Press Releases

CHINESE STOCK EXCHANGE REGULATOR APPROVES ACQUISITION OF PREH BY EXCHANGE-LISTED JOYSON ELECTRONICS

Preh is now a fully owned subsidiary of Joyson Electronics – company name is being retained

Shanghai/Ningbo/Bad Neustadt. Following approval by the China Security Regulatory Commission, Joyson Investment Holding Co., Ltd., Ningbo (China), has incorporated the German automotive supplier Preh into the exchange-listed Liaoyuan Joyson Electronic Corp. ("Joyson Electronics") against transfer of 187 million shares. The company is now listed on the Shanghai Stock Exchange (SHA 600699). In parallel, Joyson increased its shareholding in Preh GmbH as scheduled from 74.9 % to 100 %, having acquired the remaining 25.1 % from the existing co-shareholders Deutsche Beteiligungs AG, Frankfurt/Main, its managed funds ("DBAG-Gruppe") and its management board.

The present Preh executive board will remain in office unchanged and bound by long-term contracts. Continuity of the corporate image is also ensured since the Preh company name is being retained.

"Innovative automotive electronics – cost-efficient and in top quality"

Jeff Wang, chairman and shareholder of Joyson, commented the integration of Preh in the exchange-listed corporation Joyson Electronics, saying: "The cooperation with Preh developed so positively over the past 18 months that we can now present an interesting stock exchange story as a global automotive supplier with Chinese and German roots. Joyson and Preh are a perfect match both in terms of regional presence and core competencies. As a Chinese-German company with almost 100 years of experience, we stand for innovative automotive electronics in top quality and at best value for money."

Seamless continuity for customers and employees

"Since being with Joyson, we have shown that Preh remains a reliable partner for our customers as regards product quality, innovation capacity and project management," said Dr. Michael Roesnick, Chairman of the Preh GmbH executive board. "Together, we will open new markets and jointly develop new products and manufacturing solutions, while maintaining the highest level of continuity for our customers and employees," he added.

Preh in good hands

Speaking for Deutsche Beteiligungs AG (DBAG), board member Dr. Rolf Scheffels said: "The progress to date has shown that we have placed Preh in good hands and created an excellent foundation for the company's sustained growth. Preh has proven a good investment for DBAG. And we have now created a classic win-win situation, which offers new shareholders and the company itself the best opportunities for value enhancement."

Clear commitment to Preh and its German location

The strong commitment of Joyson to Preh and its German manufacturing site is evident not least from the increase of Preh's equity ratio to more than 40 percent and two major investments following the takeover of the company: in the enlargement and modernization of the Preh training center in Bad Neustadt in 2011and in the opening of a company new production hall for the product division Preh Innovative Automation (PIA) in 2012. The two investments add up to more than EUR 2.5 million. Additionally the expenditure and capacity was strongly increased also in Germany.

One company – two divisions

With immediate effect, Joyson Electronics now comprises the two divisions "Automotive Electronics" under the Preh company and "Automotive Components" under Joyson. Since the trade names and key persons remain as before, there will no change in day-to-day business for customers, partners and employees.

Joyson's owner, Jeff Wang, also banks on maximum continuity and a strong European presence on the Preh Supervisory Board. The board remains unchanged with Dr. Rolf Scheffels of DBAG retaining his board membership. Alongside the two Joyson representatives, Jeff Wang and Jimmy Guo, and two employee representatives, the renowned automotive expert, Dr. Willibert Schleuter, will also continue to sit on the Preh supervisory board.

Preh on course for growth in all markets – development ahead of plan

In FY 2012, Preh will increase sales by 12 % to app. EUR 460million, outperforming its own budget forecast by 3 %. This growth derives from all regional markets. Preh grew by 14 % in the NAFTA region and by 10 % in Europe – despite the sharp downturn in this market overall. With the new Preh plant in Ningbo, the company also entered the Chinese market successfully. Preh expects production in China, which began in September 2011, to grow strongly in the coming years, just based on the volume of orders already received.

Apart from automotive supplies, the Joyson-Group in Ningbo (China) also operates a real estate division. With a staff of roundabout than 5000, the group will generate total sales of CNY 6 billion in 2012. The automotive activities are combined in the exchange-listed company Joyson Electronics which consists of the business divisions Automotive Electronics (Preh) and Automotive Components (Joyson The automotive electronics supplier Joyson was founded in 2004, while Preh, founded in 1919, boasts a company tradition of almost 100 years.

Preh is a global automotive supplier with 3,200 employees in Germany, Portugal, Romania, Mexico, USA and China. The company's head office is located in Bad Neustadt a. d. Saale. Preh's development and manufacturing expertise focus on air conditioning and driver control systems, electronic control devices, sensors and assembly systems for renowned automotive manufacturers.

Deutsche Beteiligungs AG (DBAG) is one of Germany’s leading private equity firms. It invests in successful companies whose products and services have made them leaders in their markets. DBAG has been exchange-listed since 1985 and invests capital of its own and from parallel funds.