

Press Release

Munich, June 29, 2015

Knorr-Bremse to enhance its Munich site

- **Focus on systems expertise in Munich**
- **Further investment of over €100 million planned**
- **Optimization of manufacturing network will see some 300 jobs move to other Group sites**

At its Munich headquarters, Knorr-Bremse is to concentrate on development, project management, and sales as the core competencies that will drive its future growth, as well as on the administration of the globally operating Group. As part of this initiative, the company is currently investing some €90 million in a new Development Center in Munich that will open at the end of 2015, while another approximately €100 million will be invested in state-of-the-art infrastructure at the Munich site by 2017. Taking all the financing models employed by the Group into consideration, this means that over the past five years Knorr-Bremse has invested more than €1 billion in future-proofing its manufacturing sites and production facilities worldwide.

Knorr-Bremse's long-term concept for expanding systems expertise at its Munich site, implementation of which began over ten years ago, involves grouping facilities in the northern part of the site in order to leverage synergies and enhance cross-divisional communication. At the same time, the plans envision the transfer of the production and assembly activities and production-related services of the Rail Vehicle Systems division from Munich to other Group locations by mid-2017. Through this move, Knorr-Bremse will not only increase its presence on its customers' doorsteps in growth markets but also reinforce its manufacturing expertise.

The planned measures at the Munich site currently foresee 302 jobs being relocated, affecting 184 permanent positions and 118 employees on fixed-term contracts. These roles will be transferred to other manufacturing sites in the Knorr-Bremse Group in Berlin, Germany and Budapest, Hungary, as well as in Suzhou and Nankou in China. The company aims to make the job cuts as socially acceptable as possible by means of transfers, early retirement and severance payments, as well as by allowing existing fixed-term contracts to expire, terminating HR leasing contracts and benefitting from normal employee turnover. The employee representatives and those employees potentially affected have been informed of the concept. Negotiations on the reconciliation of interests and a redundancy plan are to begin immediately. Knorr-Bremse has some 2,500 employees at its Munich site, 5,000 in Germany and approximately 25,000 worldwide.

The **Knorr-Bremse Group** is the world's leading manufacturer of braking systems for rail and commercial vehicles. For more than 110 years now the company has pioneered the development, production, marketing and servicing of state-of-the-art braking systems. In the rail vehicle systems sector, the product portfolio also includes intelligent entrance systems, HVAC systems, power conversion systems, control components, and windscreen wiper systems, as well as platform screen doors, friction material, driver assistance systems and control technology. Knorr-Bremse also offers driving simulators and e-learning systems for optimum train crew training. In the commercial vehicle systems sector, the product range includes complete braking systems with driver assistance systems, as well as torsional vibration dampers, powertrain-related solutions and transmission control systems for enhanced energy efficiency and fuel economy.

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