

News Release



BorgWarner Agrees to Sell Thermostat Business to Arlington Industries Group

Divestiture Consistent with BorgWarner's Focus on Propulsion Technologies

Auburn Hills, Michigan, January 4, 2019 – BorgWarner has agreed to sell its thermostat business to Arlington Industries Group Ltd. The sale includes manufacturing facilities in Oberboihingen, Germany and Piracicaba, Brazil. Completion of the transaction is expected in the first quarter of 2019, subject to the satisfaction of customary closing conditions.

The thermostat business came with the exhaust gas recirculation valve business acquired from Gustav Wahler GmbH & Co. KG in 2014. While the thermostat product technology has been continuously developed to meet market demands, it is not core to BorgWarner's strong focus on propulsion systems for combustion, hybrid and electric vehicles. This transaction is limited to the thermostat business only and does not affect other BorgWarner products or technologies.

Full year sales of the thermostat business for 2018 are expected to be approximately €110 million. The purchase price of the transaction is approximately €24 million, subject to customary adjustments. The company will incur a book loss on the sale of approximately \$20-30 million.

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 66 locations in 18 countries, the company employs approximately 29,000 worldwide. For more information, please visit borgwarner.com.

Statements in this press 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. These risks and uncertainties, among others, include: uncertainties associated with matters impacting transaction timing and costs, our dependence on automotive and truck production, both of which are highly cyclical; our reliance on major OEM customers; commodities availability and pricing; supply disruptions; fluctuations in interest rates and foreign currency exchange rates; availability of credit; our dependence on key management; our dependence on information systems; the uncertainty of the global economic environment; the outcome of existing or any future legal proceedings, including litigation with respect to various claims; and future changes in laws and regulations, including by way of example, tariffs, in the countries in which we operate, as well as other risks noted in 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/A. 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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