



Concentric completes acquisition of Licos

Licos to increase sales by 50% over three years with improved margins

Concentric AB ("Concentric") today announces the completion of the acquisition of Licos Trucktec GmbH ("Licos"), a leading producer of water pumps and electromagnetic fan clutches for the truck industry, for MEUR 9,25 where MEUR 8,75 has been paid in cash and MEUR 0,5 shall be satisfied with shares in Concentric. Concentric will assume debt of MEUR 3,1. The acquisition will broaden Concentric's product portfolio in a growing niche, the semi-variable water pump, and presents an opportunity to leverage Concentric's position in the U.S. for Licos electromagnetic fan clutches.

German based Licos' high quality products have attracted the business of global top-tier OEMs. Licos' sales amounted to EUR 14 million in 2012 with an EBIT of MEUR 0,25 corresponding to an EBIT margin of 1.8%.

David Woolley, CEO of Concentric, comments:

"Licos is a perfect strategic fit for Concentric, as their controllable water pump complements our own fully-variable technology, enabling us to offer customers a full range of water pumps to meet every need. Concentric will also gain access to Licos know-how in the field of electromagnetic and friction clutch technologies. Licos in turn will benefit from a growing range of opportunities within the successful and expanding Concentric family. As existing contracts include a ramp-up, we believe Licos sales will grow by 50% over the coming three-year period and enable them to reach Concentric's existing margin levels."

Controllability is an increasingly important driver within the commercial diesel industry and Licos clutch technology has potential applications across the range of Concentric's oil, water and hydraulic pumps as well as in fans and compressors. The Licos combination of magnetic and friction clutch technology makes it possible to achieve zero-loss performance at high load conditions. The two companies have already collaborated in the field of magnetic clutches and this technology will enable Concentric to offer significant fuel efficiency gains across a wider range of applications. In addition, Licos has a wealth of experience in manufacturing and production supply of specialist clutch technologies with major OEMs declaring the proven net fuel benefits of up to 0.7%.

The seller is Dr. Wolf Beteiligungs GmbH and the transaction was completed on June 27, 2013 and has gained all the necessary approvals. The current managing director of Licos, Dr. Andreas Wolf, will remain in the company and help integrate the business over the coming months. As part of consideration for his shares in Licos, and part of the total purchase price, Dr. Andreas Wolf has received EUR 500,000 in Concentric shares also ensuring his long-term commitment to the combined company.

The trading results of Licos will be consolidated in Concentric's financial statements as of 1 July, 2013.

About Licos

Licos is a leading producer of electromagnetic clutches for water pumps and fan applications within the truck industry, with belt drive components for heavy-duty diesel engines completing its product portfolio. As an experienced user of advanced laser manufacturing technology, Licos can tailor its products to customer specification. For the financial year ended 31 December 2012, sales amounted to EUR 14 million with an EBIT margin of 1.8%. Licos employs around 55 people from a single production and engineering facility based in Markdorf, Germany. Further information about Licos is available from the company's website www.licostrucktec.com.

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