

Merger Agreement w/ Remy International



July 13, 2015

Disclaimer

Statements contained in this presentation may contain forward-looking statements as contemplated by the 1995 Private Securities Litigation Reform Act that are based on management's current outlook, expectations, estimates and projections. Words such as "anticipates," "believes," "continues," "could," "designed," "effect," "estimates," "evaluates," "expects," "forecasts," "goal," "initiative," "intends," "outlook," "plans," "potential," "project," "pursue," "seek," "should," "target," "when," "would," variations of such words and similar expressions are intended to identify such forward-looking statements. Forward-looking statements are subject to risks and uncertainties, many of which are difficult to predict and generally beyond our control, that could cause actual results to differ materially from those expressed, projected or implied in or by the forward-looking statements. Such risks and uncertainties include: the failure to complete or receive the anticipated benefits from BorgWarner's acquisition of Remy, the possibility that the parties may be unable to successfully integrate Remy's operations with those of BorgWarner, that such integration may be more difficult, time consuming or costly than expected, revenues following the transaction may be lower than expected, customer loss and business disruption (including, without limitation, difficulties in maintaining relationships with employees, customers, or suppliers) may be greater than expected following the transaction; the retention of key employees at Remy may not be achieved, the conditions to the completion of the transaction may not be satisfied, or the regulatory approvals required for the transaction may not be obtained on the terms expected or on the anticipated schedule, the failure to obtain Remy stockholder approval in a timely manner or otherwise, fluctuations in domestic or foreign vehicle production, the continued use by original equipment manufacturers of outside suppliers, fluctuations in demand for vehicles containing our products, changes in general economic conditions, as well as other risks noted reports that we file with the Securities and Exchange Commission, including the Risk Factors identified in our most recently filed Annual Report on Form 10-K. We do not undertake any obligation to update or announce publicly any updates to or revision to any of the forward-looking statements.

Strategic Rationale

- **Affirms BorgWarner's long standing strategy of identifying mega-trends, focused on improving fuel economy, emissions and performance, and building businesses around them**
- **Strengthens BorgWarner's competitive position for both near-term and long-term powertrain trends including:**
 - The continued evolution of the internal combustion engine
 - The continued evolution of drivetrain
 - The entire spectrum of powertrain electrification (stop/start, 48 volt, hybrids and plug-in electric vehicles)
- **The combination of Remy's rotating electrical expertise with BorgWarner's advanced powertrain technology enables new and innovative ways to approach engine and drivetrain efficiency**

Capitalizing on Key Powertrain Trends



Electrification



Stop/Start



48 Volts



Emissions Reduction



Downsizing and boosting



Downspeeding



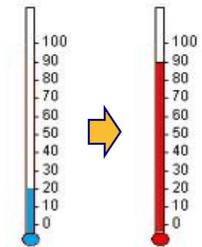
Light-weighting



Cost Reduction



Fuel Diversification



Thermal Management

Strongly Positioned for the Future

		BorgWarner Product Lines								
		<u>One-Way Clutch</u>	Clutch Module	Turbo	<u>Rear Drive Module</u>	<u>All-Wheel Drive</u>	eGear Drive			
		Stand-alone Contributors to BorgWarner's Portfolio			Select Examples of Combination Products					
Remy Product Lines	Starter									
	High Speed Motor									
	Alternator									
	<u>Motor Generator</u>									
	<u>Integrated Starter Generator</u>									
	High Voltage Motor									
Powertrain Trend	Traditional ICE	Stop / Start	Hybrids / EV s	Stop / Start	Drivetrain Evolution / Hybrids	ICE Evolution / 48V	Drivetrain Evolution / 48V	Drivetrain Evolution / 48V	EV s	

Transaction Summary

Transaction

- BW to acquire Remy for \$29.50 per share in cash
 - Enterprise value of ~\$1.2 billion, including Remy net debt
 - ~8x LTM adjusted EBITDA including cost synergies
- Unanimous support from Remy Board of Directors

Financial Impact

- At least \$15 million of run-rate cost synergies within 2 years of closing
 - Purchasing efficiencies, redundant public company expenses and other
- Significant revenue synergies potential
- Immediately accretive to earnings

Financing

- Financing to consist of existing cash resources and borrowings under BW credit facilities
- Limited impact on financial flexibility
- Expect to maintain Baa1 / BBB+ investment grade credit rating

Process and Timing

- Transaction expected to close in Q4 2015
- Subject to certain customary terms and conditions, including the approval of Remy's stockholders and antitrust and other regulatory clearances in the United States and abroad