

**Press Release**

Munich, November 27, 2009

**Knorr-Bremse Commercial Vehicle Systems celebrates triple anniversary in Hungary**

- **1969: First licensing agreement for production of commercial vehicle brakes concluded**
- **1989: Establishment of a German-Hungarian joint venture company in Kecskemét**
- **1999: Research & Development Center set up in Budapest**

In the presence of Hungarian Prime Minister Gordon Bajnai, Hungarian Minister for National Development and Economy István Varga, the Chairman of the Supervisory Board and shareholder of Knorr-Bremse Heinz Hermann Thiele, and the Chairman of the Executive Board Dr. Raimund Klinkner, Knorr-Bremse Commercial Vehicle Systems yesterday looked back on 40 years of production operations in Hungary.

Knorr-Bremse Commercial Vehicle Systems was among the earliest industrial investors in Hungary. Back in 1969, the company concluded a licensing agreement with the Hungarian foreign trade company MOGÜRT and SZIM Associated Machine Tool Factories in Budapest, governing the production of commercial vehicle brakes in Hungary. Even at that early stage, one of the key figures in negotiating this agreement was Heinz Hermann Thiele, at the time still Head of Legal Affairs at Knorr-Bremse. Among the major customers was Ikarus, the largest bus manufacturer in the former Eastern Bloc countries.

Once Hungary had become the first socialist state to create the legal backdrop for the establishment of joint ventures involving Western companies, on November 24, 1989 Knorr-Bremse founded a joint venture company for the production of commercial vehicle brakes. Since then, this company has become a wholly-owned subsidiary with two facilities in Hungary. In Kecskemét, 86 kilometers southeast of Budapest, Knorr-Bremse employs a workforce of around 650, manufacturing products including pneumatic and electronic brake control and air supply systems, mainly destined for the European commercial vehicle industry. The Kecskemét plant also handles sales for the Central and Eastern Europe region. The high-tech products manufactured here are internationally competitive in all respects. In Budapest, Knorr-Bremse established a Research & Development Center back in 1999, one of three such facilities in the truck sector across the Knorr-Bremse Group. At the Budapest center, today 120 employees develop hard and software for braking systems.

Hungary's importance as a location within the Knorr-Bremse Group is not only due to the country's exceptionally well qualified engineers. Hungary has always been considered a gateway to the East and since the opening up of the Eastern Bloc the country has come to play a key strategic role. In the case of Knorr-Bremse, this means for example that the Group's commercial vehicle activities in Russia, in the shape of a joint venture with the largest Russian truck manufacturer KAMAZ, are managed from Hungary.

Along with the company's Commercial Vehicle Systems activities, Knorr-Bremse Rail Vehicle Systems is also represented in Hungary by a development center in Budapest and a new production

plant, which will be officially opened in the spring of next year, also in Budapest. The roots of the Rail Vehicle Systems division in Hungary can be traced back even further than those of Knorr-Bremse's commercial vehicle activities. Business relations originated in 1923, when a licensing agreement for rail vehicle brakes was concluded between Knorr-Bremse, at that time located in Berlin, and the former Budapest telephone factory. Collaboration was interrupted by World War II and was only resumed in 1959 in the shape of a further licensing agreement for rail vehicle brakes, concluded between Knorr-Bremse Munich – the Berlin plant having been destroyed and headquarters transferred to Munich – and the Hungarian rail vehicle industry.

The **Knorr-Bremse Group** is the world's leading manufacturer of braking systems for rail and commercial vehicles. For more than 100 years now the company has pioneered the development, production and marketing of state-of-the-art braking systems. Other lines of business include automatic door systems, rail vehicle air conditioning systems and torsional vibration dampers for internal combustion engines. In 2008 the Group posted sales of EUR 3.38 billion and employed a workforce of some 15,000.

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