

report

Services



2.2009

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Dear readers,

By adding customer services, ZF is concentrating additional after-sales activities under the roof of ZF Services. This means that after-sales will be acquiring a new degree of significance within the ZF Group. Of course, we are also aware of the challenges that will arise for us in this context. We are now called upon to rapidly optimize the range of products and services for you.

Many of you have recently been able to experience the power of our parent corporation ZF at the International Motor Show (IAA) which has just concluded in Frankfurt. Among the displays we presented there was the new 8-speed automatic transmission – reducing fuel consumption by 6 percent, with a start-stop function and as a hybrid even between 11 to 25 percent.

As ZF Services, we seek to further expand our leading role on the after-sales market. Thanks to the innovative power and technical expertise at ZF as well as our own traditional core areas of expertise and our outstanding team of employees around the world, we view this aim as attainable in the near future.

We wish you solid business success in the last quarter of this year, and thank you for the confidence and stability in our partnership.

Alois Ludwig
 ZF Services
 Chairman of the Board

ZF after-sales activities under one single roof

ZF is concentrating additional activities in its Services division. Following the merger of the worldwide spare parts business and the former sales and service organization in 2008, global customer service activities will now also become a part of ZF Services as of January 2010.

“The new structure, which features a unified market presence, will help us react even more efficiently to the requirements of our customers and respond to the continuously changing market conditions,” says ZF CEO Hans-Georg Härter (photo) in noting the growing significance of the ZF Services division. Optimized procedures will ensure faster service delivery and enhanced worldwide availability of spare parts. As Härter adds, “This is particularly important for our involvement in emerging regions, such as India and China.”

The newly expanded business unit is able to offer a broad range of powertrain, suspension and steering technology with the established product brands of Sachs, Lemförder, Boge and ZF Parts, and is also well placed to provide the complete range of services. These include remanufacturing, repair, diagnostics and field service as well as providing original equipment to vehicle makers on behalf of the corporate divisions, and also providing services and service programs for workshops. Härter emphasizes that “there is also the possibility of diversification within the new structure.” For example, not only the company’s own products but also those of other manu-

facturers could be sold, remanufactured or repaired as long as they are not in competition with ZF. In addition, the new business unit opens the door to additional future expansion of product-related services such as mobility guarantees for fleets and telemetric services.

ZF Services currently employs around 4,200 people worldwide – including 2,000 in Germany. The division generated direct sales of 1.4 billion euros in 2008, plus an additional 1.6 billion euros with its services for vehicle manufacturers on behalf of ZF divisions. ZF Services will be operating a total of 60 sites in 34 countries, and working together with around 650 service partners on all continents. Based in Friedrichshafen and Schweinfurt, the business unit will be led by the three current managing directors Alois Ludwig (chairman), Matthias Benz, and Christian Haedge, and will be joined on the board by Martin Müller, Pietro Dellai, and Hans-Peter Bach.

Müller presently directs the customer service/commercial vehicle replacement parts market from Friedrichshafen. Bach is the head of customer service for car driveline technology in Saarbrücken.



Dellai is the director of customer service and testing systems for the off-road driveline technology and axle systems division based in Passau.

New site in Hungary

The Protruck Kft. company, a licensed partner of ZF Services in Hungary, succeeded in opening its **new site** at the industrial park in Nagytarcsa **near Budapest** in April – despite the economic crisis and after a construction period of only seven months. Managing director László Czakó considers the company to be superbly prepared for the future with its increased warehouse space, larger workshops, sales rooms, and additional office facilities. A former subagency of ZF Austria, Protruck has been selling and repairing ZF commercial vehicle products in Hungary since 2003. In parallel to the construction work, the company has added more focal activities to its profile. For example, it now has test banks available for repairing commercial vehicle transmissions, steering gears, and vane pumps.



View of the new workshop hall.



LCC contract presentation (from left): Michael Schindler, Ulrich Schäfer, Helmut Onderka, Wolfgang Droll, and Werner Burst (BBL workshop foreman).

Zero repair risk

With its ZF Plus service program, the ZF Services and ZF Bus Driveline Technology divisions are offering private bus companies, shipping companies, and municipal transport organizations the chance to **calculate set operating costs** for their ZF transmissions throughout the entire life cycles of the respective vehicles. The public transport company in Baden-Baden (BBL) is the first German client to sign this type of life cycle cost contract (LCC) for 20 of its ZF Ecomat bus transmissions. Beyond a set annual fee per transmission and kilometer, the BBL will incur no additional costs for replacement parts or for repair, reconditioning, or maintenance work. The ZF Service office in Mannheim will also assume all preventive and corrective maintenance on the transmission and relevant auxiliary components. Outside Germany, large-scale transport companies in Brazil, Chile, and Switzerland are already profiting from the advantages of their LCC contracts. They value the customer-oriented service which enables them to avoid expensive down times.

Everything under a single roof

In Vernon Hills, Illinois, ZF Services laid the foundation stone for a 12,000 square meter expansion to its sales and remanufacturing center. The final complex will be a highly modern operation with a total area of around **27,000 square meters**, and it will replace the existing site in Sheffield Village, Ohio. Tim Corcoran, the president of ZF Services North America, is pleased to note that “by bringing marketing, sales, remanufacturing, and distribution under a single roof, we will be able to respond with yet more flexibility to the wishes of our customers.” ZF Services managing director Matthias Benz views this as a sign of the stronger commitment and growing success of ZF Services in North America.



Breaking ground: (from left) John Edwards, Matthias Benz, Frank Oblinger, Claudia Rosenberg, Steffen Reichelt, and Tim Corcoran.

Near East premiere



Abdala Kabua (3rd from right), managing director of the "Kabua Brothers" workshop with some of his employees.

With over 850 partners, the Original Sachs Service workshop concept for commercial vehicles (OSS CV) has a strong presence throughout Europe. Based on a proposal by Ledico Ltd., the Sachs and Boge agency in Israel, the Kabua Brothers company has become the first OSS commercial vehicle partner in Israel and thus the first concept partner outside Europe. Founded in 1993 and based in Lod near Tel Aviv, this workshop provides first-class services.

One of the largest independent commercial vehicle workshops in Israel, it also posts some of the highest sales.

As a long-term Sachs customer, Kabua Brothers was an excellent candidate to be selected as an OSS commercial vehicle partner. The benefits are evident for both sides: Kabua possesses expertise and places a priority on quality, while ZF Services can optimize its presentation of the Sachs brand in Israel.

Safety and comfort

When shock absorbers are replaced, ZF Services recommends that workshops carefully check the auxiliary components. It also provides the right products if replacements are needed. **Over 30 new references** have just been added to its product range. Sachs suspension strut support mounts are now available for vehicles such as the Fiat Grande Punto, Ford S-Max, Mercedes C class (W204) and Sprinter (906), the Mini, Audi A3, VW Golf V, and Opel Corsa D.

Damping is of crucial importance for a safe and comfortable driving experience, because it ensures that the wheels grip the road at all times which in turn enables good tracking and brake operations. If damaged suspension strut support mounts are not replaced, vibrational dampers are less effective. This leads to longer braking distances and critical performance in curves and during sudden swerves.

ZF Services keeps Sachs suspension strut support mounts and service kits (compression stops and protective tubes) available. Replacing them together with the main components does not increase the level of work required. Moreover, with original parts from Sachs, workshops and customers are always on the safe side when it comes to quality.





177 parts for Mercedes

The Lemförder brand stands for quality and safety worldwide. In the newly published catalog "Lemförder Mercedes-Benz Steering and Suspension Parts for CV", ZF Services presents the **expanded range of products for commercial vehicle models from Mercedes-Benz**. The catalog's 480 pages list 177 original replacement parts, including 62 new items for an increase of 35 percent. Its clear compilation drag link enables users to find all assignments for tie rods, center rods, axle struts, V-links, stabilizer rods, and ball joints.

The new layout has yet another benefit: In particular its fold-out cover with axle graphics and position numbers makes the catalog even clearer and more user-friendly. The inside part is in German and English, while the opening part contains French, Spanish, Italian, Polish, Russian, Greek, and Chinese translations. The catalog can be downloaded at www.zf.com/de/trading/catalog, or ordered from the responsible sales department.

Top supplier for Porsche

Annually, Porsche presents the **Porsche Supplier Award** to its top suppliers **in recognition of their quality and reliability**. In 2009, the ZF Lemförder Schaltungssysteme GmbH, is among these top suppliers, its Managing Director Uwe Coßmann stated delightedly: "We are very proud of this Award since it acknowledges the achievements of just ten top suppliers."

The ZF Gearshift Systems business unit produces approximately 3.1 million gearshift systems annually for automatic and manual transmissions in cars and commercial vehicles. For years, this business unit has been the market leader in Europe for the shift-by-wire systems product line. The performance range for passenger cars and commercial vehicles includes shift systems for manual and automatic transmissions with an electronic manual mode (well-known as Tiptronic®) as well as the shift-by-wire shift system for automated and automatic transmissions (the Shiftronic®). The ZF gearshift systems are used in the Boxster, Cayman, 911, and Cayenne Porsche series as well as in many models from other vehicle manufacturers.

Upper photo: The ZF Lemförder Schaltungssysteme GmbH received the Porsche Supplier Award 2009 for its outstanding work.

Lower photo: Automatic transmission Tiptronic S® for the Porsche Cayenne. Photos: ZF/Porsche





Greater professional expertise

The only way to succeed under tough competitive conditions is to possess up-to-date and qualified professional expertise. In connection with its brand-based workshop concepts and in cooperation with its wholesale partners, ZF Services therefore is currently offering more than 25 **product seminars on different topics for workshops**.

In 2008, 314 technical seminars were held worldwide for a total of 7,834 participants. The latest examples include technical and sales seminars in Belarus, offered in Russian language of course. They focused on the Boge Service concept and on technical innovations from ZF. And in Bangkok, ZF Services joined forces with the Japanese car maker Isuzu to offer a product seminar that provided Thai workshop and sales staff with yet more expertise – both theoretical and practical – in powertrain and suspension technology.

Bring on the autumn

When the cool and wet time of the year begins, not only the weather changes but also the road conditions. That is precisely the right time to have cars undergo a thorough inspection at the workshop. And this is the topic of **the Boge Tip** for autumn. With the help of a “Workshop Image” campaign package containing posters, steering wheel tags, and flyers, workshop partners can notify drivers in eye-catching fashion that a visit is the best preparation for ensuring safe driving throughout the fall. Promotional gifts such as the Boge walking length umbrella are well received in connection with it. Wind and rain proof, they can keep the wet autumn weather at bay for two people at once.



Premiere in the Ukraine

For the first time, a shock absorber testing system from ZF Services has been used as an attractive service offer at a Boge workshop in the Ukraine. The employees at “Aleks” in Irpen in the Kiev region were pleased with the opportunity to present this professional diagnostic tool to their customers.

ZF Services’ marketing office in Kiev makes a suspension tester available free of charge to its Boge Service and Original Sachs Service concept partners in the Ukraine. The associated publicity and marketing materials in Russian, such as fold-outs, brochures, and banners help workshops in their efforts to inform customers about this exclusive service offer and thus increase their sales of suspension components.



Aleksander Kubetchko (center) and his team are pleased about the high level of customer interest.

BMW Active Steering at ZF Parts



Not for nothing did the Active Steering system (photo) developed jointly by ZF Lenksysteme and BMW win the German Industry Innovation Award. It provides safety, agility, and comfort in every driving situation. Now this steering gear, for which ZF Lenksysteme is the sole OE producer, has been added to the ZF Parts product range. It covers left and right-hand drive cars in BMW's current range, including the 1 through 7 series and the X5 and X6 models.

A planetary gear is located between the steering valve and the substructure of the steering gear. In neutral cases it simply transmits the steering move-

ments. An electric motor linked to the planetary gear can modify the driver's steering movements. At slow speeds such as in city centers, when parking, or on serpentine curves, the Active Steering system increases the steering angle. Without having to displace their hands on the wheel, drivers can make tight maneuvers with shorter turns on the wheel; this considerably improves the BMW's agility, and makes it easier to park. At medium speeds, the steering is sporty and direct, and at high speeds it is indirect and comfort-oriented. The system can also compensate for steering errors.

ZF Parts catalog newly published



A new and more clearly structured component catalog from ZF Parts, the youngest brand of ZF Services, is now available for passenger cars and light commercial vehicles.

Entitled "Steering Gears and Steering Pumps 2009/2010", its 449 pages contain the complete range of steering gear and steering pump products. The introductory section of this newly designed catalog featuring many product illustrations contains initial technical information and tips for users in German, English, Spanish, French, Italian, Polish, Russian, Greek, and now for the first time also in Chinese. The main section of the catalog is in German and English.

From A for Alfa Romeo to V for Volvo, the range covers common vehicles on the Western European market. The more than 750 products have all been remanufactured and produced in accordance with original equipment specifications. Just like those of other brands at ZF Services, components from ZF Parts meet all the requirements placed on original replacement parts. Amongst others the range includes systems such as rack-and-pinion and ball-and-nut power-steering gears as well as various steering pumps.

new

in the ZF Services product range

We have added these and many other new components to our product range for you. They can be ordered from ZF Services effective immediately. For more information on new product acquisitions, see WebCat at www.zf.com or contact your sales representative.



Manufacturer	Model	Sachs original parts
Alfa Romeo	147 (937)	Dual-mass flywheel
BMW	3 (E90)	Clutch kit XTend
Chrysler	Crossfire	Shock absorber Super Touring
Fiat	Panda (169)	Shock absorber Advantage
Kia	Sorento	Clutch kit XTend
MAN	Lion's Regio	Flywheel
Mercedes-Benz	CLS (C219)	Shock absorber Super Touring
Peugeot	407 (6D_)	Shock absorber Advantage
Renault	Clio III (BR0/1), CR0/1)	Shock absorber Super Touring
Volkswagen	Jetta III (1K2)	Shock absorber Super Touring



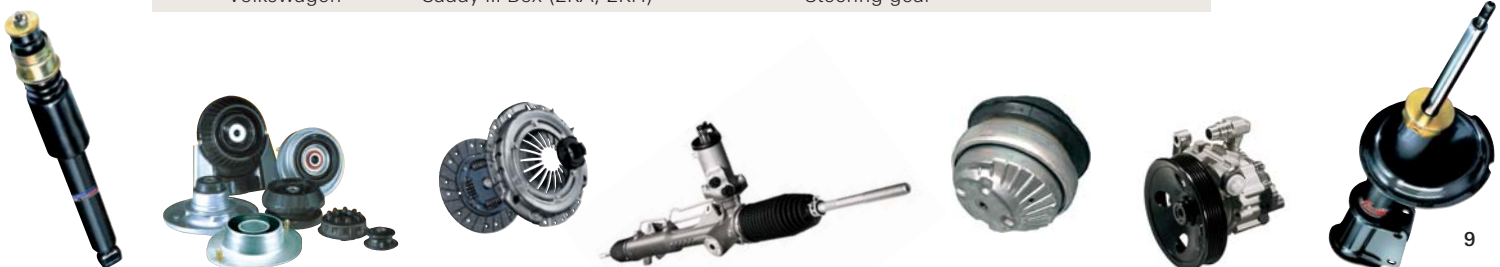
Manufacturer	Model	Lemförder original parts
Alfa Romeo	Brera	Bellow, Steering
BMW	1 (E81, E87)	Joint, Propeller shaft
Chevrolet	Captiva	Link stabiliser
Fiat	Linea	Link stabiliser
Kia	Carens	Inner tie rod
Lancia	Thesis (841AX)	Bellow, Steering
Mercedes-Benz	O 580 (Travego)	Tie rod end
Nissan	Interstar Box (X70)	Track control arm
Renault Trucks	Midlum	Centre rod assembly
Solaris	Urbino	Track control arm



Manufacturer	Model	Boge original parts
BMW	1 (E81, E87)	Shock absorber automatic
Fiat	Panda (169)	Shock absorber turbo
Ford	Focus II (DA_)	Shock absorber automatic
Kia	Picanto (BA)	Shock absorber automatic
Mazda	5 (CR19)	Shock absorber automatic
Mercedes-Benz	C-Class (W204)	Suspension strut support mounting
Peugeot	307 (3A/C)	Shock absorber automatic
Renault	Modus (F/JP0_)	Shock absorber automatic
Toyota	MR 2 (_W3_)	Shock absorber automatic
Volkswagen	Jetta III (1K2)	Shock absorber automatic

ZF Parts

Manufacturer	Model	ZF Parts original parts
Audi	A5	Steering gear
BMW	3 (E90)	Hydraulic pump, Steering system
BMW	5 (E60)	Steering gear
Citroën	Berlingo Box (M_)	Hydraulic pump, Steering system
Citroën	C5 (DC_)	Hydraulic pump, Steering system
Ford	Tourneo Connect	Steering gear
Seat	Altea (5P1)	Steering gear
Seat	Toledo III (5P2)	Steering gear
Skoda	Superb (3T)	Steering gear
Volkswagen	Caddy III Box (2KA, 2KH)	Steering gear



Ecology meets economy

Higher performance with higher economy at the same time – EcoLife, the commercial vehicle transmission by ZF meets this requirement.

The automatic 6-speed transmission, which is used in city and transit buses, as well as special and rail vehicles, has also been optimally adapted to higher torques.

EcoLife transmits torques of up to 2,000 newton meters and will soon be available as a hybrid version as well. This way, ZF not only accommodates today's and tomorrow's emission standards but also accounts for further CO2 and fuel savings.

When developing the automatic 6-speed transmission EcoLife, priority was given to customer benefits and economy. Compared with conventional powershift transmissions, the ZF EcoLife transmits 25 percent more torque and has been designed for a considerably longer service life. Depending on the operation, fuel savings of approximately five percent are expected. The completely new and highly efficient cooling system easily copes with the up to 15 percent higher operat-

ing temperatures of modern engines. The suitable oil which also tolerates higher temperatures was also developed by ZF.

New converter and better cooling concept

EcoLife generates better acceleration values at lower engine speeds with the also newly developed torque converter. A torsional vibration damper has been integrated into the converter in the available installation space. It allows for fuel savings during the fuel-intensive starting processes by closing the lockup clutch faster. The significantly stronger, integrated, and considerably more powerful Citybus retarder provides support not only during the braking process. By

means of a heat exchanger – in addition to the oil cooler integrated into the transmission – it contributes to the improved cooling concept of the EcoLife. Thus, the new transmission can work even at oil sump temperatures of up to 120 degrees Celsius, which is particularly important with regard to the modern Euro 5 standard diesel engines. Thanks to the improved heat economy, oil change intervals and service life are also extended, the transmission becomes even more reliable and easy to maintain – and this is not the only reason why it is more favorable to operate.

Among the top targets consistently pursued when developing this recent innovation was also lower vehicle noise generation for passengers and pedestrians.

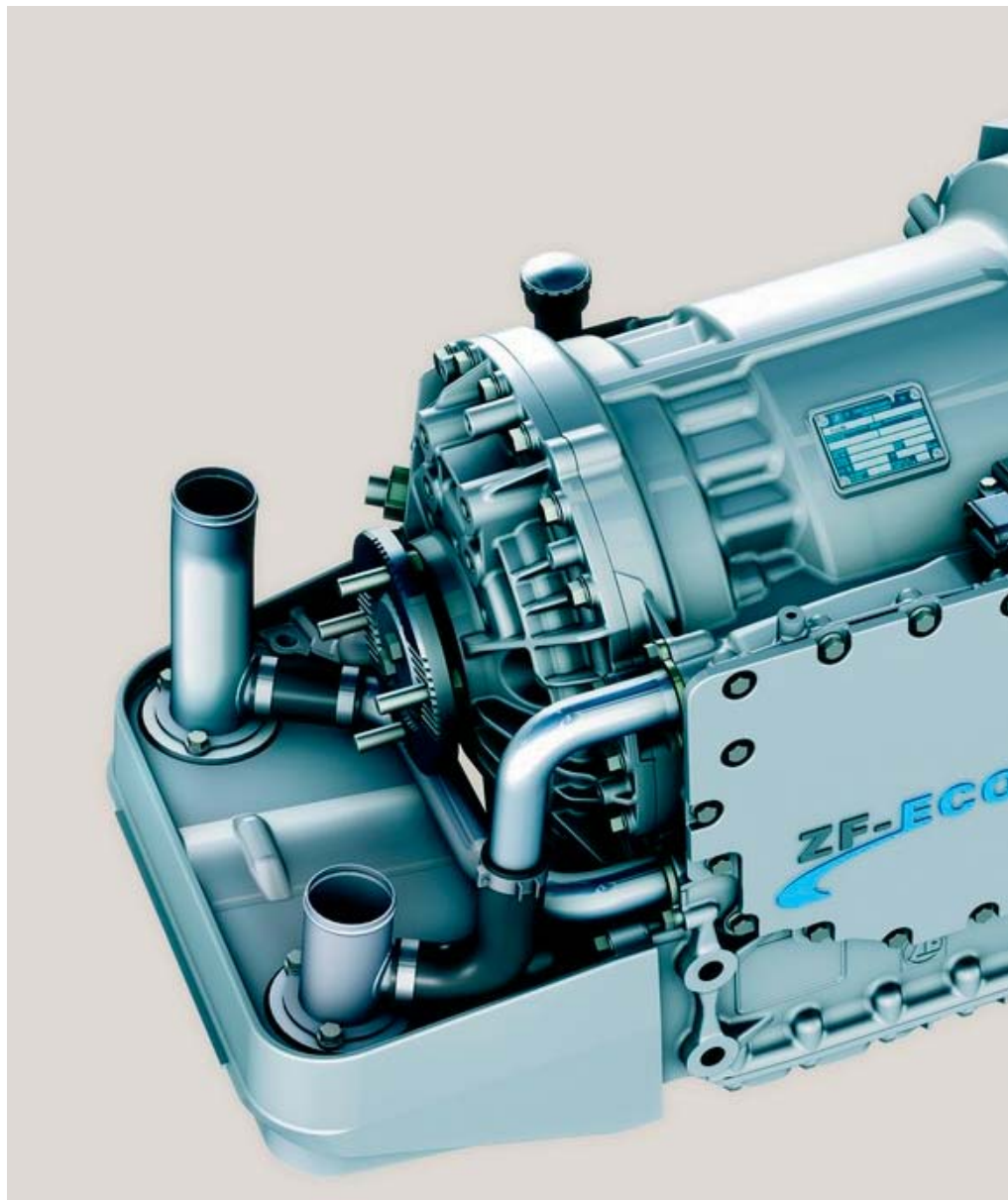




Photo: ZF

New dimension: The automatic 6-speed transmission ZF EcoLife transfers higher torques with lower fuel consumption. ZF is currently developing the hybrid version of the new automatic transmission for commercial vehicles.

In addition to a new, low-noise helical gearing inside the transmission, engine speeds are kept at a minimum thanks to more intelligent shift strategies, adapted to the respective operating requirements. This is something which ZF Ecomat, the predecessor model, has already proven impressively in a practical application.

As a standard, ZF EcoLife transmissions have been programmed with the new TopoDyn shift strategy. It dynamically activates the different transmission programs (eco, normal, and power mode) depending on the topographical requirements registered during travel which leads to further fuel savings. During the development of the ZF-EcoLife transmission, ZF engineers also paid attention

to system optimization. For example, the electronic control unit with a new design and considerably increased performance is now located laterally on the transmission. Complex cable harnesses are avoided, and it is easier to install thanks to fewer interfaces. This means significantly improved handling for vehicle manufacturers and customer service.

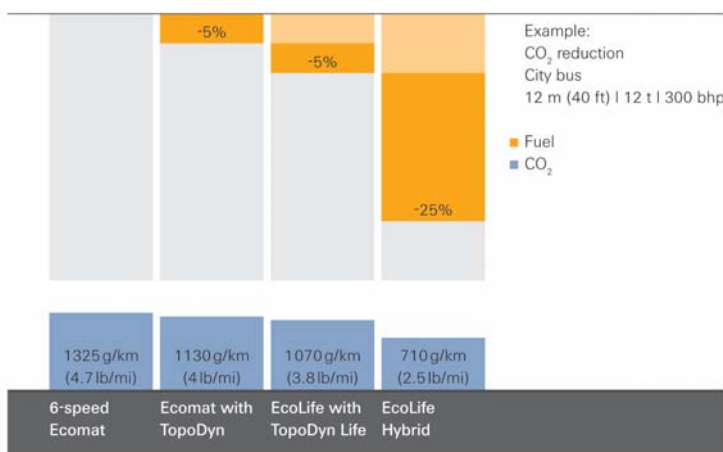
Hybrid variant under development

ZF is currently developing a hybrid version of the EcoLife transmission. Instead of the torque converter, a hybrid module will be integrated into the converter housing. This electric motor provides additional power of up to 120 kW. The hybrid variant of the EcoLife by means of which all hybrid functions can be realized – from the automatic stop/start function, boosting, and recuperating to electric starting and purely electric driving – does not require more installation space than the conventional EcoLife transmission. ZF is currently working on a close-to-production prototype. Also a major part of system integration, particularly hybrid drive control and energy management, is contributed by ZF.

With the product name and the hybrid drive capability of the EcoLife, ZF emphasizes its claim of combining ecological and economic objectives. The EcoLife transmission will further accentuate and expand the leading role of ZF's automatic transmissions in city buses worldwide.

Fuel savings in city buses with ZF automatic transmissions

Thanks to the latest transmission technology, fuel consumption, and hence emissions, can be cut by between 5 and 25 percent. Hybrid technology, too, can reach its potential in stop-and-go city traffic.





New
vehicles ...

Catamaran ferry

The Australian shipbuilder Austal has recently come out with two catamaran ferries of 69 meters in length that can carry both passengers and vehicles. These boats are each equipped with four transmissions of the new ZF 9050 NR2H series designed and produced by ZF Marine GmbH in Friedrichshafen. With a power input of 3 megawatts at 2,050 rpm and a weight of only 1,130 kilograms, they represent the most compact possible powertrain solution with twin engines for catamaran ferries.

Mobile excavators

ZF axle and transmission technology yields greater flexibility and higher performance ranges in the new mobile excavators of the A 314 to 934 series from Liebherr. The axles in the MS-E 3000 series are designed for excavators weighing 13 to 25 tons. With a drive torque of up to 73,000 Nm and static axle loads of up to 41 tons, these axles can handle the most extreme conditions. The new ZF powertrain technology perfectly combines power with extremely accurate positioning.

BMW 5 Series GT

The comfort and driving dynamics characteristics of this luxury sedan are enhanced by various intelligent networked systems from ZF: the new 8-speed automatic transmission, the ARS Active Roll Stabilization, the speed-dependent Servotronic, and the optional active steering system from ZF Lenksysteme. Following the BMW 7 Series, a further development of ZF's CDC variable damping will now also be standard equipment in the new BMW 5 Series GT.



... with
ZF technology



Porsche Panamera

The new Panamera Gran Turismo is equipped with ZF's new 7-speed dual-clutch. A new feature of this front-engine variant, is the start-stop function already integrated into the transmission which does not require additional components. ZF Sachs also supplies CDC dampers and the ARS Active Roll Stabilization. ZF Lenksysteme contributes the speed-dependent Servotronic. Used for the first time is a plastic pedal system from ZF that both improves crash safety and lowers the weight.

Hyundai Genesis

This large Korean car is a success story on the US market. On board are drive-line and chassis technology from ZF. Its 6-speed automatic transmission enables gears to be shifted rapidly and comfortably with low fuel consumption. The technical feasibility of this system is based on features such as early closure of the converter lockup clutch. In North America, Hyundai's top model comes with amplitude-selective damping as standard equipment, and in Korea with CDC electronic dampers from ZF Sachs.

Agrotion TTV 630

With its continuously variable transmission from ZF, the new Agrotion TTV 630 tractor sets new standards in the class of up to 220 HP. The S-Matic transmission's planetary gear and hydrostat unit ensure a high degree of efficiency, and the engine-transmission management system adjusted for this model from Deutz-Fahr provides remarkable operating comfort. It enables smooth start-up performance and continuous speed adjustment with optimum use of engine power.



Sebastian Motsch is a Technical Editor at ZF Services.

Multi-stage torsional damper

Ongoing development of commercial vehicle drivelines also requires further or new development of torsional damping systems for power take-off clutches.

Photo 1: Torsional damper with multiple damping stages.

Photo 2: Spring window with spring.

When clutches with permanent power take-off (PTO) are installed, there can often be misunderstandings because the springs on the torsional dampers are designed to lie loosely in the spring windows. Sebastian Motsch, who is in charge of technical documentation at ZF Services, explains why this is not a deficiency.

Oscillations and vibrations occurring in the powertrain and the assemblies driven by it (e.g. hydraulic pumps) cause noise and increase wear in the powertrain's components. In order to prevent resonance vibrations due to overlapping vibrations from the powertrain and an assembly that it drives, torsional dampers with multi-stage damping properties are used.

Coil springs with different dimensions (length, material thickness, and number of coils) are installed in the torsional damper opposite each other in pairs.

Due to their different dimensions, these springs show a corresponding degree of



play in the spring window. The springs in the first stage fit snugly in the spring window; the springs for the next respective damping stages are somewhat shorter and thus have greater play. When the clutch is removed, the springs move in the spring window on the carrier disk, and can cause rattling noises due to the large degree of play. This is a constructional feature and not a deficiency. When the clutch is installed, the springs cannot rattle because they lie against one end of the spring window due to the rotational forces. Depending on the torsion angle between the torsional damper and the clutch disc, the pairs of springs successively handle the corresponding damping stages which yield the multi-stage damping effect.

This type of torsional dampers for PTO clutches ensures a high degree of noise and vibrational damping and high resilience at the same time.



Formula One feeling

Selected customers of ZF Trading Iberica had the opportunity to peer over the shoulders of the BMW Sauber Formula One team at tests on the Circuit de Catalunya near Barcelona before the start of the season. Represented by driver Robert Kubica, the team was introduced to the guests and provided an illustrative day at the race track. ZF Sachs is an official supplier of the team.

Fifteen years of quality

ZF Services' partner Elit Ukraine celebrated its fifteenth anniversary with a major event. The Ukrainians' successful partnership with the company then known as Sachs Handel extends back to the same point in time. Elit invited 170 customers to the Tchaika race track in Kiev to participate in activities such as a go-kart race and other contests. Pavel Scharga, a sales specialist at ZF Services' marketing office in Kiev, ended up with second-place honors following an exciting series of laps.



Perfect preparation

Eight of the Formula Student teams supported by ZF returned this summer to the ZF Race Camp held on the fairgrounds in Friedrichshafen. There they had the chance to test their self-designed racing cars, exchange information with other teams, receive professional tips, and get to know the ZF company. Thanks to strong support from ZF engineers, they enjoyed the best possible preparation a second time now for the Formula Student racing series.

Future in Brazil

At a dealer conference held by ZF do Brasil, 120 wholesale partners received information on economic developments, quality management, and logistics processes as well as about new ZF products and their associated requirements. According to Joao Lopez, marketing director ZF South America and SSO director ZF do Brasil, the participants indicated their willingness to become involved in the new dealer management program. Winners of two contests (quality and sales) were honored at the end of the event.



Award for ZF Services

Top automotive parts dealer Stahlgruber gave ZF Services its "High Performance Club" award, which is presented for the first time in 2009. The selection process evaluated the performance of 63 licensed suppliers for Stahlgruber. ZF Services took an outstanding second place, with strong marks in quality as well as sales, logistics, purchasing, and IT. Manfred Filko, the director of sales for Central Europe, accepted the award.

Good prospects for the car market



Russia currently has around 30 million cars, of which around one third are non-Russian brands. And that share is growing. This trend is increasingly benefiting the automotive parts market as well as independent workshops.

The Russian car market grew by 19 percent in 2008. This impressive result, however, only derives from the strong first half of the year in which more cars were sold in Russia than in any other country in Europe. Although forecasts for 2009 are gloomy, at least the production of foreign automobiles in Russia should remain largely stable. And this will yield favorable opportunities especially for German suppliers. For their Russian competitors often do not meet the standards that Western car manufacturers require from their suppliers.

Nearly a quarter of the 30 million cars on Russia's roads are younger than five years old. A little more than a quarter are between five and ten years old, and the remaining half are more than ten years old. Domestic brands such as Lada, Moskvitch, and GAZ still play the dominant role, but this is changing at an increasing rate. Of the 2.8 million newly registered cars last year, more than two thirds of them were non-Russian brands. The strongest growth was posted by manufacturers such as Toyota, Nissan, and Renault. Volkswagen increased its sales by 58 percent, and Honda by a strong 131 percent. Foreign automobile corporations are thus acquiring more shares of the market at the cost of Russian makers. It was only back in 2003 that Lada alone accounted for two thirds of the Russian car market.

Despite increasing new registrations of foreign brands, the market is still dominated by technically less sophisticated models of Russian make. The fleet is disproportionately old, and is becoming younger only slowly. Passenger cars are brought to workshops for inspections and repairs an average of 1.7 times per year. Around 40 percent of car owners choose independent workshops, and around 30 percent visit licensed workshops. The remaining owners undertake the repairs themselves, especially on older models. Independent workshops predominate in Russia, while a network of licensed workshops is only now being established. A shortage of qualified personnel is a large problem. Especially when compared to domestic products, the sophisticated technology in imported brands poses a challenge to the work-

shops. And because many licensed workshops do not have sufficient capacity, many of them pass on repair work to independent operations.

Drivers who have purchased used cars, even those of the younger age segment, are especially likely to have them maintained and repaired on the IAM. Car owners tend to purchase replacement parts themselves (56 percent on average) and take them to workshops. Around 78 percent of buyers of new non-Russian brands make use of the OES in the first few years following their purchase. Many of them, however, switch to the IAM after around six years (66 percent with cars 7-10 years old). Eighty percent of drivers prefer original components when they buy replacement parts.



2009 an anniversary year for ZF



With its market entry in Russia back in 1990, the ZF Group had already recognized the high potential for growth in the Eastern European region. An agency in Moscow served as the liaison between the automotive supplier in Germany and car makers in the country. Early partners included KAMAZ and the “Bryanskij Arsenal” company.

In 1994 a marketing office was opened in Moscow, which quickly became an important contact partner for the region’s wholesale customers. And ten years ago, a site for the Sales & Service Organization was opened in St. Petersburg.

Its 22 employees currently do overhauls, maintenance, and repairs, as well as sell replacement parts and provide technical support for workshops and end consumers. The new service center meets the highest standards, and succeeded in tripling its sales in the first two quarters of 2009 over the same period of last year.

In order to enhance its customer orientation even more, ZF started concentrating its sites in Russia which had thus far been established independently. Marketing, original equipment sales, and service are the major pillars of the ZF

Services Russia company led by managing director Oleg Molotkov, who used to direct the marketing office. For the 22 staff members in Moscow, a new site is being sought – including a workshop – so the service business can be further expanded in the Russian capital as well.

In addition to these attractive future prospects, this year can also be taken as an occasion to jointly celebrate existing milestones, namely the successful ten and fifteen-year histories of what used to be separate ZF subsidiaries.

Premium products for Russia

Alexander Kalinin founded a company in St. Petersburg in 2004 called BAW-Motion JSC, which supplies all of Russia with replacement parts for commercial vehicles. In the northwestern region of the country, the company leads the market. A member of the TechPortAutoService/PetroTruck-Service Group established in 1996, it also offers quality service in repairing commercial vehicles, trailers, and construction machines. Its staff of 46 at the main office in St. Petersburg and three additional offices in Moscow, Chelyabinsk, and Petrozavodsk take care of customers who include service and logistics companies as well as spare part dealers. The company’s success is based not least of all on flawless logistics, expert personnel, and long-term, trust-based customer relations. Its work with now ZF Services has been growing on a continuous basis since 2005. As a result, the ZF brands of Sachs and Lemförder lead the way among the premium items in its product range.



by fax:

+49 (0)97 21-47 55-658

Christmas in high style

Christmas is inconceivable without a tree with lights! Many people around the globe would agree with this statement. But Christmas celebrations in 2009 could see a special type of tree in the living room – its branches not shedding needles but made of solid oak instead. And best of all, this tree can be easily put together and taken apart. The

set consists of a base, 18 “branches” of different lengths, and seven short connecting pieces. As decorative elements, it has five stars and seven small candle holders made of porcelain. Everything is packaged in a black fabric bag. And when Christmas is over, this designer tree simply waits for its next appearance. Year after year...



To win this Christmas tree set, all you need is a little luck and the right answer to the following question: **Which steering gear for BMW is a new addition to the product range for ZF Parts?**

answer:

Send us your answer before 9 November 2009 by fax to +49 (0)97 21 47 55-658, or by e-mail to fabiola.wagner@zf.com, or by post to ZF Services, „report“ editorial office, Obere Weiden 12, D-97424 Schweinfurt.

Senders please note: The winner will be chosen by raffle. All decisions are final.

Employees of ZF and their relatives may not participate. Don't forget to include your return address!

**my
address**

last name, first name

company

street

zip code, city

country

phone

e-mail



Constantinos Kapodistrias

from Cyprus was the lucky winner of our sweepstakes in this year's first issue of the *report 1.2009*. Together with his brother, he traveled to Leipzig to participate in an exclusive Porsche driving and off-road seminar.

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my address has changed.
please update my information as shown.

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last name, first name

position

company

street

zip code, city

country

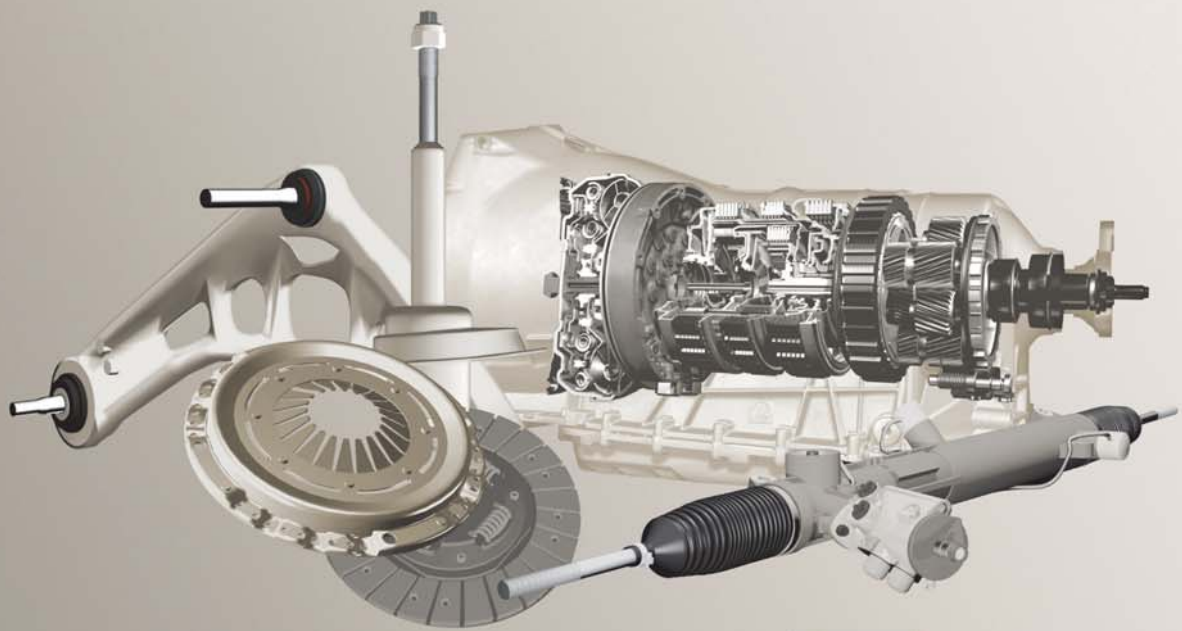
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