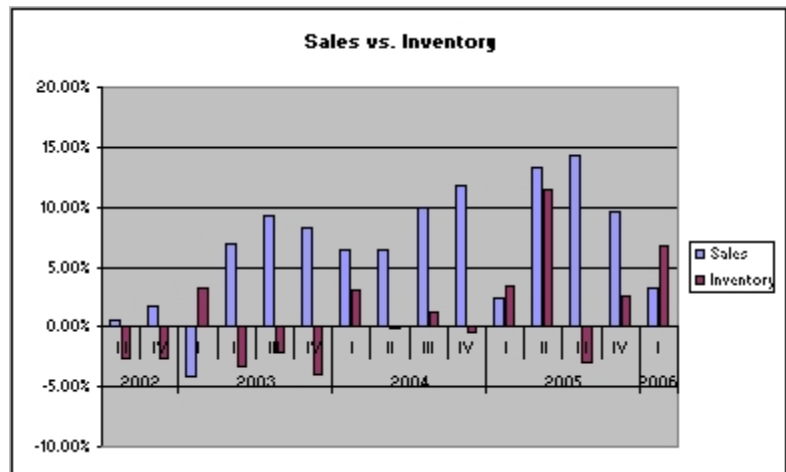


Gen Set Supply Increases Ahead of Future Demand

ST. PAUL, MN (May 5, 2006) - Power Systems Research has concluded its power generation survey for the first quarter of 2006. The first quarter has proven to be slightly modest for gen set sales due to the fact that many dealers and distributors are at the slowest point of their business cycle. However, **PowerTracker™** dealer and distributor respondents forecast an increase in market activity during the second quarter of 2006 year. Reports still show there was positive growth in sales by 3.16% in U.S. and Canadian gen set markets in the first quarter of 2006.

Looking at the past two years in the power generation industry, inventory levels are steadily increasing between the fourth and first quarter. On average, inventory decreases in the second and third quarters making room for sales increases throughout the rest of the year. Most of this activity is due to the recent weather effects that are taking place in the United States. Also, construction in the United States is continuing to boom. Dealers and distributors are building up their inventory levels in the winter in preparation for the future demand of gen sets in the summer months. In essence, a “calm before the storm” activity is occurring.



The inventory level for the first quarter of 2006 is the second highest percentage increase in four years. Also, this is the highest percentage increase for the first quarter in the last four years. Based on the **PowerTracker** survey, dealers and distributors foresee a busy second and third quarter for 2006. In the first quarter of 2006, the market for portable and standby gen set units fared the best with increases of 1.61% and 9.13% respectively. Mid-size units performed better than average with gen sets in the 51–100 kW having a 1.32% increase and 100-300 kW gen sets showing an uptake at 3.09% compared to fourth quarter of 2005.

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>.