

Press Release

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Settlement at Voith Paper Negotiation Partners Settle for Reconciliation of Interests

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In conclusion of their discussions about the restructuring measures at Voith Paper, the chief negotiators of Voith Paper and the relevant Workers' Council Committees have settled for a reconciliation of interests on September 11, 2012.

In May 2012, Voith Paper had announced restructuring measures due to a structurally induced ongoing decline in sales in the field of graphic paper machines.

According to the reconciliation of interests both sides have agreed upon that about 50 jobs less than the initially intended figure will be cut at Voith Paper in Germany and Austria. This is a total of 670 rather than the initial 710. This means that 317 job cuts will affect the location Heidenheim. At the location Ravensburg, 218 jobs will be cut, while Krefeld cuts down on 66 jobs and St. Poelten in Austria on 69 jobs.

Regarding the implementation of these adaptive measures, the negotiation partners have agreed on the following key points:

- It is still the declared goal to introduce all measures in the most socially acceptable way and, wherever possible, avoid forced redundancies. If forced redundancies really are inevitable, they will, at the earliest, come into effect at the end of 2013. This does not affect the existing operational rules in Heidenheim and Krefeld.

- The existing Centers of Competency including Automation at all German Voith Paper locations and in St. Poelten/Austria will remain there until the end of 2015.
- Voith will establish a training corporation at the location Ravensburg. Employees will be offered severance payments, combined with the option of changing into this training corporation.
- The location Ravensburg will continue to operate maintenance and manufacturing services on a small scale.
- The R & D facilities in Ravensburg and Krefeld will remain at their locations.

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"The negotiations were highly challenging yet constructive for all concerned," said Voith chief negotiator Dr. Antti Kaunonen, Member of the Group Division Board of Voith Paper and President-designate Region Europe. "We are satisfied with the result, even if we have reached the absolute limits in some points, in order to achieve a mutually agreeable solution. We said right from the beginning that, despite the difficult economic situation in the field of graphic paper machines, we want to act in a fair and sensitive way according to our Voith values and want to keep as many jobs as possible in this segment. The reconciliation of interests demonstrates that we kept our word," said Kaunonen.

This concluding settlement paves the way for the reorganization of Voith Paper as of October 1, 2012. The company will provide further information on the results of the reorganization in the next few weeks.

Voith sets standards in the markets energy, oil & gas, paper, raw materials, transport & automotive. Founded in 1867, Voith employs more than 40,000 people, generates €5.6 billion in sales, operates in around 50 countries around the world and is now one of the biggest family-owned companies in Europe.

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