

**Press Release**

Munich, 16 June 2010

**Further high-speed train contracts strengthen Knorr-Bremse's position in China**

The Knorr-Bremse Systems for Rail Vehicles division continues to gain significant commissions in China. Its Chinese subsidiary and partner companies are to fit braking and door systems in 1,120 cars for the CRH1-380 ('Zefiro-China') high-speed train, produced by the Joint Venture Bombardier Sifang Transportation, while Knorr-Bremse has also been commissioned to equip the CRH2-380 high-speed train manufactured by CSR Sifang Locomotive & Rolling Stock Co. Ltd., and will work with its Chinese partners to fit 1,920 cars with bogie equipment. The two contracts are of a combined value of approximately €220 million. Delivery will begin this summer, continuing until 2012/2014.

In 2009, Knorr-Bremse had already gained significant contracts in China, including the summer capture of the company's largest commission in more than 100 years of existence: in cooperation with its Chinese partners, Knorr-Bremse is to supply braking and door systems for 2,720 new cars for the Chinese high-speed train CRH3, an agreement worth €500 million. Furthermore, 1,280 of the cars will be fitted with Knorr-Bremse air conditioning systems. The company has further contracts to fit underground trains with braking and door systems and air conditioning systems, as well as supplying braking systems for locomotives. Knorr-Bremse has also received commissions for involvement in a series of export projects undertaken by Chinese vehicle manufacturers, such as the metro in Mecca.

"The progress of the past twelve months marks a new highpoint for the company's performance in China, which has gone from strength to strength over a number of years; it is a further endorsement of the successful, long-term strategy pursued by Knorr-Bremse in China", said Dr. Dieter Wilhelm of the Executive Board for the Systems for Rail Vehicles division. The company's ties with China go as far back as the 1980s. In its first major project in the country, in 1990, it supplied complete braking systems for 96 cars operated by the Shanghai metro. Led by the then Chairman of the Executive Board and today's Chairman of the Supervisory Board, Heinz Hermann Thiele, Knorr-Bremse gradually widened its product portfolio in the years that followed, expanding from its core business of brake systems to include door systems and air conditioning systems.

Key to the agreement of this record contract were the many previous examples of Knorr-Bremse's excellent work, together with its successful cooperation with Chinese partner companies in recent years. Furthermore, the strong local presence in China enjoyed by the company was also a decisive ingredient. Knorr-Bremse now has eight Chinese production sites (including joint ventures), and is in a position to meet the country's high localization needs, providing quality manufacture from within China. In order to develop its products for the local market, a development centre is operated by the company, while it has also established a technology transfer agreement for high-speed trains and modern locomotives with the Locomotive and Car Research Institute of the China Academy of Railway Sciences. Knorr-

Bremse Systems for Rail Vehicles currently has around 1,600 employees in China, while its workforce is set to grow to over 2,000 employees by the end of the year.

**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, marketing and servicing of state-of-the-art braking systems. Other lines of business in the rail vehicle systems sector include automatic, electro-pneumatic or electric door systems, air conditioning systems, control components and windscreen wiper systems, as well as platform screen doors. In the commercial vehicle systems sector, the product range includes complete braking systems with driver assistance systems, as well as torsional vibration dampers and powertrain-related solutions such as the Pneumatic Booster System (PBS) and transmission control system for enhanced energy efficiency and fuel economy.

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