“*Shapers of new Industry structures* “

Hexagon Wireless creates a world class production structure

Moteco AB, one of the leading manufacturers of antennas for mobile handsets, has decided to concentrate its production to Asia and is, as a consequence, closing its plant in Ruda, Sweden.

Moteco has decided to make all employees, 84 operators and 34 staff, redundant at the facility in Ruda. Union negotiations regarding the closure will be initiated immediately.

The Prevailing market trend in the mobile hand set industry demands that suppliers are both flexible and cost efficient. Moteco has invested in automation equipment in its Swedish facility in order to meet these demands. Today the OEMs launch more hand set models with a shorter life cycle. That combination makes it very difficult to meet the requirements, as well as making a financially viable operation, having a fully automated production structure.

Moteco has, during the past years, operated factories in China and Malaysia.
The Outcome is satisfactory both from a financial, as well as, from a quality aspect.
Moteco has decided to increase the capacity in the Asian plants in order to cater for the volume increase derived from the Ruda closure.

When the restructuring is concluded Moteco will have production facilities in Malaysia, China and, at a latter stage, in Eastern Europe. Moteco will further develop its application centres in Kalmar (Sweden), United States and Singapore as well as its R & D facility in Lund (Sweden).

” We will have a very strong position in this market after implementing the relocation plan. The Market trend is clear – the vast majority of all sold handsets will be manufactured in Asia in the years to come. With our plants in Malaysia and China and our application centre in Singapore we are well positioned to fulfil our customers needs and demands.”
Says Mr Morten Smedstad, President of Hexagon Wireless.

A Restructuring reserve, amounting to 60 Msek, out of which 20 Msek has a cash flow impact, is going to be charged to the fourth quarter of the fiscal year 2000. The Cost savings are estimated to app. 45 Msek per annum, out of which 30 Msek is cash flow enhancing.
The Programme is estimated be fully implemented as of the fourth quarter 2001.

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