

2010

# newsmaker

**HENNIGES**  
AUTOMOTIVE

*“We utilize the talents of our 4,500 associates located across 3 continents, 11 plants, and 2 technical centers to design, manufacture, and deliver innovative automotive sealing products to our customers.” - Henniges Automotive*



# The Gazette

## Henniges Automotive is back

By The Gazette Staff

April 25, 2010



KEOKUK — Henniges Automotive, Iowa Inc. has weathered the biggest downturn in the automotive industry since the Great Depression. That's good news for Keokuk, the Tri-State Area and the 440 employees who are producing rubber and weather-stripping for the Big Three automakers: Ford, General Motors and Chrysler.

During the first half of 2009, the situation wasn't so good, plant manager Shawn McAfee acknowledges.

General Motors and Chrysler filed for bankruptcy and then the federal government bailed out the two ailing automakers. As a result, the Keokuk plant's hourly workers were laid off for as long as three months, while salaried employees were off six to 13 weeks due to the drop in demand for weatherstripping for doors, trunks and hoods of several models of cars, SUVs, minivans and pickups.

Now, McAfee is cautiously optimistic about the rest of 2010.

"We make primary and secondary seals that seal noise and water out of the vehicle," McAfee explained. "We make glass runs, which are what the glass rolls up and in between, and belt line seals at the bottom of the glass or inside and outside of the door."

The plant also makes deck lid or lift gate seals and hood seals that dampen noise and vibration.

"We're the only plant in our company that makes obstacle detection seals for back lift gates," he said.

The initial design work for the plant's seals is done at corporate headquarters in Farmington Hills, Mich.

In the late 1990s, a mixing facility opened that serves all of the company's plants in North America as well as the Keokuk operation.

"We already had the mixing talent here, and the state and city worked with us on grants to help keep it here," McAfee said.

The plant produces about 80 million pounds of rubber a year out of oil, carbon black from Texas and Louisiana, polymers from Texas and Brazil, and calcium carbonate from Quincy, Ill. A lot of other smaller ingredients come from Ohio and several other places, according to McAfee.

The ingredients are mixed like bread dough to make the rubber that is used in the extrusion process for the various seals. The mixing and extrusion units work from 7 a.m. to 3 p.m., 3 to 11 p.m. and 11 p.m. to 7 a.m. The rest of the plant works from 7 a.m. to 3:30 p.m. and 3:30 p.m. to midnight five days a week.

Henniges Automotive, Iowa Inc., dates back to 1914 when the operation was known as the Standard Four Tire Company. Only tires for Model Ts were manufactured then. In 1931, the plant was idle for awhile when the company went bankrupt until a reorganization occurred and it was known as Rubber Industries. The plant then made different products, including rubber gloves and garden hose, and tried to make mechanical dense rubber.

In 1937, Dryden Rubber Co. bought Rubber Industries and chemically blown sponge rubber was manufactured. The first expansion occurred in 1939, and the second was immediately after World War II in 1945. The plant made gas masks as well as sponge rubber parts for autos during World War II and the Korean War.

In 1949, Dryden Rubber Co. was purchased by Sheller Manufacturing Corp. The plant was known then as Dryden Rubber Division and later as Dryden-Keokuk Division. In 1955, the plant started making urethane foam for the furniture industry as well as crash pads and arm rests in addition to the sponge parts. Expansions occurred in 1951, 1958, 1961, 1964, 1966, 1969, 1979 and 1986.

In 1964 the foam operation for furniture was moved to the new Iowa City Division. Sheller merged with Globe-Wernicke in 1966, and on Jan. 1, 1967, the plant became the Keokuk Division of the Sheller-Globe Corp. The product line then was comprised of urethane foam (safety crash pads for autos) and sponge rubber products (weatherstrips) for the auto industry.

Sheller-Globe changed from public to private status in 1985. The major investors included a group of Sheller-Globe executives, General Felt Inc. and Shearson Lehman Brothers. In 1988 the Sheller-Globe properties were purchased by United Technologies Automotive. The plant at this time started to make flocked products, along with dynamic weatherstrips.

Schlegel, a division of BTR, bought the rubber division only of the plant in 1990. The plant then became known as the Iowa Division of Schlegel Sealing Systems. The urethane foam product line was moved to another UTA location, leaving only the weatherstripping business in Keokuk.

In 1995, the name of the Keokuk plant was changed to BTR Sealing Systems North America, Iowa Operations. The product lines did not change and the plant still made weatherstrips for the auto industry. In 1999, the parent company, BTR, merged with Siebe to form Invensys. CVC Partners Limited purchased Automotive Sealing Systems in April 2000. The name was changed to Metzeler Automotive Profile Systems, and the plant continued to make weatherstrips for the auto industry.

In September 2007, Wynnchurch Capital purchased the North America facilities, including the Keokuk operation. In December 2007, additional plants were bought from GDX Automotive and the new company name became Henniges Automotive. The original brick plant still exists and has been expanded over the years. The facility at 3200 Main St. now covers 650,000 square feet of space.

## **Ruia Group may acquire European auto-component firm**

Aparajita Gupta

July 15, 2010

The Ruia Group, known for its buying spree, could acquire a European auto component company soon, chairman Pawan Kumar Ruia said.

“We are trying to close a deal very soon in one of the auto component companies in Europe. In Europe, a lot of companies are up for sale. We are working on some projects,” Ruia said in Kolkata.

The company, which is looking at two-three European companies, has acquired British auto component company Schlegel Automotive Europe Ltd and Germany’s leading automotive sealing systems company, Henniges Automotive Grefarth GmbH, in 2009.

“Both the companies in the UK and Germany are doing very well right now. Fortunately they are getting orders from the OEMs (original equipment manufacturers).”

Asked whether the latest European financial crisis is hitting the companies, he said: “Fortunately this year is better than the last year. Sales of European OEMs have increased. Our orders are increasing.”

“Approximately we are doing a business of 4.5 million euro per month in Germany and 2.5 million pounds business in the UK.”

About other acquisition plans of the group, he said: “For SsangYong we have appointed Deloitte to do the due diligence process. By this week it will be completed. We asked for some more time from them for the management presentation. Now they have extended time till August 20.”

The Ruia Group and Mahindra & Mahindra are among the six suitors shortlisted to bid for the bankrupt South Korean firm SsangYong Motor.

The Group has meanwhile shelved its plan to set up a Rs.4-billion greenfield tyre plant in Assam for at least one year, Ruia said, as the company will concentrate on expanding its existing units in Karnataka, Maharashtra and Uttaranchal.

“We have shelved the Assam project for the next one year. We are not very keen right now on the project as we are concentrating on scaling up facilities in Mysore and Uttaranchal and with expansion of Monotona (Tyre facilities) near Mumbai,” said Ruia.

The company had acquired a 60-acre plot for constructing the Assam plant.

Ruia said the company would pump in Rs.1,500 crore for the expansion works.

It would expand the capacity of Falcon Tyre in Mysore to 300 pieces a day. The Uttaranchal plant under the Falcon banner is a new plant and it would scale up the capacity of Monotona Tyre near Mumbai to 500 pieces from 300 pieces a day.

The group ventured into tyre industries in 2005 with the acquisition of Dunlop India Ltd and Falcon Tyres Limited. In 2007 it acquired Monotona Tyres at Mumbai and in the same year it bought controlling stake in electronics company Industronics Berhad in Malaysia.

He said Falcon Tyres that clocked a turnover of Rs.851 crore in 2009-10 for 18 months would be able to achieve a Rs.800 crore turnover this fiscal (12 months).

He said the company is focussing on a big project in Tamil Nadu in the tyre segment but declined to divulge details. "We have focussed ourselves more on tyres. It's a big project in Tamil Nadu."

The diversified group is also into wagon-making business through Jessop & Co. "We are now doing Rs.200-crore business and here we are certainly trying to diversify our product line. We are looking at adding more fabrication items."

The order book size of Jessop to be delivered over one to one-and-a-half year's time is around Rs.500 crore.

He acquired a sick heavy engineering and infrastructure company Jessop & Co in 2003 and turned it into a profit- making business.

The group is planning to stall its plan for the sugar mill in Bihar for another six months, he said.

The company already has a sugar plant in Kamlapur Sugar and Industries Ltd at Uttar Pradesh, which has a daily capacity of crushing 4,000 tonnes of cane.



## **Ruia Group eyeing a European components firm**

By Harish Dhawan

July 16, 2010

After setting its sight on the cash-strapped Korean auto major, Ssangyong Motors, Ruia Group is now trying to get its hands on a European automobile components firm to drive its growth in the future.

Pawan Ruia, Chairman, Ruia Group recently said that the Group is trying to close a deal very soon in one of the auto component companies in Europe.

In fact, Ruia also pointed out that as lot of companies are up for sale in the European market, the Group is trying to work on some projects.

It is to be mentioned here that it is not the first time that Ruia Group is on an expansion spree via acquisitions as the Group has acquired British auto component company Schlegel Automotive Europe Ltd and Germany's leading automotive sealing systems company, Henniges Automotive Grefarth GmbH, in 2009.

It is to be mentioned here that the businesses are doing well as the Group is doing a business of 4.5 million euro per month in Germany and 2.5 million pounds business in the UK. The company is under the due diligence process for Ssangyong.

## **Ruia Group acquires German Gumasol, eyes more**

August 5, 2010

KOLKATA: City-based Ruia Group has added another German company to its portfolio by acquiring solid tyre and auto component maker Gumasol-Werke and is eyeing a few more in the auto or infrastructure sectors.

"It is a 25-million euro company. This is an asset deal, where we have bought the land, building, machineries and the goodwill of the company," Ruia Group chairman Pawan Kumar Ruia said at a news conference in Kolkata on Thursday.

He declined to reveal the deal size.

Germersheim (Germany) based Gumasol Rubber Tec, a special purpose vehicle floated by the Ruia Group, acquired the assets of the company August 1, 2010, he said. The Group would retain the 106 employees at the Gumasol plant.

Asked about future acquisition plans, Ruia said: "We have few companies on radar. It could be in the auto sector, infrastructure sector or sealing sector."

The Group had acquired British auto component company Schlegel Automotive Europe and Germany's leading automotive sealing systems company, Henniges Automotive Grefarth GmbH in 2009.

The group ventured into tyre industries in 2005 with the acquisition of Dunlop India and Falcon Tyres. In 2007, it acquired Monotona Tyres, Mumbai, and in the same year it took controlling stakes in Malaysian electronics company Industronics Berhad.



## Kolkata's Ruia Group acquires German firm Gumasol

August 6, 2010

**Gumasol had revenues of Euro 35 million in 2008 and currently has a run rate of around Euro 25 million.**

The Kolkata-based Ruia group is acquiring the operating assets of Germany's Gumasol-Werke Dr. Mayer GmbH & Co. KG, a specialist in elastomer technology and products. The deal includes acquisition of a manufacturing cum development facility near Frankfurt with around a 100 employees. Gumasol had revenues of Euro 35 million (Rs 213 crore) in 2008 and currently has a run rate of around Euro 25 million (Rs 152 crore).

Ruia group has done several acquisitions in Europe like British auto component company Schlegel Automotive Europe Ltd and Germany's leading automotive sealing systems company, Henniges Automotive Grefarth GmbH.

Mumbai-based Equirus Capital, along with its network partner, acted as the exclusive strategic and financial advisor to Gumasol.

"Gumasol, with its established expertise in rubber tyres and other rubber products, fits in with Ruia Group's strategy of strengthening its base in Europe," said Prithvi Kandoi, Vice President at Equirus Capital. Kandoi added that Gumasol also has patents and technology

that the Ruia group may bring to India.

The Ruia Group has floated a special purpose vehicle called Gumasol Rubber Tec in Germany for this acquisition. The deal size was not disclosed. Ruia has several companies in the tyre and rubber space like Dunlop India Ltd, Falcon Tyres Ltd, Monotona Tyres Ltd and India Tyre & Rubber Co. (India) Ltd. The Ruia group is also planning to bid for the South Korean SsangYong Motor, which has also attracted other suitors including Mahindra & Mahindra.



## **In brief**

By Editorial Staff  
December 17, 2010

### **Littlejohn seals deal for Henniges**

Greenwich-based Littlejohn & Co. LLC acquired Henniges Automotive Holdings Inc. from Wynnchurch Capital Partners for an undisclosed sum.

Farmington Hills, Mich.-based Henniges makes sealing systems for automobile doors, windows, trunks, sunroofs and hoods; as well as anti-vibration products such as encapsulated glass and rubber components. Henniges has about 4,500 employees.

Rosemont, Ill.-based Wynnchurch created Henniges in 2007 via the buyout of Metzeler Automotive Profile System, which traced its history to 1863; and units of GDX Automotive.