Polimex-Mostostal continues to implement the restructuring program

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Polimex-Mostostal is continuing its restructuring program.

The reduction of the number of posts is one of its components having significant impact on the reduction of fixed costs. Since August 2012, employment in the Company has been reduced by 2.3 thousand persons. This resulted in PLN 120 million annual savings.

- Through the restructuring program Polimex-Mostostal is planning to reduce costs by at least PLN 300 million in 2013-2015. The Company has been continuing to implement a recovery program involving, among others, the necessary, further reductions of operating costs and matching internal regulations with the current economic situation of the Company and its new organizational structure – Paweł Szymaniak, the Spokesman of Polimex-Mostostal informs

- For this reason, it was necessary to terminate the Collective Labor Agreement, which took place on 2 April. Termination of the current Collective Labor Agreement allows the use of more flexible forms of remuneration, adjusted to market conditions. The current Collective Labor Agreement will remain in force until 31 October. The Board of Directors declares readiness to begin negotiations with the trade unions on the conclusion of a new Collective Labor Agreement or the rules of remuneration arrangements – Szymaniak adds.

In recent months, in the Company, other significant changes has been introduced such as aiming at improving risk management procedures and increasing the transparency of the company. A fundamental change in the organizational structure from a multi-division one to a new one containing five main business segments has also taken place.

The new structure allows the company to operate more efficiently, flexibly respond to changing market conditions and focus on promising areas of activity, with particular emphasis on the energy sector.

Polimex-Mostostal simultaneously sells assets not related to the core business.

- Assets that do not fall within the core business of the Company, which is the construction industry, have been selected to be sold. The sales of Sefako and Energomontaz-Północ Gdynia - including the real estate in the port of Gdynia - have already been closed. Highlander Partners Fund acquired ZREW division manufacturing transformers in Lodz. The sale of the Transport Division in Siedlce is being finalized. Total proceeds from these transactions are estimated at PLN 200 million, of which a significant proportion has already been received. Negotiations with potential buyers of galvanizing plants in Dębica and Częstochowa are already being finalized as well - the Spokesman adds.

Polimex-Mostostal also put on sale more than 50 real estates, the significant developer potential of which is their common feature. The first transactions are to be completed in the second quarter this year.

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