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Press release  
2009-08-24

## **FAGERHULT INITIATE NEGOTIATIONS WITH TRADE UNIONS WITH THE INTENT OF CLOSING PRODUCTION UNITS IN BORÅS AND FALKENBERG**

The lighting group Fagerhult today initiated co-determination negotiations with trade union representatives in Borås and Falkenberg with the intent of closing down the production units in the two cities. Following the completion of the negotiations, a boardroom decision on a closure of the units is anticipated late September.

The Borås unit currently has a staff of 54, of which 17 are white collar workers. The number of staff at the Falkenberg unit is 61, of which 16 are white collar workers.

We will seek to close the two plants due to over-capacity, which in turn is an effect of the current recession that has resulted in a shrinking number of orders.

In addition, Fagerhult has made considerable investments in new production technology. This allows us to increase productivity at the Habo and Åhus production units, which will be taking over most of the manufacturing from the Borås and Falkenberg units. A small part of the production will be moved to the Group's unit in Suzhou, China.

Expressing his concern, Fagerhult's CEO Johan Hjertonsson said:

"Decreasing demand due to the current recession forces us to take action. We need to be efficient at all times, and that unfortunately implies having to close down plants.

I understand our employees' concern; but we feel it's important to be transparent about the co-determination negotiations to avoid rumours and speculation.

We will of course be taking all measures possible to support those who are affected by the closures. We will be working closely with the trade union representatives and local officials in both Borås and Falkenberg."

Shutting down the plants in Borås and Falkenberg would take approximately 6 months following completed co-determination negotiations and would lower the Group's costs by approximately SEK 40 million annually. The closing-down cost would amount to SEK 30 million and would affect third quarter earnings 2009.

For further information, please contact Johan Hjertonsson, CEO, Phone number +46 (0)36 10 87 06 or Mobile number +46 (0)70 229 77 93

Habo 24 August 2009

Press conferences will be held today 24 August at 14.00 in Borås at Elenco Lighting AB, Almenäsvägen 18 and in Falkenberg at Hotel Strandbaden, Havsbadallén.

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*The Fagerhult Group with 2,000 employees is the largest lighting group in the Nordic region and a leading force in Europe. We develop, manufacture and market professional lighting systems for public environments. The group has sales companies in Sweden, Norway, Denmark, Finland, United Kingdom, Ireland, the Netherlands, France, Belgium, Spain, Germany, Austria, Estonia, Poland, Russia, Dubai, Australia and China. Production facilities are located in Habo, Falkenberg, Borås and Åhus in Sweden, Manchester in England, Melbourne in Australia and in Suzhou, China. The group, which includes Fagerhults Belysning, Ateljé Lyktan, Fagerhult Retail, Elenco, Eagle Lighting, Project Lighting and Whitcroft Lighting, has a turnover of SEK 2,800 million. AB Fagerhult is quoted on the Nasdaq OMX Nordic Exchange in Stockholm, Mid Cap.*