



**PRESS RELEASE**  
**1 February 2006**  
**Stockholm**

## **Opcon's factory in China reaches full production, job cuts announced in Åmål**

SEM AB, a subsidiary of Opcon AB, today submitted notice to the authorities for the region of Västra Götaland concerning the termination of employment of nine employees employed on collective agreements on the SEM production line in Åmål.

The reason for the lay-offs is the planned reduction in production at Åmål due to increased production at Opcon's factory in China of small ignition systems for hand-held equipment. Statutory negotiations in accordance with Swedish laws have begun with trade union representatives at SEM and staff will be informed on Wednesday.

As planned, production of small ignition systems at Opcon's subsidiary in the Chinese district of Suzhou, Opcon Co., Ltd, has reached full pace this winter, and the number of employees at the factory is now 130. In coming months the remaining production of small ignition systems will be transferred from Åmål to China, which means that the factory in Åmål will be overstaffed. Production capacity in China can be further raised to meet increased demand.

"Our factory in China is now complete and we have developed and quality-assured production in close co-operation with customers. The process has mainly been as planned and we are satisfied with the results," says Svein Valheim, CEO of SEM AB and Opcon Co., Ltd.

The decision to begin production in China was taken in 2003. Construction started in 2004 and serial production began in 2005.

"We are now producing ignition systems in China at a very competitive cost, which gives us an opportunity to win market shares, take the long-term view and improve the stability of the business. That means we can also continue and intensify development of new technologically advanced ignition systems at SEM in Åmål. Adapting costs has been decisive for ensuring the future of the company, but of course it is never easy having to lay off staff at Åmål," says Svein Valheim.

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*Opcon is an industrial Group with activities in Sweden, the US and China. The Group comprises the parent company, Opcon AB, and eight subsidiaries - SEM, REAC, Svenska Rotor Maskiner (SRM), Lysholm Technologies, Opcon Autorotor, Laminova Production, Opcon Inc. and Opcon Co., Ltd. There are around 400 employees. The company is listed on the O-list of the Stockholm Stock Exchange.*