



**Tomkins**

**Automotive Aftermarket**  
**Giorgio Brusco**

Vice President Automotive Aftermarket Europe

# Agenda

- The global business today
- Recent progress in automotive
- Future growth drivers
- Summary



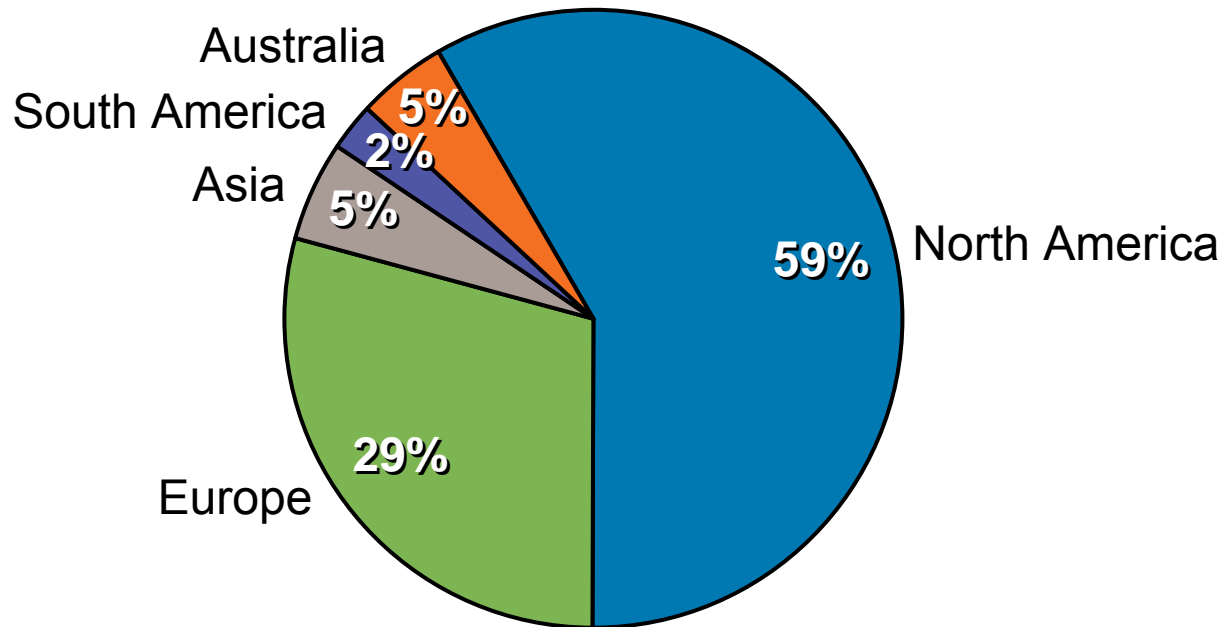
# Worldwide Automotive Aftermarket: The Business Today

- A \$ 800M+ business
  - double digit margins
- 37% of Gates sales
- 19 % of Tomkins sales
- Largest independent sales force
- Superior distribution network
- Strong brands:

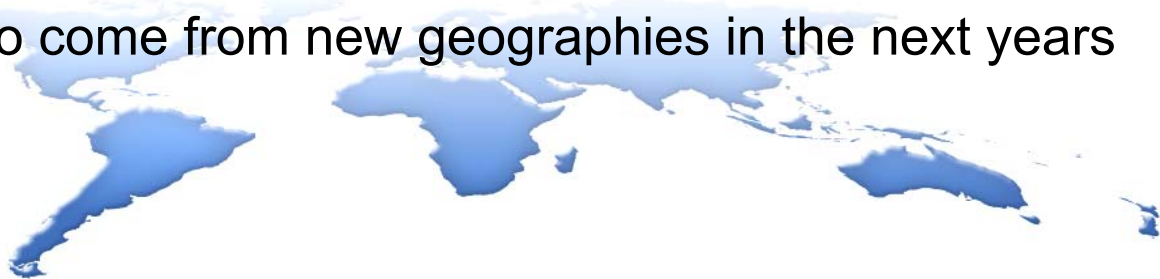


# A Global Footprint

## Breakdown By Region

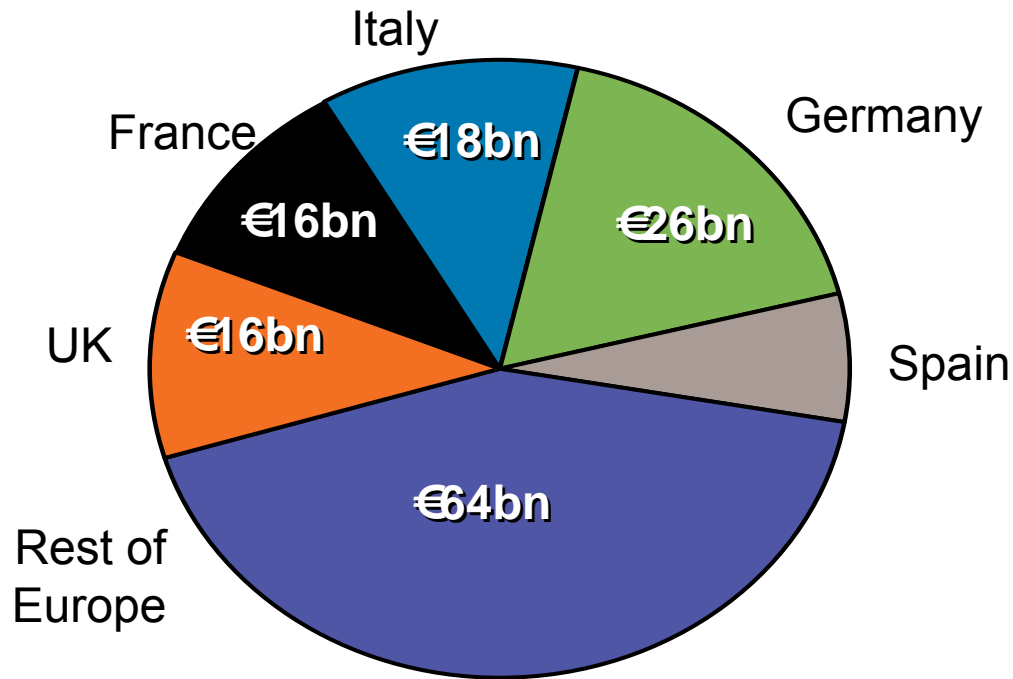


- Strong presence in North America
- Growth to come from new geographies in the next years



# European Aftermarket Potential

Market Worth Around €150 bn

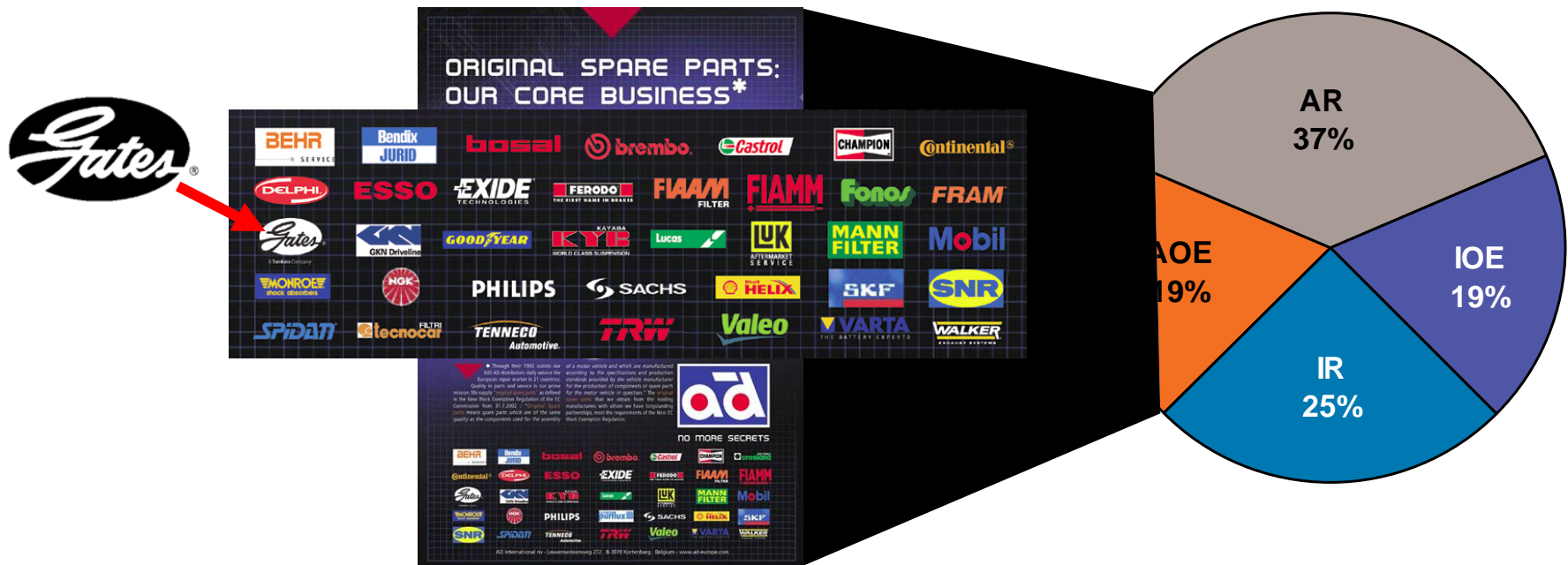


- Germany, France, Italy, UK & Spain 57% of total
- Growing potential in Rest of Europe

# Strong Brand Name

- Growth driven by the Gates brand image:  
An OE supplier with continued commitment to the Aftermarket

Gates Sales By Market



# Delivering Right Product at Right Time



**Our goal is to ensure that the right product is  
at the right time at the right place at an  
optimized cost for our industry**

# Attracting the Best Customers in the Market



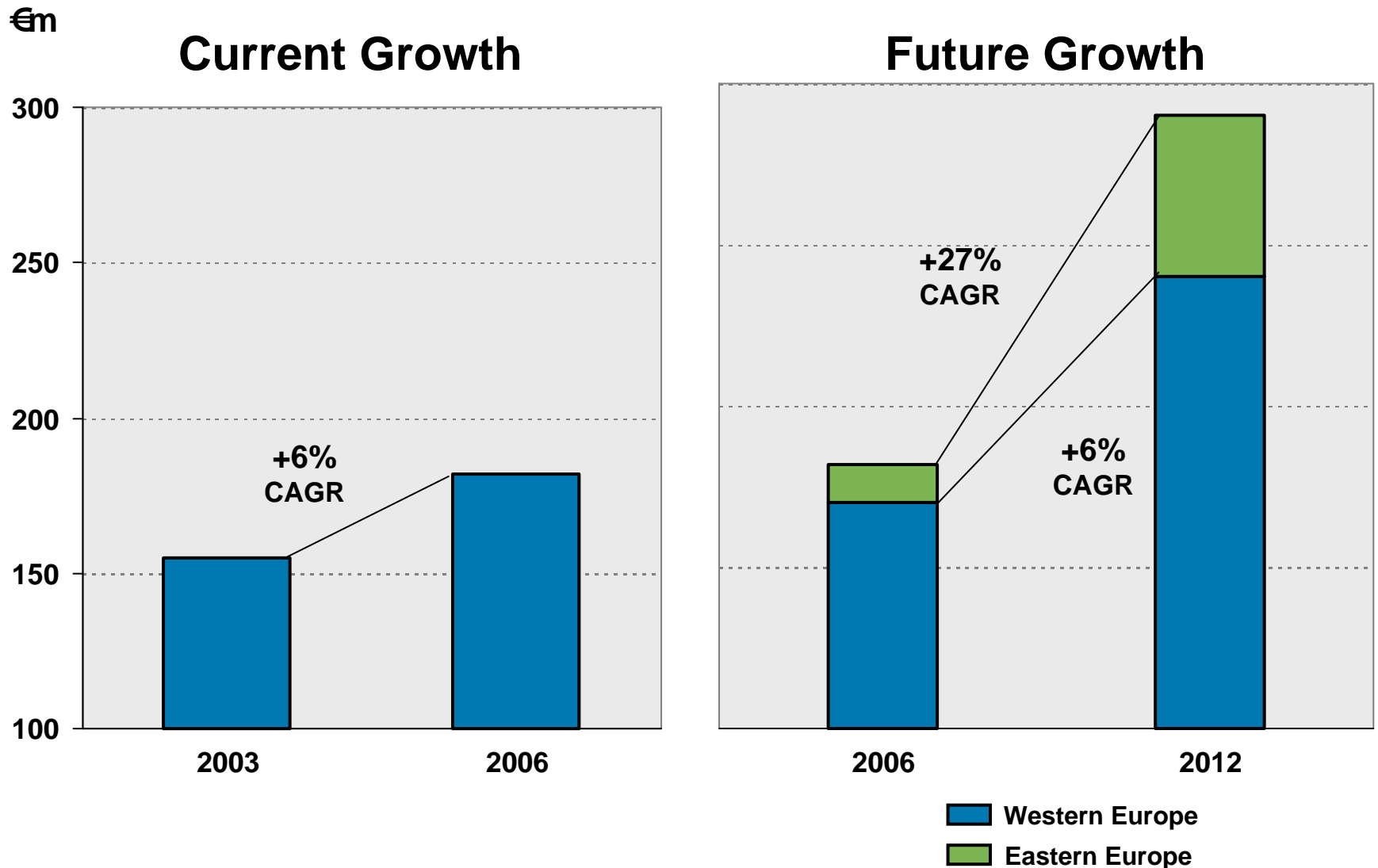


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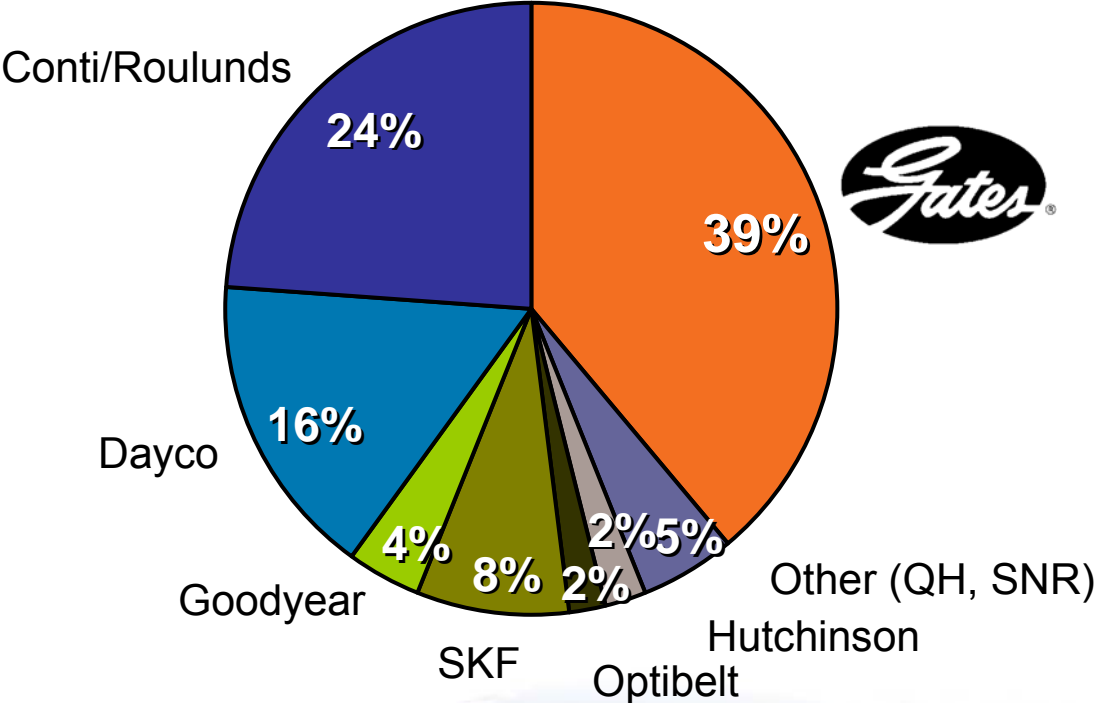


# European Automotive Aftermarket: Gates Sales Growing Ahead of Market



# European Automotive Aftermarket: Strong Brand Leadership

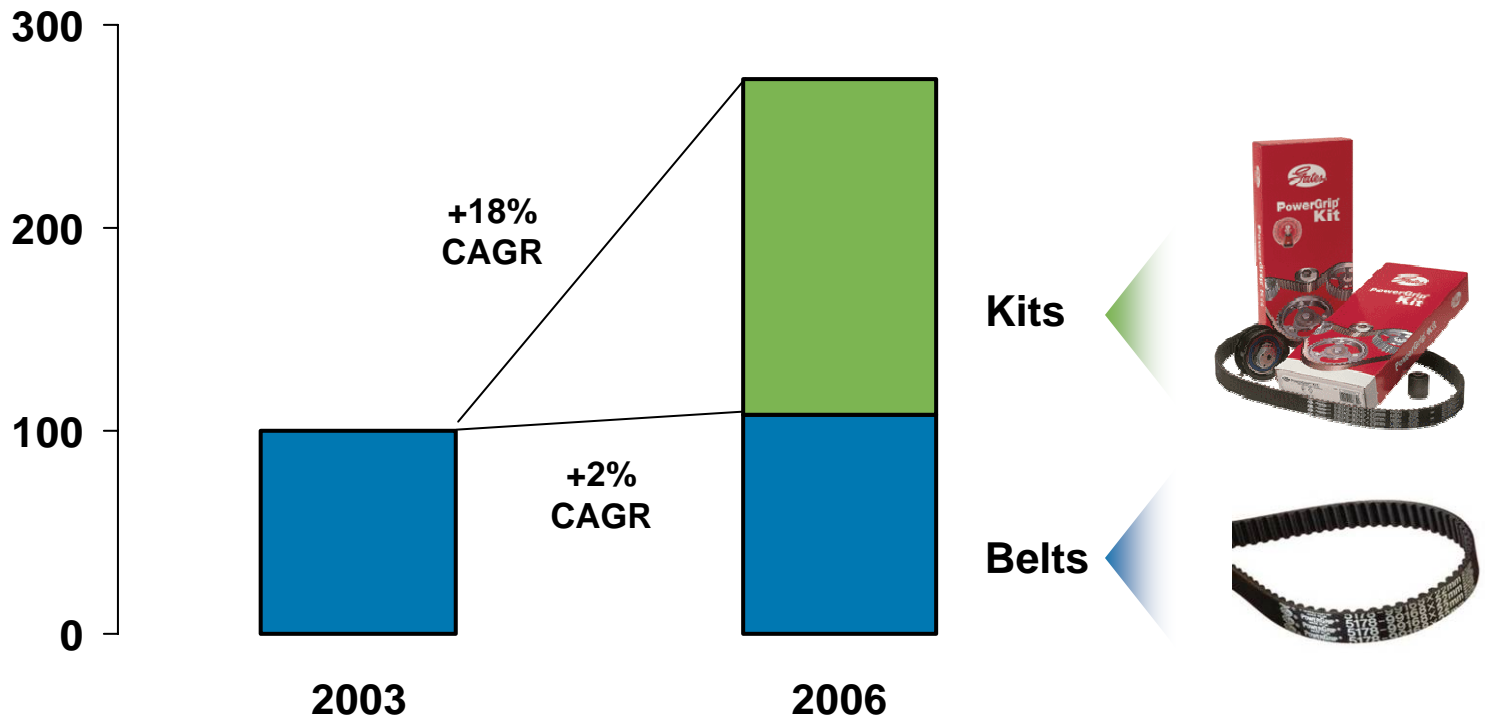
## 2006 European Market Shares for Belts, Hoses and Tensioners



# Excellent Value Proposition

- Double digit growth driven by higher value content solutions providing better quality and safety to the end-users

## Single Belt vs Kit Systems



# Drive for Innovation

- Double digit growth driven by new products = 30% of total sales



**Micro-V XF**



**PowerGrip™ Timing Belt Tensioner**



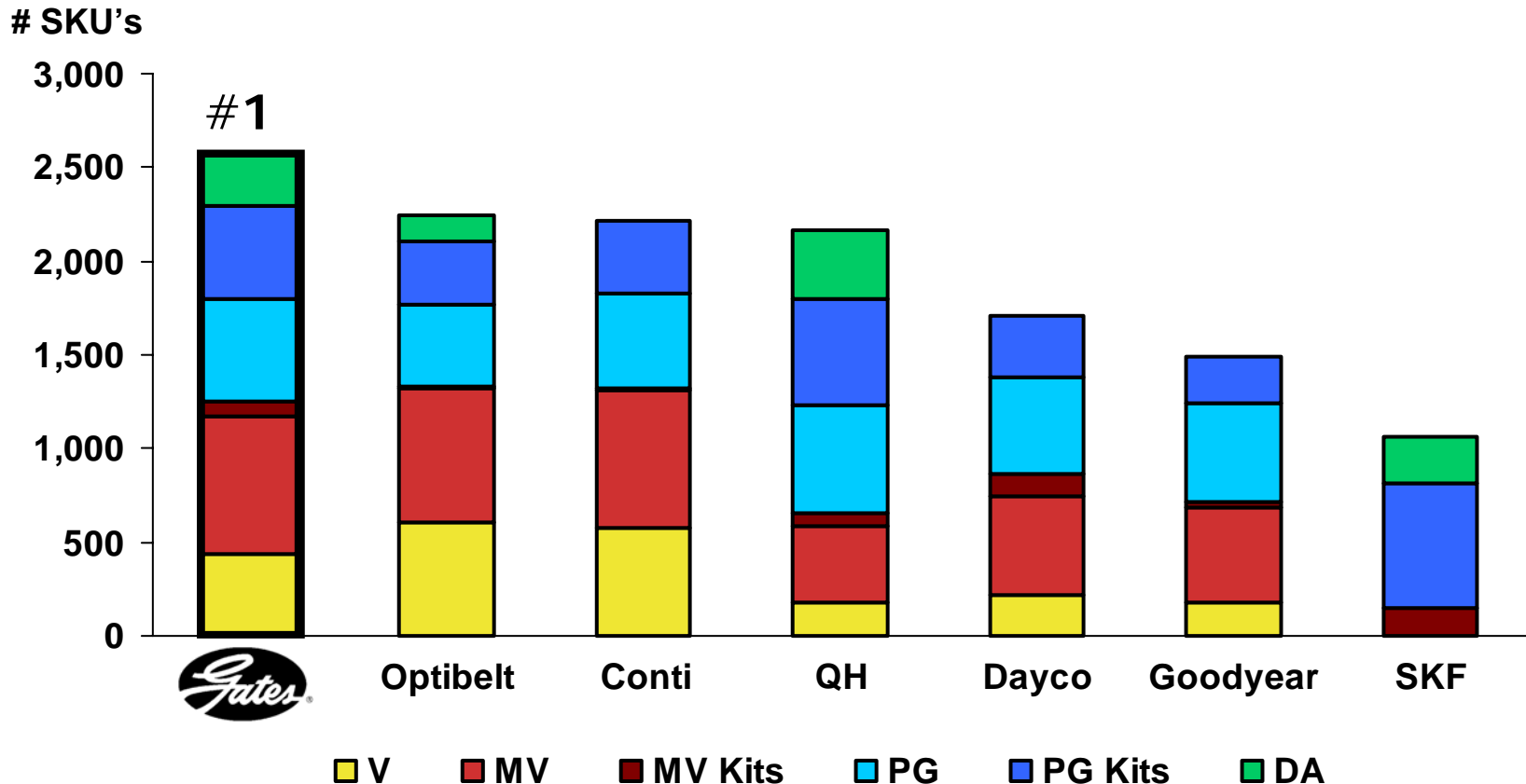
**Waterpump Kits**



**Heavy Duty**

# Leading Market Position

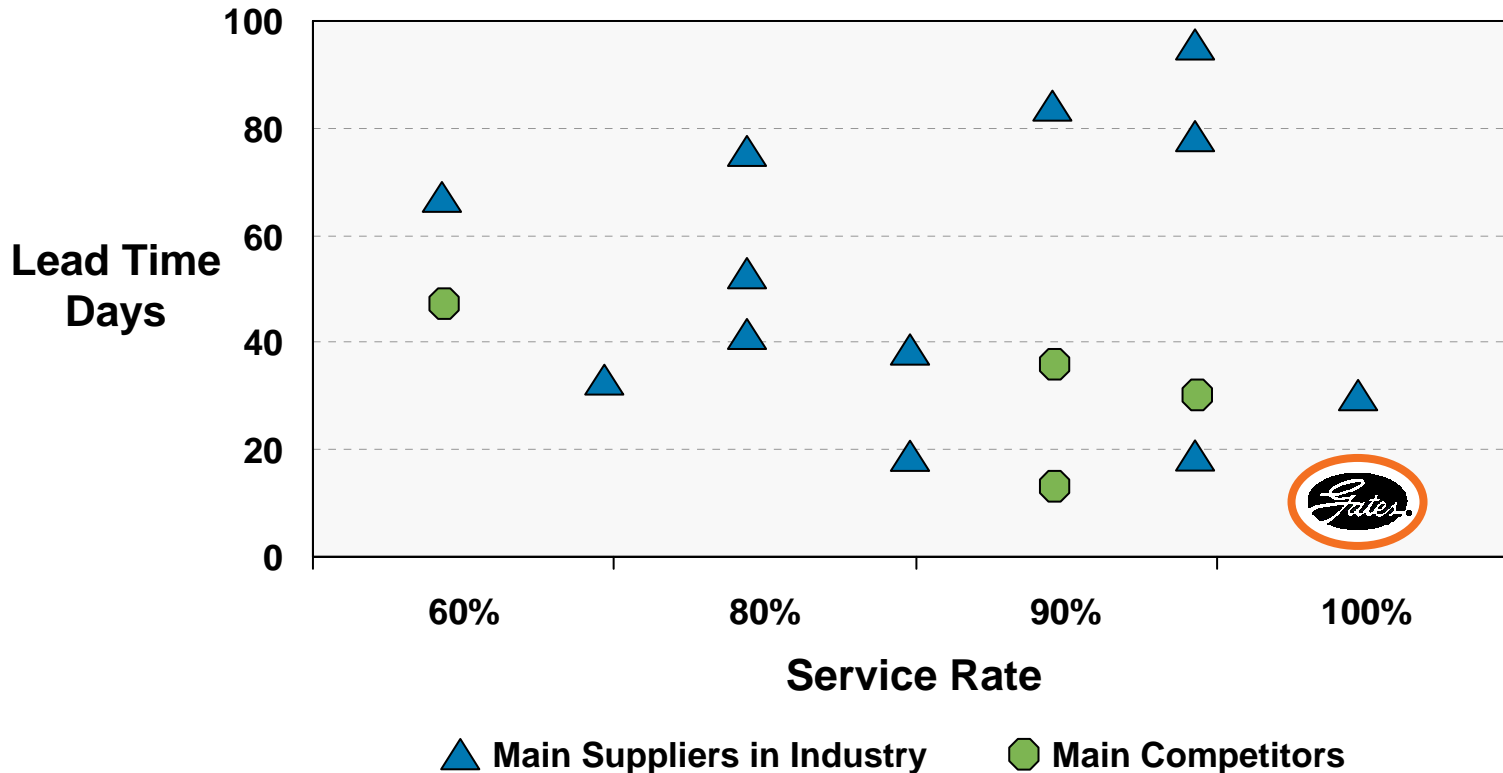
- Double digit growth driven by best coverage
  - One Stop Shop – full range strategy
  - Reinforced by Gates presence in Asia



# Superior Supply Chain Management

- Double digit growth driven by superior logistics and availability support the optimization of inventory in whole supply chain

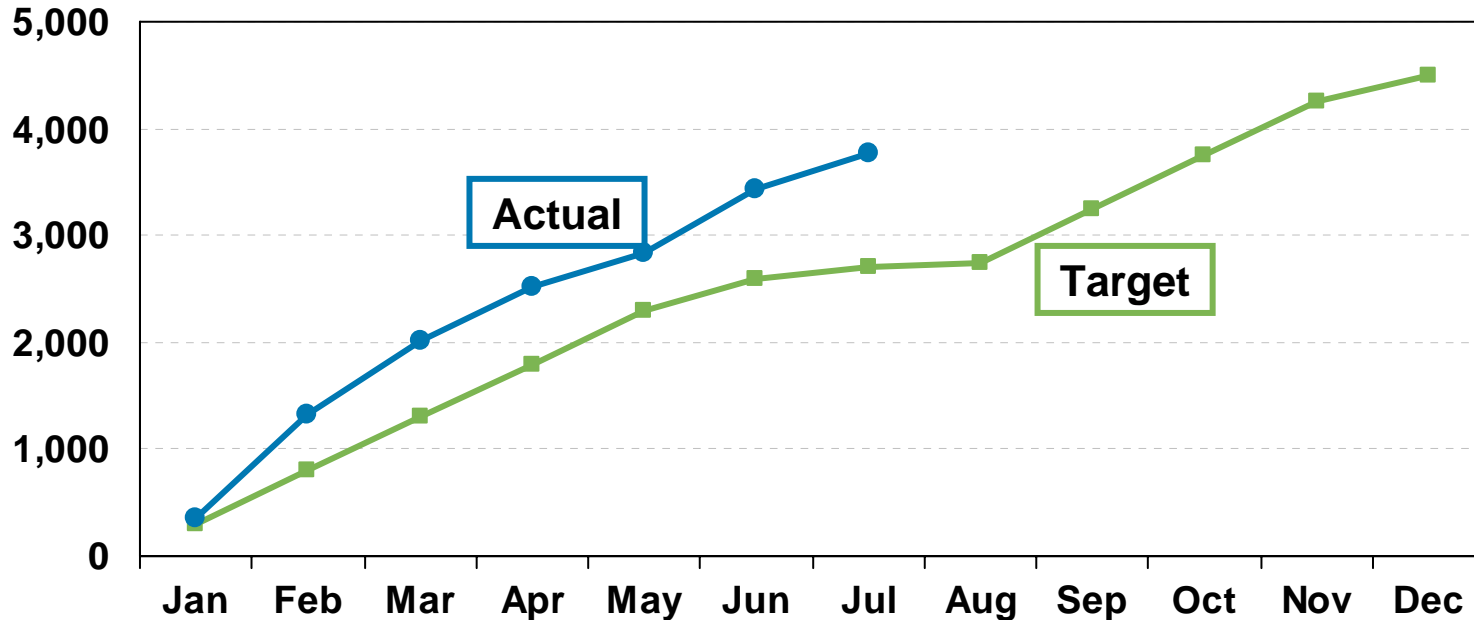
## Supplier Performance



# Quality People and Support Network

- Double digit growth driven by service given to the mechanics

## 2007 Technical Training Tracker Cumulative Attendance





# Recognized by Our Customers



**Temot International Best Preferred Global Supplier Award 2006**



**Group Auto Union International Gold Supplier Award 2006**



**Group Auto Union Russia Award 2nd Place**



**Valmi Certificate**

**Derendinger Award**



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# Positioned in an Attractive Market

## Global Automotive End Market Trends

More cars on the road

+

Car park is aging

+

More kms driven

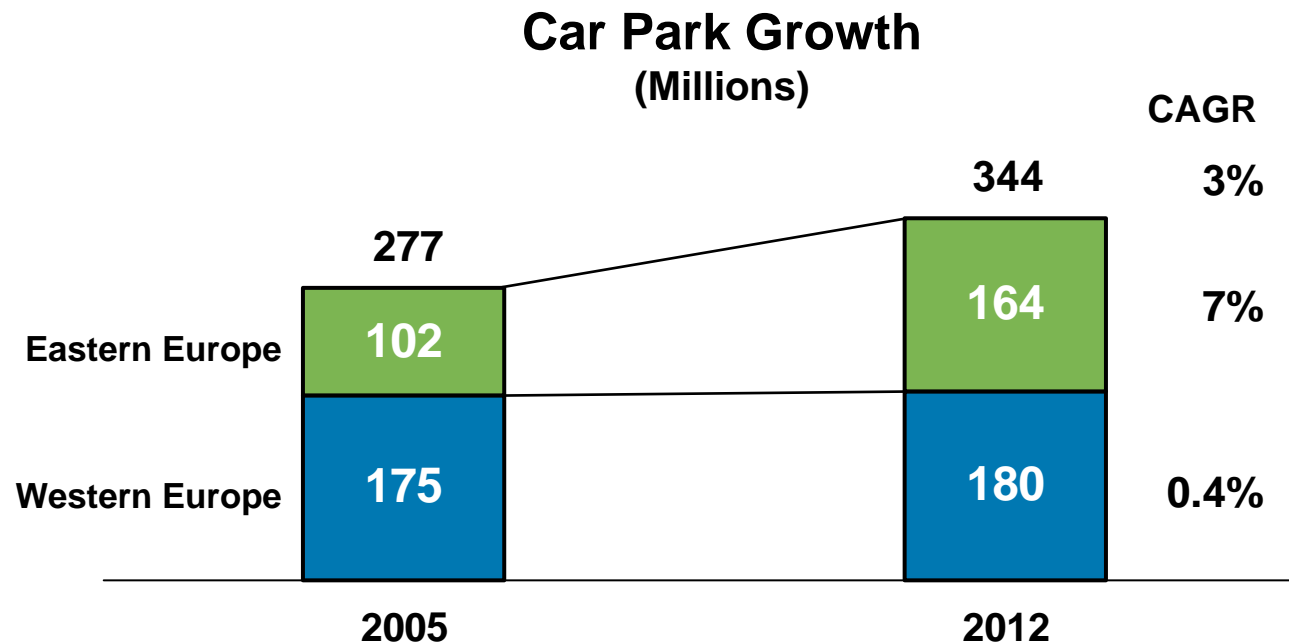
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**More repairs!**



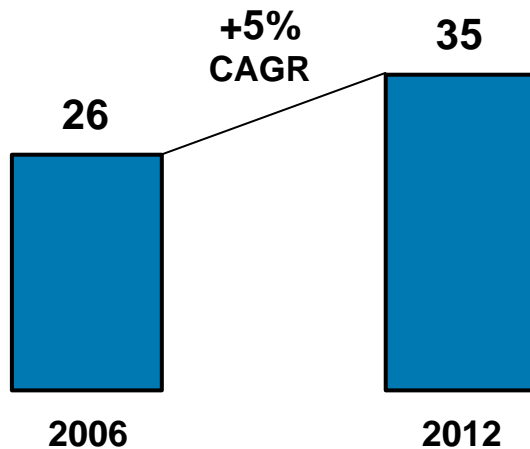
# European Automotive Aftermarket: A Growing Marketplace

- Market worth > €150bn
- Future growth regions:
  - Eastern Europe, Russia, Turkey & South Africa

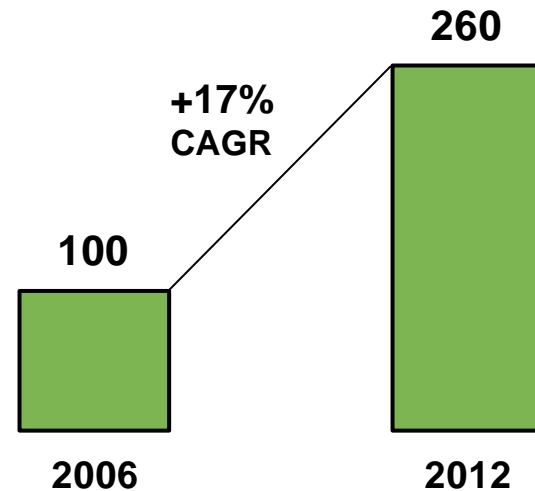


# Expansion in Russia and CIS

**Car Park Evolution**  
(Millions vehicles)



**Sales Plan (Indexed)**

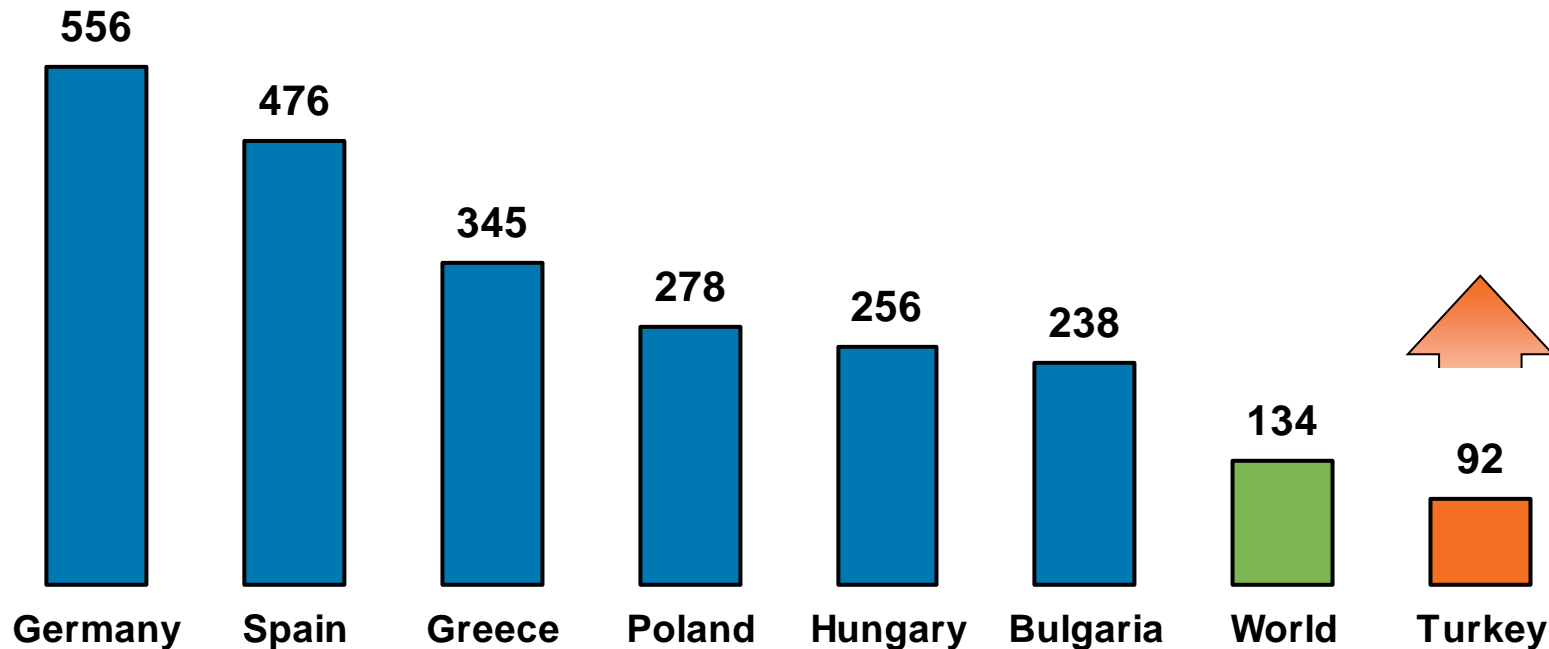


- Gates opened office in Moscow in 2007 – first to market
- Distribution & Service Center by 2009
- Strong and sustainable growth
- Enrichment of the park
- More recent vehicles



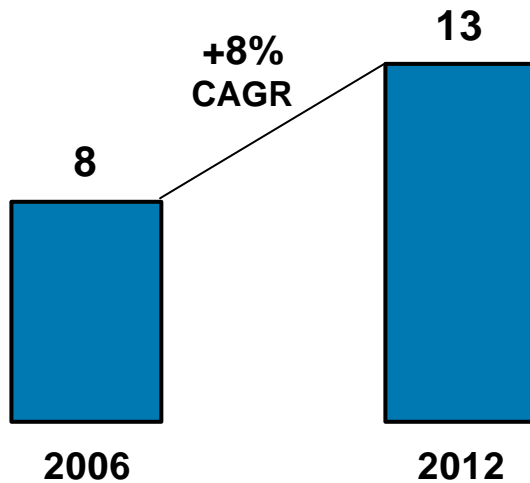
# Expansion in Turkey

- Car Park estimated to double in the next 10 years to close the gap with European average

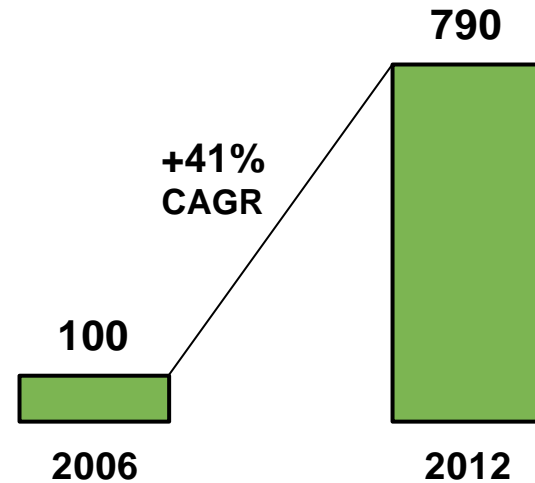


# Expansion in Turkey

**Car Park Evolution**  
(Millions vehicles)



**Sales Plan (Indexed)**



- Expand sales presence in 2007 and 2008
- Distribution & Service Center planned by 2009



# Expansion in South Africa

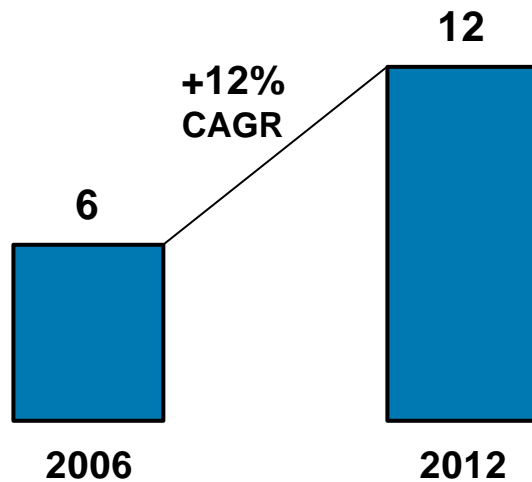
- Size of 1.2 million sq km = Germany, France, Italy and Benelux
- 58% of S-SA vehicles in use
- Only 6 million cars – 10 years+ old
- Car registration grew by 25% and truck registration by 50% in past few years



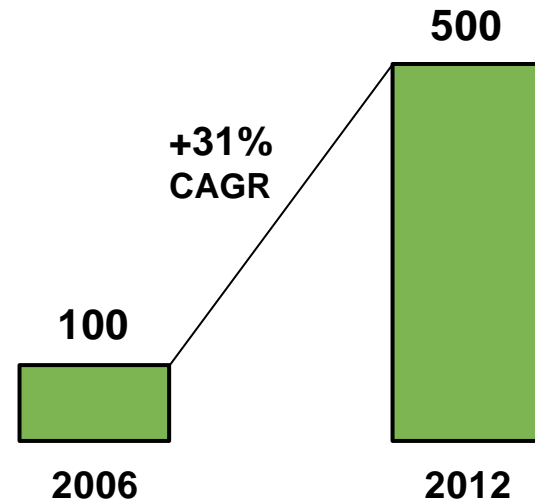


# Expansion in South Africa

**Car Park Evolution**  
(Millions vehicles)



**Sales Plan (Indexed)**



- Sales Office planned early 2008, with Distribution & Service Center to follow



# Gates Unitta Asian Footprint Expansion



**2006 Gates Unitta Thailand  
Distribution Center Rayong, Thailand**



**2007 Gates Unitta India  
New Operation in Tamil Nadu**



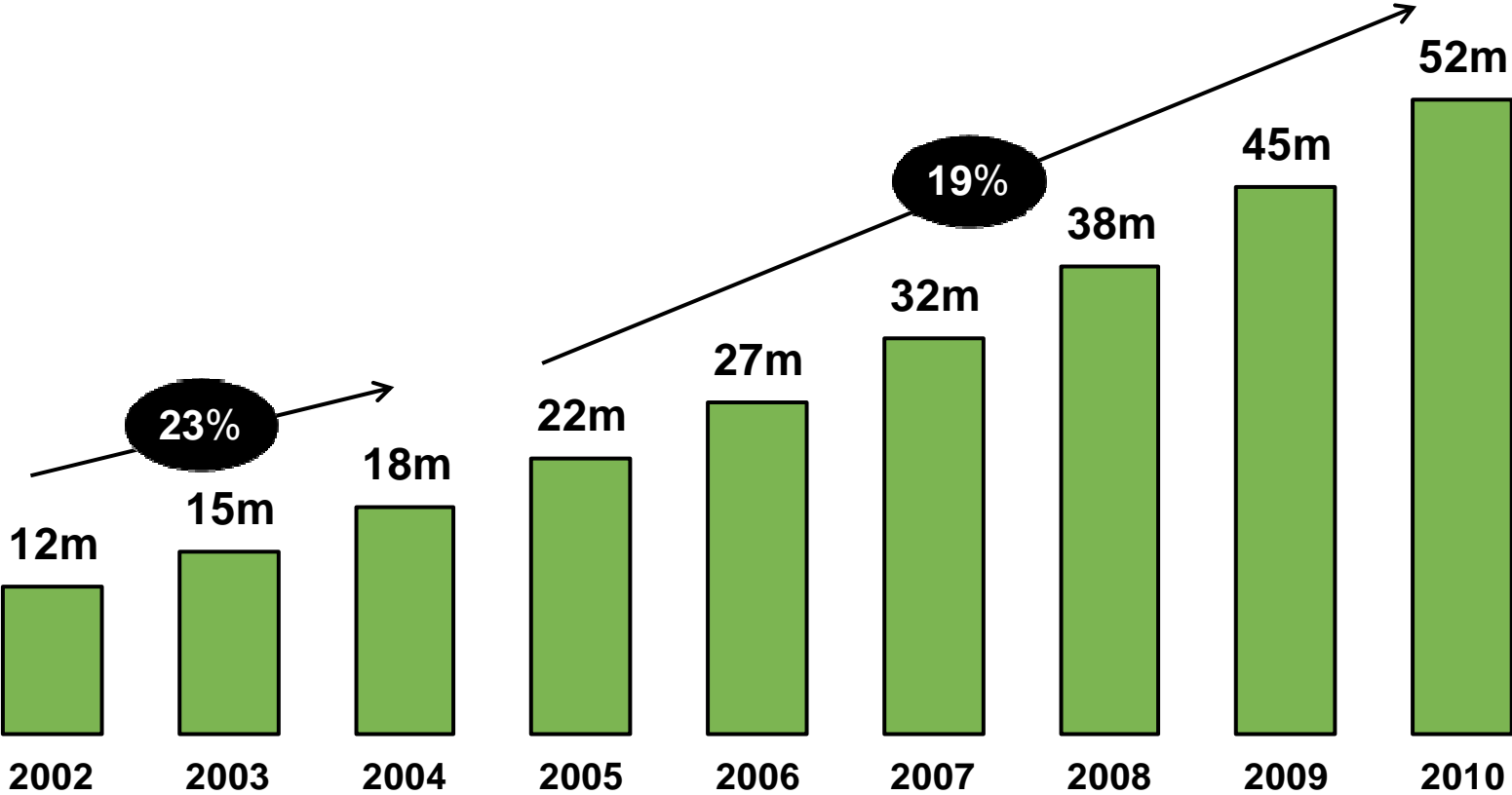
**2006 Gates WINHERE Water Pump**



# Growing Chinese Auto Fleet

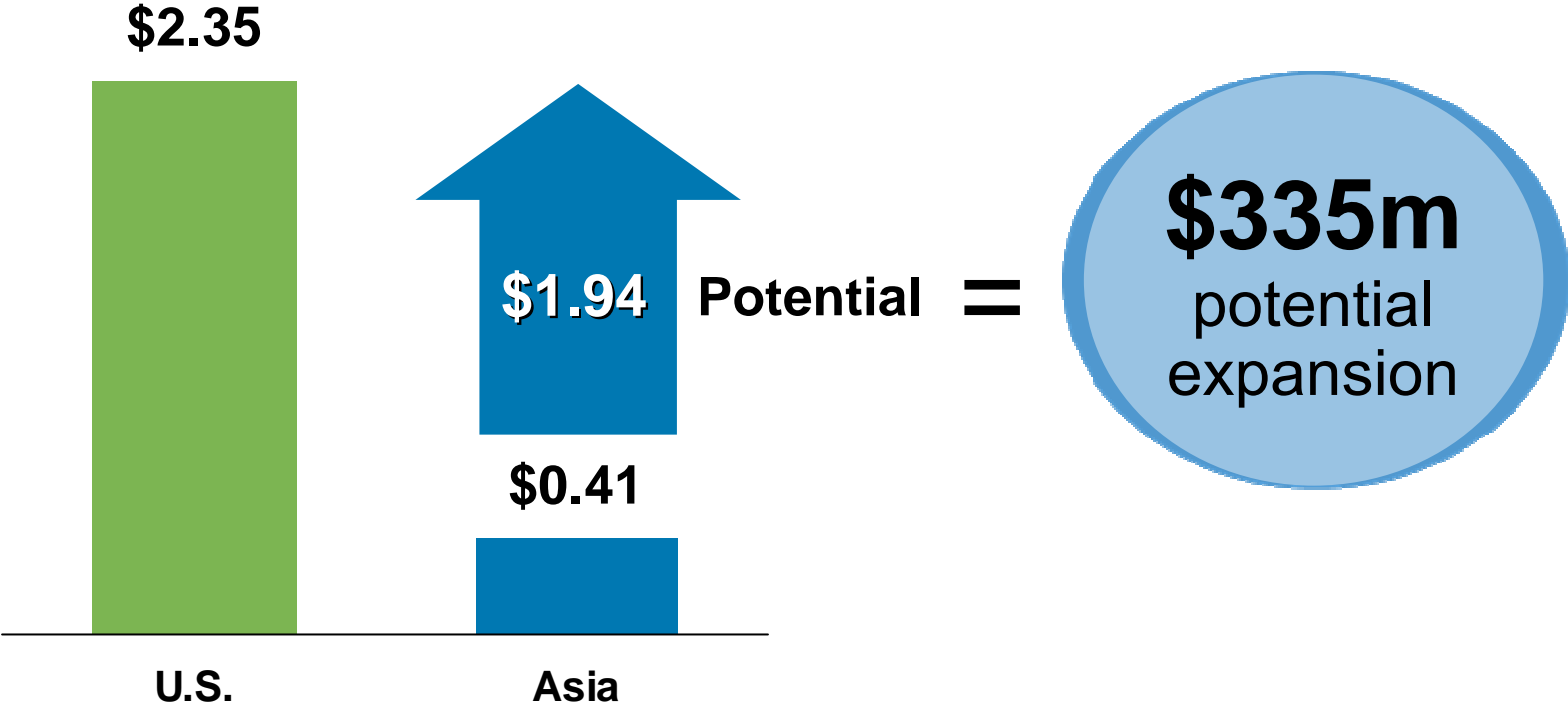
## Forecast of China's Light Vehicle Fleet

CAGR = 20%



# Automotive Aftermarket: Huge Potential in Asia

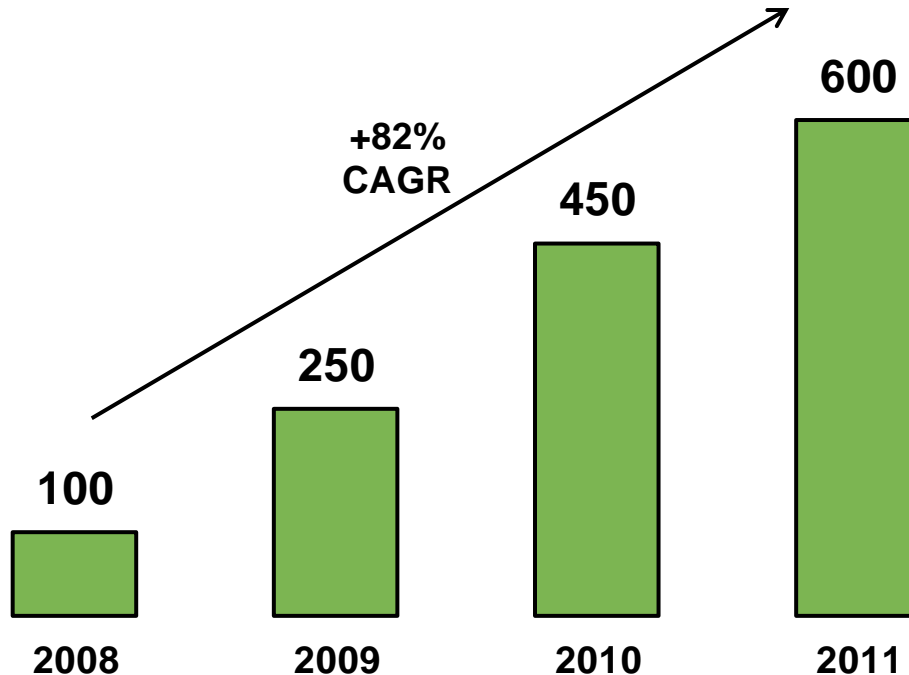
## Aftermarket Spending per Vehicle



# Expansion in New Market

- WINHERE Water Pump
- Growth plan to €2m in Europe

Expansion Water Pump  
Sales in Europe (Units)



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## Summary:

# Strong Business with Bright Future

- Strong market position
- Fast growing European market
- Consistent profitable growth through:
  - New products
  - Customer focus
- Future growth opportunities supported by:
  - Expansion in the East
  - New markets
  - New segments





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