

PRESS RELEASE
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Frauenthal Group

Acquisition of Mahle Motorenkomponenten GmbH completed

- **Entry into powertrain segment with takeover of two plants in Germany**
- **Additional revenue of around EUR 125 million**
- **Further upgrades of both facilities planned**

The Frauenthal Group has completed the full acquisition of Mahle Motorenkomponenten GmbH. Frauenthal signed the related agreements with Stuttgart-based Mahle GmbH, one of the world's leading suppliers to the automotive industry, on 30 January 2017. The transaction was concluded on 31 March 2017 following approval by the competition authorities. The Group has acquired two long-established plants, in Plettenberg (North Rhine-Westphalia) and Rosswein (Saxony), which have a total of 640 employees and in 2016 generated combined revenue of about EUR 125 million. The plants develop and produce forged parts for high load-bearing applications, such as connecting rods, camshafts and distributor boards for the passenger and commercial vehicle industries. Mahle is the market and technology leader in Europe, with a market share of over 30%. Dieter Spitzlay, CEO of Frauenthal Powertrain and formerly the manager of both plants, commented: "Our position as an important part of the Frauenthal Group will open up new opportunities for both locations. We are in a position to enhance our strategy, generate additional growth and deepen the value chain."

New powertrain business

For the Frauenthal Group, the acquisition of such a firmly established company represents a unique opportunity to expand into the powertrain segment, which is highly attractive from a technological perspective. Martin Sailer, Frauenthal Holding Executive Board member in charge of the Frauenthal Automotive Division, explained: "We want to achieve growth at both locations. Our aims are to acquire additional customers, develop new products outside the engine component segment and enter the mechanical processing business." Besides the two new factories in Germany, Frauenthal Automotive also has a production plant in Elterlein in Saxony, which has become one of the world's leading and most advanced manufacturers of airtanks as a result of investment of around EUR 10 million between 2012 and 2016.

Strengthening the automotive business

The acquisition marks a significant step in the expansion of the Frauenthal Automotive Division, in line with the goal of creating a strategic supplier to Europe's top vehicle producers. The newly acquired product group will raise Frauenthal Automotive's share of the passenger vehicle market to well over 40%, and reduce its dependence on the volatile commercial vehicle industry. The acquisition will bring Frauenthal Automotive's total annual revenue to around EUR 300 million.

About the Frauenthal Group

The Vienna-listed Frauenthal Group is a diversified group consisting of two business divisions: Frauenthal Automotive and Frauenthal Trade. Frauenthal Automotive is the market and technology leader in the European commercial and passenger vehicle industry, as well as a leading development partner. It produces stamped and welded metal parts (Gnotec), airtanks and U-bolts, and has a total of eleven plants in Europe and China. In 2015 the Frauenthal Group reported revenue of around EUR 791 million and employed an average of 3,121 people.

www.frauenthal.at

About Mahle

Mahle is one of the world's top development partners and suppliers for the automotive industry. The company's product portfolio includes components for combustion engines, engine-related components and solutions for electric vehicles, covering the full range of powertrain and climate control technology applications – from engine systems and engine components to filtration and thermal management. Mahle components are used in at least half of all vehicles worldwide. The company's components and systems also have non-automotive applications, including stationary use, mobile machinery, ships, planes and trains.

The group had around 76,000 employees and generated revenue of about EUR 11.5 billion in 2015. It has over 170 production sites in 34 countries. Some 6,000 development engineers and technicians create innovative solutions for future mobility applications at a total of 15 major development facilities in Germany, the UK, Luxembourg, Slovenia, the USA, Brazil, Japan, China and India.

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