Press Releases

PREH AND JOYSON AUTOMOTIVE SHOW DYNAMIC GROWTH IN EVERY MARKET

Bad Neustadt, Germany/NOVI, Mich., U.S. – In only its first jointly consolidated fiscal year, the Chinese-German partnership between the Joyson Group (Ningbo, China), and Preh GmbH (Bad Neustadt, Germany) has proven itself with double-digit gains.

After Preh's incorporation into the exchange-listed Ningbo Joyson Electronics, the entire Joyson Group has demonstrated dynamic growth. As the largest business area within the Joyson Electronics Group, the Preh Automotive Electronics unit shows a revenue increase in 2012 of 12% to €462 million, compared to €412 million in 2011.

This growth resulted from positive business performance in all three relevant markets in Europe, North America and China.

Preh's income thus continues upward: operating earnings before interest and taxes (EBIT) rose from €27.8 million to €29.8 million, a 7.2% increase compared to the previous year. The number of employees at Preh rose by 14% to 3,210 employees by the end of 2012 (2011: 2,820). Preh's headquarters in Germany also benefited from the positive development in 2012, as over 100 new jobs were created at Bad Neustadt, with the number of employees increasing 8.8% to around 1,350. The entire Joyson Group in 2012 achieved revenues of 5.4 billion RMB, which is equivalent to about €680 million, with 6,000 employees. In 2013, the start of the fiscal year has also been gratifying: in the first quarter, Preh revenues increased 13% over the same period last year. Also, operating earnings of the supplier have further improved.

After presenting the company's balance sheet, Dr. Michael Roesnick, president and CEO of Preh GmbH, said, "Together with our Chinese partner Joyson, as an automotive supplier group, we are entering an entirely new dimension. We have combined the strong market positioning of Preh in Europe and North America with a very good entry into the Chinese market with Joyson, and created a worldwide dynamic growing technology company.

"Our strategy is fully developed: on the one hand we support each other to develop new market potential; on the other, we have retained the necessary independence at Preh to best serve our long-standing customer relationships. In other words, Preh remains Preh, despite the increased internationalization."

Rapid market growth in China was one of the major successes of Preh in 2012. After the German automotive supplier had opened its own factory in Ningbo—with a total area of 8,000 square meters in the fall of 2011—the production there of multifunctional steering wheel switches and climate control systems has been extended with high dynamics. In addition, in 2012 the Preh production area Preh Innovative Automation (PIA) has begun to build up manufacturing capacity for its entire product range in the market segment for assembly

plants in Ningbo. Because of the strong growth, an expansion of the Chinese Preh plant from 8,000 square meters to 12,000 square meters has already been implemented in the current fiscal year.

Overall, Preh's Dr. Roesnick was very pleased with the development of the Bad Neustadt automotive supplier: "Given the general weakness of the European car market, I see it as a great confirmation that we had a two-digit growth at Preh not only in North America and China, but also in Europe. This development of the total market is explained by our strong technological expertise and rigorous customer orientation, which we as specialists in climate and driver control systems, electronic control units, sensors and assembly systems have built up over the years. We are pleased that we now can convince more and more customers with our know-how in China as well."

About Joyson/Preh

Besides being suppliers to the auto industry, the Joyson group of companies, Ningbo, China, also includes a real estate division, with the automotive segment of around 6,000 employees making total sales of €680 million in 2012. Its automotive activities are bundled in Joyson Electronics, which is listed on the stock exchange and consists of the automotive electronics (Preh) and automotive components (Joyson) business areas. Joyson was founded as a supplier to the automobile industry in 2004, whereas Preh has a company tradition that's almost a century old, having been founded in 1919. A majority holding in Preh was acquired in 2011, and Preh has been a wholly-owned subsidiary of Joyson Electronics since late 2012.

Preh is a globally oriented supplier to the automobile industry, with more than 3,300 employees in Germany, Portugal, Romania, Mexico, the U.S. and China. The company is based in Bad Neustadt an der Saale, Germany. Preh's development and manufacturing skills are concentrated on climate control, driver controls, electronic control units, sensors and assembly systems for well-known automakers.