

Press release

At the meeting held on 13th July 2011 the board of directors of Motherson Sumi Systems Limited has in principle approved the proposal to (jointly with Samvardhana Motherson Finance Limited) acquire 80% of the shareholding of Peguform Group, Germany from Cross Industries AG. Cross industries would continue to hold 20% shareholding. This would also include 50% holding in Wethje Carbon Composite which is a part of Cross Industries. These acquisitions are subject to the regulatory and other approvals as may be necessary in this regard.

The acquisition would be made through a Joint Venture in which Motherson Sumi Systems Limited would hold 51% and Samvardhana Motherson Finance Limited would hold 49% share. This SPV would acquire 80% shares of Peguform Group while 20% shares would remain with the existing shareholder Cross Industries AG.

About Peguform

Established in 1959 as Badische Plastikwerke, Peguform is a leading full service supplier of differentiated high quality interior and exterior products for the automotive and related industries. It is an internationally operating supplier involved in development, manufacture and distribution of bumper systems, plastic components for vehicle exteriors, vehicle cockpits, dashboards and vehicle interior trims.

Peguform has a strong presence in Europe, supplying to major premium German brands. The company is the 2nd largest supplier of door panels and the 3rd largest supplier of Instrument Panels in Germany. The company is one of the market leaders of bumpers in Germany and holds a market leader position in Cockpit Assemblies in Spain.

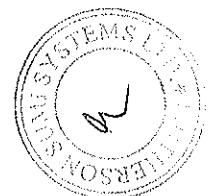
It has one of the largest state-of-the-art painting facilities in Europe. The company has over 200 injection molding machines and employs over 7000 employees. Strength of the company lies in creating new applications of plastics and engineering. The company has a strong history of innovations and Firsts in the European Automotive Plastics industry.

The major customers include Volkswagen Group, BMW, Porsche, PSA Peugeot Citroën, Renault-Nissan, Daimler and GM.

Peguform is headquartered at Bötzingen in Germany and has 22 facilities including 5 Module Centres and 17 production sites across the world: Germany (7), Spain (4), Portugal (1), Brazil (2), Mexico (1), China (1) and Slovakia (1)

Peguform-Beteiligungs-GmbH, based in Austria is the parent company of Peguform Group. It is in turn owned by CROSS Industries AG, a holding company with strategic focus on the automotive sector.

Peguform's 2010 sales were 1.37 Billion Euro and a reported EBIDTA of Euro 66.87 Million.



Rationale of acquisition:

Samvardhana Motherson Group (SMG) has a strong experience of acquisitions. The experience of acquisition of Visiocorp to form SMR, achieving profitability of the venture in the first year of acquisition and integrating it with SMG is going to be very useful to the Group.

MSSL through its division has been in the field on Plastic Molding, assemblies and module integration for more than a decade. Acquisition of Peguform business would be in line with the existing business in India and would add significant value by integrating & consolidating the business in India & globally.

The product range of Peguform has strong synergies with the existing product range of SMG in plastic injection molding, door panels, Instrument Panels and Bumpers. This acquisition would provide new technologies and depth to the Polymer Product range of the Group.

Commenting on the occasion Mr. V.C. Sehgal, Chairman Samvardhana Motherson Group and Vice Chairman Motherson Sumi Systems Limited said – “Apart from the synergies that SMG would bring to the acquired entity, the product range of Peguform complements our polymer product range in India. There are obvious synergies in terms of customers served which will further strengthen the position of the Group as a global module supplier to automotive OEMs.”



Annexure

Samvardhana Motherson Group

Samvardhana Motherson Group (SMG) is a focused, dynamic and progressive global group that is geared towards providing customers with innovative and value-added products, services and solutions. With a turnover of USD 2.7 billion in 2010-11, the group is supplying to all the major automobile manufacturers across the world.

The group's automotive product portfolio comprises electrical distribution systems (wiring harnesses), automotive rearview mirrors, molded plastic parts and assemblies, injection moulding tools, molded and extruded rubber components, modules and systems including Cockpits /IPs, door trims, bumpers, lighting systems, air intake manifolds, pedal assemblies, HVAC systems, , vehicle air conditioning systems, roof hatches, transport refrigeration and cooling systems, cabins for off-highway vehicles, machined metal products, cutting tools, thin film coating metals, IT services, design engineering and CAE services. The group has also invested in technologies that provide manufacturing support, including compressors, paint coating equipment, auxiliary equipment for injection moulding machines and automotive manufacturing engineering services.

The group has nearly 25% share of global passenger car exterior rearview mirrors and over 65% share of passenger car wiring harnesses in India with an increasing global presence. It is also one of the leading suppliers of Plastic modules to the India automotive industry. The group has over 90 manufacturing facilities supported by design centres and support offices spread over 23 countries.

Cross Industries AG

CROSS Industries AG is an Austrian industrial holding company with strategic and operative concentration on the automotive sector. CROSS Industries AG is primarily divided into three core areas; KTM Power Sports AG, CROSS Motorsport Systems AG and Peguform Beteiligungs GmbH both under the umbrella of CROSS Automotive Holding GmbH.

KTM is a global premium manufacturer of high-performance and raceready vehicles in the off-road and street sectors.

CROSS Motorsport Systems AG – a highly specialized supplier of high-performance components for chassis, transmission, motor and aerospace.

CROSS Automotive Beteiligungs GmbH is the holding company for the Peguform-Group, one of the leading premium automotive suppliers in Europe, delivering plastic components and complete system modules for the interior and exterior of vehicles.



Motherson Sumi Systems Ltd

Motherson Sumi Systems Limited (MSSL) the flagship company of the Samvardhana Motherson Group is a joint venture between Samvardhana Motherson Group and Sumitomo Wiring Systems (Japan).

MSSL is one of the largest manufacturers of Automotive Rearview Mirrors for passenger cars in the world together with being the largest manufacturer of automotive wiring harnesses in India. It also supplies plastic components and modules to the automotive industry. Other product range of MSSL comprises of rubber components for automotive and industrial applications, high precision machined metal parts, injection molding tools and HVAC Systems.

The integration of diverse products and technologies leading to comprehensive solutions is a unique advantage, which makes the company a 'globally preferred solutions provider'. MSSL has developed a network of manufacturing bases, design centers, logistics centers, marketing support and sourcing hubs across a diversified geographical base. MSSL has manufacturing bases in six continents across the globe to support its customers.

Samvardhana Motherson Finance Limited

Samvardhana Motherson Finance Limited (SMFL) is the principal holding company of the Samvardhana Motherson Group. SMFL acts as the central corporate body for managing the Group companies and for their overall co-ordination and providing central support.

The company has 36.34% stake in MSSL and holds 49% stake in Samvardhana Motherson Reflectec (SMR), a joint venture with MSSL which acquired the rear view mirror business of Visiocorp, in March 2009. As the main vehicle for exploring new business areas and forming new joint ventures of the Group in diversified areas, it has played a pivotal role in the growth of Samvardhana Motherson Group and each of its members, building lasting, global bonds through new alliances

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