

Facts & Figures
2014

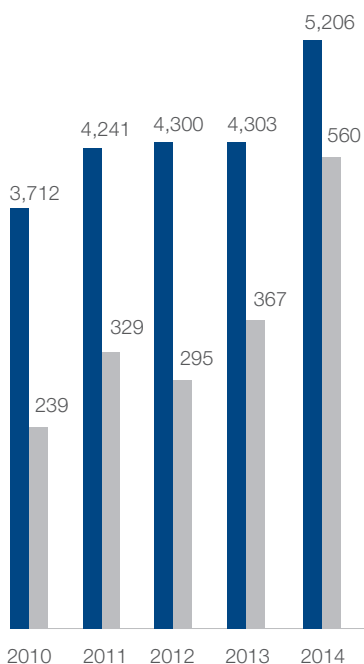


At a Glance

KNORR-BREMSE GROUP		2010	2011	2012	2013	2014
Sales	EUR mill.	3,712	4,241	4,300	4,303	5,206
Net income	EUR mill.	239	329	295	367	560
Employees (as per Dec. 31)*	number	18,053	20,050	19,120	20,833	23,916
Personnel costs	EUR mill.	721	805	861	907	1,038
Balance-sheet total	EUR mill.	2,194	2,530	2,615	2,869	3,543
Equity	EUR mill.	754	902	995	1,107	1,443
Capital expenditure**	EUR mill.	113	159	166	159	161
Depreciation**	EUR mill.	147	165	160	125	169
Incoming orders	EUR mill.	4,040	4,073	3,948	4,752	5,510
Research and development expenditure	EUR mill.	175	209	250	253	296

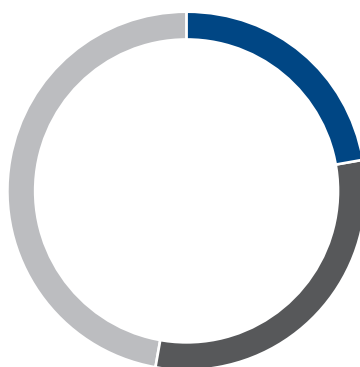
* Incl. leasing

** Not including investments in financial assets



Sales and net income for Knorr-Bremse Group in EUR millions

■ Sales ■ Net income



Consolidated sales by region

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Company Profile

Making mobility safe – Knorr-Bremse's daily mission.

All over the globe, Knorr-Bremse systems make an important contribution to safety on rail and road. Every day, more than one billion people put their trust in its systems, and it maintains a presence at more than 100 locations in 29 countries all over the world.

Based in Munich, 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 Company has a long tradition of supplying state-of-the-art products for local public transport vehicles such as metros and streetcars as well as freight trains, locomotives, passenger trains and high-speed trains. In addition to braking systems, the Company's product portfolio includes intelligent access systems, air conditioning systems, power supply systems, control components and windscreen wiper systems, as well as platform screen doors, friction materials, driver advisory systems and control technology. Knorr-Bremse also offers driving simulators and e-learning systems for optimum train crew training.

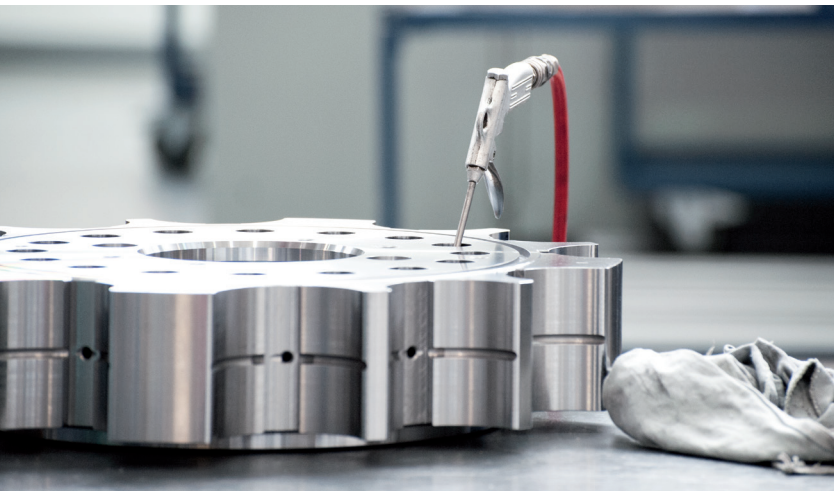
In the commercial vehicle sector, its innovative solutions range from complete braking systems including driver assistance systems (for example, ABS and ESP) to torsional vibration dampers, power-train-related solutions and transmission control systems for enhanced energy efficiency and fuel economy.

Review of 2014

The Knorr-Bremse Group can look back on a successful year. At EUR 5.2 billion, sales were up 21% against the previous year.

The value of incoming orders achieved a new record level of EUR 5.5 billion. Substantial growth during fiscal year 2014 was the result of successes in the Company's core business combined with its positioning in related and new business fields. Net income rose to EUR 560 million – a net return on sales of 10.8%.

Knorr-Bremse targets strong and sustainable growth. In 2014 this strategic course again proved highly successful. Along with growth opportunities in the original equipment sector, aftermarket offerings are also opening up new potential which Knorr-Bremse will leverage. The stage has already been set for this through a long-term strategic process. In addition, external growth opportunities through mergers and acquisitions will become more important for Knorr-Bremse.



Executive Board & Supervisory Board

Executive Board

Klaus Deller Chairman of the Executive Board since Jan. 1, 2015, from 2009 to June 30, 2014 responsible for the Commercial Vehicle Systems division	Dr. Dieter Wilhelm Member of the Executive Board since 2003, responsible for the Rail Vehicle Systems division	Hinrich J. Woebcken Member of the Executive Board since April 1, 2014, since July 1, 2014 responsible for the Commercial Vehicle Systems division	Dr. Lorenz Zwingmann Member of the Executive Board since 2008, responsible for Finance, Controlling and IT	Dr. Michael Buscher Chairman of the Executive Board up to Dec. 31, 2014
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Supervisory Board

Heinz Hermann Thiele Munich
Chairman,
Entrepreneur

Dr. Eduard Gerum* Rosenheim
1st Deputy Chairman,
Consultant to the Executive Board of
Knorr-Bremse Systeme für Nutzfahrzeuge GmbH

Manfred Wennemer Bensheim
2nd Deputy Chairman, former Chairman of the
Executive Board of Continental AG

Hans-Georg Härter Salzweg
Former Chairman of the Executive Board of
ZF Friedrichshafen AG

Michael Jell* Munich (since Sep. 1, 2014)
Deputy Works Council Chairman of
Knorr-Bremse Systeme für Nutzfahrzeuge GmbH,
Knorr-Bremse AG, KB Media GmbH,
Knorr-Bremse IT Services GmbH

Dr. Wolfram Mörsdorf Essen
Retired Member of the Executive Board of
ThyssenKrupp AG

Werner Ratzisberger* Munich
Project engineer, mechanical surface treatment,
Knorr-Bremse Systeme für Nutzfahrzeuge GmbH

Sebastian Roloff* Munich (since Feb. 10, 2014)
Lawyer with IG Metall, Munich administrative office

Erich Starkl* Passau (since March 20, 2014)
2nd authorized representative of IG Metall,
Passau administrative office

Wolfgang Tölsner Uetersen (since March 8, 2013)
Corporate consultant

Georg Weiberg Stuttgart (since Nov. 7, 2013)
Retired head of development Daimler Trucks

Günter Wiese* Berlin
Chairman of the Works Council
of Knorr-Bremse Systeme für Schienenfahrzeuge
GmbH, Berlin plant

Heinz Hausner* Salzweg (up to Jan. 31, 2014)
1st authorized representative of IG Metall,
Passau administrative office

Wolfgang Hubert* Munich (up to Aug. 31, 2014)
Works Council Chairman of Knorr-Bremse Systeme
für Nutzfahrzeuge GmbH, Knorr-Bremse AG,
KB Media GmbH, Knorr-Bremse IT Services GmbH

Dr. Martin Kimmich* Munich (up to Jan. 1, 2014)
2nd authorized representative of IG Metall,
Munich administrative office

* workforce representative



People & Careers

For all Knorr-Bremse's aims and measures it is people who are – and will remain – the most important element. That is why, in the future, Knorr-Bremse will continue on opening up opportunities for individual development and thereby generating a motivational atmosphere that fosters excellent performance. Doing so is also a question of corporate responsibility. Knorr-Bremse lives up to this responsibility by assigning social, economic, and ecological goals equal priority.

Well-qualified, high-performing, dedicated employees are essential to the success of a technology group like Knorr-Bremse that is expanding around the globe. The basis is provided by the five corporate values of Entrepreneurship, Technical Excellence, Reliability, Passion and Responsibility. Based on these values, in 2013 the Leadership Principles were developed to guide managers in their daily leadership responsibilities. In 2014, Human Resources

also used these as the starting point for developing management training and an expansion of all employee support services.

In the year under review, Knorr-Bremse focused on improving qualitative aspects of human resources planning. Uniform management levels were defined that apply worldwide and correspond to standardized job classifications. The newly

created job catalog provides transparency about all positions in the Company, regardless of location.

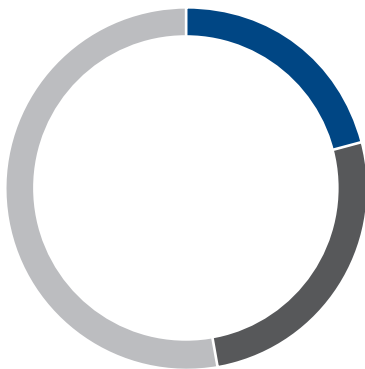
In 2014 Knorr-Bremse intensified its efforts to become a more attractive employer. In addition to fair and performance-related remuneration, this includes improving opportunities for career advancement within the Group as well as initiatives to improve work-life balance, such as flexible working hours,

opportunities to work from home, and support programs in areas such as family care and preventive health.

At the end of 2014 the Knorr-Bremse Group employed a workforce of 23,916 – an increase of 14.8% compared with December 31, 2013 (20,833 employees).



Number of Group employees as of Dec. 31, 2014



- Americas 21.1%
- Asia/Australia 26.3%
- Europe 52.6%

Total Group workforce by regions on Dec. 31, 2014

Responsibility

As Knorr-Bremse grows so, too, its responsibilities increase. To ensure the Company's future viability, economic success has to go hand in hand with increased environmental and social commitment.

Knorr-Bremse's mission is to ensure that it remains future-proof – for the people, the environment and society in general.

Corporate responsibility (CR) is established in organizational terms at the most senior level of management at Knorr-Bremse.

Employees

Assuming responsibility for employees means, in particular, protecting and promoting their health and ensuring workplace safety standards.

Environment

The Company's responsibility for the environment is derived from its mandatory Group-wide environmental policy.

Products

For Knorr-Bremse, the starting point for product responsibility is product safety: only a product of the highest quality can offer the degree of reliability that enables

trains and trucks all over the world to operate safely.

Society

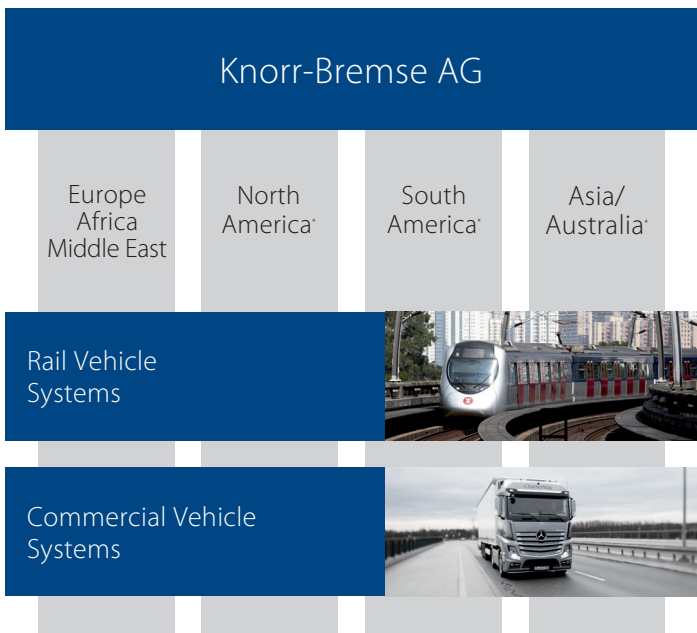
Knorr-Bremse operates on a global basis and therefore also bears a responsibility for ensuring socially acceptable living conditions around the world. That is why the Company sees its role as participating actively in the life of the local community, having a positive impact and helping shape its social environment in the social, cultural and sporting fields. This involves two initiatives: Local Care and the charitable organization Knorr-Bremse Global Care, which is funded by the Group.

You will find more information about sustainability here: <http://tinyurl.com/lvnl15> and about Global Care here: global-care.knorr-bremse.com.



Organizational Structure

The Knorr-Bremse Group is structured by both division and by region. Under the umbrella of Knorr-Bremse AG on the one hand there are the cross-regional Rail Vehicle Systems and Commercial Vehicle Systems divisions and on the other hand the regional companies in Europe, North America, South America and the Asia-Pacific region. This structure allows Knorr-Bremse to meet the specific requirements of the markets in these regions while at the same time realizing cross-locational and cross-regional synergy effects.



* regional holding

Innovation, investment, excellence

As a technological company, Knorr-Bremse further expanded its research and development activities in close collaboration with its customers during the year under review. Expenditure on R&D and customer-specific product modifications amounted to EUR 296 million or 5.7% of revenues. 3,176 employees – 13% of the workforce – were involved in research, development and project planning.

Investment was at EUR 161 million. This largely completed the extensive program of investment totaling more than EUR 500 million that had been running over the last five years with a view to modernizing and maintaining the Group's production and development sites.

New production equipment and innovative research and development capacities boost efficiency and improve processes, helping to ease the growing pressure on costs and meet rising demand in future years. This enables the Company to re-

spond more flexibly to customer requirements and generate greater efficiency.

Strengthening the Company's powers of innovation is another way to prepare the ground for technological excellence. To this end, Knorr-Bremse is investing some EUR 90 million in a new test and development center in Munich. At the same time, engineering capacity at the Company is being expanded not only in Germany but also locally around the world, wherever this can generate growth.



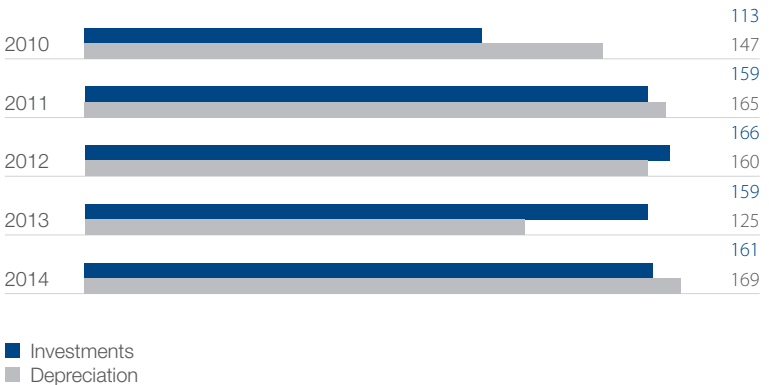
Expenditure on research and development in EUR millions



One example here is the Knorr-Bremse Technology Center India (TCI), where the Rail Vehicle and Commercial Vehicle divisions bundle their engineering and development services.

Knorr-Bremse sets itself apart from the competition by offering needs-driven and sustainable innovations. The Company's position as technology leader is

reinforced by its innovation management, based in part on cross-divisional R&D activities. In the future, Knorr-Bremse will be strengthening this, focusing not least on cost cutting and improving on-time delivery, factors that the Company is pursuing in the context of its Knorr Excellence program in the interests of continuous improvement.



Investments and depreciation on intangible and fixed assets in EUR millions

Rail Vehicle Systems

Knorr-Bremse Rail Vehicle Systems is the world's leading manufacturer of braking systems for mass transit systems and mainline trains. The Company's systems are installed in high-speed trains, multiple units, metros, streetcars, locomotives and freight cars. At the end of 2014 the Rail Vehicle Systems division employed some 14,000 people and generated annual sales revenues of EUR 2.98 billion.

Safety, innovation, customer benefit

Knorr-Bremse systems are in operation all over the globe, ensuring greater safety and comfort in rail vehicle transportation. The Company offers individual solutions for all types of vehicle and operating conditions. For example, Knorr-Bremse rail vehicle braking systems are capable of withstanding extreme temperatures ranging from -50 °C to +80 °C. By creating the new Knorr-Bremse PowerTech brand, the Company has further expanded its portfolio. The new brand bundles Knorr-Bremse's expertise in the field of auxiliary power supply systems for rail vehicles. In 2014 Knorr-Bremse also acquired the train control management specialist Selectron Systems AG. The leading-edge Train Control Management System (TCMS) enables Knorr-Bremse to integrate all of its braking, entrance and HVAC systems, for example, into a single shared platform and harmonize them, creating a basis for the overarching control, diagnostics and maintenance of all the systems involved, and thereby offering tangible added value for customers.

Wide-ranging product portfolio

In addition to braking systems, the range of products on offer from the Knorr-Bremse Group includes train entrance systems from IFE, platform screen doors from Westinghouse Platform Screen Doors, HVAC systems from subsidiaries Merak and Sigma and drive simulators from Sydac. The product portfolio is rounded off by the iCOM family, with monitoring, driver assistance systems and energy metering as well as sanding systems and additional solutions such as derailment detectors.

Reliable service partner

With increased competition, pressure on prices and growing passenger demand for a modern, comfortable rail experience, the changes taking place in the rail transportation sector are increasingly impacting on maintenance, repair and overhaul operations. Under the RailServices brand Knorr-Bremse bundles its entire global service activities, offering optimized, tailored service packages with a focus on flexibility and maximum customer benefit throughout.



Products

BRAKING SYSTEMS

- Air supply
- Bogie equipment
- Brake control

RAILSERVICES

- Maintenance
- On-site service
- Customer training
- Modernization and engineering
- Spare parts and logistics

ON-BOARD SYSTEMS

- Door systems
- HVAC systems
- Power electronics
- Power supply systems
- Train control management systems (TCMS)
- iCOM product family

OFF-BOARD SYSTEMS

- Platform screen doors
- Drive simulators
- Signaling systems for grade crossings



Development of global sales revenues in Rail Vehicle Systems division in EUR millions

Commercial Vehicle Systems

Knorr-Bremse Commercial Vehicle Systems supplies braking systems for trucks, buses, trailers and agricultural vehicles. The company is a leading supplier of electronic control, driver assistance and air treatment systems and makes an important contribution towards road safety. Other product areas are powertrain-related solutions, including torsional vibration dampers for diesel engines. In 2014 the division employed some 9,000 people and generated sales revenues of EUR 2.23 billion.

Safety, innovation, customer benefit

The name Knorr-Bremse stands for groundbreaking solutions that make for safe and efficient truck and trailer rigs in an increasingly mobile society both now and in the future. The company is not only driven by a focus on customer added value but also by a determination to develop production processes that conserve resources and further leverage the potential of existing components. By combining the advantages of lighter weight, lower fuel consumption and a longer service life, Knorr-Bremse is constantly boosting the sustainability and economy of its products. With its modular ABS and EBS brake control systems well established in the marketplace, Knorr-Bremse has for many years been progressively adding functionalities to its systems and offering additional scalable applications for markets worldwide, offering its customers added value through enhanced system architecture and a reduced number of variants.

Steadily growing service offering

Producing safety-critical products for commercial vehicles is a heavy responsibility – and not just for OE manufacture. It also implies a continued aftermarket responsibility for the entire life cycle of a vehicle. Knorr-Bremse scores with customized, economical service solutions and products combined with a strong regional presence.

In addition to expanding its Alltrucks Truck & Trailer Service in conjunction with leading suppliers Bosch and ZF, Knorr-Bremse also launched modular workshop product service concepts and expanded its range of remanufactured products in response to market demand for alternative approaches to the spare parts business based on conservation of resources and repair of older vehicles in line with their current value.



Products

BRAKING SYSTEMS

- Electronic brake control
- Air treatment
- Disc brakes
- Drum brakes
- Actuators
- Valves
- Slack adjusters
- Driver assistance systems

POWERTRAIN-RELATED SYSTEMS

- Transmission control for automatic shifting
- Clutch actuators
- Torsional vibration dampers
- Throttle valves

CHASSIS SYSTEMS

- Compressors
- Air treatment
- Electronic air suspension

SERVICES

- Customer training
- Customer hotline
- Technical documentation
- Electronic productcatalog
- Diagnosis System
- Product service concepts



Development of global sales revenues in the Commercial Vehicle Systems division in EUR millions

History

1905

Georg Knorr founds Knorr-Bremse GmbH in Berlin.

1918 – 1926

Knorr-Bremse sets new technological standards for freight trains with its pneumatic brakes. Knorr-Bremse becomes Europe's biggest manufacturer of braking systems for rail vehicles.

1922

Development of the pneumatic braking system for commercial vehicles begins.

1931 – 1939

The Hildebrand-Knorr braking system for rail vehicles (HIK brake) sweeps the market and becomes the standard system in 17 different countries.

By 1939, some 90% of all German trucks from 7t – 16t are equipped with Knorr-Bremse brakes.

1945

The Knorr-Bremse plant in Berlin is confiscated and dismantled at the end of the Second World War.

1945 – 1953

Development and manufacture of braking equipment resume in the western part of Germany. Company headquarters move to Munich.

1960 – 1980

Knorr-Bremse plays a leading role in the development of braking technology for rail and commercial vehicles.

Knorr-Bremse establishes the new UIC standard with its KE control valve.

1985

Heinz Hermann Thiele acquires the majority of the shares previously held by Dr. Jens von Bandemer and gradually becomes sole owner of Knorr-Bremse. As well as giving the Company an increasingly international orientation, he focuses it on the two divisions, Rail Vehicle Systems and Commercial Vehicle Systems.

1996

Volume production of pneumatic disc brakes for commercial vehicles begins.

1999

The commercial vehicle brakes division of Robert Bosch GmbH is integrated into Knorr-Bremse, complementing the Company's activities in the field of electronic brake control.

2002

In 2002 Knorr-Bremse acquires Bendix Commercial Vehicle Systems, one of the leading US manufacturers of air brakes and ABS anti-lock braking systems for commercial vehicles.

2005

Knorr-Bremse celebrates its centenary.

In response to the tsunami disaster in Southeast Asia, Knorr-Bremse sets up the charity Knorr-Bremse Global Care.

2009

The company celebrates the 150th anniversary of the birth of its founder Georg Knorr.

2010

Knorr-Bremse strengthens its air conditioning systems business through the strategic acquisition of the Sigma Coachair Group.

Knorr-Bremse opens new production plants in the Czech Republic and Hungary, using state-of-the-art production and logistics concepts.

Knorr-Bremse signs up to the UN Global Compact and adopts a Group-wide Corporate Responsibility Strategy.

2011

30 years of ABS and 10 years of ESP – Knorr-Bremse celebrates two important anniversaries. A control valve specially developed for freight transportation in Russia is released for field testing by Knorr-Bremse.

2012

Knorr-Bremse introduces new corporate values which describe what the Company is about: “Entrepreneurship”, “Technological Excellence”, “Reliability”, “Passion” and “Responsibility”.

Bendix celebrates 10 years of belonging to the Knorr-Bremse Group.

The Group-wide Value Stream Academy is opened at the Company’s Czech location in Liberec.

2013

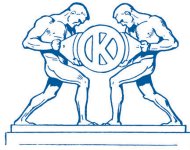
The Knorr-Bremse Group continues its extensive program of investment in state-of-the-art production plant and buildings by opening six new facilities.

2014

Knorr-Bremse introduces PowerTech – the new brand for power supply systems.

With the acquisition of Selectron the Company expands its expertise in train control management systems.

For the commercial vehicle segment in China Knorr-Bremse forms a joint venture with Dongfeng Motor Group Co., Ltd.



Knorr-Bremse AG
Moosacher Straße 80
80809 Munich
Germany
www.knorr-bremse.com
E-Mail: public.relations@knorr-bremse.com



Knorr-Bremse Group