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Half-yearly report: January-June 2004

OEM's profit increase

OEM's profit before tax increased the second quarter 2004 with 40% to 19,4 SEK Million (13,9). The order bookings increased with 6% to 379 SEK Million (359) while the turnover is in parity with the corresponding period last year 359 SEK Million (360). The profit for the half year 2004 is 38,5 SEK Million (31,7) an increase with 21 % . The turnover decreased during the period with 5 % to 713 SEK Million (750).

- Groups Automation, Electronics and Electronic Production (EP) show improved profits. The reason is intensive market activity together with carried out rationalizations and disposal of not profitable units. As a result of an improved product offer and increased efficiency, half of our companies are now experiencing growth. Positive is that Group Automation, our biggest company group, in total increased the turnover, says Jörgen Zahlin, CEO of OEM International AB.

The reason for the reduction in turnover and order bookings for OEM International the first 6 months is mainly due to the electronic- and telecom related activities (15 SEK million) and companies disposed of (25 SEK Million).

The fine-tuning process involving the disposal or liquidation of a number of companies means that total turnover will be at a similar level to the previous year for the remainder of the year, says Jörgen Zahlin.

The average number of employees in the OEM Group for the first 6 months 2004 was 586 persons (644).

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OEM International, whose head office is in Tranås, Sweden comprises 27 operating units in eight countries. The Group trades in components and systems used in industrial automation. In simple terms OEM provides an alternative way for manufacturers to sell through their own companies. OEM therefore has a responsibility for marketing and selling the products in which the company trades. Visit our website – www.oem.se