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Production capacities sustainably expanded

KS HUAYU AluTech acquires Hackerodt's business operations

A member of first-tier auto-industry supplier KSPG AG (Rheinmetall Group), Neckarsulm-based KS HUAYU AluTech GmbH is acquiring major assets of Albert Hackerodt Maschinen- und Werkzeugbau GmbH & Co. KG, Langenhagen. All of the 113 regular employees of this tradition-steeped Hannover company will be taken over according to the terms of transfer.

KS HUAYU is a member of KSPG's global business unit Castings of which another member is the KPSNC Kolbenschmidt Pierburg Shanghai Nonferrous Components joint venture. This business unit (not consolidated in KSPG's annual accounts) reported sales of around €850 million in 2015 and employs over 3,000 people worldwide.

A corresponding contract was signed at the end of December 2015 with the insolvency administrator Dr. Rainer Eckert of the law firm Eckert Rechtsanwälte Steuerberater Partnergesellschaft, Hanover. Now that the relevant cartel authorities have given their go-ahead the deal can take effect.

KS HUAYU AluTech GmbH is acquiring all the plant and equipment of this specialist in aluminum machining while also entering into the existing supply contracts with Hackerodt's auto-industry customers including VW, Audi, and BMW.

The acquisition means that the Castings unit within the KSPG Group is expanding its capacities in the finish-machining of aluminum engine blocks. Says Lothar Schneider, CEO of KS HUAYU AluTech GmbH: "With the vast production expertise of its employees plus state-of-the-art production machinery, Hackerodt fits in neatly with our own resources especially as surging order intake requires a topping-up of our present production facilities."

Set up for the purpose of this acquisition, KS HUAYU Bearbeitungs GmbH is thus part of a joint venture concluded in 2014 between the KSPG Group and auto-industry supplier HASCO (a member of China's SAIC Group). Ever since 1997, KSPG and SAIC have been very successfully cooperating in several 50/50 joint ventures comprising a number of production plants, mainly in and around Shanghai, whose manufacturing output includes pistons, engine blocks, cylinder heads, and structural parts. The company is the biggest producer of cylinder heads in China.

About KS HUAYU AluTech GmbH

KS HUAYU AluTech GmbH is a part of the international first-tier auto-industry supplier KSPG AG (a member of the Düsseldorf-based Rheinmetall Group). With a

global workforce of 11,000 at more than 40 production sites in Europe, the Americas, Japan, India and China, KSPG generated sales of €2.45 billion in 2014.

Within KSPG, KS HUAYU AluTech together with KPSNC Kolbenschmidt Pierburg Shanghai Nonferrous Components constitute the Castings business unit. In 2014, KSPG contributed its business in castings for engine blocks, cylinder heads and structural parts to a strategic partnership with HUAYU Automotive Systems Co., Ltd. (HASCO), majority-owned by China's SAIC Group. Each party has a 50-percent share in the joint venture. With a global workforce of around 3,000, this unit reported sales of some €850 million in 2015 (not consolidated in KSPG's annual accounts). The unit has production plants in Germany and China.

About Albert Hackerodt Maschinen- und Werkzeugbau GmbH & Co. KG

Albert Hackerodt Maschinen- und Werkzeugbau GmbH & Co. KG is a notable supplier of important products used in machine-tool and machinery engineering, the electrical industry and, especially, the automotive sector. At its location in Langenhagen on the outskirts of Hannover, the company employs a workforce of 113. Founded in 1947, Albert Hackerodt Maschinen- und Werkzeugbau GmbH & Co. KG's core capabilities include the manufacture of engine blocks, cylinder heads, transmissions and other engine parts. Among its customers are Volkswagen, Audi, Bentley, Bugatti as well as BMW.

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