



BENDIX SPICER FOUNDATION BRAKE'S MISSION TO BECOME LEADING PROVIDER OF WHEEL-END SOLUTIONS

Backgrounder

Bendix Spicer Foundation Brake LLC is on its way to achieving its mission of becoming the leading provider of commercial vehicle wheel-end solutions.

Formed in July 2004, the company combines and expands the complementary wheel-end foundation brake technologies of two global leaders – Bendix Commercial Vehicle Systems LLC and Dana Corporation. The joint venture brings a single, complete source for foundation brake system research, design, manufacturing, hardware, and support for all foundation brake components and actuation systems for medium- and heavy-duty commercial vehicles. Bendix Spicer Foundation Brake's core products include air drum brakes, air disc brakes, air brake chambers, slack adjusters, hydraulics, and foundation brake training.

In less than three years since its inception, Bendix Spicer Foundation Brake has already grown its sales by more than 15 percent. According to Kishor Pendse, president of Bendix Spicer Foundation Brake, two key factors have contributed to the joint venture's early success.

"In my mind, there are two reasons we've been successful so early in the history of our joint venture. First, unlike other companies in this industry, we are focused exclusively on wheel-end braking products. This focus enables us to take quick action to move our product initiatives forward. Second, and most importantly, we have the benefit of being able to leverage the expertise and capabilities of our parent companies, Bendix Commercial Vehicle Systems LLC and Dana Corporation. This combined global leadership and expertise enables us to continue expanding our portfolio of products, which makes us an attractive and valuable business partner for our customers," Pendse said.

Industry acquisitions and partnerships, along with product advancements and introductions, have enabled Bendix Spicer Foundation Brake to achieve its goals for short- and long-term growth. Key growth initiatives have included:

➤ **Acquisition of Di-Pro Ensures Availability of Bendix Aftermarket Products**

In fall 2006, Bendix Spicer Foundation Brake purchased Di-Pro, Inc., a leading supplier of spring brakes located in Fresno, Calif. The acquisition ensures that Bendix Spicer Foundation Brake – and its customers – will continue to have access to the reliable, cost-effective spring brake and actuation products that are key to the company's aftermarket product line and growth strategy. For years, Di-Pro had served as the primary aftermarket supplier for Bendix, and Bendix had been Di-Pro's largest customer.

A leader in the spring brake business since 1994, Di-Pro has the capacity to produce more than 3 million spring brakes per year. The company will continue to operate out of its Fresno location, will continue as the primary supplier for Bendix Spicer Foundation Brake, and will market products under the Di-Pro brand to its commercial vehicle customers.

➤ **Strategic Alliance with Gorilla Brake Contributes to Growth, Customer Service**

In fall 2005, Bendix Spicer Foundation Brake announced a strategic alliance with Gorilla Brake & Components Inc., a leading brake shoe reliner located in Brantford, Ontario. The alliance elevates Bendix Spicer Foundation Brake's ability to offer top-quality, high-performing brake shoes, kits, and bulk lining, bringing even greater balance to the company's evolving menu of wheel-end products.

Through the partnership, Gorilla Brake will remanufacture relined shoes under its own brand, as well as for a number of private-label brands for Bendix Spicer Foundation Brake and select customers and distributors. The relationship enables Bendix Spicer Foundation Brake to offer its customers a comprehensive range of friction materials to enable multiple-tier product offerings, as well as access to an outstanding distribution and delivery network.

➤ **Drum Brake Availability in Global Markets Contributes to Company's Value**

Emerging global initiatives promise to make Bendix Spicer Foundation Brake a known entity around the world in wheel-end solutions. The company is currently developing drum brake products for customers outside of the United States. As part of the Knorr-Bremse Group, Bendix Spicer Foundation Brake has access to global markets, and can help make drum brakes part of the Knorr-Bremse product portfolio. Bendix Spicer Foundation Brake will launch a new drum brake product in India this summer. The company is also working with major customers in Russia, Brazil and China to introduce its drum brake technology.

➤ **Expanded Products Provide Industry with Choice, One-Stop Shopping**

Continued expansion of its foundation drum brakes, air disc brakes, slack adjusters, actuators, and related aftermarket parts product lines provides Bendix Spicer Foundation Brake customers with the convenience of one-stop shopping. New product introductions include:

Formula Blue™ Hydraulic Brake Parts

In April 2007, Bendix Spicer Foundation Brake will launch *Formula Blue™*, a complete line of light- and medium-duty hydraulic brake parts for import and domestic vehicles, class 1 to 6. With availability of more than 7,000 parts, the Formula Blue hydraulics line will deliver expanded choice in replacement hydraulic brake parts for the industry's broadest range of domestic and import makes and commercial vehicle applications. With the new product addition, the Formula Blue line will include brake pads and shoes, calipers, rotors and drums, brake and clutch hydraulics, and hardware.

New Slack Adjuster to Enhance Technology, Appeal to Global Markets

The Bendix® ASA-5™ Automatic Slack Adjuster has become trusted by customers in North America to deliver reliable, consistent brake adjustment. In April 2007, Bendix

Spicer Foundation Brake will build upon this successful product when it introduces the Bendix® ASA-6™ Automatic Slack Adjuster. For the first time, the product will be used to meet the needs of global customers, and it will be officially launched in India. Bendix slack adjuster products are designed for use on Cam-actuated drum brakes, and their clearance-sensing design automatically adjusts on brake application, making them less prone to overadjustment and less sensitive to varying temperatures and duty cycles than stroke-sensing designs.

New Friction Lining Material Offers Economic Braking Solution

Bendix Spicer Foundation Brake continues to lead the way in the engineering and development of application-specific products. The company is preparing to introduce new air brake friction lining materials for single- and tandem-axle trucks.

The new Bendix Black 20K friction lining material will launch in mid 2007 and will provide an economical braking alternative to replace Bendix Green. Its counterpart, Bendix Black 23K, will launch in late 2007 and will serve as a standard lining material that provides a more economical braking solution for the price-sensitive fleet. The new friction lining products were developed to handle loads with consistent brake performance when used with conventional brake shoe designs. The products are best-suited for tractor, trailer, and straight-truck applications and were designed with a uniquely formulated medium, low-friction organic compound for on-highway applications and city pick-up and delivery.

Pendse said Bendix Spicer Foundation Brake is on its way to achieving its mission.

“We are proud to say that one out of every three North American commercial vehicles manufactured today is built with our foundation brakes. We believe we are in a strong position to achieve our mission to become the leading wheel-end solution provider,” Pendse said.

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