



For Immediate Release
February 1, 2012

Contact: Terry M. Treviño
Phone: (830) 401-2476
Email: ttrevino@seguintexas.gov

Continental Automotive to Add New Product Line, 300 employees to Seguin, Texas Facility

Seguin, Texas – Continental Automotive Systems, Inc. announced Wednesday, February 1st, that it will begin production of sensors currently produced only in Europe and Asia in their Seguin, Texas plant. This expansion will create over 300 new jobs and \$113 million in new capital investment. Seguin was in competition with several locations within and outside of the United States for the project and through aggressive recruitment and coordination from the State of Texas, Guadalupe County, City of Seguin, and Seguin Economic Development Corporation the project was successfully secured for Seguin.

To position Seguin competitively, a local incentive package was utilized which included a \$1.2 million State grant from the Texas Enterprise Fund, a \$600,000 grant from the Seguin Economic Development Corporation, a five year partial property tax abatement from the County and City on new property, and a workforce training grant of approximately \$500,000 from the Texas Workforce Commission's Skills Development Fund to help offset training expenses of new employees.

"We are extremely excited by this announcement and look forward to continuing our long and mutually-beneficial relationship with Continental Automotive Systems," said Seguin Mayor Betty Ann Matthies. "The recruitment of this project was made possible by seamless cross-jurisdictional coordination and is another great example of how our community is able to aggressively utilize its economic development resources and pro-business approach to create a win-win public private partnership."

"I am pleased that Continental has chosen the Seguin facility for the new product line expansion," stated Guadalupe County Judge Mike Wiggins. "This project will create hundreds of new quality jobs for our region and further establish Guadalupe County at the forefront of advanced manufacturing in the state and nation."

Continental is part of Continental AG, one of the world's leading automotive industry suppliers based in Hanover, Germany. Continental's Seguin, Texas facility currently manufactures powertrain control modules utilized by numerous domestic and international automotive manufacturers including Ford, GM, Chrysler, Volvo, Acura, Mazda, and Caterpillar. Currently 1 out of every 5 automobiles in the United States have a control module produced in the Seguin Texas plant which currently employs approximately 1,340.

The new production lines initially will be manufacturing two types of sensors to be used in many types of vehicles. For one of the products, this will be the first time this product line has been manufactured in the United States or the entire North American Free Trade Agreement (NAFTA) region. The components will

be used by auto manufacturers to monitor and reduce various emissions, improve fuel economy and improve performance of vehicles. The installation of the manufacturing lines will be phased in over a 5-year period beginning in 2012. Upon full operation, the expansion will add more than 300 new full-time jobs, bringing the facility's employment to approximately 1,700, making it the largest employer in Seguin. The company will be utilizing existing facility space and investing more than \$113 million to install the production lines including the purchase of new equipment, facility renovations, and building of a clean room.

"The addition of the sensor product lines is a major win for the Seguin plant and will provide diversity and enhanced capabilities," said Gregg Wiggins, Continental's senior vice president, NAFTA Region, Powertrain Division. "Additionally, Seguin could benefit from further growth opportunities as auto manufacturers utilize our advanced technologies to increase fuel efficiency."

"Continental continues to be a success story here in Seguin," said Seguin Director of Economic Development Terry Treviño. "Since January 2010 the Seguin plant has grown from about 660 employees to more than 1,340 today, more than doubling its workforce, and is now adding more than 300 additional employees for a total of nearly 1,700. As most areas throughout the nation are losing jobs, Seguin continues to thrive - a testament to the strong fundamental advantages that make Seguin competitive on an international scale."

"Seguin continues to be an excellent location for our operations," says Scott Williams, plant manager, Seguin. "The community has been proactive and supportive of our efforts at every stage of our growth. In addition, the strong, skilled local workforce and excellent logistical advantages are among the factors that benefit our continued expansion at the Seguin facility. We look forward to continued partnership and growth for years to come."

"This is a great accomplishment for Continental, Texas, Guadalupe County, and Seguin. As an existing business in Seguin, Continental continues to grow and make a huge long-term difference in our area. This is another great accomplishment for the Seguin Economic Development Corporation," said Phil Seidenberger, President of Seguin Economic Development Corporation.

###

Continental Automotive to invest more than \$113 million in Seguin, Texas Facility

- **Approximately 300 new jobs for Texas**
- **Project begins in 2012; expected to be complete within five years**

Seguin, Texas – Feb. 1, 2012. Leading global automotive supplier Continental announced today that it will invest more than \$113 million in its Seguin, Texas, manufacturing facility with the addition of new automotive sensor production. This investment will mean the Seguin facility will be the first outside of Asia and Europe to manufacture these components, and will create approximately 300 full-time jobs over the next five years.

“Today’s announcement would not have been possible without the strong support of and collaboration with the state of Texas, Seguin Economic Development Corporation, City of Seguin and Guadalupe County officials,” said Gregg Wiggins, senior vice president, NAFTA Powertrain division for Continental. “We truly appreciate their support and look forward to expanding our business in this region.”

With the investment, Continental will become Seguin’s largest employer. The Seguin facility currently employs more than 1,300 and manufactures powertrain control modules for some of the world’s leading automotive manufacturers. One in five vehicles sold in the U.S. include Continental engine controllers manufactured in Seguin. The addition of the sensor production will support business with current and new customers. The facility is located on North Austin Street in Seguin.

“We were able to make this investment because of the excellent team we have in place in Seguin,” said Scott Williams, plant manager. “Their performance and commitment to our customers allows us to continue to grow in this community and expand our talented workforce.”

Continental will use its existing facility space to add the production, including the purchase of new equipment, facility renovations and building of a clean room within the Seguin facility.



- 2 -

With sales of €26 billion in 2010, Continental is among the leading automotive suppliers worldwide. As a supplier of brake systems, systems and components for powertrains and chassis, instrumentation, infotainment solutions, vehicle electronics, tires and technical elastomers, Continental contributes to enhanced driving safety and global climate protection. Continental is also an expert partner in networked automobile communication. Continental currently has approximately 164,000 employees in 45 countries.

Contact for journalists:

Kathryn Blackwell
Vice President
Communications and Marketing, NAFTA Region
Continental Automotive
One Continental Drive
Auburn Hills, Michigan 48326
Phone: 248-393-6593
Fax: 248-393-5227
E-mail: Kathryn.Blackwell@continental-corporation.com

Online media database: www.mediacycenter.continental-corporation.com



OFFICE OF THE GOVERNOR
Rick Perry

For Immediate Distribution

Feb. 1, 2012

Press Release

Governor's Press Office: 512-463-1826

Lucy Nashed: lucy.nashed@gov.texas.gov

Josh Havens: josh.havens@gov.texas.gov

**Gov. Perry Announces TEF Investment in Continental Automotive Systems Inc.
to Create 300 Jobs in Seguin**

AUSTIN – Gov. Rick Perry has announced the state is investing \$1.2 million through the Texas Enterprise Fund (TEF) in Continental Automotive Systems Inc., to relocate production of its sensors and actuators from Europe and Asia to its plant in Seguin, creating 300 new jobs and \$113 million in capital investment.

“Employers from around the nation and all over the world continue to look to Texas as the premier location for business expansion, relocation and job growth thanks to our low taxes, reasonable and predictable regulations, fair legal system and skilled workforce,” Gov. Perry said. “This TEF investment in Continental will create hundreds of jobs, pump millions of dollars in capital investment into the area, and further strengthen Seguin’s diverse economy.”

Continental is one of the world’s largest automotive industry suppliers. The company manufactures engine, transmission and hybrid control units at its plant in Seguin, and will begin producing sensors and actuators. Continental AG, the parent company, also has facilities in Houston and Uvalde.

“Today’s announcement would not have been possible without the strong support of and collaboration with the state of Texas and Texas Enterprise Fund, Seguin Economic Development Corporation, City of Seguin and Guadalupe County officials,” Kregg Wiggins, senior vice president, NAFTA powertrain division for Continental said. “We truly appreciate their support and look forward to expanding our business in this region.”

“We are extremely excited by this announcement and look forward to continuing our long and mutually-beneficial relationship with Continental,” Seguin Mayor Betty Ann Matthies said. “The recruitment of this project was made possible by seamless cross-jurisdictional coordination, and is another great example of how our community is able to aggressively utilize its economic development resources and pro-business approach to create a win-win public private partnership.”

“Continental continues to be a success story here in Seguin,” Seguin Director of Economic Development Terry M. Treviño said. “Since January 2010 the Seguin plant has grown from about 660 employees to more than 1,340 today, more than doubling its workforce, and is now adding more than 300 additional employees for a total of nearly 1,700. As most areas throughout the nation are losing jobs, Seguin continues to thrive – a testament to the strong fundamental advantages that make Seguin competitive on an international scale.”

“I’m delighted for the residents of Seguin who may find jobs because of the Texas Enterprise Fund investment in Continental Automotive Systems,” Sen. Jeff Wentworth said. “I’m always happy to see job growth and business expansion in Senate District 25, and I applaud the City of Seguin, the Guadalupe County officials and the Seguin Economic Development Corporation for their diligence and success.”

“To have one of the world’s largest automotive industry suppliers expanding their business right here in Seguin, makes this is an exciting time for this region,” Rep. John Kuempel said. “I want to thank everyone at the local and state levels and Continental for investing in Seguin and the surrounding area.”

The Legislature created the TEF in 2003 and re-appropriated funding in 2005, 2007, 2009 and 2011 to help ensure the growth of Texas businesses and create more jobs throughout the state. TEF projects must be approved by the governor, lieutenant governor and speaker of the House. The fund has since become one of the state’s most competitive tools to recruit and bolster business. To date, the TEF has invested more than \$442.2 million and closed the deal on projects generating more than 60,700 new jobs and more than \$15 billion in capital investment in the state.

For more information about the TEF, please visit <http://www.texaswideopenforbusiness.com/financial-resources/texas-enterprise-fund.html> or <http://www.governor.state.tx.us>.

###