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The board of director's in OEM propose a share split and appr. SEK 154 million to the shareholders in redemption procedure

Due to facilitate the equity trading and change the company's financial structure, the Board of Directors of OEM proposes a share split 4:1 combined with an automatic redemption procedure. Through this procedure the shareholders will receive three new shares and one redemption share, which will be redeemed for SEK 20. The proposal means that approximately SEK 154 million will be distributed to the shareholders, in addition to the proposed dividend distribution.

In brief, the proposal means that,

- The Company carries out a share split 4:1.
- Every fourth share, the redemption share, will be automatically redeemed for SEK 20.
- The proposed record day for the share split is 18 May 2007.
- The shareholders who want to sell their redemption shares before redemption takes place will be able to do so during the period 21 May – 7 June 2007, when trading in the redemption shares is proposed to take place on the Stockholm Stock Exchange.
- Payment of the redemption amount is proposed to be made 15 June 2007.

The redemption procedure is subject to resolutions by the Annual General Meeting in April 2007 on, in principle, the following.

- Amendment of the Articles of Association, so that the permitted range of the number of shares is increased from 5,000,000 – 20,000,000 to 10,000,000 – 40,000,000.
- Share split, through which each existing share, of series A as well as of series B, is divided into four shares, of which one will be named redemption share.
- Reduction of the share capital for repayment to the shareholders by way of redemption of 7,723,103 redemption shares, of which 1,589,032 are shares of series A and 6,134,071 are shares of series B.
- Increase of the share capital by approximately SEK 9,653,878. 75 by way of a bonus issue, whereby the Company's non-restricted equity is to be made use of.

For further information, please contact:

Jörgen Zahlin, CEO, OEM International AB, tel. +46 (0)709 760 695.

Jan Cnattingius, CFO, OEM International AB tel. + 46 (0)709 760 682.

OEM International AB trades in industrial components and systems. The Group has business activities in 23 operating units in ten countries and a reported turnover of SEK 1,450 million in 2006. The Group, headquartered in Tranås, Sweden, had 531 employees at the turn of the year. OEM International's B-share is quoted on the Stockholm Small Cap. OEM's financial targets include an annual growth of 15%, a minimum 20% return on equity and an equity/assets ratio of not below 35%.

