

# autobeat

## *daily*

AUTOBEATDAILY.COM  
 SUBSCRIBE: 888/771-6430  
 GOT NEWS? CALL 248/540-2530

WEDNESDAY  
 DECEMBER 5, 2001  
 PAGE 1 OF 3

**FORD TO DISCUSS ITS FINANCES TODAY.** Ford will brief analysts and reporters at 9 this morning about its uneasy financial condition. Reports last weekend suggested the automaker may forecast a loss of 35 cents per share—about \$630 million—in the final quarter. That amount, more than three times as high as the analyst average calculated by Thomson First Call, would leave the company with a \$1 billion loss for 2001.

Ford will acknowledge an impending loss but try to assure analysts that its cost-cutting program will be enough to stem an earnings crisis that began with \$692 million in red ink for the third quarter. The loss wiped out first-half profits and left the company with \$385 million in red ink for the year to date.

**CANADA FACING 20% AUTO LAYOFFS?** The auto industry downturn could throw as many as 50,000 people out of work in Canada over the next two years, according to Reuters. The Canadian auto industry currently employs about 240,000 workers. The Canadian Auto Workers union is bracing for layoffs affecting up to 16%, or 8,000, of its members, says the news service.

**A NEW CHAIRMAN AT BMW.** German automaker BMW says Helmut Panke, its chief financial officer and former head of U.S. operations, will become chairman in May.

Panke, 55, replaces Joachim Milberg, 58, who unexpectedly announced his desire to stand down a year before his expected retirement. Milberg will be given a seat on BMW's supervisory board.

Both men worked closely on BMW's current and highly successful product development and sales growth plan. Panke is expected to continue the current strategy

with no significant changes.

Panke led the site selection effort for BMW's assembly plant in Spartanburg, S.C., and was chairman of BMW (US) Holdings Corp. in 1994. He has been a member of BMW's management board for five years.

**BRIDGESTONE DETAILS LOSSES FOR FIRESTONE UNIT.** Bridgestone Corp. says one-time charges—most of them related to Firestone tire recalls—account for all but \$50 million of the \$1.66 billion loss expected for Bridgestone/Firestone Americas Holding, the newly created holding company for its U.S. businesses.

Bridgestone also expects BFAH sales revenue to total \$7.5 billion in 2001, only 1.3% below last year.

The Japanese tiremaker will give BFAH \$1.3 billion in January for costs that include a \$675 million write-down of assets, \$285 million in legal expenses, \$50 million to shut down its Decatur, Ill., tire plant and \$25 million connected with its second-round tire recall in October.

**CRUDE OIL PRICES RISE.** The market price of crude oil inched above \$20 per barrel yesterday after dropping below \$17 last month. Analysts attribute the rise to two factors: renewed worries that strife in the Middle East will disrupt oil supplies and hints that Russia will today announce production cuts for January.

The Organization of the Petroleum Exporting Countries has pledged to trim its output about 6% if non-cartel members will do so too. Mexico and Norway have agreed, but Russia has been resisting the lower quota.

A report by BBC News suggests that Russia is trying to leverage its newfound clout over oil prices to gain favor with the U.S. and other Western governments. Skeptics



••• **EDS, UGS and SDRC:**  
**Now one powerful force in**  
**product lifecycle management**



say the country, whose oil industry is mostly in private hands, may have trouble enforcing a cutback anyway.

**HONDA TO EXPAND NEW MINIVAN PLANT.** Honda Motor Co. dedicated its month-old minivan and V-6 engine plant in Lincoln, Ala., yesterday. It used the occasion to announce it will spend \$40 million to increase capacity of the facility from 120,000 units to 150,000 units by late next year.

The new plant will produce the Odyssey minivan, currently being supplied exclusively from Ontario, Canada. The additional capacity in Alabama will enable Honda to retool the Canadian facility to build a Honda-badged version of its Acura MDX sport utility vehicle.

**VW EXPECTS 6% DROP IN PRODUCTION IN MEXICO.** Volkswagen says it will build about 400,000 vehicles in Mexico this year and again in 2002. Last year it produced a record 425,700 units there. Mexico is VW's sole source of the New Beetle.

**NAVISTAR POSTS A QUARTERLY PROFIT.** Truckmaker Navistar International earned \$7 million in its fiscal fourth quarter ended Oct. 31 on 7% lower sales revenue. Results beat analysts' estimates, although the company still ended the year with a \$23 million loss.

Navistar, which lost \$105 million in its fourth quarter last year, has been slashing costs and consolidating operations ever since.

**TELEMATICS BOOMING IN JAPAN.** Japanese OEMs are leaders in telematics, even though they haven't made much effort to introduce the technologies outside their home market, says a report by Minneapolis-based Telematics Research Group.

It notes that Japanese automakers have concentrated on systems that provide navigation and real-time traffic

reports. Both are especially useful in Japan, which has about nine times the density of cars in use per square mile vs. the U.S.

Another factor: Japan's government-backed Vehicle Information and Communications System, a 10-year-old network that has created a market for such services. The telematics report says about 3 million VICS-enabled cars are on the road in Japan now.

**ONLINE AUTO ADVERTISING SOARS.** Automotive advertising on U.S. Web sites jumped 30% between August and October to more than 132 million impressions, says Nielsen/NetRatings, an audience measuring service.

It says Toyota led all Internet auto advertisers in October with nearly 26 million impressions. It was followed by Nissan (21 million impressions), General Motors (20 million), Ford (13 million) and Mazda (9 million).

The numbers seem impressive, but spending for online advertising is still minuscule. According to Nielsen/NetRatings, online advertising spending in the auto category totaled only \$2.3 million in October.

**ARVINMERITOR BREAKS GROUND FOR DATA CENTER.** Troy, Mich.-based ArvinMeritor has begun constructing an information technology center in Columbus, Ind. The \$8.5 million facility will consolidate the company's area computing and telecommunications functions, linking them to similar facilities in Amsterdam, Sao Paulo and Troy.

**DELPHI SELLS LITEFLEX UNIT.** Delphi Automotive Systems sold Liteflex, its composite car and truck suspension spring business, to Liteflex LLC, a newly created company in Dayton, Ohio. The deal was facilitated by the National Composite Center, an organization set up three years ago in Kettering, Ohio, to promote the region's expertise in high-tech plastics.

## TUESDAY'S CLOSING STOCKS

STOCK	SYMBOL	CLOSE	CHANGE	STOCK	SYMBOL	CLOSE	CHANGE
DOW		9,893.84	+129.88	EDS	EDS	69.92	+1.27
NASDAQ		1,963.10	+58.20	Ford	F	17.74	-0.06
Autoliv	ALV	18.66	+0.56	General Motors	GM	49.80	+0.77
ArvinMeritor	ARM	18.25	+0.12	Gentex	GNTX	24.41	+0.18
American Axle	AXL	19.48	+0.53	Goodyear	GT	22.19	+0.10
Dana	DCN	13.75	+0.22	Johnson Controls	JCI	78.90	+1.26
DaimlerChrysler	DCX	41.60	+0.60	Lear	LEA	36.40	+1.08
Donnelly	DON	13.50	+0.01	Magna International	MGA	62.97	+0.71
Delphi Automotive	DPH	13.65	+0.46	TRW	TRW	38.44	-0.22
Eaton	ETN	69.85	+0.58	Visteon	VC	13.75	-0.10

**EVER GET THE FEELING  
YOUR LAST CONSULTING PROJECT WAS  
DONE TO YOU, NOT WITH YOU?**



You call a consulting firm because you're looking for expert advice. Too often you get a group of well-dressed people who stroll in, take a cursory look around, then hand you their nicely bound solution du jour. At Watson Wyatt, we're different. The solutions we provide are specific to your company. Our *ClientFirst*<sup>™</sup> process ensures this is so because our first step is to thoroughly assess your needs and define your expectations of us. Then we go to work finding the unique set of solutions to your problems. The result: the implementation of relevant, innovative actions that produce measurable results. To learn more about consulting that is done with you, not to you, call your local Watson Wyatt office at 248-358-7918, or visit our web site at [www.watsonwyatt.com](http://www.watsonwyatt.com).

