

Press Release

Munich, June 20, 2016

Knorr-Bremse expands its commercial vehicle powertrain business with engine air management solutions**Acquisition of UK-based GT Group strengthens Knorr-Bremse's market position in Europe and North America**

Knorr-Bremse is to take over GT Group based in Peterlee (County Durham, UK) thereby reinforcing its competitive position in the engine air management sector. The parties have agreed not to disclose the purchase price. The acquisition is subject to approval by the anti-trust authorities.

GT Group's core business is the development and manufacturing of EGR valves and exhaust brakes for diesel engines used in the commercial vehicle sector. The owner-managed company with around 250 employees operates four locations in the Peterlee area and ranks in both product segments amongst the worldwide market leaders.

"The strategic fit of GT Group to Knorr-Bremse and the strong position of our combined businesses will enable us to meet the needs of our worldwide customers regarding the emission-compliant operation of diesel engines even more comprehensively," explains Dr. Peter Laier, Member of the Executive Board of Knorr-Bremse AG, responsible for the Commercial Vehicle Systems Division.

"We access in-depth know-how in new technologies as GT's mechatronic exhaust valves complement Knorr-Bremse's existing product portfolio in Asia. Therefore we are planning a close engineering collaboration especially between GT Emissions Systems and our subsidiaries in Japan and China. Together with the GT Group we are aiming to grow in new regions and strengthen our market position in Europe and North America. This way Knorr-Bremse will take a further step toward its declared aim of offering integrated system solutions and subsystems that boost customer benefits, reduce costs and ensure both the safe and efficient operation of trucks, trailers, and buses over the entire life cycle."

As GT Group Chairman and previous Owner Geoff Turnbull said: "Knorr-Bremse is at the pinnacle of engineering around the world and the perfect custodian for GT Group and the extensive expertise and technologies we have developed. The support it will provide to GT Group's established and experienced management team will maintain our trajectory of growth and maximize on new opportunities across international markets. With the expertise of our workforce and the support of its new owners, I am confident I am leaving the business in very safe hands."

Thanks to its long-standing expertise as a supplier to many OEMs and its ongoing development work, GT Group is ideally placed to offer its customers tailor-made solutions and provide them with optimum support as they develop future engine generations. With its global presence, Knorr-Bremse will be able to offer GT Group's mature product technology not only in Europe and North America but also for local use in other markets currently subject to less stringent emissions regulations and/or adapt it to customer needs and market

requirements. The GT Group products will complement the existing Knorr-Bremse portfolio and contribute to an overall increase in powertrain know-how at Knorr-Bremse.

An exhaust brake is a throttle valve situated downstream of the exhaust turbine. It is a type of retarder, a braking system which is mandatory on commercial vehicles. By restricting the mass air flow during engine overrun it increases pumping losses, thereby boosting engine braking power. The exhaust brake reduces the amount of work that has to be performed by the conventional wheel brakes, preventing them from overheating and reducing the risk of brake fade.

An EGR valve is a device on a diesel engine that controls how much exhaust gas is recirculated to the cylinders. On vehicles with EGR (exhaust gas recirculation) technology, part of the exhaust stream is cooled, mixed with incoming fresh air and recirculated back to the combustion chamber with the aim of reducing nitrogen oxide emissions. For precise adjustment of EGR volumes to engine operating conditions, the EGR valve must provide accurate control and fast response, and must also be sufficiently robust to withstand long-term operation under very harsh ambient conditions.

Caption: GT Group is to be taken over by Knorr-Bremse. Knorr-Bremse's Thorsten Seebars, Member of the Management Board of Knorr-Bremse Systems for Commercial Vehicles, (right) at the signing ceremony, together with Geoff Turnbull, the previous owner and Chairman of GT Group.

The GT Group, based in Peterlee, County Durham, is an international organization with more than 35 years of commitment to excellence in engineering design and manufacturing, specializing in environmental engineering, exporting products and services to more than 60 countries throughout the world. GT Group retains its head office in the North East of England and consists of four international organizations covering a diverse range of engineering activities including automotive products, project engineering and fabrication, seals, and safety related products for the transfer of LNG and other hazardous substances in the Oil and Gas markets. www.gtgroup.co.uk

Knorr-Bremse is the world's leading manufacturer of braking systems for rail and commercial vehicles, with sales totaling almost EUR 6 billion in 2015. In 30 countries, some 25,000 employees develop, manufacture, and service braking, entrance, control, and energy supply systems, HVAC and driver assistance systems, as well as powertrain and transmission control solutions. As a technology leader, for more than 110 years now, through its products the company has been making a decisive contribution to greater safety by road and rail. Every day, more than one billion people around the world put their trust in systems made by Knorr-Bremse. The company employs some 1,000 people at seven facilities in the UK.

Contact:

Dr. Detlef Hug
Head of Corporate Communications
Tel: +49 (0)89 3547 1402
E-mail: detlef.hug@knorr-bremse.com

Knorr-Bremse AG
Moosacher Strasse 80
D-80809 München
www.knorr-bremse.com