News Release

BorgWarner

BorgWarner's R2S[®] Turbocharging Technology Boosts Engine Performance

- First-to-market R2S turbocharger to feature a cost-efficient cast steel housing
- New compact design to meet challenging installation geometries
- Improves performance and fuel economy

Auburn Hills, Michigan, October 17, 2017 – BorgWarner provides its leading regulated two-stage (R2S[®]) turbocharger for Daimler's latest 2.9-liter six-cylinder inline diesel engine OM 656, which is initially featured in the updated Mercedes-Benz S-Class launched in 2017. Meeting the requirements of state-of-the-art engine concepts, BorgWarner's advanced turbocharging technology contributes to enhanced fuel economy and improves torque, performance and exhaust gas recirculation rates even under full-load conditions while significantly reducing emissions.

"Due to its optimized design, our turbocharging solution helps automakers overcome challenging system placement demands such as a tight fit and high temperatures," said Frédéric Lissalde, President and General Manager, BorgWarner Turbo Systems. "We are pleased to support our customers by delivering our highly efficient R2S turbocharging technology to meet the highest possible standards."

The first R2S turbocharger on the market to have a turbine housing made of very robust cast steel also features a water-cooled e-actuator, bearing housing and compressor housing. BorgWarner's R2S turbocharging solution consists of two turbochargers arranged in series – a compact high-pressure exhaust gas turbocharger featuring the company's latest variable turbine geometry technology and a larger waste-gated low-pressure one with ported shroud compressor. While running at low engine speeds, the small high-pressure turbocharger provides most of the boost and at the same time excellent response, so that the driver does not experience any turbo lag. With increasing engine speed, a bypass begins to open, so that nearly all of the gases flow directly towards the low-pressure turbocharger which takes over the main compression work to provide high boost pressures with excellent efficiency. Controlled by an electrical actuator,

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BorgWarner's R2S turbocharging technology adapts quickly to changing situations for fast response and significantly reduced emissions.

About BorgWarner

BorgWarner Inc. (NYSE: BWA) is a global product leader in clean and efficient technology solutions for combustion, hybrid and electric vehicles. With manufacturing and technical facilities in 62 locations in 17 countries, the company employs approximately 27,000 worldwide. For more information, please visit <u>borgwarner.com</u>.



The first-to-market R2S[®] turbocharging technology with a very robust cast steel turbine housing from BorgWarner boosts fuel economy and performance while contributing to reduced emissions for diesel engines.

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

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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.

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