

## Press release

Munich, December 5, 2007

### **Knorr-Bremse and KAMAZ sign agreement on commercial vehicle braking system production in Russia**

Yesterday evening Knorr-Bremse and KAMAZ, Russia's biggest truck manufacturer, signed an agreement setting up a joint-venture for the manufacture of complete truck braking systems in the Russian market. Under the terms of the agreement, KAMAZ will incorporate its existing drum brake production into the new company, and Knorr-Bremse will set up a production facility for disc brakes, torsional vibration dampers and other components on the KAMAZ site. Both partners will hold a 50% share in the joint-venture, with Knorr-Bremse responsible for industrial management.

At the signing ceremony in Kazan, capital of the Republic of Tatarstan, which took place in the presence of President Minitimer Shaimiev, the General Director of KAMAZ, Sergei A. Kogoghin, declared: "We have found an ideal partner for the field of braking systems in Knorr-Bremse - both companies complement each other perfectly."

Heinz Hermann Thiele, company owner and Chairman of the Supervisory Board of Knorr-Bremse also emphasised: „In this Joint Venture we are combining as a strong team the competence of KAMAZ as leading manufacturer of commercial vehicles within the Russian Federation with the competence of Knorr-Bremse as leading manufacturer of technologically sophisticated braking systems.“

Dr. Raimund Klinkner, Chairman of the Executive Board of Knorr-Bremse commented: "For Knorr-Bremse, working with KAMAZ represents an important strategic step and an expansion of our market position in the rapidly expanding Russian truck market. We expect to achieve a considerable proportion of our sales in Russia over the next few years".

The new joint venture will exclusively equip all KAMAZ trucks but will also supply other commercial vehicle manufacturers in Russia and neighboring countries. Based in Naberezhniye Chelny, eastern Tatarstan, about 1,000 km east of Moscow, KAMAZ is the biggest truck manufacturer in the CIS states and posts double-figure sales growth in truck production. By the end of the year the company will have produced a total of 55,000 heavy trucks, especially three-axle vehicles, during 2007.

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 and marketing of state-of-the-art braking systems. Other lines of business include automatic door systems, rail vehicle air conditioning systems and torsional vibration dampers for internal combustion engines. In 2006 the Group posted sales of EUR 3.1 billion and employed a workforce of 13,000.

***For further information and photographs of the signing ceremony, please contact:***

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