

# PRESS RELEASE

Stockholm, March 25, 2010

## **Niscayah Group AB (publ.) implements efficiency enhancement program – closes unprofitable local offices**

*Niscayah Group AB (publ.) has decided to implement an extensive efficiency enhancement program in order to reduce costs, increase the centralization within the countries and thereby raise efficiency in the company. The program will deliver annual cost savings of approximately SEK 180m from 2011. Niscayah has also concluded an agreement regarding divestment of the unprofitable operations in Hong Kong.*

The general market climate is expected to continue to be weak during 2010, particularly within implementation. In order to reduce costs, increase the centralization within the countries and thereby raise efficiency in the company, Niscayah has decided to implement an additional efficiency enhancement program, primarily in relation to the operations in Mainland Europe. The program will deliver annual savings of approximately SEK 180m with full effect from the first quarter 2011. Restructuring costs related to the program amount to approximately SEK 200m, and are charged to results for the first quarter 2010.

"We have identified a series of measures in order to further centralize operations within the countries, strengthen our competitiveness and improve our offer. The program should be seen partly as an important element in aligning the company to a continued difficult market situation, and partly as a general way of raising efficiency and refining our customer offer", says Niscayah's newly appointed President and CEO, Håkan Kirstein.

The efficiency enhancing measures include:

- Reduction of the work force by approximately 350 people.
- Closure of a number of unprofitable local offices.
- Centralization of the operations within the countries.
- Clearer focus on and segmentation of the customer offer and increased activity within the sales force.

In addition, Niscayah has concluded an agreement regarding divestment of Niscayah Hong Kong Ltd. The operations comprise installation and service of security systems and have 12 employees. Sales amounted to approximately SEK 10m in 2009, which was a negative result for the year. The purchase price is paid in cash. The transaction is expected to have a marginally positive effect on Niscayah's earnings per share. The purchaser is ASC (HK) Ltd., one of the leading integration companies within security in Hong Kong.

"Niscayah has been established in Hong Kong during some years but has not reached the size required to achieve satisfactory profitability. The divestment means that we can now have a clearer focus on our operations in Europe and North America", says Niscayah's newly appointed President and CEO, Håkan Kirstein.



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This press release is also available on Niscayah's home page:

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*Niscayah Group AB discloses the information provided herein pursuant to the Securities Markets Act and/or the Swedish Financial Instruments Trading Act. This information was submitted for publication at CET 08.30 a.m. on March 25, 2010.*