

## Press Releases

### PREH ON A GROWTH TRACK AT ALL LOCATIONS - A NEW SALES RECORD IN 2011

Just over one year after the entry of Chinese majority shareholder Joyson, the board of management of Preh GmbH, Bad Neustadt an der Saale, Germany, reported positive interim financial results: The automobile supplier continued on its dynamic growth course and in 2011 achieved a new sales record of €412 million. This 20% increase repeated the previous year's strong growth.

Operating results before interest and taxes (EBIT) increased from €17.8 million to €27.8 million. Preh opened a second plant in Mexico and successfully began production in its new plant in Ningbo, China. Preh's European plants in Bad Neustadt, Trofa, Portugal and Braşov, Romania also posted growing business in 2011. The number of employees throughout the world increased by the end of 2011 to 2,817 (+15.7%). Preh's workforce also increased from 1,167 to 1,238 at the Bad Neustadt site (+6.1%). This trend is continuing: In the current financial year, Preh is seeking about 90 highly qualified technical employees at its headquarters—in particular, engineers for its engineering division. Preh's board of management is also confident that the company will see continued business growth. In 2012, the automotive supplier is projecting substantial growth in sales and earnings.

At the presentation of the financial reports for the past year, Dr. Michael Roesnick, chairman of the board of management of Preh GmbH, said, "We followed two principles when our Chinese majority shareholder joined us about a year ago: 'Preh remains Preh,' and 'Preh goes global'. This might sound like a contradiction in terms, but we worked together to unify and live the two principles. Through Joyson's entry in the business and our entry in the Chinese market, Preh grew noticeably, and is now making the leap to becoming a global player in the international automobile electronics market. At the same time, though, we held fast to our proven corporate culture, ensuring maximum continuity for customers and employees alike. So from my perspective the German-Chinese partnership between Preh and Joyson is a complete success."

#### Stronger management

continuity and a step forward also characterize an important personnel change within Preh management: As of June 1, 2012, Jochen Ehrenberg, who was previously director of the product development division, joined the Preh GmbH board of management. There he is responsible for the new product development division and for purchasing. This will support the automotive supplier's further growth and internationalization in product development. This expansion of the board of management sends a clear signal to customers and employees that, despite the entry of the Chinese majority shareholder Joyson, in the future, Preh will remain a German automotive supplier with increased international presence in

Europe, North America and Asia.

Expansion of the second plant in Mexico – start of production in China

Based on the strong growth in the NAFTA region, Preh opened a second plant in Monterrey in the summer of 2011. The new Mexican plant will have floor space of 8,300 m<sup>2</sup> in the first phase. The expansion became necessary because Preh has had particularly strong growth in North America and, within just six years – virtually out of the starting block – has become the second-largest supplier of climate control systems in the U.S.A.

The new plant that the German supplier has built together with Joyson in Ningbo, China, will play a key role in Preh's internationalization strategy. The new production site, which has a floor space of 8,000 m<sup>2</sup>, went into operation in September 2011. Steering wheel multifunction switches and climate control systems for the Chinese market are among the first Preh products that were manufactured there. The European and North American markets will continue to be served by the Preh production sites in Germany, Portugal, Mexico and Romania.

New orders from Audi and Porsche

During the current financial year, Preh announced two prestigious contracts from major German automakers. Working together with Audi, the Bad Neustadt control system specialist developed and began standard production of the climate control system and steering wheel multifunction switch for the new Audi A3. The products are being manufactured in Portugal and Romania. In addition, Preh was awarded a contract for the climate control system in the new Porsche 911. Three variants will be made at Preh's main facility in Bad Neustadt. The battery management ECUs for the BMW Active E are also being manufactured in Bad Neustadt. Following successful development work, a new segment therefore opened up for Preh in the area of electromobility.

The Preh group of companies is active globally and has 2,800 employees in Germany, Portugal, Mexico, USA, Romania and China. Its headquarters is located in Bad Neustadt an der Saale, Germany. The company was founded in 1919. In 2011, Preh achieved sales of €412 million. Preh's areas of engineering and manufacturing competence are focused on climate control and driver control systems, sensors, ECUs and manufacturing systems for major automobile manufacturers.