POSITIONING FOR THE FUTURE IN THE SHIFTING MARKET FOR TRUCK AND TRAILER SERVICE

2003 UPDATE STUDY

BACKGROUND

In 1997, MacKay & Company, working with 21 manufacturers of vehicles, components and parts, conducted a large scale several month study of the service practices and opportunities in the medium duty truck, heavy duty truck and trailer markets. At the conclusion of this study, a 372-page report was published and presented to program participants.

The major elements in the 1997 study were:

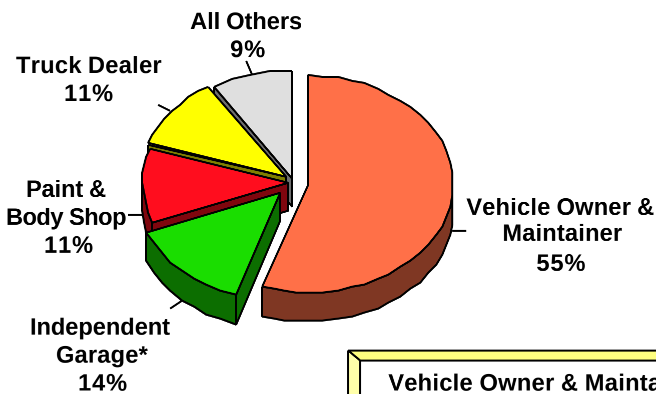
- Vehicle population composition, current and forecast
- Service activity by vehicle weight class and vocation
- Vehicle owner service practices profile
- Individual product service details (13 specific product groups, 46 specific individual products plus paint and body)
- Profiles of individual service providers (independent garages, truck dealers, trailer dealers, paint and body shops, engine distributors & others)
- Service trends and rationale supporting these trends
- Outlook for 2002 service labor market and opportunities.

A copy of the table of contents from the 1997 benchmark study is included as an appendix to this prospectus.

1997 STUDY RECAP

The study determined that the 1997 medium and heavy duty service labor opportunity was 410.4 million service labor hours. Of this total, 55% was service labor supplied by the vehicle owner or operator, the balance by outside service providers.

410.4 MILLION SERVICE LABOR HOURS



Vehicle Owner & Maintainer	225.3 Mil Hrs
Independent Garage*	58.7 Mil Hrs
Paint & Body Shop	46.8 Mil Hrs
Truck Dealer	43.9 Mil Hrs
Trailer dealer	15.6 Mil Hrs
Engine Distributor	6.2 Mil Hrs
All Others	13.9 Mil Hrs

*** Includes local rebuilder or product specialist**

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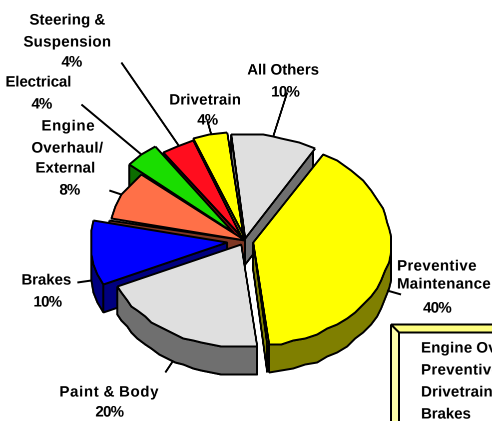
Forty percent (40%) of 1997 service labor hours expended were for preventive maintenance support, 20% on paint and body work; repair, maintenance and overhaul of all other truck and trailer components represented the remaining 40%.

410.4 Million Service Labor Hours



Engine Overhaul/External	34.3 Mil Hrs
Preventive Maintenance	163.5 Mil Hrs
Drivetrain	15.5 Mil Hrs
Brakes	42.6 Mil Hrs
Steering & Suspension	17.7 Mil Hrs
Electrical	17.8 Mil Hrs
Paint & Body	81.2 Mil Hrs
All Others	37.8 Mil Hrs

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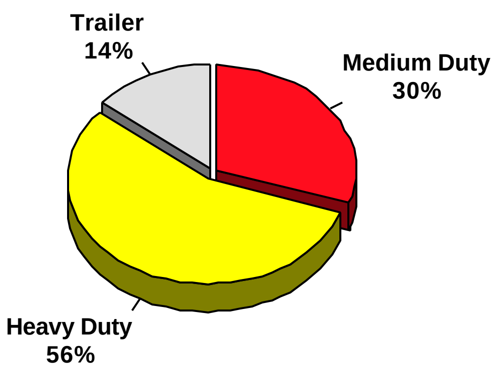
The average Class 8 truck (for example) was estimated to generate demand for 130.6 service labor hours annually, 227.8 million labor hours in total, 56% of total labor demand. Service labor demand generated by medium duty trucks and by trailers represented the remaining 44%.

410.4 MILLION SERVICE LABOR HOURS



Class 6/7	125.0 Mil Hrs
Class 8	227.8 Mil Hrs
Trailer	57.2 Mil Hrs

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In 1997, the study concluded that because of continuing improvements in product longevity and reliability, the average annual service labor hours per Class 8 truck (for example) had declined about 13% since 1992. Even more importantly, the decline projected to 2002 was 19%!

Annual Service Labor Hours
Per Class 8 Truck

	1992	1997	Projected 2002
Engine Overhaul	16.8	10.1	7.7
Engine External	4.6	3.6	3.2
Preventive Maintenance	69.4	62.3	44.4
Clutches/Transmissions/Differentials	3.3	2.6	2.1
All Other Drivetrain	2.9	2.4	2.1
Brakes	16.3	13.5	11.7
Steering	2.4	1.9	1.8
Suspension	5.9	4.5	3.9
Electrical	4.2	4.8	4.6
Paint & Body	19.9	19.6	19.4
Other	4.0	5.3	5.5
Overall	149.7	130.6	106.4

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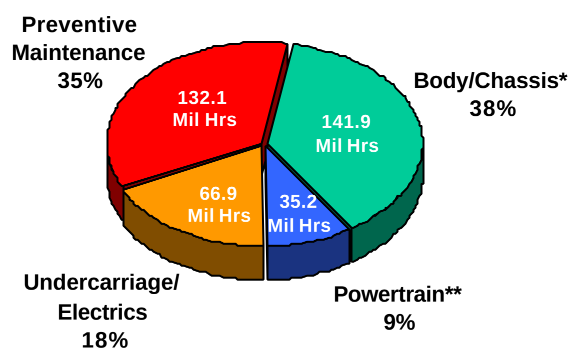
This anticipated decrease in the total service labor market reflected progressive improvements in vehicle and component longevity and reliability that would more than negate the impact of increases in the operating universe over the five year forecast period. By 2002, it was forecast that preventive maintenance would decline to 35% of the total, while body and chassis service and repairs would increase to 38% of the total.

Projected 2002 Service Opportunity & Service Patterns

376.1 Million Hours



*Includes paint & body, miscellaneous cab systems and miscellaneous electrical
**Includes engine overhaul & external, clutch, transmission, differential and driveline

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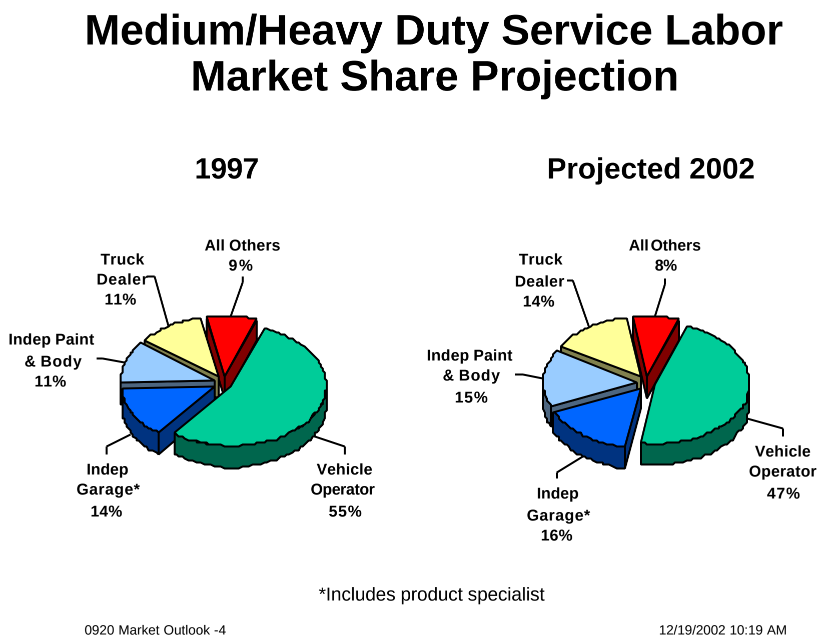
Even more important than the shift in the composition of the projected service labor market was the anticipated impact on the channels of distribution:

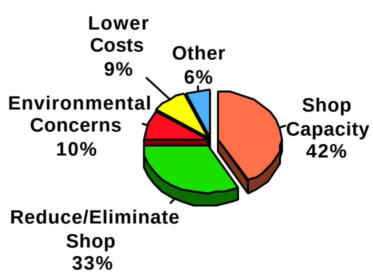
- **Truck operator supplied service labor was projected to decline to 47% of the total from 55% in 1997.**
- **Independent garages were projected to increase their share of the service labor market to 16%.**
- **Truck dealers were projected to increase their service labor market share to 14%.**



Lack of shop capacity was cited by 42% of fleet managers as the primary reason they would shift all or a portion of preventive maintenance to outside service providers. An additional 33% of fleet managers indicated they would shift preventive maintenance to others to be able to close or downsize maintenance facilities. Concern over environmental issues and cost reduction without capacity reduction were less important factors.

Primary Reason to Outsource PM

Industrywide



Fleet Size	Factors
1 - 9	Lower costs (32%) Environment (28%)
10 - 24	Lower costs (19%) Overcapacity (19%)
25 - 99	Overcapacity (44%) Lower costs (20%)
100 - 499	Environment (58%) Eliminate shop (42%)
500+	Overcapacity (60%) Eliminate shop (40%)

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WHERE IS THIS MARKET OPPORTUNITY TODAY?

In the six years since the 1997 study was conducted, there have been a number of very significant changes in the truck arena:

- Independent distribution channels (with and without service capabilities) have been consolidated, further consolidated, un-consolidated and reorganized.
- The operating universe of Class 8 power units and trailers has increased dramatically, driven by huge production volumes in the late 1990s.
- Many of the older power units in operation in 1997, equipment with 1980s vintage components, have been scrapped or downgraded to minor roles in highway transport.
- 24/7 service programs for truck dealers have seen a major push since 1997 – but with a pullback most recently, driven by the general state of the truck industry.
- Select truck manufacturers have established relationships with truck stop chains, potentially re-distributing meaningful service activities closer to their long distance hauling customers.
- The universe of longer-lived components has increased substantially since 1997, especially preventive maintenance parts.
- Truck and trailer utilization has climbed significantly from 1997 levels – and has remained there even through this most recent recessionary period.

The bottom line is this: a great deal has changed in the past six years that should have had a significant impact on the truck and trailer service market – and the opportunity it represents for each of the service delivery and parts distribution channels. It is time to take another detailed look at this huge product support opportunity and the specific opportunities it presents to individual vehicle, parts and component suppliers.

2003 UPDATE STUDY

MacKay & Company is organizing an updated study on the truck and trailer service market to be launched in the first quarter of 2003. The 2003 study will update each of the primary elements in the 1997 study and provide a detailed outlook through 2008.

The research methodology will be similar to the processes used in 1997. Primary input will come from truck operators and maintainers; there are nearly 200,000 of these in MacKay & Company's truck operator database. Selective field interviewing will supplement mail and telephone research.

Key areas, which were only lightly covered in the 1997 research program, will be expanded in 2003:

- Detailed segregation of the service market opportunities generated by new truck and trailer owners – and used truck and trailer owners
- Increased emphasis on segmenting truck and trailer service opportunities by vocation of use – to permit more selective marketing of services, parts and equipment
- More emphasis on identification of service opportunities individually for each study participant
- And, the addition new parts and/or components to segregate the 1997 product groups into more detail.

With the anticipated study launch in the first quarter of 2003, we anticipate that the final report and individual presentations to participating companies will occur late in the third quarter of the year.

Because the concept of the 2003 Service Market Opportunity Study is a multi-client program, the cost of participation to any one company is dramatically less than any single-client assignment might be. Participation invoicing will be done in three segments at the inception, mid-point and completion of the program.