

Press Release

Munich, September 29, 2010

Knorr-Bremse strengthens air-conditioning product sector through strategic acquisition

Effective September 29, 2010, the Knorr-Bremse Asia Pacific (Holding) Ltd., a member of the Knorr-Bremse Group, has bought the Australian HVAC systems specialist Sigma Coachair Group (SCG). The move forms part of Knorr-Bremse's long-term strategic drive to expand the company's position in a number of areas through targeted acquisitions. While Knorr-Bremse subsidiary Merak has to date supplied benchmark HVAC systems primarily in China, Europe and the Americas, the acquisition of Sigma Coachair Group will enable the company to access the growth markets of South East Asia, India and Australia in particular. As a result of the acquisition, the Knorr-Bremse Group is now one of the world's leading manufacturers of rail vehicle air-conditioning systems.

Sigma Coachair Group currently employs around 200 people and with annual sales of approximately EUR 50 million ranks among the established developers and manufacturers of HVAC systems. The company maintains production sites in Australia, China, the UK and the USA. The systems built by SCG are mainly destined for rail vehicles, although the company's portfolio also covers industrial applications. With 30 years of experience in the field, SCG can guarantee top quality and excellent efficiency. Long-standing customers include Downer EDI, Bombardier Transportation, Kawasaki Heavy Industries, United Group Hitachi and Hyundai Rotem. The company is also involved in a large number of major projects around the world. These include supplying air-conditioning systems for the new car-sets built by Kawasaki Heavy Industries for the Taipei Metro, as well as for the new metro units ordered from vehicle builder Hyundai Rotem by the Massachusetts Bay Transportation Authority (MBTA), operators of Boston's mass transit network.

For Knorr-Bremse, the acquisition of Sigma Coachair Group is the logical next step in expanding its worldwide air-conditioning systems business. Numerous synergy effects can be expected for both companies, above all in the areas of development and purchasing. The marked expertise of SCG will remain at the company's disposal over the coming years, as key management appointments will be left unchanged.

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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