

## **PRESSRELEASE**

### **ALTHIN MEDICAL CONCENTRATES THE PRODUCTION OF DIALYZERS TO RONNEBY**

Althin Medical has today taken the decision to transfer all production of dialyzers from Miami, USA to Ronneby, Sweden.

As a result of the production transfer, more than 100 employees will be affected at the plant in USA. The Ronneby plant, which is totally automated, will hire around 15 persons in order to meet the corresponding production requirements. The reduction in manpower together with other synergies is estimated to give an annual cost reduction of SEK 35-40m as from year 2000.

The transfer cost, which is estimated to about SEK 35m, will be accounted for during the second half of 1999.

As a result of the transfer, about 50% of the total area of the facility in USA will be released, which gives Althin Medical an opportunity to sell the whole of or part of this facility. An independent appraisal of the facility in Miami Lakes is being performed right now. According to the company's judgement the market value of the whole facility is estimated to SEK 60-90m. Althin Medical's objective is to sell the facility during this year. After a sale of the whole facility within the given interval the net profit will come up to SEK 30-60m.

The decision, which implies that the whole production of dialyzers will take place in a new, totally automated plant in Ronneby, is in accordance with earlier announced strategy (Pressrelease 1998-09-08, Interim Report 1998-11-06, Interim Report 1999-05-11, Year-End Closing 1999-03-05) to focus production at the production unit, which will have the optimal prerequisite for each separate production line.

"With the transfer to Ronneby we take the last step in the efficiency process that started 1998. We will enter the new millennium with an efficient structure, a good product programme and a production specialized in two factories" says Althin Medical's Group President and CEO, Anders Althin.

The facility in Miami Lakes will continue to be responsible for development and production of cellulose membrane and the new polysulphone membrane. Since the first of Januari 1999, all development and production of dialysis machines will be focused at the facility in Miami Lakes. The plant in Ronneby is going to focus its production on dialyzers and Altracart products.

Interim Report for the first half of 1999 will be issued according to plan on 27<sup>th</sup> August 1999. Media- and analyst meeting will be arranged on the same day in Stockholm.

Althin Medical AB (publ.)

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*Althin Medical AB is an international medical technology group with its main business within the area of hemodialysis. The Althin Group's products are sold through a worldwide organization which covers approximately 70 countries using 13 of its own companies and around 50 distributors.*

For further information please contact Mr. Anders Althin, Group President and CEO or Mr. Thomas Nörby, CFO.

Anders Althin's phone number	0709-370 253
Thomas Nörby's phone number	0457-759 87

