

## Auto Shanghai 2011: Brose unveils expansion plans in China



Thomas Spangler (President Brose Asia) talking to two representatives of the GSK Group, a Taiwanese automotive supplier for vehicle seats and interior systems. Center of photo: Vincent Lin (President, GSK Group) and Tony Wu (CEO, GSK Group).

### **Shanghai (30. April 2011)**

Two thousand exhibitors from 20 countries presented their products from April 21st to 28th at the 14th Auto Shanghai exhibition under the banner 'Innovation for Tomorrow'. Twenty years ago the Shanghai Convention Center had just one hall. Last month it played host to one of the most pioneering auto fairs in the world – particularly in view of economic developments. Brose, the international automotive supplier, was exhibiting at Auto Shanghai for the fifth time and noticed the upbeat mood. In the first few days the family-owned company counted around 50% more customer representatives from the areas of development and procurement visiting its stand than two years ago. "In view of the great significance of the growing Chinese market for our group, Auto Shanghai is now the most important automotive trade fair for Brose alongside the IAA in Frankfurt," reports Manfred Frei, Vice President Development, Brose Asia.

With sales of around 500 million euros in 2010 (an increase of 70% over the previous year), Asia is currently the fastest growing region for the Brose Group. The biggest contributors to this growth are the group's five Chinese sites in Shanghai, Wuhan and Changchun. The automotive supplier is therefore continuing with its growth strategy for China and will expand its activities still further this year, as was announced at the press conference in Shanghai.

Today, Brose employs more than 3,000 people in Asia and has several development centers in the region employing a total of 350 people. The automotive supplier expects sales in this region to double by 2013, which means it is growing faster than the market. "In view of this rapid growth, we will be placing a special emphasis on strengthening our capacity in China," explains Thomas Spangler, President Brose Asia. "This year we plan to invest around 75 million euros in China to expand our existing sites and build new ones – especially in Shanghai, Beijing and Chongqing," he adds. "This will continue in 2012 as well."

**Shanghai: New Asian headquarters with its own production facilities**

The Asian headquarters of the Brose Group is in Anting, a district of Shanghai. More than 250 people work here, developing, distributing and marketing the automotive supplier's mechatronic systems and components for the Asian market.

"When we started work at our headquarters in 2006, there were fewer than 40 staff and we occupied a small area of the office complex," recounts Baoping Xu, President Brose China. "Today we need the whole building, but even that is no longer big enough – especially when there will already be more than 300 of us by the end of 2011."

With this in mind, the company acquired a plot of land in Anting in Shanghai on which to build a new Asian headquarters. In the future, this building will provide offices for 450 employees working to meet Brose's demanding standards in the areas of development, procurement, sales, HR and IT. In addition, a test center, a prototype construction facility and an acoustics laboratory will be built on the same site, as well as a production hall that will start operating in August 2012. It will use sophisticated pre-manufacturing technologies, like the stamping and laser welding of seat rails, and will produce brushless motors. The new Brose site will also have its own tool shop. The groundbreaking ceremony for the new headquarters, which will have a modern canteen and fitness center, took place on April 21st 2011.

#### **Expanding production: Brose plant in Chongqing**

To supply and support its customers in central and western China, Brose will be starting operations at a production plant in Chongqing, an important automotive center, in mid-2012. Around 250 people will work here producing seat systems, window regulators and closure systems. There are plans to localize more products here – in the long term the aim is for the entire Brose product portfolio to be produced in Chongqing.

#### **Sales office in Beijing**

In order to be closer to the OEMs in the Beijing area, Brose will be establishing a sales office in the Chinese capital in summer 2011.

#### **Brose in China**

The automotive supplier first became active on the Chinese market in 1995 and has been growing ever since. Today it is represented in three of China's most important automotive regions with five sites and has localized its entire product portfolio and its research and development competence in the region. The company employs around 2,700 people in China and generated sales of around 480 million euros in China in 2010.

#### **Brose in Asia**

Brose is also expanding its capacity in other parts of Asia. At the end of January 2011 it set up a joint venture with Korean supplier Mando – a steering systems specialist – and will start series production of window regulators in Thailand before the end of the year. In total, Brose has 13 sites in Asia: in China, Japan, Korea, India and Thailand. They account for around 20% of the group's sales. The group currently employs around 3,000 people in the region, a figure that is set to rise to nearly 4,500 by 2013.