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New order worth SEK 40 million for Opcon's subsidiary, SEM AB

Opcon's subsidiary, SEM AB, has received an order worth around SEK 40 million from the German company, Stihl. The order is for ignition systems for chainsaws sold on the US market.

"In a short space of time SEM AB has now signed two large agreements with strategically important customers in the forest and garden sector, Husqvarna and Stihl. It means that we are carrying out our promise to win bigger volumes by increasing our market share," says Sven G. Oskarsson, CEO of Opcon AB.

The agreement means an annual sales increase of around SEK 45 million, a climb of 30%.

SEM AB, the largest subsidiary of Opcon AB, which is listed on the Stockholm exchange, develops and manufactures ignition systems and engine management systems for all types of combustion engine. SEM AB is a leading manufacturer of ignition systems featuring the unique ion sense technology. This technology is used for ignition cassettes in all of Saab's petrol engines.

"This agreement with Stihl means a large increase in volumes and strengthens our position as a manufacturer of ignition systems for small engines," says Lars-Olof Ottosson, CEO of SEM AB.

The new order means that further recruitment will be necessary at the SEM plant in Åmål, Sweden, where around 180 employees currently work. The recent order signed with Husqvarna means that around 20 new jobs must be filled.

"It is too early to say exactly how many new jobs will be created by the Stihl order," says Lars-Olof Ottosson.

It is expected that the increase in production will be largely met using existing equipment.

"However, product-specific investment will also be necessary," says Lars-Olof Ottosson.

Production will begin in January and the first deliveries of ignition systems to the US market will take place in March.

In recent years SEM AB has invested heavily in the development of new ignition systems for small engines used in chain saws and is today a supplier to most European manufacturers. 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.

The German company, Stihl, is today one of the world's largest manufacturers of motorised hand-held equipment such as chainsaws and clearing saws. The Group has around 6,300 employees throughout the world and had sales turnover of DM 2.2 billion in 1999.

Sihl website: www.stihl.de

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Opcon's business concept is to develop, manufacture and market systems and products that help to generate clean and environment-friendly power. The Group's products are used in ignition systems and engine management systems, electro-mechanical devices, compressors and transformers. The Group's customers are mainly in the auto, small engine and engineering industries.

The Opcon Group has around 340 employees and has its head office in Åmål, Sweden. Opcon AB has been listed on the O list of the Stockholm Stock Exchange since 1998.

