

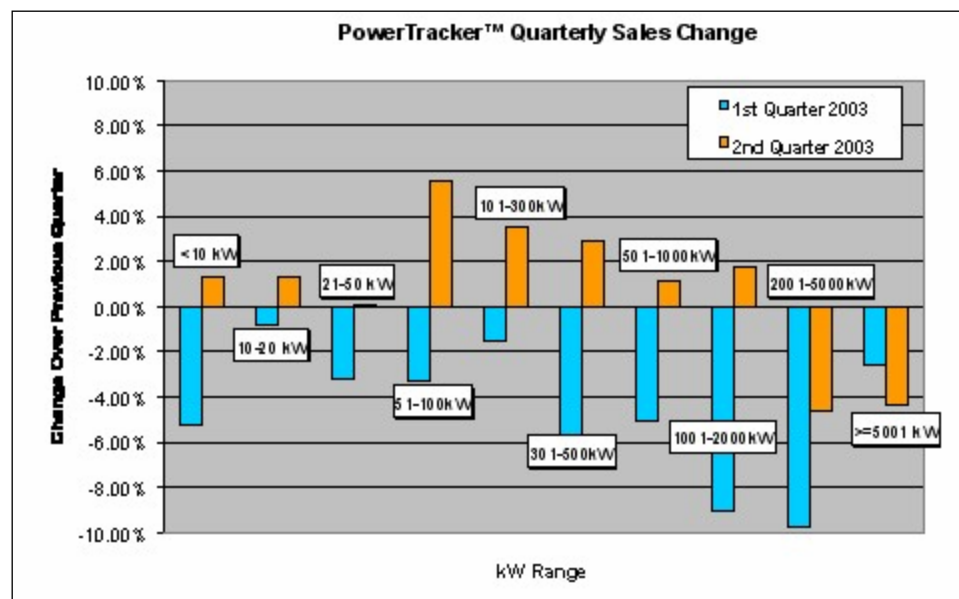
Gen Set Sales on the Upswing

ST. PAUL, MN (July 21, 2003)- During the second quarter of 2003, sales of generator sets increased in most kW-ranges compared to the first quarter, American and Canadian dealers reported in the updated **PowerTracker™** survey. Sales in the 51 to 100 kW category increased by 5.6 percent, after declining by 3.4 percent the previous quarter. Survey participants also indicated they sold 3.5 percent more units in the 101 to 300 kW range between April and June than in the first three months of the year. Most other categories increased to a lesser degree. In the 21 to 50 kW range, sales were flat in the second quarter, stopping a previous decline. Only in the two largest categories, sales continued to shrink, albeit at a smaller clip than before.

In past surveys, dealers had predicted growing sales several times, only to be frustrated by stagnant or shrinking results time and again. "Seeing that the increases are almost across the board and larger than in the past, this could signal the turnaround everybody has been waiting for," said Stefan Hartmann, **PowerTracker** project manager.

Dealers participating in the survey also reported that they had about 3.2 percent fewer units in stock than during the first quarter. In the previous round of the survey, dealers had reported that their inventories grew in the

January to March period. Most sales growth occurred in the commercial and rental markets, where sales increased by over six percent during the second quarter. In the industrial and utility segments, dealers sold between one and two percent more than during the first quarter, while the private and institutional sectors remained stagnant.



PowerTracker monitors the market developments for all engine-powered generator sets sold in the United States and Canada. Gen set dealers, distributors, business consumers and household consumers are surveyed quarterly to determine their short-term expectations for the market. **PowerTracker** analyzes market activity and industry developments for various gen set applications, brands and customer groups. The core data for this gen set study originates from a series of 1400 interviews conducted on a quarterly basis with potential and actual users of gen sets as well as key dealership and distributor personnel. Further information about this survey and other **MarketTracker™** surveys is available at http://www.powersys.com/sur_track.html.

Power Systems Research is a global market research and consulting company specializing in the engine, original equipment, and components industries. Since the company was founded in 1976, Power Systems Research has been the authoritative source of market information and business intelligence to the power products and drivetrain industry. Power Systems Research is headquartered in St. Paul, Minnesota and provides market data and customized project work to the world's leading vehicle and equipment OEMs and component suppliers. The company has a global presence with operations in Detroit, Brussels and Tokyo. Further information is available at <http://www.powersys.com>.

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