

May 6, 2002

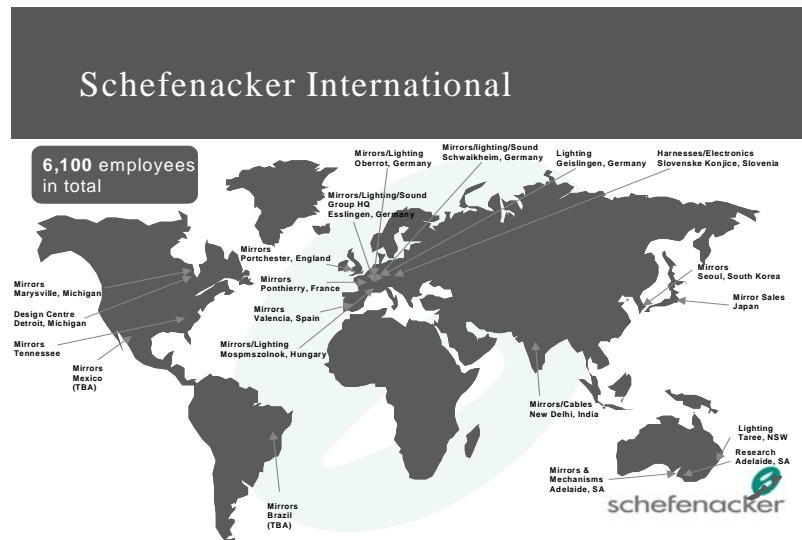
Automotive Industry Inquiry
Productivity Commission
PO Box 80
Belconnen ACT 2616

Dear Sir/Madam

Company Profile

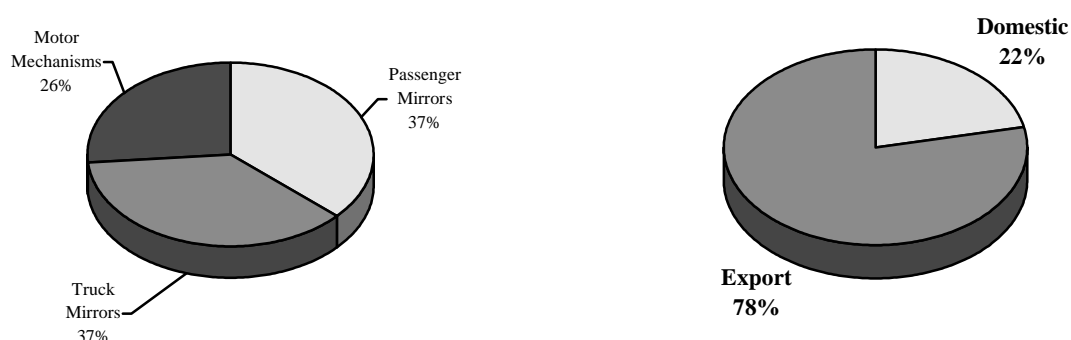
Schfenacker Vision Systems Australia Pty Ltd is a wholly owned subsidiary of Schfenacker International AG a private German company.

Schfenacker International's main business is in automotive components and the major commodities it supplies are rear lighting, interior and exterior mirrors and Bose sound systems. The company employs a total of 6,100 employees worldwide with plants in every major automotive region in the world and an annual turnover of A\$2 billion.



Schfenacker Vision Systems Australia Pty Ltd employs 730 people at its Lonsdale site in South Australia. Our major products are interior and exterior mirrors and mirror actuators supplied to the four Australian automotive manufacturers and with mirror exports to Ford in the USA, Mazda, Suzuki and Isuzu in Japan and mirror actuator sales to our sister companies in France, Spain, UK and the USA. Current turnover is around \$140 million and exports represent over 80% of our business turnover and have been the key to the success of the Australian business.

Our business is 100% dedicated to automotive products and as such our success is linked directly to the automotive industry of which the Australian automotive industry plays an important part.

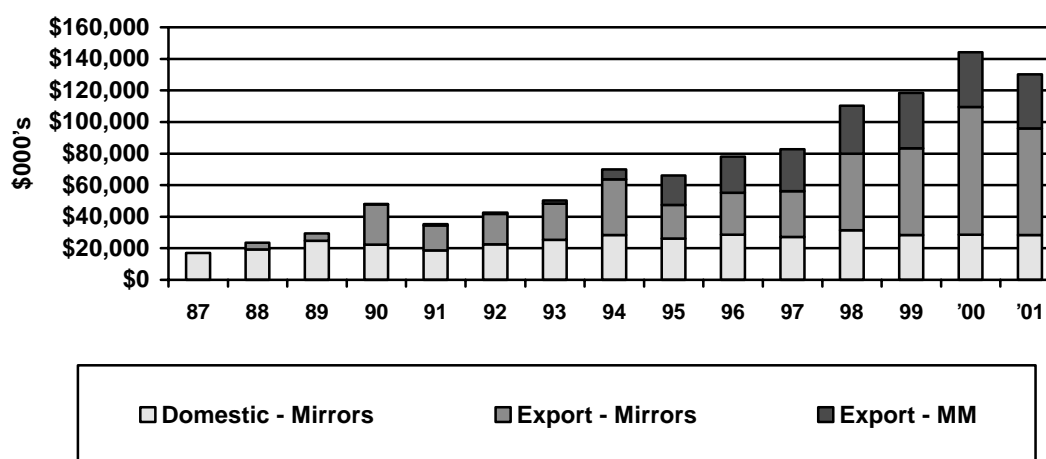


The Australian business began in 1944 as a privately owned company known as Rainsfords Metal Products Pty Ltd. The company had a long history of manufacturing and distributing a large range of industrial and automotive products including such items as lighting products, roof racks, wheel barrows, swimming pool liners, mirrors, sunroofs, seatbelts etc.

In the mid 1980's the Rainsfords business was purchased by Britax International plc a publicly listed UK company. At this point in time a new business strategy was developed which focussed on one major product line being automotive mirrors and a strategy to export our product globally. All our other products were gradually phased out of the business as part of this strategy.

In fact this strategy opened up so many opportunities for growth in the USA that we established a US based mirror manufacturing facility in Marysville, Michigan in 1990, while continuing to retain exports out of our Australian company.

In the late 1980's we were purchasing our mirror actuators (motor actuators adjust the mirror glass in electric mirrors) from Holland in Europe and were paying premium prices. As a strategy we decided therefore to manufacture our own actuator units and bring the profit inhouse. This strategy was successful and as a result opened up opportunities for the sale of actuators to our sister companies globally. The following graph shows the growth in our business as a result of this strategy.



This year our company received Ford's 2001 World Excellence Gold Award for quality, cost and delivery, one of only nine companies in the world to receive this gold award, a true recognition of our success and our export strategy.

One of the critical success factors is obtaining our export growth was the support given by the Australian Government by way of the Export Facilitation Scheme. The export credits earned by this scheme helped cover the logistics and freight and duty cost penalties associated with our export business.

Another very important success factor was the existence of our Australian domestic car industry, without having a core business in the Australian automotive industry we would not have had the foundation or springboard into exports. Our relationships with the local industry opened doors overseas, Chrysler contacts were made through Mitsubishi Australia and Ford NAAO contacts through Ford Australia.

There is no doubt going forward our continued export success relies heavily on the continuation of the Australian automotive industry which supports the infrastructure of manufacturers and suppliers which in turn support our business. One example is the toolmaking industry, which relies very heavily on automotive tooling that in turn supports our need for local tooling development.

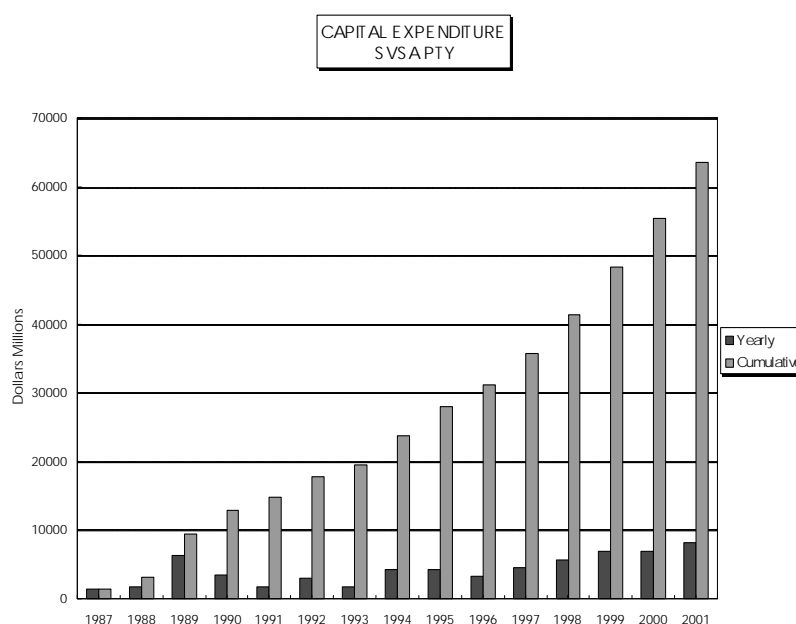
Currently, we employ over 700 people at our Lonsdale plant and we conservatively estimate that we indirectly employ at least this number again through our purchased components and service industries.

Overall our company has more than returned any industry support provided by the Government through employment and taxes over the last 15 years and this all built on the foundation of the Australian automotive industry.

In September 2000 Reitter and Schefenacker purchased the automotive components division of Britax International plc to form the new global Schefenacker International AG.

This brought to the new company a number of research facilities in Germany and the USA from the old Reitter and Schefenacker Group. Investment decisions in the future for research and development will be based on the most innovative and cost competitive regions.

Since 1987 we have invested over \$85m in research and development in Australia and in 1996 opened our own research centre at Bedford Park in Adelaide.



In addition since 1987 we have invested over \$60m in new plant and equipment to support our business growth.

The current ACIS Scheme has been a real bonus to our Australian Company and has helped secure future research and development, employment and investment in our country.

Securing future investment in Australia beyond 2005 will rely heavily upon the continuation of an ACIS Mark II with continued investment incentive being paid to automotive suppliers. Research and development is critical to our company in order to stay ahead of our overseas competitors.

Schefenacker Vision Systems Australia Pty Ltd fully support the FAPM's submissions and recommendations to the Productivity Commission in regard to Post 2005 assistance arrangements for the automotive industry.

Yours faithfully,

Brian Freeborn
Managing Director