



Gravitational center of the automotive industry: ZF accelerates commitment in the Chinese market

- **Significant expansion of production and development capacities**
- **E-Mobility and autonomous driving: ZF offers high-tech solutions for Chinese automakers and new mobility service providers**
- **Up to one hundred percent localization of ZF product portfolio targeted**
- **ZF Board of Management member Dr. Holger Klein responsible for Asian business, based in China**

Shanghai/Friedrichshafen. With several additional plants, and the extension of its development capacities, ZF is stepping up its activities in China, the world's fastest-growing automotive market. The Group has had its own production sites there since 1994 - currently there are 32. ZF is now expanding this presence in order to enable development and manufacture of the complete product portfolio in China to support the local market in full. ZF already offers customers in China high-tech solutions for e-mobility and autonomous driving and is increasingly enlarging its customer base with Chinese manufacturers and new mobility providers.

"Our strategy for the Chinese automotive market is called 'local for local'," explains ZF Board Member Dr. Holger Klein, responsible for the Asia-Pacific region with China as its core market. "Almost all of our customers will expand their business in China in the coming years. We will support them in this by offering our entire portfolio locally - from development services to local just-in-sequence delivery," says Klein and announces: "We will increase our degree of localization in China up to 100 percent in the coming years. With our innovations and high-tech products, we will have an even stronger presence in the future." To this end, ZF is investing significantly in the expansion of its production capacities and on-site development in China.



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More production capacity, more high-tech and e-mobility

Introducing production of ZF's 8-speed 8HP automatic transmission to the Shanghai plant, where automatic transmissions have been produced since 2004, is proof of this. With immediate effect, ZF will supply local customers with its flagship product for passenger cars. A variant of 8HP for plug-in hybrid drives can also be produced here. In the future, ZF will strive to produce purely electric drives in China; production facilities for this are currently under way. To meet local production demand for passenger car electric power steering systems in China, ZF is building a new steering plant in Zhanjiagang - the largest of ZF's 32 plants in China, to date. ZF will also serve the commercial vehicle market more locally from China: A joint venture with commercial vehicle manufacturer Foton will start production of the TraXon automatic and hybrid commercial vehicle transmission in just a few weeks. To support this, a joint production plant has been built south of Shanghai

The importance of China to ZF, as the world's fastest-growing automotive market, is proven by the location of a board member in the region. Since 2018, Dr. Klein, with responsibility for the Asia-Pacific market, has been directing business in this increasingly important region from ZF's China headquarters in Shanghai. The continued strong growth will also lead to an expansion of development capacities. ZF plans to hire 1,000 additional engineers for two development centers in the Shanghai area, which are firmly integrated within ZF's global research and development network. This will allow innovations to find their way to the Chinese market even faster.

With its offerings in the four strategic areas of competence: e-mobility, autonomous driving, integrated safety, and vehicle motion control, ZF continues to be an attractive technology partner for both Chinese and international automobile manufacturers with a presence in China. ZF is also a partner for "New Automotive Customers", such as mobility service providers, who will rely on autonomous driving functions for their logistics and transport services.



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ZF has had its own plants in China since 1994 and currently operates from 32 locations there. The number of employees, currently around 15,000, will grow significantly in the coming months. In 2018, ZF generated sales of more than 6 billion in China – from activities ranging from driveline and chassis technology to active and passive safety technology for both passenger car and commercial vehicles, as well as driveline technology for construction and agricultural machinery.

ZF presents its current product portfolio at Auto Shanghai in Hall 5.2 from Tuesday, April 16th, to Thursday, April 25th. The ZF press conference will be held there on the first press day (Tuesday, April 16h) at 3pm local time (9am CET).

Captions:

- 1) ZF already manufactures prototypes of the 8-speed automatic transmission 8HP at its Shanghai plant. Volume production is set to begin in Q3 2019.
- 2) Residing in Shanghai: Dr. Holger Klein, member of the board of management at ZF, leads the Asia Pacific region.

Images: ZF

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ZF Friedrichshafen AG

ZF is a global technology company and supplies systems for passenger cars, commercial vehicles and industrial technology, enabling the next generation of mobility. With its comprehensive technology portfolio, the company offers integrated solutions for established vehicle manufacturers, mobility providers and start-up companies in the



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fields of transportation and mobility. ZF continually enhances its systems in the areas of digital connectivity and automation in order to allow vehicles to see, think and act.

In 2018, ZF achieved sales of €36.9 billion. The company has a global workforce of 149,000 with approximately 230 locations in 40 countries. ZF invests over six percent of its sales in research and development annually.

For further press information and photos please visit: www.zf.com