

FINANCIAL REPORT JANUARY – MARCH 2003

- Sales was 390 SEK million (397)
- Order bookings was 398 SEK million (401)
- Profit was 17,8 SEK million (8,7)
- Earnings per share after taxes SEK 1:47 (0:52)



OEM INTERNATIONAL

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

Visit our website – www.oem.se

Turnover and profit

The Group turnover during the first quarter amounted to 390 SEK million (397). Turnover outside Sweden amounted to 134 SEK million (129).

Group EP increased their turnover during the first quarter by 43 % whereas group Electronics went down 20 %. The other company groups have a turnover on a level with last year.

Orders booked for the Group was 398 SEK million (401). Groups EP and Automation have strong order bookings while Group Electronics was weak.

Profit after net financial income/expense amounted to 17,8 SEK million (8,7). The increase in profit is largely due to the actions taken to rationalise operations, above all in groups EP and Automation.

Operational cash flow amounting to 44 SEK million (41) depends i.a. on the decrease in stock by 22 SEK million.

Future

The Group carries on the rationalisation work. We reinforce our competitive strength through improved customer contacts and product offerings. Even by unaltered turnover the profit will be improved.

General information quarter 1 / 2003

Accounting principles

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

Inflow of orders and order book

During the first quarter the inflow of orders was 398 SEK million (401). The orderbook value, at 31st March 2003 was 274 SEK million (266).

Turnover per market

The breakdown of turnover per market is: Sweden 66 %, Finland 15 %, Norway 6 %, Denmark 6 %, England 4 %, Italy 2 %, Poland 1 % and Holland 1 %.

Investments

Net investments of the Group in fixed assets during the period was 2,0 SEK million (−0,4).

Equity/assets ratio

Liquid assets, consisting of cash and bank balances with the adding of granted but not exploited credits, amount per 31st March 2003 to 314 SEK million. (245)

Goodwill

The policy of OEM International is to write off goodwill in 5 years. The profit of the first quarter this year has been charged with 4,2 SEK million (7,3) for amortization of goodwill.

Solidity

As per 31st March 2003 solidity was 54,2 % (48,8).

Personnel

Average number of employees in the Group quarter 1 2003 was 652 persons (721).

Repurchase of shares

As per 31st March the company has acquired 529.100 shares at an average price of SEK 74:20, equivalent to 6,5 % of the total number of shares. The authorization of the general meeting refers to 10 % of the total number of shares, which would be 813.220.

Parent company

Net turnover for the parent company amounted to 3,2 SEK million (3,4) and profit after financial income and expense was −4,0 SEK million (−4,4).

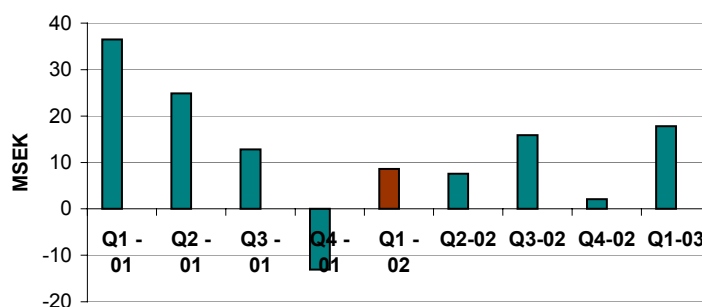
Yearly Forecast 2003

Due to the uncertainty in the market no yearly forecast is given.

Next report

A financial report for the period January-June will be

Profit per quarter



published on 8th August 2003.



Group Automation

Group Automation market components for industrial automation

Q1: (SEK million)
Turnover 148 (149) *
Profit 17,1 (14,5)

Increased market shares compensate continued low demand. The rationalisations and co-ordination efforts during last year resulted in an improved profit by 18 %. All companies in the group are generating positive figures and we expect the turnover to increase gradually during the year.



Group Electronics

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

Q1: (SEK million)
Turnover 96 (121) *
Profit 1,1 (2,6)

The low demand in telecom and electronics industry reduces turnover by 20 %. Effected savings lead to positive figures. Continued rationalisations and development of range will improve profit during the remainder of the year.



Group Mechanics

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

Q1: (SEK million)
Turnover 43 (44)
Profit 1,6 (2,8)

The turnover is on a level with last year. We have given up a number of low-margin business and increased correspondingly in other areas. During the period profit has been charged by high one time expenses for moving, reconstructions and change of MD.



Group Hydraulics

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

Q1: (SEK million)
Turnover 40 (42)
Profit 1,0 (0,8)

Improved margins have compensated reduced turnover. Profit increased during the first quarter but will, due to reduced demand from the offshore industry, decrease coming quarter.



Group EP

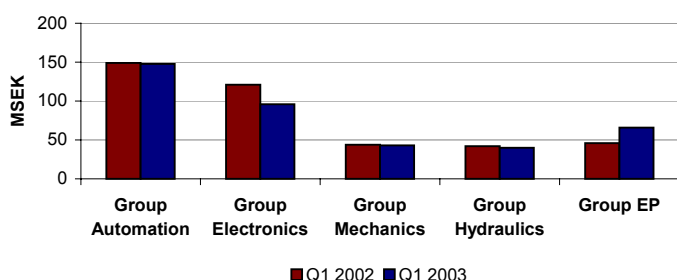
Group EP market production systems and input goods for electronics production.

Q1: (SEK million)
Turnover 66 (46)
Profit -2,1 (-9,9)

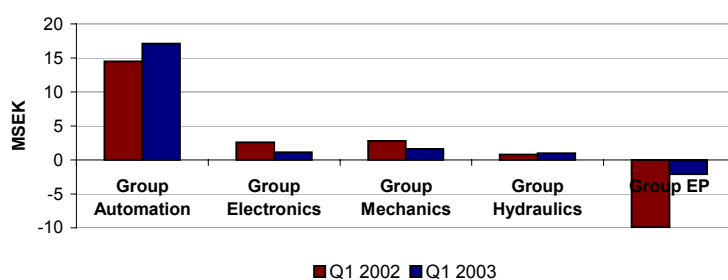
An increase in demand, above all in the Finnish market, has caused a raise in turnover by 43 %. Rationalisations have increased profit considerably and we expect a positive result for the whole year in the group. Profit will be charged by expenses for change of MD.

*from 2003 the business area Component in OEM Automatic OY will be accounted for in Group Electronics instead as earlier in group Automation.

Turnover per company group



Profit per company group



PROFIT AND LOSS ACCOUNT (SEK MILLION)

	Jan-March 2003	Jan-March 2002	Q 4 2002	Q 3 2002	Q 2 2002	Rolling 12 months	Whole year 2002
Net turnover	390,1	396,5	376,1	372,1	389,1	1.527,4	1.533,8
Operating cost	- 363,1	- 372,2	-361,2	-342,4	-366,8	- 1.433,5	-1.442,6
Depreciations acc. to plan	- 9,3	- 13,7	- 12,4	- 12,6	- 13,0	- 47,2	- 51,7
Operating profit	17,8	10,6	2,5	17,1	9,3	46,7	39,5
Shares in ass. companies	0,5	0,1	0,2	0,1	0,1	0,9	0,5
Net interest income/expense	- 0,5	- 2,0	- 0,6	- 1,3	- 1,8	- 4,2	- 5,7
Profit before tax	17,8	8,7	2,1	15,9	7,6	43,4	34,3
Tax	- 6,6	- 4,5	- 5,0	- 6,1	- 4,0	- 21,7	- 19,6
Profit	11,2	4,2	- 2,9	9,8	3,6	21,7	14,7
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Earnings per share, SEK	1:38	0:51	Neg.	1:16	0:44	2:67	1:77
Earnings per share, SEK *)	1:47	0:52	Neg.	1:20	0:45	2:85	1:88

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

BALANCE SHEET (SEK MILLION)

	2003-03-31	2002-03-31	2002-12-31
Assets			
Intangible fixed assets	28,5	51,6	32,6
Tangible fixed assets	133,8	160,2	138,5
Financial fixed assets	19,4	23,6	19,2
Inventories	261,4	309,7	282,9
Short-term receivables	256,8	312,0	229,1
Cash and bank deposits	52,3	89,5	44,4
Equity, allocations and debts			
Equity *)	407,6	461,6	414,7
Allocations	27,3	38,3	27,4
Long-term liabilities	85,3	202,2	102,3
Current liabilities	232,0	244,5	202,3
Balance sheet total	752,2	946,6	746,7

***) Change of Equity**

At the beginning of the year	414,7
Profit of the period	11,2
Buy-back of shares	- 16,8
Conversion difference of the period	- 1,5
At the end of the period	<u>407,6</u>

CASH FLOW ANALYSIS (SEK MILLION)

	Jan-March 2003	Jan-March 2002	Q 4 2002	Q 3 2002	Q 2 2002	Rolling 12 months	Whole year 2002
Cash flow from operating business	20,2	14,9	15,9	22,8	19,7	78,6	73,3
Adjustment of working capital	23,6	25,9	51,5	- 16,1	21,3	80,3	82,6
Cash flow before investments	43,8	40,8	67,4	6,7	41,0	158,9	155,9
Investments	- 1,9	- 0,5	- 0,8	- 0,6	- 1,0	- 4,3	- 2,9
Cash flow after investments	41,9	40,3	66,6	6,1	40,0	154,6	153,0
Cash flow from financial operations	- 33,9	- 49,1	- 90,2	- 14,3	- 54,5	- 192,9	- 208,1
Cash flow	8,0	- 8,8	- 23,6	- 8,2	- 14,5	- 38,3	- 55,1

KEY RATIOS

	Jan-March 2003	Jan-March 2002	Q 4 2002	Q 3 2002	Q 2 2002	Rolling 12 months	Whole year 2002
Return on capital employed, %	2,7	0,9	Neg.	2,2	1,7	5,0	3,4
Return on operational capital employed, %	3,6	1,6	0,8	2,9	1,6	8,8	7,1
Return on total capital, %	2,4	1,2	0,5	2,0	2,3	6,0	5,1
Equity/assets ratio, %	54,2	48,8					55,5
Earnings per share, SEK	1:38	0:51	Neg.	1:16	0:44	2:67	1:77
Earnings per share, SEK *)	1:47	0:52	Neg.	1:20	0:45	2:85	1:88
Equity per share, SEK *)	53:61	56:76					53:06
Profit margin, %	4,5	2,7	0,7	4,6	2,4	3,1	2,6
Turnover growth, %						Neg.	Neg
Profit growth, %						104,7	Neg

*) Key ratios calculated from the number of shares in the market. Per 31st March 7.603.103 shares.

Tranås the 28th of April 2003

OEM INTERNATIONAL AB (PUBL)

Jörgen Zahlin
Managing Director and CEO

This report has not been subject to an auditor review.

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