



OEM INTERNATIONAL

Press release 2005-04-28

Financial report January – March 2005

OEM:s profit increase with 33%

The profit of OEM International after net financial income increased with 33 % to 28,8 SEK million (21,6). The turnover increased with 7 % and the inflow of orders decreased with 1 %. Terminated companies affect the turnover with 17 SEK million, which makes that comparable units increased the turnover with 13 %. Turnover outside Sweden increased with 13 % and stands for 36 % of the group turnover.

Liquidation costs of two companies charge the profit with 7,4 SEK million.

- Increased market demand and won market shares resulted in increased turnover in most of the groups companies. Largest increase in turnover comes from group EP which among other things depends on a large installation of equipment to a new customer in Estonia. Better internal efficiency in the organization increase profit with 33 % in spite of the fact that we charge the profit with 7,4 SEK million for the liquidation of two units, says CEO Jörgen Zahlin.

- Our focus on internal efficiency will remain at the same time as we introduce new product areas within our companies. Four new products areas was launched only within group Automation during the first quarter. Within group Hydraulic and Electronics we concentrate our business under one operating company per group, resulting in a stronger customer offering to increase our competitiveness, says Jörgen Zahlin.

During the first quarter of the year the average number of employees was 531 (594).

Further information, please contact:

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OEM International, head office located in Tranås, Sweden, comprises 23 operating units in eight countries. The Group trades in components and systems used in industrial automation. During 2004 the group's turnover amounted to 1.406 MSEK with 571 employees. OEM International's B-share is quoted on the Stockholm stock exchange's O-list. The financial targets of OEM are an annual growth of 15 %, a return on equity of minimum 20 % and a solidity not below 35 %. Visit our website – www.oem.se