

Semcon acquires the German company IVM Automotive

Semcon is making its biggest acquisition to date by purchasing 100 per cent of the technology consultancy company IVM Automotive, which has sales of around EUR 92 million. IVM's business is run from six sites in Germany plus Spain and Brazil. The acquisition means that Semcon strengthens its position as a leading development partner to the international automotive industry and expands its workforce by 850.

Through this acquisition Semcon will become one of the three biggest European suppliers of development services to the automotive industry, and achieve a number of strategic milestones:

- International expansion, improved market position and greater size
- One of three prioritised suppliers to OEMs (Original Equipment Manufacturers) such as Audi, BMW, GM, Volvo Cars and VW.
- Strengthened, supplemented, international customer base with growth potential

"This international expansion is completely in line with Semcon's strategy. While meeting the demands for an international presence we are strengthening our offer to the automotive industry. We are also seeing more business opportunities in our other areas thanks to the excellent customer base, mainly at Informatic, which works with aftermarket information, but also in other sectors," says Semcon's CEO, Henrik Sund.

"IVM has a comprehensive customer base and works with many of the industry's leading brands, such as Audi, BMW, Daimler Chrysler, Opel and VW, which supplements our customer base well, consisting of GM, Scania, Volvo Cars and Volvo Trucks. IVM's vast experience of complete automotive development projects, from concept to production, strengthens and supplements Semcon in many ways. The automotive industry is currently seeing large-scale development projects with major requirements for new models and platforms. We now have even greater possibilities to be part of the considerable development assignments that companies are outsourcing," says Stefan Ohlsson, Senior Vice President Semcon Automotive R&D (a part of Design & Development).

"As part of our efforts at focusing on our core business, the Edscha Group has decided to sell IVM Automotive. It's important for us at IVM Automotive to have an owner with long-term intentions and that suits our current business. Semcon is the best and most strategic choice," says Edscha Group's CEO Dr. Manfred Puhlmann.

Semcon has signed an agreement to acquire IVM from the Edscha Group, a subcontractor to the automotive industry. It has owned the company since 2002. The acquisition means that Semcon and IVM's pro forma combined sales for 2006 would have been around EUR 265 million with a total of 2,650 employees. The purchase price will be slightly over EUR 36 million. The aim is that the acquisition will be partly financed through a smaller share issue. The takeover will go through on 1 April 2007.

IVM

IVM is a leading design and development partner to the automobile industry in Europe with sales of around EUR 92 million. IVM has 850 employees at six sites in Germany and business in Spain and Brazil. Customers include leading automobile manufacturers and their system manufacturers, with IVM's German business strategically located in Munich, Stuttgart, Ingolstadt, Rüsselsheim, Wolfsburg and Bad Friedrichshall.

Semcon is 1800 committed people with a passion for product development, technical information and IT. Today Semcon is active in Sweden, Australia, China, Germany, Hungary, Malaysia, Norway and the UK and via partners in Belgium, France, Portugal and Spain. Semcon had sales of SEK 1.6 billion in 2006 and is listed on the Small Cap list of the Stockholm Stock Exchange.

Teleconference, 12 March 2007

Semcon's CEO, Henrik Sund and Senior Vice President Semcon Automotive R&D, Stefan Ohlsson will hold a teleconference today at 10 a.m. in Swedish. Journalists and professionals on the capital market are invited. Please link up five minutes before the specified time by calling +46 8 619 75 95 and state the code 638344#. An equivalent conference will be held in English at 4 p.m.

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