

Semcon to reduce headcount by 300 in Göteborg

Volvo Cars has decided not to extend assignments for slightly over 200 consultants from Semcon. This new information coupled with the previous decision received by Semcon on 8 October, that just over 100 consultants were being released, means that the chances of finding new assignments in the region are small. The company has therefore decided to reduce the headcount in Göteborg by 300 people.

“We are now seeing the effects of the serious economic situation Volvo Cars finds itself in, which means that it is now also reducing its investments in development. We’re acting to adapt our business to the declining demand in the Göteborg region in the automotive sector,” says Kjell Nilsson, CEO of Semcon AB.

MBL (Codetermination Act) negotiations with the union organizations will start shortly. Our ambition is to make this process as short as possible and we are working in tandem to try and find new assignments with new and current customers in the manufacturing, offshore, medtech, pharmaceutical and energy sectors.

Semcon had nearly 40% of its business outside Sweden at the end of the third quarter. Something that will increase and where there are possibilities to offer Swedish engineers front-office and back-office positions aimed at finding new assignments in the Göteborg region. Demand in the automotive sector from a global perspective is good and Semcon has signed several new deals over the past month.

The effect of the new assignments that will not be extended during the year and the settlement costs will burden results for Q4 by around SEK 40 million before tax. The reduced order volume from Volvo Cars in total corresponds to sales of around SEK 250 million on an annual basis.

For more information please contact:

Kjell Nilsson, CEO, Semcon AB, +46 (0)702 60 01 21

Björn Strömberg, CFO, Semcon AB +46 (0)708 35 44 80

Anders Atterling, IR Manager, Semcon AB, +46 (0)704 47 28 19

This information is such that Semcon AB must publish according to laws governing the securities market and/or laws governing trading in financial instruments. This information was published at 9.00 a.m. on 4 November 2008.

Semcon is a global engineering services company with sites at 40 locations on three continents. The Group works with product development and information solutions and is organized into three business areas: Automotive R&D, Design & Development and Informatic. The Group has around 3,600 employees and had annual sales of SEK 3.3 billion pro forma in 2007. Semcon's shares are listed on the OMX Nordic Exchange Stockholm under the SEMC ticker.