

**Press release**

Munich, July 31, 2014

**Knorr-Bremse Commercial Vehicle Systems expanding in China**

**Knorr-Bremse Commercial Vehicle Systems is substantially expanding its commitment to China: On July 25, 2014, Knorr-Bremse Asia Pacific (Holding) Ltd. in Hong Kong and the Chinese company Dongfeng Electronic & Technology Co., Ltd. (DETC) signed an agreement governing the formation of the joint venture company “Knorr-Bremse DETC Commercial Vehicle Braking Technology Co., Ltd.”. The new company, in which Knorr-Bremse holds a 51% stake, is to manufacture components for complete commercial vehicle braking systems in China. The realization of the joint venture is subject to the approval of the relevant anti-trust authorities.**

Based in Shiyan, Hubei province, the joint venture in China is to manufacture components for complete braking systems. The product spectrum will embrace the air supply, brake control, and wheelend segments, including ABS anti-lock brakes, air disc brakes and brake valves, as well as transmission and exhaust brake components for medium and heavy-duty trucks.

“Dongfeng and Knorr-Bremse complement one another to perfection and are bundling their comprehensive product and market expertise in order to best meet customer requirements in the Chinese market, which is not only growing but also making technological progress,” says Dr. Stephan Weng, Member of the Executive Boards of Knorr-Bremse Commercial Vehicle Systems and of Knorr-Bremse Asia Pacific (Holding) Ltd. “To ensure high quality standards, the joint venture will be relying on technology that has already been proven worldwide, and on the introduction of innovative production and logistics processes. Our aim,” Weng adds, “is to jointly pursue the advanced development of braking technologies for the local market. In the medium-term we want to grow the joint venture into one of the leading suppliers to the commercial vehicle industry in the People’s Republic of China.”

For Knorr-Bremse this partnership represents a decisive strategic step in further strengthening its position in the Chinese commercial vehicle market. “Both parties stand to benefit equally from future collaboration and are looking forward to constructive exchanges,” adds Baoping Xu, President of the Knorr-Bremse Commercial Vehicle Systems unit in China. Knorr-Bremse’s other partnerships in China remain unaffected by the new joint venture.

Listed on the Shanghai stock exchange, Dongfeng Electronic & Technology Co., Ltd. (DETC) is a subsidiary of Dongfeng Motor Group Co., Ltd. (DFG). DETC is made up of a total of eleven subsidiaries based in Shanghai, Hubei and Guangdong. DFG holds a 55% stake in Dongfeng Commercial Vehicle (DFCV), a joint venture with Volvo and one of the leading medium and heavy-duty truck manufacturers in China.

Knorr-Bremse has maintained contacts with China since as long ago as the late 1970s. The Commercial Vehicle Systems division entered into negotiations on potential partnerships with Chinese companies at a very early stage. The first joint venture – for the production of torsional vibration dampers – was Hasse & Wrede CVS Dalian China Ltd., which was founded in conjunction with Dalian Innovation Parts Manufacturing Company in Dalian in 2004. The subsidiary Knorr-Bremse Braking Systems for Commercial Vehicles (Dalian) Co., Ltd., specializing in the production of braking components for commercial vehicles, was opened in 2005. This was followed in 2011 by Knorr-Bremse CAFF Systems for Commercial Vehicles Chongqing Ltd., a company that manufactures commercial vehicle braking system and powertrain components. With Knorr-Bremse DETC Commercial Vehicle Braking Technology Co., Ltd. the Knorr-Bremse Group is now further expanding its commitment to the Chinese market. The Rail Vehicle Systems division of Knorr-Bremse too has been active in China for many years now. Its first major project in China came in 1990 and concerned the supply of complete metro car braking systems for the Shanghai metro. In the years that followed, the division progressively expanded its portfolio to include entrance systems and HVAC systems. Partnerships and trusting relationships with local companies have long been part of Knorr-Bremse’s strategic approach. Today, including joint ventures, the Knorr-Bremse Group maintains 13 production plants in China for both its divisions. In 2013, a workforce of more than 3,500 employees helped the Knorr-Bremse Group to post sales of over EUR 750 million in China.

The **Knorr-Bremse Group** is the world's leading manufacturer of braking systems for rail and commercial vehicles. As technological pacesetters, the company has been decisively pushing development, production, sales and service of modern braking systems forward for over 100 years. Other lines in the Rail Vehicles Systems Division are intelligent entrance systems, power converters, air conditioning systems, control components and windscreen wipers, platform door systems, friction material and driver assistance systems. Knorr-Bremse also offers driving simulators and e-learning systems for optimum train crew training. The bandwidth of the Commercial Vehicle Systems Division 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.

**Contact:**

Eva Seifert  
Head of Corporate Communications  
Tel: +49 (0)89 3547 1402  
Fax: +49 (0)89 3547 1403  
E-mail: [eva.seifert@knorr-bremse.com](mailto:eva.seifert@knorr-bremse.com)

Knorr-Bremse AG  
Moosacher Str. 80  
80809 Munich  
Germany  
[www.knorr-bremse.com](http://www.knorr-bremse.com)