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### **NEWS RELEASE**

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### **AUTOMOTIVE COCKPIT MODULES**

The cockpit module remains an assembly of various components. There is very little part integration and a major shift toward part integration in the short term future is not foreseen. Today, instead of a drive towards integration there is a drive toward standardization in order to cut costs.

Exhibit 1 illustrates the total combined size of the cockpit and instrument panel markets in Europe, Japan, and North America, estimated at \$16.7 billion. This estimate is based on 37 million vehicle production and more importantly, assumes 100 percent outsourcing. The size of this market has the potential to explode as large size contracts are being awarded that include the entire interior.

Exhibit 2 subjectively rates the dynamics of this market. Cost reduction is the key item in all the regions. However, the intensity of this factor seems to be more prominent in the USA where major sacrifices in look, feel and styling of the cockpit modules have been made to achieve lower cost.

Each OEM has developed, or is in the process of developing, a definition for a cockpit module as well as a sourcing strategy. This does not always translate to an outsourcing strategy.

As in the past, the drivers toward modules are stronger as the OEMs are demanding lower cost products at higher quality and a reduced time to market. The barriers have

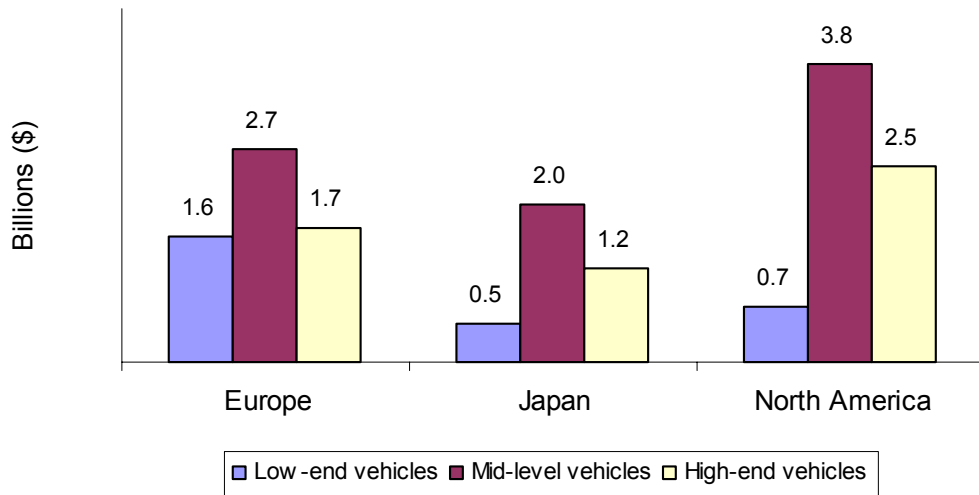
remained the same or have been exasperated. Exhibit 3 illustrates our points in more detail.

In 1996, The ITB Group, Ltd. (Novi, Michigan) published its first comprehensive report on instrument panels. In 2000, we followed this successful report with another comprehensive industry and technology analysis of cockpit modules. The ITB Group has now completed an update service involving a global analysis of the cockpit module industry. This 295 page report considers industry structure changes and strategies, overall trends shaping the market, an analysis of subcomponents of a cockpit module with respect to technologies, economics, material's market as well as Tier One supplier shares. This report concludes with a profile of the companies involved in the manufacture of cockpit module components as well as the Tier One suppliers who manufacture more than a single component and are responsible for delivery of a module to an OEM.

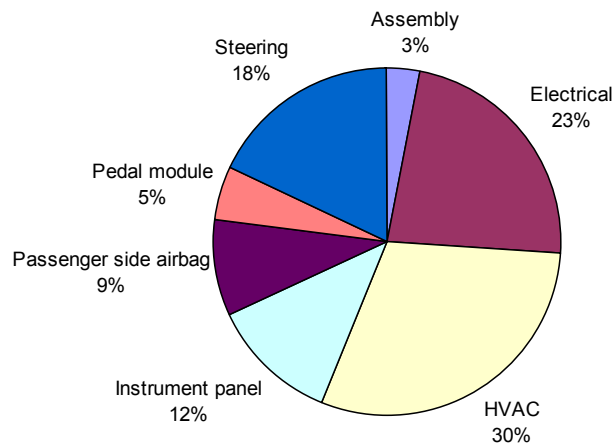
Exhibit 1

### Estimated Cockpit Module Market<sup>1</sup>

#### By Class and Region



#### By Module Component



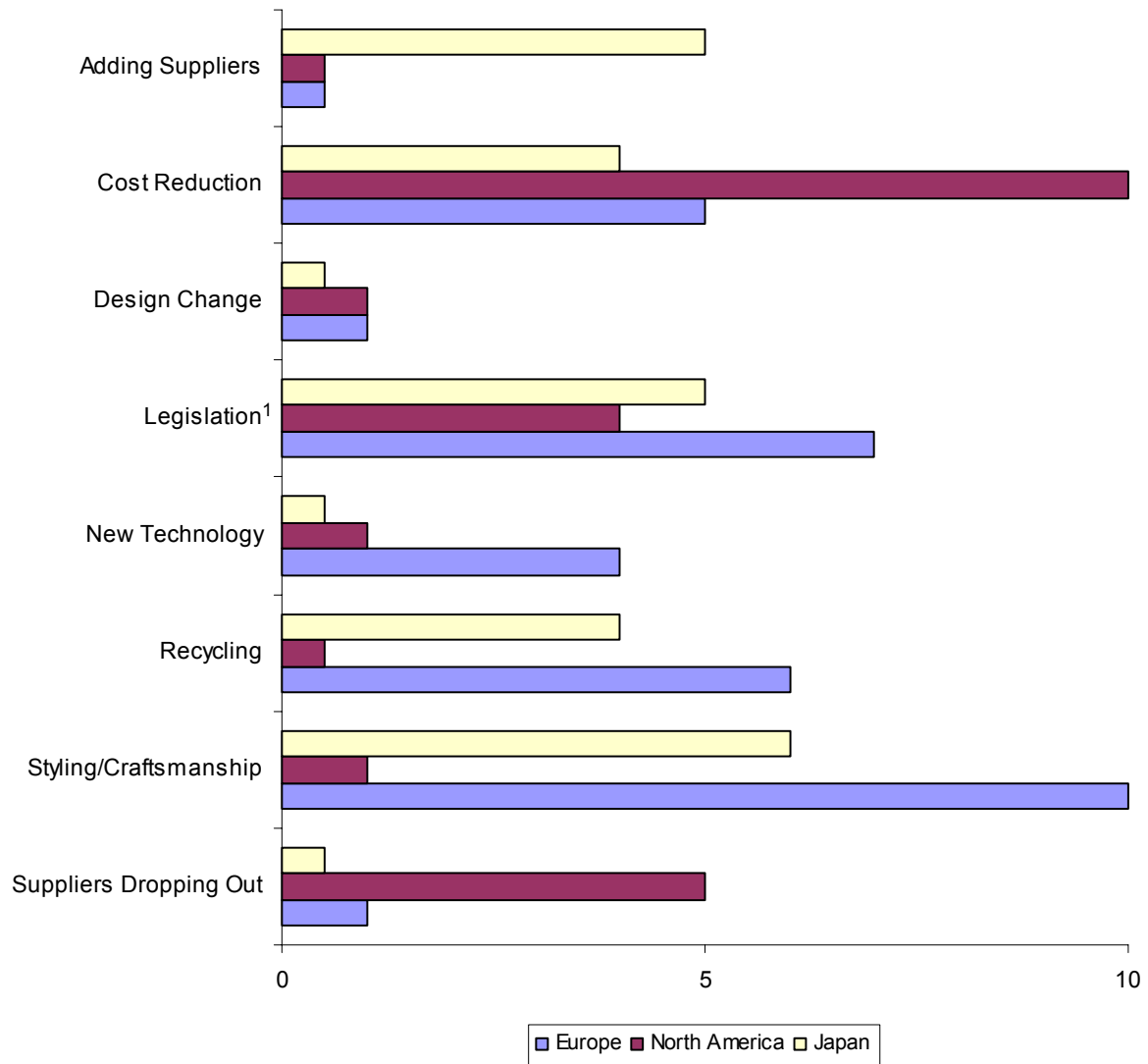
Estimated Total Market is \$16.7 Billion

<sup>1</sup> Includes instrument panels

Source: The ITB Group, Ltd.

Exhibit 2

### Dynamics of the Automotive Cockpit Module Market



<sup>1</sup> Weight, safety, crash, and emission requirements

Source: The ITB Group, Ltd.

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### Exhibit 3

## Driving Forces and Barriers to Outsourcing and Modularization

	<u>Today (2003)</u>	<u>3 Years Ago</u>	<u>7 Years Ago</u>
<b>General Drivers:</b>			
● Cost reduction	✓✓✓	✓✓	✓
● Part Standardization	✓✓✓	✓✓	--
● Product simplification	✓✓✓	✓	✓
● Quality improvements	✓✓✓	✓✓	✓
● Leveraging supplier's strengths	✓✓✓	✓✓	✓
● OEMs' need to improve their cost competitiveness	✓✓✓	✓✓	✓
● Reduced time to market	✓✓	✓✓	✓
● Greenfield facility	✓✓	✓	--
● Off-load purchasing responsibility at Tier Two and Tier Three level	✓	--	--
<b>OEM Barriers:</b>			
● Diffusion of expertise	✓✓✓	✓✓ <sup>(1)</sup>	✓
● Keeping labor utilization high	✓✓	✓	✓
● Union resistance	✓✓	✓	✓
● Globalization of Tier Two's	✓	--	--
● OEMs internal structure	✓	--	--
● Lack of suppliers global presence	✓	--	--
<b>Supplier Barriers:</b>			
● Lack of experience	✓	✓✓	✓
● Poor cost position or understanding of the cost elements	✓	✓✓	✓
● Lack of innovation	✓✓✓	✓✓	✓
● Lack of experience managing Tier Two's on a global basis	✓✓	--	--

- ✓✓✓ = strong  
 ✓✓ = moderate  
 ✓ = low

<sup>(1)</sup> For niche vehicle manufacturers

Source: The ITB Group, Ltd.