



PRESS INFORMATION FROM LGP

LGP is feeling the effects of a weaker telecom market. The market for LGP's products in Western Europe is distinguished by further caution and weak growth as a consequence. The shift to GSM continues to strengthen LGP's position in the North American market, although one of the larger customers has had a pause in its expansion. The market in Asia, on the other hand, is distinguished by continued growth. The Group has strengthened its position in its main segment, TMA systems.

The guarded attitude prevalent in the market at the beginning of the year has become more pronounced. Continued uncertainty regarding the rollout of 3G equipment, combined with further weakening in demand for 2G equipment, has meant slow growth as well as weak profitability for the LGP Group so far during the second quarter.

The economic slowdown in the telecom industry and delays in 3G deliveries are affecting LGP more than previously anticipated. The Board of Directors has therefore decided to abandon its previous full-year forecast, which called for sales in excess of MSEK 1 850 with a retained operating margin. Since the telecom market is marked by deteriorating visibility with respect to the second half of the year, LGP refrains from offering a new full-year forecast at this time.

Measures have been taken to strengthen the Group's profitability. One hundred and thirty employees covered by collective bargaining agreements and about twenty salaried employees have been terminated during the first and second quarter. All temporary personnel have been phased out and consulting contracts have suspended.

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Board of Directors

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LGP is a globally leading manufacturer of telecom products, which improve radio coverage, capacity and data transmission in mobile communication networks. The company is also one of the leading contract manufacturers of advanced telecom components in the Nordic region. LGP has strong resources in R&D, production and marketing & sales. The telecom product portfolio consists of Tower Mounted Amplifiers, Tower Mounted Boosters, Filters, Combiners, Indoor/Outdoor Antennas and various OEM Subsystems. The group has 800 employees. LGP's customers are global network operators and system suppliers within all systems and standards. LGP Telecom is listed on the Stockholm Stock Exchange.

For more information visit our web-site www.lgp.com