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## Hydro to sell off automotive structures business

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Azom reported that Norsk Hydro ASA has entered into an agreement to divest its automotive structures business to Benteler Automobiltechnik GmbH, the automotive division of the large German industrial enterprise Benteler Group with headquarters in Paderborn, Germany. The agreement represents a solid, long term industrial solution for Hydro's automotive structures activities and is in line with Hydro's strategy to focus its extruded activities on profiles solutions and building systems.

Mr Svein Richard Brandtzæg president and CEO of Norsk Hydro said that the transaction is expected to be cash neutral for Hydro and an estimated after tax loss of NOK 250 million will be recognized in Hydro's Q4 2009 results. Hydro expects the transaction to close by the end of Q4 2009 subject to clearance by relevant competition authorities and other anti trust bodies.

Mr Johnny Undeli executive VP responsible for the Extruded Products business area in Hydro said that "We are pleased to have found a buyer with the ambition, competence and size to further develop the automotive structures activities."

Hydro's automotive structures business, part of the Extruded Products business area is a leading supplier of advanced crash management systems, roll over bar protection systems and other structural components and assemblies, serving the majority of the global carmakers. The business has a significant part of its production at Raufoss in Norway, with other plants in China, Czech, Denmark, France, Germany, Sweden and the US. Revenues amounted to NOK 2.2 billion in 2008 and the business had about 1,200 employees at the end of Q3 2009.

The Benteler Group is internationally active with its business divisions Automotive, Steel/Tube and Distribution and was founded in 1876. Operating under the Benteler name, the business is not only one of the largest independent automotive suppliers but also one of the most important steel tube manufacturers in Europe as well as one of the leading stock holders and processors of steel tubes and stainless steel tubes. Today, Benteler employs more than 24,000 persons at 150 locations in 35 countries.

Mr Undeli said that "We've restructured and reduced the size of our automotive structures activities over the past years. This has improved financial results, despite the economic downturn. After having run these operations for a number of years without satisfactory earnings, we feel convinced that the new owner will concentrate fully on serving the automotive industry and that it will add the competence necessary to increase profitability and market position."

Hydro, an integrated aluminum and energy company will continue to be a major supplier of aluminum as well as semi fabricated rolled and extruded aluminum profiles to the automotive industry after the divestment.

(Sourced from Azom.com)

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