

Press Release

Munich, August 20, 2018

Knorr-Bremse strengthens position in rail friction material: acquisition of know-how from Federal-Mogul

- **Strategic expansion of rail vehicle friction material portfolio**
- **Acquisition of rail know-how and intellectual property rights**
- **Strengthening of systems competence and market position above all in the aftermarket sector**

Munich, August 20, 2018 – Knorr-Bremse Rail Vehicle Systems has acquired the entire know-how and intellectual property rights for the development and production of friction materials for rail vehicle and industrial applications from Federal-Mogul. In turn, Federal-Mogul will receive a back license from Knorr-Bremse, allowing it to continue to supply its own customers with high-quality rail friction materials. An agreement to this effect was signed by the two parties.

“By acquiring this rail friction product know-how and integrating it into our production operations, we are rounding out our expertise in friction materials and further strengthening our overall market position,” says Klaus Deller, Chairman of the Executive Board of Knorr-Bremse AG and responsible for the Rail Vehicle Systems division. “As a result, across the full life cycle we are able to offer our customers the right product for almost any type of train and using every type of technology – which will also make us industry leaders in quality.”

Through this acquisition, Knorr-Bremse is further reinforcing its systems expertise and investing in new and improved customer-oriented products. The integrated development of rail braking systems and brake pads will lead to greater deceleration, lower noise emissions and reduced life cycle costs. Customers and the environment will benefit from innovations in this field. In the future, Knorr-Bremse will manufacture these products at its own production site.

The acquisition of this rail product know-how forms part of Knorr-Bremse’s ongoing strategic development in the friction material sector. These structured acquisitions are growth and innovation levers for further expanding the company’s systems competence and strengthening its position in the aftermarket sector.

This move was preceded by a series of acquisitions by Knorr-Bremse in the friction material sector: In 2016, Knorr-Bremse acquired the rail vehicle operations of brake pad specialist TMD Friction, as well as all the outstanding shares in the Icer Rail joint venture. In 2008, Knorr-Bremse had already acquired Anchor Brake Shoe Company, a leading North American manufacturer of brake shoes for locomotives and freight cars.

Caption: Through the acquisition of Federal-Mogul’s rail friction material know-how, Knorr-Bremse is reinforcing its systems expertise to generate new and improved customer-oriented products. | © Knorr-Bremse

Knorr-Bremse is the global market leader for braking systems and a leading supplier of other safety-critical rail and commercial vehicle systems. Knorr-Bremse’s products have been making a decisive contribution to greater safety and energy efficiency on rail tracks and roads around the world. For more than 113 years the company has been the industry innovator, driving innovation in mobility and transportation technologies with an edge in connected system solutions.

Knorr-Bremse is one of Germany's most successful industrial companies and profits from the key global megatrends: urbanization, eco-efficiency, digitization and automated driving.

About 28,000 employees at over 100 sites in more than 30 countries use their competence and motivation to satisfy customers worldwide with products and services. Localization is a central focus of Knorr-Bremse's strategy. Knorr-Bremse delivers braking, entrance, control and auxiliary power supply systems, HVAC and driver assistance systems for rail vehicles, as well as braking, steering, powertrain and transmission control solutions, and driver assistance systems for commercial vehicles.

In 2017, Knorr-Bremse generated in both its divisions revenues of EUR 6.2 billion (IFRS). A comprehensive and growing aftermarket & services business with high entry barriers gives these revenues increasingly cyclically independent stability. The company benefits from a strong, entrepreneurial and experienced management. Technical excellence, reliability, passion and responsibility are deeply embedded in its corporate culture.

Contact:

Eva Doppler
Corporate Communications
Phone: +49 89 3547 1498
E-mail: eva.doppler@knorr-bremse.com

Knorr-Bremse AG
Moosacher Straße 80
D-80809 Munich
www.knorr-bremse.com