

Press release

PWK forms new corporate group – HANNOVER Finanz to become majority shareholder

Hanover/ Krefeld, 23.01.2017 **HANNOVER Finanz, together with the management, is to take over 100 percent of the long-established business Presswerk Krefeld from MacLean-Fogg Company. The equity capital partner will facilitate a management buy-out, including the divestment of MacLean-Fogg Company's ownership interest in PWK. PWK has been an affiliate, but legally a separate unit, of MacLean-Fogg Company since 2004. Upon the closing of this transaction, PWK will become the independent PWK Automotive group of companies with around 900 employees and annual sales of approximately € 160 million. This is because the enterprise has already extended its previous capacity with PWK IBEX GmbH. In the new company, PWK is to bring together the activities of Gebrüder Kunze GmbH and IBEX Automotive GmbH. In this way PWK is creating a new group of companies which will provide greater opportunities in the manufacturing technologies of cold and hot forming of steel and aluminium and a broad spectrum of metal-cutting machining capacities. The product range is to focus on components for brake assemblies, shock absorbers, steering gear, compressors and running gear. The customers are all major automotive component suppliers. Following signing of the purchase contract, approval by the responsible cartel authorities and closing are expected to take place in the coming weeks. All parties involved have agreed not to disclose the purchase price.**

The long-established company Presswerk Krefeld was a child of the first industrial revolution. Founded in 1898 under the name of Rheinisches Kleineisen- und Stanzwerk Jahn & Holzapfel, and initially manufacturing bolts and nuts for the railway industry, the company developed into the technological leader in cold forming, drop forging and aluminium forging. Today, PWK manufactures safety-relevant components for the international automobile industry. Together with the base in Krefeld, the company has a joint venture with automotive component supplier ZF in France, and partnerships in China and India. Manufacture of forgings for product components for brakes, shock absorbers, steering and chassis is to be further expanded in future. Gebrüder Kunze GmbH and IBEX Automotive GmbH are to be subsumed into the newly founded PWK Ibex GmbH. With the newly acquired production locations in Gelenau and Zittau, Saxony, PWK has an extended portfolio of plant and machinery which is on a high level of technology, and additional capacity for manufacture. Together with PWK, PWK IBEX GmbH will in future belong to the newly formed PWK Automotive group of companies. In addition to the previous investment, the management once again invested in the business in the course of the transaction.

Dr. Harald Dorth, Managing Director of the PWK Automotive Group, comments on the transaction as follows: "At the new locations, we have further capacities for forming and are gaining additional know-how for safety-related parts. With the latest processes, we are now in a position to develop and manufacture even more complex products, such as components for brakes, shock absorbers, and air-conditioning compressors. With the newly formed group of companies, we will be in a position to obtain further major orders. With our future majority

shareholder HANNOVER Finanz behind us, we can approach the further planning with a supportive and experienced new partner. We now have extended capacities, and can plan our growth for the long term.”

Volker Tangemann, a Partner at HANNOVER Finanz, says of the transaction: “Securing the future of long-established businesses and exploiting the opportunities for growth belong to the wealth of experience gained from HANNOVER Finanz’s 40 years of investment experience. As in the case of PWK, we especially rely on the expertise of the management, and accompany the business as a sparring partner on the Advisory Board.” Jörg Bätjer, Investment Manager at HANNOVER Finanz, adds: “We are convinced that bringing together the activities of these companies in a group will result in an outstanding synergy of components and capacities.”

In the implementation of the transaction, HANNOVER Finanz deployed its in-house deal team and also worked with the following consultants: Deloitte Legal Rechtsanwaltsgesellschaft mbH, Dr. Harald Stang (Legal) / RSM Altavis GmbH Wirtschaftsprüfungsgesellschaft, Joerg Schoberth (Financial und Tax) / Ricardo Strategic Consulting GmbH, Alexander Krug (Commercial).

For this transaction, the HANNOVER Finanz GmbH deal team comprised Director Jürgen von Wendorff, Partners Volker Tangemann and Frank Löffler, Investment Manager Jörg-Friedrich Bätjer, Junior Investment Analyst Jonas Anochin and General Counsel Dr. Christina Silberberger.

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About the HANNOVER Finanz Group (www.hannoverfinanz.de)

The HANNOVER Finanz Group, founded in 1979 and backed by institutional investors, has almost 40 years of experience as a private equity investor independent of banks or corporate groups. The basis of its investments in medium sized enterprises, intended for the long term, is the currently seven active evergreen funds with unlimited duration. The investors are mainly insurance companies or professional pension funds. HANNOVER Finanz’s commitments extend from old economy industries to commerce and the new technologies. Since its foundation, the equity capital partner for medium sized enterprises has grown continuously, and with it the number of successfully completed investments has also grown. The reasons for involvement are mainly to finance growth and corporate succession in sound businesses with annual sales of at least 20 million euros. The HANNOVER Finanz Group is one of the few private equity houses in Germany to take on minority as well as majority shareholdings.

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