

Federal Mogul's North American Aftermarket Sales fell 10 % in Second Quarter

Federal-Mogul Holdings Corp., the diversified auto supplier controlled by Carl Icahn, posted a \$31 million profit in the second quarter, up 41 % from the year-earlier period, driven by a gain in its powertrain unit.

The increase overcame lower aftermarket sales and the negative impact of currency exchange rates. The Southfield Michigan supplier posted net sales of \$1.92 billion in the second quarter, a 2 % dip from the same period last year.

Federal-Mogul's powertrain unit generated revenue of \$1.172 billion in the second quarter, up slightly from \$1.167 billion in the second quarter last year. The increase was credited to an increase in sales, mainly due to an acquisition of a valve train business, and partially offset by \$7 million from unfavorable currency exchange rates.

"While we were pleased with our overall results for the quarter, our sales were relatively flat," said Rainer Jueckstock, CEO of Federal-Mogul's powertrain unit.

Revenue at the company's aftermarket or motorparts division fell 6 % to \$818 million on an \$8 million hit from currency exchange rate fluctuations, while the supplier's North American aftermarket sales decreased by 10 % in the second quarter.

Daniel Ninivaggi, CEO of the motorparts division, call second quarter sales "somewhat disappointing" but noted "strategic initiatives" such as the opening of new distribution centers in Belgium and China, the acquisition of a filter manufacturing plant in Mexico and the expansion of the "Tech First" technical training support platform as highlights for the quarter.

Icahn's plans

Icahn, meanwhile, aims to acquire the remaining 18 % of the company that he already doesn't own, as the "transaction process" with Icahn Enterprises "remains ongoing." In June in a letter to the Board of Directors, Icahn has increased his offer to \$8 per share, up from the \$7 per share offer he made in February.

Source: www.autonews.com