



GROUP

PRESS RELEASE
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Ovako is reducing its workforce – some 200 employees affected

Ovako will reduce its workforce by some 200 positions in order to improve efficiency and reduce costs. Notices of redundancy are today being issued to 134 employees at Hofors. Another 70 positions will be eliminated through rationalisation at the group's production sites in Sweden and Finland.

To align the organisation to the current economic situation, Ovako is today issuing notice of redundancy to 134 employees at the production site in Hofors.

Since the autumn of 2011, Ovako has a programme to streamline its operations. This programme is now being intensified, and over the next six months approximately 70 positions will be eliminated through rationalisation. Further initiatives to reduce other costs will also be implemented. All of Ovako's production sites in Sweden and Finland will be affected by the program.

“Our goal is to continue to build a strong and effective organisation. At the same time, we must adjust to the fact that it may be a long time before there is a recovery in the economy,” says Tom Erixon, President and CEO Ovako.

Annual cost savings from these measures will amount to approximately EUR 10 million.

Ovako's investments and engagements in new markets will continue as planned.

Further information can be obtained from:

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Ovako is a leading European producer of engineering steel for customers in the bearing, transportation and engineering industries. Our production covers low-alloy steels and carbon steels in the form of bars, tubes, rings and pre-components. The company has production plants in 11 locations and several sales companies in Europe and the USA. Net sales in 2011 were EUR 1,121 million and the number of employees was 3,239. Total steel production capacity is 1.3 million tonnes per year.