

## **Press Release**

### **Pioneer focus on car electronics and audio products**

**Stoke Poges, 12 February 2009. – The economic crisis forces electronics manufacturer Pioneer to make a number of radical decisions. Pioneer will realign its business portfolio and streamline its business structure for the group as a whole. Through these restructuring measures Pioneer is determined to restore its profitability.**

Pioneer has been implementing restructuring measures to improve profitability since 2008 such as termination of plasma display panel production (including the plants in UK and US), implementing early retirement programs and streamlining its overseas sales structures.

Pioneer reduced its consolidated workforce by approximately 5.900 employees from March 31, 2008 to roughly 36.900 employees as of December 31, 2008. However, Pioneer has been significantly affected by dramatic changes in economic conditions. Pioneer is now forecasting a record net loss for fiscal 2009.

Accordingly Pioneer will implement further business restructuring measures.

In the Home Electronics business Pioneer will continue to develop home audio products as well as DJ equipment and will focus on its specialisation in sound. In the optical disk business Pioneer is looking closely at a possible joint venture. On the other hand, Pioneer will withdraw from the display business by March 2010, but the company will continue to honour warranties and after-sales services.

Pioneer aims to transform itself into an enterprise centred on the Car Electronics business and is determined to become a leader that revolutionises the world of Car Electronics.

Pioneer will take actions to bolster its operating structure and improve profitability by streamlining its business structure for the group as a whole. Pioneer will integrate its network of production facilities in Japan and overseas. This will lead to a downsizing of its production facilities by 30%. Regarding the sales structure Pioneer will also downsize its sales force in view of the restructuring measures in Home Electronics business. In addition, Pioneer plans to review administrative and R&D functions to reduce their scale in line with the new business structure.

This streamlining will lead to a global workforce reduction of approximately 6.000 employees and 4.000 temporary staff.

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**About Pioneer GB Limited**

Pioneer GB Limited is a subsidiary of Pioneer Europe N.V. The group has two divisions: Car Electronics and Home Electronics. The company's European headquarters are in Melsele (Belgium).

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