

FOR IMMEDIATE RELEASE

GKN marks anniversary of China's first auto component JV

SHANGHAI, 20 October 2008 – GKN Driveline is celebrating the 20th anniversary of its joint venture with Shanghai Automotive Industry Corporation (SAIC) on 21 October 2008.

The first automotive industry component-manufacturing joint venture in China, Shanghai GKN Drive Shaft Company (SDS) was formed in 1988. Other Chinese partners in Shanghai GKN include SDIC Machinery & Light Industries Company and Bank of Communications Company.

Speaking in Shanghai, GKN Automotive's chief executive Nigel Stein noted that GKN was the first major European automotive supplier to invest in China and today is the country's leading producer of driveline components.

"Shanghai GKN serves as an industry model for successful joint-venture operations in China and we anticipate continued growth for years to come," Nigel Stein said. "Over the last five years, Shanghai GKN has invested more than RMB 1 billion (about 100 million euros) to expand production in China, including major investments for new manufacturing facilities in Wuhan and Chongqing."

Nigel Stein added that Shanghai GKN's new 44,000-square-metre plant in Wuhan is on schedule to begin production early next year. The facility is expected to provide more than 600 jobs with an annual production capacity of more than 1,000,000 driveshafts.

Underlining GKN's growth plans in China, Nigel Stein said that GKN Driveline Torque Technology recently started production of transmission differentials for major Chinese and international vehicle manufacturers at its new, wholly-owned facility in Shanghai.



Shanghai GKN currently has five production facilities in China. In addition to its Wuhan and Chongqing plants, it has manufacturing operations in Kangqiao, Shenjiang and Zhoupu. The company annually produces more than 600,000 propshafts, 5 million sideshafts and 1.5 million universal joints.

Shanghai GKN's major Chinese automotive partner, SAIC, is one of China's top three automotive companies with sales last year of more than 1.1-million passenger cars and 550,000 commercial vehicles. In 2007, SAIC ranked 402 in Fortune Magazine's top 500 list of global companies.

About GKN Driveline

The first major European automotive supplier to invest in China, GKN is the country's leading producer of driveline components. GKN Driveline currently has automotive manufacturing operations in Kangqiao, Zhoupu and Shenjiang in Pudong, Shanghai, as well as plants in Chongqing, Wuhan and Jilin.

GKN Driveline is the world's leader in the design and production of driveline components. Producing systems and components for the smallest ultra low-cost vehicle to the most sophisticated four-wheel-drive model, GKN Driveline has the products to achieve the optimum driveline solution. With these products come technical expertise and an understanding of all aspects that affect vehicle dynamics and how these can be optimised for weight and performance improvement.

Every year, 72 million cars are produced for the world's roads. For every car, in every country, the challenge is always the same: to transmit power from the engine to the wheels in the most efficient, economical and reliable way possible.

GKN Driveline designs, builds, and supplies the most extensive and widely-used range of driveline components in the automotive industry. It covers every application from entry level front-wheel-drive vehicles to the most sophisticated four-wheel-drive vehicles.



As an engineering business with extensive automotive experience and a global resource network, GKN Driveline delivers solutions quickly, economically and efficiently – from drawing through to full-scale production.

The company is a true partner to the world automotive industry. Multi-talented, multilingual global account teams work closely with each and every customer to develop a clear understanding of their requirements – and then deliver optimum solutions accurately engineered to all specifications.

GKN Driveline (www.gkndriveline.com) is a global tier-one supplier of vehicle driveline components and systems with annual sales of RMB28 billion. The company has 21,000 employees and 40 facilities in 30 countries.

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