



## PRESS RELEASE

SHW AG: Management Board does not consider the bid price announced by Pierer Industrie AG to be appropriate

Aalen, 27 June 2017. After a first assessment of the bid, the Management Board of SHW AG is of the opinion that the bid price of € 35 per share offered by Pierer Industrie AG for all the outstanding shares of SHW AG does not reflect the value – also with regard to the future positive development – of the company.

Based on its “SHW 2020” strategy, SHW AG is projecting a substantial sales and earnings boost from 2018 onwards. The foundation for this development has been laid over the last 18 months. The measures undertaken to improve operating excellence are having a tangible impact and a substantial € 30 million investment program to internationalize pump activities has commenced. In the period to 2020 sales are expected to rise by approximately 50 per cent from the 2017 baseline and a significant improvement is expected in both margins and earnings.

In response to the announcement of a takeover bid by Pierer Industrie AG, the Management Board of SHW AG has invited the bidder to enter into talks. However, the bidder has indicated that it will not enter into discussions until the offer document has been published. Once the offer document has been received from Pierer Industrie AG the Management Board and Supervisory Board of SHW AG will examine it with due prudence and issue a detailed statement and recommendation to the shareholders of SHW AG.



## About SHW

The Company was established in 1365 making it one of the oldest industrial companies in Germany. Today, SHW AG is a leading automotive supplier providing products that make a substantial contribution to reducing fuel consumption and, consequently, to lowering CO<sub>2</sub> emissions. In its Pumps and Engine Components business segment, the SHW Group develops and produces pumps for passenger vehicles and industry applications (e.g., trucks, agricultural and construction vehicles, stationary engines and wind farms) as well as engine components. The Brake Discs business segment develops and produces monobloc ventilated brake discs made of cast iron and composite brake discs made of a combination of an iron friction ring and an aluminium pot. The SHW Group's customers include renowned automotive manufacturers, manufacturers of commercial, agricultural, and construction vehicles as well as other suppliers to the automotive industry. Currently, the SHW Group has four production sites in Germany located in Bad Schussenried, Aalen-Wasserralfingen, Tuttlingen-Ludwigstal and Neuhausen ob Eck, one site in Brazil (Sao Paulo) and China (Kunshan) and has a sales and development centre in Toronto, Canada. Besides, SHW Automotive GmbH also holds a 51 per cent interest in the joint venture SHW Longji Brake Discs (LongKou) Co., Ltd., in LongKou (China). With just over 1,250 employees, the Company generated Group sales in fiscal year 2016 of € 406 million. Further information is available at: [www.shw.de](http://www.shw.de)

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## Future-oriented statements

This press release contains certain future-oriented statements that are based on current assumptions and forecasts made by the management of SHW AG. Various known and unknown risks, uncertainties and other factors may lead to the actual results, financial position, development or performance of the company deviating considerably from the appraisals specified here. The company assumes no obligation to update future-oriented statements of this nature or adapt them to future events or developments.

## Note

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The securities referred to herein have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act") and may not be offered or sold in the United States absent registration or an exemption from registration under the Securities Act. SHW AG does not intend to register any securities referred to herein under the Securities Act or with any securities regulatory authority of any state or other jurisdiction in the United States in connection with this announcement.