

ANNUAL REPORT 2002



OEM INTERNATIONAL

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Annual General Meeting

The Annual General Meeting will be held on Monday 28 April 2003 at 4 p.m. in Folkets Park, Gillesgatan 2, Tranås, Sweden.

NOTIFICATION

Shareholders wishing to attend the Annual General Meeting must:

- be entered in the share register held by the Swedish Securities Register Centre (VPC AB) by Thursday 17 April 2003.
- notify the company no later than 1 p.m. on Tuesday 22 April 2003 at:
OEM International AB, P.O. Box 1011, SE-573 28 Tranås, SWEDEN,
telephone +46-140-360685 or e-mail: info@int.oem.se.

Shareholders who have registered their shares in the name of an authorised agent must, no later than Friday 17 April 2003, temporarily register the shares in their own name with the Swedish Securities Register Centre (VPC AB) in order to participate at the Annual General Meeting.

DIVIDEND

The Board of Directors and Managing Director propose that for 2002 the Annual General Meeting issue a dividend of SEK 4.50 per share and stipulate that the date of issue be Friday 2 May 2003. If the Annual General Meeting adopts the proposal, it is expected that dividends will be distributed on Wednesday 7 May 2003 to those entered in the share register on the date of issue.

BUSINESS

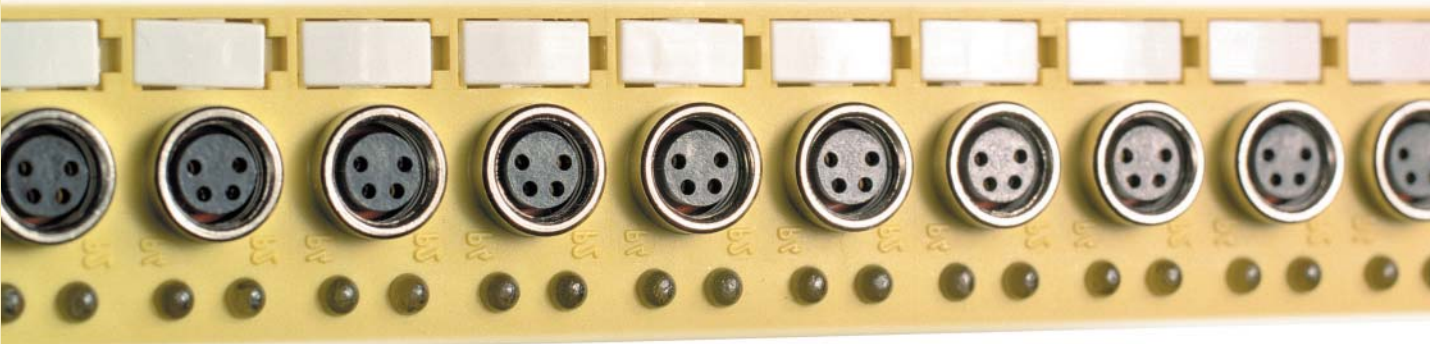
The agenda and business of the Annual General meeting will be notified through advertisements in the daily press, as well as be available on OEM's website www.oem.se. The agenda can also be obtained from the company when registering to attend the meeting.

Future Reports

Q1 Report, January—March 28 April 2003
Interim Report 8 August 2003
Q3 Report, January—September 27 October 2003
Financial Statement, fiscal year 2003 February 2004
Annual Report 2003 March/April 2004

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This is OEM International

OEM International is one of Europe's leading companies in the trading of components and systems for automation. The Group is comprised of 28 operational units in eight countries with its head office in Tranås, Sweden.

This business concept is based on the sale of components from leading manufacturers to industrial companies in the countries where we are represented. Customers are offered extensive product and application knowledge and a broad spectrum of components and systems. In simple terms, OEM becomes a local alternative to manufacturers' subsidiaries and thereby has responsibility for the sales and marketing of products that the company trades in.

The operating companies are divided into five groups, with each composition based on a supplier, product or customer focus.

- Group Automation – components for industrial automation.
- Group Electronics – appliance components, circuit board components, EMC/microwave components.
- Group Mechanics – ball bearings, seals, lock components and components for accurate motion control.
- Group Hydraulics – hydraulic components and the design and manufacture of hydraulic units and systems.
- Group Electronic Production (EP) – production equipment and components for electronics production.

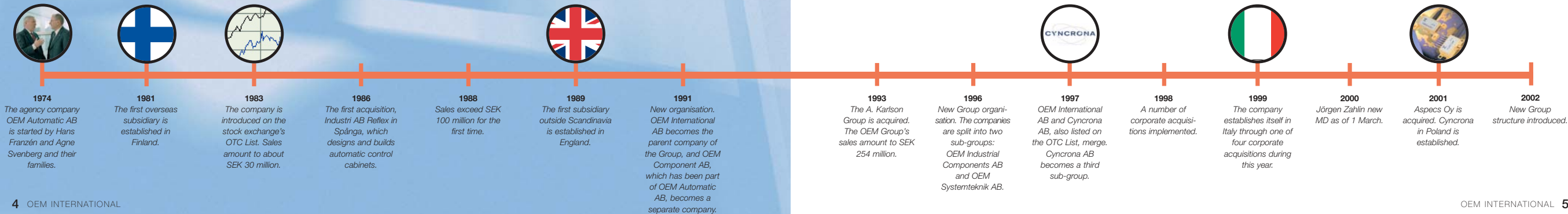
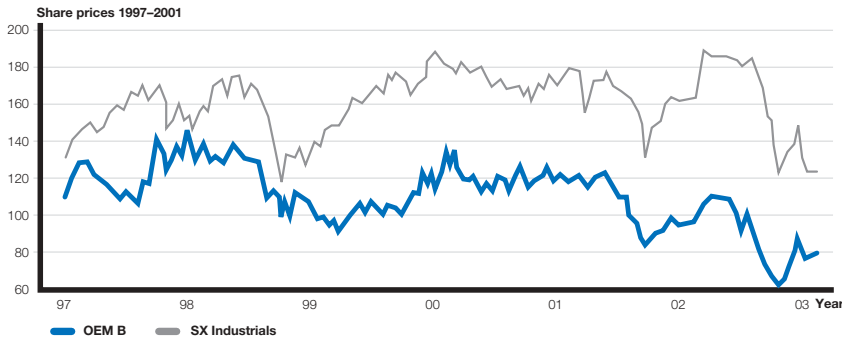
Since 1983, OEM has been listed on Stockholmsbörsen, the Stockholm stock exchange. More information about OEM can be found on our website www.oem.se.

2002 in Brief

THE GROUP IN FIGURES		2002	2001
Net sales	SEK millions	1,534	1,944
Profit after net financial items	SEK millions	34.4	61.1
Profit for the year	SEK millions	14.7	35.1
Earnings per share*	SEK	1.88	4.32
Cash flow per share*	SEK	19.95	11.00
Shareholders' equity per share*	SEK	53.06	57.06
Proposed dividend per share	SEK	4.50	4.50
Earning capacity of shareholders' equity	%	3.4	7.1
Equity/assets ratio	%	55.5	47.0
Quoted price at the end of the period	SEK	77.00	92.50
Market value at the end of the period	SEK millions	642	771
Average number of employees	Number	701	773

*The key indicators are calculated from the number of shares on the market.

- The telecom-related segment shows drastically reduced sales and profits.
- Operations aimed at traditional industries have increased the profits on retained sales.
- Implemented measures have reduced the number of employees from 773 to 701 and costs by about SEK 65 million.
- The optimisation and coordination of operations has made OEM a stronger organisation.



The Managing Director's Comments

2002 was one of the most tumultuous and dramatic years in the Company's history. With the telecom crisis hanging over us, we worked hard to develop the Group. It was an educational and beneficial journey. I dare to say that OEM is now a stronger and more effective organisation than before.

This is my picture of what we have been through:

From 1993 to 2000, the OEM Group experienced annual growth of about 40% with very good profitability. During these years, 22 corporate acquisitions were made and three new companies were established. With such rapid expansion both sales and profits increased, while we also became more dependent on the telecom and electronics industries.

With hindsight, we can conclude that with the wind in our sails and our rapid expansion, we failed to work to introduce our corporate culture sufficiently in all the companies. After the event, we can also see that we did not use sufficient resources to turn the companies that were making a loss.

The economic downturn and the collapse of the telecom sector hit us hard. Starting from our record year of 2000, sales have dropped from SEK 1,967 million to SEK 1,534 million and profits from SEK 148 million to SEK 34 million. The downturn primarily affected the companies focused on the telecom sector. Since 2000, these companies have seen sales drop by about SEK 600 million and, as a result of this, have missed out of profits of about SEK 120 million.

Other parts of the Group experienced positive development in both sales and profits.

The rationalisation scheme initiated in the autumn of 2001 has entailed reductions in operating costs of about SEK 65 million. These rationalisations will attain full effect during 2003 and are expected to reduce costs by at least a further SEK 15 million.

The scheme is divided into three main areas: organisation, product range and efficiency.

REORGANISATION WITH A CUSTOMER FOCUS

In January 2002, we launched a new Group structure with common points in product ranges and customer structures. The new organisation made it possible to make better use of our resources and to achieve synergy effects. Efficiency has increased and costs have gone down.

During the year, the Parent Company took a considerably more active ownership role and was more involved in the strategies that each company follows. This increased contact and cooperation within and between the groups will also result in the creation of a common corporate culture in the long term.

PRODUCT RANGE DEVELOPMENT — A PREREQUISITE FOR GROWTH

A prerequisite for being an attractive partner to both existing and new customers is that we develop our product range. This is a task that is conducted on a continual basis in our companies and, during the year, was one of the Group's most important areas of improvement.

When the telecom market collapsed, we had to quickly review our product offering. This entailed extensive restructuring of our product range, and even of our working method.

One example is Jubo Mechatronics, which is a part of Group EP. Before the crash, two-thirds of Jubo's sales were to Ericsson. Through intensive sales work, today Jubo Mechatronics has new customers within the lighter workshop and motor industries, among others.

INCREASED EFFICIENCY STRENGTHENS COMPETITIVE ADVANTAGES

The third task has been to increase the efficiency of our companies, in order to ensure our future competitive edge. This has involved the need to adapt our organisation to the new market conditions.

During the year the number of employees dropped from 775 to 700, and during the spring we will see a further drop to about 660 employees. These cutbacks are due in part to the excessive numbers that have arisen and in part to the optimisations we have carried out.

NEW PLATFORM FOR FINANCIAL OBJECTIVES

The drops in sales and profits during the past two years mean that we must consider today's levels as a new and realistic platform on which to build.

Our financial objectives are 15% growth and 20% return on shareholders' equity, and an assets/equity ratio of at least 35%.

During the period, the assets/equity ratio has not dropped below 40%, which has been made possible by releasing restricted equity in the companies. This resulted in a positive cash flow of SEK 156 million from current operations for the year.

The next step is to re-attain our earning capacity goal of 20%. This requires a pre-tax profit of about SEK 125 million. The Board has therefore decided

Today, OEM is a stronger and more efficient organisation than before, which gives me great confidence in the future.

on an aggressive strategy to enable us to reach this goal by 2005. The growth objective has lower priority as a result. We calculate that by increasing our market shares, we will be able to achieve sales growth of 5–10% during 2003.

THE FUTURE

Today, OEM is a stronger and more efficient organisation than before, which gives me great confidence in the future. It is however important to point out that we have no illusions about the telecom industry or general economic situation making a quick turnaround. As a result, we must plan for continued low demand. On the other hand, the market is sufficiently large for us to achieve our profitability goals.

I count on all five groups in the concern expanding with good profitability. We will build upon what we already have and during 2003 we will improve efficiency, develop our product range and increase the quality of our customer contacts.

I would like to thank all our employees for their considerable commitment and their desire to see new opportunities. You have all done a great job at a time marked by unusually demanding conditions.

With the proposed dividend of SEK 4.50 per share we want to demonstrate to our shareholders our strong belief in future profit growth.




Jörgen Zahlin, VD och Koncernchef

Egevo – all the way from development to production

Development within the field of electronics moves at a rapid rate. Throughout the world there are manufacturers that continually create smaller, faster and more efficient components. This in turn means that it becomes increasingly difficult for those using electronics in their products to find the optimal products for each application.

This is where Egevo Elektronik AB comes into the picture. With a focus on niche electronic components, Egevo is a resource for development company technicians. Each day, all year round, Egevo's different suppliers release new components. This makes Egevo a strong partner for those wanting to be at the forefront of electronics development. Egevo has specialist expertise and can provide the latest products from its suppliers.

THE BEST FOR BEIJER

One customer that takes advantage of Egevo's expertise is Beijer Electronics in Malmö, Sweden. Beijer is one of Scandinavia's leading developers and suppliers of industrial automation and is continually searching for the latest technology for its products.

"We make use of Egevo's expertise when developing operator terminals," says technician Bengt-Åke Levinsson at Beijer Electronics. "It's impossible for us to keep track of all the new developments within electronics. That's why we use a supplier that is specialised in the products we require. When working with Egevo, it's mainly their expertise in Maxim circuits that we take advantage of."

LOGISTICS ARE IMPORTANT

When Beijer Electronics has developed its products, production is outsourced to different manufacturing contractors. In the case of Beijer's operator terminals, PartnerTech in Malmö is one of the contractors. Egevo also works with PartnerTech, acting as a supplier with logistics responsibility for the right volume, at the right time with the right quality.

"We have a long history with Egevo," says Leif Lundquist, head of purchasing at PartnerTech. "Egevo is one of our 'preferred suppliers', that is, a partner that we collaborate with closely and extensively. We have regular meetings where we follow up each project and review, for example, delivery precision."



Leif Lundquist from PartnerTech, together with Rikard Wallin and Anneli Alex from Egevo Elektronik, works with an advanced logistics chain. Egevo Elektronik provides support within product development to Beijer Electronics and is responsible for product deliveries to PartnerTech.

CUSTOMISED DELIVERIES

"Quality and delivery reliability are the alpha and omega of our collaborations with our suppliers. Delivery flexibility is also very important to us. We must have suppliers that can quickly alter their deliveries in accordance with our — and our customers' — needs. Egevo more than fulfils our requirements and we consider them both a supplier and a skilled logistics partner."



EFFICIENCY THROUGH EDI

In order to manage the complicated chain of planning, orders and deliveries, communications between PartnerTech and Egevo are handled electronically with the aid of EDI.

"This technique is necessary for rational and efficient cooperation and functional logistics," says Leif Lundquist. "But at the heart, business is carried out between people. We are happy with Egevo and the commitment their personnel show. They are a partner to develop with."

EGEVO ELEKTRONIK AB

A part of OEM International, Group Electronics, with a focus on the sale of niche electronic components such as IC boards, displays, power supplies, optoelectronics, passive components and electromechanics. Head office in Spånga. Sales of about SEK 135 million and 26 employees.

BEIJER ELECTRONICS AB

One of Scandinavia's leading suppliers of industrial automation. Head office in Malmö. Subsidiaries in Norway, Finland, Germany and the USA. Employ about 200 people with sales of about SEK 400 million.

PARTNERTECH AB

Offer a complete value chain within development, production and distribution. Head office in Malmö. Manufacturing in six units in Sweden, two in Poland and one in the USA with a total of more than 1,200 employees. Sales of about SEK 1,300 million.

Great Potential for OEM in China

China is the only nation in the world with more than 4,000 years of unbroken history. Already 2,000 years ago, there were extensive trade routes to Europe, and China has always had a strong influence on other countries in the region. China is also the world's most populated nation, approaching 1.3 billion inhabitants.



龙 Today, China exhibits strong development as an industrial nation. Interest in the business opportunities offered by the country has increased considerably in recent years. Membership in the WTO and the coming 2008 Olympics are unlikely to see this interest wane, which is also reflected in the investments made by multinationals. The trend is for well-known brands within most sectors to choose to develop production and marketing in China. OEM has followed development in China for a number of years and our establishment was a strategically important step towards our future endeavours.

OEM CHINA DEVELOPMENT

A prerequisite for being able to work with Chinese companies is functional communications, as the language and cultural barriers are enormous. OEM China Development was formed in order to simplify OEM's opportunities to develop business relations with Chinese producers. One of the most important functions of this establishment is to provide a local communications link between OEM companies and the Chinese manufacturers. OEM has a co-ordination office in Ningbo, as well as a quality control centre with personnel for manufacturing inspections and production evaluation.

CUSTOMISATION AND QUALITY ASSURANCE

Many of the foremost ball bearing manufacturers in the world have now localised their production in China. OEM Multimetal and Internordic Bearing are specialists in different types of ball bearings. An increasing proportion of their sales comprises customer and application specific bearings that are manufactured in China.

Today they can offer flexible and very economical solutions – produced in close concert with the customer's research and development department – together with OEM's well established relations with the foremost manufacturers within different niches.



Mattias Franzén, MD Internordic Bearing, on a study visit to a factory that checks the quality of components to be delivered.



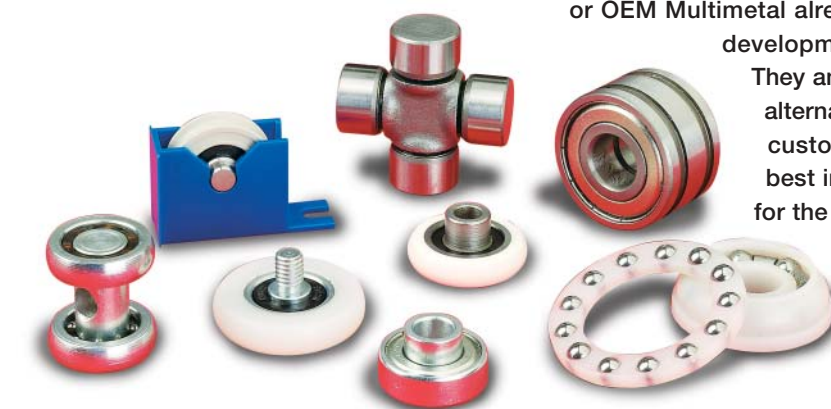
OPTIMAL SOLUTIONS

FOR THE BEST TOTAL COST

With traditional component selection, the design is normally based on standard products. The customer buys the separate components and assembles them. This leads to extensive production planning involving a large number of components and suppliers. This also limits the design and flexibility. The ability to integrate different components in a system solution is overlooked.

“The optimal solution for a ball bearings customer is to involve Internordic Bearing or OEM Multimetal already during the development work.

They analyse the different alternatives and help the customer to obtain the best integrated function for the lowest total cost.”



A. Karlson Industriteknik supplies a rapidly growing world market

The major cities of the world have a common problem. Traffic is increasing, with traffic jams and environmental pollution as a result. One solution, which has already been introduced in a number of world metropolises, is to implement different forms of toll systems and rush-hour charges. This can be achieved with a system wherein motorists are registered electronically.

Combitech Traffic Systems in Jönköping is a world-leader in fully automated systems for collecting road tolls. Simply put, each vehicle is fitted with a small device containing information about the vehicle. This communicates with an aerial placed above the road. The motorist does not even have to reduce speed and invoices are sent automatically in accordance with the regulations that apply to the road in question.

Torbjörn Liew, projektledare på Optronic, har goda erfarenheter av samarbetet med A. Karlson Industriteknik AB och de instickskort från Matrox de levererar.

DOUBLE SYSTEMS

Vehicles that do not have the necessary device are registered via a parallel system wherein a camera reads the number plate. This system is developed and manufactured by the Swedish company Optronic for Combitech Traffic Systems. "A system for road tolls must be comprehensive so that everyone can be registered," says Torbjörn Liew, project manager at Optronic. "Because not all vehicles are fitted with such a device, we have developed a system that registers the vehicle by photographing the number plate. The picture is digitised so that it can be analysed and used for invoicing. Our system can also be used to perform an extra check on vehicles fitted with a device. Which minimises the opportunities to fool the system."

DIGITISING PHOTOGRAPHS

For several years now Optronic has collaborated with the OEM company A. Karlson Industriteknik AB, which delivers plug-in cards for computers, so-called framegrabbers from the supplier Matrox. In the road toll system, the function of the plug-in card is to transform the camera image into a digital image.

"We have a well-functioning relationship with A. Karlson Industriteknik and the Matrox card is the right solution for the road toll system," says Torbjörn Liew.

SEVERAL OEM COMPANIES IN COOPERATION

Everything is built into a metal box, which is placed on a flyover on the motorways. The sensitive electronics must withstand all weather conditions, so the box has been carefully designed.

"We can count several OEM companies among our suppliers for the road toll system," says Torbjörn Liew. "We buy, for example, our fans from OEM Component and the heating elements from OEM Automatic."

A. KARLSON INDUSTRITEKNIK AB

Supplies products and solutions for track-based systems, linear motion and positioning, as well as for image processing and visual systems. The company's branch and product specialists continually develop, in close collaboration with different suppliers, the product range and offering available to customers.

COMBITECH TRAFFIC SYSTEMS

World-leader with third generation fully automated system for collecting road tolls. Today the system is used by about 4 million motorists in 19 countries.

OPTRONIC

Sweden's leading independent specialist within the technology field of optronics. The company offers services throughout the entire chain from preliminary studies and productification to supplying products that retain a competitive edge throughout their lifecycle.



Supplier assessments are an important part of our quality and environmental work

Of the OEM Group's 28 operational units, only three have production operations. The others are specialised in the sale of industrial components from manufacturers the world over. As the majority of the companies do not have in-house production, the environmental impact of OEM's operations primarily concern the transport of goods and personnel.

The products we sell come from manufacturers with varying views of quality and environmental issues. This means that our suppliers play an important role in the quality and environmental work carried out in OEM companies. The companies influence their suppliers by communicating customer demands and making annual supplier assessments.

In order to fulfil our quality policy, we must hold an ongoing dialogue with our suppliers concerning everything from product quality and product development to delivery times and environmental issues.

OEM International's overall quality policy focuses on products and services meeting or exceeding customer expectations. The goal is for our customers to associate us with good products, delivery reliability, good technical support and business-like and positive interactions.

In general, customer demands on quality and environmental certification are greater on the Swedish companies than on the other companies in Scandinavia, Poland, Italy and the UK. Today, seven of the Swedish companies are quality certified in accordance with ISO 9002 and four are environmentally certified in accordance with ISO 14001. Several companies are nearing the new integrated certification, ISO 9002:2000, which considers all aspects of operations in terms of quality, the envi-

ronment and working environment and has a clear focus on customer needs.

OEM Automatic AB, OEM Component, Indoma and Internordic Bearings have developed a close collaboration concerning the environment and quality.

They use each other as resources during internal audits and exchange knowledge and experiences.



Peter Rydberg is in charge of quality and environmental issues at OEM Automatic AB. Over the years, he has worked to upgrade the company's environmental and quality certification to the new standard, ISO 9002:2000.

"For us, quality and environmental work is an ongoing process," says Peter. "We regularly perform customer attitude surveys where we measure quality as experienced by customers."

"We also make annual supplier assessments in order to be able to evaluate and develop the effici-

ency of our suppliers. This helps us to measure, document and place demands on improvements. However, it's not only manufacturers that are evaluated, but even other types of suppliers, such as shipping agents with regard to alternative fuels."

The OEM Group's environmental policy requires that we continually work to minimise our external environmental impact. Environmental work will be governed by legal requirements as well as what is financially feasible, technically possible and ecologically justifiable. The aim is to reduce our operations' impact on the environment in both the short and the long term.

Our business concept

OEM International will own and develop companies that focus on the sale and marketing of components and systems for automation in Europe. The operating companies are to adapt their actions to the specific conditions that apply in each business area, and are to satisfy the interests of customers, suppliers, employees and shareholders in an effective manner.

VISION

- OEM International strives to be a leading player in the trading of components and systems for automation in Europe. Being a leading player means:
- Having a level of knowledge and a service mind-set that are among the elite in each business area.
 - Marketing products that live up to or exceed customer expectations.
 - Making our suppliers market-leaders within their sectors.
 - Having an efficiency that makes us more profitable than our competitors.
 - Creating opportunities for employees to realise their ambitions.
 - Creating added value for customers, suppliers, personnel and shareholders.



BUSINESS LOGIC

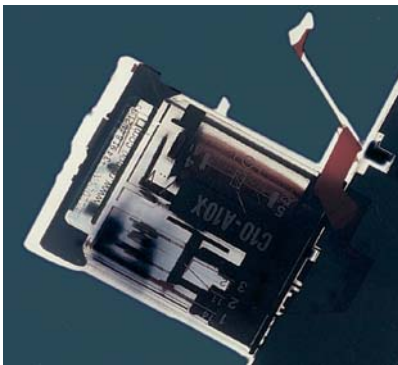
In simple terms, OEM acts as a local alternative to manufacturers' subsidiaries and thereby has responsibility for the sales and marketing of the products that the company trades in.



For our suppliers, collaborating with OEM means that they gain a partner that knows the market and has the expertise and financial strength to make market investments. They also gain greater opportunities to reach customer groups that they themselves have difficulty contacting.

OEM provides customers with the opportunity to buy a larger range of products from a single supplier while also receiving technical and commercial advice via specialised sales organisations. Efficient logistics provide us with the opportunity to adapt purchasing volumes, stock levels and transport methods for maximum competitive advantage while local warehouses enable us to retain high delivery capacity.

OEM offers a wide range of products and therefore has the potential to tailor solutions to customer needs.



Financial Objectives

OEM International's objective, during a period of strong and stable growth, is to achieve good return on shareholder's equity with limited financial risk.

The long-term objectives are:

- 15% annual growth
- 20% return on shareholders' equity
- 35% equity/assets ratio

15% annual growth
20% return on shareholders' equity
35% equity/assets ratio

Year	Annual Profit growth (%)**	Return Shareholders' equity (%)	Equity/assets (%)
2002	-44	3,4	55,5
2001	-59	7,1	47,0
2000	11	19,6	43,9
1999	30	19,3	48,5
1998	7	17,0	48,2
1997	81*	19,4	54,2
1996	-10	24,3	60,3
1995	16	35,3	53,2
1994	90	42,2	50,9

* Merger with Cyncrona.
** Refers to profit after net financial items excl. items affecting comparability.

In order to reach our objectives, our operating companies must attain growth and profitability that exceed our competitors. Growth and profitability are a quality seal on how we run our business.

PRIORITISING OBJECTIVE ATTAINMENT

Recessive markets during 2001 and 2002 meant that the Group had ten loss-making companies and only five companies with a profit margin in excess of 10% during 2002. In order not to risk the company's stability, we prioritise profitability ahead of growth. This provides the following priorities for our objectives for 2003.

1. Equity/assets ratio above 35%

The company's equity/assets ratio did not drop below 40% during 2001 and 2002. This was achieved by actively working with our balance sheet, such as by reducing inventories by about SEK 60 million, reducing investment volume and following a more cautious acquisition strategy. This stable equity/assets ratio is important for the measures required to solve the profitability problems.

2. Return on shareholders' equity to amount to 20%

Return on shareholders' equity amounted to 3.4% in 2002. In order to achieve the 20% goal, pre-tax profits must amount to about SEK 125 million (based on unaltered dividend and share repurchasing policies). In order to reach this goal, the Board has decided on an aggressive strategy to enable us to achieve it by 2005.

3. Growth in sales and profits to be 15% over an economic cycle

As our largest customer segment, the telecom sector, has been markedly reduced and we are in an economic downturn, we consider sales for 2002, totalling SEK 1,534 million, to be a new platform. From this level, our judgement is that we will be able to experience expansion that over time exceeds 15% per annum.

Growth Strategy

Our goal is to achieve continual annual growth of at least 15% over an economic cycle. The growth strategy is comprised of three parts:

- Organic growth
- Acquisitions
- Geographic expansion

Historically, the OEM Group has performed well in terms of fulfilling this goal. During the years 1993 to 2000, the Group experienced annual growth in excess of 40%. During these years, 22 corporate acquisitions were made and three new companies were established. This substantial expansion entailed major sales and profit growth. The acquisitions and new establishments increased the proportion of the Group's business within the telecom and electronics industries.

The collapse of the telecom sector and the general recession resulted in sales dropping by about 25% and extensive profitability problems in many of our companies. Against this background, our growth strategy for 2003 is as follows:

ORGANIC GROWTH

Continuous development of the product programmes and service within the operating companies makes it possible to increase the number of purchasing customers and sell more products to existing

customers. Stable organic growth is evidence of satisfied customers and that what we have to offer is also attractive to new customers.

GEOGRAPHIC EXPANSION OF ALREADY ESTABLISHED CONCEPTS

Geographic expansion of established concepts gives us, in addition to the opportunity to expand, increased stability. We will deepen existing business relations by increasing our commitment to suppliers. We will primarily expand geographically where we already have an established infrastructure. This entails fewer risks and simplifies the establishment of a common corporate culture.

ACQUISITIONS

We have decided to increase the restrictiveness in acquisitions for 2003, as we need maximum focus on existing companies and already established concepts.



Five-year Consolidated Overview

FROM THE INCOME STATEMENT	2002	2001	2000	1999	1998
INVOICED SALES					
Sweden	1,076,074	1,261,916	1,264,429	1,057,607	948,581
Abroad	443,259	664,813	682,543	695,488	453,384
Total invoices	1,519,333	1,926,729	1,946,972	1,753,095	1,401,965
Operating income before items affecting comparability	91,241	122,755	204,286	189,090	139,401
Items affecting comparability	-	-	15,898	-	-
Depreciation according to plan	-51,706	-58,502	-55,614	-54,162	-36,811
Income from financial items	-5,677	-3,783	-1,569	-1,923	-1,683
Shares in associated companies	496	615	1,167	1,092	2,555
Income before tax	34,354	61,085	164,168	134,097	103,462
Taxes	-19,632	-25,950	-63,160	-51,702	-39,311
Group's profit for the year	14,722	35,135	101,008	82,395	64,151

FROM THE BALANCE SHEET

Intangible fixed assets	32,635	59,184	83,200	85,052	76,435
Tangible fixed assets	138,477	170,195	184,003	156,465	167,016
Financial fixed assets	19,228	23,914	53,874	9,941	10,973
Inventories	282,909	342,252	328,112	226,671	236,413
Current receivables	229,080	291,553	430,538	297,725	274,209
Current investments/Cash and bank	44,397	101,197	113,103	150,375	71,916
Total assets	746,726	988,295	1,192,830	926,229	836,962
Shareholders' equity	414,740	464,011	523,059	449,352	403,339
Provisions	27,392	39,119	48,079	42,642	37,761
Long-term liabilities	102,307	251,359	233,703	96,355	90,694
Current liabilities	202,287	233,806	387,989	337,880	305,168
Total shareholders' equity provisions and liabilities	746,726	988,295	1,192,830	926,229	836,962

Key Indicators for the Last Five Years

THE OEM GROUP		2002	2001	2000	1999	1998
Net sales	SEK millions	1,534	1,944	1,967	1,782	1,423
—of which overseas	%	29.5	34.5	35.1	39.7	32.6
Group's profit before tax*	SEK millions	34.4	61.1	148	134	104
Earning capacity of total capital*	%	5.1	7.0	14.2	15.8	15.2
Earning capacity of total capital	%	5.1	7.0	15.7	15.8	15.2
Earning capacity of capital employed*	%	7.1	10.4	22.7	26.8	26.0
Earning capacity of capital employed	%	7.1	10.4	25.0	26.8	26.0
Earning capacity of shareholders' equity	%	3.4	7.1	19.6	19.3	17.0
Average interest payable	%	3.1	3.0	1.1	1.3	2.8
Debt/equity	ratio	0.25	0.54	0.45	0.21	0.23
Operating income/sales*	%	5.9	6.3	10.4	10.6	9.8
Operating income/sales	%	5.9	6.3	11.9	10.6	9.8
Profit percent*	%	2.9	3.9	7.9	7.8	7.9
Profit percent	%	2.9	3.9	8.7	7.8	7.9
Profit margin*	%	2.2	3.1	7.5	7.5	7.3
Profit margin	%	2.2	3.1	8.3	7.5	7.3
Capital's rate of turnover	times/year	2.05	1.97	1.65	1.92	1.70
Sales/employee	SEK millions	2.2	2.5	2.9	2.9	2.5
Equity/assets ratio	%	55.5	47.0	43.9	48.5	48.2
Cash flow from						
current operations	SEK millions	156	89.5	49.4	172	24.1
Cash liquidity	%	135	168	140	133	113
Earnings per share**	SEK	1.88	4.32	11.67	9.04	7.05
Shareholders' equity per share**/**	SEK	53.06	57.06	60.41	49.31	44.25
Proposed dividend	SEK	4.50	4.50	4.50	3.75	3.00
Quoted price on 31 December	SEK	77.00	92.50	129.00	127.00	109.50
P/E	ratio	40.9	21.4	11.1	14.0	15.5
Direct return	%	5.8	4.9	3.5	3.0	2.7
Number of employees	number	701	773	676	609	568
Salaries and remuneration	SEK millions	220	244	197	184	159

*Key indicators calculated excl. items affecting comparability.

**Key indicators calculated on the basis of the number of shares excluding own repurchases.

***Shareholders' equity per share = visible shareholders' equity per share.

The comparison year 2000 has been recalculated due to altered accounting principles as of 1 January 2001.

DEFINITIONS OF KEY INDICATORS

Earning capacity of total capital: Operating income plus financial income as a percentage of average total capital.

Earning capacity of capital employed: Operating income plus financial income as a percentage of capital employed. Capital employed refers to total assets minus non-interest-bearing liabilities, including deferred tax liabilities.

Earning capacity of shareholders' equity: Net profit for the year as a percentage of average shareholders' equity.

Average interest payable: Financial expenses as a percentage of total liabilities.

Debt/equity ratio: Interest-bearing liabilities divided by calculated shareholders' equity. Calculated shareholders' equity comprises shareholders' equity plus minority interests.

Operating income/Sales: Operating income before depreciation as a percentage of sales.

Profit percent: Earnings after financial income as a percentage of sales.

Profit margin: Earnings before tax excl. minority share in sales.

Capital's rate of turnover: Sales divided by total assets.

Sales per employee: Sales divided by average number of employees.

Equity/assets ratio: Shareholders' equity and minority interests as a percentage of total capital.

Cash liquidity: Current assets minus inventories as a percentage of current liabilities.

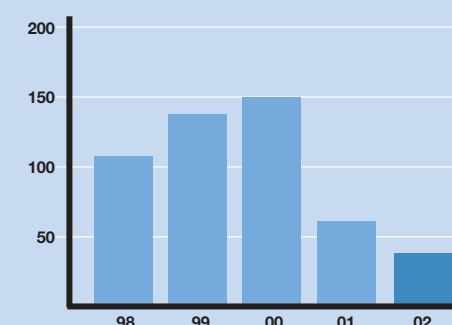
Earnings per share: The Group's net earnings after deductions for both paid and deferred tax divided by the number of shares.

Shareholders' equity per share: Shareholders' equity and minority interests divided by the number of shares.

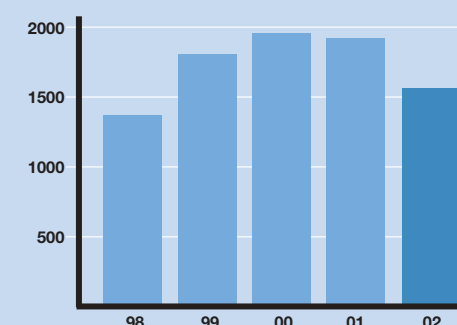
P/E (Price/Earning): Quoted price as of 31 December divided by earnings per share.

Direct return: Dividend per share divided by the quoted price at year-end.

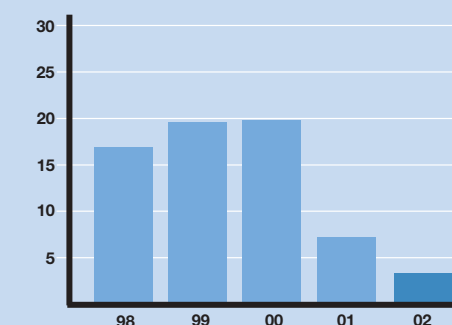
GROUP'S PROFIT BEFORE TAX*



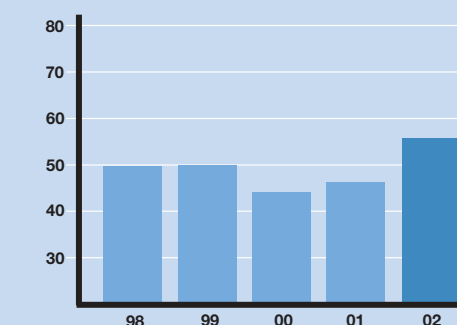
NET SALES



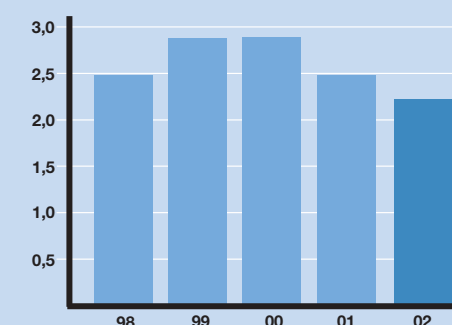
EARNING CAPACITY ON SHAREHOLDERS' EQUITY



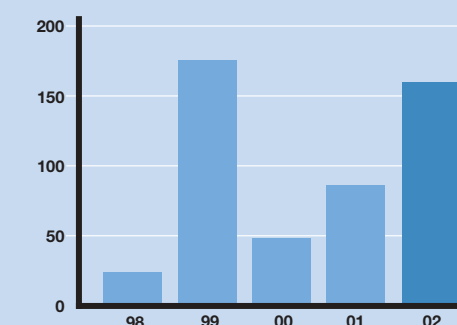
EQUITY/ASSETS RATIO



SALES PER EMPLOYEE



CASH FLOW FROM CURRENT OPERATIONS



*Key indicators calculated excl. items affecting comparability.

Corporate Group Management





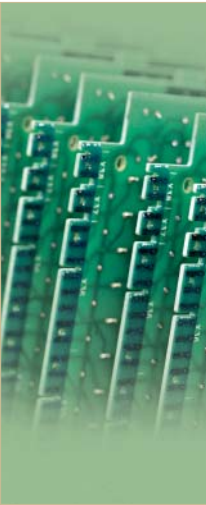
OEM International's operating companies, as of January 2002, are split into five corporate groups, with each composition based on a supplier, product or customer focus, in order to attain maximum benefit from synergies within, for example, market communications and logistics. Our businesses are based on the same basic values and business philosophy, even if they are split into different groups.

- Group Automation
- Group Electronics
- Group Mechanics
- Group Hydraulics
- Group Electronic Production (EP)

Each corporate group is led by a corporate group manager and a steering group, who are responsible for the group's overall strategy, management and following-up. The corporate group manager is normally the chair of the board and the immediate manager for the MD of each operating company. In terms of operations, the board is usually comprised of the MD, the Corporate Group Manager and the Controller. If additional expertise is required in a specific area, an external board member can be appointed.

In addition to this, there are specialist functions that work cross-functionally with development and co-ordination within market communications, business systems and telephony and computing infrastructure.

OEM International Group Overview

Automation	Electronics	Mechanics	Hydraulics	EP
				

- Group Automation** - components for industrial automation.
- Group Electronics** - appliance components, circuit board components, EMC/microwave components.
- Group Mechanics** - ball bearings, seals, lock components and components for accurate motion control.
- Group Hydraulics** – hydraulic components and the design and manufacture of hydraulic units and systems.
- Group Electronic Production (EP)** - production equipment and components for electronics production.

Group Automation



The year 2002 was marked by reduced demand and great change. Extensive reviews of the companies have led to internal optimisation and increased earnings.

- Sales were unchanged and amounted to SEK 622 million (621)
- Optimisation led to reductions in costs of SEK 13.4 million
- Earnings increased by 31% to SEK 40.5 million (30.8)

The companies in Sweden, Finland, Norway and Poland have experienced positive development. By focusing on customer activities they have gained market shares and succeeded in increasing both sales and earnings despite a generally weak market. The greatest changes were implemented in the companies in England, Denmark and Italy. A more concentrated focus on product knowledge, product range and supplier relations, together with measures to adapt the companies to current demand, provides greater opportunities for future growth. The economic downturn forced us to stop and reconsider our core values. The focus on the sales process and product range development has led to improved utilisation of internal resources and coordination opportunities. The changes implemented during the year have made it possible for us to become a better partner to both our customers and our suppliers. As a whole, Group Automation enters 2003 better equipped than ever.



Mikael Thörnkvist, Corporate Group Manager, Group Automation.

GOALS AND STRATEGIES

The objective for the coming years is 5–10% annual growth and a minimum earnings increase of 15%. This will be achieved by increasing market shares, product range development and more efficient processes. Our focus will be on:

- Increased volume and improved quality of our customer activities in order to strengthen existing and create new relationships.
- Improved product offering by adding new products and phasing out non-profitable product areas.
- Optimisation of internal processes and increased coordination.

MARKET

Our assessment is that the European market for industrial automation will not experience any growth during 2003 but that it will grow over an economic cycle by about 5% per year.

COMPETITORS

We compete with manufacturers such as Schneider Electric, ABB and Omron, but also with trading companies such as Addtech.

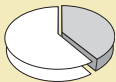
Facts Group Automation

Operations Group Automation is comprised of seven companies active in Sweden, Finland, Norway, Denmark, Poland, the UK, and Italy. The business concept is based on the sale of components for industrial automation to machine and appliance manufacturing industries, wholesalers and strategic end-users. The group represents 60 or so suppliers that are strongly specialised and leaders within their respective fields. Marketing is primarily comprised of face-to-face sales wherein OEM provides the customer with product and application knowledge. Our suppliers' products are represented in the companies' product catalogues in the local languages. The OEM Automatic companies are adapted to their respective markets and, as a group, gain advantages through the coordination of product and application knowledge, market communications, IT solutions and warehouse facilities.

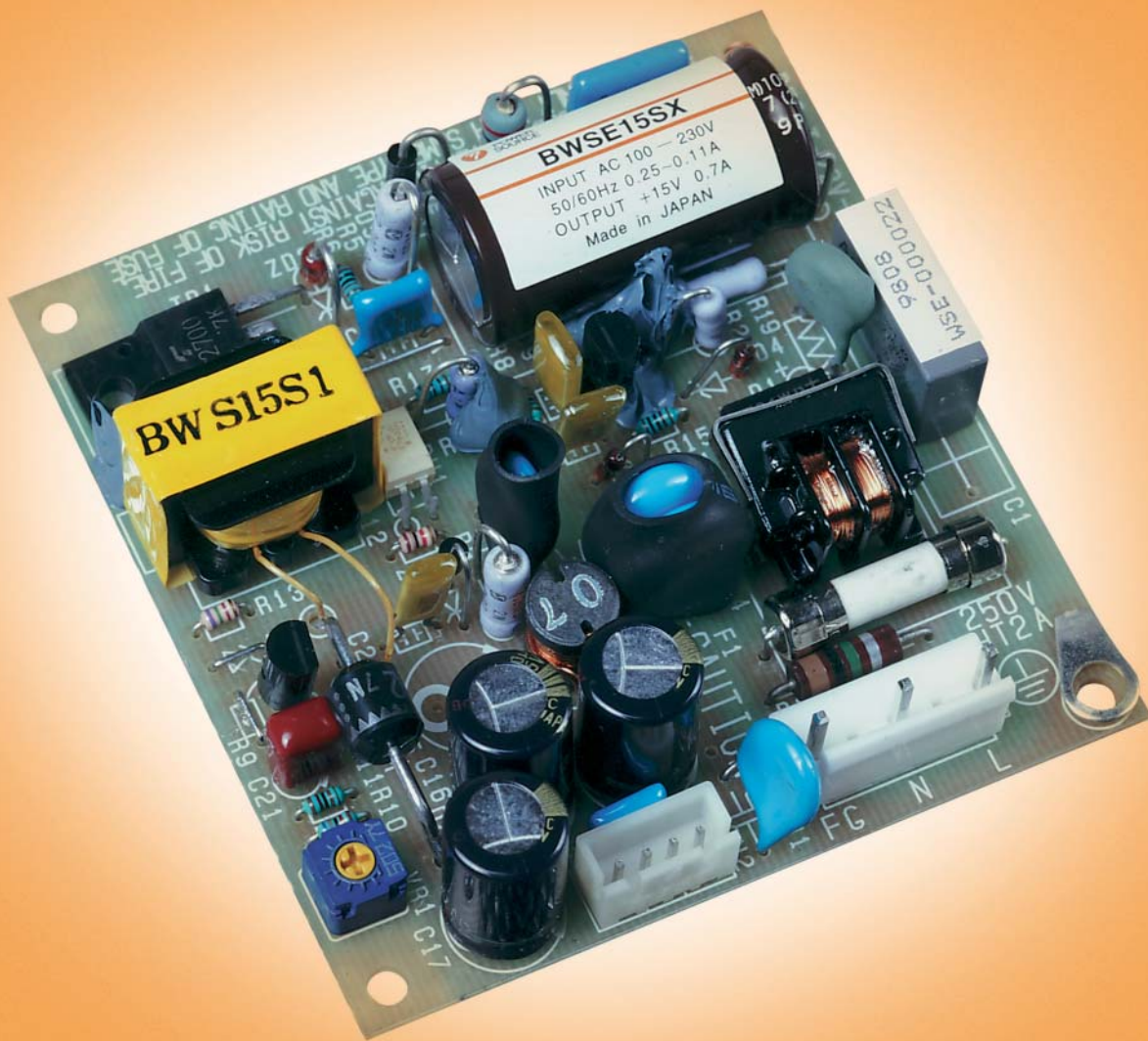
Products Components for industrial automation within the following business areas: Electrical Machinery, Electrical Cabinets, Pressure & Flow, Pneumatics, Safety, Motors and Transmissions, Cables

Companies in the Group OEM Automatic AB, SE • OEM Automatic AS, NO • OEM Automatic A/S, DK • OEM Automatic OY, FI • OEM Automatic Ltd, UK • OEM Automatic Sp.z o.o, PL • OEM Automatic S.p.A, I

Sales SEK 622 million	.....
Income SEK 40.5 million	.....
Number of employees 279 people	.....
Share of Group sales 40.2%	.....



Group Electronics



Facts Group Electronics

Operations Companies in Group Electronics primarily market specialised components for the appliance and electronics manufacturing industries. OEM Component, Egevo, Pronesto and Aspects represent some of the world's leading manufacturers and are specialists within their segments. As of 2003, Component Finland, which today is a business area within OEM Automatic OY, will be moved over to Group Electronics. The Group also includes Industri AB Reflex, which manufactures customised automation cabinets, and About Communication, which markets equipment for data security and data communication. These companies have no direct electronics associations, but are included so as to efficiently utilise Group resources.

Products Electronic components • Automation cabinets • IT products

Companies in the Group OEM Component AB • Egevo Elektronik AB • Pronesto AB • Aspects OY
• About Communication AB • Industri AB Reflex

The year was marked by structural changes in the market, which shrank by about 40%.

- Sales fell by 25% to SEK 394 million (519)
- Earnings dropped to SEK 5.8 million (24.1)
- Winding down of Attel Ltd

Egevo Elektronik has been affected by customers relocating their electronics production outside Sweden. The company reports drastically reduced sales and earnings. OEM Component has, despite a difficult market, managed to attain good earnings. Aspects started two new agents during the year, and has been streamlined towards specialised electronics. Other product areas have been moved to the Component business area in OEM Automatic Finland. Pronesto has been the company most dependent on Ericsson, which has led to the company being forced to adapt to lower demand. The focus is now on industrial electronics users. Industri AB Reflex customers are export-oriented machinery manufacturers. The company has felt the drop in demand, but has managed to retain a good operating margin despite reduced sales. About Communication has stabilised operations at a lower sales level by slimming operating costs. The company is now adapted so as to be able to generate earnings. Our English company, Attel, has been wound down, which affected the group's earnings negatively by SEK 2.6 million.



Jan Hultman, Corporate Group Manager, Group Electronics.

GOALS AND STRATEGIES

The group's goal is to continue to be an important actor among specialised component suppliers.

- Organic growth through strong product development among our suppliers, such as Maxim, Fujitsu and Chomerics.
- In addition to knowledge, in conjunction with new designs (in-design) we shall offer our customers packaged solutions (added value).
- The short-term goal is to increase profitability to 10% of sales.
- The long-term goal is to grow by 15% with retained good profitability

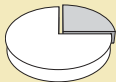
MARKET

Following the structural changes within the telecom sector, it is important for us to work with designers and manufacturers that intend to continue operations in northern Europe. In addition to the telecom sector, Group Electronics is also strong within market areas such as the automotive industry, medical engineering and industrial applications, with customers such as ESAB, Autoliv, De Laval and Beijer Electronics.

COMPETITORS

Many larger manufacturers are removing middlemen. Through our efficient organisations, we still fulfil a need in the market. Competitors within the fields of electronics and electromechanics can be divided into global component distributors, such as Arrow and Avnet, and trading companies, such as Addtech and Elektronikgruppen. The latter grouping can also include manufacturers' in-house agents.

Sales SEK 394 million	.....
Income SEK 5.8 million	.....
Number of employees 113 people	.....
Share of Group sales 25.4%	.....



Group Mechanics

Facts Group Mechanics

Operations Group Mechanics is comprised of five companies with different focuses within mechanics. IBS Internordic Bearing Sweden and OEM Multimetal market ball bearings in Sweden and Finland and have some market activities in the other Scandinavian countries. A. Karlson Industriteknik is focused on components and systems for accurate motion control. Indoma has a wide range of seals, lock components and grease nipples. OEM China Development focuses on production checks and logistics, primarily with regard to ball bearings from China. One of the success factors for the group is personal sales of standard products in combination with customised components where together with the manufacturer we are involved already during the customer's design work.

Products Bearings • Seals • Systems for linear motion and positioning

Companies in the Group IBS Internordic Bearing Sweden AB • OEM Multimetal OY • AB Indoma • OEM China Development BV • A. Karlson Industriteknik AB

Despite a declining market, we have managed to win market shares and increase both sales and earnings. The main reason is extensive optimisation within the companies and increased sales of customised products.

- Sales increased by 1% to SEK 160 million (159)
- Earnings rose to SEK 4.2 million (-3.3)
- Quality and logistics centre established in China

All companies have implemented internal changes and optimisations during the year. We predict, therefore, that the rate of growth will increase during 2003. Increased activities and more efficient sales and purchasing processes have contributed to improved earnings in the Swedish companies. All have implemented organisational changes in order to better fulfil the need for interaction between key customers and primary suppliers. The Finnish company has also become better at taking advantage of the opportunities for synergy effects with other Group companies. OEM China Development has established a supplier evaluation and logistics centre in China, as well as a quality control centre in order to meet increased quality demands.



Andreas Fälth, Corporate Group Manager, Group Mechanics.

GOALS AND STRATEGIES

The goal for the group is 15% annual growth and a retained profit level of at least 10%. The group's overall strategies are:

- Continued personal contacts with OEM customers, wherein involvement in the customers' development projects is an important aspect.
- Increased market shares in Scandinavia with, to a large extent, the existing product range.
- Continued cost cutbacks, primarily within logistics.
- Expansion of operations in China are an important part of future development.

MARKET

The group is primarily focused on the Scandinavian market and its customers' operations outside Scandinavia. Customers are OEM customers, primarily within automotive, materials handling and mechanical engineering industries.

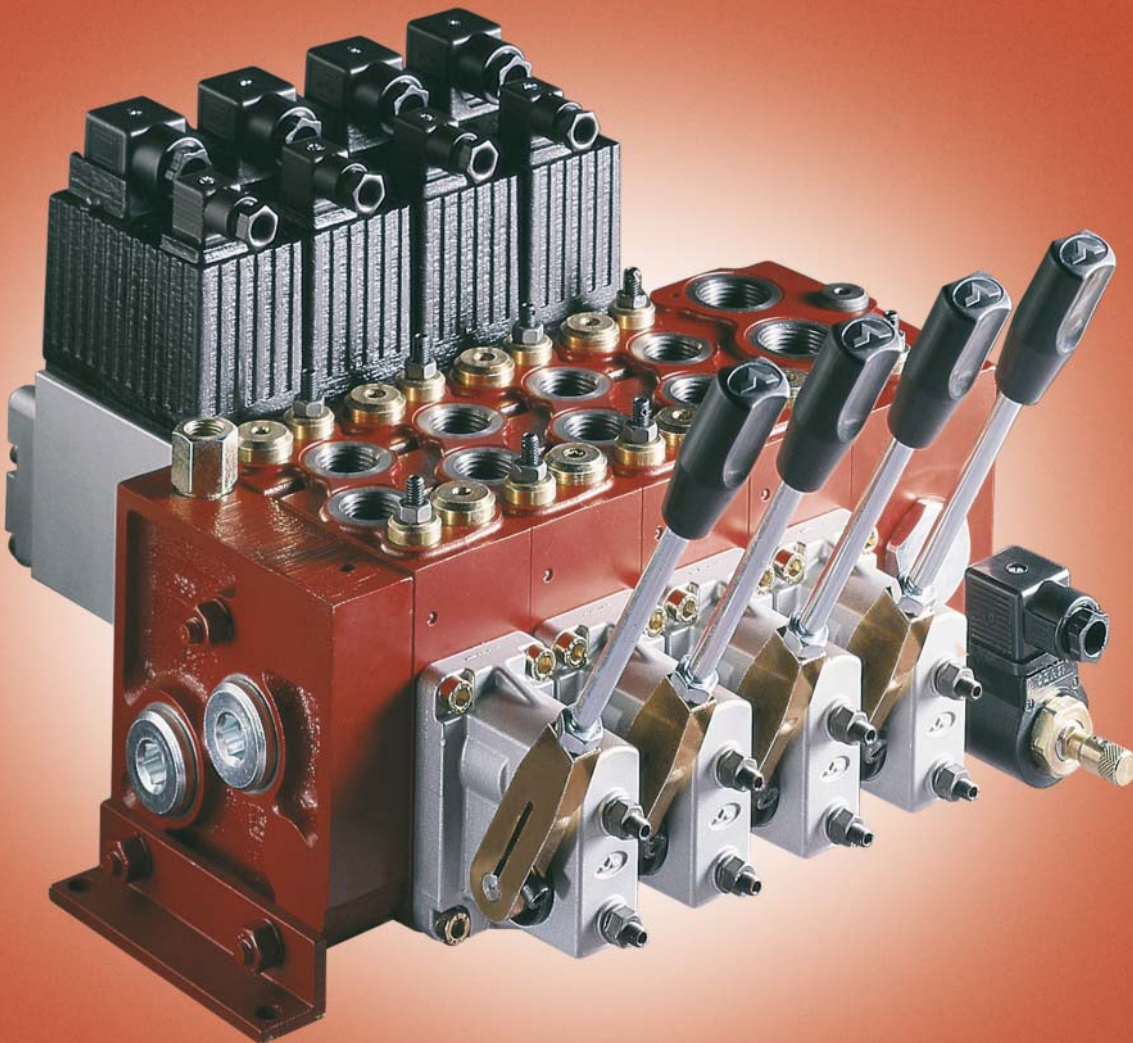
COMPETITORS

Competitors are primarily manufacturers of mechanical components with proprietary distribution channels such as SKF, which is the largest competitor in the field of ball bearings.

Sales SEK 160 million	.....
Income SEK 4.2 million	.....
Number of employees 69 people	.....
Share of Group sales 10.3%	.....



Group Hydraulics



During 2002, sales dropped while profitability increased. The reason is implemented optimisation work and better utilisation of existing resources. The operating margin has been improved in two of the three companies.

- Sales fell by 10% to SEK 152 million (170).
- Earnings improved from SEK -2.6 million to SEK -1.6 million

JMS, which is the largest company in the group, had a successful year. Today the company is fully streamlined for hydraulics and has a more efficient organisation than before. Despite sales being reduced by 10%, the company's earnings are increasing.

Hydrac worked during the year to alter the working method of its sales team in order to attain an increased volume of customer activities.

Hydroprodukter has had a new MD since August 2002 whose primary task is to improve the structure and working method of the company and increase the number of customers. In the long-term, the product range needs to be developed.

Group Hydraulics was acquired in November 2000 and the group's earnings for 2002 were burdened by SEK 6.5 million in goodwill depreciation.



Fredrik Tengstrand, Corporate Group Manager, Group Hydraulics.

GOALS AND STRATEGIES

The long-term goal for Group Hydraulics is firstly to raise profit margins in existing companies and secondly growth and establishment in new markets in Scandinavia.

- Establishment of new suppliers in existing companies.
- Optimise sales process to strengthen relations with existing customers and increase the number of new customers.
- Via continued optimisation create the conditions necessary for the companies to manage higher sales with the existing organisations.

MARKET

In recent years, the hydraulics market has demonstrated weak growth and profitability has decreased for many actors in the sector. Our most important customer segments are found in the paper and cellulose industry, the marine and offshore industry, mobile hydraulics and materials handling and lifting technology. Customers show increased interest in more complete solutions, which places great demands on innovation on the part of the suppliers. Forecasts show no clear indication of improvement or decline.

COMPETITORS

Competition in the Swedish market comes mainly from a number of companies in Hexagon's Automation Group, Dacke Hydraulik, as well as from global players such as Bosch Rexroth and Parker Hannifin.

Facts Group Hydraulics

Operations Group Hydraulics is comprised of three Swedish companies that design and manufacture units and complete hydraulic systems, and market hydraulic components. The companies' three core areas are hydraulic units, components for mobile applications and mini and micro units. Among other things, we have leading expertise and resources within hydraulic units and systems, as well as a substantial market share in Sweden for mini and micro units.

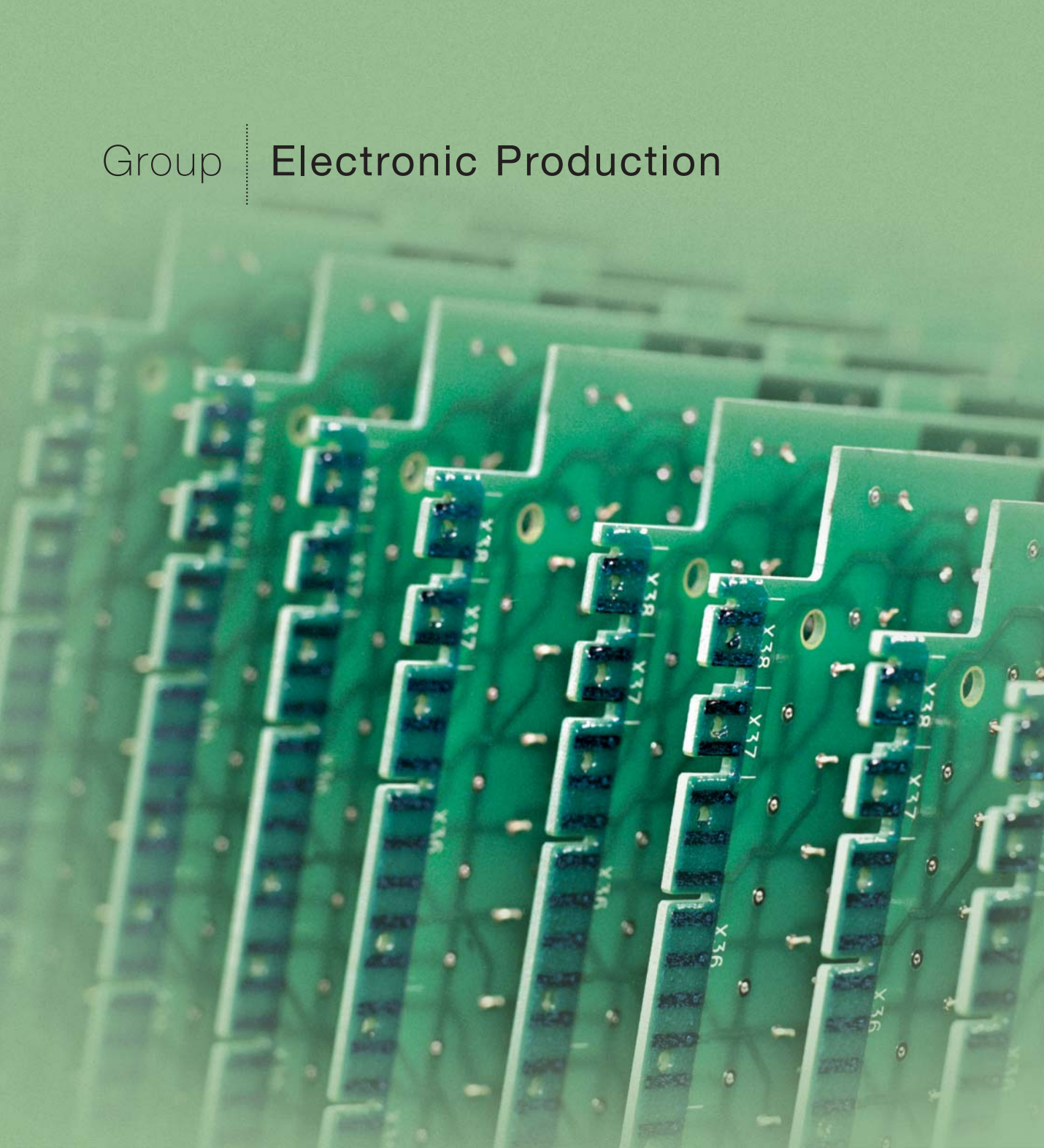
Products Hydraulic components • Hydraulic units

Companies in the Group JMS Systemhydraulik AB • Hydrac AB • Hydroprodukter International AB

Sales SEK 152 million	.....
Income SEK -1.6 million	.....
Number of employees 68 people	.....
Share of Group sales 9.9%	.....



Group Electronic Production



Facts Group Electronic Production

Operations Group Electronic Production (EP) is comprised of five Cyncrona companies and Jubo Mechatronics AB. Cyncrona has operations in Sweden, Finland, Norway, Denmark and Poland. The business concept is to sell production equipment, support and materials for electronics production and test equipment for circuit boards, microelectronics and PCBs. Cyncrona represents two dozen leading suppliers. Service and support is an important part of a complete business commitment and can encompass training, installation and after-sales service, for example. Jubo Mechatronics develops and manufactures production equipment for, among others, the electronic, medical and light workshop industries. Installation, support and training comprise an important part of the operation. Within the group, IT solutions, product training, seminars, conventions and other market communications are coordinated in order to attain synergy effects.

Products Production systems and components for electronics production.

Companies in the Group Cyncrona AB, SE • Cyncrona AS, NO • Cyncrona A/S, DK • Cyncrona OY, FI • Cyncrona Sp.z o.o, PL • Jubo Mechatronics AB

The toughest year ever in the history of the Cyncrona companies

Measures such as personnel reductions, product phase-outs and the closing of a local office have been implemented, but have proven not to be sufficient in order to reverse the trend.

- Sales fell from SEK 495 million to SEK 220 million
- Earnings fell from SEK 2.1 million to SEK -27.1 million
- Total operating costs reduced by SEK 32 million
- Personnel cut back from 177 to 150 people

Cyncrona Sweden and Finland have had a difficult year with for all intents and purposes no investments in new machinery from Ericsson or Nokia. For the Finnish company, however, service and support operations continue to generate income as Nokia has kept a certain production volume in the country. Cyncrona Sweden has begun re-profiling towards a smaller number of suppliers with a focus on new customer segments where we have good opportunities to increase our market share. The situation is more stable in the other companies. With the aid of product range development, a stronger focus on sales processes and more distinct goals, they will be able to develop in line with the Group's overall goals.



Tomas Holmer, Corporate Group Manager, Group EP.

We are entering 2003 with a new 'suit'. By being better than our competitors, the year should see new custom coming our way.

GOALS AND STRATEGIES

The goal for the coming years is to increase sales by 15% and to turn the year's loss into a profit. This will be achieved through increased efficiency, newly developed products and a broader customer focus.

- Market the whole in our offering.
- Increase the quality of our customer activities in order to strengthen existing and create new relationships.
- Develop our product range in accordance with new market demands.
- Develop personnel for the future in their new organisations.

MARKET

In general, we can conclude that the industry has had a tough time and that the Scandinavian electronics market is still marked by uncertainty. As a result, we do not anticipate an upswing during 2003. The few new investments that are seen are implemented with the many used machines available in the market. This in turn has entailed a number of our competitors pulling out of the Scandinavian market, which ought to create new opportunities for Cyncrona.

Sales SEK 220 million	.....
Income SEK -27.1 million	.....
Number of employees 150 people	.....
Share of Group sales 14.2%	.....



OEM's Shares

OEM INTERNATIONAL ON THE STOCK EXCHANGE

The OEM share was quoted on the Stockholm stock exchange's (Stockholmsbörsen) OTC List in December 1983, and since then has displayed a healthy price trend. Anyone who purchased 100 shares in OEM for SEK 12,500 at the time they were introduced onto the market had a holding of 2,400 shares at a value of SEK 184,800 on 31 December 2001, equivalent to an annual yield excluding dividends of 15%.

OEM's shares were transferred to the O List in 2000. OEM International satisfies the demands stipulated by Stockholmsbörsen for a listing on the A List. However, as shares on the O List are exempt from capital tax, and moving them to the A List would have significant tax implications for the shareholders, the Board has decided to allow OEM's shares to remain quoted on the O List.

PRICE TRENDS

The price of OEM International shares fell during the year by 17% to a closing price of SEK 77. The highest price paid during the year, SEK 111, was recorded on 12 April, and the lowest price, SEK 60, on 25 September and 23 October. OEM's market value at the end of 2002 amounted to SEK 642 million. With the company's shareholding excluded, OEM's market value amounted to SEK 602 million. During the year, the stock exchange's SAX index fell by 37% and the index for SX Industrials by 24%.

SALES

During 2002, 838,860 Class B shares were sold, corresponding to a turnover rate of 10.7%. The average OEM shareholder therefore holds onto their shares for around 9 years. The corresponding figure for the Stockholmsbörsen as a whole in 2002 was 122% and for the O List

70%. OEM's Class B shares were sold on 82% of the trading days, with an average turnover per day in 2002 of 4,092 shares. On 31 December 2002, OEM International had 3,146 shareholders, an increase of 65% since 1995. Institutional ownership is about 31% and overseas ownership is about 23%.

REPURCHASE OF SHARES

The repurchase programme for shares, which was adopted for the first time by the Annual General Meeting in 2000, is intended to improve our capital structure and contribute positively to return on shareholders' equity and earnings per share. The reduction of share capital, decided at last year's Annual General Meeting, equivalent to 200,000 shares, is completed and registered as of 13 January 2003. After this reduction there are 8,132,203 shares in the company. As of 31 December, we have repurchased a further 315,144 shares at an average price of SEK 71.17, which is equivalent to 3.9% of the total number of shares after the reduction. The Board has been authorised by the Annual General Meeting to repurchase up to 10% of the total number of shares, that is, 813,220 shares.

The objective is to continue the repurchases up to 10% of the total number of shares while the Board considers the conditions to be attractive. The acquired shares will be kept, deregistered or used as payment in corporate acquisitions. We have minimised the disadvantages which this can entail, that is, that the number of shareholders is decreased and the liquidity of the share declines, by mainly purchasing large blocks of shares.

RISK

OEM's beta value – a measure of how a share moves given a change in the stock exchange's SAX index – is approximately 0.49. This means that the shares can be said to have a low risk. The spread between the operations within the group entails a low business

risk. At the same time, the financial risk is very low, due to the high equity/assets ratio. This means that the equity/assets ratio can be lowered to tally better with the business risk without the overall risk for OEM's shares increasing significantly.

DIVIDEND POLICY

The Board of OEM International aims to propose a reasonable dividend of profits to the shareholders, by considering the financial position, the tax situation and any need for acquisitions or investments in the operation. Over the past five years, the average growth in dividend has been 13% per annum.

DIVIDEND

The Board and the Managing Director propose an unaltered dividend of SEK 4.50 per share, equivalent to 11% of non-restricted equity in the Group.

FINANCIAL INFORMATION

OEM aims to maintain high quality as regards information to the market and the media. The goal is for the information to facilitate an accurate valuation and liquid trading of the shares.

The dates for the Annual General Meeting, interim reports and annual report for the 2003 fiscal year can be found in the information on page 2 of this annual report. Financial information is also published on the Group's website, www.oem.se.

As a shareholder, you are also able to receive interim reports and other press releases by e-mail, at the same time as it is made public to the market. Send an e-mail to info@int.oem.se and state "Corporate information", and you will be included in our electronic mailing list in future.

SHAREHOLDER STRUCTURE – OEM's 10 LARGEST SHAREHOLDERS AS OF 2002-12-30

OWNERS	Number Class A shares	Number Class B shares	Percentage share capital	Percentage votes
Pantzar, Orvar	635,440	983,250	20.7	33.2
Franzén, Hans and family	476,792	513,950	12.7	23.9
Svenberg, Agne and family	476,800	201,812	8.7	22.5
SEB equity funds	0	422,000	5.4	1.9
AFA Försäkring	0	420,100	5.4	1.9
Skandia	0	250,456	3.2	1.1
Lannebo equity funds	0	207,969	2.6	0.9
Länsförsäkringar Jönköping	0	200,000	2.5	0.9
Didner & George equity fund	0	195,800	2.5	0.9
Industritjänstemannaförbundet	0	145,000	1.9	0.7
Total, 10 owners	1,589,032	3,540,337	65.6	87.9
Other	0	2,687,690	34.4	12.1
Total	1,589,032	6,228,027	100.0	100.0
Votes per share	10	1		

The company's own holding of 515,144 Class B shares is excluded from the above breakdown.
The reason being to make it easy for the reader to determine the various owners' influence in the company.

Key indicators for OEM's shares

for the past five years

PERFORMANCE KEY INDICATORS		2002	2001	2000	1999	1998
Sales per share	SEK	196	239	227	196	156
Increase in sales per share	%	-17.9	5.3	15.8	25.6	34.5
Earnings per share*	SEK	1.88	4.32	10.81	9.04	7.05
Shareholders' equity per share	SEK	53.06	57.06	60.41	49.31	44.25
Proposed dividend	SEK	4.50	4.50	4.50	3.75	3.00
Dividend/Income	%	239	104	41.6	41.5	42.6
Dividend/Shareholders' equity	%	8.5	7.9	7.4	7.6	6.8
Cash flow per share	SEK	19.95	11.00	5.70	18.87	2.65
RISK KEY INDICATORS						
Beta values (48 months)		0.49	0.53	0.49	0.69	0.75
Rate of turnover for shares	%	10.7	12.9	30.0	32.3	25.8
VALUATION KEY INDICATORS						
Quoted price on 31 December	SEK	77.00	92.50	129.00	127.00	109.50
Quoted value on 31 December	SEK millions	602	752	1,117	1,157	998
P/S	ratio	0.4	0.4	0.6	0.6	0.7
P/S	ratio	40.9	21.4	11.9	14.0	15.5
Price/Shareholders' equity	%	145	162	214	258	247
EV/Sales	ratio	0.4	0.5	0.6	0.6	0.7
EBIT multiple	ratio	16.4	12.7	7.2	8.1	9.8
Direct return	%	5.8	4.9	3.5	3.0	2.7

*Excluding items affecting comparability.
The comparison year 2000 has been recalculated due to altered accounting principles from 1 January 2001.

DEFINITIONS OF KEY INDICATORS

Sales per share: The Group's sales divided by the number of shares on the market.

Increase in sales per share: Increase in the Group's sales per share.

Earnings per share: The Group's net earnings after deductions for both paid and deferred tax divided by the number of shares on the market.

Shareholders' equity per share: Shareholders' equity and minority interests divided by the number of shares on the market.

Dividend/Income: Proposed dividend in relation to the income for the year.

Dividend/Shareholders' equity: Proposed dividend in relation to the Group's shareholders' equity and the minority interests.

Cash flow per share: Cash flow for current operations divided by the number of shares on the market.

Beta values: Measure of historical change in the share price in relation to the price fluctuation of the general index.

Rate of turnover for shares: The number of shares sold divided by the number of outstanding shares at year-end.

P/S ratio: Stock market value in relation to the Group's sales.

P/E ratio: Quoted price as at 31 December divided by earnings per share.

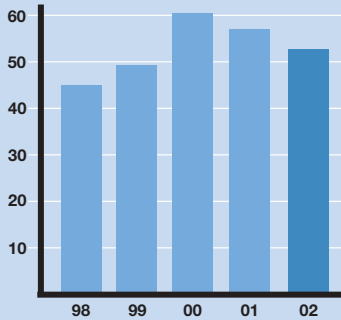
Price/Shareholders' equity: Quoted price divided by shareholders' equity per share.

EV/Sales: Enterprise value (stock market value + net liability + minority interest) divided by the Group's sales.

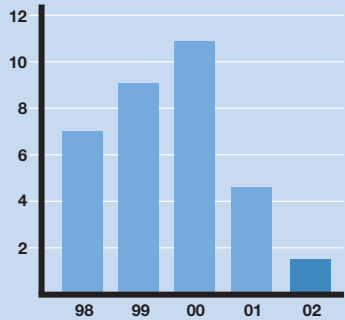
EBIT multiple: Enterprise value divided by the Group's operating income after depreciation.

Direct return: Dividend per share divided by the quoted price at year-end.

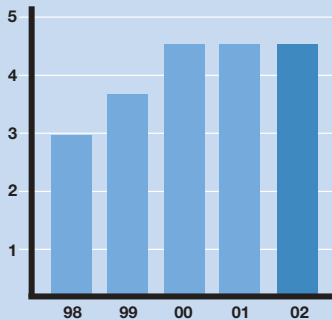
SHAREHOLDERS' EQUITY PER SHARE



EARNINGS PER SHARE



DIVIDEND PER SHARE



SHAREHOLDER STATISTICS AS OF 2002-12-30*

Size class	number of owners	Percentage of share capital	Percentage of
1–500		73.5	5.4
501–1,000		12.7	4.2
1,001–2,000		7.0	4.5
2,001–5,000		4.0	5.3
5,001–10,000		1.4	4.0
10,001–20,000		0.6	3.1
20,001–50,000		0.3	3.2
50,001–100,000		0.1	4.2
100,001–5,000,000		0.4	66.1
Total		100.0	100.0

The total number of OEM shareholders is 3,146.

*Source: VPC AB and SIS Ågarservice AB. Directly and fund manager registered. In the table, ownership details may be a combination of several items in VPC's statistics. This combination is intended to show an institution's or a private individual's total ownership in OEM.

SHARE CAPITAL TREND

YEAR	Transaction	Change in share capital, SEK thousands	Total shareholders' equity, SEK thousands	Total number shares, qty	Nominal value per share, SEK
	Opening value	50	50	500	100
1981	Bonus issue	350	400	4,000	100
1983	Split	–	400	40,000	10
1983	Bonus issue	400	800	80,000	10
1983	New issue	800	1,600	160,000	10
1983	New issue	400	2,000	200,000	10
1986	Bonus issue	4,000	6,000	600,000	10
1986	New issue				
	through translation	360	6,360	636,000	10
1994	Split	–	6,360	1,272,000	5
1994	Bonus issue	6,360	12,720	2,544,000	5
1996	Bonus issue	12,720	25,440	5,088,000	5
1997	New issue				
	through subscription in kind	20,129	45,569	9,113,703	5
2001	Reduction	-3,908	41,661	8,332,203	5
2003	Reduction	-1,000	40,661	8,132,203	5

Directors' Report

The Board and the Managing Director of OEM International AB (Publ) hereby submit the annual report and the consolidated accounts for the 2002 fiscal year.

THE GROUP

OEM International AB is represented via its subsidiaries in the Scandinavian countries as well as in England, the Netherlands, Italy and Poland.

OPERATIONS

Operations focus on the sale and marketing of components and systems for automation.

CONSOLIDATED SALES AND INCOME

Total sales for the Group amounted to SEK 1,533,778 thousand (1,944,130). Profit for the year after tax amounted to SEK 14,722 thousand (35,135), which is equivalent to SEK 1.77 (4.22) per share.

SALES AND INCOME, PARENT COMPANY

The parent company's sales amounted to SEK 34,573 thousand (4,502). Of this total, SEK 34,412 thousand (4,378) relates to sales to subsidiaries. Profit before appropriations and tax amounted to SEK 57,180 thousand (18,529).

GROUP CHANGES 2002

Operations in ATT Europe Ltd and SPG Motors Europe AB were wound down during the year.

FINANCIAL POSITION 2002

Liquid assets (incl. unused overdraft) in the Group amounted to SEK 298,985 thousand (216,068) at the end of the year. The Group's equity/assets ratio amounted to 55.5% (47.0) at year-end.

INVESTMENTS

Investments in the Group during the year amounted to SEK 8,236 thousand (27,987) in machinery and equipment, SEK 1,008 thousand (6,236) in buildings, and SEK 926 thousand (5,691) in goodwill.

ALECTA-SPP's EXCESS FUNDS

The new rules issued by Alecta regarding allocated corporate funds have been observed. This means that present value computations for outstanding amounts are calculated with a 6% discount rate. The change in the claim can be found in the income statement under financial items.

ENVIRONMENTAL IMPACT

Some of the subsidiaries within the group conduct operations that require registration in accordance with the Swedish Environmental Code. This refers to engineering industries with a maximum of 5,000m² of workshop floor, including installations, in accordance with code M2B testing level C.

REPURCHASE OF OWN SHARES

With the aim of improving the Group's return on shareholders' equity and earnings per share, OEM International AB has utilised the authority granted to the Board of Directors by the Annual General Meeting to repurchase shares. The Annual General Meeting's decision to reduce the share capital by 200,000 shares was completed and registered with the Swedish Patent and Registration Office (PRV) on 13 January 2003. As of year-end, 315,144 shares have been repurchased at an average price of SEK 71.17. The Annual General Meeting's mandate covers the repurchase of a maximum of 813,220 shares (10%). Total shareholdings of own shares as of year-end amounted to 515,144 shares, equivalent to 6.2% of the outstanding number of shares.

FUTURE DEVELOPMENT

The Group's objective is to increase sales and income by an average of 15% annually over an economic cycle. This means that the Group must continually search for new opportunities in the form of efficiency-raising measures, within both administration and marketing. The OEM Group is financially strong and well equipped for continued expansion.

Figures for 2001 are in brackets.

Income statement (figures in SEK thousands)

		THE GROUP		THE PARENT COMPANY	
	NOTE	2002	2001	2002	2001
Net sales	1	1,533,778	1,944,130	34,573	4,502
Change of products in production		-2,296	447	–	–
		1,531,482	1,944,577	34,573	4,502
OPERATING EXPENSES					
Raw materials and supplies		-53,904	-54,861	–	–
Trading stock		-937,474	-1,249,715	–	–
Other external expenses		-132,582	-176,061	-16,254	-5,860
Personnel expenses	2	-316,281	-341,185	-17,862	-8,443
Depreciation, tangible and intangible fixed assets	3	-51,706	-58,502	-2,464	-1,538
Operating income		39,535	64,253	-2,007	-11,339
INCOME FROM FINANCIAL ITEMS					
Income from shares in Group companies	4	–	–	54,000	27,900
Income from shares in associated companies	5	496	615	600	700
Income from other securities and receivables which are fixed assets	6	5	14	–	–
Other interest income and similar income items	7	4,460	12,173	8,945	7,872
Interest expenses and similar expense items	8	-10,142	-15,970	-4,358	-6,604
Income after financial items		34,354	61,085	57,180	18,529
APPROPRIATIONS					
Difference between book depreciation and depreciation according to plan:					
• Buildings and land		–	–	189	193
• Equipment, tools and installations		–	–	-264	-115
Accruals fund, resolution		–	–	10,161	9,459
Accruals fund, allocation		–	–	-250	–
Income before tax		34,354	61,085	67,016	28,066
Tax on income for the year	9	-19,632	-25,950	-3,467	156
Profit for the year		14,722	35,135	63,549	28,222

Balance sheet (figures in SEK thousands)

ASSETS

		THE GROUP		THE PARENT COMPANY	
	NOTE	2002.12.31	2001.12.31	2002.12.31	2001.12.31
FIXED ASSETS					
INTANGIBLE FIXED ASSETS					
Goodwill	10	32,635	59,184	–	–
TANGIBLE FIXED ASSETS					
Buildings and land	11	102,073	109,479	15,862	16,677
Machinery and other technical facilities	11	3,929	5,424	–	–
Equipment, tools and installations	11	32,475	55,292	3,516	2,653
		138,477	170,195	19,378	19,330
FINANCIAL FIXED ASSETS					
Shares in Group companies	12	–	–	231,408	231,408
Shares in associated companies	13	4,765	5,010	1,200	1,200
Receivables from Group companies	17	–	–	324,773	349,557
Other long-term securities holdings		1,326	1,978	–	–
Tenant-owner's right		1,018	1,048	1,018	1,018
Other long-term receivables		6,639	4,491	–	–
Deferred tax claim	9	5,480	11,387	–	6,691
		19,228	23,914	558,399	589,874
Total fixed assets		190,340	253,293	577,777	609,204
CURRENT ASSETS					
INVENTORIES ETC.					
Raw materials and supplies		1,370	1,783	–	–
Work in progress		17,315	12,356	–	–
Finished goods and trading stock		262,159	326,207	–	–
Advances to suppliers		2,065	1,906	–	–
		282,909	342,252	–	–
CURRENT RECEIVABLES					
Customer receivables		196,192	224,427	51	42
Receivables from Group companies		–	–	72,631	91,096
Tax claims		5,977	16,424	8,253	8,465
Other receivables		9,754	28,635	–	103
Prepaid expenses and accrued income	14	17,157	22,067	3,104	1,065
		229,080	291,553	84,039	100,771
CASH AND BANK					
		44,397	101,197	10	15
Total current assets		556,386	735,002	84,049	100,786
Total assets		746,726	988,295	661,826	709,990

Balance sheet (figures in SEK thousands)

SHAREHOLDERS' EQUITY, PROVISIONS AND LIABILITIES

		THE GROUP		THE PARENT COMPANY	
	NOTE	2002.12.31	2001.12.31	2002.12.31	2001.12.31
SHAREHOLDERS' EQUITY					
RESTRICTED EQUITY					
Share capital	16	41,661	41,661	41,661	41,661
Restricted reserves		48,663	56,602	29,242	29,242
		90,324	98,263	70,903	70,903
NON-RESTRICTED EQUITY					
Non-restricted reserves		309,694	330,613	194,999	216,967
Profit for the year		14,722	35,135	63,549	28,222
		324,416	365,748	258,548	245,189
Total shareholders' equity		414,740	464,011	329,451	316,092
UNTAXED RESERVES					
Accumulated excess depreciation:					
Buildings and land	11	–	–	597	786
Machinery and equipment	11	–	–	709	445
Accruals fund, allocated in conjunction with taxation for 1997		–	–	–	10,161
Accruals fund, allocated in conjunction with taxation for 1998		–	–	7,653	7,653
Accruals fund, allocated in conjunction with taxation for 1999		–	–	6,583	6,583
Accruals fund, allocated in conjunction with taxation for 2003		–	–	250	–
Total untaxed reserves		–	–	15,792	25,628
PROVISIONS					
Provisions for pensions and similar obligations		1,778	1,874	–	–
Deferred tax liability	9	24,535	34,793	–	–
Guarantee provisions		1,079	2,452	–	–
Total provisions		27,392	39,119	–	–
LONG-TERM LIABILITIES					
Overdraft	17	100,846	246,252	36,634	139,724
Other liabilities to credit institutions	18	1,461	5,107	–	–
Total long-term liabilities		102,307	251,359	36,634	139,724
CURRENT LIABILITIES					
Liabilities to credit institutions		145	146	–	–
Advances from customers		4,499	922	–	–
Accounts payable		95,923	107,681	1,188	1,021
Liabilities to Group companies		–	–	268,911	225,306
Liabilities to associated companies		552	495	–	–
Other liabilities		27,646	30,733	5,164	177
Accrued expenses and prepaid income	19	73,522	93,829	4,686	2,042
Total current liabilities		202,287	233,806	279,949	228,546
Total shareholders' equity, provisions and liabilities		746,726	988,295	661,826	709,990

Balance sheet (figures in SEK thousands)

PLEDGED ASSETS AND CONTINGENT LIABILITIES

	NOTE	THE GROUP		THE PARENT COMPANY	
		2002.12.31	2001.12.31	2002.12.31	2001.12.31
PLEDGED ASSETS FOR OWN LIABILITIES AND PROVISIONS		18			
Property mortgages		42,650	42,650	7,500	7,500
Floating charges		88,400	89,400	–	–
Total pledged assets		131,050	132,050	7,500	7,500
CONTINGENT LIABILITIES					
Guarantees to the benefit of Group companies		–	–	142,590	243,424
Guarantees		6,097	12,500	–	–
Relocation grants		1,010	501	–	–
Total contingent liabilities		7,107	13,001	142,590	243,424

Cash flow statement (figures in SEK thousands)

		THE GROUP		THE PARENT COMPANY	
	NOTE	2002	2001	2002	2001
CURRENT OPERATIONS					
Income after financial items*		34,354	61,085	57,180	18,529
Adjustments for items not included in the cash flow		48,153	62,227	2,618	1,553
		82,507	123,312	59,798	20,082
Tax paid		-9,185	-38,695	-154	–
Cash flow from current operations before changes in operating capital					
		73,322	84,617	59,644	20,082
Cash flow from changes in operating capital					
Change in inventories		59,343	-12,976	–	–
Change in customer receivables		28,235	174,701	-9	-9
Change in receivables		27,550	1,419	41,313	-34,813
Change in accounts payable		-11,758	-128,392	167	-3,926
Change in liabilities		-20,767	-29,914	51,236	-2,482
Cash flow from current operations		155,925	89,455	152,351	-21,148
INVESTMENT ACTIVITIES					
Acquisition of subsidiaries	20	-463	-7,077	–	–
Acquisition of tangible fixed assets		-9,244	-32,656	-2,512	-2,862
Sale of tangible fixed assets		6,748	16,604	–	–
Sale of financial fixed assets		30	–	–	–
Cash flow from investment activities		-2,929	-23,129	-2,512	-2,862
FINANCING ACTIVITIES					
Group contribution		–	–	12,270	77,900
Loans raised		–	19,801	–	50,495
Amortisation of liability		-149,052	-2,145	-103,090	–
Paid dividend		-36,595	-37,495	-36,595	-37,495
Repurchase of own shares		-22,429	-66,892	-22,429	-66,892
Cash flow from financing activities		-208,076	-86,731	-149,844	24,008
Cash flow for the year		-55,080	-20,405	-5	-2
Liquid funds at the start of the year					
		101,197	113,103	15	17
Price difference, liquid funds		-1,720	8,499	–	–
Liquid funds at the end of the year		44,397	101,197	10	15
*Specification, financial items					
Interest received		4,460	7,113	8,945	7,872
Dividends received		5	14	54,600	28,600
Current value calculation Alecta funds		-418	5,060	–	–
Write-down other shares		-164	-1,101	–	–
Interest paid		-9,560	-14,869	-4,358	-6,604

Notes with Accounting Principles and Comments to the Financial Statements

(Amounts in SEK thousands unless otherwise indicated.)

GENERAL ACCOUNTING PRINCIPLES

The Annual Report has been prepared in accordance with the Swedish Annual Accounts Act. The company follows the recommendations of the Swedish Financial Accounting Standards Council and statements issued by said council's Akutgruppen. A number of new recommendations came into force on 1 January 2002. These have not entailed any considerable alterations to the general accounting principles.

VALUATION PRINCIPLES

Assets, provisions and liabilities have been valued at their acquisition values unless otherwise stated below.

INVENTORIES

Inventories, valued in accordance with the Swedish Financial Accounting Standards Council's recommendation no. 2, Reporting Inventories, are entered at the acquisition value or the actual value, whichever is the lower. For the Swedish companies, inventories have been valued at 97% of the acquisition value or at the actual value. For the overseas companies, inventories have been valued at their actual values. For semi-manufactured and finished goods produced in-house, the acquisition value comprises direct manufacturing costs and reasonable increments for indirect manufacturing costs.

RECEIVABLES

Following individual valuation, receivables have been entered at the amounts which are expected to be received.

DEPRECIATION PRINCIPLES FOR FIXED ASSETS

Depreciation according to plan is based on the original acquisition values and calculated economic lifetime.

The following depreciation periods are applied	THE GROUP	THE PARENT COMPANY
Intangible fixed assets		
Goodwill	5–10 years	–
Tangible fixed assets		
Buildings	20–50 years	25 years
Revaluation of building	20–40 years	–
Land improvements	20 years	20 years
Machinery and other technical facilities	5–10 years	–
Equipment, tools and installations	3–10 years	3–5 years

The difference between the depreciation mentioned above and the tax depreciation is reported in the parent company as accumulated excess depreciation, which is included in untaxed reserves.

RECEIVABLES AND LIABILITIES IN FOREIGN CURRENCIES

In the consolidated accounts, receivables and liabilities in foreign currencies have been converted at the closing rate. Profits and losses from the operation's receivables and liabilities are accounted for net and included in operating income. The Group follows the Swedish Financial Accounting Standards Council's recommendation no. 8.

INCOME

Sales of goods are recorded on delivery of the product to the customer, in accordance with the conditions of sale. Sales are reported net after VAT, discounts and exchange rate differences for sales in foreign currencies. Intra-group sales are eliminated in the consolidated financial statements. Other income earned is reported as follows:
Rental income – in the period for which the rent is paid.
Interest income – in accordance with the effective return.
Received dividend – when the dividend is received.

LEASING

Substantial financial leasing agreements are reported in the consolidated balance sheet as fixed assets or liabilities. In the income statement, the leasing cost is divided into an operating cost (write-off) and interest. Other leasing commitments are reported in accordance with the regulations for operational leasing, that is, outside the balance sheet, where the entire cost is reported as an operating cost. There are no substantial leasing agreements at present.

REPORTING GROUP CONTRIBUTIONS

The company follows the statement issued by the Swedish Financial Accounting Standards Council's Akutgruppen on the reporting of Group contributions, which entails Group contributions being reported according to their financial significance, namely in order to minimise the Group's tax. As the Group contribution does not comprise payment for work carried out, it is reported directly against retained profits after deductions for the tax effects.

CONSOLIDATED ACCOUNTS

The consolidated accounts have been prepared in accordance with the recommendation of the Swedish Financial Accounting Standards Council (RR1:00). The consolidated accounts cover the companies in which the parent company, either directly or through subsidiaries, holds more than 50% of the votes or in some other way has a controlling influence in accordance with the Swedish Annual Accounts Act 1:4.

As in previous years, the consolidated accounts have been prepared in accordance with the acquisition method. When using the acquisition method, this is done in such a way that if the Group acquisition value for the shares is more/less than the market value of the company's net assets entered in the acquisition analysis, the difference is entered as Group goodwill, which is amortised/resolved.

The Group's shareholders' equity covers the parent company's shareholders' equity and that part of the subsidiaries' shareholders' equity that is earned after the time of the acquisition. Companies acquired during the year have affected the Group's Income Statement corresponding to the time for which the companies have been part of the Group.

The reported values for the Group's assets are checked on each balance sheet day in order to assess whether there is any indication of the need for write-downs. If such an indication exists, the recoverable value of the asset is calculated as the greater of the usage value and the net sales value. A write-down is made if the recoverable value is less than the reported value. When calculating the usage value, future cash flow is discounted at a percentage rate before tax that is deemed to consider the markets assessment of risk-free interest and the risk associated with the asset in question. In the case of an asset that, with a dependency on other assets, generates cash flow, the recoverable value is calculated for the cash-generating unit to which the asset belongs.

A write-down is reversed if a change has taken place in the calculations used to determine the recoverable value. A reversal is made only to the extent that the asset's book value exceeds the book value that should have been recorded, with deductions for depreciation, if no write-down should have been made.

The overseas subsidiaries' balance sheets and income statements have been translated according to the current rate of exchange method. This mans that all assets, provisions and other liabilities are translated at the closing exchange rate, and all items in the income statement at the average rate for the year. Any translation differences that arise are posted directly to shareholders' equity and consequently do not effect the year's results. Appropriations and untaxed reserves are excluded from the consolidated income statement and balance sheet. Appropriations in the individual companies have been divided up so that the tax component is included in the Group's tax expense while the remainder is included in the Group's net results.

Untaxed reserves have been divided up so that the deferred tax liability is reported as provisions for deferred tax, while the remainder is reported under restricted reserves. The deferred tax liability for Swedish companies has been calculated at 28% (28) and for overseas companies at the local tax rate.

ASSOCIATED COMPANIES

Associated companies are companies in which OEM owns shares where the voting entitlement is between 20% and 50%. Associated companies are reported using the equity method. The equity method means that the book value within the Group for the shares in the associated companies corresponds to the Group's share in the associated companies' shareholders' equity as well as any residual values in Group surplus and deficit values. "Income from shares in associated companies" in the consolidated income statement is a record of the Group's share in associated companies' profit after financial income and expenses, adjusted for any depreciation or resolution of acquired surplus or deficit values. The Group's share in associated companies' reported tax is included in the Group's tax expenses.

Profit shares built up following acquisitions of associated companies, which have not yet been realised through dividends, are allocated to the capital share fund which forms part of the Group's restricted equity.

Notes with Accounting Principles and Comments to the Financial Statements

NOTE 1. NET SALES PER GEOGRAPHIC MARKET

	THE GROUP	
	2002	2001
Sweden	1,081,417	1,272,687
Denmark	80,049	146,264
England	84,932	124,749
Finland	204,370	305,559
The Netherlands	5,962	7,024
Italy	26,268	28,912
Norway	34,614	43,712
Poland	16,166	15,223
	1,533,778	1,944,130

Net sales per company group (business area) are presented on pages 24–33.

NOTE 2. EMPLOYEES AND PERSONNEL EXPENSES

AVERAGE NUMBER OF EMPLOYEES	2002	Whereof men	2001	Whereof men
Parent Company				
Sweden	19	84%	6	67%
Subsidiaries				
Sweden	460	81%	519	80%
Denmark	38	74%	46	76%
England	36	86%	49	86%
Finland	96	81%	102	79%
The Netherlands	2	50%	2	50%
Italy	13	62%	14	71%
China	3	67%	–	–
Norway	21	76%	21	76%
Poland	13	69%	14	79%
Total in subsidiaries	682	80%	767	79%
Group total	701	80%	773	79%

SALARIES, OTHER REMUNERATION AND SOCIAL SECURITY EXPENSES

	2002		2001	
	Salaries and remuneration	Social security expenses	Salaries and remuneration	Social security expenses
Parent Company	10,508	6,432	4,856	2,874
(whereof pension expenses)		1) (2,307)		1) (1,029)
Subsidiaries	209,307	78,292	239,162	86,474
(whereof pension expenses)		(21,168)		(21,160)
Group total	219,815	84,724	244,018	89,348
(whereof pension expenses)		2) (23,475)		2) (22,189)

1) Of the Parent Company's pension expenses, SEK 628 thousand (last year SEK 598 thousand) relate to the Group's Board of Directors and MD. There are no pension obligations for this group.

2) Of the Group's pension expenses, SEK 6,750 thousand (last year SEK 4,658 thousand) relate to the Group's Board of Directors and MD. There are no pension obligations for this group.

Notes with Accounting Principles and Comments to the Financial Statements

NOTE 2. SALARIES AND OTHER REMUNERATION DIVIDED BETWEEN COUNTRIES AND BOARD MEMBERS ETC. AND OTHER EMPLOYEES

	2002		2001	
	Board of Directors and MD	Other employees	Board of Directors and MD	Other employees
Parent Company				
Sweden	2,683	7,825	1,623	3,233
(whereof bonus)	(–)		(–)	
Parent Company total	2,683	7,825	1,623	3,233
(whereof bonus)	(–)		(–)	
Subsidiaries in Sweden	10,649	122,333	11,844	138,177
(whereof bonus)	(595)		(585)	
Subsidiaries abroad				
Denmark	1,717	16,636	1,846	21,532
(whereof bonus)	(–)		(191)	
England	1,180	12,613	1,462	17,997
(whereof bonus)	(–)		(–)	
Finland	2,914	24,578	3,107	26,922
(whereof bonus)	(147)		(648)	
The Netherlands	548	154	425	175
(whereof bonus)	(37)		(–)	
Italy	922	3,387	895	3,844
(whereof bonus)	(–)		(–)	
Norway	1,480	7,516	1,276	6,610
(whereof bonus)	(36)		(–)	
China	–	138	–	–
(whereof bonus)	(–)		(–)	
Poland	528	2,014	559	2,491
(whereof bonus)	(–)		(–)	
Subsidiaries total	19,938	189,369	21,414	217,748
(whereof bonus)	(815)		(1,424)	
Group total	22,621	197,194	23,037	220,981
(whereof bonus)	(815)		(1,424)	

REMUNERATION FOR SENIOR EXECUTIVES AND BOARD MEMBERS

Board of Directors

Remuneration has been paid to the Board in the amount of SEK 900 thousand, of which the Chairperson received SEK 300 thousand, Agne Svenberg SEK 200 thousand and the other members SEK 100 thousand each.

Group President/Managing Director

Salary and other benefits paid to the Managing Director amounted to SEK 1,783 thousand. In addition, the company contributed to a retirement insurance policy in the amount of SEK 311 thousand. No bonus was paid for the year, but can, based on achieved results, be awarded at a maximum of 50 percent of the annual salary. The period of notice for the MD is 24 months from the company's side, with the obligation to work, and 6 months from the MD's side. Retirement age for the MD is 60 years.

Other Senior Executives

Pension premiums equivalent to ITP plan. A bonus based on achieved results is paid to a maximum of 50 percent of the set salary. The period of notice for other senior executives is a maximum of 12 months from the company's side, with the obligation to work, and a maximum of 6 months from the employee's side. If the company serves notice after the age of 55 years, a further maximum of 6 months salary is paid. Retirement age for other senior executives is between 60 and 65 years.

Notes with Accounting Principles and Comments to the Financial Statements

NOTE 2. FEES AND REIMBURSEMENT OF EXPENSES TO THE AUDITORS

	THE GROUP		THE PARENT COMPANY	
	2002	2001	2002	2001
KPMG				
Audit assignments	1,296	1,382	180	120
Other assignments	238	300	238	276
Other auditors				
Audit assignments	596	517	–	–
Total	2,130	2,199	418	396

NOTE 3. DEPRECIATION OF TANGIBLE AND INTANGIBLE FIXED ASSETS

	THE GROUP		THE PARENT COMPANY	
	2002	2001	2002	2001
Goodwill	-27,265	-30,322	–	–
Buildings and land	-4,774	-4,459	-1,018	-883
Machinery and other technical facilities	-1,284	-2,038	–	–
Equipment, tools and installations	-18,383	-21,683	-1,446	-655
Total	-51,706	-58,502	-2,464	-1,538

NOTE 4. INCOME FROM SHARES IN GROUP COMPANIES

	THE GROUP		THE PARENT COMPANY	
	2002	2001	2002	2001
Dividends received	–	–	54,000	27,900
Total	–	–	54,000	27,900

Notes with Accounting Principles and Comments to the Financial Statements

NOTE 5. INCOME FROM SHARES IN ASSOCIATED COMPANIES

	THE GROUP		THE PARENT COMPANY	
	2002	2001	2002	2001
Dividends received	–	–	600	700
Income from shares in associated companies	496	615	–	–
Total	496	615	600	700

NOTE 6. INCOME FROM OTHER SECURITIES AND RECEIVABLES WHICH ARE FIXED ASSETS

	THE GROUP		THE PARENT COMPANY	
	2002	2001	2002	2001
Dividend other shares	5	14	–	–
Total	5	14	–	–

NOTE 7. OTHER INTEREST INCOME AND SIMILAR INCOME ITEMS

	THE GROUP		THE PARENT COMPANY	
	2002	2001	2002	2001
Interest income	3,515	6,100	8,945	7,872
Exchange rate differences etc.	945	1013	–	–
Current value of Alecta funds	–	5,060	–	–
Total	4,460	12,173	8,945	7,872

NOTE 8. INTEREST EXPENSES AND SIMILAR EXPENSE ITEMS

	THE GROUP		THE PARENT COMPANY	
	2002	2001	2002	2001
Interest expenses	-8,603	-14,429	-4,358	-6,604
Exchange rate differences	-685	-415	–	–
Write-down other shares	-164	-1,101	–	–
Current value of Alecta funds	-418	–	–	–
Other financial expenses	-272	-25	–	–
Total	-10,142	-15,970	-4,358	-6,604

Notes with Accounting Principles and Comments to the Financial Statements

NOT 9. TAX ON INCOME FOR THE YEAR

	THE GROUP		THE PARENT COMPANY	
	2002	2001	2002	2001
Current tax	-23,842	-13,586	3,224	21,811
Deferred tax	4,351	-12,147	-6,691	-21,655
Tax shares in associated companies	-141	-217	–	–
Reported tax expenses	-19,632	-25,950	-3,467	156
Tax attributable to items reported directly against shareholders' equity	–	–	-3,436	-21,812

LINK BETWEEN TAX EXPENSES FOR THE YEAR AND INCOME BEFORE TAX

Reported income before tax	34,354	61,085	67,016	28,066
Applicable tax rate for income tax in Sweden	-9,619	-17,104	-18,764	-7,858
Amortisation of Group goodwill	-6,787	-8,490	–	–
Non-taxable share dividends	–	–	15,288	8,008
Other items	-3,226	-356	9	6
Reported tax expenses	-19,632	-25,950	-3,467	156

DEFERRED TAX CLAIM

Deficit deduction	3,856	11,164	–	6,691
Accrued expenses	918	223	–	–
Goodwill	706	–	–	–
Total	5,480	11,387	–	6,691

DEFERRED TAX LIABILITY

Buildings and land	728	804		
Untaxed reserves	23,558	33,768		
Other	249	221		
Total	24,535	34,793		

For the Group, there is SEK 5,923 thousand (6,198) in un-recovered deferred tax claims. This corresponds to the deficit deduction which, when performing valuation in accordance with the probability principle, cannot be assumed to be usable due to it not being possible to offset the surpluses against these within a reasonable period of time.

Notes with Accounting Principles and Comments to the Financial Statements

NOTE 10. GOODWILL

	THE GROUP	
	2002	2001
Cumulative acquisition values		
At the start of the year	197,001	190,013
New acquisitions	926	5,691
Translation differences for the year	-652	1,297
	197,275	197,001
Cumulative depreciation		
At the start of the year	-137,817	-106,813
Depreciation for the year according to plan	-27,265	-30,322
Translation differences for the year	442	-682
	-164,640	-137,817
Residual value at year-end	32,635	59,184

Acquired goodwill in JMS Systemhydraulik AB is amortised according to the original plan, that is, over 10 years. The residual value of the goodwill amounted to SEK 2,000 thousand on 31 December 2002. Other goodwill is depreciated over five years, that is, at 20% per year.

NOTE 11. TANGIBLE FIXED ASSETS

	2002.12.31			2001.12.31		
	Buildings and land	Machines and other technical facilities	Equipment, tools and installations	Buildings and land	Machines and other technical facilities	Equipment, tools and installations
THE GROUP						
Cumulative acquisition values						
At the start of the year	144,346	13,455	160,930	126,331	30,864	153,865
New acquisitions	1,008	27	8,209	6,236	166	27,821
Transferred from construction in progress	–	–	–	7,723	–	–
Acquisition of subsidiaries	–	–	–	–	–	141
Sales and disposals	–	-265	-11,989	–	-18,724	-16,264
Reclassifications	-768	-140	-8,486	–	–	-8,276
Translation differences for the year	-3,219	–	-2,169	4,056	1,149	3,643
	141,367	13,077	146,495	144,346	13,455	160,930
Cumulative depreciation according to plan						
At the start of the year	-34,867	-8,031	-105,638	-30,010	-13,274	-91,496
Sales and disposals	–	131	6,024	–	7,697	8,464
Depreciation for the year according to plan at acquisition values	-4,774	-1,284	-18,383	-4,459	-2,038	-21,683
Reclassifications	–	36	2,782	–	–	1,226
Translation differences for the year	347	–	1,195	-398	-416	-2,149
	-39,294	-9,148	-114,020	-34,867	-8,031	-105,638
Residual value according to plan at year-end	102,073	3,929	32,475	109,479	5,424	55,292

NOTE 11. TANGIBLE FIXED ASSETS

	2002.12.31		2001.12.31	
	Buildings and land	Equipment, tools and installations	Buildings and land	Equipment, tools and installations
THE PARENT COMPANY				
Cumulative acquisition values				
At the start of the year	25,809	8,770	18,959	7,645
New acquisitions	203	2,309	6,850	2,063
New acquisitions, Group companies	–	5,778	–	–
Sales and disposals	–	-73	–	-938
	26,012	16,784	25,809	8,770
Cumulative depreciation according to plan				
At the start of the year	-9,132	-6,117	-8,249	-6,384
Sales and disposals	–	73	–	922
Depreciation taken over, Group companies	–	-5,778	–	–
Depreciation for the year according to plan at acquisition values	-1,018	-1,446	-883	-655
	-10,150	-13,268	-9,132	-6,117
Residual value according to plan at year-end	15,862	3,516	16,677	2,653
Cumulative excess depreciation				
At the start of the year	-786	-445	-979	-330
Change for the year	189	-264	193	-115
	-597	-709	-786	-445
Book value	15,265	2,807	15,891	2,208
Taxation value	9,647		5,723	

ASSETS HELD VIA LEASING AGREEMENTS

	THE GROUP		THE PARENT COMPANY	
	2002	2001	2002	2001
Leasing fees paid during the financial year	12,306	14,301	955	128
Agreed future leasing fees				
2003/2002	9,422	14,744	309	45
2004/2003	4,949	12,304	220	45
2005/2004	1,624	8,887	31	11
2006/2005	936	537	–	–
2007/2006	270	270	–	–

NOTE 12. SHARES IN GROUP COMPANIES

	CORP. ID NUMBER	DOMICILE	NUMBER SHARES	CAPITAL SHARE	NOM. VALUE	BOOK VALUE	THE YEAR'S CHANGE
OEM Industrial Components AB, Sweden	556051-4514	Tranås	100,000	100%	5,000	46,231	–
OEM Automatic AB, Sweden	556187-1012	Tranås	–	100%			
OEM Automatic AS, Norway	–	–	–	100%			
OEM Automatic A/S, Denmark	–	–	–	100%			
OEM Automatic OY, Finland	–	–	–	100%			
OEM Multimetal OY, Finland	–	–	–	100%			
OEM Automatic Ltd, England	–	–	–	100%			
ATT Europe Ltd, England	–	–	–	100%			
OEM Automatic Sp.z o.o., Poland	–	–	–	100%			
OEM Automatic S.p.A., Italy	–	–	–	100%			
OEM China Development B.V, Netherlands	–	–	–	100%			
IBS Internordic Bearing							
Sweden AB, Sweden	556493-8024	Nässjö	–	100%			
Internordic Förvaltning AB, Sweden	556302-0873	Nässjö	–	100%			
Egevo Elektronik AB, Sweden	556311-3306	Stockholm	–	100%			
OEM Component AB, Sweden	556054-3828	Tranås	–	100%			
Nomitek AB, Sweden	556460-2109	Tranås	–	100%			
Pronesto AB, Sweden	556112-6755	Stockholm	–	100%			
OEM Hydraulik AB, Sweden	556398-2221	Göteborg	–	100%			
Aspecs OY, Finland	–	–	–	100%			
JMS Systemhydraulik AB, Sweden	556063-2134	Göteborg	–	100%			
Hydroprodukter International							
i Ängelholm AB, Sweden	556241-1099	Ängelholm	–	100%			
Hydraulik Control Förvaltning							
i Ängelholm AB, Sweden	556551-1937	Ängelholm	–	100%			
Hydrac AB, Sweden	556466-0875	Borås	–	100%			
Fastighets AB Hydraulen, Sweden	556363-6256	Borås	–	100%			
OEM Källving AB, Sweden	556220-5343	Borlänge	–	100%			
AB Indoma, Sweden	556326-5171	Jönköping	–	100%			
SPG Motors Europe AB, Sweden	556232-6198	Stockholm	–	100%			
OEM Systemteknik AB, Sweden	556050-9076	Stockholm	1000	100%	100	24,545	–
A. Karlson Industriteknik AB, Sweden	556163-0905	Stockholm	–	100%			
IRB Mechatronics AB, Sweden	556171-9740	Stockholm	–	100%			
Jubo Förvaltning AB, Sweden	556494-7058	Karlskoga	–	100%			
Jubo Mechatronics AB, Sweden	556150-4282	Karlskoga	–	100%			
Plastinvent i Karlskoga AB, Sweden	556334-5486	Karlskoga	–	100%			
Industri AB Reflex, Sweden	556194-8521	Stockholm	–	100%			
About Communication							
Sverige AB, Sweden	556248-9780	Stockholm	–	100%			
About Computers AB, Sweden	556228-3720	Stockholm	–	100%			
About Vila AB, Sweden	556245-6060	Stockholm	–	100%			
OEM Automatic Norden AB, Sweden	556057-4526	Stockholm	–	100%			

Transport**70,776****–**

Notes with Accounting Principles and Comments to the Financial Statements

NOTE 12. SHARES IN GROUP COMPANIES

	CORP. ID NUMBER	DOMICILE	NUMBER SHARES	CAPITAL SHARE	NOM. VALUE	BOOK VALUE	THE YEAR'S CHANGE
Transport						70,776	
OEM Electronic Production							
Technology AB, Sweden	556038-8356	Stockholm	300	100%	300	78,350	–
Cyncrona AB, Sweden	556296-1838	Stockholm	–	100%			
LIF Produkter AB, Sweden	556123-2694	Huddinge	–	100%			
Cyncrona AS, Norway	–	–	–	100%			
Cyncrona OY, Finland	–	–	–	100%			
Cyncrona A/S, Denmark	–	–	–	100%			
Cyncrona Sp.z.o.o., Poland	–	–	–	100%			
Cyncrona EDA AB, Sweden	556207-4368	Stockholm	–	100%			
Cergotec AB, Sweden	556271-7370	Stockholm	–	100%			
Cyncrona Communications AB, Sweden	556230-4062	Stockholm	–	100%			
Opiab-Företagen AB, Sweden	556165-6769	Solna	–	100%			
Testcenter i Stockholm AB, Sweden	556204-5152	Huddinge	–	100%			
MPE Semitech AB, Sweden	556211-2325	Stockholm	–	100%			
MPE Microtech AB, Sweden	556241-2287	Stockholm	–	100%			
MPE Microteknikka OY, Finland	–	–	–	100%			
N. Erlands Petersen Trading A/S, Denmark	–	–	–	100%			
A. Karlson Fastigheter AB, Sweden	556029-8456	Stockholm	10,000	100%	1,000	10,277	–
Intermate Electronics AB, Sweden	556266-6874	Tranås	1,000	100%	100	600	–
Cyncrona Slummer AB, Sweden	556152-1138	Stockholm	4,217,268	100%	21,086	63,641	–
OEM Ejendomsselskab A/S, Denmark	–	–	1,300	100%	DKK 1,300	1,176	–
OEM Fastighetsbolag AB, Finland	–	–	1,200	100%	FIM 1,200	1,441	–
OEM Property Ltd, England	–	–	400,000	100%	GBP 400	5,147	–
Total						231,408	–

NOTE 13. SHARES IN ASSOCIATED COMPANIES

	CORP. ID NUMBER	DOMICILE	NUMBER SHARES	CAPITAL SHARE	NOM. VALUE	BOOK VALUE	THE YEAR'S CHANGE
THE GROUP							
Crouzet AB, Sweden	556197-1911	Stockholm	12,000	50%	1,200	4,765	-245
THE PARENT COMPANY							
Crouzet AB, Sweden	556197-1911	Stockholm	12,000	50%	1,200	1,200	–

Notes with Accounting Principles and Comments to the Financial Statements

NOT 14. PREPAID EXPENSES AND ACCRUED INCOME

	THE GROUP		THE PARENT COMPANY	
	2002	2001	2002	2001
Accrued commission income etc.	1,957	1,472	–	–
Other prepaid expenses	15,200	20,595	3,104	1,065
Total	17,157	22,067	3,104	1,065

NOTE 15. SHAREHOLDERS' EQUITY

	SHARE CAPITAL	RESTRICTED RESERVES	NON-RESTRICTED RESERVES
THE GROUP			
At the start of the year	41,661	56,602	365,748
Dividend			-36,595
Repurchase of own shares			-22,429
Shift between restricted and non-restricted equity		-3,288	3,288
Profit for the year			14,722
Translation difference		-4,651	-318
At year-end	41,661	48,663	324,416

TRANSLATION DIFFERENCE SHAREHOLDERS' EQUITY

At the start of the year	-748	7,680
Translation difference	-4,651	-318
At year-end	-5,399	7,362

At the start of the year includes exchange rate changes from 1 January 1999 when RR8 was applied for the first time.

PARENT COMPANY

At the start of the year	41,661	29,242	245,189
Allocation according to Annual General Meeting decision:			
Dividend			-36,595
Profit for the year			63,549
Group contribution received			40,470
Tax effect received Group contribution			-11,332
Group contributions provided			-28,200
Tax effect of provided Group contributions			7,896
Repurchase of own shares			-22,429
At year-end	41,661	29,242	258,548

Group contribution, after deduction for tax effect, reported directly against shareholders' equity.

Notes with Accounting Principles and Comments to the Financial Statements

NOTE 16. SHARE CAPITAL

The share capital is made up of 8,332,203 shares at a nominal SEK 5 each, with distribution by share type as follows:
Class A shares 1,589,032 at SEK 5 (10 votes)
Class B shares 6,743,171 at SEK 5 (1 vote)

NOTE 17. OVERDRAFT

The majority of the Swedish companies are connected to a central account system with a total limit of SEK 210 million (210). The overall degree of utilisation is reported in the parent company under this item. The subsidiaries' balance/liability in the central account system is reported in the parent company, either as a receivable from, or a liability to, the subsidiaries. The total limit in the Group is SEK 355.4 million (361.1).

NOTE 18. OTHER LIABILITIES TO CREDIT INSTITUTES

	THE GROUP	
	2002	2001
Due date, 1-5 years from the balance sheet date	724	725
Due date, more than five years from the balance sheet date	737	4,382
Total	1,461	5,107

ASSETS PLEDGED TO CREDIT INSTITUTES

	THE GROUP		THE PARENT COMPANY	
	2002	2001	2002	2001
Property mortgages	42,650	42,650	7,500	7,500
Floating charges	88,400	89,400	–	–
Total	131,050	132,050	7,500	7,500

Notes with Accounting Principles and Comments to the Financial Statements

NOTE 19. ACCRUED EXPENSES AND PREPAID INCOME

	THE GROUP		THE PARENT COMPANY	
	2002	2001	2002	2001
Accrued holiday pay	25,292	25,946	1,607	866
Accrued social security expenses	12,897	14,748	1,170	461
Prepaid income	3,201	10,908	34	34
Accrued supplier invoices/liabilities	13,228	19,536	–	–
Other accrued expenses	18,904	22,691	1,875	681
Total	73,522	93,829	4,686	2,042

NOTE 20. ACQUISITION OF SUBSIDIARIES

	THE GROUP	
	2002	2001
The value of acquired assets and liabilities amounted to the following:		
Intangible fixed assets	926	5,691
Tangible fixed assets	–	141
Financial fixed assets	–	474
Inventories	–	1,164
Customer receivables	–	10,237
Other current receivables	–	369
Liquid funds	–	7,669
	926	25,745
Long-term liabilities	–	–
Accounts payable	–	-7,208
Other current liabilities	-463	-3,791
	-463	-10,999
Paid purchase sums	463	14,746
Liquid funds in acquired subsidiaries	–	-7,669
Impact on the Group's liquid funds	463	7,077

Proposed allocation of profits

THE GROUP

According to the balance sheet, non-restricted equity, including profit for the year at SEK 14,722 thousand, amounted to SEK 324,416 thousand, of which it is proposed that SEK 35,177 thousand is used for dividends, with the remaining SEK 289,239 thousand carried forward.

THE PARENT COMPANY

The following surplus is at the disposal of the Annual General Meeting:

Surplus brought forward	194,999,007.60
Profit for the year	63,549,433.98
	258,548,441.58

The Board of Directors and the Managing Director propose that the surplus be disposed of in such a way	
– that a dividend of SEK 4.50 per share is paid to shareholders	35,176,765.50
– that the following be carried forward	223,371,676.08
	258,548,441.58

TRANÅS, 28 FEBRUARY 2003


Hans Franzén
Chairman


Orvar Pantzar


Reinhold Geijer


Ulf Barkman


Agne Svenberg


Gunnar Eliasson


Jörgen Zahlin
Managing Director

Audit Report

TO THE ANNUAL GENERAL MEETING OF OEM INTERNATIONAL AB (PUBL)
CORPORATE ID NO. 556184-6691

We have examined the annual report, the consolidated financial statements and the accounting records, and have reviewed the administration of OEM International AB by the Board of Directors and the MD during the year 2002. Responsibility for the accounting documents and the administration rests with the Board and the MD. Our responsibility is to pronounce on the annual report, the consolidated financial statements and the administration on the basis of our audit.

The audit has been carried out in accordance with auditing standards generally accepted in Sweden. It follows from this that we have planned and conducted the audit so as to give ourselves reasonable assurance that the annual report and the consolidated financial statements do not contain material errors. An audit includes examining a selection of the documentation with respect to amounts and other information in the accounting records. It is also part of an audit to review the accounting principles and how the Board and the MD have applied them, and to assess the information that has been brought together in the annual report and the consolidated financial statements. As a basis for our pronouncement on discharge from liability we have examined significant decisions, measures and circumstances at the company in order to be able to judge whether any Director or the MD owes compensation to the Company. We have also examined the question as to whether any Director or the MD has otherwise acted in contravention of the Swedish Companies Act, the Swedish Annual Accounts Act or the Company's Articles of Association. We are of the opinion that our audit gives us reasonable grounds on which to pronounce as follows.

The annual report and the consolidated financial statements have been prepared in accordance with the Swedish Annual Accounts Act and thus afford a true and fair picture of the Company's and the Group's results and position in accordance with auditing standards generally accepted in Sweden.

We recommend that the Annual General Meeting adopt the income statement and balance sheet of the Parent Company and of the Group, appropriate the Parent Company's surplus as proposed in the Directors' Report, and grant the Directors and the MD discharge from liability for the fiscal year.

TRANÅS, 3 MARCH 2003
KPMG Bohlins AB


Niklas Bengtsson
Authorised Public Accountant

Board of Directors



HANS FRANZÉN

Born 1940. Chairman of the Board since 1992. Board member since 1974. Group President until 31 Dec. 2001. Engineer.
Other appointments: Chairman of the board of Tranås Resebyrå AB and the local board of Handelsbanken in Tranås. Board member, Crouzet AB. Number of shares: 260,792 OEM Class A and 255,250 OEM Class B.



AGNE SVENBERG

Born 1941. Board member since 1974. MD until 29 Feb. 2000. Engineer.
Other appointments: Chairman of the boards of Multitryck AB, EG:s El o Automation AB, Personality Gym AB, ISP AB and Jubo Mechatronics AB. Member of the boards of Elektrono-Mekan i Årjäng AB and Crouzet AB. Number of shares: 260,800 OEM Class A and 106,460 OEM Class B.



ORVAR PANTZAR

Born 1939. Board member since 1997. Founder of CynCrona AB. Engineer. Not employed by OEM.
Other appointments: Board member, Next Generation System AB. Number of shares: 635,440 OEM Class A and 983,250 OEM Class B.



ULF BARKMAN

Born 1957. Board member since 1997. Board member CynCrona AB since 1989. Bachelor of Science (Econ.). Not employed by OEM.
Number of shares: 14,000 OEM Class B.



REINHOLD GEIJER

Born 1953. Board member since 2000. MD Nordisk Renting AB. Business Administrator. Not employed by OEM.
Other appointments: Member of the boards of Sjunde AP-fonden, Nefab AB, BTS AB, Intrum Justitia AB and others. Number of shares: 2,000 OEM Class B.



GUNNAR ELIASSON

Born 1951. Board member since 2000. MD Skattebetalarnas Förening. Business Administrator. Not employed by OEM.
Number of shares: 2,000 OEM Class B through associated company.

Deputy Board Members

TOMAS FRANZÉN
Born 1962. MD and Group President of Song Networks Holding AB. Master of Engineering. Deputy member since 1997. Not employed by OEM.
Other appointments: Chairman of the board of GRIN AB. Member of the boards of Proact IT Group AB, Allgon AB, BTS AB and Epsilon AB. Number of shares: 5,000 OEM Class B.

INGER SVENBERG
Born 1937. Board member 1974–1997. Deputy member since 1997. Not employed by OEM.
Number of shares: 216,000 OEM Class A and 95,352 OEM Class B.

The Board and its Work

The Board of OEM International (publ) is comprised of six board members and three deputies elected by the AGM. One deputy resigned from their post in 2002. No special committees are appointed, but instead the majority shareholders provide proposals to the AGM via requests from attendees. Auditors are proposed and appointed by the AGM for a four-year tenure. The auditors' work is debited within negotiated price frames. Proposals for the Board's remuneration are presented to the AGM for decision. Bonuses are not paid to the Board. Amounts and other benefits are presented in note 2 in the income statement, page 47.

Five Board meetings were held in 2002, all of which were recorded in the minutes. The Board's work follows a pre-determined plan, in particular as regards current business. The treatment of other business depends on the nature of the business. Once a year, the principal auditor attends and reports on the auditing work. Decisions and the division of responsibility between the Board and the MD are regulated in written instructions for the MD. The Chairman of the Board, in cooperation with the other board members, negotiates and decides on the salary and other employment conditions that apply to the MD.



Management Group

from left to right

FREDRIK TENGSTRAND
Born 1966. Group Manager for Group Hydraulics. Engineer. Group employee since 1991.
No shares.

ANDREAS FÄLTH
Born 1964. Group Manager for Group Mechanics. Engineer. Group employee since 1997.
Number of shares: 3,000 OEM Class B.

JAN CNATTINGIUS
Born 1955. Finance Director. Group employee since 1985. Economist.
Number of shares: 2,000 OEM Class B.

JÖRGEN ZAHLIN
Born 1964. MD of OEM International AB since 1 March 2000. Group President since 1 January 2002. Group employee since 1985. Engineer.
Number of shares: 2,500 OEM Class B. Holds 100,000 options on share from the majority owner at market price.

TOMAS HOLMER
Born 1966. Group Manager for Group EP. Group employee since 1989.
No shares.

JAN HULTMAN
Born 1945. Group Manager of Group Electronics and Deputy MD of OEM International AB since 1 January 2002. Group employee since 1980. Engineer.
Number of shares: 7,023 OEM Class B.

MIKAEL THÖRNKVIST
Born 1968. Group Manager for Group Automation. Group employee since 1990. Engineer.
Number of shares: 200 OEM Class B.

Auditor

KPMG Bohlins AB, principal auditor: Niklas Bengtsson, Authorised Public Accountant.

The following companies are members of the OEM Group

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