Press release

Munich, June 3, 2008

Knorr-Bremse wins major orders from China

Knorr-Bremse Rail Vehicle Systems has received orders worth some EUR 210 million from the suburban and mainline rail segments in China for braking systems for 1,490 locomotives and 40 high-speed trains, each consisting of 16 cars, as well as almost 600 cars for Shanghai metro. Deliveries will start in October 2008 and run till mid 2011.

Dr. Dieter Wilhelm, Board Member for the Rail Vehicles Systems Division, sees these latest orders as confirmation of the success of Knorr-Bremse's business strategy in China: "Our five joint ventures and an own production facility in Suzhou mean we can now offer Knorr-Bremse quality from China and fulfill the requirements for local content." In recent years Knorr-Bremse has established an excellent position in the Chinese rail transportation market. The company now offers its full portfolio of rail vehicle products in China – braking systems, doors, air-conditioning and electrical components.

Dalian Locomotive Works has ordered brake control systems for 360 locomotives and complete braking systems for another 50, and Knorr-Bremse will also be supplying Dalian with 500 further systems for modern 6-axle locomotives. Knorr-Bremse has also received an order from Zhuzhou Electric Locomotive Works (ZELC) for brake control and bogie equipment for 580 locomotives. And Bombardier-Sifang Transportation has placed an order for braking equipment for 20 high-speed passenger trains and a further 20 sleeper trains for the Beijing-Shanghai line. The 20 sleeper trains will also be supplied with door systems from Knorr-Bremse subsidiary IFE Automatic Door Systems. The order for equipment for almost 600 cars for Shanghai Metro – 348 for Line 11 and 246 for Line 10 – continues the successful development of Knorr-Bremse’s business in the Chinese mass transit segment in recent years.

China needs to considerably upgrade its rail technology over the coming years in order to provide a basis for continued strong economic growth. The pace of urbanization in the country has led experts to predict an increase in rail passengers from 1.3 billion in 2007 to 1.9 billion by 2010. Under its current Five-Year Plan, China aims to invest some EUR 25 billion in its rail systems and is to order 5,000 new metro cars, 1,000 high-speed trains and 5,000 locomotives. Over the next few years the rail network will expand by a further 20,000 kilometers from its current 80,000 kilometers.

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 2007 the Group posted sales of EUR 3.25 billion and employed a workforce of 14,000.
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