



Technology with Responsibility

BERU Aktiengesellschaft

Corporate Conference Call on full-year 2007

March 27, 2008

■ ■ ■ Agenda

- **Important events in the past financial year**
- **Domination and profit-transfer agreement with BorgWarner Germany GmbH**
- **Business developments in 2007**
- **Status of efficiency-improving program**
- **Outlook 2008 and 2009**

■ ■ ■ Important events in 2007

- **Personnel changes in the Executive Board and reallocation of responsibilities**
- **BorgWarner exceeds 75% shareholding threshold**
- **Start of worldwide program to improve efficiency**



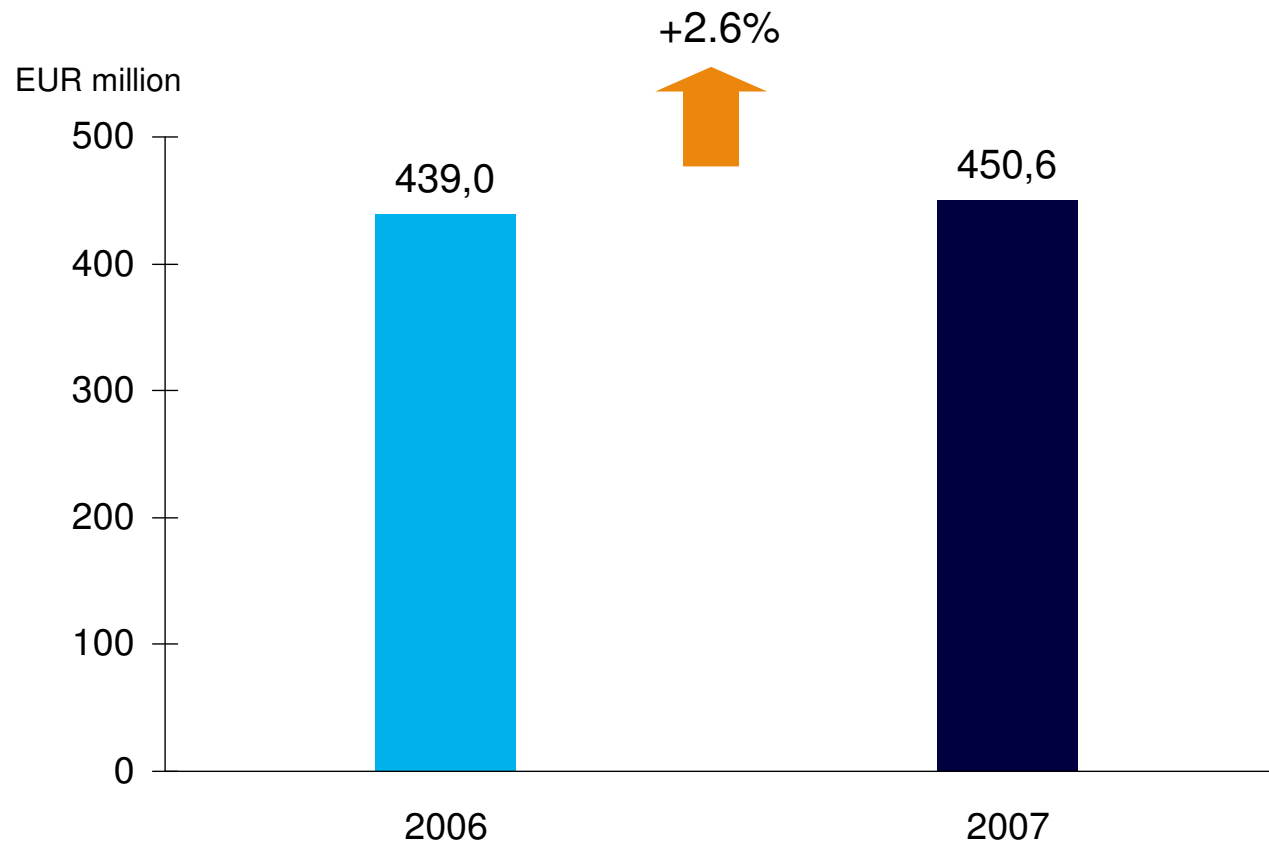
■ ■ ■ BorgWarner as strategic partner

- **Automotive supplier BorgWarner acquired a 69.4% majority interest in BERU at the beginning of 2005**
- **In December 2007, BorgWarner exceeded the 75% shareholding threshold; today, BorgWarner holds approximately 82% of BERU's shares**
- **Domination and profit-transfer agreement signed on March 17, 2008**

■ ■ ■ Domination and profit transfer agreement

- **Shareholders have the option between:**
 - **Cash compensation:** sale of shares to BorgWarner for a price of EUR 71.32; shareholders thus give up their equity interest in BERU.
 - **Compensation payment (“guaranteed dividend”)** of EUR 4.73 per share (gross); the annual compensation replaces the existing dividend.
- **The agreement still has to be approved by the Annual Shareholders’ Meeting on May 21, 2008.**
- **Subsequent entry in the Commercial Registry → only then is the agreement effective.**

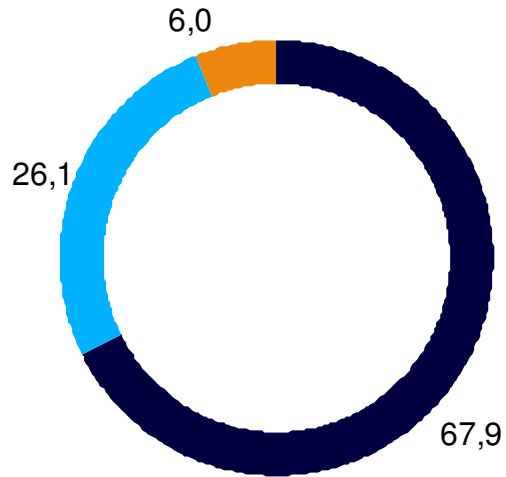
■ ■ ■ Slight increase in sales revenue



■ ■ ■ Revenue breakdown by...

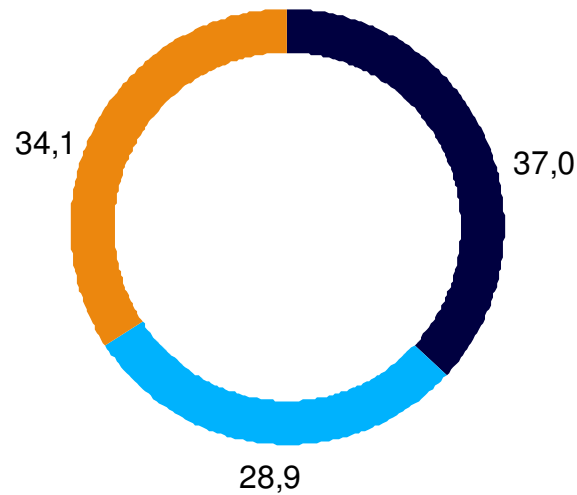
% of sales revenue

Sales segments



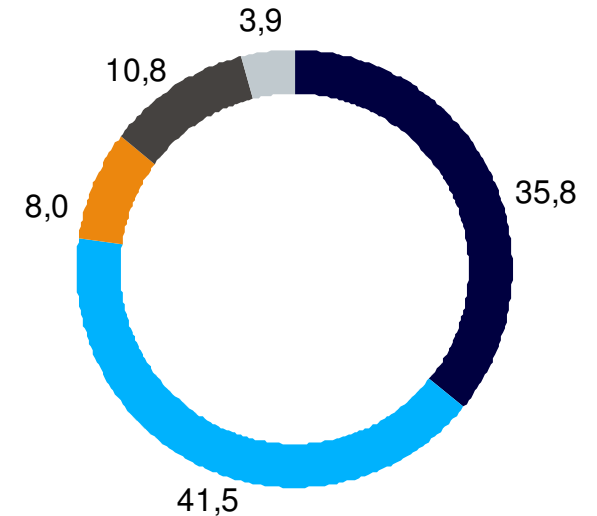
- Original Equipment
- Aftermarket
- General Industry

Divisions



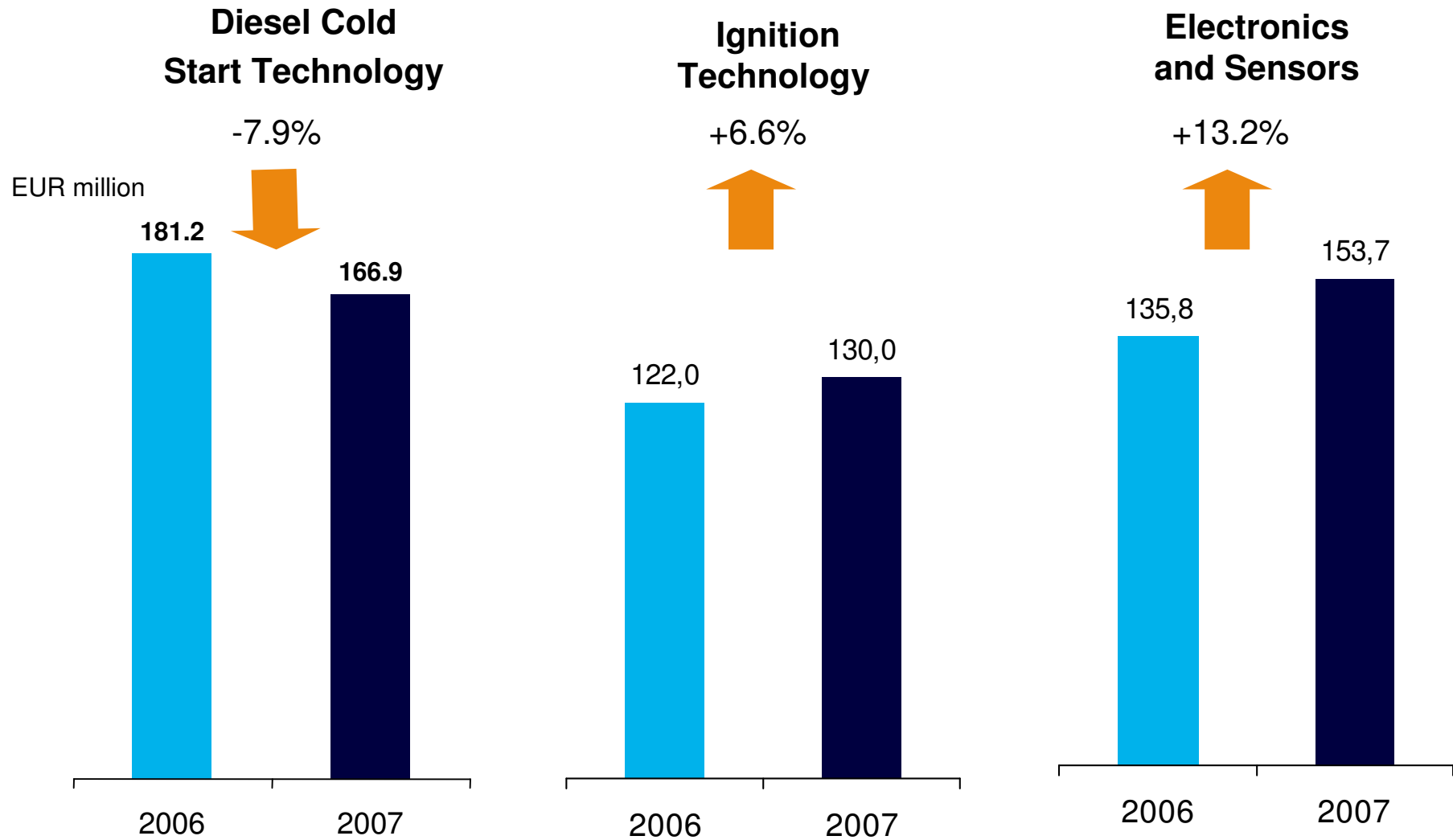
- Diesel Cold Start Technology
- Ignition Technology
- Electronics and Sensors

Regions



- Germany
- Rest of Europe
- North America
- Asia
- Rest of the world

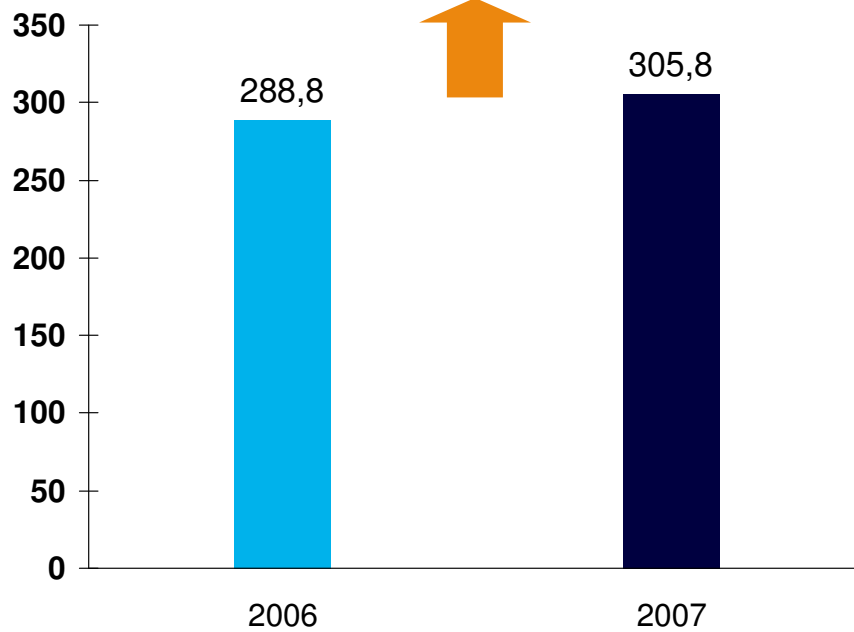
■ ■ ■ Market positions defended



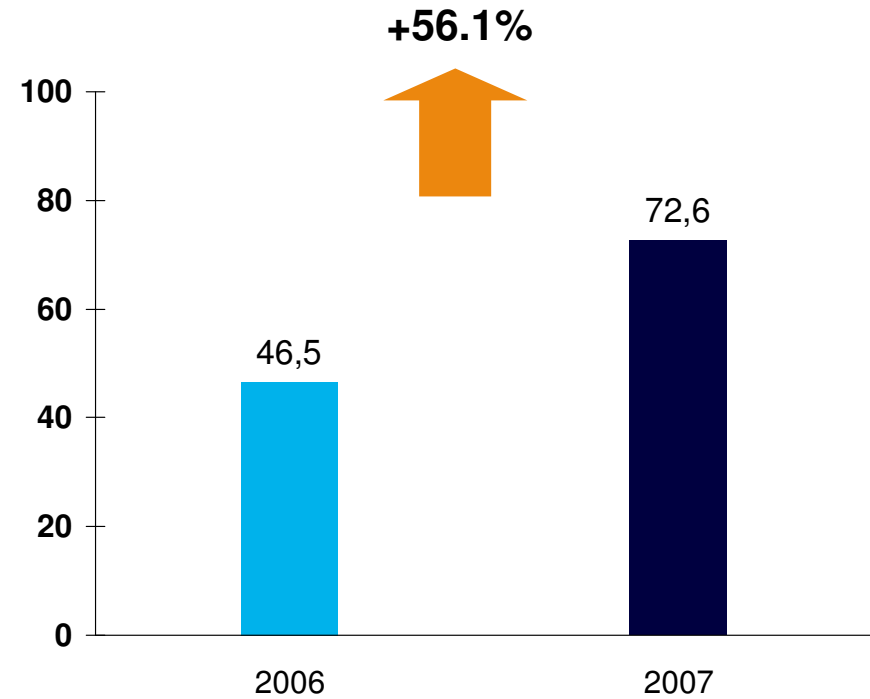
■ ■ ■ Growth drivers: Original Equipment and TSS

Original Equipment

EUR million

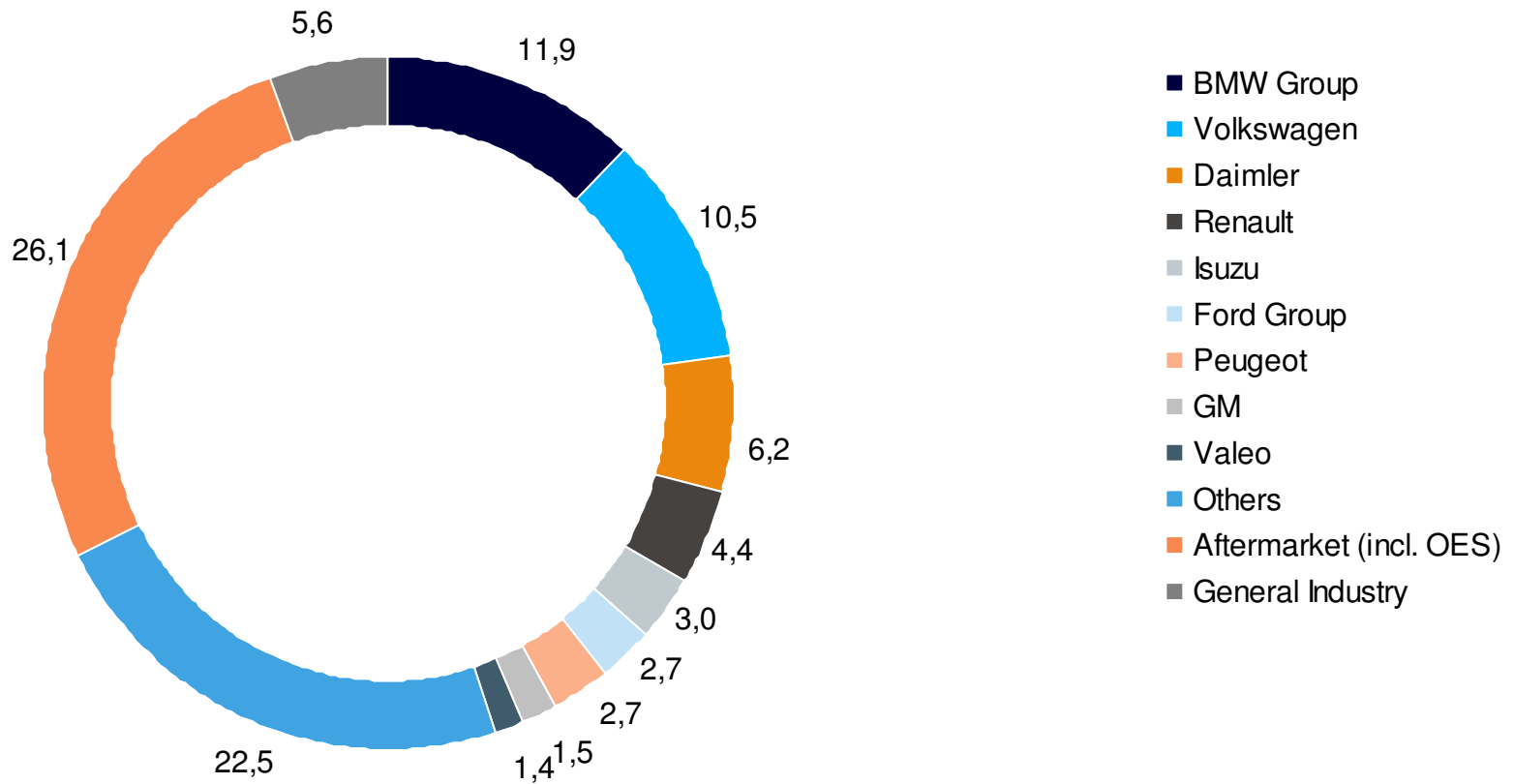


Tire-pressure monitoring system (TSS)



Broad-based customer structure

% of sales revenue

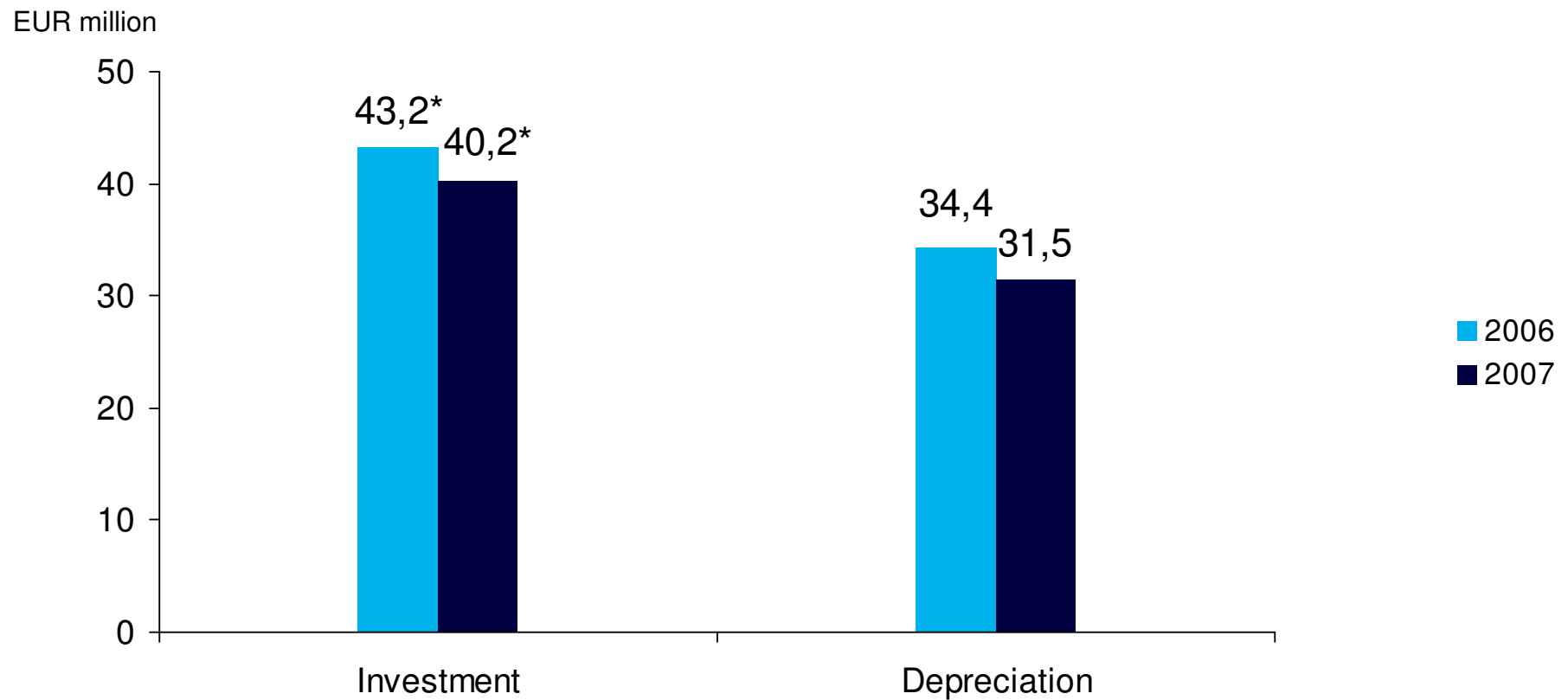


As of December 31, 2007

■ ■ ■ Development of expense ratios

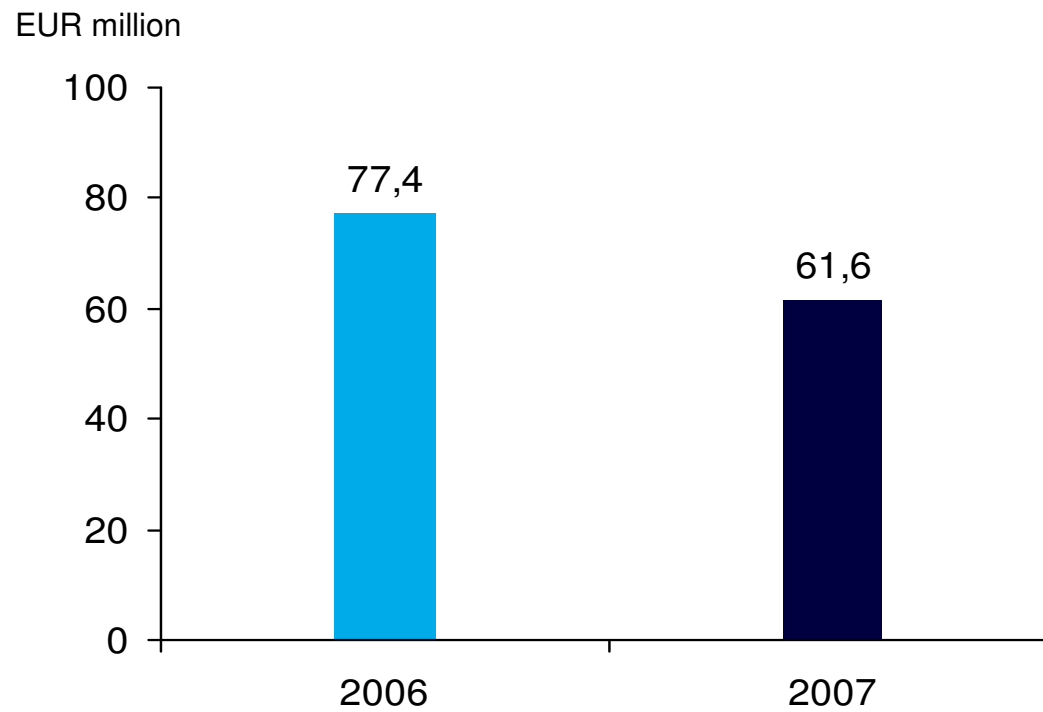
% of sales revenue	2006	2007
Material expenses	40.0	41.4
Personnel expenses	26.7	27.6
Other operating expenses	15.2	16.6

■ ■ ■ Investment and depreciation



* Includes capitalized development expenses of EUR 10.1 million (EUR 10.0 million)

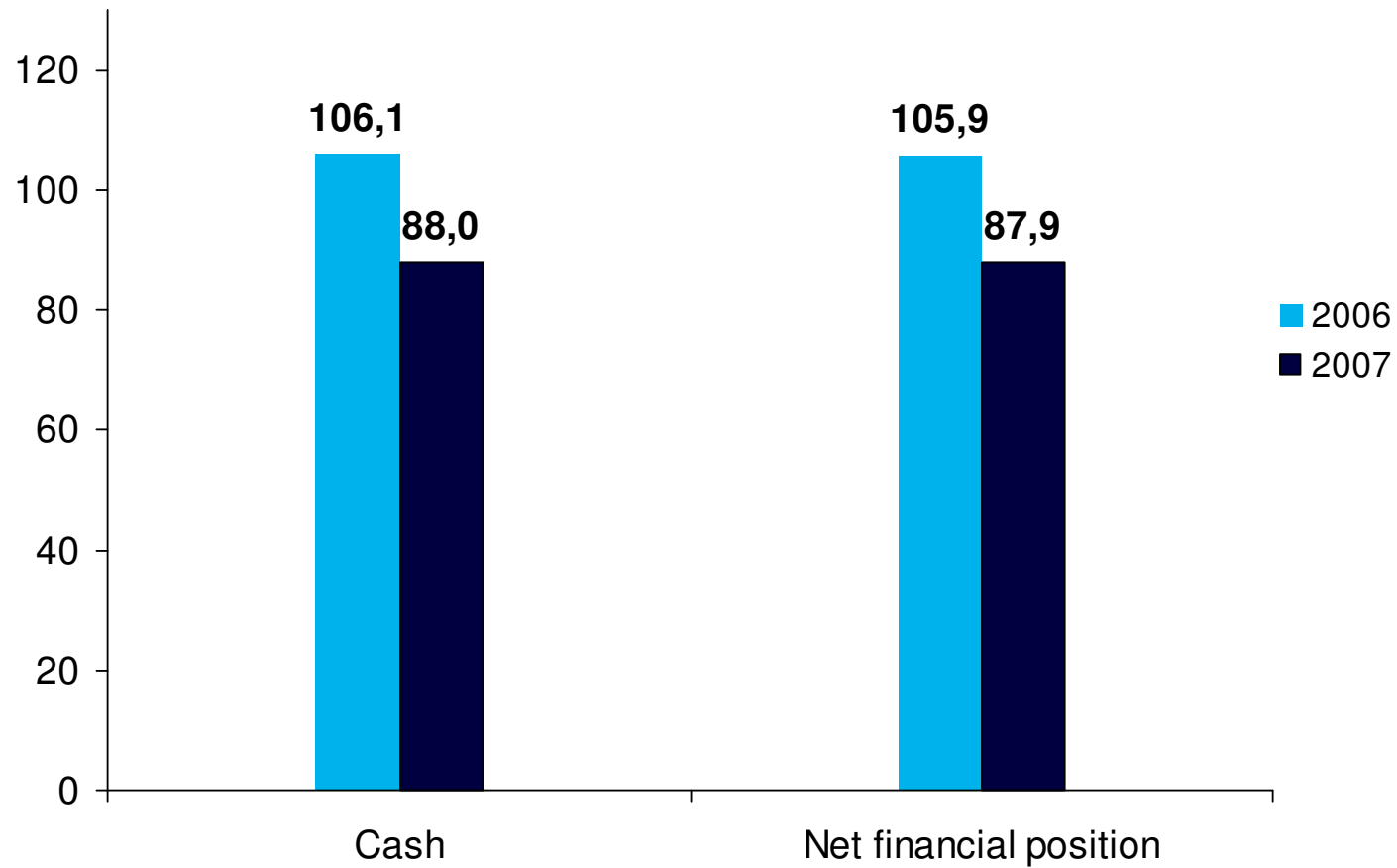
■ ■ ■ Group cash flow



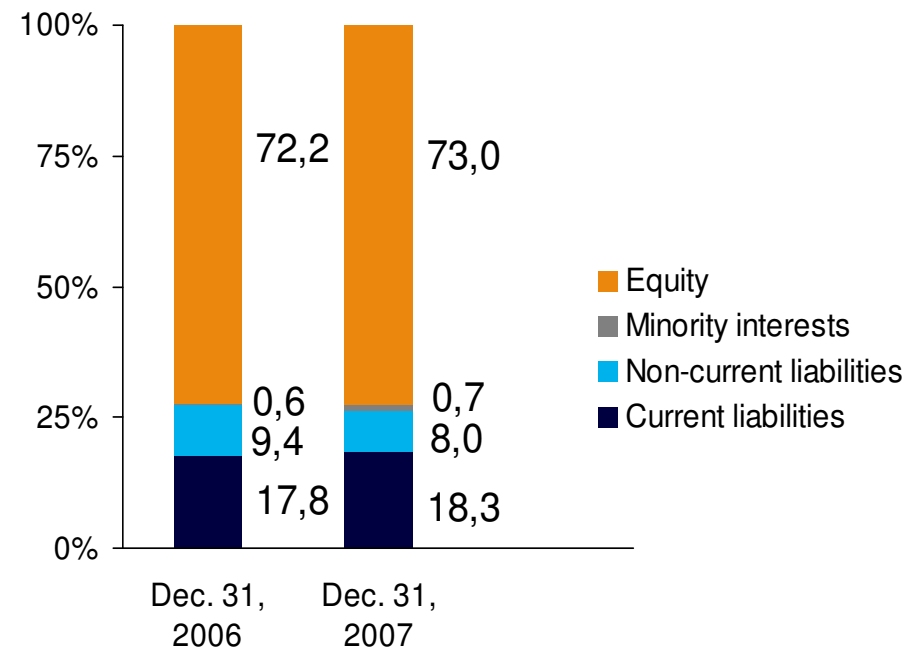
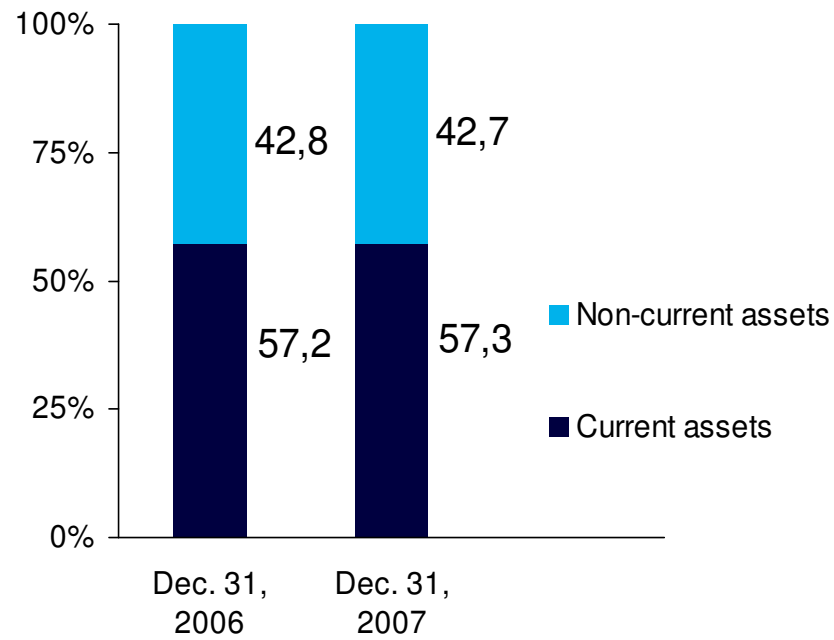
Cash flow = net profit plus depreciation, amortization and impairments and changes in non-current provisions

■ ■ ■ Strong cash and net financial position

EUR million



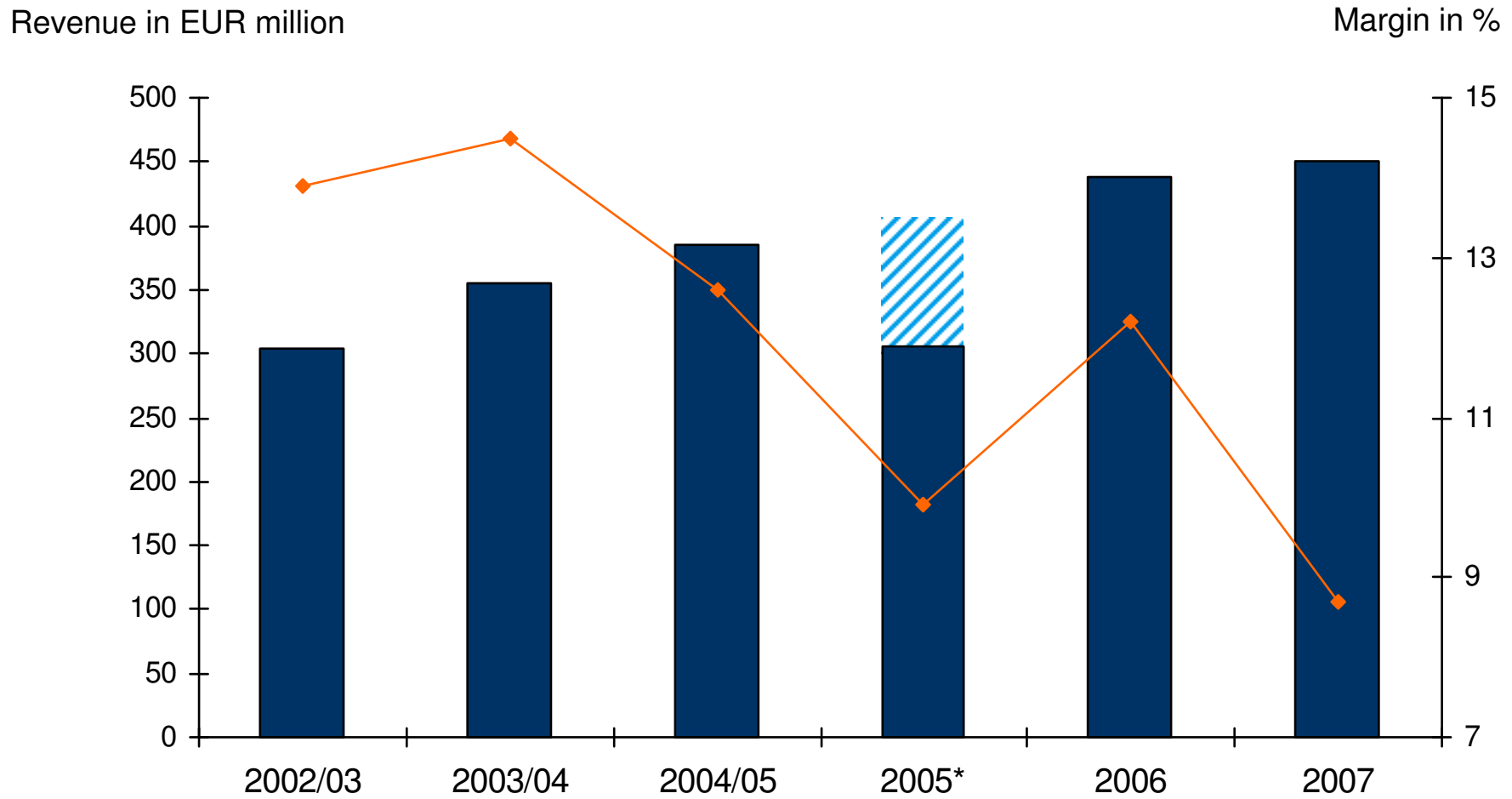
■ ■ ■ Solid balance sheet structure: increased equity ratio



■ ■ ■ Overview of key figures

EUR million	2006	2007
Profit on ordinary activities (EBIT)	53.5	39.1
Financial income	3.0	5.2
Profit before income taxes	56.5	44.3
Profit for the year	43.7	30.9
Earnings per share (EUR)	4.30	2.98
R&D ratio (%)	7.6	7.6
Employees (at December 31)	2,555	2,560

Margin and revenue trends since 2002/03



* Short financial year 2005 (April 1 – December 31, 2005)

■ ■ ■ Efficiency-improving program

- **Restructured and smaller Executive Board**
- **Optimization of internal organizational structure**
- **Optimization of worldwide production sites**



■ ■ ■ Development of diesel cars 2007 through 2012

	2007		2012 expected	
	New registrations	Thereof diesel	New registrations	
USA	16,212,500	3.2%	17,186,700	6.9%
Western Europe	14,769,300	53.2%	16,116,100	57.9%
China	5,333,800	1.0%	9,637,500	5.4%
Japan	4,313,500	0.1%	4,800,800	4.5%
Russia	2,192,000	2.4%	2,914,200	12.0%
India	1,435,300	28.9%	2,290,200	41.7%
Brazil	1,946,600	0.6%	2,002,100	1.9%

Quelle: J.D. Power

■ ■ ■ Outlook for 2008 and 2009

- **Competition will continue intensifying in the automotive industry.**
- **High innovation skills are required.**
- **Growth impetus from the emerging markets.**
- **Implementation of efficiency-improving program in 2008, this year has already started better than last year.**
- **Anticipated profit on ordinary activities in 2008 of EUR 40-45 million, revenue growth of a low single-digit percentage.**
- **As of 2009, new products and the worldwide trend towards diesel should lead to strong growth once again.**
- **BERU's strategic and operating focus is on profitable growth.**



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