

**Payen performs under pressure**

***After six decades of reliable production, the Federal-Mogul Payen manufacturing plant in Port Elizabeth continues to remain at the forefront of innovation.***

Johannesburg, 18 May, 2016**:** Federal-Mogul Motorparts, a division of Federal-Mogul Holdings Corporation (NASDAQ: FDML) today announced that it boasts a deep-rooted heritage in South Africa, with a considerable amount of aftermarket and OEM gaskets and heatshields manufactured locally at the Payen plant in Port Elizabeth since 1949. The gasket manufacturing utilises a variety of materials and technologies suitable for both older vehicle models as well as new vehicles, at all times adhering to OEM specifications.

Federal-Mogul Motorparts Plant Manager, Antony Funston, makes comment that the cost of production in South Africa is a significant challenge in today’s market conditions. “We operate in an environment of high currency volatility, impacting foreign currency denominated raw materials. Other challenges include unstable power supply, high inflation and interest rates, labour demands and growing imports of cheaper products from abroad,” he explains.

Despite these serious challenges, Funston is optimistic of continued long-term prosperity. “South Africa is still seen as the gateway into the rest of Africa, where the automotive industry is growing steadily. This is clearly evident with OEMs investing in new plants across the continent. The African market is a huge opportunity for the aftermarket in supporting commercial vehicles and light vehicles. The weak rand also allows for good export opportunities, if the components are produced using locally produced raw materials,” he continues.

In order to remain competitive, Funston indicates that investment in new manufacturing technology is essential in ensuring efficiency. “Innovation plays a critical role in developing products, materials and processes to compete globally and offer the end customer a superior product. It is also important to educate our customers on the benefit of buying original and quality equipment at a small premium, as opposed to opting for cheaper imports and counterfeit products that are very often of questionable quality – resulting in excessive long-term costs.”

Innovative Payen gasket designs clearly outperform the competition in the OE and replacement markets – making it a truly stand-alone product. Funston attributes this success Payen’s ability to continuously provide the market with product innovation. “Superior quality on gaskets and sealing sets our business apart in the market place. Sealing components have never been more important to the overall performance and reliability of automotive engines. Increased cylinder pressures and temperatures, as well as reduced engine mass, have made the science of sealing one of the most complex and demanding areas of engine design.”

With an unsurpassed level of expertise within both the OE and replacement markets, Funston states that the product performs under pressure for virtually any sealing challenge on an automotive powertrain. “Our unique ability to deliver innovative, ultra-reliable sealing technologies has led to strong business relationships with the world’s premier OE manufacturers,” he says.

Funston notes that Payen products perform under pressure in one of the world’s most demanding environments; the OE light and commercial vehicle engine market. “The Payen product range is supported by four global research and development centres, each equipped with state-of-the-art technologies and systems to ensure that the Payen brand maintains and extends its market leadership through superior sealing solutions.”

The Payen gasket range includes Multi-Layer Steel (MLS) and Liquid Elastomer Molding (LEM) gaskets. Federal-Mogul has been the leader in MLS head gasket technology for 20 years. The company has produced over 43 million OE MLS head gaskets in Herdorf, Germany, and the plant is also a leading provider to the replacement parts market.Payen LEM gaskets have been successful in helping OEMs solve difficult sealing challenges, particularly in joints requiring significant design flexibility. Over 40 million LEM gaskets have been manufactured globally since its introduction in 1998. LEM technology is also appropriate for tomorrow’s fuel cells – and will become part of thePayen product range as this promising market emerges.

The need for higher output from smaller engines has led to increased exhaust temperatures, which can have detrimental effects on exhaust gaskets. To help OE engine manufacturers address this issue, Funston highlights that Federal-Mogul has developed a range of new gasket material technologies and product designs.

“One of these – the High Temperature Alloy (HTA) gasket – offers a stepchange improvement in exhaust gas sealing. This new technology, a winner of the prestigious 2007 Automotive News PACE Award for Innovation, is exceptionally resistant to thermal creep and can withstand temperatures up to 1 000 ºC,” he concludes.

**About Federal-Mogul**

Federal-Mogul Holdings Corporation (NASDAQ: FDML) is a leading global supplier of products and services to the world’s manufacturers and servicers of vehicles and equipment in the automotive, light, medium and heavy-duty commercial, marine, rail, aerospace, power generation and industrial markets. The company’s products and services enable improved fuel economy, reduced emissions and enhanced vehicle safety.

Federal-Mogul operates two independent business divisions, each with a chief executive officer reporting to Federal-Mogul's Board of Directors.

Federal-Mogul Motorparts sells and distributes a broad portfolio of products through more than

20 the world’s most recognized brands in the global vehicle aftermarket, while also serving original equipment vehicle manufacturers. The company’s aftermarket brands include BERU®\* ignition systems; Champion® spark plugs, wipers and filters; AE®, FP Diesel®, Goetze®, Glyco®, Nüral® and Payen® engine products; MOOG® steering and suspension parts; and Ferodo®, Wagner®, Beral®, Necto®, Duron®, Jurid®, Stop® and Abex® brake products.

Federal-Mogul Powertrain designs and manufactures original equipment powertrain components and systems protection products for automotive, heavy-duty, industrial and marine applications.

Federal-Mogul was founded in Detroit in 1899 and maintains its worldwide headquarters in Southfield, Michigan. The company employs more than 45,000 people in 34 countries. For more information, please visit [www.federalmogul.com](http://www.federalmogul.com).

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