Fuel Efficiencies - A Supplier Perspective

June 4th, 2009

Our Beliefs

Respect
Collaboration
Excellence
Integrity
Community

BorgWarner

Outline

- BorgWarner Overview
- Fuel Efficiencies
- Summary

The BorgWarner Strategic Difference

- Technology Leadership Drives Growth
- Customer and Geographic Diversity
- Cost Focus
- Financial Strength and Discipline

feel good
about driving

BorgWarner at a Glance

- 2008 Sales: $5.3 Billion ($6.0B with NSK-Warner)
- Employees: 14,000
- Operations: 60 Locations
  18 Countries
- Products: Engine, Transmission and AWD systems
- Market Drivers: Fuel Economy
  Emissions
  Performance

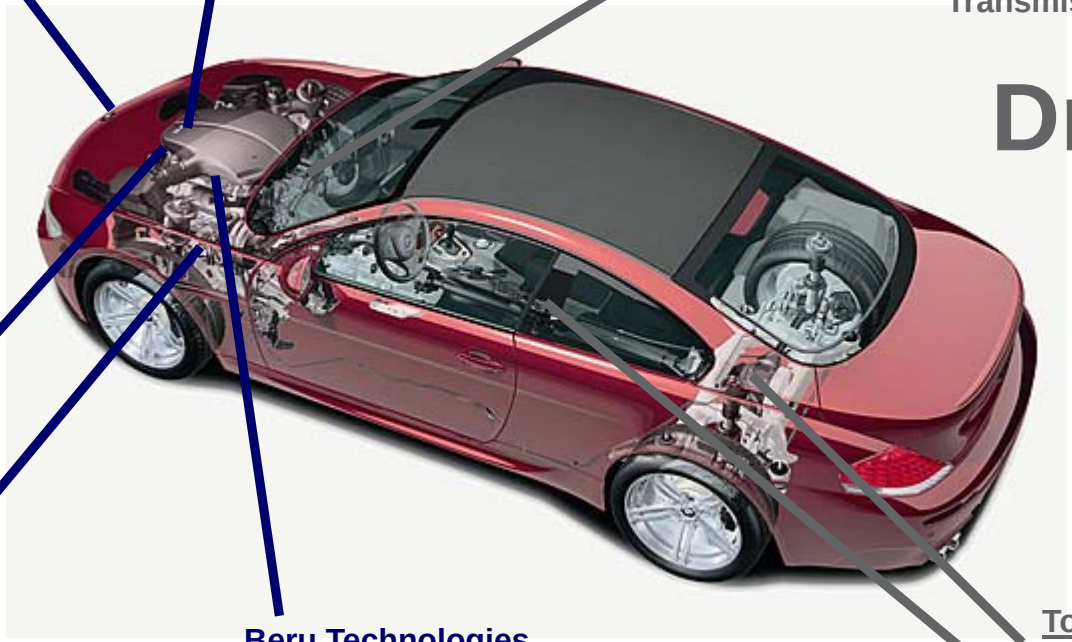
BorgWarner = Powertrain Innovation

Thermal Systems
Thermal Management Components and Systems
Visctronic® Systems
Fans / Fan Drives
Oil Pumps

Chain Systems
Engine Valve Timing Systems
Timing Chain
Variable Cam Timing
HY-VO® Transmission Chain

Transmission Systems
DualTronic® Clutch Modules
DualTronic® Control Modules
Solenoids / Solenoid Modules
One-way Clutches
Friction Plates
Transmission Bands

Engine
74% /sales



Drivetrain
26% /sales

Emissions Systems
Emission Controls
Secondary Air Systems
Actuators

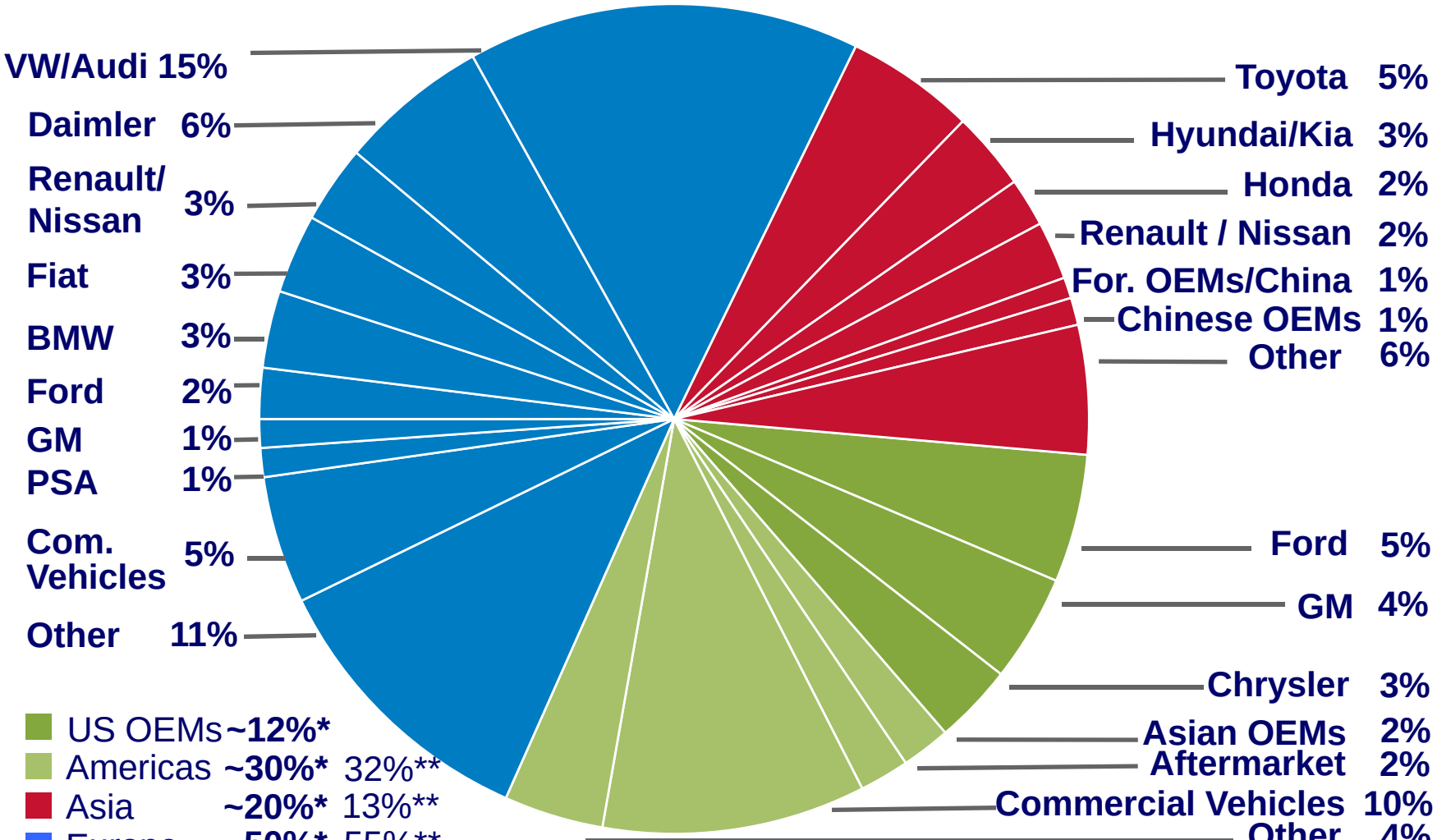
Turbochargers
Wastegate
Variable Turbine Geometry (VTG)
Regulated 2-stage (R2S™)

Beru Technologies
Diesel Cold Start Technology
Electronic & Sensor Technology
Gas Ignition Technology

TorqTransfer Systems
AWD Systems
4WD Transfer Cases
Synchronizer Rings
Electronic Control Units

Customer and Geographic Diversity

2009 Sales Outlook *



BorgWarner

* NSK-Warner included
** NSK-Warner excluded

BorgWarner = Efficient Gasoline

- Examples - 2010 Ford Fusion, VW Golf, BMW Mini Cooper, Honda Fit
- Features BorgWarner

Transmission Modules, One Way Clutches, Friction plates

Cam Torque Actuated VCT

Engine Timing Systems, HY-VO® Chain

Turbochargers

Efficient Gasoline Examples

BorgWarner = Clean Diesel

- Example – VW Jetta TDI, Mercedes C-Class/ E-Class, BMW 1/3/5 Series, Mazda Atenza
- Features BorgWarner

VTG Turbochargers

One Way Clutches, Friction Plates

Pressure Sensor Glow Plugs

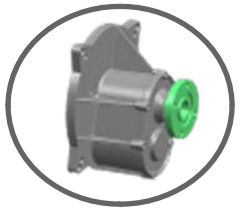
DualTronic™ Dual Clutch & Control Modules

Clean Diesel Examples

BorgWarner = Commercial Vehicles

- Example – Medium/Heavy Duty Trucks, Construction/Agricultural Vehicles, and Buses
- Features BorgWarner

Turbochargers



eGearDrive™

Fan drives (Cool Logic® and Visctronic) and Coolant Pumps

Diesel Cold Start & Tire Pressure Monitoring Systems

Commercial Examples

BorgWarner = Hybrid & Electric Vehicles

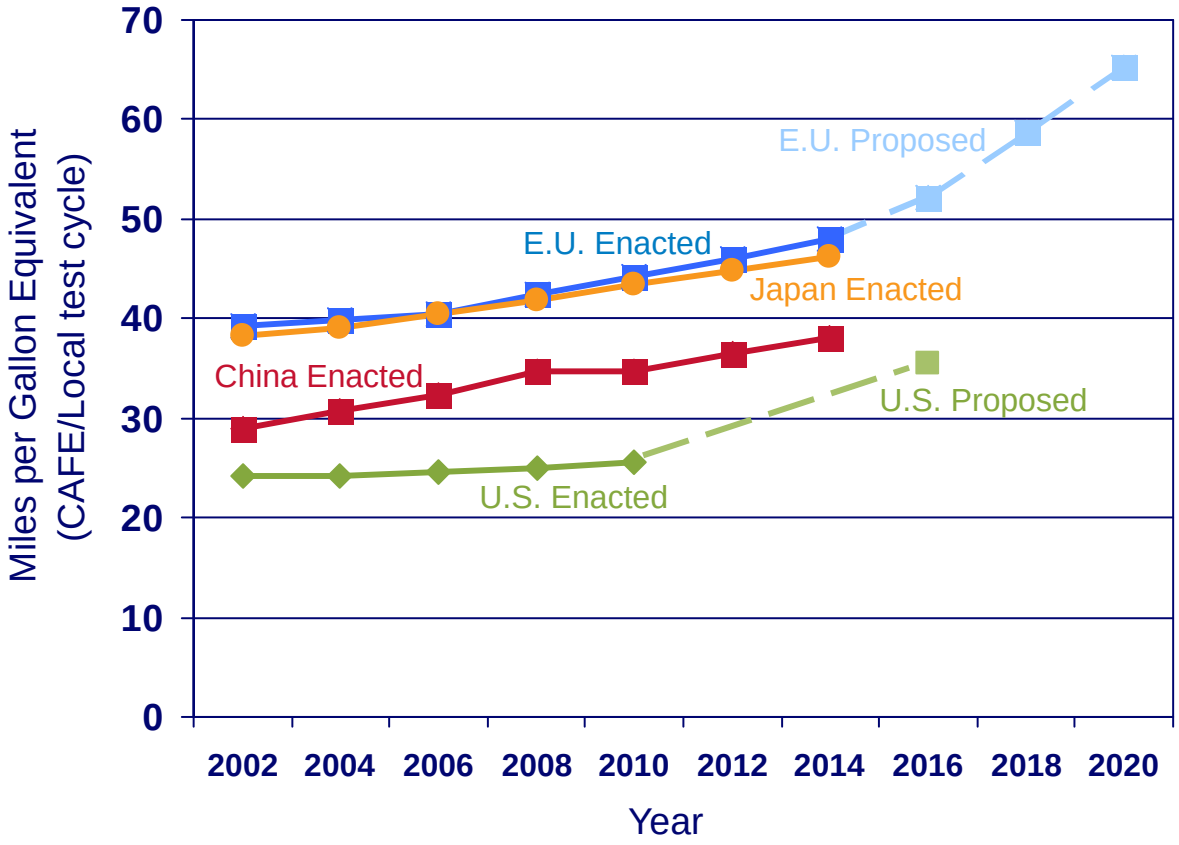
BorgWarner has broad production experience with current products in hybrid and electric vehicle applications

Hybrid and Electric Vehicle Applications **(A few examples)**		Current Product Coverage
	Smart ForTwo hybrid	Engine Valve Timing System
	BMW Mini	Cabin Heater (High Voltage)
	Toyota Prius	HY-VO® Chain
	Honda Insight and Civic	Engine Valve Timing Components
	Ford – Escape, Mariner, Tribute, Fusion, Milan	Engine Valve Timing System
	GM/Saturn – Vue, Aura, Malibu	Transmission Components & HY-VO® Chain
	GM – Escalade, Tahoe, Yukon	Transmission Components
	Tesla - Roadster	Tire Pressure Monitoring System & eGearDrive™
	Fisker Karma	Turbocharger

Fuel Efficiencies

Tightening Fuel Economy Standards

Actual and Projected Fuel Economy for Light Vehicles



15%-30% more fuel economy

Gas and Diesel Turbochargers

5%-15% more fuel economy

Dual Clutch Transmissions

5% fuel economy possible

Cam Phasers *-with CTA™ Technology*

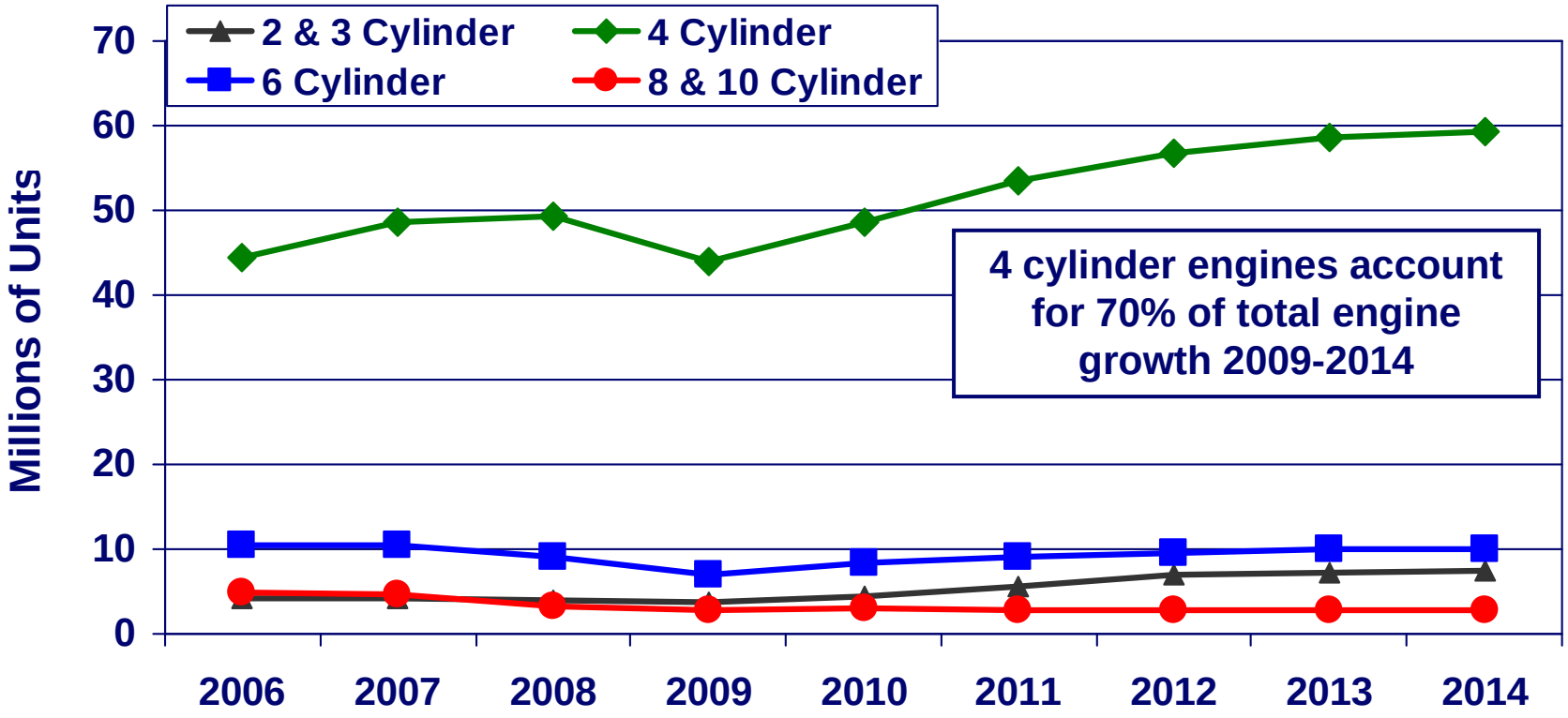
Source: International Council on Clean Transportation, January 2009

U.S. Environmental Protection Agency, "Notice of Upcoming Joint Rule Making To Establish Vehicle GHG Emissions and CAFÉ Standards", May 22, 2009

Fuel Economy percentages may vary depending on vehicle application, use and data sourced for comparison

Global Engine Downsizing

Light Vehicle Engines Produced Worldwide



- 2 & 3 Cylinder: 7.4M units globally by 2014
- 4 Cylinder: strong positive trend, dominates market; 59.3M units by 2014
- 6 Cylinder: growth in units, slight loss of share; 10.1M units by 2014
- 8 & 10 Cylinder: downtrend; 2.7M units by 2014

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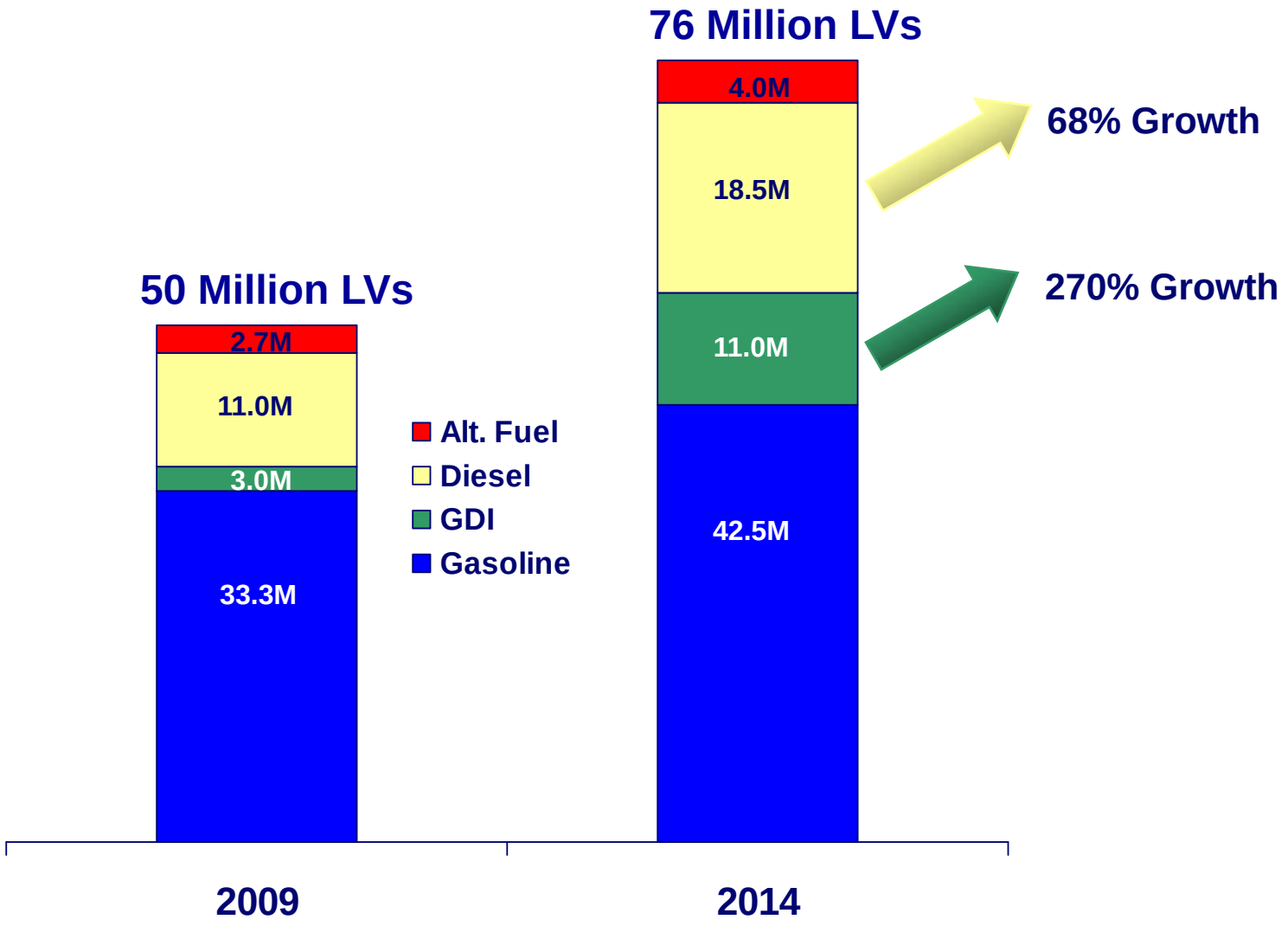
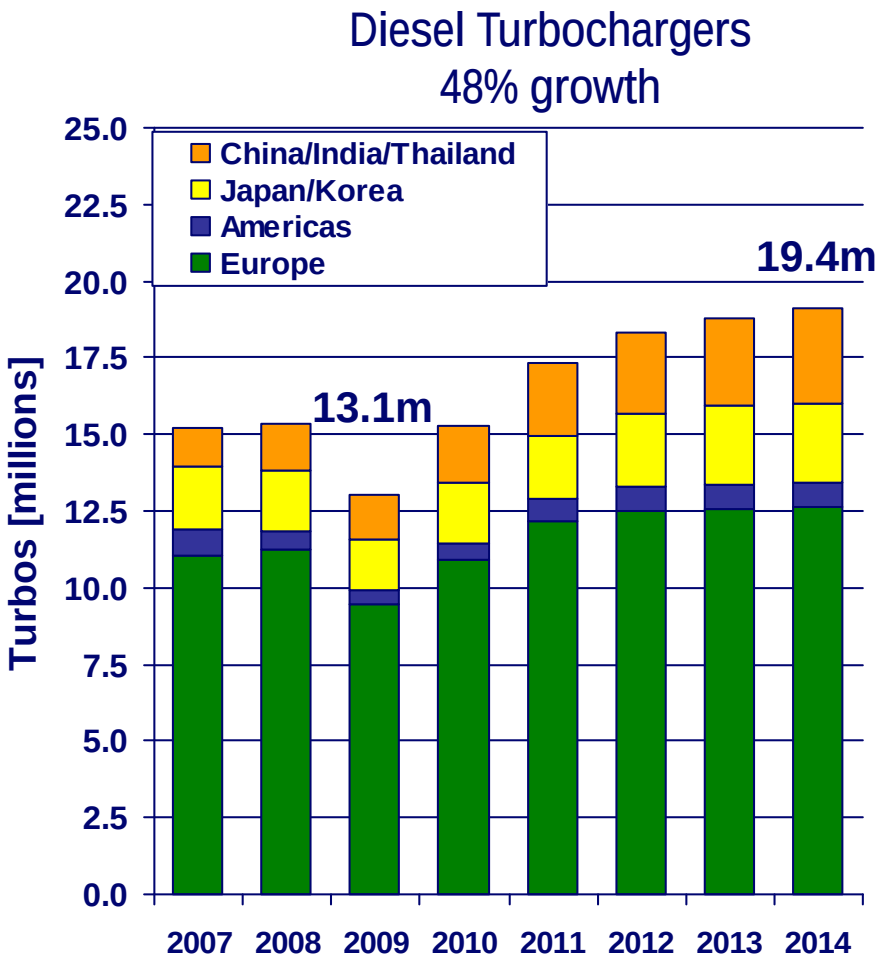
Source: CSM Worldwide, Internal BW forecasts (Jan. 2009)
Federal Reserve Bank of Chicago

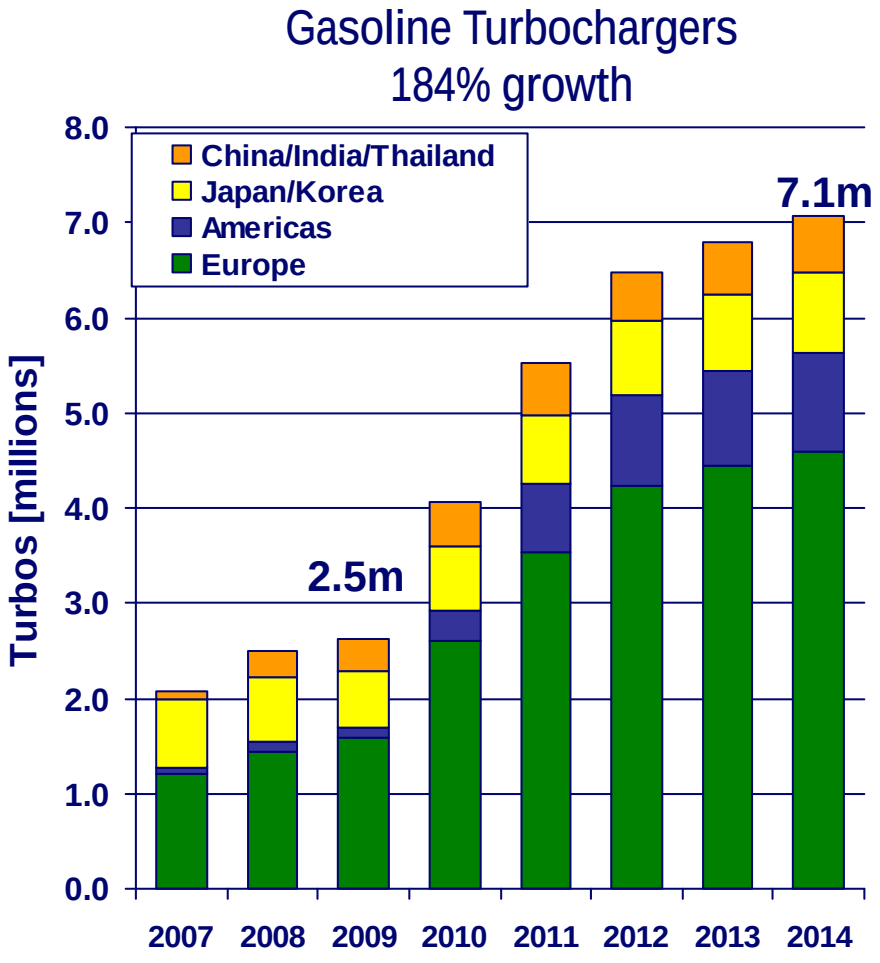
Global Light Vehicle Engine Market



Source: CSM Worldwide, Internal BW forecasts (May 2009)
Federal Reserve Bank of Chicago

LV Turbocharger Growth by Market





- *Includes North American light truck applications
- *OE demand only
- *R2S is counted as 2 turbos

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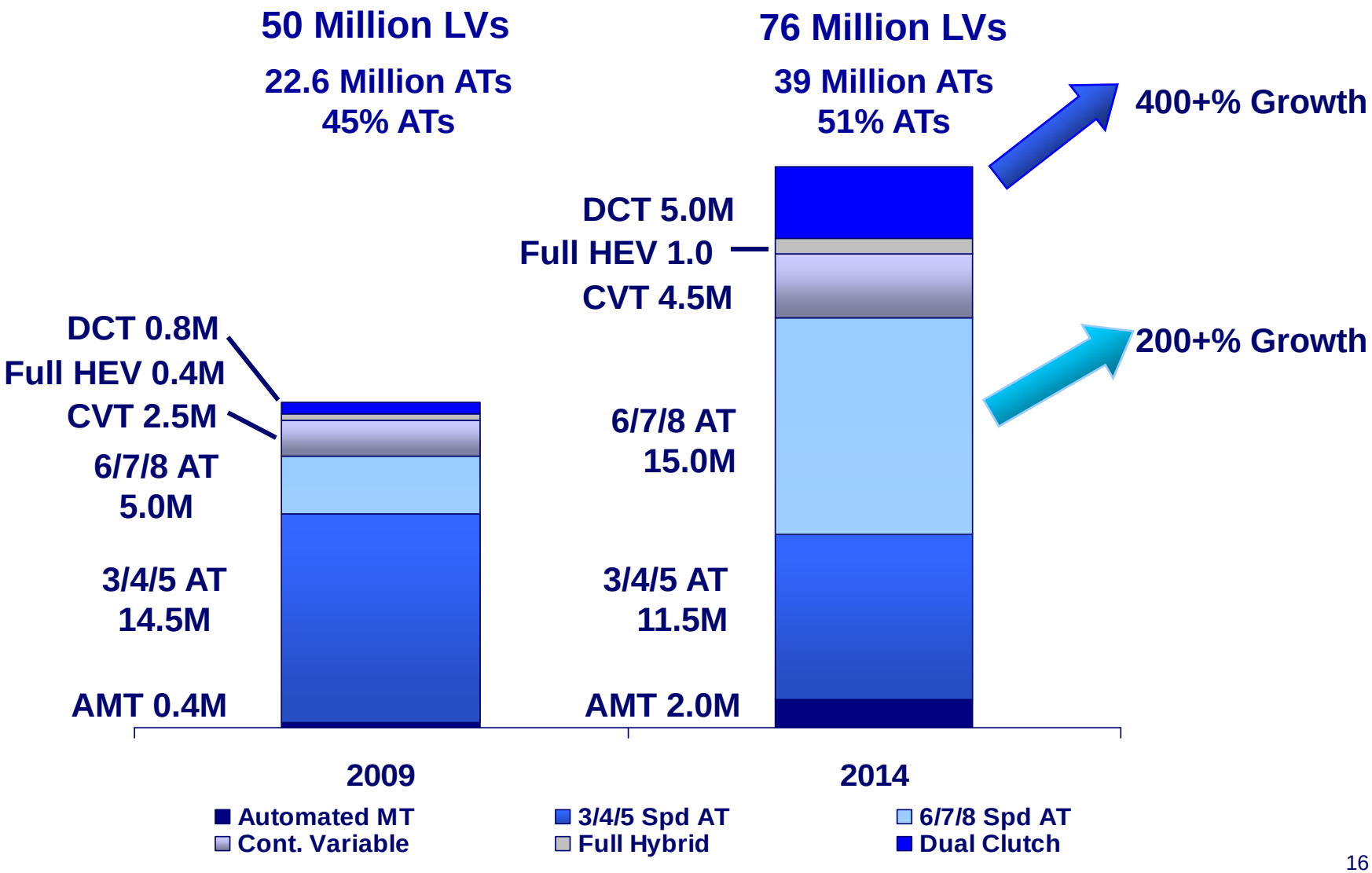
Source: CSM Worldwide, JD Power Internal BW forecasts (May 2009)

Federal Reserve Bank of Chicago

Automatic Transmissions Advance



Source: CSM Worldwide, Internal BW forecasts (May 2009)
Federal Reserve Bank of Chicago

Summary

- Proven Technologies Exist
- Investment will be Necessary
  - Timing?
- Technology Neutral Policies are Key
  - Need to use all technologies available

Thank You


feel good
about driving
better fuel economy
reduced emissions
great performance