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Major order worth SEK 100 million to Opcon's subsidiary, SEM AB

SEM AB has signed an agreement lasting several years with Husqvarna, one of the world's leading producers of forest and garden products. The agreement means that SEM AB will supply most of Husqvarna's requirements for ignition systems. The agreement is worth a total of SEK 100 million and will lead to the creation of around 25 new jobs at the SEM factory in Åmål, central Sweden. "This agreement is strategically important for the Group because it will help us to reach our growth targets. It also reinforces SEM AB's position as a world-leading manufacturer of professional ignition systems," comments Sven G Oskarsson, CEO of Opcon AB.

SEM AB, the largest subsidiary of the quoted Opcon AB, develops and manufactures ignition systems and engine management systems for all types of combustion engine. SEM AB is today a leading manufacturer of ignition systems featuring the unique ion-sense technology that is used, for example, in all of Saab's petrol engines.

The company is also a world leader in ignition systems for small engines used in chainsaws and other hand-held equipment. The new agreement with Husqvarna further strengthens the company's position in this field.

"The agreement is important because it shows that a Swedish supplier is competitive in this area and it boosts our chances of securing more orders," explains Lars-Olof Ottosson, Managing Director of SEM AB.

The agreement means that SEM AB's sales will increase by SEK 25 million per year.

Considerable investment will be needed in machinery and production equipment to match the production increase that will be required. This will raise capacity at the Åmål factory and further strengthen the company's position in its markets.

SEM AB currently has 180 employees. New recruitment will be required to meet the increase in production.

"We will need to increase our work force by around 25 people next year," says Lars-Olof Ottosson.

Recruitment will begin this year and the local employment service office in Åmål will assist with training.

The new agreement runs until the end of 2004. SEM AB will also supply future technology to Husqvarna.

"We see Husqvarna as a very important partner for the future in terms of technological development. Together, we will be able to develop products that will meet the stricter environmental standards that will be set for this type of engine," explains Lars-Olof Ottosson. In recent years SEM AB has invested heavily in the development of new ignition systems for the kind of small engine used in a chain saw. Today, SEM AB is a supplier to most European manufacturers of small engines. Product development has been intensive in order to meet new environmental legislation regarding emissions. The company has focused on development projects that aim to measure and control the emissions generated from the combustion process. Overall the intention is to reduce emissions. SEM AB is a leader in the development and manufacture of products that use ion sense technology as a means of measuring combustion quality.