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## **KSPG opening head office in China**

The Neckarsulm, Germany, based auto industry supplier KSPG AG, a member of the Rheinmetall Group, is again broadening its presence on the expanding Chinese market. Since 1997 the Company has been operating two Chinese joint ventures with a workforce of around 3,500 at six locations in the Shanghai and Yantai regions. In 2011, these fifty-fifty ventures generated sales of around €300 million.

In recent years the KSPG Group has also established in China several wholly-owned subsidiaries. Through these and in addition to the joint ventures, KSPG will operate independently on the Chinese auto market. Since the autumn of this year Pierburg China has been manufacturing exhaust gas recirculation systems at a newly built location in Kunshan and in the spring of 2013 will also start on the production of throttle bodies destined for the Chinese market.

With the opening of the KSPG House in Zhangjiang (Pudong District), a base has now been established for all the wholly-owned Chinese subsidiaries of the Group and will serve as the strategic launch pad for further growth. Here, the various companies benefit from shared services and synergies in R&D, Sales, Marketing, and Finance.

The KSPG House will be the point of contact for all KSPG customers in China. Besides Pierburg and Motor Service there will also be the Chinese branch of KS Gleitlager and of Pierburg Mikuni Pump Technology, a majority-held joint venture. The large-bore pistons business will set up here its Asian branch in connection with its own production base in China.

Commented Dr. Gerd Kleinert, CEO of KSPG AG, at the inauguration ceremony in Shanghai mid-November: "Our aim is for the new location to provide an opportunity for further parts of our group to be represented on the flourishing Chinese domestic market. Just as then with the joint ventures, these start-ups are by nature still modest. Yet if we look back on our success story so far in this country, we can anticipate the development of these newcomers over the years ahead."

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Dr. Gerd Kleinert (CEO KSPG AG), Klaus Eberhardt (CEO Rheinmetall AG), Hansjörg Rölle (President MS Motor Service International), Horst Binnig (Member of the Executive Board of KSPG AG) at Opening Ceremony November 2012 in Shanghai (from left).

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*KSPG (Kolbenschmidt Pierburg) has currently eight production locations in the region of Shanghai and Yantai from where it supplies both Chinese and international auto manufacturers. KSPG AG is the parent company of Rheinmetall's corporate sector Automotive. Operating for over a century on the international automotive markets, this first-tier supplier has three divisions. The Hardparts division comprises business in pistons for cars and commercial vehicles, large-bore pistons, engine blocks and cylinder heads, other cast products, plain bearings, and continuous castings. The Mechatronics division specializes in modules and assemblies for emission control, solenoid valves, actuators, and pumps for passenger cars as well as for trucks and off-road vehicles. The third division, Motorservice, is responsible for global aftermarket business in over 130 countries. In 2011, the KSPG Group generated sales of €2.3 billion at over 30 production locations throughout the world employing a total workforce of more than 11,500.*