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## **Allgaier forms company in China**

### **Automotive arm set to benefit from further internationalisation**

### **Chinese automotive group awards major tooling contract to Uhingen-based company**

Uhingen-based automotive supplier ALLGAIER formed the sales and engineering company "ALLGAIER Automotive Tool & Die Co. Ltd.", based in Beijing (Peking), in May 2010, giving it a presence in the emerging market of the automotive industry, from which the company expects additional, strong sales growth.

The company, which was formed to acquire and process tool and die business, will be responsible for consultancy, service and processing of orders. Instead of local in-house production, the business model envisages having the complex dies produced in Germany and the less-complex components produced by selected Chinese manufacturers on a cooperation basis.

"The automotive market in China is growing rapidly and, for German toolmakers, this is a huge source of potential, which we want to tap into at our headquarters in Germany as well as in Asia," says Helmar Aßfalg, Chairman of the Board of Management, who believes that the company's involvement in China will also have a positive impact in its German homeland. "By taking on development and production activities, we will be able to ensure full utilisation of existing capacity at our headquarters."

Alongside the Chinese-German joint ventures in the automotive production sector, the purely Chinese manufacturers are increasing their market share at a staggering rate in their home country. The number of model variants is also rising rapidly. In addition to this, the emergence of electrically powered cars means that there is an increasing demand for new vehicle concepts. All of this means that numerous Chinese vehicle manufacturers want to expand their factories and adapt the quality of their vehicles in line with international standards with the support of foreign suppliers, including those from Germany, so as to make their vehicles more competitive.

Here one of the priorities is the use of new steel materials, which in many cases can only be processed by employing new, complex tooling concepts. In order to implement such concepts, the Chinese OEMs count on the specialist knowledge of foreign companies. When it comes to production accuracy, too, the Chinese companies want to catch up and focus on hallmark German quality, especially in the case of skin panel parts.

"In the case of lightweight design and the processing of ultra-high-strength steels, we are adopting a strong position and, as far as the forming processes are concerned, we can offer extensive knowledge and all of our experience," says Aßfalg.

At around the same time as the new company was formed, ALLGAIER received an order for an extensive toolmaking project from a purely Chinese automotive group, whereby the development, design and highly complex production work will be performed at the ALLGAIER headquarters in Germany, while the less complex components will be purchased from Chinese cooperation partners.

"The move into China essentially completes the internationalisation of ALLGAIER's automotive arm," states Helmar Aßfalg.

In 2009, Allgaier opened a production site in Mexico for the production of press parts, while a production site in France has been operating for many years. The company, whose core business currently consists of toolmaking as well as the production of pressed parts and components, believes it is firmly on the right track. The objective is to further consolidate the company's market position by taking on demanding production tasks.