

News Release

GKN Driveline Redditch

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GKN Driveline expands into electric motors

Redditch, UK, 22 June, 2011 – GKN Driveline, the world's leading supplier of automotive driveline systems and solutions, has formed a joint venture with EVO Electric, a UK pioneer in advanced electric drive solutions for the automotive sector.

The new business, GKN EVO eDrive Systems, will manufacture and sell axial flux electric motors and drive systems for use in hybrid and all-electric vehicles.

GKN will also acquire 25.1% of EVO Electric. GKN will provide financing in a combination of debt and equity together with engineering and commercial resources to enable the establishment and growth of the joint venture.

The total value of GKN's investment at closing is £5 million consideration in cash.

EVO Electric develops and manufactures advanced electric machines, hybrid drive trains and generator sets for a wide range of transportation and mobile power applications. The core competence is the design and integration of high torque electric motors and generators based on axial flux technology, enabled by innovations in materials, design and manufacturing. EVO Electric's proprietary axial flux technology provides significant benefits in torque and power density, efficiency and cost compared to conventional radial flux machines. Alongside the transmission, batteries and power electronics, the electric motor is one of the four core 'building blocks' of an electric vehicle's powertrain.

GKN Driveline is already a pioneer in the development and supply of eTransmissions and eAxles for hybrid and electric vehicles. This venture will enable GKN Driveline to offer advanced axial flux motors and generators, adding to its existing eDrive Systems portfolio and enhancing its capability in full driveline systems, in response to the demands of its customers.

GKN EVO eDrive Systems aims to capture a share of the rapidly growing market for hybrid and electric vehicle systems. In a recent study by McKinsey & Co., (the international management consultancy), the global market for electric motors alone is estimated to be more than €20 billion by 2020.

The joint venture will be headquartered in the UK and will leverage state-of-the-art technology and expertise in hybrid, plug-in hybrid and electric drivetrains from both partners.



Nigel Stein, CEO of GKN Driveline said: “This strategic addition will enhance GKN Driveline’s ability to meet its customers’ needs in drivetrain electrification. It is aligned with our strategy of supporting vehicle manufacturers as they search for fuel savings and reduced CO₂ emissions through hybrid and electric drive vehicles.”

David Latimer, CEO of EVO Electric said: “This alliance with one of the automotive world’s leading ‘Tier One’ suppliers and a leader in electric-drive axle and transmission technology represents a major break-through for us. It will be pivotal in establishing EVO as a key player in the fast-growing global market for electric drive components.”

Editor’s notes:

GKN Driveline’s product segments include:

CVJ Systems

- GKN Driveline’s constant velocity joint systems provide space, weight and fuel savings with greater all round efficiency.
- GKN Driveline supplies the most extensive range of CVJ systems – used in the smallest ultra-low cost car through to the most sophisticated premium vehicle.

AWD Systems

- GKN Driveline has full all-wheel drive systems capability.
- GKN Driveline’s all-wheel drive couplings improve vehicle handling, stability and traction by intelligently distributing power, and disconnecting technology can supplement low drag and inertia for ultimate efficiency.

Trans Axle Solutions

- GKN Driveline produces highly durable open differentials and has the most extensive range of limited slip differentials (LSD), from the smallest super LSD to the largest electronically controlled axle locker.
- For the ultimate capability, GKN Driveline’s torque vectoring solutions provide the answer.

eDrive Systems

- GKN Driveline’s pioneering electric drive technology is used in 250,000 vehicles today.
- GKN Driveline’s eDrives are designed for the new generation of fuel efficient, low emission electric and hybrid vehicles.



About GKN Driveline

GKN Driveline is the world's leading supplier of automotive driveline components and systems. As a global company serving the world's leading vehicle manufacturers, GKN Driveline develops, builds and supplies an extensive range of automotive driveline components – for use in the smallest ultra low-cost car to the most sophisticated premium vehicle demanding the most complex driving dynamics.

GKN Driveline is a leading global producer of CVJ Systems, AWD Systems, TransAxle Solutions and eDrive Systems.

www.gkndriveline.com

About the GKN Group

GKN plc is a global engineering business serving mainly the automotive, aerospace and land systems markets. It has operations in more than 30 countries, around 40,000 employees in subsidiaries and joint ventures and had sales of £5.4 billion in the year to 31 December 2010. GKN plc is listed on the London Stock Exchange (LSE: GKN).

www.gkn.com

About EVO Electric

EVO Electric Limited develops and manufactures advanced electric machines, drive systems and other integrated products for a wide range of transportation and mobile power applications. Its core competence is the development, design and integration of high torque electric motors and generators based on Axial Flux technology, an ultra efficient, low weight alternative to conventional electric machines.

EVO is backed by Imperial Innovations plc (AIM: IVO), which creates, builds and invests in pioneering technologies. Imperial Innovations supports scientist-entrepreneurs in the commercialisation of their ideas and has exclusive access to scientific and technological developments coming out of Imperial College London, one of the world's leading research institutions.



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