



International Automotive Components

For Immediate Release

International Automotive Components announces restructuring in Sweden

Gothenburg, September 1, 2008

IAC Group gives notice to 280 employees in Sweden

Due to a decline in orders, IAC Group, with approximately 1,700 employees in Färgelanda, Gothenburg, Skara, Tidaholm and Trollhättan has been forced to leave notices of dismissal. Negotiations with union representatives will begin immediately. Approximately 280 people will be affected.

"We've seen a significant decline in new orders, and have therefore decided to take immediate action. Unfortunately, we have no resort but to suggest considerable savings measures, involving personnel cuts within all of our Swedish units", said Marcus Nyman, Vice President of IAC Group Sweden.

The proposal presented is a part of an action plan for managing the shrinking number of new orders and creating conditions to meet the market's increased demand for cost reductions. The background to the decline of new orders is primarily the strong reduction of auto sales in the USA and Europe; this has had major consequences for IAC's customers on the passenger auto side in Sweden. Added to this is the general economic situation, which in Sweden has worsened at a more rapid pace than anticipated.

The long-range purpose of the proposed measures is to ensure employment within IAC's Swedish operations. If the market does not stabilise, however, further personnel cuts may be necessary – and in that case there may be a risk of drastic cuts.

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”If such a situation occurs job losses at existing sites will not be sufficient and structural review including location closures would be necessary”, according to Marcus Nyman.

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