Brose's global expansion continues

Coburg (22. December 2010)

For the international automotive supplier, 2010 has been a year of excellent business performance, announced Jürgen Otto, Chairman of the Brose Group, during the 163rd shareholders and supervisory board meeting on December 16th, 2010. After a difficult year in 2009, business has recovered worldwide distinctly faster than anticipated with high order volumes for Brose in all product lines.

By the end of the year, Jürgen Otto expects sales to total 3.4 billion euros. This represents a growth rate of approx. 34% compared with the previous year. In 2010, the number of employees has increased from 14,200 to more than 17,000 staff worldwide.

In line with the continuing high demand and numerous production starts, the company anticipates international sales to rise by approx. 7% to some 3.7 billion euros in 2011. Whereas the European market will remain largely stable, forecasts for the Asian and North American markets predict that sales will increase by 20% and 16% respectively.

A large number of additional contracts in the next few years - especially for electric motors and seat systems - necessitate expansion of production capacities worldwide.

Against this backdrop, the shareholders and supervisory board agreed to invest the record amount of 300 million euros in 2011 to build and expand new production sites, with 84 million euros to go to Germany, 66 million euros to other European countries and 150 million euros to be spent overseas.

As part of the group's worldwide expansion course, four new production facilities will begin operating over the next two years in Pune/India, Chongqing/China, Togliatti/Russia and

Kecskemét/Hungary, and the existing plants in Ostrava/Czech Republic, Tuscaloosa/USA and Querétaro/Mexico will be expanded. In China, the most important growth market, Brose plans to set up new headquarters in Shanghai to handle the Asian market.

Profit-sharing for employees

The shareholders and supervisory board also agreed in their December meeting that all employees will profit from the company's success: unlike many other companies in this industry, the employees of the German Brose sites, who had already received a bonus in 2009, can expect to receive a distinctly higher bonus in 2011. Furthermore, salaries and wages will increase by 2.7% from February 1st, 2011.

At present, the Group has 300 vacancies in technical and commercial functions, 150 of these in Germany alone.