

Immediate Release

Contact

Guenter Kraemer
+49 6352 403-2651

**BORGWARNER RECEIVES INDUSTRY 4.0 AWARD FOR ITS NEW SOFTWARE TOOL
FOR OPTIMIZING MANUFACTURING PERFORMANCE**

*BorgWarner's Innovative Software System Improves Capacity Management for
Manufacturing Facility in Germany to Serve Customers through Optimal Employee
Involvement*

Auburn Hills, Michigan, December 4, 2014 – During a ceremony held in Amberg, Germany on December 2, 2014, BorgWarner received a special Industry 4.0 Award for its new software tool for optimizing shift planning. Currently under test at its plant in Ludwigsburg, Germany, the so-called KapaflexCy program (Capacity Management in Cyber-Physical Systems) allows BorgWarner to serve customers more efficiently, even on short notice. Developed in collaboration with the German Fraunhofer Institute for Industrial Engineering (IAO) and sponsored by the German Federal Ministry of Education and Research, the program helps BorgWarner directly involve employees in managing their facility's production capacity by using smartphones for improved shift organization. After completing the pilot phase in 2015, BorgWarner intends to implement the easy-to-install software in several locations in Europe.

“We are very proud to receive this prestigious award. BorgWarner is driven to continuously optimize our processes. This new tool allows our employees to organize capacity on short notice using real-time data and mobile devices,” said Brady Ericson, President and General Manager, BorgWarner Emissions Systems. “By integrating this innovative software tool, we can respond to changing customer demand with speed and agility.”

Producing high-quality technologies on short notice requires maximum flexibility from production systems and work staff. KapaflexCy uses real-time machine data, mobile devices and Industry 4.0 technologies to provide employees with a platform for coordinating capacity. Using smartphones or terminal, BorgWarner employees are able to react immediately to additional staffing requests, and register themselves for new work

assignments. The KapaflexCy tool allows employees to decide on additional working hours on a case-by-case basis with full understanding of current demand. As a result, this innovative program helps BorgWarner improve flexibility in production capacity while reducing response times for customer orders.

Industry 4.0 describes the intelligent linking of production and automation technology with information and communication technology. BorgWarner received a special Industry 4.0 award from the German trade journal 'Produktion' in cooperation with ROI Management Consultants in recognition of its achievements in this area.

About BorgWarner

BorgWarner Inc. (NYSE: BWA) is a product leader in highly engineered components and systems for powertrains around the world. Operating manufacturing and technical facilities in 60 locations in 19 countries, the company delivers innovative powertrain solutions to improve fuel economy, reduce emissions and enhance performance. For more information, please visit borgwarner.com.

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