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Zumtobel Group AG: Zumtobel Group planning to close production plant in Usingen, Germany

Dornbirn, Austria (pta014/28.04.2016/09:10) - The Zumtobel Group is planning to close its production plant in Usingen, Germany, on 31 August 2016. From the outset, the Group is involving the employee representatives in this process. The primary concern is to find socially responsible solutions for the 156 employees who will be affected by the closure. Several months ago, the Zumtobel Group initiated a search for a strategic partner for the plant, which has excess production capacity, with the aim of leveraging synergies and economies of scale. Although this search led to intensive negotiations with several interested parties, in the end no agreement could be reached.

Along with the unsatisfactory uptake of capacity at the plant, other reasons for today's decision include the above-average indirect production costs and the low strategic relevance of the "Medicals" portfolio produced in Usingen, which does not form part of the Group's core business. Not least in the light of the total worldwide production capacity of the Zumtobel Group, the continued operation of the Usingen plant under Group ownership does not represent an economically viable alternative. Against this backdrop, by agreement with the Executive Board and the Supervisory Board of the Zumtobel Group, the management of Zumtobel Lighting GmbH has decided to initiate talks with the employee representatives regarding plans to close the production plant. The objective of these discussions is to identify mutually acceptable and socially responsible solutions for the affected employees.

In the course of the planned closure of the Usingen plant, the Zumtobel Group is also planning to take its Medicals product portfolio off the market. Outstanding customer orders will still be filled. All other products made in Usingen - free-standing luminaires, suspended luminaires and tracks - will remain part of the portfolio. Going forward, they will mainly be produced at Group's plants in Dornbirn (Austria) and Lemgo (Germany).

The planned closure of the production plant in Usingen is part of a larger ongoing effort by the Zumtobel Group to reduce the number of plants under its ownership, with the aim of optimising the capacity uptake and boosting the competitiveness of its global production network. In this context, in the past two years the Zumtobel Group has already closed down production sites in Landskrona (Sweden), Ennenda (Switzerland) and Tianjin (China), and sold off plants in Innsbruck (Austria) and Auckland (New Zealand).

Including the planned closure of the production plant in Usingen, the restructuring expenses of the Zumtobel Group for the entire 2015/16 financial year now total approximately EUR 35 million.

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