

## Press Release

### **Honsel completes first step in restructuring: French subsidiary Fonderie Lorraine to be sold to main customer ZF Friedrichshafen AG**

Meschede, 12 November 2010. The provisional insolvency administrator, Dr. Frank Kebekus, and ZF Friedrichshafen AG have today concluded the sale of Honsel's subsidiary Fonderie Lorraine S.A.S. to ZF Friedrichshafen. With this transaction, a first major step towards restructuring has been completed.

"Selling Fonderie Lorraine, Honsel now is in the position to continue its operations in a sustainable and profitable manner and further represents an attractive asset for investors," said Dr. Frank Kebekus, provisional insolvency administrator for Honsel.

In the current fiscal year 2010/2011, Fonderie Lorraine expects revenues of around EUR 45 million and supplies German and French automakers and suppliers, above all, with housings and innerparts for transmissions in aluminium. The 500 jobs affected in the Alsace region will not be affected by the transaction.

The die casting plant, Fonderie Lorraine, is situated on the Saar, around 10 kilometres afar ZF's transmission plant in Saarbruecken. It currently realises about 90 percent of its revenues with its main customer, ZF Friedrichshafen. The strongly increased demand this year for the new eight-speed automatic transmissions from ZF means that ZF Friedrichshafen will provide for a large share of the utilisation of the die casting foundry itself in the future. ZF can thus secure deliveries to its carmaker customers and continue to supply the other customers of Fonderie Lorraine as usual.

Fonderie Lorraine's sale still depends on the approval of antitrust authorities. Confidentiality was agreed with reference to contract details and purchase price.

Honsel AG filed for insolvency on 25 October 2010. Since then, it has managed in negotiations with customers and suppliers to improve its liquidity situation significantly and stabilise its business operations in full. Deliveries to customers are running smoothly and capacities are fully utilised.

## **About Honsel**

Honsel is one of the world's leading producers of light-metal components with primary focus on the automotive industry. The company develops and manufactures aluminium and magnesium products using the casting, extruding and rolling processes for engine, transmission, suspension and body in white of passenger cars and commercial vehicles. Additionally, the company supplies products for engineering and other applications. Components and solutions from Honsel reduce vehicle weights, fuel consumption and emissions, thus contributing to environmental protection. Founded in 1908, Honsel has become a development partner and systems supplier for the worldwide automotive industry and has facilities in Germany, France, Spain, Brazil and Mexico. About 3.800 employees achieved a total turnover of about 540 million Euros.

## **About ZF Friedrichshafen**

ZF is one of the world's leading automotive supplier groups in powertrain and suspension technology with 123 production companies in 27 countries. With around 63,000 employees, the group expects revenues of over EUR 12 billion in 2010. In the ranking of automotive suppliers, ZF is among the 10 biggest companies worldwide.

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