



Concentric opens European hydraulics centre in Hof, Bavaria

Concentric AB has opened a new plant in Hof, Bavaria, consolidating all its European hydraulics manufacturing operations into a single site.

The inauguration of the new 9,000 m² Hof facility is the culmination of a SEK36 million (approximately €4.2 million) restructuring programme to create one centre of excellence for Concentric's hydraulics technology and manufacturing in Europe. It involves the closure of the existing older plants in Hof and Skånes Fagerhult, Sweden and the gradual transfer of all production lines into the new facility during 2013.

The Swedish plant has now completed the transfer of the business and ceased all production, in line with the previously announced restructuring programme, and deliveries of Concentric power packs from the new Hof plant are already under way. Other production lines including the company's range of hydraulic pumps, motors and flow dividers will be transferred in a staged programme through the remainder of 2013 and it is anticipated that the old Hof plant will finally close at the end of the year after a working life of some 125 years.

Like Concentric's American centre of excellence in Rockford, Illinois, the new Hof plant is designed to create a "best in class" hydraulics facility in the region. This announcement completes the reorganisation of the company's hydraulics business (formerly known as Haldex Hydraulics Division) which became part of Concentric AB when it was formed in June 2011, following the break-up of the Haldex Group.

The project is being run according to the Concentric Business Excellence model and so lean manufacturing principles have been applied across the multiple manufacturing channels. The new plant in Hof represents approximately 30% more space than that of the two old plants combined, providing ample capacity for future growth. The consolidation within a single plant will deliver significant economies of scale as well as offering customers a single point of contact for customer service, applications support, design engineering, quality and logistics.

Wim Goossens, Concentric's Senior Vice President of Europe and Rest of World (RoW), commented: "Consolidating our European hydraulics business not only delivers synergies and enhanced co-ordination but also maximizes the great tradition of engineering excellence we enjoy in Hof. Concentric AB believes strongly in the growth potential of the hydraulic business and the new facility is evidence of our growing strength in the market."

Concentric's range of Haldex branded hydraulic pumps, motors, power packs and flow dividers are specified by leading OEMs for a wide range of applications including lift trucks, aerial work platforms, agricultural equipment, transmissions, mining, construction and road-building machinery. Applications include cooling fans, axle cooling systems, rotary drives for agricultural equipment electro-hydraulic lifts, transmission clutch actuation and lubrication, auxiliary brake and steering systems.

For further information, please contact David Bessant, CFO, +44 121 445 6545