

■ ■ ■ BERU AT A GLANCE





BERU office building at the headquarters in Ludwigsburg

Business mission

BERU is the partner of the automotive industry for ignition technology for gasoline engines and for cold-start technology for diesel engines.

We are guided by nearly 100 years of technological experience and our will to innovate. The integration of electronics strengthens our position as a technology leader.

About BERU

As a specialist for Ignition Technology, Diesel Cold-Start Technology and Electronics and Sensor Technology, BERU puts life into motor vehicles.

Our goal in the automotive supply industry is to occupy a leading position worldwide in our areas of activity, and to maintain this position over the long term.

Recognizing trends at an early stage, developing high-performance products, producing them cost-efficiently and marketing them effectively – these are our key strengths.

Our will to innovate drives us forward and secures our technological lead over the competition. And we constantly maintain close contacts with our customers so that we can flexibly fulfill their needs.

We are aware of our business and social responsibilities, and strive to create sustainable value.

Group key figures at a glance

All figures quoted for 2005 refer to the 9-month period of the short financial year of April 1 to December 31, 2005

EUR million	SY 2005	FY 2004/05
Sales revenues	305.8	385.8
Sales revenues outside Germany (in %)	71.3	69.1
Earnings before interest and taxes (EBIT)	32.0	48.6
EBIT margin (in %)	10.5	12.6
Investment in property, plant and equipment	24.8	34.9
Research and development ratio (in %)	8.1	7.8
Equity ratio ¹ (on balance-sheet date in %)	70.5	68.6
Working capital ²	118.0	110.5
Operating free cash flow ³	19.7	13.7
Return on sales before taxes (in %)	11.0	12.2
Dividend distribution	8.3	11.0
Dividend per share (in euros)	0.83	1.10
Number of employees (at end of period)	2,702	2,664

¹ Including the minority interest in equity capital

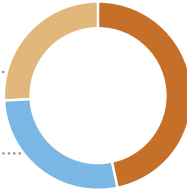
² Total of inventories and trade receivables less trade payables

³ Net profit plus depreciation plus changes in long-term provisions less investments

Sales revenues by division
for short financial year 2005¹
in percent

25.8 (23.4).....
Electronics and
Sensor Technology

27.5 (30.2).....
Ignition
Technology



46.7 (46.4)
Diesel Cold-Start
Technology

¹ Last year's figures in parentheses

Divisions

Each of our divisions steadily pursues the goal of attaining and maintaining a globally leading position. We focus on market niches with high growth potential in the automotive industry.

DIESEL COLD-START TECHNOLOGY

BERU's core division of Diesel Cold-Start Technology is the world's leading supplier of glow plugs for diesel engines, with nearly all of the world's automobile and engine manufacturers among its customers. BERU supplies more than 270 different types of glow plugs. One example of our innovative approach is the Instant Start System ISS. With the combination of high-performance glow plug and electronic control unit, a diesel engine starts as fast as a gasoline engine, even at -25°C. And the Instant Start System uses only half as much energy as conventional glow plugs. The second generation of ISS is already on the market.

The main products of the Diesel Cold-Start Technology division are:

- glow plugs
- the Instant Start System (ISS)
- flame glow plugs
- pressure-sensor glow plugs (PSG)
- glow-cycle control units

ISS of the 2nd generation





Top performance from
BERU ignition coils

IGNITION TECHNOLOGY

In its second division, Ignition Technology for gasoline engines, BERU is one of Europe's four leading suppliers in its field. We have supplied the automotive industry with high-quality spark plugs since 1912. Smaller, high-performance gasoline engines, often turbo-charged, require smaller spark plugs with longer lifetimes. The latest example is our new platinum spark plug with innovative bi-hex technology. Besides spark plugs, our product range encompasses all the elements of the ignition chain: from spark plugs, ignition cables and connectors to the optimal ignition coil for nearly every engine.

The main products of the Ignition Technology division are:

- spark plugs
- ignition coils
- ignition cables
- distributor caps, distributor rotors

New BERU Bi-Hex-spark-plug





Assembly of printed circuit boards at BERU's facility in Bretten

ELECTRONICS AND SENSOR TECHNOLOGY

BERU's third and youngest division, Electronics and Sensor Technology, is in second position worldwide with its products. This division benefits from the strong growth in electronics components and the increasing use of intelligent sensor applications in engines and vehicles. Its main product lines are the direct tire-pressure monitoring system TSS (Tire Safety System) and the PTC (Positive Temperature Coefficient) auxiliary heating system. TSS enhances traffic safety by automatically and continuously monitoring a vehicle's tire pressure and warning the driver as soon as a tire loses 0.2 bar of pressure. The PTC auxiliary heater keeps vehicle interiors comfortably warm, and provides a clear windscreen in winter within just 60 seconds. BERU offers a total range of 300 sensors.

The main products of the Electronics and Sensor Technology division are:

- tire-pressure monitoring systems (TSS)
- PTC auxiliary heating systems (PTC)
- high-temperature sensors (HTS)
- the PremAir sensor
- lambda sensors

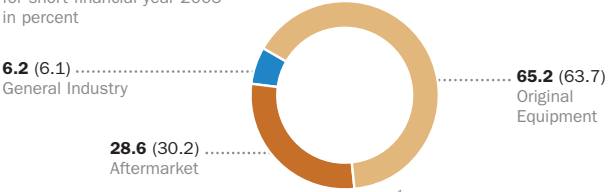
Other products in the Aftermarket and General Industry segments are:

- antennas
- car lights
- ignition systems for the heating industry
- high-performance spark plugs for stationary, gas-fueled industrial engines



Innovative tire-pressure monitoring system

Sales revenues by segment
for short financial year 2005¹
in percent



¹ Last year's figures in parentheses

Segments

BERU supplies the customer segments of Original Equipment, Aftermarket and General Industry.

In the Original Equipment segment, the direct business with automobile manufacturers, BERU supplies nearly all of the world's leading producers of automobiles and engines. Our customer base includes Volkswagen, DaimlerChrysler, Renault, General Motors and BMW, for example.

In the Aftermarket segment, the independent supply business, the BERU premium brand is a guarantee for product quality, market coverage, service and reliability. We offer our wholesalers and retailers a broad product range of approximately 3,700 different spare parts.

The General Industry segment covers the business with manufacturers of oil and gas burners as well as industrial electronics.

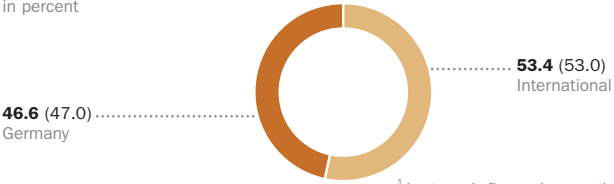
Research and development

Key features of the automotive industry are growing model diversity and significant reductions in development times. The industry faces the great challenge of increasing engines' power per liter while drastically reducing fuel consumption and exhaust emissions.

Approximately 220 employees in BERU's Research and Development department work on the continuous improvement of our products and innovations. Our substantial and sustained R&D investment secures our technology leadership and thus also our long-term success.

Workforce structure

at the end of financial year 2005¹
in percent



¹ Last year's figures in parentheses

The workforce

More than ever before, success factor number 1 at BERU is our highly qualified and committed workforce. We place great value on professional expertise at every level. Through challenging tasks and the associated scope for action, we offer our employees the option to grow together with the company and to actively profit from its positive development. For more than 50 years now, BERU has provided commercial and technical professional training at nearly all of its locations in Germany in order to meet its future needs for well-qualified personnel. BERU provides study courses in cooperation with the local professional academy leading to the German equivalent of a master's degree. Students also have the possibility to do an internship in various departments or to write their dissertation at BERU. BERU also offers special traineeships for university graduates.

If you would like to find out more about your job-starter and career possibilities at BERU, visit our website at www.beru.com/career

BERU's basic values

We believe that a system of corporate governance tied to certain values is an essential precondition for the success of our company. We have therefore defined the BERU basic values, which communicate how our entrepreneurial actions are responsible and sustainable, how we behave towards customers, suppliers, shareholders and the general public, and how we interact with each other within the company.

You can find out more about BERU's basic values on our website at www.beru.com



The spark-plug factory
in Asperg in 1912

History of BERU AG

- 1912** Julius **Behr** and Albert **Ruprecht** establish a spark-plug factory
- 1929** Development and production of the first glow plugs for starting cold diesel engines
- Further development of the products in the areas of ignition technology and diesel cold-start technology
- 1975** BERU's first rapid glow plug shortens the preheating time to 20 seconds
- 1978** BERU registers the first dual-coil glow plug for a patent, the preheating time is only 5–7 seconds
- 1986** Start of internationalization:
A production plant is opened in Tralee, Ireland, followed by many more international and national production and sales facilities
- 1989** Development and production of ignition coils at the headquarters in Ludwigsburg
- 1992** Market launch of the slim 5-millimeter glow plug for diesel engines with direct fuel injection
- 1997** Initial public offering: from family firm to stock corporation
- 2000** BERU Electronics GmbH is founded in Bretten for the development and production of electronic components and control units
- Joint venture BERU-Eichenauer is established to develop and produce PTC auxiliary heating systems.
- 2001** Product innovation: market launch of the first electronically controlled diesel instant-start system (ISS)
- Alliance with Lear Corporation for the joint development of tire-pressure monitoring systems for American carmakers
- 2003** Acquisition of spark-plug division (Eyquem) of Johnson Controls Automotive Electronics in France, followed by the modernization and expansion of its production facilities
- 2005** US automotive supplier BorgWarner becomes BERU's majority shareholder
- 2006** Expansion of research-and-development facilities and test center in Ludwigsburg

BERU worldwide

■ PRODUCTION

Germany

BERU Aktiengesellschaft*
Ludwigsburg
100 %

BERU Electronics GmbH
Bretten
100 %

France

BERU SAS*
La Ferté-Macé
100 %

BERU TdA SAS
Chazelles sur Lyon
100 %

Great Britain

BERU F1 Systems Ltd.*
BERU Motorsport Holdings Ltd.
Diss
100 %

Ireland

BERU Electronics GmbH*
Tralee
100 %

Italy

B 80 S.r.l.*
Biassono
100 %

South Korea

BERU
Automotive Co. Ltd.*
Shihung-City
100 %

Mexico

BERU México S.A. de C.V.*
Civac-Jiutepec
100 %

Spain

BERU Microelectrónica S.A.*
Vitoria
100 %

Hungary

BERU Hungaria zRt.
Tiszakécske
100 %

* including distribution

■ JOINT VENTURES

Germany

BERU-Eichenauer GmbH
Kandel
50 %

India

BERU Diesel Start
Systems Pvt. Ltd.
Poona
49 %

South Korea

BERU Korea Co. Ltd.
Chungju-City
51 %

Netherlands

IMPICO-BERU
Technologies B.V.
Delfgauw
49 %

■ DISTRIBUTION

France

BERU Eyquem SAS
Nanterre
100 %

Eyquem SNC
Nanterre
100 %

Italy

BERU Italia S.r.l.
Cassina de' Pecci
100 %

Japan

BERU Japan Corporation
Yokohama
100 %

Singapore

BERU AG
Far East Asia Singapore
Representative Office
Singapore

United States

BERU Corporation
Auburn Hills, Michigan
100 %

References from our current customer base

In the Aftermarket segment, BERU supplies all the well-known distributors and workshop operators. BERU's General Industry customer segment covers the major manufacturers of oil and gas burners.

In the Original Equipment segment, BERU counts nearly all engine and automobile manufacturers among its customers. Here are some of the companies out of our customer base in the automotive industry:

Alfa Romeo, Audi, Bentley, BMW, Citroën, Dacia, Daewoo, DaimlerChrysler, Ducati, Ferrari, Fiat, Ford, General Motors, Hyundai, Isuzu, Iveco, Jaguar, John Deere, Kia, Lamborghini, Lancia, Land Rover, MAN, McLaren, Maserati, Mercedes-AMG, Mini, Nissan, Opel, Peugeot, Porsche, Renault, Rolls-Royce, Saab, SAIC, Seat, Skoda, Smart, SsangYong, Tata, Toyota, Volkswagen, Volvo Car

Adresses in Germany and abroad

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