

## **Substantial downsizing at NOTE's plant in Skellefteå**

**NOTE's largest customer in its Telecom segment has decided to stop producing part of its range, requiring a further downsizing at NOTE's plant in Skellefteå, northern Sweden. These measures will generate termination expenses and write-downs of some SEK 40 m. The settlement with the customer will bring additional liquidity of some SEK 40 m to NOTE.**

"Apart from the recession, we've faced a structural challenge during the year due to the succession of one major product of our largest customer in the Telecom segment. This fact has had a negative effect on volumes and profitability in our current business. We've reached a mutual understanding with the customer to stop manufacturing their product immediately.

The customer's decision to cease manufacturing has come earlier than expected, requiring further downsizing of NOTE's operation at Skellefteå. These measures will generate termination expenses and write-downs totalling some SEK 40 m. This cost will be charged fully to third-quarter profits.

The settlement we have now reached with the customer will bring additional liquidity of some SEK 40 m to NOTE, and in combination with positive cash flow from operations in the second and third quarters of the year, our indebtedness will reduce.

The scope of operations at Skellefteå has been downscaled in recent years, and at present, it has some 40 employees. Most of our labour-intensive sourcing and production services are now conducted at our units in Eastern Europe and China.

NOTE's sales of new assignments are progressing as planned. With previously reported and completed cost-cutting, the group's cost level has been reduced significantly. Taken together with the measures at Skellefteå, our judgment is that our running costs have been adapted to current demand," commented Knut Pogost, NOTE's CEO and President.

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### *About NOTE*

*NOTE's business concept is to deliver services in production and logistics for electronics-based products. NOTE has a presence in Sweden, Norway, Finland, the UK, Estonia, Lithuania, Poland and China. In 2008, net sales were SEK 1,710 m; the group has approximately 1,200 employees. For more information, go to [www.note.eu](http://www.note.eu)*