

Press release

Munich April 23, 2013

Knorr-Bremse opens modern facility for rail vehicle and commercial vehicle systems in Brazil

On April 17, the opening ceremony for Knorr-Bremse's new, state-of-the-art plant in Itupeva, Brazil was held in the presence of large numbers of important customers and business partners. Housed in new buildings covering an area of more than 32,000 square meters, the development, production and sales facility has increased its capacity by around 30%. It replaces the former plant in São Paulo, some 80 kilometers away, which had reached the limits of its capacity as a result of high growth rates in recent years.

With its investment of some EUR 40 million, Knorr-Bremse has created the most up-to-date plant in the entire Group. Based on the company's globally standardized KPS production system, it sets the highest standards of process organization, work efficiency, logistics and quality. Production line efficiency, for example, has been optimized as part of a "lean conversion" project, the logistics concept for materials supply has been enhanced, and manufacturing and assembly operations have been modified to considerably shorten through-put times at the plant. The architecture and layout of the Brazilian production facility are based on Knorr-Bremse's philosophy of transparent structures and open communication between direct and indirect operations, ensuring that the distance between development and production is kept as short as possible. And the designers of the new factory have also taken environmental considerations into account in a bid to reduce energy requirements and operating costs and conserve natural resources.

At the opening ceremony, Heinz Hermann Thiele, owner and Supervisory Board Chairman of Knorr-Bremse, emphasized the significance of the investment for the Knorr-Bremse Group. "This factory is part of a far-reaching investment program being carried out by the Knorr-Bremse Group with the aim of modernizing its global development and production network. Customers stand to benefit from the increased efficiency of these new production facilities thanks to their greater flexibility and improved delivery capacity." Over the four years from 2011 to 2014, Knorr-Bremse is investing more than EUR 250 million in state-of-the-art production plant and buildings in worldwide growth markets with a view to securing its future and expanding its capacity.

The Knorr-Bremse Group operates its largest joint production facility for the Rail Vehicle Systems and Commercial Vehicle Systems divisions in Brazil. In the commercial vehicle sector – which accounts for around 70% of the plant's business volume

– the company manufactures its entire product portfolio for the South American commercial vehicle market, including brake control systems, electronic systems (ABS), air supply and treatment systems, brake cylinders, disc and drum brakes and torsional vibration dampers. For the rail vehicle market it produces and markets brake control systems, bogie equipment and on-board systems.

Knorr-Bremse began its activities in Brazil in 1977 selling rail vehicle braking systems, which it supplied to Rio de Janeiro's suburban "Pré-Metrô" system. The following year it also started selling commercial vehicle systems, supplying Mercedes-Benz with what at the time was state-of-the-art braking technology. Since then, its braking system and components business has grown steadily and Knorr-Bremse Brazil is now the leading manufacturer of complex safety systems in South America.

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. In the rail vehicle systems sector, the product portfolio also includes intelligent door systems, HVAC systems, control components, and wind-screen wiper systems, as well as platform screen doors, friction material and driver advisory systems. 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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