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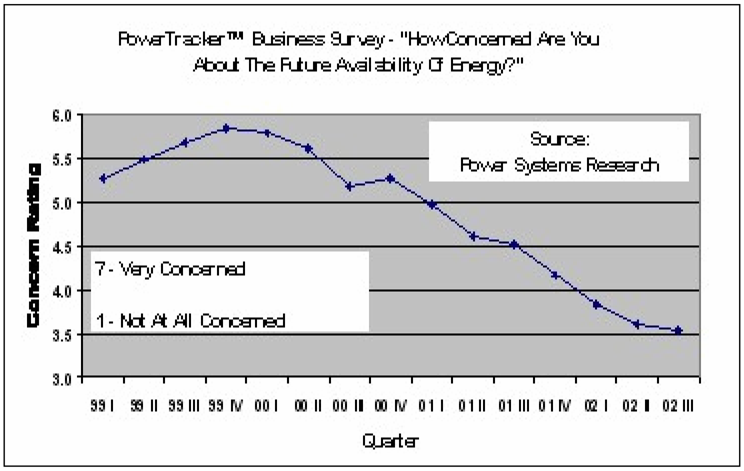
News Release

Gen Set Dealers Report Stagnant Sales in Third Quarter

ST. PAUL, MN (November 22, 2002)- Generator set dealers reported in a phone survey that third-quarter sales increased by a paltry 0.5% compared to the second quarter of 2002. The market for the smallest units fared the worst: Sellers of sets with less than 10kW output reported a drop of 3.9 percent, while sales in the 10-20kW category declined by 1.9 percent. Mid-size units on the other hand sold better than average with dealers in the 51-300kW range reporting a slight uptick of about 1 percent. The results did not differ significantly by fuel used in the engines.

Dealers also reported that they expect sales to pick up in the fourth quarter. With the exception of the very largest units, dealers expect between 1.5 and 4.5 percent increase in the various kW categories. The 51-300kW range is again expected to offer the most dynamic sales growth. However, Stefan Hartmann, **PowerTracker™** project manager, warned that these expectations might be high. "While the market is likely to improve somewhat, expecting shipment increases of 4 to 5 percent in the immediate future seems pretty optimistic looking at overall economic data - particularly the construction outlook which really doesn't look like it will be back on track until later next year." Many gen sets in the mid power ranges are associated with commercial building construction for emergency standby and peak shaving applications.



One key finding of the business survey was that there is much greater confidence in a reliable supply of energy than there was a few years ago. Respondents were asked to rank their concern for the future availability of energy on a scale from one to seven where one meant "Not At All Concerned" and seven meant "Very Concerned". In the third quarter of 2002, business respondents reported an average of concern of 3.5, while a similar study conducted in 1999 had revealed an average concern of 5.3 in the first and 5.7 in the third quarter.

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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