



a leader in intuitive motion control

**2016 1st Quarter
Investor Communication**

April 12, 2016

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Presenters



Michael Richardson

Executive Board Director
Senior Vice President - Strategy



Stephen Johnston

Chief Financial Officer (Interim)
Corporate Controller
Chief Accounting Officer

Strategy for Profitable Growth

- **Strengthen Technology Leadership**
- **Expand & Diversify Revenue Base**
- **Capitalize on Global Transition to EPS**
- **Target China & Emerging Market Growth**
- **Optimize Cost Structure**
- **Pursue Select Acquisitions & Alliances**

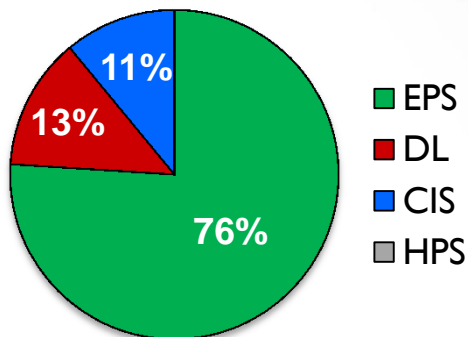
**Well-Defined Plan to
Drive Stakeholder Value**

Backlog Update & Program Launches

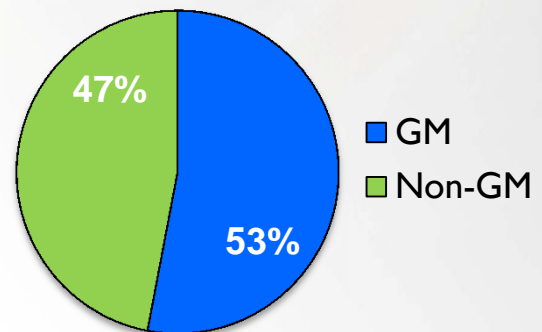
Expand & Diversify Revenue Base

■ Backlog as of 3/31/2016 - \$10.3B

Backlog by Product



Backlog by Customer



■ Program Launches in Q1 2016 Eight (8) New Launches Across Multiple Product Lines, Customers and Regions

- i. FCA Pacifica (D Segment, MPV) EPS in U.S.
- ii. FCA Pacifica (D Segment, MPV) Column in U.S.
- iii. GM Cadillac XT5 (D Segment, SUV) HS in U.S.
- iv. GM Cadillac XT5 (D Segment, SUV) EPS in Mexico
- v. GM Chevy Cruze (C Segment, Car) HS in Mexico
- vi. Haitec Luxgen S3 (B Segment, Car) EPS in China
- vii. Changan CSI5 (B Segment, SUV) EPS in China (JV)
- viii. Changan CX70 (C Segment, SUV) EPS in China (JV)

Organization Update to Strengthen Growth Globally

Expand & Diversify Revenue Base

■ Organization Update Aligning Divisions with Customer Markets

Three New Divisions

- **North America Division**
U.S. and Mexico
- **Europe and South America Division**
Europe and Brazil
- **Asia Pacific Division**
China, India, Korea, Japan and Australia

■ New Europe and SA Division COO

- **Mr. Hervé Boyer appointed Vice President and Divisional COO, leading the growth efforts of the company's Europe & South America Division**

Footprint Development in Asia Pacific Region

Target China & Emerging Market Growth

■ HPS Pump Production Consolidation

- i. China and India hydraulic pump assembly operations consolidated into Bengaluru site now serving the Asian market
- ii. Well positioned for China LV market conversion to EPS

■ EPS Plant in Indonesia

- i. Nexteer Plant in Jakarta, built by SGMW to support customer in strategic ASEAN market
- ii. Company registration in progress
- iii. Planned production launch mid-2017
- iv. Final assembly with KD parts supplied by our Liuzhou plant as initial start-up production plan

Global Technical Center Footprint Development

Strengthen Technology Leadership

- **Established Technical Centers In Geographic Markets to Advance Capabilities Tailored for Individual Markets**

China Technical Center

- i. Increased autonomy of design, development and release of regional customer programs**
- ii. Brush EPS design homeroom**
- iii. Developed competencies in laboratory validation testing, NVH, prototype and materials engineering**
- iv. Template for Poland Technical Center**

Poland Technical Center

- i. Expand Poland core engineering capabilities in design, modeling, software, vehicle testing and validation**
- ii. Expanded engineering capabilities, along with proximity to both customers & manufacturing, enable localized product prototyping**
- iii. Tychy-based test track constructed to provide enhanced vehicle integration & enable system NVH refinement**

Re-manufacturing & Sustainability Initiatives

Optimize Cost Structure

■ **EPS Re-manufacturing (re-man) for OEM Service**

- i. Nexteer launched 1st OEM certified EPS re-man application on Ford F150 REPS**
- ii. Eliminates need for change-over / disruption to high-volume production value streams**
- iii. Energy & environmental savings**
- iv. Expanding re-man product range to cover North American and European applications**

■ **Sustainability Report**

- i. Nexteer sustainability commitment and framework**
- ii. First publication planned April 22**



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