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THURSDAY
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 PAGE 1 OF 3

GM IN 25-YEAR DEAL WITH GENERAL HYDROGEN.

On Tuesday General Motors bought 20% of a company that makes tanks to store hydrogen. Yesterday it dropped the other shoe of its fuel cell strategy: a 25-year alliance intended to help create the global infrastructure for refueling vehicles powered by fuel cells.

The agreement is with Vancouver, B.C.-based General Hydrogen Corp. The two companies say they will investigate all major requirements for setting up a hydrogen-based transportation system: hydrogen storage, fuel cell refueling, energy services, advanced materials, power electronics and electric power production.

General Hydrogen is chaired by Geoffrey Ballard, founder of Ballard Power Systems, generally considered the industry's leading developer of automotive fuel cells.

Converting from a petroleum- to hydrogen-based transportation system will be measured in decades rather than years, which explains the length of the GM-General Hydrogen alliance.

ECHOSTAR FINALIZING \$3 BILLION IN LOANS TO HELP BUY DIRECTV.

EchoStar Communications Corp. is lining up \$3 billion in short-term loans as part of its 11th hour bid for the DirecTV unit of General Motors.

EchoStar is believed to be preparing an offer that will include \$6 billion in cash, about the same as the cash portion of an earlier bid from rival News Corp., says *The Wall Street Journal*. GM is giving the News Corp. bid top priority but is surely pleased to have some competition materialize in the slow-moving negotiations.

FORD DISTRIBUTES CUSTOMER FLIERS ABOUT EXPLORER, TIRE RECALL.

In the latest phase of its escalating war with Firestone, Ford is distributing two-page fliers highlighting the safety features of the 2002

Explorer and explaining why it is replacing 13 million Firestone tires on its vehicles.

Ford sent the fliers to 157,000 Ford retirees in North America. It also is supplying dealerships with copies and has posted downloadable versions on its Ford.com Web site. Consumers also can get copies by contacting one of Ford's call centers.

OPEC MAY BOOST OUTPUT IN JULY.

The Organization of Petroleum Exporting Countries agreed last week not to increase oil production. But indications are OPEC will change its mind when it meets on July 3.

For one thing, crude oil prices are hovering close to \$30 per barrel, OPEC's maximum before it boosts output. And experts expect global demand for oil to increase by 1 million barrels a day in the third quarter and another 2 million barrels a day in the fourth quarter.

"We expect world oil demand to go up," a senior Nigerian oil official tells the Associated Press. "And if demand rises, OPEC will act."

DAEWOO WORKERS RALLY IN FAVOR OF GM.

Thousands of autoworkers at Daewoo Motor Co.'s huge Pupyong auto plant joined management and government officials in a rally supporting General Motors' bid to buy the bankrupt company.

Dissident workers, convinced further layoffs are inevitable if a sale to GM occurs, dismissed the demonstration as a management-organized PR event. Favoring a government bailout for the bankrupt company, the militants vow to continue demonstrations against GM.

Daewoo's management has eliminated some 5,500 jobs through restructuring so far. GM reportedly would prefer not to acquire the relatively old Pupyong plant in part because of its hard-line workforce.



FIAT PLANS 19 NEW VEHICLES by 2005. Fiat Auto says it will spend about \$12 billion over the next four years to introduce 19 new models worldwide.

The unit, which reported an operating loss in the first quarter, also hopes to boost sales of its Fiat, Alfa Romeo and Lancia vehicles from 2.5 million last year to 3 million by 2003 and 4 million by 2008. Fiat models account for about 80% of the unit's total vehicle sales.

Last year General Motors bought 20% of Fiat and Fiat acquired 5% of GM.

TOYOTA TO SET UP WEB-BASED NETWORK. Toyota Motor Corp. will spend about \$82 million to create an Internet-based communications network through which to integrate its internal operations. The global network, scheduled to go into operation in March 2003, will use technology supplied by Cisco Systems.

REPORT SEES LAG IN "SMART" AIRBAG SENSOR DEVELOPMENT. U.S. safety standards due in September 2003 will require airbags that adjust their inflation force to the size of the occupant in front of them. But developing the sensors necessary to do that is taking longer than expected, says a report by the General Accounting Office.

Reliability is the primary problem. Some sensors classify occupants inaccurately, says the GAO report, which also questions whether the devices will continue to work correctly for the life of a vehicle.

Some occupant sensors currently in development can determine the size and position of an occupant,

including distinguishing between the presence of front- and rear-facing infant seats.

GM AND AOL TO CONTINUE MARKETING ALLIANCE. General Motors and America Online like the results to date and thus will continue through next January a promotional alliance through which AOL touts GM cars and trucks, the GMBuyPower.com Website and various sweepstakes.

GM hasn't said how many vehicle it actually sold with AOL's help since the two began collaborating at the beginning of 2000. But it does note that almost 400,000 AOL members recently signed up for a GM sweepstakes or requested product materials about GM products.

FORD RESCHEDULES TIRE UPDATE FOR TODAY. Ford, which was going to update analysts on its Firestone tire replacement program Wednesday morning, postponed the teleconference until 10 a.m. today. Ford didn't give a reason for the delay.

GENTEX ISSUES EARNINGS WARNING. Gentex Corp., The Zeeland, Mich.-based maker of automatic dimming rearview mirrors, says its per-share earnings for the second quarter will be 10%-15% below the 24 cents analysts expected.

Gentex also anticipates growth in unit shipments this year will be 10%, not the 15% it predicted in January, because of slowing sales and a delay of up to nine months in a new vehicle mirror program. The company plans to report second-quarter results on July 17.

WEDNESDAY'S CLOSING STOCKS

STOCK	SYMBOL	CLOSE	CHANGE	STOCK	SYMBOL	CLOSE	CHANGE
DOW		10,871.62	-76.76	Ford	F	24.58	-0.08
NASDAQ		2,121.66	-48.29	General Motors	GM	59.53	+0.14
Autoliv	ALV	17.36	+0.32	Gentex	GNTX	28.98	-0.16
ArvinMeritor	ARM	15.74	-0.26	Goodyear	GT	28.61	-0.19
American Axle	AXL	14.22	+0.92	Johnson Controls	JCI	70.31	+0.51
Dana	DCN	21.76	+0.01	Lear	LEA	33.56	+0.21
DaimlerChrysler	DCX	44.79	-0.23	Magna International	MGA	59.42	-0.91
Donnelly	DON	14.20	+0.01	SDRC	SDRC	24.33	+0.01
Delphi Automotive	DPH	14.49	+0.13	TRW	TRW	41.98	-0.03
Eaton	ETN	75.80	-0.85	Visteon	VC	16.44	+0.14

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