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NEWS RELEASE

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AUTOMOTIVE ROOF SYSTEMS AND MODULES

Roof modules are still at an embryonic stage, yet they have a significant potential to contribute to the OEMs' flexible manufacturing strategies. A roof module is defined as sheet metal (A surface) into the headliner, as shown in Exhibit One. The driving forces and barriers to modularization have changed significantly over the years, as shown in Exhibit Two.

This market is developing rapidly and suppliers are positioning themselves at the same time as the OEMs are trying to define a roof strategy. Exhibit Three outlines the major roof module drivers in this market. The pending legislation changes for rollover requirements can have a significant impact on the design of the roof and the A-pillars.

As roof module technologies are developed, OEMs are making fundamental changes to the body-in-white to accept multiple roof constructions. Suppliers are becoming more attuned to market needs and in some cases, creating the need and identifying the barriers to entry and overcoming them.

OEMs in North America, Europe and Japan are actively pursuing different roof constructions. Some overall advantages of this module are:

- One standard body-in-white
- Larger selection of roof designs with styling flexibility
- Weight reduction of 25-40 percent

- Shorter development times
- Integration potential, additional functions, interior components
- Improved accessibility at OEM assembly plants
- Simplified OEM assembly process
- Improved side-impact crash performance

Styling is a key driver for the proliferation of various roof structures. The advent of the sliding roof and later the glass sunroof was to transmit more air and light into the vehicle. The same desire continues to drive the roof module market today. The general direction of roof styling is toward bigger openings, brighter interiors and more functionality, i.e. a trend toward open-top driving with year round comfort of a coupe; two cars in one.

The ITB Group, Ltd. (Novi, Michigan) has been studying various aspects of modules for many years and has published their first comprehensive report on roof modules in the first quarter of 2005. This 252 page report quantifies the roof module market (2003-2008), identifies materials and process technologies targeted for roof modules. We define the module and analyze the factors that impact the roof module business as well as identify the major drivers for a roof module strategy at OEM level. We focus on the current and potential suppliers and the required core competencies to be successful in the roof area. Please contact Mitra O'Malley at momalley1@itbgroup.com for further information on this report.

Exhibit One

Design Approaches to Roof Modules

Sunroof

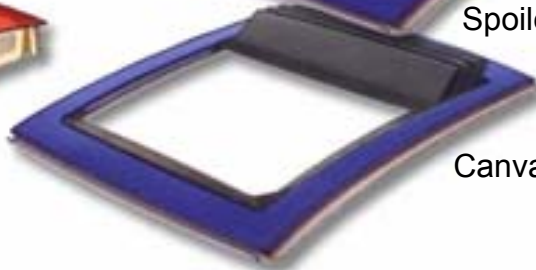


Panorama
Roof

T-Top
Roof



Twin
Spoiler Roof



Canvas Roof

Source: ArvinMeritor

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Exhibit Two

Driving Forces and Barriers to Modularization

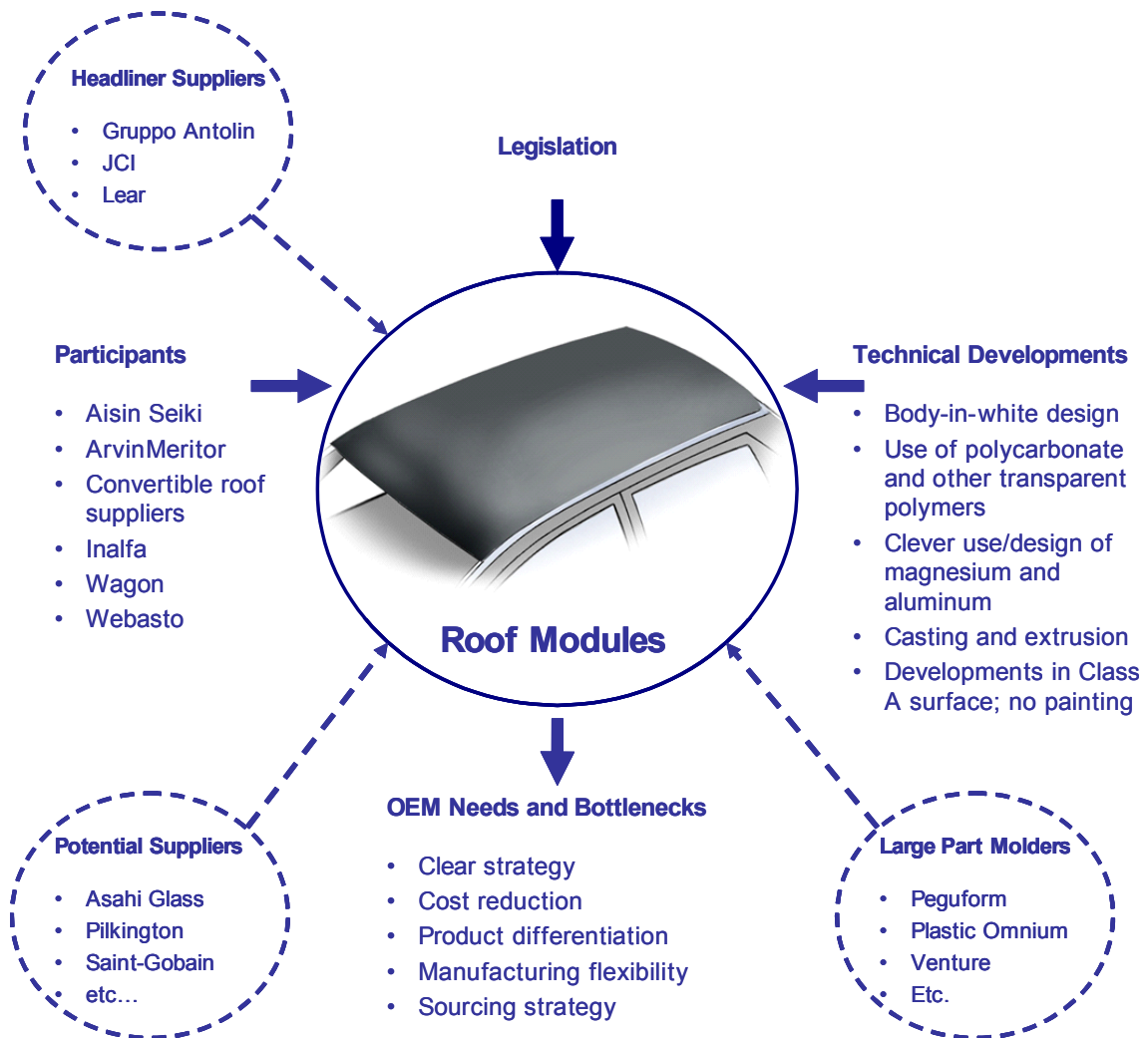
Drivers	2005	4 Years Ago	8 Years Ago
Cost Reduction	✓✓✓	✓✓	✓
Product Standardization	✓✓✓	✓	✓
Quality Improvements	✓✓	✓✓	✓
Leveraging Supplier's Strength	✓✓	✓✓	✓
Vehicle Differentiation	✓✓✓	✓	✓
Manufacturing Flexibility	✓✓	✓	✓
Reduced Time to Market	✓✓✓	✓✓	✓
Barriers (OEMs)	Today	4 Years Ago	8 Years Ago
Direct Sourcing	✓✓✓	✓✓	✓
Not Letting Go of Design Responsibility	✓✓	✓	✓
Union Resistance	✓✓	✓✓	✓
Diffusion of Expertise	✓✓✓	✓✓	✓
Multiple Plants Assembling One Model with Different Floor Plans	✓✓	✓	--
Increased Efficiency via Other Strategies	✓✓✓	--	--
Barriers (Suppliers)	Today	4 Years Ago	8 Years Ago
Value Creation	✓✓✓	--	--
Too Many Suppliers	✓✓	--	--
Lack of Expertise	✓✓	✓	✓
OEM's Internal Organization	✓✓	✓	✓

Source: The ITB Group, Ltd.

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Exhibit Three

Dynamics of the Automotive Roof Module Market



Source: The ITB Group, Ltd.