

Media Release

Oerlikon and Continental to cooperate on motor and transmission systems for hybrid & electric vehicles

- **Collaboration to focus on development and marketing of integrated axle drive motor and transmission systems for hybrid and electric vehicles**
- **Optimized overall system efficiency will deliver significant increase in customer benefits**

Regensburg / Rivoli (Turin), May 28, 2013 – Swiss high-tech industrial Group Oerlikon and international automotive supplier Continental yesterday entered into an agreement to cooperate on the development and marketing of integrated motor and transmission systems for hybrid and electric vehicles. The aim of this collaboration is to further improve the efficiency of electrified powertrains through integrated optimization of both the electric motor and the transmission. "Electric drive is a field where integrated system-level optimization is the only way to offer significantly improved customer benefits. And that is precisely what this cooperation is all about," says Ralf Schmid, Head of Research and Development at the Continental Powertrain Division's Hybrid Electric Vehicle Business Unit in Berlin. "The product portfolios and capabilities of Oerlikon and Continental make an excellent match. Our collaboration will allow us to significantly improve the efficiency of the electric powertrain," comments Paolo Mantelli, Head of Performance Automotive at Oerlikon Graziano Spa in Italy, an Oerlikon Business Unit and part of Oerlikon's Drive System Segment, focusing on leading edge transmission systems.

System-level approach delivers improved customer benefits

One key aim of development work on hybrid and electric vehicles is improved energy efficiency. This is best achieved by optimizing efficiency at the overall system level, in other words by integrated optimization of both the mechanical and the electrical paths. For example, electrical energy can be more efficiently converted into propulsion if the transmission spread and the number and placing of shift points are precisely matched to the characteristics of the electric motor. At the same time this will also lead to a reduction in system costs and weight. Consequently, from the earliest stages of product development the partnership will focus on combining the specific strengths of the two companies. Oerlikon Graziano SpA will contribute its know-how in the development, production and design of high-performance transmissions, while Continental's Powertrain Division will bring to the table its proven expertise in the development of conventional, hybrid and all-electric passenger car powertrains. Together, these two technology leaders will follow an integrated systems-based approach which will be key to delivering significantly improved customer benefits. The agreement covers both development and marketing of these integrated motor and transmission systems. Which of the two partners assumes the role of systems supplier for a given project will be decided on a case-by-case basis.

An expanding portfolio of systems for electric powertrains

Continental develops and manufactures a full spectrum of systems and modules for electric powertrains. As well as all types of electric motor, the product range also includes power electronics systems and the battery. The partnership with Oerlikon will extend this portfolio to include high-performance mechanical transmission systems. Continental is also a leading player in the field of electrical energy storage, where SK Continental E-motion – a company jointly formed and managed by Continental and SK Innovation (South Korea) – has been developing, producing and marketing state-of-the-art lithium ion-based battery technology since the beginning of this year.

About Oerlikon

Oerlikon (SIX: OERL) is a leading high-tech industrial group specializing in machine and plant engineering. The Company is a provider of innovative industrial solutions and cutting-edge technologies for textile manufacturing, drive, vacuum, coating, and advanced nanotechnology. A Swiss company with a tradition going back over 100 years, Oerlikon is a global player with around 12 700 employees at around 160 locations in 34 countries and sales of CHF 2.9 billion in 2012. The Company invested in 2012 CHF 106 million in R&D, with over 1 000 specialists working on future products and services. In most areas, the operative businesses rank either first or second in their respective global markets.

About Continental

With sales of €32.7 billion in 2012, Continental is among the leading automotive suppliers worldwide. As a supplier of brake systems, systems and components for powertrains and chassis, instrumentation, infotainment solutions, vehicle electronics, tires, and technical elastomers, Continental contributes to enhanced driving safety and global climate protection. Continental is also an expert partner in networked automobile communication. Continental currently has approximately 173,000 employees in 46 countries.

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