

Canadian Auto Parts Maker Enters Wind Turbine Market

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GUELPH, Ont. (CP) -- Canadian auto parts maker Linamar Corp. and German-based NCB Lohmann say they have formed a strategic alliance to build and develop wind turbine components for customers in North America.

The deal, announced Wednesday by Canada's second-biggest parts producer, broadens Linamar's customer base beyond its traditional auto industry customers to a rapidly growing alternative energy sector.

Linamar, a global leader in precision machined components and systems, will provide manufacturing infrastructure and machining to Lohmann customers and others who want to grow their turbine manufacturing presence in North America.

Together with Lohmann, a leading manufacturer of wind turbine components in Europe, the companies plan to work together to win market share.

Wind power is expected to grow rapidly across the continent as states like California and several Canadian provinces seek to expand the green energy sector. Meanwhile, consolidation in the industry is creating stronger companies better able to get financing for their projects.

"We're pleased to partner with NCB Lohmann on this exciting initiative," Linamar chief executive Linda Hasenfratz said in a release ahead of the company's latest quarterly earnings report.

"Our advanced machining capabilities, coupled with our global manufacturing expertise complement Lohmann's robust experience in the wind industry," she said. "This opportunity also aligns with Linamar's continued commitment to diversify and expand our business in the renewable energy sector."

Linamar later reported first-quarter earnings of \$31.6 million or 33 cents a share compared with a loss of \$12.6 million or 19 cents a share in the first quarter of 2009.

Quarterly revenue rose 20 percent to \$510.7 million from \$424.9 million in the prior-year quarter.

Linamar said it will make the wind turbine components such as gearbox housings, planetary carriers, bearing housings and torque arms for large turbines at its Guelph manufacturing plant.

The Canadian company said it will spend money in infrastructure, equipment and

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manpower to accommodate future production.

Germany has one of the world's most advanced alternative power industries, including wind and solar power.

"Our customers will benefit from our longtime experience in the processing of high-precision components for wind turbines, and at the same time they can revert to Linamar to satisfy their local production requirements," said Wolfgang Lohmann, CEO of NCB Lohmann.

Full-scale production of the components is slated to begin later this year.

Linamar employs more than 9,400 people and has 37 manufacturing plants in Canada, the U.S., Mexico, Germany, Hungary, the U.K., China, Korea and Japan.

The company generated annual sales of close to \$1.7 billion last year and makes everything from precision metallic components to modules and systems for global automakers and power generation companies.

Linamar shares closed up 59 cents at \$21.20 Wednesday on the Toronto Stock Exchange.

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