
Press release
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FAGERHULT HAS INITIATED TRADE UNION NEGOTIATIONS WITH INTENTION TO CLOSE THE PRODUCTION UNIT IN ÖRNSKÖLDSVIK

The Swedish lighting company Fagerhult, listed on the Stockholm stock exchange, today announced that negotiations have been initiated with the trade union representatives, with the intention to close the production unit in Örnköldsvik. A final decision regarding closing down the unit is expected at the next board meeting on 13 December, when the negotiations are presumed to be concluded.

The unit today employs 128 people, of who 105 work with the production of Fagerhult's lighting fittings. The main part of the production will be moved to the company's other units in Sweden, where considerable investments have been made in a new, efficient production system. Fagerhult will also use its factory in China and outsourcing elsewhere to continue its international expansion.

"This is of course a very difficult decision to take, but in order to secure the company's future competitiveness, we have to become more efficient", commented Per Borgvall, CEO and President of Fagerhult.

"I have a complete understanding that the employees feel worried about this situation, but we have decided to inform about the negotiations with the trade unions straight away, in order to avoid rumours and speculations."

"We will of course do our utmost to help everyone who is affected by the closure. This will be done in close consultation with both the representatives from the trade unions and the local authorities in Örnköldsvik."

By closing down the unit in Örnköldsvik, Fagerhult expects to get an annual profit improvement of about SEK 15 million from 2008. The costs connected with the closure are expected to be about SEK 20 million, and will affect the result of the fourth quarter 2006.

Habo, 6 November 2006

For more information, please contact

Per Borgvall, CEO
Phone +46 36 10 87 06
Mobile +46 (0)70 655 45 44

The Fagerhult Group with approximately 1,600 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 as well as offering a range of decorative lighting. The group has sales companies in Sweden, Norway, Denmark, Finland, United Kingdom, the Netherlands, Germany, Estonia, Russia and China. Production facilities are located in Habo, Örnköldsvik, Varberg, Falkenberg, Borås and Åhus in Sweden, Manchester in England and in Suzhou, China. The group, which includes Fagerhults Belysning, Ateljé Lyktan, Belid, Fagerhult Retail, LampGustaf interior, Elenco and Whitecroft Lighting, has a turnover of SEK 2,000 million. AB Fagerhult is quoted on the Nordic Exchange in Stockholm, Mid Cap-list.