



**BORGWARNER WILL SUPPLY WET DUAL-CLUTCH TECHNOLOGY**  
**FOR THREE FAW TRANSMISSION PROGRAMS IN CHINA**

*BorgWarner's DualTronic® Technology Will Drive the  
First Rear-Wheel Drive Wet Dual-Clutch Transmission Built in China*

Auburn Hills, Michigan, April 25, 2012 – BorgWarner United Transmission Systems (BWUTS), a majority-held joint venture between BorgWarner and 12 leading Chinese automakers in Dalian, China, has been selected to supply DualTronic® control modules and clutch modules with integral torsional vibration dampers for FAW's new seven-speed wet dual-clutch transmission (DCT). The DCT is expected to debut in FAW's flagship Hongqi (Red Flag) luxury sedan in late 2013, and will be the first domestically built rear-wheel drive DCT in China. Two other programs are under development for production in 2014 and 2015. At full launch of all three transmission programs, total volumes are expected to reach over 500,000 units per year. Featuring improved solenoids and new friction materials with the latest clutch pack design, BorgWarner's DualTronic clutch and control modules deliver better fuel economy and torque transfer compared with previous wet and dry clutch systems.

“Demand for domestically produced automatic transmissions is growing in China. BorgWarner's dual-clutch transmission technology provides Chinese vehicle manufacturers with a quick-to-market, cost-effective, state-of-the-art wet DCT automatic transmission solution,” said Robin Kendrick, President and General Manager, BorgWarner Transmission Systems. “Interest in dual-clutch transmissions is particularly strong among vehicle manufacturers in major growth markets in Asia and Europe. BorgWarner expects the overall DCT market to grow from 2.6 million units in 2011 to 8.7 million units by 2017.”

BorgWarner's engineers in Germany, China and the United States worked closely with FAW, applying BorgWarner's leading expertise in dual-clutch technology to the

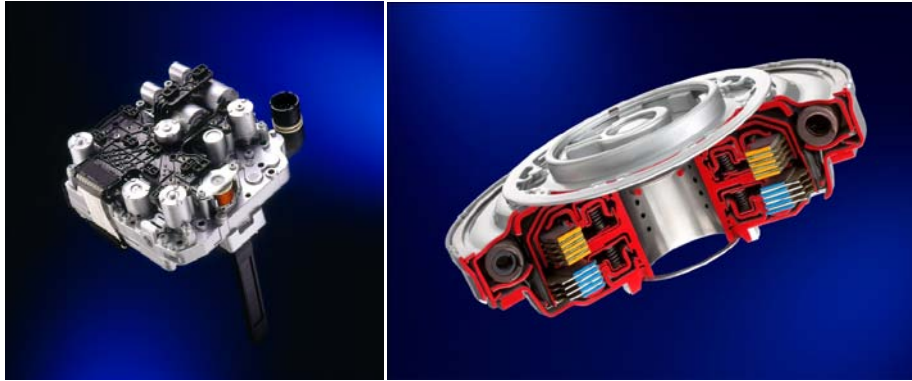
specific needs of the Hongqi sedan. BorgWarner's DualTronic clutch modules are crucial components of wet DCTs, which deliver the efficiency of a manual gearbox combined with the functionality of a fully automatic transmission. A leader in the globalization of DCT technology for over ten years, BorgWarner's latest advancements in wet clutch modules offer more thermal robustness, higher torque capability, wear-free friction plates and versatility in a wide range of automotive applications. Wet clutches offer a more stable coefficient of friction and temperature profile making them more durable and easier to calibrate than competing technologies. The combination of new friction material with the newest clutch pack design and enhanced solenoids results in optimized fuel efficiency and performance.

BorgWarner offers a broad range of wet dual-clutch modules designed for a variety of applications, including parallel and nested dual clutches for low- and high-torque applications as well as an optional integrated torsional vibration damper.

## **About BorgWarner**

Auburn Hills, Michigan-based BorgWarner Inc. (NYSE: BWA) is a technology leader in highly engineered components and systems for powertrain applications worldwide. Operating manufacturing and technical facilities in 59 locations in 19 countries, the company develops products to improve fuel economy, reduce emissions and enhance performance. Customers include VW/Audi, Ford, Toyota, Renault/Nissan, General Motors, Hyundai/Kia, Daimler, Chrysler, Fiat, BMW, Honda, John Deere, PSA, and MAN. For more information, please visit [www.borgwarner.com](http://www.borgwarner.com).

BorgWarner Inc. (BorgWarner Will Supply Wet Dual-Clutch Technology for Three Vehicle Programs from FAW in China) – 3



For the first of three dual-clutch transmission programs, BWUTS has been selected to supply DualTronic® control modules and clutch modules with integral torsional vibration dampers for FAW’s flagship Hongqi (Red Flag) luxury sedan.

###

Statements contained in this news release may contain forward-looking statements as contemplated by the 1995 Private Securities Litigation Reform Act that are based on management’s current outlook, expectations, estimates and projections. Words such as “anticipates,” “believes,” “continues,” “could,” “designed,” “effect,” “estimates,” “evaluates,” “expects,” “forecasts,” “goal,” “initiative,” “intends,” “outlook,” “plans,” “potential,” “project,” “pursue,” “seek,” “should,” “target,” “when,” “would,” variations of such words and similar expressions are intended to identify such forward-looking statements. Forward-looking statements are subject to risks and uncertainties, many of which are difficult to predict and generally beyond our control, that could cause actual results to differ materially from those expressed, projected or implied in or by the forward-looking statements. Such risks and uncertainties include: fluctuations in domestic or foreign vehicle production, the continued use by original equipment manufacturers of outside suppliers, fluctuations in demand for vehicles containing our products, changes in general economic conditions, as well as other risks noted reports that we file with the Securities and Exchange Commission, including the Risk Factors identified in our most recently filed Annual Report on Form 10-K. We do not undertake any obligation to update or announce publicly any updates to or revision to any of the forward-looking statements.