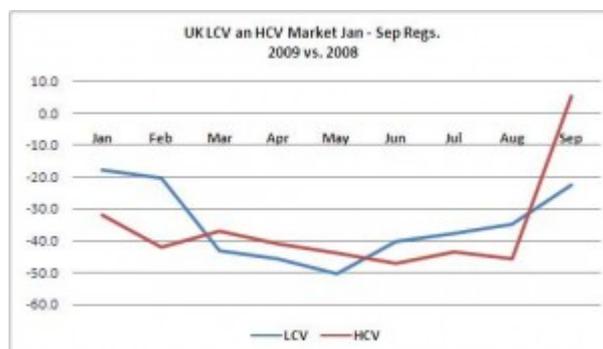


UK and European Heavy Truck Market Round-up to September 2009

The global recession has both the UK and EU markets for all commercial vehicles in a stranglehold: lower industrial production, the falling volumes of global trade and a decreasing willingness to invest have led to a considerable reduction in the demand for commercial vehicles. It should surprise no-one that the commercial vehicle market is in lock-step with GDP – see chart. After all, they are business tools.



UK MARKET

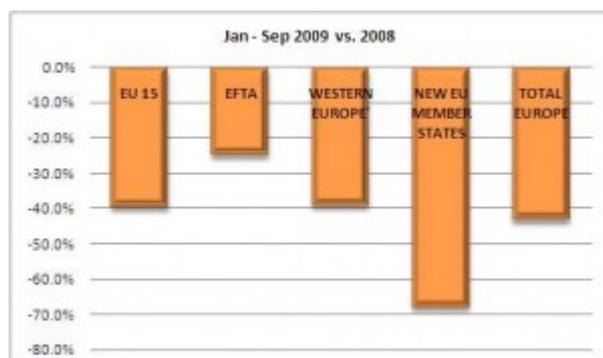


Although, in the UK, heavy trucks posted growth in September with the advent of the 59-plate, Truck sales YTD were still down by almost 40%. However, as the chart shows, it looks as if the market decline has bottomed out for both LCV and HCV.

The painfully thin levels of sales were not shared equally across all the brands, however. YTD Dennis Eagle (+5.8%), the specialist refuse collection vehicle manufacturer, performed best. Its intensive partnering with the booming waste management industry has paid off handsomely.

Among the mainstream truckmakers, the market leader, DAF (-28.5%), and Mercedes-Benz (-28.53), the market's number two suffered much less than their rivals. Renault (-35.28%) Volvo (-42.21%), Scania (-42.65%) and MAN (-50.81%) all fared worse. Hino (-83.84%) all but stalled in the UK market as exchange rates erode their value for money position. Potentially, for Hino, this development is damaging. Since 2004 its volume growth has derived from export, not domestic, sales and while turnover has grown, margins have declined. It lost £140MN in the 2nd Quarter of 2009 alone.

Europe



New commercial vehicle registrations – LCV and HCV – were down 27.7% in September compared to the same month in 2008, dropping for the seventeenth consecutive month. Three quarters into the year, Europe totaled 1,270,241 new vehicle registrations, or 35.6% less than in the first nine months of last year.

New truck registrations were 23,841 units in September, 39.4% less than in the same month

last year. In Western Europe, markets were down 36.4%. The UK stood out with the only positive figure (+5.4%) and the most vehicles registered. Germany followed closely in absolute figures despite the sharpest downturn recorded among the major markets (-50.4%). Spain was down 30.9%, France 46.3% and Italy 48.9%. In the new EU Member States, the overall decrease reached 61.7%. Nine months into the year, the European* market contracted by 43.2%. Looking at the major markets, the UK was down 34.6%, France 35.3%, Germany 37.1%, Italy 43.7% and Spain 67.3%. Western Europe declined by 39.1%, the new EU Member States by 67.9%.

The September results in 16T>heavy trucks showed a 42.2% decline in Europe, with unequal performances in Western Europe (-38.7%) and the new EU Member States (-66.3%). The UK was the largest market and the only one to post growth (+26.8%). Germany (-55.4%), Italy (-55.1%) and France (-49.1%) were severely affected by the crisis while Spain (-36.3%) and the Netherlands (-36.6%) were also down. Poland remained the most important market in the new EU Member States despite a 45.6% downturn. Three quarters into the year, new heavy truck registrations were down 47.3% in Europe. Western Europe recorded a 43.0% fall compared to the same period last year. The Netherlands (-30.0%), the UK (-37.7%), France (-38.5%), Germany (-41.8%), Italy (-49.6%) and Spain (-72.2%) all recorded a decrease. In the new EU Member States, Poland (-67.2%) and the Czech Republic (-61.4%) saw their markets contract the least compared to the other countries in the region.