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PRESS RELEASE

SHW AG plans listing on 30 June 2011 – Price range set at €26 to €29

- Target issue volume including green-shoe option of up to €88.2 million
- Offer period commences on 17 June 2011 and is scheduled to end on 29 June 2011
- Main selling shareholder to remain substantially invested

Aalen, 16 June 2011. SHW AG, one of the leading automobile suppliers of key CO₂-relevant components (pumps and engine components) and brake discs that contribute to a reduction of fuel consumption and consequently CO₂ emissions, specifies its IPO plans. In cooperation with the selling shareholders and Joint Global Coordinators and Joint Bookrunners, the company has determined the parameters for the planned initial public offering (IPO). The price range of the offered shares has been set at €26 to €29 per share. The period during which interested investors can submit their offers to purchase shares starts on 17 June 2011 and is scheduled to end on 29 June 2011. The offering consists of a public offering in Germany and an international private placement outside the United States of America, Australia, Japan and Canada. The listing of the shares on the Prime Standard of the Regulated Market of Frankfurt Stock Exchange is planned for 30 June 2011.

The offering consists of up to 2,645,715 shares for the base deal and up to 396,857 shares to cover a potential overallotment. The shares are sold by SHW Holding L.P. as well as other existing shareholders. Based on an offer price corresponding to the midpoint of the price range, the placement volume including overallotment would amount to approximately €83.7 million. The target free float following the IPO upon placement of all shares offered including the full exercise of the green-shoe option is approximately 52 percent.

“The upcoming IPO is the next logical step in the development of our company. Based on our diverse and attractive product portfolio, we have promising growth prospects in which our future investors can participate,” says Dr. Wolfgang Krause, CEO of SHW AG.

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“The IPO provides us with permanent access to additional sources of finance. Already prior to the IPO SHW possesses a healthy balance sheet and low financial indebtedness as we managed to reduce net bank debt by almost €66 million to approximately €16 million between early 2006 and the end of Q1/2011,” adds Oliver Albrecht, CFO of SHW AG.

Attractive growth prospects by growing automotive markets, hybridization, increasing number of SHW parts per vehicle and further internationalization

The automotive supplier expects significant growth impulses by the rising global automobile production. In the foreseeable future, in the view of the company the main driver remains the mega trend of CO₂ reduction, which is expected to be reflected in a corresponding demand for the CO₂-relevant components (pumps and engine components) of the SHW.

In this context, the SHW Group assumes that future growth will come from the field of traditional combustion engines as well as the expected increase in demand for vehicles with alternative drive concepts. SHW products meeting the special technical requirements of hybrid vehicles are already being deployed in serial production.

Other growth opportunities include the increasing volume of products supplied per vehicle as well as the constant increase in the complexity of CO₂-relevant vehicle components that will be reflected in an increase in the proceeds per component. In its Brake Disc business segment, SHW expects sustainable growth to be generated particularly in the field of composite brake discs and by intensifying its spare part business.

Current orders from notable European and North American vehicle manufacturers as well as newly won orders are expected to lead to strong sales figures in the forthcoming years.

Moreover, the scalability of the pump business makes it comparatively easy to expand to countries in which the customers of the SHW Group already have production facilities today or plan to establish such facilities in the future. “We will follow our customers to growth markets like China, Brazil and India,” underscores Dr. Krause. At the same time, the existing expertise in the passenger car pump segment should be transferred to an increasing degree to other business activities with high growth potential (e.g. trucks, agricultural and construction vehicles, as well as stationary engines and wind power stations).



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“We want our shareholders to participate in this success accordingly,” says Oliver Albrecht. “Taking into account the legal restrictions and SHW Group’s financing requirements, we plan to pay to our shareholders a dividend equalling between 30% and 40% of the net income for the year (Jahresüberschuss) as defined in the IFRS.”

The main shareholder, SHW Holding L.P., which currently holds approximately 94 percent in SHW AG, intends to remain invested in the company and plans to keep more than 46 percent of that stake assuming a full exercise of the green-shoe option to support the positive development and growth opportunities of the company. In turn, SHW Holding L.P. is owned by several investment funds (Nordwind Capital).

Further details on the offering

The first trading of the shares on the Prime Standard of the Regulated Market of the Frankfurt Stock Exchange is scheduled for 30 June 2011 under the ticker symbol SW1. The International Securities Identification Number (ISIN) is DE000A1JBPV9, and the German Securities Identification Number (WKN) is A1JBPV. COMMERZBANK und BNP PARIBAS act as Joint Global Coordinators and Joint Bookrunners. The offering period is expected to end on 29 June 2011 at 12:00 CET for retail investors and at 16:00 CET for institutional investors.

SHW AG’s prospectus for the public offering has been approved by the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht) today. The prospectus is published on the company’s website (<http://www.shw.de>) and will also be available free of charge from the company (Wilhelmstrasse 67, 73433 Aalen, Deutschland) as well as from the Joint Global Coordinators and Joint Bookrunners. SHW will announce the final offer price and offer volume with an ad-hoc release.

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Background date to the IPO	
First trading day	30 June 2011
Offering period	The offering period begins on 17 June 2011 and is expected to end on 29 June 2011 (at 12.00 CET for retail investors and at 16.00 CET for institutional investors).
Price range	€26 to €29 per share
Offering	Public offering in the Federal Republic of Germany and an international private placement outside the United States of America, Australia, Japan and Canada. Outside the United States of America, the Offer Shares will be offered in accordance with Regulation S promulgated under the U.S. Securities Act.
Offered shares	2,645,715 shares and another 396,857 shares to cover a potential over-allotment. Subject of the offer are ordinary bearer shares with no par value (no-par value shares), each share representing a pro rata amount of the company's share capital of €1.00 and bearing full dividend rights as at 1 January 2011.
Issue volume	Up to approximately €88.2 million (upon placement of all shares offered and the full exercise of the green-shoe option and assuming an offer price corresponding to the maximum amount of the price range)
Stock exchange	Frankfurt Stock Exchange
Market segment	Regulated Market (Prime Standard)
ISIN	DE000A1JBPV9
WKN	A1JBPV
Ticker symbol	SW1
Free float after IPO	Approximately 52 percent (upon placement of all shares offered and the full exercise of the green-shoe option)
Joint Global Coordinators and Joint Bookrunners	COMMERZBANK Aktiengesellschaft, Frankfurt and BNP PARIBAS, Paris
Lock-Ups; Market protection agreement	SHW Holding L.P.: 6 months Other selling shareholders: 12 months Company: 6 months and for another 6 months only upon prior approval by the Joint Global Coordinators and Joint Bookrunners

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About SHW

The enterprise was established in 1365, making it one of the oldest industrial enterprises in Germany. Today, the SHW AG is a leading supplier of products that essentially contribute to a reduction of fuel consumption and consequently CO₂ emissions. Through its Pumps and Engine Components business segment, SHW Group develops and produces pumps for passenger vehicles and truck & off-highway applications (trucks, agricultural and construction vehicles, as well as stationary engines and wind power stations). In its Brake Disc business segment, SHW Group develops and manufactures monobloc ventilated brake discs made from cast iron as well as composite brake discs made from a combination of an iron friction ring and aluminium pot. Customers of the SHW Group include notable European and North American producers of passenger cars and commercial vehicles. The SHW Group has four manufacturing sites in Germany. These are located in Bad Schussenried, Aalen-Wasseraffingen, Tuttlingen-Ludwigstal and Neuhausen ob Eck. Through a 50 percent interest in the Canadian company STT Technologies Inc., the company also has manufacturing sites in Canada and Mexico. With slightly more than 1,000 employees, the SHW Group generated approx. €290 million in revenues in 2010.

For further information visit: www.shw.de

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This press release contains forward-looking statements based on current expectations and assumptions by the management of SHW AG. Forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may result in the profit situation, profitability, performance or the profit of SHW AG deviating substantially from the profit situation, profitability, performance or the profit expressly or implicitly assumed or described in these forward-looking statements. In view of these risks, uncertainties and other factors, the recipients of these documents should not inappropriately rely on these forward-looking statements. SHW AG assumes no obligation to update such forward-looking statements or to adjust them to reflect future events and developments.