



**TMD Friction SA acquired by Tokyo based Nisshinbo Holdings Inc.
Combined business will become the world's largest
automotive brake friction manufacturer**

Luxembourg / Tokyo (Japan), 26 September 2011 – TMD Friction Group SA (“TMD” or the “Company”), the world’s leading manufacturer of friction materials for automotive and industrial applications, today announces its shareholders have reached agreement with Nisshinbo Holdings Inc. (“NISH”), a Japanese group listed on the Tokyo Stock Exchange, on the terms of a recommended acquisition of the Company.

TMD has grown rapidly over the past three years, benefitting from strong growth in fast growing regions such as China, Brazil and the independent aftermarket. The Company is now well positioned having made significant investment in capacity and product development as well as through targeted acquisitions. For the year ended 31 December 2010, TMD reported a 20 per cent increase in sales to €637 million with proforma EBITDA up 160% to €71 million.

NISH has an established position as a global player in the areas of brake, mechatronics, textiles and electronics. NISH’s brake business is operated globally by Nisshinbo Brake Inc. (“NISB”) and its overseas subsidiaries which include manufacturing facilities in Japan, South Korea, USA, China, Thailand, and India.

The combination of TMD with NISB will create one of the world’s largest automotive brake friction manufacturers with clear technology leadership and an extensive offering for passenger cars and commercial vehicles. The combined companies will have revenues of over €1.0 billion and over 6,000 employees.

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The transaction is expected to complete following competition authority approval. Following completion, NISH will continue to operate TMD as an independent, wholly owned subsidiary. TMD will continue to be led by Derek Whitworth, CEO, with his management team. Koji Nishihara, President of NISB and a NISH board member, will also join the Board of TMD. A joint Global Management Team will also be established with members from NISB and TMD.

Derek Whitworth, Chief Executive of TMD, said: “I am delighted to be joining the Nisshinbo group of companies. This is a great opportunity for TMD to continue our development with a strong and successful partner. Their expertise, particularly in the markets where we are growing fastest will be invaluable as we seek to accelerate our expansion and continue to provide innovative and leading products to our customers.”

“I would also like to thank Pamplona Capital Partners II, LP for helping us at a particularly challenging time in the early part of 2009. They have been a hugely supportive shareholder and partner for our management team.”

Koji Nishihara, President of NISB and a NISH board member, said: “TMD is a leading global brake friction manufacturer with strong brand recognition and established technology leadership dating back 100 years. The combination of NISB and TMD under the ownership of NISH creates the largest, most capable, global automotive brake friction manufacturer in the world.

“Together, we will have a strong presence in all major automotive sectors with an extensive global customer base and minimal geographic overlap. We see several opportunities to leverage our combined technology, geographic knowledge and customer networks. I look forward to working with Derek and his team in the years ahead.”

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Notes to Editors

About TMD:

TMD, a Luxembourg group, is among the world's leading manufacturers of brake friction materials for the automotive and brake industries. Its product portfolio comprises disc brake pads and drum brake linings for passenger cars and commercial vehicles together with brake pads for racing cars and friction materials for rail and industrial applications. TMD is one of the largest suppliers to the global replacement parts aftermarket with its Textar, Pagid, Mintex, Don and Cobreq brands. Brake pads for rail and industrial applications are developed and produced under the brand names Cosid and Dynotherm. TMD has operations in Germany, the United Kingdom, and three other European countries, as well as in the US, Brazil, Mexico, China, Japan and South Africa. The TMD Friction Group employs approximately 4.800 people worldwide. For further information please visit www.tmdfriction.com.

About NISH:

You can find more information about NISH on the company's website at www.nisshinbo.co.jp

Advisors:

The shareholders of TMD were advised by UBS Deutschland AG and Allen & Overy LLP.

NISH was advised by Nomura Securities Co., Ltd., Mori Hamada & Matsumoto and Gleiss Lutz and Herbert Smith.