

General information per 31st December 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

For the entire year 2002 the inflow of orders was 1.524 SEK million (1.750). The orderbook value, at 31st December 2002, was 264 SEK million (259).

Investments

Net investments of the Group in fixed assets during the year was 3,4 SEK million (20,7), of which 0,9 SEK million (5,8) refers to acquisitions and 2,5 SEK million (14,9) to real estate, machinery and inventory.

Equity/assets ratio

Liquid assets, consisting of cash and bank balances with the adding of granted but not exploited credits, amount per 31st December 2002 to 299 SEK million (216).

Goodwill

The policy of OEM International is to write off goodwill in 5 years. The profit of the year has been charged with 27,3 SEK million (30,3) for amortization of goodwill.

Solidity

As per 31st December 2002 the solidity was 55,5 % (47,0).

Personnel

Average number of employees in the Group during 2002 was 701 persons (773). At the turn of the year 2002/2003 approx. 660 persons were employed in the Group.

Repurchase of shares

The process of reducing the share capital corresponding to 200.000 shares, which was decided at the Annual General Meeting, is completed and registered on January 13th 2003. After this reduction there is 8.132.203 shares in the company. Per December 31st the company has acquired a further 315.144 shares at an average price of SEK 71:17, equivalent to 3,9 % of the total number of shares after the reduction. The authorization of the general meeting refers to 10 % of the total number of shares, which would be 813.220.

Parent company

Net turnover for the parent company amounted to 34,6 SEK million (4,5) and profit after financial income and expense was 57,2 SEK million (18,5).

Proposed dividend

The proposal is an unaltered dividend of SEK 4:50 per share.

Annual Report

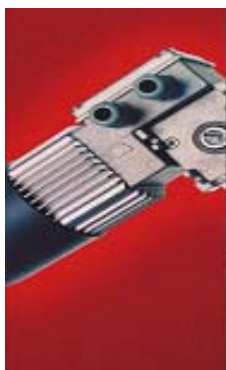
The Annual Report for 2002 will be distributed in the end of March 2003 and will be available from the head office and at our website.

Annual General Meeting of shareholders

Annual general meeting of shareholders will take place in Tranås on April the 28th 2003.

Next report

The report for the period January-March 2003 will be published in connection with the Annual General Meeting on April 28th 2003.



Group Automation

Group Automation market components for industrial automation

Year 2002: (MSEK)

Turnover 621,8 (620,9)
Profit 40,5 (30,8)

Demand has been weak in all markets.

Increased market shares, in combination with rationalisations of range, has resulted in increased market shares and a turnover on a level with last year.

Extended co-ordination and efforts to improve operational efficiency have improved profit with 31% during 2002.



Group Electronics

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

Year 2002: (MSEK)

Turnover 393,8 (519,0)
Profit 5,8 (24,1)

The considerable part telecom related business in the group has resulted in a drop in turnover by 25 %.

As an effect of lowered demand profit has decreased by 76 %.

A positive fact is that our IT related company has succeeded in turning a heavy loss into profit.



Group Mechanics

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

Year 2002: (MSEK)

Turnover 160,4 (159,3)
Profit 4,2 (-3,3)

In spite of a general decrease in demand we have been able to keep up the same turnover by securing more shares in the market.

The considerable increase in profit is mainly based on improved margins and lower depreciations of goodwill.



Group Hydraulics

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

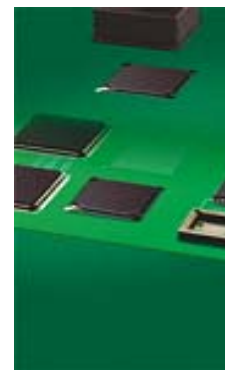
Year 2002: (MSEK)

Turnover 151,8 (168,9)
Profit -1,6 (-2,6)

Decreasing demand causes a drop in turnover by 10 %.

Profit has had a positive development due to the rationalisations and improvements of margins that have been carried out.

During the year the group has been charged with goodwill amounting to 6,5 SEK million.



Group EP

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

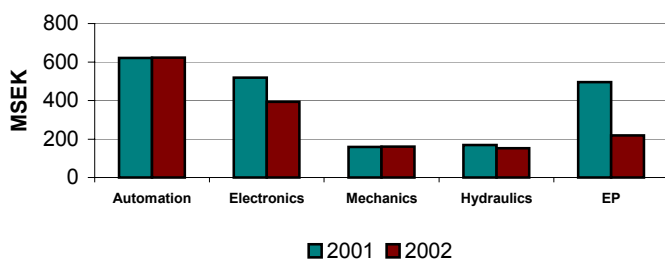
Year 2002: (MSEK)

Turnover 220,4 (494,8)
Profit -27,1 (2,1)

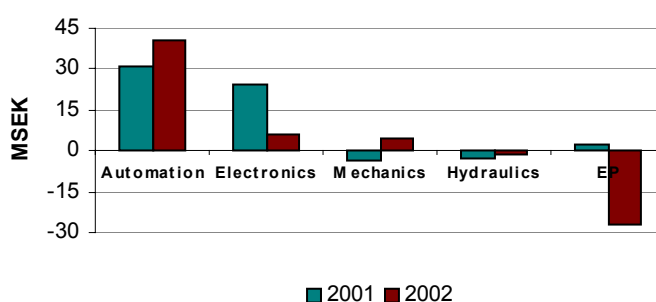
The revolution in the telecom industry caused a drop in turnover by 56 %.

The adjustments to lower demand that have been carried out, have turned out well in all units except for the Swedish one, where further actions have been taken at the end of the year. The profit/loss has been charged with cost of a non-recurrent nature, amounting to approx. 5 SEK million.

Turnover per company group



Profit per company group





PROFIT AND LOSS ACCOUNT (SEK MILLION)

	Whole year 2002	Whole year 2001	Q4 2002	Q 3 2002	Q 2 2002	Q 1 2002	Q 4 2001	Q 3 2001
Net turnover	1.533,8	1.944,1	376,1	372,1	389,1	396,5	406,2	411,6
Operating costs	-1.442,6	- 1.821,3	-361,2	- 342,4	- 366,8	- 372,2	- 407,2	- 382,2
Depreciations acc. to plan	- 51,7	- 58,5	- 12,4	- 12,6	- 13,0	- 13,7	- 14,5	- 14,5
Operating profit	39,5	64,3	2,5	17,1	9,3	10,6	- 15,5	14,9
Shares in ass. companies	0,5	0,6	0,2	0,1	0,1	0,1	0,1	- 0,1
Net interest income/expense	- 5,7	- 3,8	- 0,6	- 1,3	- 1,8	- 2,0	2,3	- 2,0
Profit before tax	34,3	61,1	2,1	15,9	7,6	8,7	- 13,1	12,8
Tax	- 19,6	- 26,0	- 5,0	- 6,1	- 4,0	- 4,5	- 8,7	- 3,0
Profit	14,7	35,1	- 2,9	9,8	3,6	4,2	- 21,8	9,8
Earnings per share, SEK	1:77	4:22	Neg.	1:16	0:44	0:51	Neg.	1:08
Earnings per share, SEK *)	1:88	4:32	Neg.	1:20	0:45	0:52	Neg.	1:21

*) Key ratios calculated from the number of shares in the market; 7.817.059.

BALANCE SHEET (SEK MILLION)

	2002-12-31	2001-12-31
Assets		
Intangible fixed assets	32,6	59,2
Tangible fixed assets	138,5	170,2
Financial fixed assets	19,2	23,9
Inventories	282,9	342,2
Short-term receivables	229,1	291,6
Cash and bank deposits	44,4	101,2
Equity, allocations and debts		
Equity *)	414,7	464,0
Allocations	27,4	39,1
Long-term liabilities	102,3	251,4
Current liabilities	202,3	233,8
Balance sheet total	746,7	988,3

***) Change of Equity**

At the beginning of the year	464,0
Profit of the year	14,7
Dividend	- 36,6
Buy-back of shares	- 22,4
Conversion difference of the year	- 5,0
At the end of the year	414,7

CASH FLOW ANALYSIS (SEK MILLION)

	Whole year 2002	Whole year 2001	Q 4 2002	Q 3 2002	Q 2 2002	Q 1 2002	Q 4 2001	Q 3 2001
Cash flow from operating business	73,3	84,6	15,9	22,8	19,7	14,9	2,0	26,8
Adjustment of working capital	82,6	4,8	51,5	- 16,1	21,3	25,9	45,8	- 7,4
Cash flow before investments	155,9	89,4	67,4	6,7	41,0	40,8	47,8	19,4
Investments	- 2,9	- 23,1	- 0,8	- 0,6	- 1,0	- 0,5	0,1	- 9,5
Cash flow after investments	153,0	66,3	66,6	6,1	40,0	40,3	47,9	9,9
Cash flow from financial operations	- 208,1	- 86,7	- 90,2	- 14,3	- 54,5	- 49,1	- 28,5	- 14,9
Cash flow	- 55,1	- 20,4	- 23,6	- 8,2	- 14,5	- 8,8	19,4	- 5,0

KEY RATIOS

	Whole year 2002	Whole year 2001	Q 4 2002	Q 3 2002	Q 2 2002	Q 1 2002	Q 4 2001	Q 3 2001
Return on capital employed, %	3,4	7,1	Neg.	2,2	1,7	0,9	Neg.	2,2
Return on operational capital employed, %	7,1	10,4	0,8	2,9	1,6	1,6	Neg.	2,3
Return on total capital, %	5,1	7,0	0,5	2,0	2,3	1,2	Neg.	1,6
Equity/assets ratio, %	55,5	47,0						
Earnings per share, SEK	1:77	4:22	Neg.	1:16	0:44	0:51	Neg.	1:08
Earnings per share, SEK *)	1:88	4:32	Neg.	1:20	0:45	0:52	Neg.	1:21
Equity per share, SEK *)	53:06	57:06						
Profit margin, %	2,6	3,3	0,7	4,6	2,4	2,7	Neg.	3,6
Turnover growth, %	Neg.	Neg.						
Profit growth, %	Neg.	Neg.						

*) Key ratios calculated from the number of shares in the market. Per 31st December 7.817.059 shares.

Tranås the 18th February 2003

OEM INTERNATIONAL AB (PUBL)

Jörgen Zahlin
Managing Director and CEO

This report has not been subject to an auditor review.

Complementary information, please call MD Jörgen Zahlin +46-709-760 695 or financial director Jan Cnattingius +46-709-760 682.