

## **MAHINDRA ACQUIRE JECO HOLDING DEAL VALUED AT ENTERPRISE VALUE OF EURO 140 MILLION (Rs.830 CRS)**

*Auto*

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**Mumbai:** Mahindra & Mahindra Ltd. through its subsidiary has agreed to acquire 67.9% stake in Jeco Holding AG, one of the top five forging companies in Germany. The transaction is subject to receipt of necessary approvals. It is the largest outbound\* acquisition in the auto component arena, and is valued at an enterprise value of approximately 140 million euros.

JECO Holding AG with over 120 years of experience is primarily focused on the Truck, Bus & Trailer market. Its major products include gear boxes, engine & axle parts, hubs, gears and piston heads. The company has forging production of 100,000 tpa and revenue turnover of Euro 180 mn (for CY 2005). Its top customers include DaimlerChrysler Group, ZF Group, MAN Nutzfahrzeuge, Volvo, Linde, Renault, Agco, Kessler and Kolbenschmidt. 90% of shareholding in Jeco Holding AG is currently held by Scholz AG with the remaining 10% held by management.

The company will benefit from the continued presence of the erstwhile shareholders and management of JECO Holding AG in further building the business of JECO. Mr. Thomas Korner will continue to hold the position of Chief Executive Officer. He has the benefit of a rich experience in the

forging industry for over 20 years. He has held positions with leading forging companies including Carl Dan Peddinghaus.

**Mr. Anand Mahindra, Managing Director and Vice Chairman, Mahindra & Mahindra, said,** *'With this acquisition, the Mahindra group has taken a decisive and important step towards creating a global class and global scale business in auto components. This creates a platform that enables us to pursue our vision of building the auto components business as one of the core businesses of Mahindra Group'*

**Mr. Hemant Luthra, President, Systems and Technologies Sector (Systech) said,** *'This transaction will result in our establishing a significant footprint in continental Europe. We would also be uniquely positioned to serve our customers from three locations i.e. UK, Germany and India for their auto component needs, by driving synergies across the locations. This acquisition is an important component of our strategy of building a global auto component business serving OEMs across geographies.'* He elaborated further, *'Systech has positioned itself as an 'art to part' auto component player with capability in design & engineering that perfectly complement its capability in the auto component space by adding value for its stakeholders.'*

Mr. Oliver Scholz, Member, Supervisory Board of JECO Holdings AG commented, 'The coming together of Mahindra & Mahindra and JECO has enormous potential. We are delighted to partner with the Mahindra Group and participate in the building of a global auto component business.'

### **About Scholz AG**

Scholz AG is a family owned company in the scrap recycling industry. The company's origins date back as far as 1872, with headquarters in Essingen, Germany. Mr. Berndt-Ulrich Scholz, chairman of the board at Scholz AG,

and his son Mr. Oliver Scholz, director on the board at Scholz AG, together hold 100% of the shares in Scholz AG. The company has been involved in scrap recycling since the beginning of the industry, and as a result, the Scholz family has experienced all developments in the industry. In some cases, the company has made a significant contribution to the industry.

The Scholz Group comprises of more than 100 directly and indirectly held subsidiaries located in several countries. Besides the domestic market of Germany, the subsidiaries are located in Poland, Czech Republic, Slovakia, Austria, Slovenia, Croatia, Bosnia, Serbia and Romania. The Scholz Group owns over 400 locations within these countries.

The Scholz Group, through Jeco Holding AG, is a major player in forging industry in Europe.

### **About the Mahindra Group**

The US \$3 billion Mahindra Group is among the top 10 industrial houses in India. Mahindra & Mahindra is the only Indian company among the top five tractor manufacturers in the world and is the market leader in multi-utility vehicles in India. It has a leading presence in key sectors of the Indian economy, including trade and financial services (Mahindra Intertrade, Mahindra & Mahindra Financial Services Ltd.), automotive components, information technology & telecom (Tech Mahindra, Bristlecone), and infrastructure development (Mahindra GESCO, Mahindra Holidays & Resorts India Ltd., Mahindra World City). With around 60 years of manufacturing experience, the Mahindra Group has built a strong base in technology, engineering, marketing and distribution. The Group has eight state-of-the-art manufacturing facilities in India spread over 500,000 square meters. The Mahindra Group has ambitious global aspirations and has a presence in 20 countries spread across four continents. Mahindra products are today available in every continent except Antarctica. M&M has made

strategic acquisitions of plants in China and the UK, and has 2 assembly plants in the USA. Its global subsidiaries include Mahindra Europe Srl. based in Italy, Mahindra USA Inc. and Mahindra South Africa. M&M has entered into partnerships with international companies like Renault, France, and International trucks, USA. The Group is celebrating its 60th anniversary in 2005-06.

Tags :

**JECO HOLDING**