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WALL STREET IGNORES RECESSION REPORT. Wall Street shrugged off yesterday's report by the National Bureau of Economic Research that the U.S. entered a recession last March by closing slightly higher for the day. Big Three auto stocks all rose, led by DaimlerChrysler.

The Dow Jones Industrial average, which dropped below 10,000 on Sept. 5, has hovered just under that level for days. Analysts note that the Dow's 21% improvement since the Sept. 11 terrorist attacks is a rebound but not a rally, meaning that the rate of recovery from now on will probably be much slower until the recession ends.

FORD TO FIX CORROSION PROBLEM IN FOCUS CARS. Ford is offering to check almost 280,000 of its subcompact Focus cars for faulty rear wheel bearing seals. If the seals fail, the wheel bearings can corrode and wear out prematurely. Ford isn't aware of any injuries or accidents resulting from the problem.

LOSSES GROW AT ISUZU. Blaming a slowing U.S. market, Isuzu Motors Ltd. acknowledges it will lose about \$200 million in its fiscal year ending next March 31, its third consecutive year of red ink. Last May the company forecast an \$8 million net profit for the year.

Isuzu, 49% owned by General Motors, says it managed a slight operating profit in the six months ended Sept. 30. But its net loss rose 6.5% to \$190 million over last year for the period, mainly because of restructuring charges associated with the turnaround plan it launched in May that includes 9,700 layoffs.

Yesterday Isuzu confirmed it will cut an additional 3,300 jobs by March 2004, including 300 in North America. Separately, it says another 220 jobs will be trimmed at the

Subaru-Isuzu Automotive venture in Lafayette, Ind., that produces the Subaru Legacy/Outback cars and Rodeo SUV. Isuzu is a 49% equity partner in the company.

CHRYSLER OFFERS PRESCRIPTION DRUG PROGRAM FOR SUPPLIERS. DaimlerChrysler's Chrysler Group is expanding a plan it says can help its suppliers' employees cut the cost of buying prescription drugs up to 10%.

Merck-Medco launched a pilot version of the program, called the National Supplier Pharmacy Buy Partnership, for suppliers with at least 5,000 U.S. employees and retirees several months ago. ArvinMeritor, Exide Technologies and Yazaki North America are among the initial participants.

Chrysler says it will add a similar plan for smaller suppliers in January. The program aims to cut costs through high-volume group purchasing while enabling suppliers to set up their own pharmacy network, co-pay structure and overall pharmacy plan design.

JURY ASSESSES DCX \$20 MILLION FOR FREAK ACCIDENT. DaimlerChrysler will appeal a New Jersey jury verdict ordering it to pay \$20 million to the family of a woman killed when a tire came off another vehicle and crashed into the roof of her Plymouth Voyager minivan.

The family settled out of court with others involved in the mishap, leaving DCX as the sole defendant, reports Associated Press. Chrysler says the tire hit with such force as to deform any vehicle's roof.

NEARLY TWO-THIRDS OF NEW-VEHICLE BUYERS GET HELP ONLINE. When Americans go shopping for a new car or truck, 62% of them get at least some of the automotive information they need from the Internet, according to



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J.D. Power and Associates. Last year about half did so.

The firm says those who go online for help in selecting their next vehicle visit an average of about seven automotive sites. Most do so before they visit any dealerships.

Consumers favor OEM Web sites for features and options but prefer third-party sites for advice. Kelley Blue Book (kbb.com) was the most-visited site for the fourth straight year, according to J.D. Power. It says Ford has the most popular manufacturer's site, Autobytel.com sells the most vehicles online and GMBuyPower.com generates more sales leads for dealers than any other OEM site.

EUROPEAN OEMs PLEDGE TO MAKE VEHICLES MORE PEDESTRIAN-FRIENDLY. Hoping to head off formal legislation, Europe's automakers have volunteered to see what they can do to reduce fatalities when cars hit pedestrians, says Reuters.

The OEMs' pledge includes introducing smoother vehicle front-ends and greater use of antilock brakes beginning next year. Safety groups have been pushing members of the European Union to legislate tougher and more specific standards. The EU says some 9,000 pedestrians and cyclists are killed and 200,000 injured in Europe each year.

COVISINT ADDS TOP EXECUTIVES. Covisint, the automotive e-business exchange in Southfield, Mich., has announced four senior management appointments:

- Garth Saloner joins the Covisint board of directors. He is a professor of electronic commerce and co-director of the Center for Electronic Business and Commerce at Stanford University's Graduate School of Business.

- Paul Kothari becomes chief financial officer. He previously was CFO for Comstellar Technologies, a communications company he co-founded; was CFO for an Internet startup called TheStreet.com; was vice president of finance for Bellcore; and spent 10 years with Booz Allen Hamilton.

- Daron Gifford becomes executive vice president of global sales and marketing. Gifford formerly was in the

Detroit office of Deloitte Consulting, where he refocused the automotive practice strategy on e-business.

- Rose Johnson becomes vice president, global project management. She previously was Covisint's vice president of international operations. She previously directed GM TradeXchange and was director of GM's global production control and logistics systems.

TOYOTA AIMS TO CUT EUROPEAN MARKETING COSTS 20%. Toyota Motor Corp. expects to reduce its sales and marketing costs in Europe at least 20% over the next two or three years by installing more efficient systems and processes, reports the *Financial Times*.

The effort is part of the company's attempt to end operating losses in Europe by 2003. Toyota has been restructuring its European sales system by shifting from independent importers to company-owned sales units. It hopes to boost sales 23% to 800,000 units in two years and capture 5% of the western European auto market.

CHRYSLER DROPS LEMANS RACING PROGRAM. Chrysler has indefinitely suspended its Le Mans racing program and ended its five-year partnership with Team ORECA, the French developer of its Le Mans and Viper GTS-R racing cars.

Chrysler says it bailed out of Le Mans because its future advertising programs will focus on "other consumer passion points." No other racing programs will be affected next year, including the group's participation in the NASCAR Winston Cup Series.

DUPONT INTRODUCES ONLINE SERVICE FOR BODY SHOPS. DuPont's performance coatings business unit is launching an Internet portal that lets distributors order paint online while providing U.S. body shops with marketing tools, manuals, classified ads and employment services for body shops. The customizable portal is operated by the Bowstreet Business Web Factory.

MONDAY'S CLOSING STOCKS

| STOCK | SYMBOL | CLOSE | CHANGE | STOCK | SYMBOL | CLOSE | CHANGE |
|-------------------|--------|----------|--------|---------------------|--------|-------|--------|
| DOW | | 9,982.75 | +23.04 | EDS | EDS | 70.05 | +0.07 |
| NASDAQ | | 1,941.23 | +38.03 | Ford | F | 18.58 | +0.70 |
| Autoliv | ALV | 19.93 | +0.83 | General Motors | GM | 48.61 | +0.92 |
| ArvinMeritor | ARM | 18.47 | +0.42 | Gentex | GNTX | 25.75 | -0.66 |
| American Axle | AXL | 18.40 | -0.30 | Goodyear | GT | 22.43 | +0.03 |
| Dana | DCN | 13.35 | +0.02 | Johnson Controls | JCI | 80.51 | +0.46 |
| DaimlerChrysler | DCX | 44.27 | +1.08 | Lear | LEA | 35.13 | 0.00 |
| Donnelly | DON | 13.21 | -0.06 | Magna International | MGA | 61.55 | +0.26 |
| Delphi Automotive | DPH | 13.56 | +0.17 | TRW | TRW | 38.95 | -0.04 |
| Eaton | ETN | 70.84 | +0.93 | Visteon | VC | 14.01 | +0.02 |

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