

Continental to take over Veyance Technologies from The Carlyle Group

The Hanover-based automotive supplier and tyre manufacturer Continental has concluded an agreement with The Carlyle Group, Washington, DC, USA, relating to the purchase of Veyance Technologies Inc, Fairlawn, Ohio, USA, for approximately EUR 1.4 billion.

Veyance operates globally in the field of rubber and plastics technology and in 2013 recorded sales of approximately EUR 1.5 billion, around 90 % of which were achieved outside the automotive industry. Veyance has 27 plants around the world and a workforce of about 9,000 employees at the end of 2013. The acquisition is subject to the approval of the responsible anti-trust authorities.

“Veyance’s business and geographic presence complements **Continental’s** existing global footprint, and the planned integration of Veyance into our **ContiTech** division will expand our position in rubber and plastics technologies on a worldwide basis. Furthermore, this acquisition will enable Continental to come a step closer to its strategic goal of increasing further our proportion of sales to industrial customers and private end users. ContiTech itself will achieve some 60 % of its sales outside the automotive OE sector in future,” said **Dr. Elmar Degenhart**, Chairman of Continental’s Executive Board in Hanover. “Veyance will make an immediate positive contribution to the corporation’s profitability once the transaction has been concluded. The acquisition can be financed from cash and available credit lines.”

“Veyance Technologies will complement our ContiTech division in key markets where our presence is limited, particularly in the US and South America. Plants in Mexico, Canada, China, Australia and also South Africa will provide additional opportunities,” explained **Heinz-Gerhard Wente**, Member of the Executive Board of Continental AG and CEO of the ContiTech division. “Veyance and ContiTech complement each other geographically, and ContiTech’s Conveyor Belt Group and Fluid Technology business units in particular will benefit from an enhanced global presence. The Power Transmission Group and Air Spring Systems also will achieve positive results from the merger.”

“We are proud of what the Veyance management team has accomplished and believe the combination of Veyance and Continental will even more effectively meet customers’ needs globally,” added **Martin Sumner**, Managing Director of **The Carlyle Group**. In 2013 ContiTech’s and Veyance’s merged pro forma sales will add-up to approximately EUR 5.4 billion, and they employ about 39,000 people worldwide. Veyance Technologies achieves about half of its sales in the USA. Other important markets are Latin America, Africa, China and further Asian countries. The product focus is on conveyor belts, hoses, power transmission belts and air springs.

“ContiTech and Veyance are a great fit for each other,” said **John S. Hamilton**, Chief Executive Officer of Veyance Technologies Inc. “In addition to the complementary geographic and product mix, we bring an organization and culture which delivers on our commitments to customers, employees, and our communities. We look forward to becoming valuable members of the ContiTech team to continue building upon our shared culture of innovation and providing value to customers.”

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