



INTERIM REPORT

Q1

2012



FIRST QUARTER 2012

- Incoming orders were up 11% to SEK 451 million (407)
- Net sales rose 11% to SEK 426 million (384)
- Profit before tax rose 22% to SEK 48 million (40)
- Profit after tax increased by 24% to SEK 36 million (29)
- Earnings per share were SEK 1.55 (1.24)

CEO's review

Positive start to the year

The first quarter of 2012 exceeded our expectations and turned out to be a record quarter in terms of incoming orders, net sales and earnings. Although most of the markets have experienced good demand, sales growth in percentage has been strongest for Elektro Elco in Sweden and operations in Norway, the UK and Poland. Net sales and incoming orders in total increased by 11% and profit before tax by 22%.

It is also pleasing to report that for the third consecutive month incoming orders exceeded net sales and the operating margin increased by 1% to 11.6% compared to the previous corresponding quarter.

Focus on growth

Although there was some uncertainty about the economy at the end of last year, we are able to report that demand is now much more stable and our clients are starting to place slightly longer orders.

The five businesses acquired last year have been integrated into the Group and are following the plans drawn up for each acquired unit.

The new site in Hungary is now fully operational. The organisation has a full complement of staff and is actively prospecting the market and developing its product portfolio.

There is strong focus on the first quarter's 5% organic growth and our aim is to continue to evolve through acquisition to ensure that we achieve our growth targets.

Financial stability creates opportunities

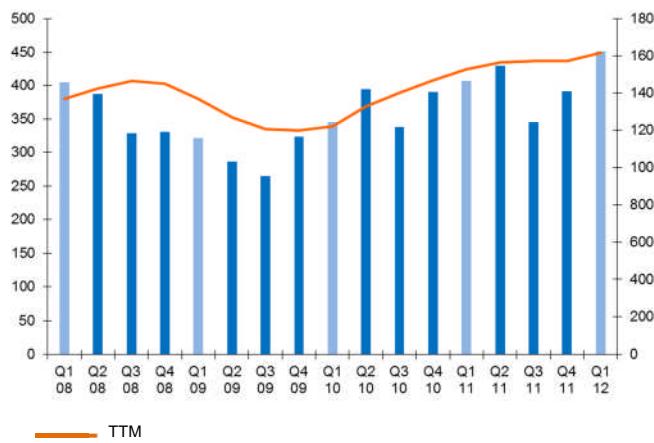
This quarter saw a positive cash flow of SEK 23 million from operating activities. And with a strong equity/assets ratio of 64%, there is good prospect for business growth and development.

We hope to see 2012 continue to develop as robustly as it started.

Jörgen Zahlin
Managing Director and Chief Executive Officer

THE GROUP

INCOMING ORDERS (SEK million)

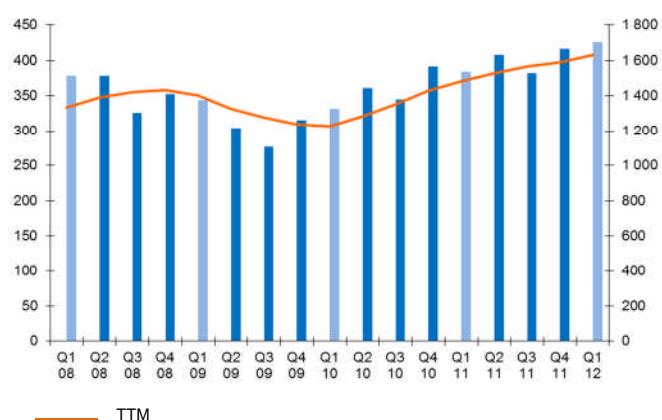


Incoming orders increased during the first quarter by 11% to SEK 451 million (407) compared to the previous corresponding quarter.

Incoming orders exceeded net sales during the quarter by 6%.

On 31 March 2012, the order book had decreased by 4% to SEK 255 million compared to the same period last year.

NET SALES (SEK million)

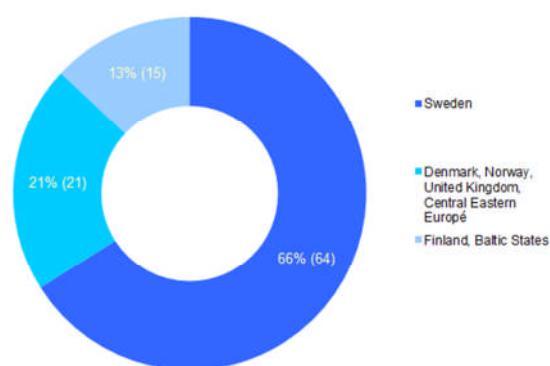


Net sales increased during the first quarter by 11% to SEK 426 million (384) compared to the previous corresponding quarter.

Net sales, excluding acquisitions, increased during the first quarter by 5%.

Percentage sales growth was strongest in Elektro Elco in Sweden and operations in Norway, the UK and Poland.

NET SALES BY REGION (SEK million)

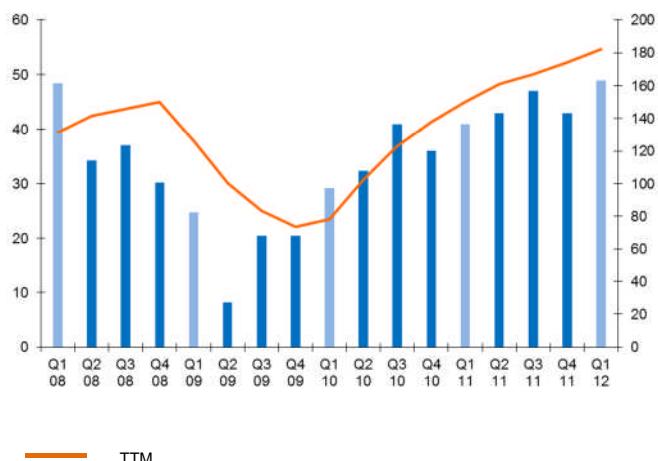


Region Sweden has increased by 2% compared to the first quarter last year largely due to the acquisitions made in 2011.

The Finland and Baltic States Region has experienced a 2% decrease compared to the first quarter last year.

The other region's share remains unchanged.

OPERATING PROFIT (SEK million)

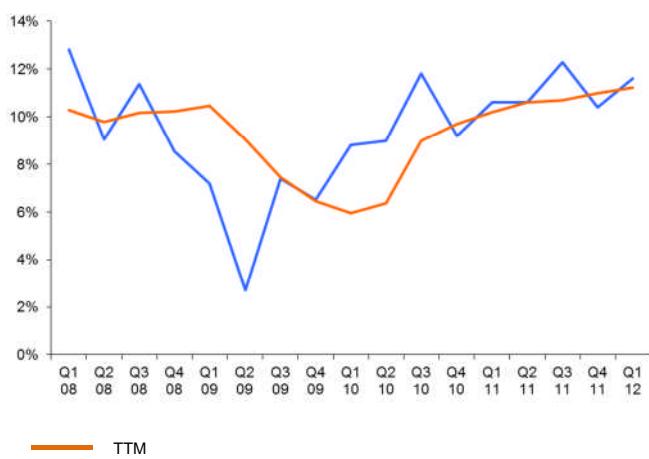


Operating profit increased during the first quarter by 21% to SEK 49 million (41) compared to the corresponding quarter last year.

Operating profit for the trailing 12 months increased by 22% to SEK 183 million (150).

Note:
Q1 2008 sale of property + SEK 5.4 million

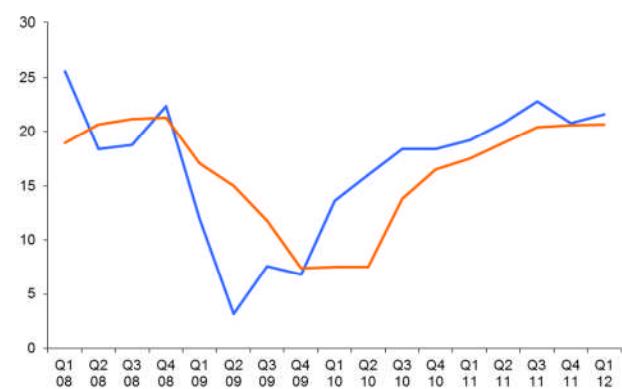
OPERATING MARGIN (%)



The operating margin improved during the first quarter of the year to 11.6% (10.6%).

The trailing-twelve-month operating margin has increased to 11.2% compared to 10.2% one year ago.

RETURN ON EQUITY (%)



The return on equity increased to 5.4% (4.8%) in the first quarter.

The trailing-twelve-month return on equity was 21% (18%) which exceeds the target by 20%.

Shareholders' equity amounted to SEK 683 million (621) with an equity/assets ratio of 64% (64%) at 31 March 2012.

Note:
The return on equity for each quarter is listed by four to provide a better comparison with trailing 12-month in the diagram.

THE REGIONS

SWEDEN

Sales are conducted under the company names of OEM Automatic, OEM Motor, OEM Electronics, Internordic Bearings, Telfa and Elektro Elco, Svenska Helag, Svenska Batteripoolen and Flexitron.

SEK million	Q1 2012	Q1 2011	Full year		Trailing 12
			2011	2011	
Incoming orders	291	265	1025	1050	
Net sales	280	245	1037	1072	
Operating profit/loss	42	32	139	150	
Operating margin (%)	15	12	13	14	

Net sales increased by 14 % in the first quarter compared to the corresponding quarter last year. The effect of acquired businesses increased net sales by approximately SEK 20 million compared to last year.

During the first quarter, incoming orders were 4% higher than net sales.

Strong net sales and margin improvements resulted in a 31% increase in the operating profit.

FINLAND AND THE BALTIC STATES

Sales are conducted under the company names of OEM Automatic, OEM Electronics and Internordic Bearings.

SEK million	Q1 2012	Q1 2011	Full year		Trailing 12
			2011	2011	
Incoming orders	60	56	224	228	
Net sales	57	57	229	229	
Operating profit/loss	5	6	22	21	
Operating margin (%)	8	10	10	9	

Net sales in the first quarter were on the same level as in the corresponding period last year. Net sales increased by 1 % in local currency.

Incoming orders exceed net sales by 5%.

Operating profit decreased during the first quarter by 20% compared to the same period last year. This is attributable to a lower contribution margin and higher costs.

DENMARK, NORWAY, UK, AND CENTRAL EASTERN EUROPE

Sales are conducted under the company names of OEM Automatic, OEM Automatic Klitsö and OEM Electronics.

SEK million	Q1 2012	Q1 2011	Full year		Trailing 12
			2011	2011	
Incoming orders	100	84	324	340	
Net sales	89	82	324	330	
Operating profit/loss	7	6	22	23	
Operating margin (%)	8	8	7	7	

Net sales increased by 8% in the first quarter compared to the corresponding quarter last year.

During the first quarter, incoming orders were 12% higher than net sales.

The net sales improvement resulted in a 13% increase in the operating profit.

INFORMATION

Cash flow

Cash flow from operating activities during the first quarter was SEK 23 million (16). Cash flow totalled SEK 27 million (18) during the quarter and was affected, in part, by investing activities of SEK -14 million (-14).

Investments

The Group's investments in property, plant and equipment totalled SEK 13 million (12). Property, machinery and equipment accounted for SEK 13 million (3) and business combinations for SEK 0 million (9).

Cash and cash equivalents

Cash and cash equivalents, comprising cash and bank balances, amounted to SEK 188 million (191). Together with committed but undrawn credit facilities, cash and cash equivalents amounted to SEK 406 million (400) on 31 March, 2012.

Intangible assets

Amortisation of intangible assets totalling SEK 3.6 million (3.0) has been charged to the income statement. The value recognised in the Statement of Financial Position on 31 March, 2012, was SEK 136 million (112).

Equity/assets ratio

On 31 March 2012, the equity/assets ratio was 64% (64).

Employees

The Group's average number of employees for the period was 600 (530). At the end of the period, the number of employees was 598 (533).

Share repurchase

The company has not repurchased any shares during the period. The company's total shareholding was 61,847 shares on 31 March, 2012, which is equivalent to 0.3% of the total number of shares. The Annual General Meeting is authorised to repurchase up to 10% of the shares, which is the equivalent of 2,316,930 shares.

Accounting policies

This condensed consolidated interim report has been prepared in compliance with IAS 34 Interim Financial Reporting and applicable provisions of the Swedish Annual Accounts Act. The interim report for the Parent Company has been prepared in compliance with Chapter 9, Interim Reports, of the Swedish Annual Accounts Act. For the Group and the Parent Company, the same accounting principles and calculation methods were applied as in the latest annual report.

Risks and uncertainties

The OEM Group is exposed to both business-related risks and financial risks through its activities. Business-related risks include competition and operational risks, and financial risks include liquidity risk, interest rate risk and currency risk. The OEM Group's financial activities and management of financial risks are conducted primarily by the Parent Company. Frameworks for risk management procedures and risk mitigation are in place. These systems are characterised by a low risk level. The basis is the structured and efficient management of the financial risks that arise in the business. For a complete report on the risks affecting the Group, please refer to page 7 and pages 47-49 of the 2011 annual report. No changes have occurred during the period.

Estimates and assessments

Preparation of the interim report requires company management to make estimates, assessments and assumptions that affect the application of the accounting policies and the reported amounts for assets, liabilities, income and expenses. Actual outcomes may differ from these estimates and assessments.

The critical assessments and sources of uncertainty in the estimates are the same as in the latest annual report, page 51.

Related party transactions

No related party transactions have been entered into that materially affected the financial position or the performance of the Group and parent company during the year.

Parent Company

Net turnover was SEK 4.7 million (4.3) and profit after financial items was SEK -5.5 million (-4.9).

Events after the close of the reporting period

There are no significant events from after the close of the reporting period to report.

Date of next report

The interim report for the period January - June 2012 will be published on 16th July 2012.

Tranås, 26 April 2012

Jörgen Zahlin
Managing Director and Chief Executive Officer

This report has not been reviewed by the company's auditors.

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

The information in this report is of such a nature that its disclosure by OEM International AB (publ.) is required under the Swedish Securities Market Act. The information was released to the media for publication on 26 April 2012 at 2 p.m.

REGIONS' SALES AND INCOME

TURNOVER AND RESULTS BY REGION *

Net turnover (SEK million) *

	Jan-March 2012	Jan-March 2011	Q4 2011	Q3 2011	Q2 2011	Trailing 12 mth	Full year 2011
Sweden, external income	280	245	277	244	270	1 072	1 037
Sweden, income from other segments	22	15	19	17	15	73	66
Finland and the Baltic States, external income	57	57	57	57	58	229	229
Finland and the Baltic States, income from other	0,5	0,7	0,8	0,4	0,6	2,3	2,4
Denmark, Norway, the United Kingdom and Central Eastern Europe, external income	89	82	81	80	80	330	324
Denmark, Norway, the United Kingdom and Central Eastern Europe, income from other segn	0,2	0,2	0,2	0,3	3,0	3,7	3,7
Other operating segments/elimination	-23	-15	-20	-17	-19	-79	-72
	426	384	415	382	408	1 631	1 590

Operating profit (SEK million) *

	Jan-March 2012	Jan-March 2011	Q4 2011	Q3 2011	Q2 2011	Trailing 12 mth	Full year 2011
Sweden	42	32	32	37	39	150	139
Finland and the Baltic States	4,6	5,8	4,4	6,7	5,2	21	22
Denmark, Norway, the United Kingdom and Central Eastern Europe	7,1	6,3	3,7	7,0	4,9	23	22
	54	44	40	51	49	193	183

Consolidated profit/loss (SEK million) *

	Jan-March 2012	Jan-March 2011	Q4 2011	Q3 2011	Q2 2011	Trailing 12 mth	Full year 2011
Operating profit, above segments	54	44	40	51	49	193	183
Group functions	-4,2	-3,1	3,3	-4,4	-5,3	-11	-9,6
Net financial items	-0,9	-0,9	0,2	0,1	-0,8	-1,5	-1,4
Profit/loss before tax	48	40	43	47	43	181	172

Other disclosures (SEK million) *

	Jan-March 2012	Jan-March 2011	Q4 2011	Q3 2011	Q2 2011	Trailing 12 mth	Full year 2011
<u>Sweden</u>							
Assets	554	452	538	477	460	508	538
Liabilities	277	220	300	161	179	229	300
<u>Finland and the Baltic States</u>							
Assets	92	88	87	88	88	89	87
Liabilities	40	38	38	36	42	39	38
<u>Denmark, Norway, the United Kingdom and Central Eastern Europe</u>							
Assets	169	170	153	167	162	163	153
Liabilities	68	81	68	67	72	69	68

* Continuing operations

THE GROUP'S PERFORMANCE AND FINANCIAL POSITION

CONDENSED CONSOLIDATED COMPREHENSIVE INCOME STATEMENT (SEK MILLION)

	Jan-March 2012	Jan-March 2011	Q4 2011	Q3 2011	Q2 2011	Trailing 12 mth	Full year 2011
Continuing operations							
Net sales	426	384	415	382	408	1 631	1 590
Other operating income	0,0	0,0	0,3	0,0	0,0	0,3	0,3
Operating costs	-369	-337	-365	-328	-358	-1 420	-1 388
Intangible asset amortisation	-3,6	-3,0	-3,6	-3,2	-3,2	-14	-13
Depreciation of property, plant and equipment	-4,2	-3,8	-3,8	-3,9	-3,9	-16	-15
Operating profit/loss	49	41	43	47	43	183	174
Net financial income/expense	-0,9	-0,9	0,2	0,1	-0,8	-1,5	-1,4
Profit/loss before tax	48	40	43	47	43	181	172
Tax	-13	-11	-11	-13	-12	-48	-47
Profit/loss for the period from continuing operations	36	29	32	34	31	133	126
Discontinued operations							
Profit/loss for the period from discontinued operations, net after tax	0,1	-0,1	2,3	0,1	-0,1	2,4	2,2
Profit/loss for the period	36	29	34	34	31	135	128
Other comprehensive income							
Exchange differences for the period arising on translation of foreign operations	-0,6	-1,4	-5,9	2,2	3,9	-0,3	-1,2
Other comprehensive income for the period	-0,6	-1,4	-5,9	2,2	3,9	-0,3	-1,2
Comprehensive income for the period	35	27	29	36	35	135	127
Earnings per share outstanding, SEK *	1,55	1,24	1,49	1,48	1,31	5,83	5,52
Earnings per share outstanding from continuing operations, SEK*	1,55	1,24	1,39	1,48	1,32	5,74	5,43
Earnings per total shares, SEK *	1,55	1,24	1,49	1,48	1,31	5,83	5,52
Earnings per total shares from continuing operations, SEK*	1,55	1,24	1,38	1,48	1,32	5,73	5,42

* Earnings are attributable to shareholders of the parent company.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (SEK MILLION)

	2012-03-31	2011-03-31	2011-12-31
Fixed assets			
Goodwill	64	54	64
Other intangible assets	72	58	74
Total intangible assets	136	112	138
Property, plant and equipment	195	180	188
Financial fixed assets	0,6	3,5	0,6
Total property, plant and equipment	196	184	189
Deferred tax assets	2,3	3,9	2,2
Total financial fixed assets	2,3	3,9	2,2
Total fixed assets	335	300	330
Current assets			
Inventories	256	211	269
Current receivables	293	275	262
Cash and cash equivalents	188	191	162
Total current assets	737	676	693
Total assets	1072	976	1023
Equity			
Non-current interest-bearing liabilities	21	18	21
Provisions for pensions	0,6	0,0	0,5
Non-current, non-interest-bearing liabilities	7,4	0,0	7,4
Deferred tax liabilities	65	52	65
Total non-current liabilities	94	71	94
Current interest-bearing liabilities	83	81	65
Current non-interest-bearing liabilities	213	203	216
Total current liabilities	295	284	281
Total equity and liabilities	1072	976	1023

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (SEK MILLION)

	2012-03-31	2011-03-31	2011-12-31
At beginning of year	648	594	594
Comprehensive income for the period	35	27	127
Repurchase of own shares in the period	0,0	0,0	-3,3
Dividends paid	0,0	0,0	-70
At the end of the period	683	621	648

CONDENSED CONSOLIDATED CASH FLOW STATEMENT (SEK MILLION)

	Jan-March 2012	Jan-March 2011	Q4 2011	Q3 2011	Q2 2011	Trailing 12 mth	Full year 2011
Cash flows from operating activities							
before changes in working capital	43	36	51	46	34	173	166
Changes in working capital	-21	-21	-9,1	-21	-7,0	-58	-58
Cash flows from operating activities	23	16	41	24	27	115	108
Cash flows from investing activities	-14	-14	-23	-6,8	-13	-56	-57
Cash flows after investing activities	9,1	1,3	18	18	14	59	51
Cash flows from financing activities							
- Changes in financing liabilities	18	17	-2,8	-9,9	6,5	11	10
- Dividends paid	0,0	0,0	0,0	0,0	-70	-70	-70
- Repurchase of own shares	0,0	0,0	-3,3	0,0	0,0	-3,3	-3,3
Cash flows from financing activities	18	17	-6,1	-9,9	-63	-61,4	-62
Cash flows for the period	27	18	12	7,8	-49	-2,4	-11
Cash and cash equivalents at the beginning of the period	162	173	151	143	191	191	173
Exchange rate differences	-0,1	-0,2	-1,7	0,4	1,2	-0,2	-0,3
Cash and cash equivalents at the end of the period	188	191	162	151	143	188	162

KEY PERFORMANCE INDICATORS

	Jan-March 2012	Jan-March 2011	Q4 2011	Q3 2011	Q2 2011	Trailing 12 mth	Full year 2011
Return on equity, %	5,4	4,8	5,2	5,4	5,2	21,2	20,6
Return on capital employed, % *	6,6	5,8	6,1	6,7	6,7	26,1	25,3
Return on total capital % *	4,8	4,3	4,2	5,0	4,8	18,8	18,3
Equity/assets ratio, %	63,7						63,3
Earnings per share outstanding, SEK	1,55	1,24	1,49	1,48	1,31	5,83	5,52
Earnings per share outstanding from continuing operations, SEK*	1,55	1,24	1,39	1,48	1,32	5,74	5,43
Earnings per total shares, SEK	1,55	1,24	1,49	1,48	1,31	5,83	5,52
Earnings per total shares from continuing operations, SEK*	1,55	1,24	1,38	1,48	1,32	5,73	5,42
Equity per total shares, SEK	29,48						27,95
Average number of shares outstanding (thousands)	23 107	23 169	23 147	23 169	23 169	23 148	23 164
Total average shares (thousands)	23 169	23 169	23 169	23 169	23 169	23 169	23 169
Operating margin, % *	11,6	10,6	10,4	12,3	10,6	11,2	10,9

* Marked KPIs apply to continuing operations. Comparative figures do not include discontinued operations.

Other KPIs apply for the total operations (including discontinued operations) when the Statement of Financial Position for the comparison periods, in accordance with IFRS 5, is not recalculated.

THE PARENT COMPANY'S PERFORMANCE AND FINANCIAL POSITION

CONDENSED INCOME STATEMENT OF THE PARENT COMPANY (SEK MILLION)

	Jan-March 2012	Jan-March 2011	Q4 2011	Q3 2011	Q2 2011	Trailing 12 mth	Full year 2011
Net sales	4,7	4,3	28	4,4	4,9	42	41
Operating costs	-10	-8,9	-8,3	-9,2	-11	-39	-38
Depreciation	-0,8	-0,7	-0,9	-0,8	-0,8	-3,2	-3,2
Operating profit/loss	-5,9	-5,3	18	-5,5	-7,3	-0,3	0,2
Income from investments in Group companies	0,0	0,0	119	0,0	12	132	132
Net financial income/expense	0,4	0,4	0,5	0,5	0,6	2,1	2,1
Profit/loss after financial items	-5,5	-4,9	138	-5,0	5,4	134	134
Appropriations	0,0	0,0	-32	0,0	0,0	-32	-32
Profit/loss before tax	-5,5	-4,9	106	-5,0	5,4	101	102
Tax	1,4	1,3	-29	1,2	1,8	-25	-25
Profit/loss for the period	-4,1	-3,6	76	-3,8	7,2	76	76

CONDENSED PARENT COMPANY BALANCE SHEET (SEK MILLION)

Assets	2012-03-31	2011-03-31	2011-12-31
Intangible fixed assets	12	3,5	10
Property, plant and equipment	21	20	22
Financial fixed assets	309	304	307
Total fixed assets	343	327	339
Current receivables	205	195	223
Cash and bank balances	126	121	102
Total current assets	331	316	325
Total assets	673	643	664
Equity and liabilities			
Equity	359	356	363
Untaxed reserves	130	98	130
Deferred tax liabilities	2,0	1,9	2,0
Non-current, non-interest-bearing liabilities	7,4	0,0	7,4
Total non-current liabilities	7,4	0,0	7,4
Current interest-bearing liabilities	0,0	0,0	0,0
Current non-interest-bearing liabilities	175	188	162
Total current liabilities	175	188	162
Total equity and liabilities	673	643	664
Pledged assets	7,5	7,5	7,5
Contingent liabilities	202	196	212

OEM is one of Europe's leading technology trading companies and consists of 24 operating units in 14 countries.

