



INTERIM REPORT

JANUARY - MARCH 2007

- Turnover increased by 12 % to SEK 388 million (348)
- Incoming orders decreased by 6 % to SEK 390 million (413)
- Profit before tax increased by 57 % to SEK 52 million, excluding sale of property the profit increased by 16% to SEK 39 million (33)
- Profit after tax increased by 35 % to SEK 37 million (27)
- Earnings per share after tax increased by 36 % to SEK 4.80 (3.54)

Comparative figures turnover, incoming orders and profit before tax, relate excluding transferred hydraulic activities.





Turnover and income

The group's turnover increased by 12 % to SEK 388 million (348). Turnover for OEM Automatic, Cyncrona and Development increased, while OEM Electronics fell. Turnover outside Sweden increased by 17 % to SEK 147 million (126). Incoming orders decreased by 6 % to SEK 390 million (413). All corporate groups except Cyncrona have incoming orders that exceed invoicing. The order book value as of 31 March 2007 was SEK 218 million (253).

The positive market position means that most of the group's companies are showing good growth.

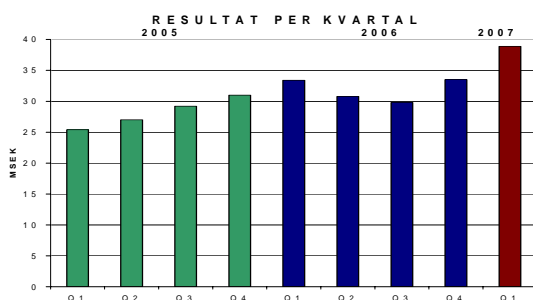
The profit before tax increased by 57 % to SEK 52.4 million (33.4). This profit includes a property sale that contributed SEK 13.5 million. Excluding the property sale, the profit increased by 16 %. OEM Automatic, Cyncrona and Development are responsible for the improvements in profit.

OEM International AB acquired the remaining 50 % of the shares in Crouzet AB from Crouzet Automatismes SAS. Crouzet AB is active in the automation component sector and has 17 employees. The company had turnover of SEK 51 million and profit before tax of SEK 3.4 million in 2006. SEK 18 million of the invoicing related to deliveries to OEM Automatic.

This acquisition expected to have little impact on profit for 2007.

The purchase price amounts to EUR 625,000, corresponding to 50 % of the real value of the company. Provisionally, there is no surplus value.

Acquired assets and liabilities amount to SEK 24.4 million and SEK 13.2 million respectively.



Income relates excluding transferred hydraulic activities
Income Q1 2007 excludes SEK 13.5 million profit from property sales.

Turnover per market

Sweden 62 % (64), Finland 19 % (20), the rest of Scandinavia 9 % (8), outside Scandinavia 10 % (8).

Cash flow

The cash flow from current operations was SEK 0,1 million (3.4).

Investments

Net investments in tangible fixed assets amounted to SEK -1.4 million (-0.2), of which SEK 8.2 million (-) is attributable to company acquisitions and SEK -9.6 million (-0.2) to properties, machinery and equipment.

Liquidity

Liquid funds, consisting of cash and bank balances, together with granted but unused credit amounted to SEK 547 million (404) in total as of 31 March 2007.

Intangible fixed assets

From 2005, new accounting principles, International Financial Reporting Standards (IFRS), apply, which means that planned goodwill depreciation will not be applied. On the other hand, the goodwill items and other intangible assets will be examined for any write-down requirements. The profit has been burdened by write-down on intangible assets of SEK 0.5 million (-). The book value in the balance sheet amounts to SEK 20.2 million as of 31 March 2007.

Equity/assets ratio

The equity/assets ratio as of 31 March 2007 was 69.1 % (64.3).

Employees

The average number of employees in the group during the year was 559 (559).

Share repurchasing

The company has not repurchased any shares during the year. In total, there was no own holding of shares as of 31 March. The Annual General Meeting is authorised to repurchase up to 10 % of the shares, which is 772,310.

Parent Company

Net turnover was SEK 3.9 million (3.8) and the profit after financial items was SEK -5.6 million (-7.5).

Date of next report

The interim report for the period January - June 2007 will be published on 26 July 2007.

Accounting principles

This interim report for the group has been drafted in accordance with IAS 34 Interim Reporting and the Swedish Financial Accounting Standards Council's recommendation RR31 Interim Reporting for Groups. The same accounting principles and calculation methods were applied as in the latest annual accounts. The recently revised IFRS standards that came into force for application from 1 January 2007, except certain future additional information, have no effect on the OEM group's income statements and balance sheets, cash flow statements and equity. OEM sold JMS Systemhydraulik and associated property company, Fastighets AB Hydraulen, on 30 November, 2006. JMS and the property company were reported as divested operations, which means that the companies' net profit is reported on a separate line in the income statement, "Income from divested operations". The comparison figures for the income statement and cash flow have been recalculated. The balance statement for the comparison quarter has not been affected in accordance with IFRS 5.

OEM AUTOMATIC



Components for industrial automation

- Turnover SEK 207 million (174)
- Operating income SEK 28.3 million (24.3)

A good level of demand together with proactive initiatives and accomplished acquisitions led to an increase in turnover of 19% and the operating income has increased by 16 %. The acquisition in the Czech Republic in April 2006 contribute turnover SEK 8,5 million and profit SEK 1,5 million.

OEM ELECTRONICS

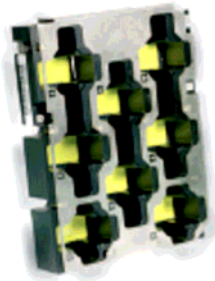


Appliance and circuit board components, EMC and microwave components

- Turnover SEK 73 (83) million
- Operating income SEK 4.5 (6.2) million

Turnover has fallen by 12 %, which caused a deterioration in income compared with the previous year. This reduction is due to phase out of a supplier product platform and wind up of a larger business. Incoming orders of SEK 79 million.

CYNCRONA



Production equipment and input goods for electronics production.

- Turnover SEK 53 million (36)
- Operating income SEK 2.3 million (0.3)

Turnover increased by 44 % compared with the previous year, leading to an increase in income. However, incoming orders were weak during the first quarter, amounting to SEK 36 million. As the operations are of an investment nature, sales may vary from quarter to quarter.

DEVELOPMENT



Ball bearings, seals, linear units, motors and transmissions

- Turnover SEK 62 million (58)
- Operating income SEK 6.1 million (5.1)

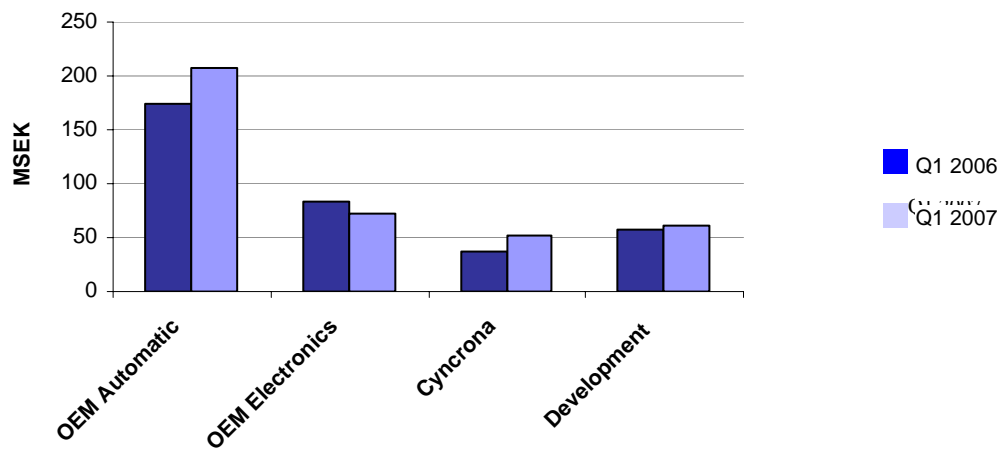
Turnover increased by 7 % and income by 20 % during the first quarter. High demand provides good profitability in all operations.



TURNOVER & PROFIT PER COMPANY GROUP

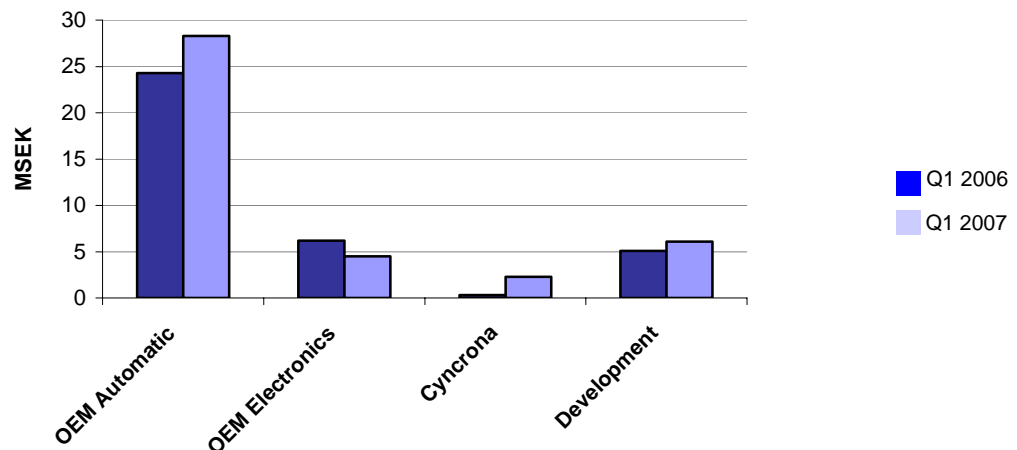
NET TURNOVER (SEK million)

	Jan- March 2007	Jan- March 2006	Q4 2006	Q3 2006	Q2 2006	Rolling 12 mon	Full year 2006
OEM Automatic	207,4	173,9	189,9	161,8	172,2	731,3	697,8
OEM Electronics	73,0	83,3	73,6	69,9	79,8	296,3	306,6
Cyncrona	52,5	36,3	76,0	59,5	72,8	260,8	244,6
Development	62,0	58,0	56,4	46,5	51,9	216,8	212,8
Other operations/elimination	-6,4	-3,9	-3,3	-2,9	-1,3	-13,9	-11,4
	388,5	347,6	392,6	334,8	375,4	1 491,3	1 450,4



OPERATING INCOME (SEK million)

	Jan- March 2007	Jan- March 2006	Q4 2006	Q3 2006	Q2 2006	Rolling 12 mon	Full year 2006
OEM Automatic	28,3	24,3	23,1	22,4	21,2	95,0	91,0
OEM Electronics	4,5	6,2	3,4	5,5	3,7	17,1	18,8
Cyncrona	2,3	0,3	7,4	2,6	3,9	16,2	14,2
Development	6,1	5,1	1,5	3,0	3,4	14,0	13,0
Other operations/elimination	10,7	-2,9	-2,0	-3,2	-2,2	3,3	-10,3
	51,9	33,0	33,4	30,3	30,0	145,6	126,7





CONSOLIDATED INCOME ACCOUNT (SEK million)

	2007	2006	2006	2006	2006	12 mon	2006
Net turnover	388,5	347,6	392,6	334,8	375,4	1 491,3	1 450,4
Other operating income	13,5	0,0	2,5	0,0	0,0	16,0	2,5
Operating expenses	-346,3	-311,6	-357,6	-301,4	-342,1	-1 347,4	-1 312,7
Depreciation	-3,8	-3,0	-4,1	-3,1	-3,3	-14,3	-13,5
Operating income	51,9	33,0	33,4	30,3	30,0	145,6	126,7
Shares in associated co.	0,0	0,5	0,1	0,1	0,3	0,5	1,0
Net financial items	0,5	-0,1	0,0	-0,6	0,5	0,4	-0,2
Income before tax	52,4	33,4	33,5	29,8	30,8	146,5	127,5
Taxes	-15,3	-9,6	-10,0	-8,8	-8,3	-42,4	-36,7
Income from remaining operations	37,1	23,8	23,5	21,0	22,5	104,1	90,8
Income from divested operations	0,0	3,6	81,8	2,6	2,8	87,2	90,8
Profit for the year	37,1	27,4	105,3	23,6	25,3	191,3	181,6
Earnings per share before dilution, SEK	4,80	3,54	13,63	3,06	3,28	24,77	23,52
Earnings per share after dilution, SEK	4,80	3,53	13,61	3,04	3,26	24,71	23,42
*Earnings per share before dilution, SEK	4,80	3,06	3,00	2,83	2,87	13,50	11,76
*Earnings per share	4,80	3,05	3,00	2,81	2,85	13,46	11,76

* remaining business

CONSOLIDATED BALANCE SHEET (SEK million)

	2007-03-31	2006-03-31	2006-12-31
Assets			
Intangible fixed assets	20,2	18,2	20,5
Tangible fixed assets	134,7	119,1	139,6
Financial fixed assets	1,3	8,8	7,4
Deferred tax claim	4	5,5	3,9
Inventories	210,5	199,9	214,6
Current receivables	260,3	277,9	279,2
Liquid funds	356,6	156,6	288,5
Equity and liabilities			
Equity	682,6	505,5	640,7
Long-term liabilities, interest-bearing	9,9	8,8	9,3
Deferred tax liability	27,7	21,7	26,6
Current liabilities, interest-bearing	63,8	48,5	56
Current liabilities, non-interest-bearing	203,6	201,5	221,1
Balance sheet total	987,6	786	953,7



GROUP CHANGES IN SHAREHOLDERS' EQUITY (SEK million)

	2007-03-31	2006-03-31	2006-12-31
At start of year	640,7	477,9	477,9
Repurchase of own shares	-	-	38,8
Dividends paid	-	-	-53,0
Profit for the period	37,1	27,4	181,6
Translation difference for the year	4,8	0,2	-4,6
At end of period	682,6	505,5	640,7

CASH FLOW STATEMENT (SEK million)

	Jan-March 2007	Jan-March 2006	Q4 2006	Q3 2006	Q2 2006	Rolling 12 mon	Full year 2006
Cash flow from current operations	39,3	17,9	24,8	29,6	25,7	119,4	98,0
Changes to operating capital	-39,2	-14,5	37,8	-15,1	7,2	-9,3	15,4
Cash flow before investments	0,1	3,4	62,6	14,5	32,9	110,1	113,4
Investments	57,3	1,6	78,5	-10,1	-38,1	87,6	31,9
Cash flow after investments	57,4	5,0	141,1	4,4	-5,2	197,7	145,3
Cash flow from financial activities							
- Change in liabilities	8,4	1,4	-16,6	19,9	4,7	16,4	9,4
- Paid dividend	0,0	0,0	0,0	0,0	-53,0	-53,0	-53,0
- Repurchase of own shares	0,0	0,0	113,4	-25,0	-49,6	38,8	38,8
Cash flow	65,8	6,4	237,9	-0,7	-103,1	199,9	140,5

KEY INDICATORS

	Jan-March 2007	Jan-March 2006	Q4 2006	Q3 2006	Q2 2006	Rolling 12 mon	Fully year 2006
Return on equity, %	5,6	5,7	19,8	5,6	5,4	32,2	32,5
*Return on capital employed, %	7,3	6,4	5,6	6,3	6,0	22,9	21,2
*Return on total capital, %	5,5	4,3	4,0	4,2	4,2	16,9	15,2
Equity/assets ratio	69,1	64,3					67,2
Earnings per share before dilution, SEK	4,80	3,54	13,63	3,06	3,28	24,77	23,52
Earnings per share after dilution, SEK	4,80	3,53	13,61	3,04	3,26	24,71	23,42
Equity per share, SEK	88,38	65,45					82,96
Average number of shares (thousands)	7 723	7 723	7 723	7 723	7 723	7 723	7 723
Average number of shares after dilution (thousands)	7 723	7 763	7 736	7 763	7 763	7 746	7 756
*Operating margin, %	13,4	10,4	9,5	10,0	8,9	10,7	9,7
*Growth in turnover, %						8,3	6,0

* According to IFRS 5, the sold Hydraulics operations were reported in 2006 as divested operations.

The highlighted indicators refer to remaining operations. Other key indicators refer to the total operations, as the balance sheet for the comparison periods, in accordance with IFRS 5, has not been recalculated.



Tranås, 24 April 2007

OEM INTERNATIONAL AB (PUBL)

Jörgen Zahlin
Managing Director and CEO

This report has not been subject to an auditor review.

For more information, please contact MD Jörgen Zahlin +46 (0)75-242 40 22 or Finance Director Jan Cnattingius +46 (0)75-242 40 03.

OEM International, with head office in Tranås, comprises 23 operating units in ten countries. The Group trades in components and systems used in industrial automation. In simple terms, OEM provides an alternative for manufacturers to sell through their own companies. OEM is thereby in charge of marketing and selling the products in which the company trades.

OEM INTERNATIONAL AB (publ), Corp. id. no. 556184-6691

Head office: Dalagatan 4
Box 1009, SE-573 28 TRANÅS
Tel + 46-(0)75 242 40 00

www.oem.se