

■ ■ ■ **BERU Aktiengesellschaft**

International Conference Call

Half-year results 2006



■ ■ ■ Agenda

1. Operational highlights of HY 2006
2. Development of sales revenues and earnings
3. Forecast for FY 2006
4. Summary

Operating highlights of half year 2006

■ ■ ■ (January 1 - June 30, 2006)

- Group sales +10.4% to EUR 223.0 (202.0) million despite a difficult market environment
- Expansion of international business
- Key growth driver: Sales with OEMs
- Strong growth in Electronics & Sensor Technology
- Strategic alignment of international production network

Alignment of international production network on

■ ■ ■ core competencies

- Measurements to improve cost structures in Ignition Technology
 - **Mexico:** BERU sold the cable-production activities of its Mexican subsidiary, to General Cable (effective Dec 30, 2005) and established a new subsidiary under the name of BERU Mexico S.A. de C.V., that is responsible for spark plugs production and sales of BERU products in the NAFTA-region.
 - **Eyquem Subgroup:** Restructuring and rationalization at our production facility in Chazelles sur Lyon, France, led to a workforce adjustment at BERU TdA. The modernized plant runs the entire European production of spark plugs.

■ ■ ■ Awards for top performance received in 2006

- **Business Excellence Award** from the Motorsport Industry Association for BERU F1 (1/06)
- **Q1 Award** from Ford Motor Company for BERU TdA, France (3/06)
- **Gold World Excellence Award 2005** from Ford Motor Company (5/06)
- **Certificate of Recognition** in the category of “Quality” from Toyota (5/06)
- **Quality & Service Award 2005** from Ducati (6/06)

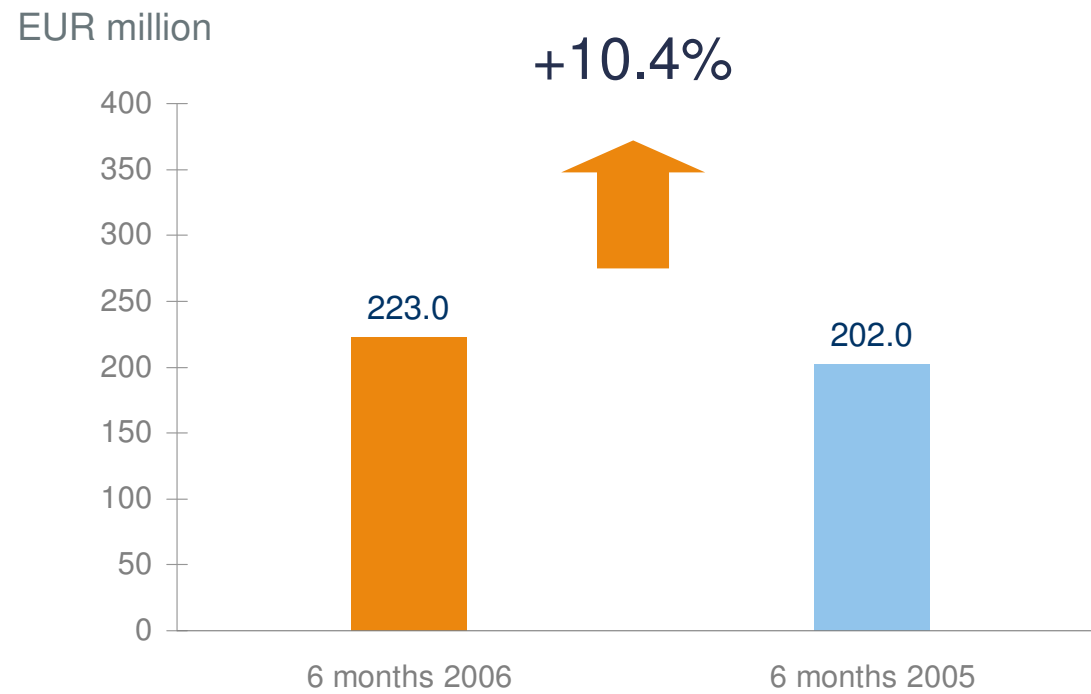




Development of sales revenues and earnings

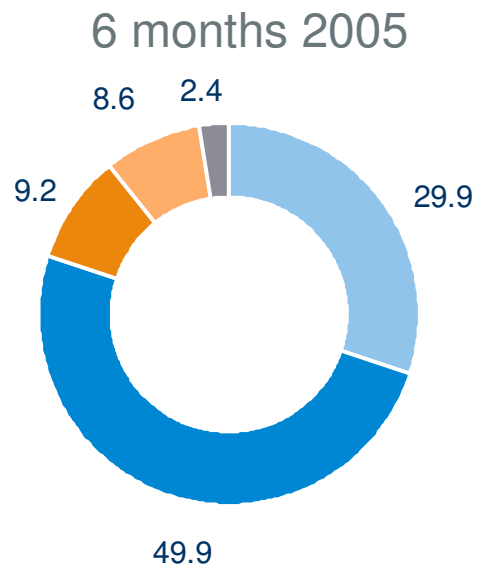
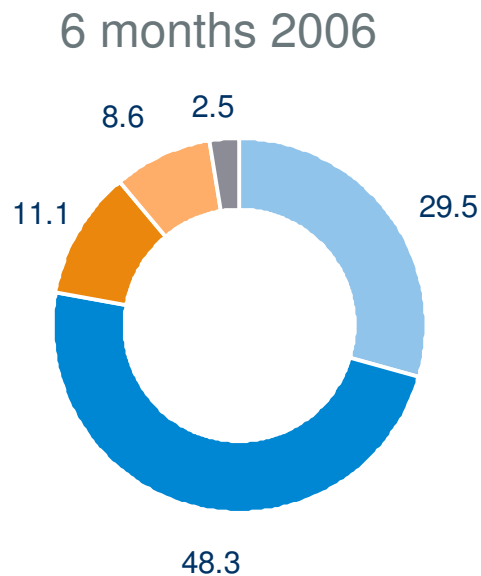


■ ■ ■ Six-month revenues: +10.4%



Strong international revenue growth

In % of sales revenues

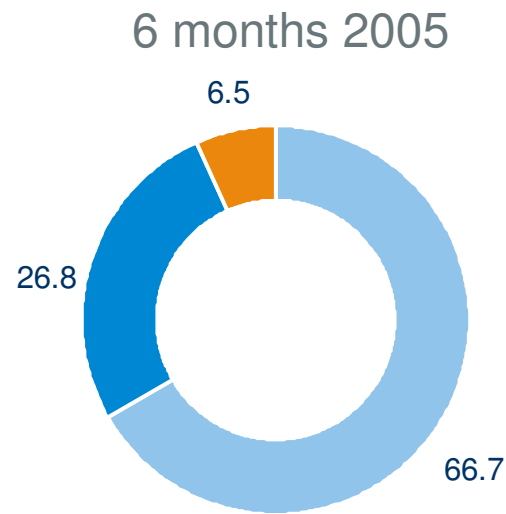
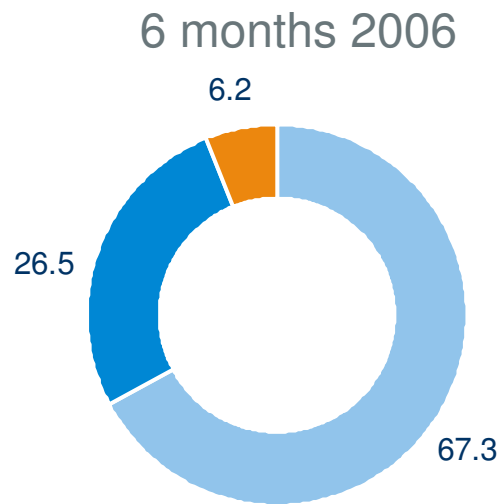


EUR million	HY 06	HY 05	△%
Sales regions:			
Germany	65.8	60.5	+8.8
Europe (excl. G)	107.8	100.9	+6.8
North America	24.7	18.5	+33.5
Asia	19.2	17.3	+11.0
RoW	5.5	4.8	+14.6

- Germany
- Rest of Europe
- North America
- Asia
- RoW

■ ■ ■ Growth driver: increased sales revenues with OEMs

In % of sales revenues

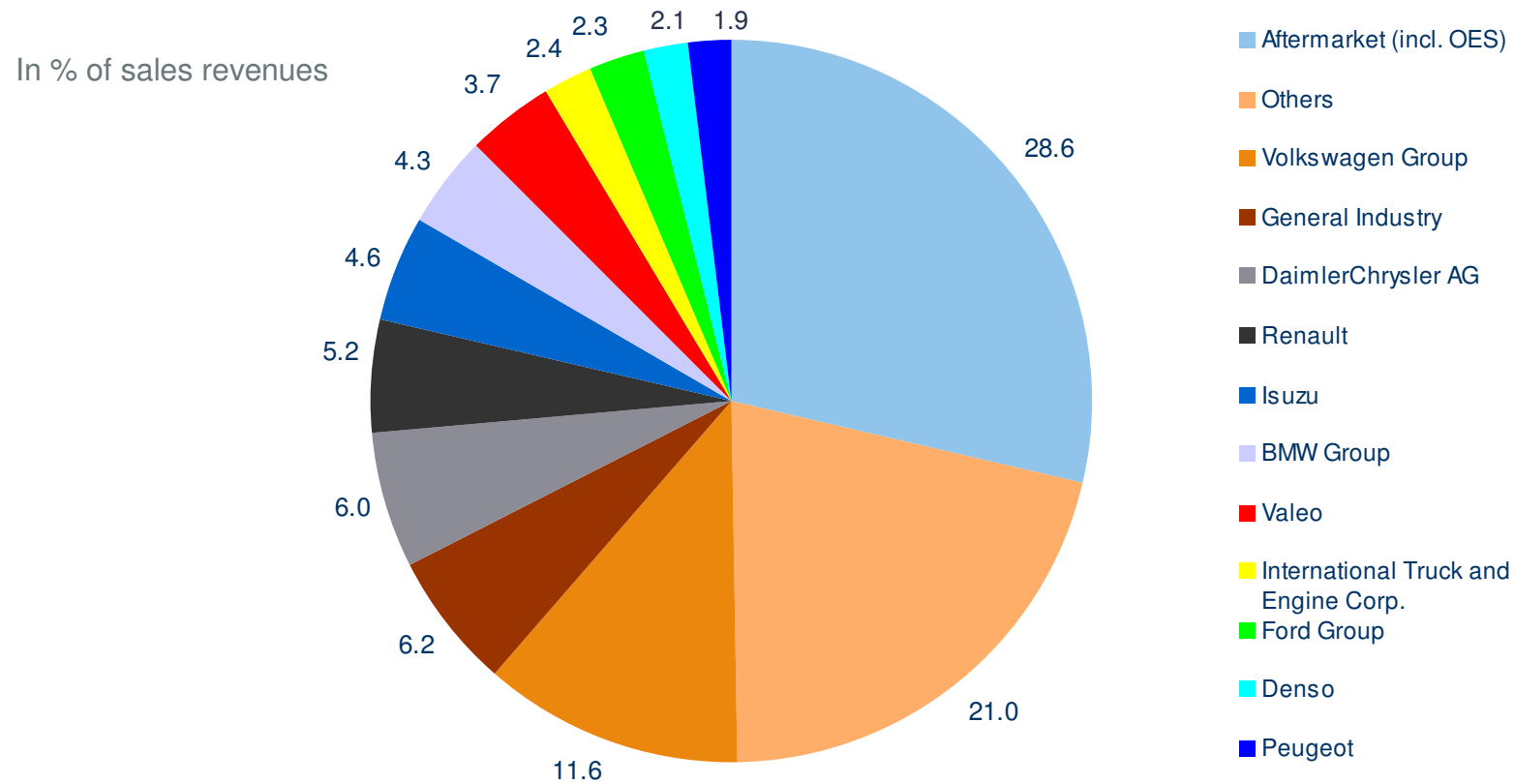


EUR million	HY 06	HY 05	△%
Segments:			
Original Equipment	150.0	134.7	+11.4
Aftermarket	59.1	54.1	+9.2
General Industry	13.9	13.2	+5.3

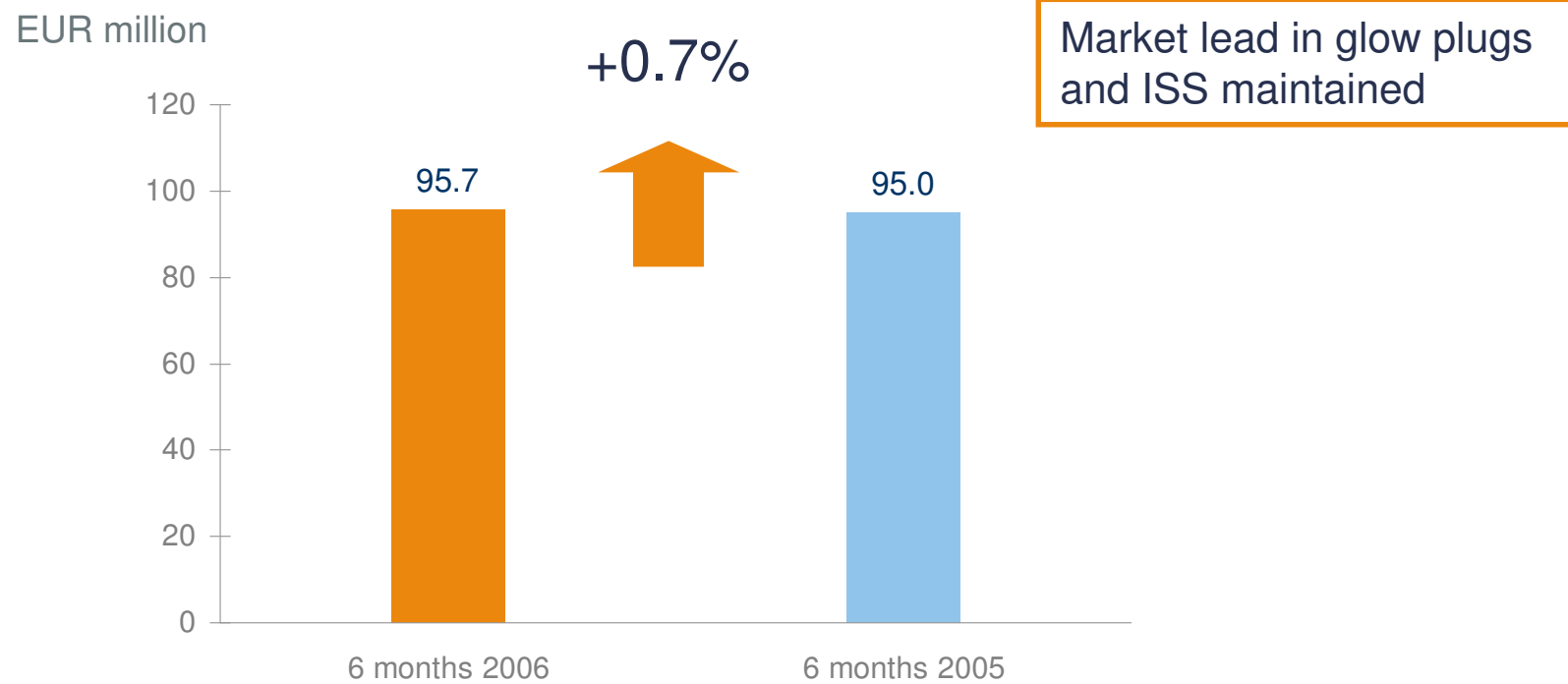
- OEM
- Aftermarket
- General Industry

■ ■ ■ Broad customer base

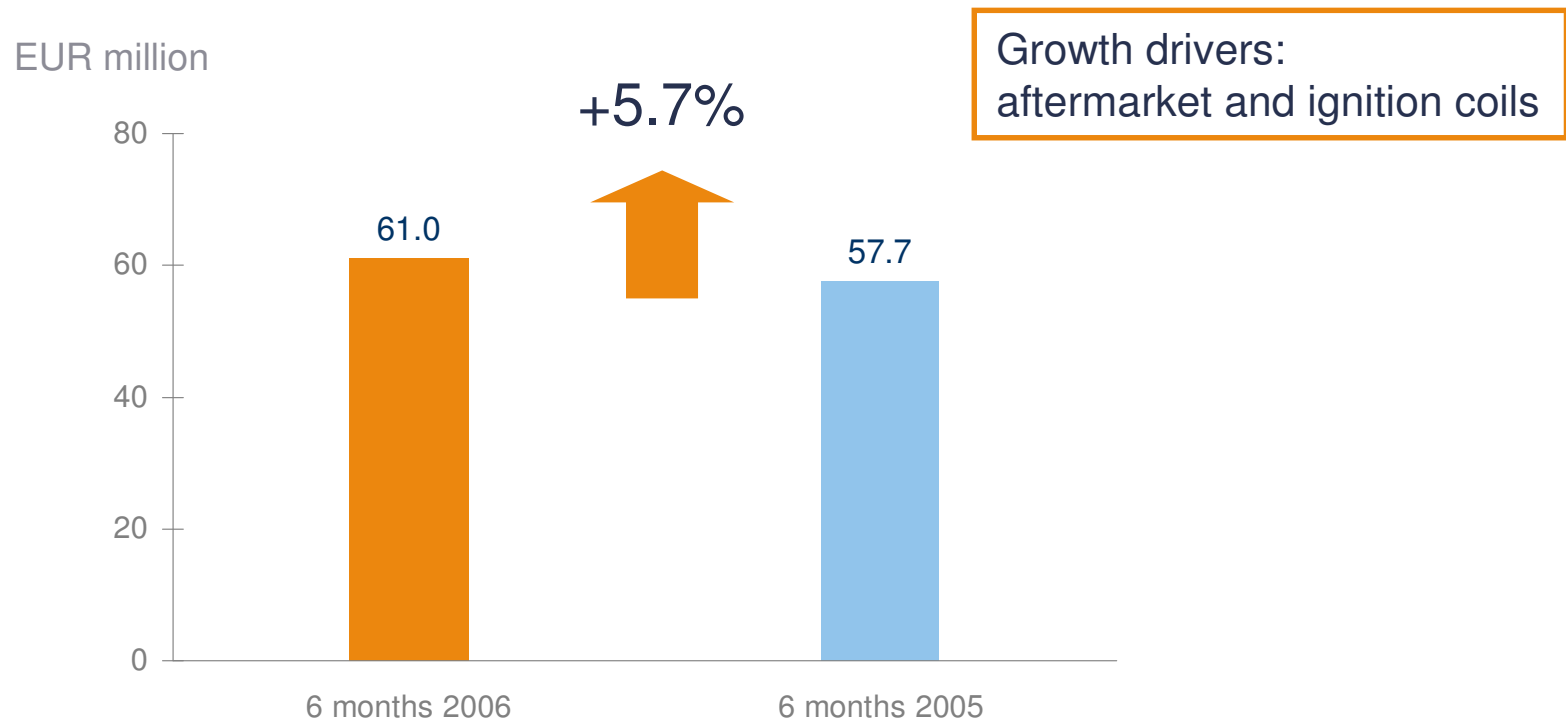
Nearly all leading automobile manufacturers are BERU customer



■ ■ ■ Diesel Cold-Start Technology: +0.7%

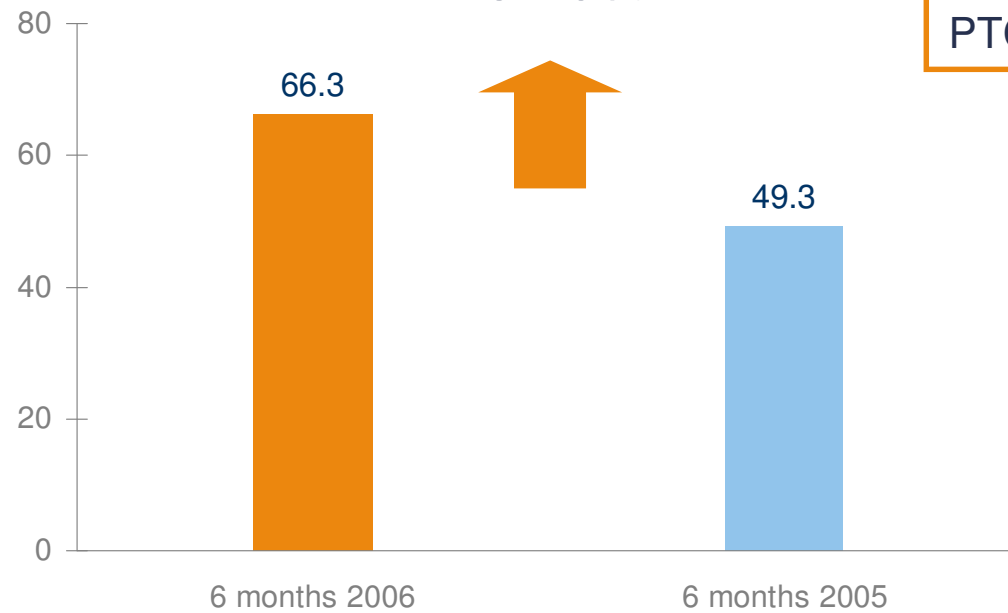


■ ■ ■ Ignition Technology: +5.7%



■ ■ ■ Electronics and Sensor Technology: + 34.5%

EUR million

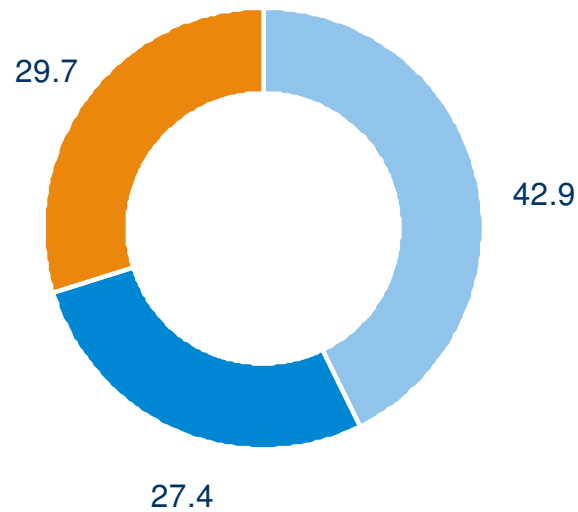


TSS revenues: +76.0%
PTC revenues: +31.1%

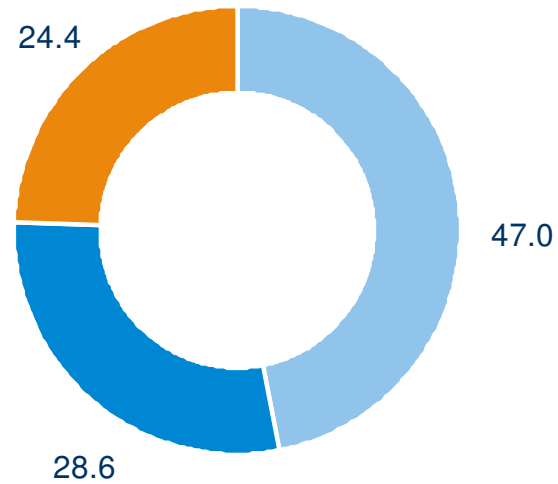
■ ■ ■ Sales revenues by division

In % of sales revenues

6 months 2006



6 months 2005



Divisional contributions according growth target

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

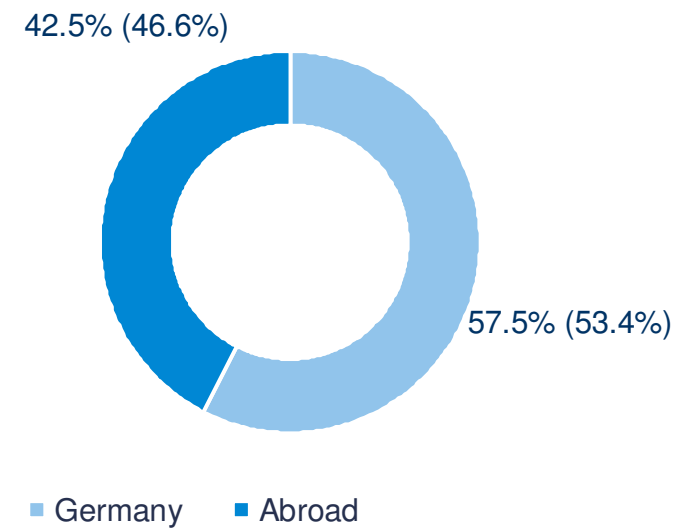
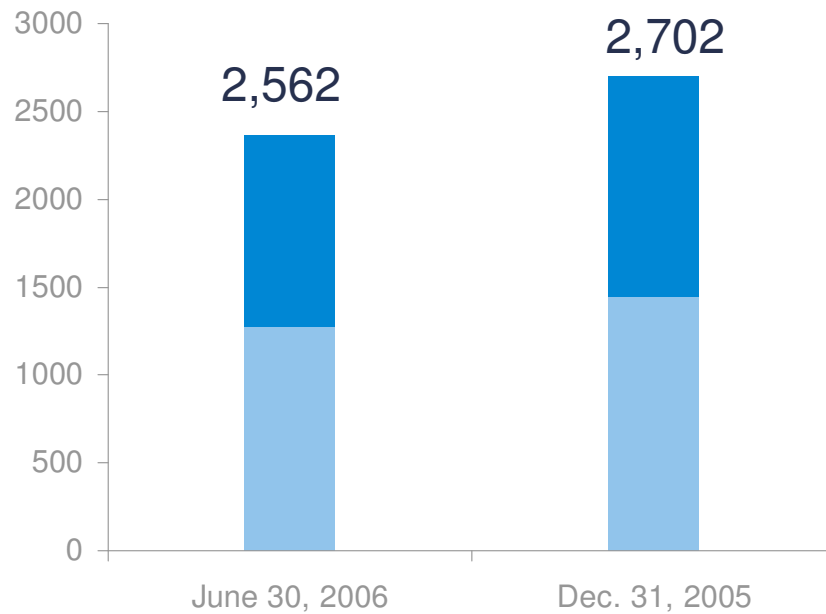
■ ■ ■ Higher earnings in line with operational efficiency

In Mio EUR	6 months 2006	6 months 2005
	Jan. 1 – June 30, 2006	Jan. 1 – June 30, 2005
Earnings before interest and taxes (EBIT)	30.9	25.1
EBIT-margin	13.9%	12.4%
Financial income	0.8	-3.3
Earnings before taxes	31.7	21.8
Net profit	20.8	8.7
Net profit after minority interest	20.6	8.6
Earnings per share (in EUR)	2.06	0.86

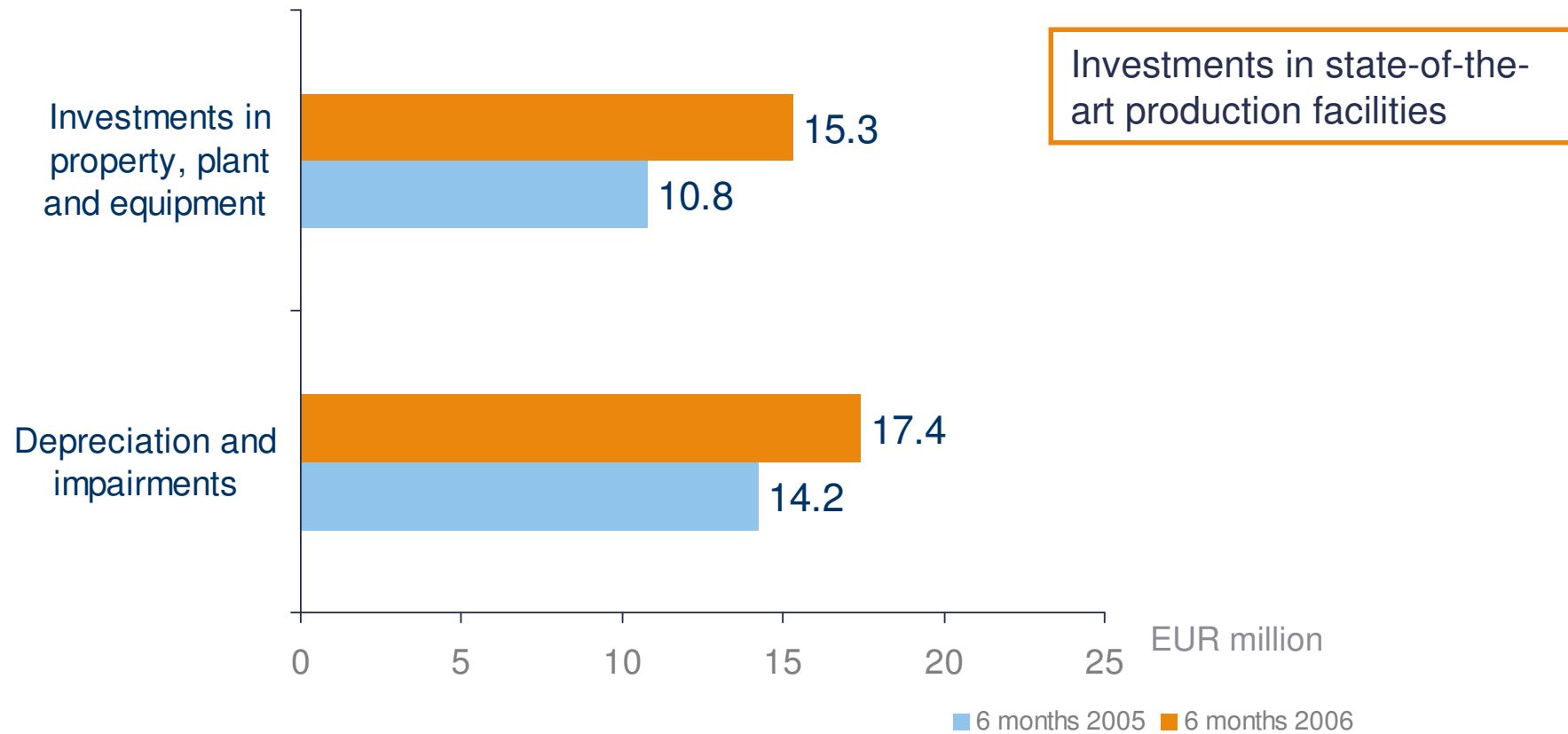
■ ■ ■ Expense ratios reflect changes in product mix

	6 months 2006	6 months 2005
Material expenses ratio	38.2%	36.2%
Personnel expenses ratio	26.0%	28.8%
Other operating expenses ratio	15.2%	18.6%

BERU workforce worldwide

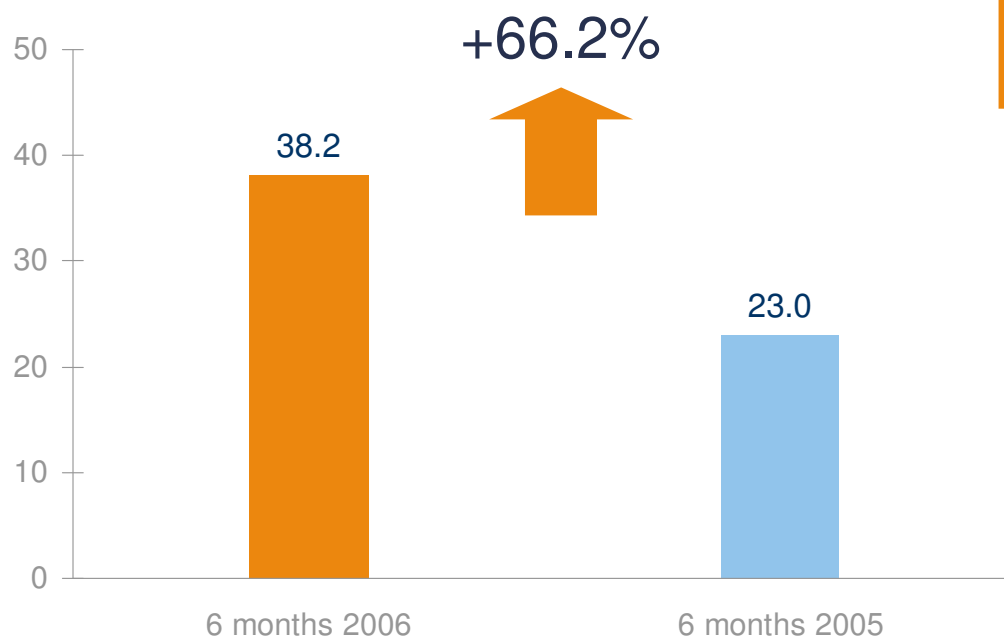


■ ■ ■ Group investments



■ ■ ■ Group cash flow

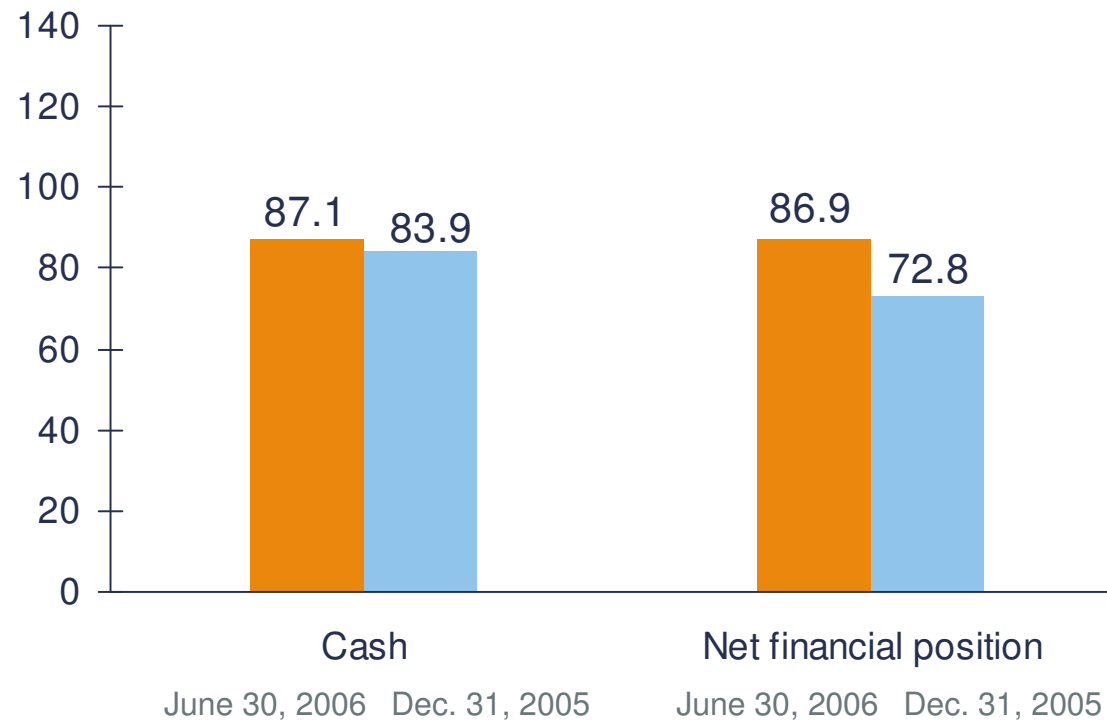
EUR million



All investments were financed out of the Group's cash flow

■ ■ ■ Increased levels of cash and net financial position

EUR million

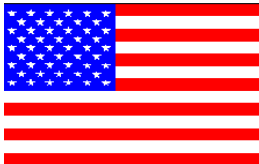




Forecast for FY 2006



Expected development of automobile markets

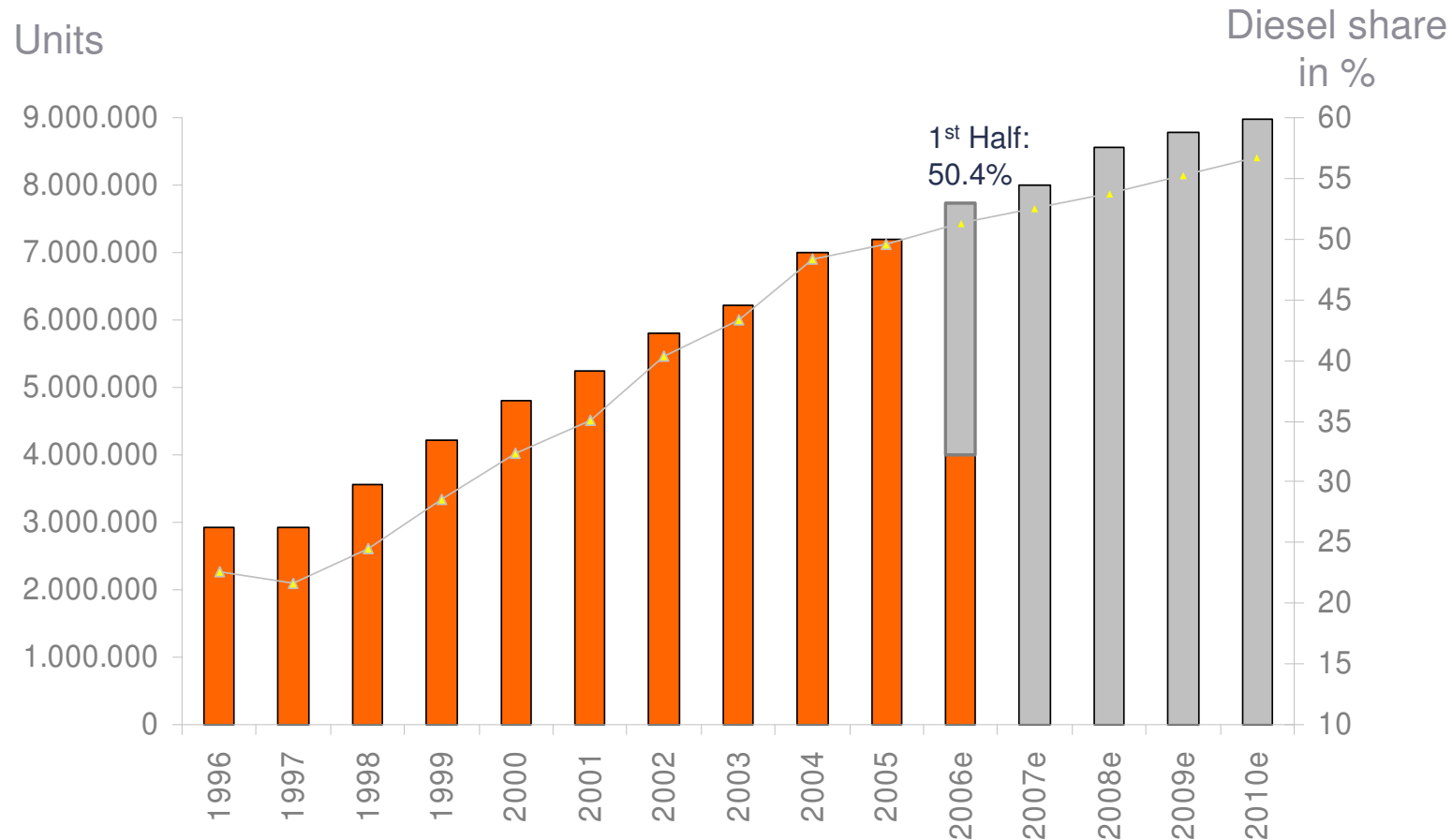


	2005	2006e
Western Europe	14.5 m cars	stagnation
Germany	3.3 m cars	+1%
USA	17.0 m light vehicles	stagnation
Asian emerging markets	11.0 m cars	+11-13%
World total	45.8 million	+2-3%

Source: J.D. Power, VDA

Diesel penetration in Western Europe exceeds 50%

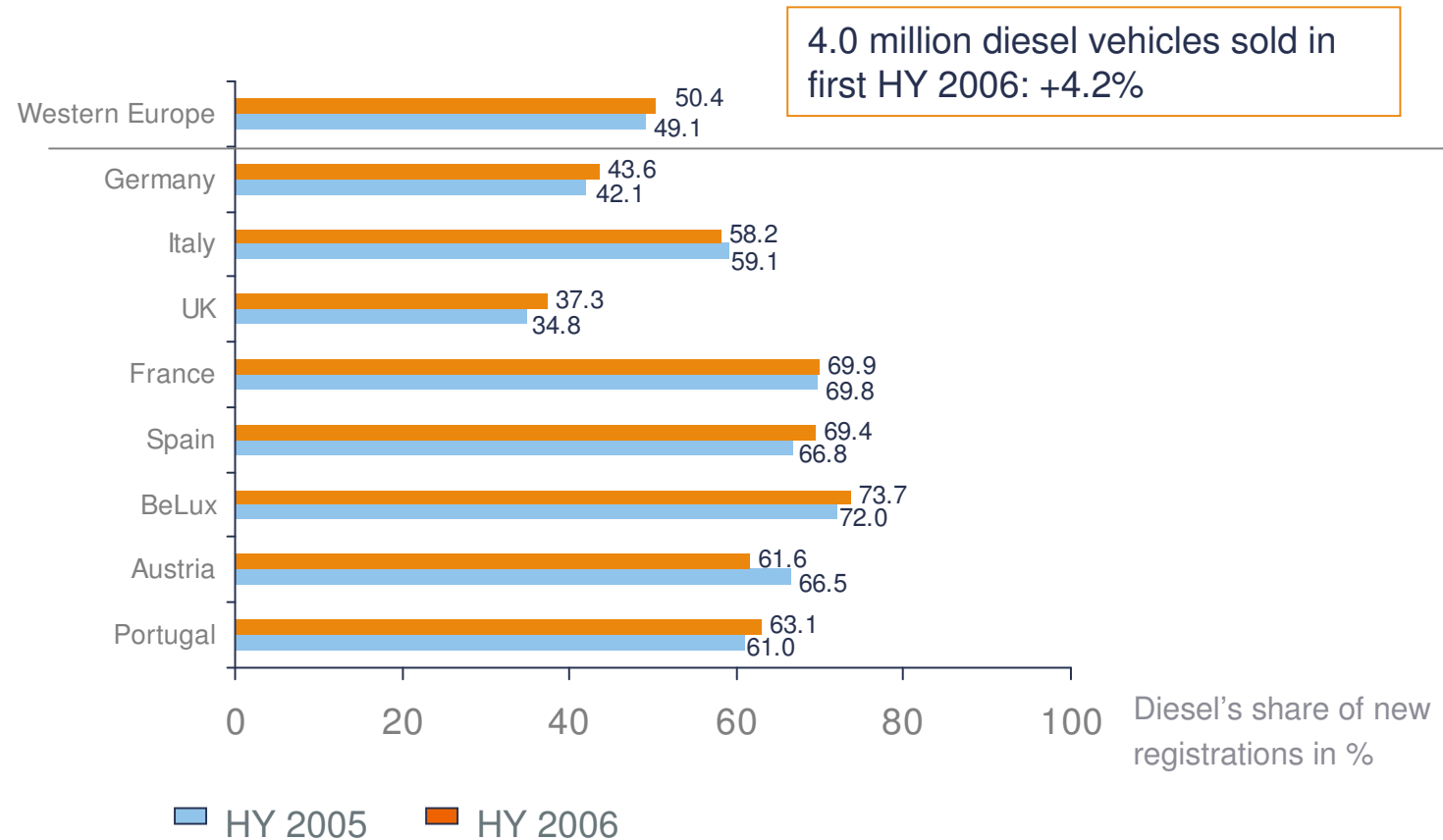
■ ■ ■ in 1st Half 2006



Source: Automotive Industry Data, Diesel Car Prospects to 2009



■ ■ ■ Diesel market share in selected European markets



Source: AID

■ ■ ■ Diesel engines becoming more popular in the United States

Forecast for new registrations and market share by type of propulsion in the US market:

In millions	2005	2006	2007	2008	2009	2010
Total market*	16.68	16.70	16.75	16.79	16.81	16.99
Diesel	0.57	0.70	0.92	1.17	1.43	1.69
Hybrid	0.19	0.32	0.51	0.61	0.70	0.78
Diesel market share	3.5%	4.2%	5.5%	7.0%	8.5%	10.0%
Hybrid market share	1.2%	1.9%	3.0%	3.6%	4.2%	4.6%

* Total market = cars and light trucks
Source: Polk



■ ■ ■ Group forecast for FY 2006

- Market and business outlook:
 - Moderate growth in global demand for automobiles
 - Increased pressure on prices/margins, high raw-material/energy prices
 - Good order situation for BERU products
 - Increased operating efficiency in BERU's production network

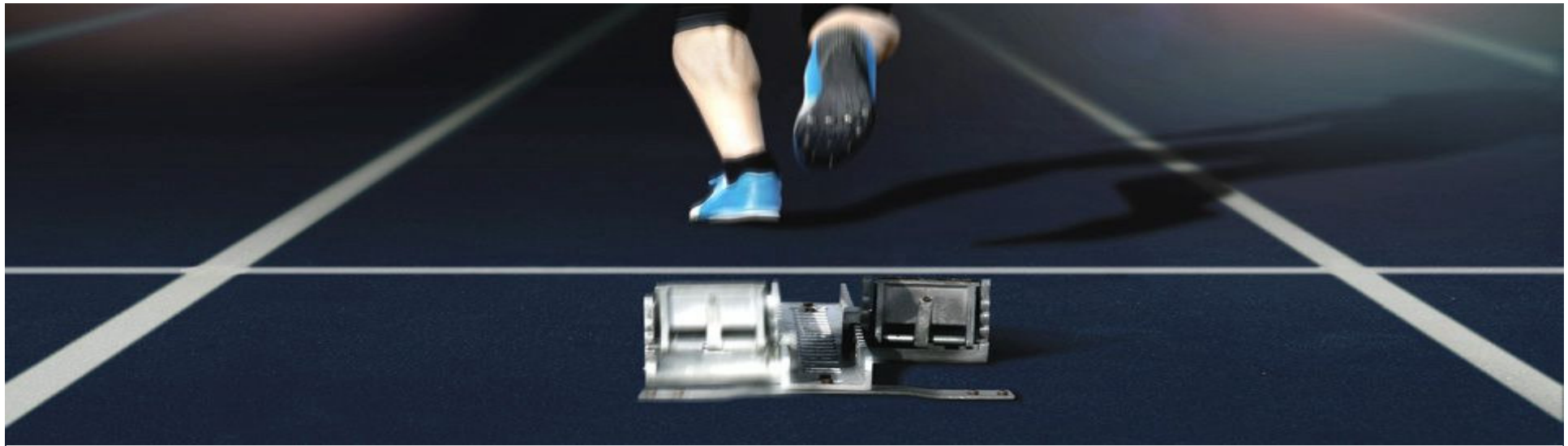
- Forecast for FY 2006 confirmed:
 - Sales revenues in the upper-range of EUR 425-435 million
 - EBIT of at least EUR 52 million

■ ■ ■ Summary

- Strong performance in 1 HY 2006:
 - Sales revenues + 10.4% to EUR 223.0 (202.0) million
 - EBIT +23.2% to EUR 30.9 (25.1) million
 - Ramp up of new products
 - Focus on cost control and productivity increases
 - Strong net financial position of EUR 86.9 (72.8) million

- Revenues and earnings guidance for FY 2006 confirmed

- BERU will continue along its path of profitable growth



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