

Six-month report January-June 2003:

OEM shows increased profit

The profit of OEM International after net financial income/expense increased in the second quarter 2003 to 13,9 SEK million (7,6). The sale was reduced compared to last year to 360 SEK million (389). The six-month profit amounted to 31,7 SEK million (16,3). Turnover was decreased to 750 SEK million (786).

- In spite of the fact that sales have not yet turned upward, we can report a considerably improved profit, says CEO Jörgen Zahlin. We can state as a fact that our rationalisation work, for example development of the product range and extended co-ordination between the companies within the groups, are beginning to give effect.

During the first half-year the Group has reduced the average number of employees from 717 to 644.

Group Automation are experiencing weak demand mainly in England and Italy, while the Swedish, Finnish and Polish companies have an increased turnover.

Rationalisations cause a continuous improvement of profits.

The largest drop in turnover is found in Group Electronics. The companies here deliver i.a. components to the telecom industry, and have been negatively effected by the continued fall in this sector. As informed earlier, one of the companies in the group, Industri AB Reflex, are to be sold in September. The company produces automatic cabinets and the construction as well as the direction of the company is outside the OEM business concept.

Group EP, which i.a. sell input goods for electronics production, have suffered the biggest changes during the past year. During the first half-year the group has increased it's sale and considerably reduced it's losses.

- Due to the uncertainty in the market we have chosen not to give any forecast for the whole year, Jörgen Zahlin says. We are, however, well prepared the day of the business upturn.

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