

## Agreement for restructuring at ebm-papst St. Georgen – Preserving jobs in focus

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The ebm-papst Managing Directors and staff representatives have agreed on essential points for a reconciliation of interests and social plan in the course of restructuring measures at ebm-papst St. Georgen GmbH & Co. KG.

These measures follow from the dramatic slump of the world economy with a large drop in orders in the market segments served by that location: the automotive industry, mechanical engineering and the IT and telecommunications industries.

The agreement of the parties essentially comprises a reduction of the working hours of all employees to 33.5 hours per week without wage compensation. Furthermore, selected people will be registered for "Short-time work 0", which will be reviewed with regard to economical considerations by the deadline of 31 March 2010. Already since April 2009, about 50 temporary workers and fixed-term contract employees have not been replaced. These measures enabled the immediate elimination of what had been 250 positions in St. Georgen and Herbolzheim to be prevented.

"In constructive negotiations, we succeeded in achieving a workable solution for all involved and in cancelling the planned job cuts for now," said Dirk Schallock, Managing Director of ebm-papst St. Georgen. "The agreement that was made is an important prerequisite for re-establishing the company's ability to compete and thrive in the future," said Schallock.

The subsidiary belonging to the Mulfingen-based ebm-papst Group with a production plant in Herbolzheim expects a turnover of about 200 million EUR in the current fiscal year. Since earlier internal projections had forecast this year's turnover to be 300 million EUR, restructuring measures with cost savings in the personnel area were unavoidable.

"I am convinced that we can achieve necessary cost effects with the measures agreed upon and succeed in making ebm-papst St. Georgen fit again for the long-term future," said Hans-Jochen Beilke, Chairman of the Board of Managing Directors of the ebm-papst Group, regarding the agreement on the reconciliation of interests and social plan. "Initial signals indicate that we could detect a slight improvement in the fourth quarter," the corporate leader related. Years will pass, however, before the company achieves the formerly targeted sales volume.

At the headquarters in Mulfingen and the Bavarian subsidiary in Landshut, there are currently no plans for personnel adjustments. Due to the demand for energy-

saving fans and motors, ebm-papst is optimistic that it can bridge the global economic crisis with the currently implemented short-time work.