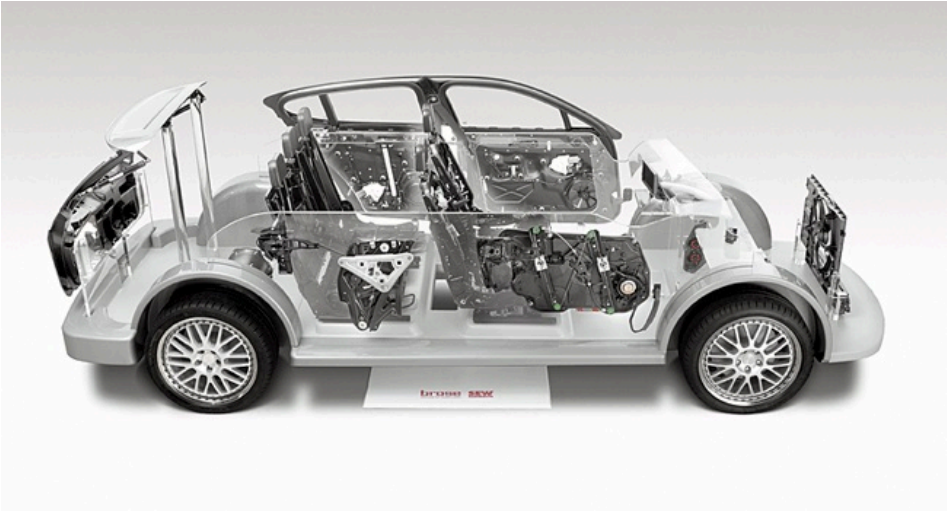
brose
Excellence in Mechatronics

Brose remains on track for success



Brose's product portfolio spans from cooling fans to electric motors for vehicles and power liftgates.

Coburg (23. March 2012)
According to Jürgen Otto, CEO of the Brose Group, the global automotive business developed significantly better in 2011 than originally expected. As a result, the company's sales revenues increased by 16% to more than 4 billion euros, reaching a new peak.

"This record figure in sales and the unexpected production increase in all regions required great commitment and effort from all levels of employees at our company. As in the past, I assume that the shareholders and advisory board of our family-owned company will again vote to let all staff, including temporary employees – which is quite exceptional – have a share in this success," says Jürgen Otto.

This positive business development was driven by higher sales in all product groups. For example seat systems increased by 29%, closure systems by 20% and motors by 18%. The sales revenues generated by door systems rose by 10%. In regional terms, NAFTA accounted for the group's biggest growth rate in 2011 with a turnover increase of 25%, followed by Asia with 20% and Europe with 15%.

As a result of the high ramp-up costs for new products, which had been primarily due to drastic price increases for some raw materials, the increase in earnings was much more subdued than in turnover.

Investments reached a new peak value in 2011. The family-owned company invested some 300 million euros in setting up new locations or expanding existing ones as well as in state-of-the art production, logistics and communications technology. Investments in Germany accounted for 84 million euros of the total amount invested.

In line with the good business development, the number of employees rose by 1,850 in 2011. The Brose Group employed about 19,000 people from 67 countries in December 2011; almost 8,000 (42%) of them work in Germany. The biggest increases in headcount took place in Asia(550), NAFTA (500) and Eastern Europe (500).

In 2011, approx. 10% of turnover was spent on research and development as well as staff qualification and training measures, thus making Brose in this respect one of the top companies in its industrial sector.

Approx. 2,000 of Brose's employees are involved in the development of new products and manufacturing processes; every second of these employees works in Germany and now every sixth in Asia. The result of these intensive development efforts can be seen in the 250 patent applications for industrial property rights submitted annually. Brose currently ranks among the top 30 companies that file patents in Germany.

The mechatronic specialist has succeeded in considerably expanding both its leading position in the world market and its quality and technology leadership over the last ten years. Through the acquisition of the closure business from Robert Bosch GmbH, the purchase of the electric motor business from Continental AG and the strategic cooperation with SEW Eurodrive, the market leader for drive technology in industrial applications, Brose's product portfolio now also comprises electric drives for numerous other applications, drives and charging technology for electric and hybrid vehicles in addition to mechatronic systems for vehicle doors and seats.

As an industrial employer, Brose is a major economic factor, buying materials, services and capital goods worldwide worth almost three billion euros each year. In addition to Brose's own staff of 19,000 employees, almost the same number is employed by its more than 1,000 suppliers in Germany and abroad.

The Brose Group is one of the top 50 family-owned companies in Germany in terms of sales revenue and the sixth largest family firm in Bavaria. In the region of Upper Franconia, Brose is the second largest industrial enterprise.

Business prospects continue to be positive for the Brose Group. The owners once again agreed to an investment budget of 300 million euros for 2012. In global terms, Brose plans to start operations in six new plants in Hungary, Russia, China, USA and Brazil over the next 12 months.

In view of the ongoing high level of demand, the management anticipates that global sales will rise by around 10% in 2012 to some 4.4 billion euros. Strong impetus for growth is expected from North America, China, Korea, India and Russia.

According to the business plan of the family-owned company, turnover in the medium term is expected to hit the five billion mark by 2015 with the sale of new products in new markets; this will also translate into an increase in headcount rising to approx. 25,000 employees worldwide.