

## Auto Production Outlook

### Machinery and Auto Parts Stocks

#### Conference Call Details

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# Global Auto Production Has Sequentially Bottomed

- **We expect combined NA/Europe production volumes to increase markedly in 2Q vs. what we see as the low this cycle (5.1MM) in 1Q.**
  - Suppliers have been contending with an average 15% Q/Q decline in combined NA/Europe assembly over the past four quarters.

## % Sequential Change in NA/Eur/RoW Assembly Volumes

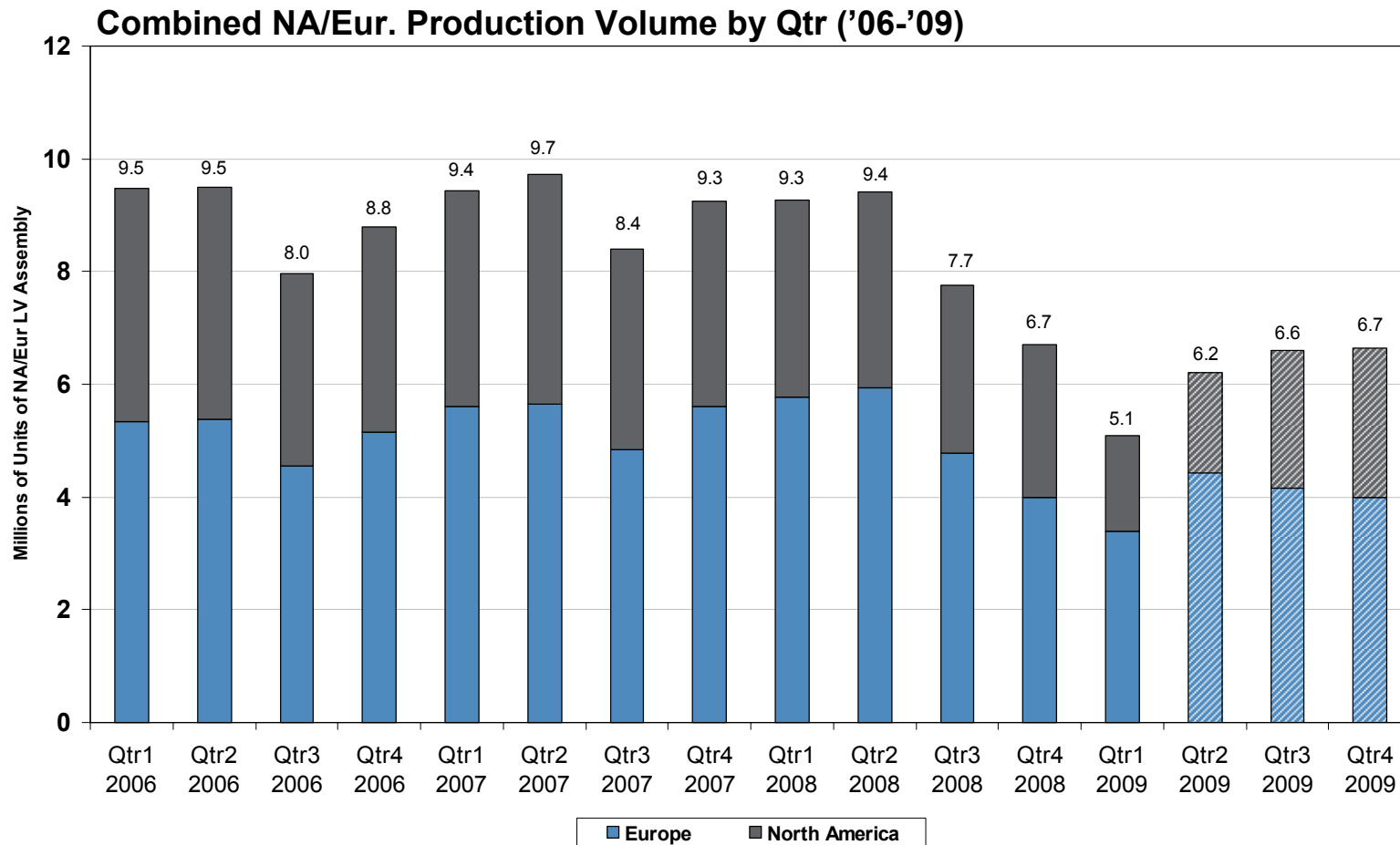
Region	1Q:08	2Q:08	3Q:08	4Q:08	FY08	1Q:09	2Q:09E	3Q:09E	4Q:09E	FY09E
North America	3.5	3.5	3.0	2.7	12.6	1.7	1.8	2.4	2.7	8.6
Europe	5.8	5.9	4.8	4.0	20.5	3.4	4.4	4.2	4.0	16.0
<b>NA/Eur Subtotal</b>	<b>9.3</b>	<b>9.4</b>	<b>7.7</b>	<b>6.7</b>	<b>33.1</b>	<b>5.1</b>	<b>6.2</b>	<b>6.6</b>	<b>6.7</b>	<b>24.5</b>
RoW	8.5	8.5	7.9	7.3	32.3	6.5	6.8	6.9	7.7	27.9
<b>Global Total</b>	<b>17.8</b>	<b>17.9</b>	<b>15.7</b>	<b>14.0</b>	<b>65.5</b>	<b>11.6</b>	<b>13.0</b>	<b>13.5</b>	<b>14.3</b>	<b>52.5</b>
% Sequential Δ -- NA	-4.4%	-0.3%	-14.5%	-9.2%	-16.3%	-37.0%	4.8%	37.1%	8.6%	-32.2%
% Sequential Δ -- Eur	3.1%	2.8%	-19.6%	-16.3%	-5.6%	-14.9%	30.0%	-5.9%	-3.8%	-22.0%
<b>% Sequential Δ -- NA/Eur</b>	<b>0.1%</b>	<b>1.6%</b>	<b>-17.7%</b>	<b>-13.6%</b>	<b>-10.1%</b>	<b>-23.8%</b>	<b>21.6%</b>	<b>6.4%</b>	<b>0.8%</b>	<b>-25.9%</b>
% Sequential Δ -- RoW	-1.5%	-0.6%	-6.4%	-7.6%	1.6%	-11.1%	3.7%	2.4%	10.5%	-13.7%
<b>% Sequential Δ -- Global Total</b>	<b>-0.7%</b>	<b>0.6%</b>	<b>-12.4%</b>	<b>-10.6%</b>	<b>-4.5%</b>	<b>-17.1%</b>	<b>11.5%</b>	<b>4.3%</b>	<b>5.8%</b>	<b>-19.9%</b>

Source: CSM for historical and projected RoW vols.; NA & Eur. projections are J.P. Morgan estimates.

Note: NA H2.09 assume scrappage legislation (NA forecast would be 0.5MM units less absent scrappage for H2.09).

# Global Auto Production Has Sequentially Bottomed

- **We believe 2Q:09 will represent the first quarter of material sequential growth in combined NA/Europe assembly volumes since 4Q:07.**
  - Aggressive (and perhaps unsustainable) cost actions could meet with sequential revenue growth to provide upside on Q/Q incrementals



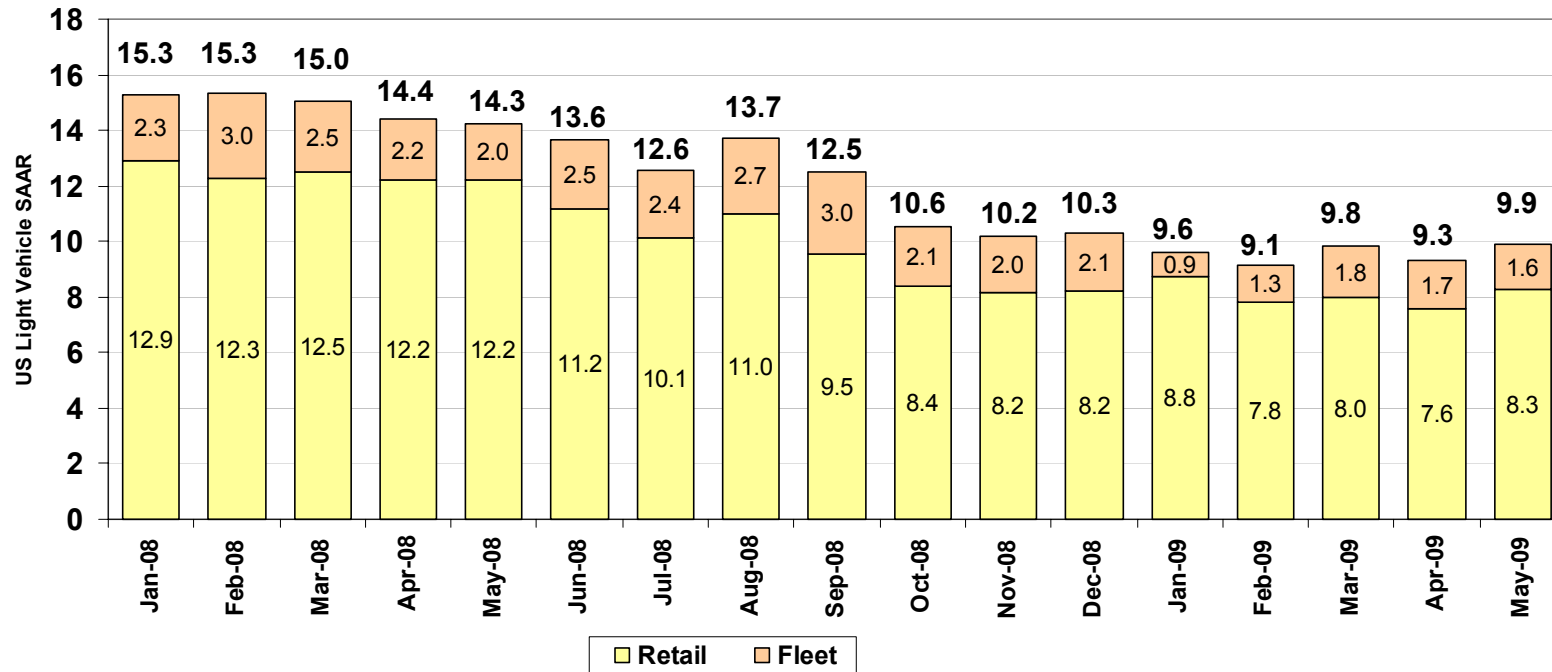
Source: Source: CSM for historical and projected RoW vols.; NA & Eur. projections are J.P. Morgan estimates.

Note: NA H2.09 assume scrappage legislation (NA forecast would be 0.5MM units less absent scrappage for H2.09; Hatchmarkes denote estimates.

# US SAAR Outlook

- **Retail SAAR been relatively stable since Oct 08. Three questions to answer:**
  - Is recent stabilizing a fluke? – we do not think so. SAAR leads unemployment 4-6 qtrs.
  - What is “normal SAAR” – 13-14MM units (based on 5.5% average scrappage)
  - What is timing of recovery? – when stock markets and home prices stabilize/improve.

**US LV SAAR: Fleet vs. Retail**

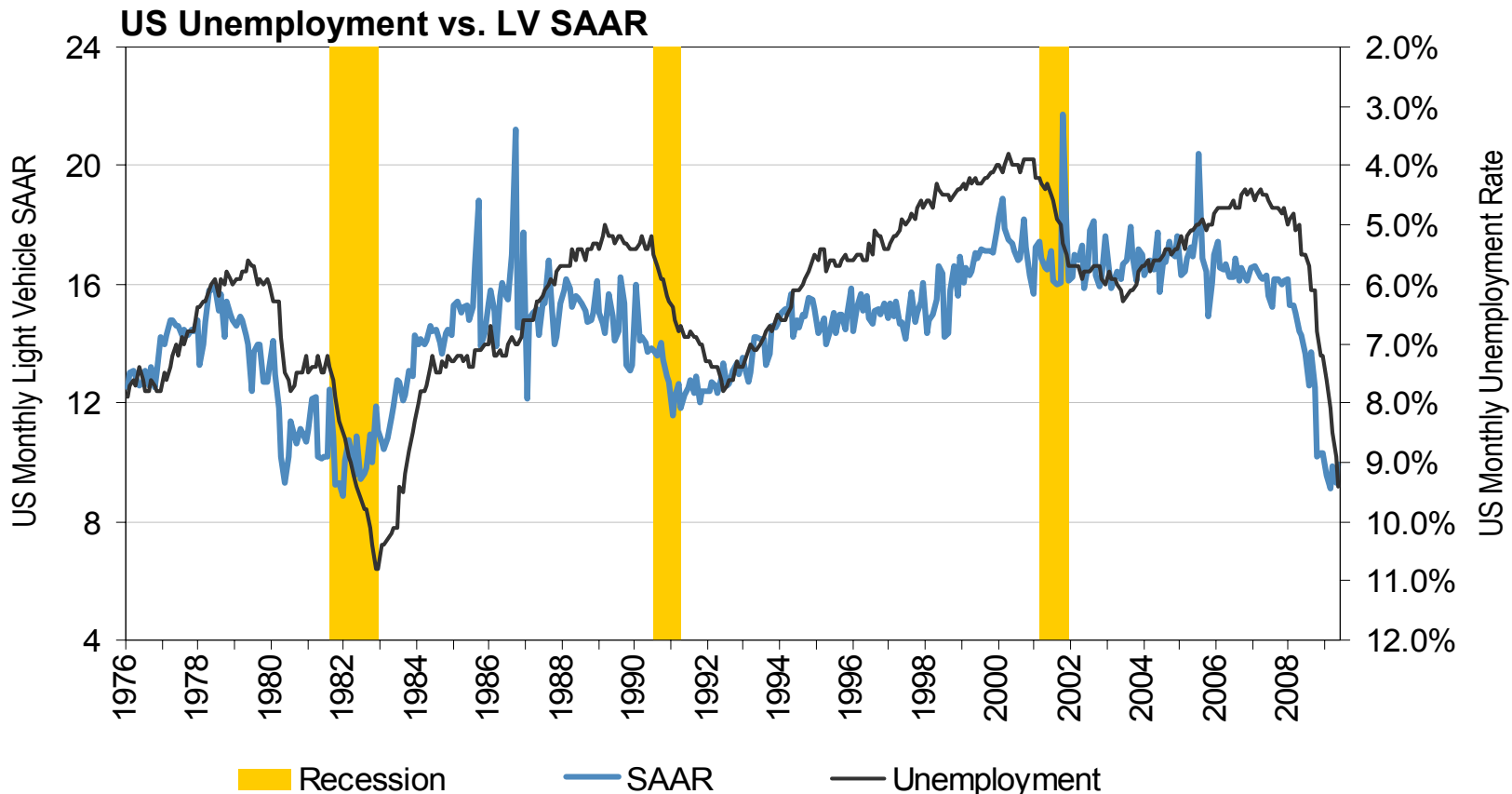


Source: General Motors; J.P. Morgan estimates.

# SAAR Can Rise Well Before Unemployment's Peak

- **Unemployment keeps rising (now to 9.4%) but that doesn't mean SAAR can't rebound**

- Auto sales are early cycle
- Historically, US LV SAAR has bottomed 4-6 quarters prior to unemployment's peak



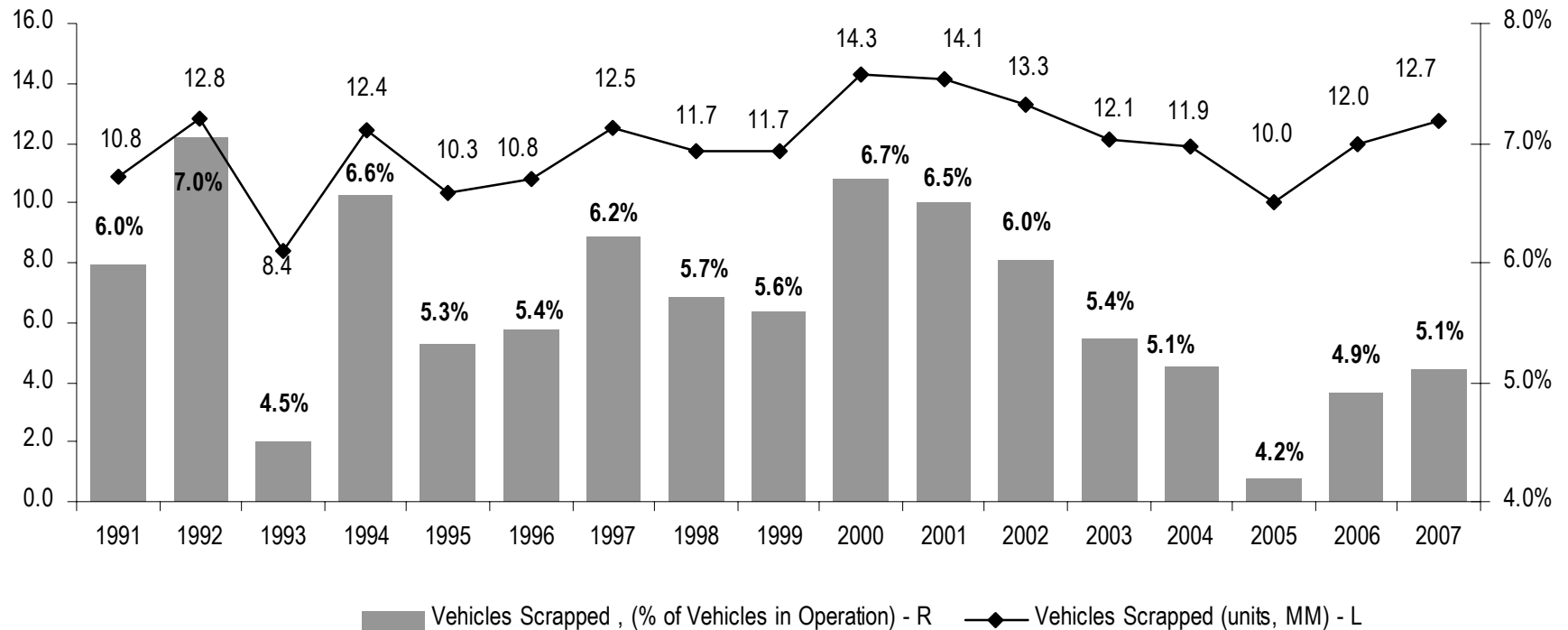
Source: U.S. BEA; US BLS.

# US LV Scrappage

- **Scrappage analysis less helpful near-term but suggests we're operating below long-run replacement demand**

- Car parc of ~250MM \* 15-yr avg. 5.7% scrappage rate suggests replacement demand of ~14.2MM/yr

## Historical US LV Scrappage



Source: Ward's Automotive; J.P. Morgan estimates.

## 2Q Upside Possible In Auto Supply Names With Heavy Europe Exposure

- **Q/Q contribution margin math may prove more predictive than Y/Y given vast amount of supplier cost reduction in the past nine months.**
  - Our analysis suggests potential 2Q upside is greatest at Europe-exposed TRW, MGA and to a lesser extent TEN.

### Potential 2Q Revenue Upside

	Revenues		2Q Q/Q Δ	EBIT		Prior JPM 2Q:09E EPS	1Q:09 Revenue Breakdown			JPM est LV Vols. Δ			Blended Average % Δ	Deflated by non-LV OE Revs	Potential 2Q:09E Revenues
	1Q:09A	Current JPM 2Q:09E		1Q:09A	Current JPM 2Q:09E		NA	EUR	ROW	NA	EUR	ROW			
TEN	\$ 967	\$ 1,051	9%	\$ (10)	\$ 1	(\$0.67)	51%	41%	8%	4%	30%	4%	15%	12%	1,080
TRW	\$ 2,390	\$ 2,500	5%	\$ (71)	\$ (94)	(\$1.16)	28%	58%	14%	4%	30%	4%	19%	18%	2,809
MGA	\$ 3,574	\$ 3,621	1%	\$ (227)	\$ (203)	(\$1.59)	49%	48%	3%	4%	30%	4%	16%	16%	4,162
ALV	\$ 927	\$ 1,069	15%	\$ (73)	\$ (29)	(\$0.40)	22%	54%	24%	4%	30%	4%	18%	18%	1,094
BWA	\$ 820	\$ 919	12%	\$ (17)	\$ 17	\$0.10	28%	57%	14%	4%	30%	4%	19%	15%	943

Source: Company reports; J.P. Morgan estimates.

### Potential 2Q Earnings Upside (@ 20% contribution)

	Implied 2Q Y/Y Decremental Mgn	Potential 2Q Q/Q Incremental Mgn	Potential 2Q:09E EBIT	Potential 2Q:09E EPS	Bloomberg 2Q:09E Consensus	Potential EPS vs. Consensus
TEN	13%	20.0%	\$ 13	(\$0.42)	(\$0.46)	9%
TRW	12%	20.0%	\$ 13	(\$0.49)	(\$0.90)	46%
MGA	14%	20.0%	\$ (109)	(\$0.87)	(\$1.17)	26%
ALV	22%	20.0%	\$ (39)	(\$0.48)	(\$0.48)	0%
BWA	20%	20.0%	\$ 7	\$0.03	\$0.06	-51%

Source: Company reports; J.P. Morgan estimates.

# U.S. Machinery Comp Sheet

Company (1)	Ticker	Price 6/16/09	Year High	Year Low	% Yr Low	Calendar EPS			P/E		EPS Growth		Mkt Cap \$ MM	EV (5) \$ MM	EV/ EBITDA	Ptax ROC (2)	Ptax ROA (3)	ROE (4)	N Debt Tot Cap	N Debt EBITDA	EBIT/ Interest	Inv Turns	FCF Yield	Div Yield	Returns				
						'08	'09E	'10E	'09E	'10E	'09E	'10E												2008	09 YTD	Wkly			
S&P 500 Index	<b>^SPX</b>	\$912	\$1,404	\$677	35%	\$65	\$58	\$73	15.6x	12.5x	-11%	25%																	
S&P 400 Capital Goods Index	<b>IQ2671517</b>	\$314	\$531	\$200	57%																								
S&P 600 Capital Goods Index	<b>IQ2671747</b>	\$312	\$510	\$210	49%																								
<b>S&amp;P Machinery Sector</b>	<b>IQ2671633</b>	<b>\$286</b>	<b>\$522</b>	<b>\$187</b>	<b>53%</b>				<b>19.0x</b>	<b>16.9x</b>	<b>-56%</b>	<b>28%</b>	<b>9,482</b>	<b>10,988</b>	<b>6.4x</b>	<b>19.0%</b>	<b>11.0%</b>	<b>9.5%</b>	<b>27%</b>	<b>1.3</b>	<b>10.2x</b>	<b>6.3x</b>	<b>10%</b>	<b>2.1%</b>	<b>-46%</b>	<b>1%</b>	<b>-7%</b>		
<b>JPM U.S. Machinery Coverage -- Ann Duignan</b>																													
AGCO Corp.	<b>AGCO</b>	\$26.98	\$63.14	\$14.62	85%	\$4.09	\$2.10	\$2.24	12.9x	12.0x	-49%	7%	2,494	3,120	4.0x	18.7%	10.9%	17.6%	23%	0.9	9.4x	4.4x	1%	0.0%	-65%	14%	-8%		
Bucyrus International Inc.	<b>BUCY</b>	\$27.63	\$79.50	\$10.62	160%	\$3.14	\$3.10	\$2.00	8.9x	13.8x	-1%	-36%	2,076	2,522	5.5x	28.7%	17.4%	26.7%	30%	1.0	12.3x	3.1x	0%	0.3%	-63%	50%	-12%		
Caterpillar Inc.	<b>CAT</b>	\$35.56	\$85.96	\$21.71	64%	\$5.66	\$1.16	\$1.55	30.6x	22.9x	-79%	34%	21,398	23,003	5.0x	26.8%	10.4%	30.1%	45%	1.1	10.6x	5.7x	6%	4.4%	-37%	-18%	-7%		
CNH Global NV	<b>CNH</b>	\$16.09	\$47.43	\$5.69	183%	\$3.59	\$0.06	\$0.92	259.5x	17.5x	-98%	1385%	3,819	5,019	3.3x	14.0%	7.0%	9.4%	34%	2.1	2.1x	3.7x	-36%	0.0%	-76%	3%	-9%		
Cummins Inc.	<b>CM</b>	\$33.56	\$75.98	\$17.70	90%	\$4.08	\$1.35	\$1.81	24.8x	18.6x	-67%	34%	6,773	7,286	5.5x	19.5%	10.2%	16.5%	7%	0.3	22.5x	5.9x	4%	1.9%	-57%	27%	-7%		
Commercial Vehicle Group Inc.	<b>CVGI</b>	\$1.29	\$14.21	\$0.40	223%	(\$9.58)	(\$1.48)	\$0.01	-0.9x	258.0x	85%	100%	28	188	28.0x	-3.9%	-2.6%	-154.8%	85%	23.7	NM	7.3x	166%	0.0%	-94%	39%	22%		
Deere & Co.	<b>DE</b>	\$41.62	\$90.73	\$24.51	70%	\$4.70	\$2.61	\$2.90	15.9x	14.4x	-44%	11%	17,595	18,439	6.4x	32.9%	12.5%	22.5%	12%	0.3	13.6x	7.0x	10%	2.4%	-58%	9%	-9%		
Manitowoc Co. Inc.	<b>MTW</b>	\$6.10	\$43.45	\$2.34	161%	\$3.10	\$0.57	\$0.43	10.8x	14.2x	-82%	-24%	795	3,333	5.7x	19.1%	11.5%	-70.3%	77%	4.3	5.0x	4.2x	-6%	1.2%	-82%	-29%	-8%		
Navistar International Corp.	<b>NAV</b>	\$44.43	\$79.05	\$15.24	192%	\$7.23	\$3.17	\$5.52	14.0x	8.1x	-56%	74%	3,129	3,969	3.4x	NM	13.5%	-59.1%	-548%	1.1	5.9x	8.9x	12%	0.0%	-61%	108%	-2%		
PACCAR Inc.	<b>PCAR</b>	\$30.86	\$53.81	\$20.38	51%	\$2.78	\$0.63	\$1.32	49.3x	23.3x	-77%	111%	11,208	7,570	4.8x	43.7%	14.2%	20.6%	-74%	(1.3)	13.7x	21.3x	13%	2.1%	-46%	9%	-10%		
Eaton Corporation	<b>ETN</b>	\$46.34	\$98.14	\$30.02	54%	\$6.83	\$1.96	\$3.06	23.7x	15.1x	-71%	56%	7,674	11,469	7.5x	9.4%	6.1%	12.5%	36%	2.4	6.0x	6.9x	14%	4.2%	-47%	-5%	-5%		
Illinois Tool Works Inc.	<b>ITW</b>	\$36.60	\$55.59	\$25.60	43%	\$3.04	\$1.34	\$1.76	27.2x	20.8x	-56%	31%	18,275	21,036	8.7x	16.4%	12.4%	14.2%	24%	1.1	13.0x	6.0x	10%	3.4%	-33%	5%	-2%		
Joy Global, Inc.	<b>JOYG</b>	\$36.39	\$90.00	\$14.30	154%	\$3.44	\$3.66	\$2.28	9.9x	16.0x	7%	-38%	3,720	4,169	6.1x	47.0%	23.4%	55.0%	39%	0.7	16.0x	2.8x	9%	1.8%	-65%	61%	-11%		
Parker Hannifin Corporation	<b>PH</b>	\$43.41	\$86.91	\$27.69	57%	\$5.61	\$2.73	\$2.85	15.9x	15.2x	-51%	4%	6,968	9,398	6.2x	16.8%	12.2%	15.2%	34%	1.6	10.5x	6.3x	15%	2.1%	-43%	3%	-8%		
Terex Corp.	<b>TEX</b>	\$13.09	\$76.25	\$7.34	78%	\$5.32	(\$0.67)	\$0.05	-19.7x	284.6x	-113%	107%	1,380	2,538	3.8x	16.6%	10.0%	-8.0%	37%	1.7	5.6x	3.2x	29%	0.0%	-74%	-24%	-10%		
<b>Average (w/o min or max)</b>					<b>108%</b>				<b>18.7x</b>	<b>35.5x</b>	<b>-56%</b>	<b>39%</b>	<b>6,608</b>	<b>7,682</b>	<b>5.6x</b>	<b>21.9%</b>	<b>11.4%</b>	<b>3.7%</b>	<b>25%</b>	<b>1.4</b>	<b>10.1x</b>	<b>5.6x</b>	<b>9%</b>	<b>1.5%</b>	<b>-59%</b>	<b>13%</b>	<b>-7%</b>		
<b>Min/Max</b>									<b>-20/260</b>	<b>8/285</b>	<b>-1/1</b>	<b>0/14</b>			<b>3/28</b>														
<b>Construction &amp; Ag Machinery</b>																													
AGCO Corp.	<b>AGCO</b>	\$26.98	\$63.14	\$14.62	85%	\$4.09	\$2.10	\$2.24	12.9x	12.0x	-49%	7%	2,494	3,120	4.6x	18.7%	10.9%	17.6%	23%	0.9	9.4x	4.4x	1%	0.0%	-65%	14%	-8%		
Bucyrus International Inc.	<b>BUCY</b>	\$27.63	\$79.50	\$10.62	160%	\$3.14	\$3.10	\$2.00	8.9x	13.8x	-1%	-36%	2,076	2,522	5.5x	28.7%	17.4%	26.7%	30%	1.0	12.3x	3.1x	0%	0.3%	-63%	50%	-12%		
Caterpillar Inc.	<b>CAT</b>	\$35.56	\$85.96	\$21.71	64%	\$5.66	\$1.16	\$1.55	30.6x	22.9x	-79%	34%	21,398	23,003	5.0x	26.8%	10.4%	30.1%	45%	1.1	10.6x	5.7x	6%	4.4%	-37%	-18%	-7%		
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Cummins Inc.	<b>CM</b>	\$33.56	\$75.98	\$17.70	90%	\$4.08	\$1.35	\$1.81	24.8x	18.6x	-67%	34%	6,773	7,286	5.5x	19.5%	10.2%	16.5%	7%	0.3	22.5x	5.9x	4%	1.9%	-57%	27%	-7%		
Deere & Co.	<b>DE</b>	\$41.62	\$90.73	\$24.51	70%	\$4.70	\$2.61	\$2.90	15.9x	14.4x	-44%	11%	17,595	18,439	6.4x	32.9%	12.5%	22.5%	12%	0.3	13.6x	7.0x	10%	2.4%	-58%	9%	-9%		
Eaton Corporation	<b>ETN</b>	\$46.34	\$98.14	\$30.02	54%	\$6.83	\$1.96	\$3.06	23.7x	15.1x	-71%	56%	7,674	11,469	7.5x	9.4%	6.1%	12.5%	36%	2.4	6.0x	6.9x	14%	4.2%	-47%	-5%	-5%		
Ingersoll-Rand Co. Ltd.	<b>IR</b>	\$21.81	\$46.66	\$11.46	90%	\$3.32	\$1.35	\$1.64	16.2x	13.3x	-59%	22%	6,960	11,717	7.8x	9.6%	6.0%	-44.3%	40%	3.1	3.6x	8.4x	8%	1.3%	-62%	28%	-4%		
Joy Global, Inc.	<b>JOYG</b>	\$36.39	\$90.00	\$14.30	154%	\$3.44	\$3.66	\$2.28	9.9x	16.0x	7%	-38%	3,720	4,169	6.1x	47.0%	23.4%	55.0%	39%	0.7	16.0x	2.8x	9%	1.8%	-65%	61%	-11%		
Kennametal Inc.	<b>KMT</b>	\$18.56	\$38.75	\$12.82	45%	\$2.76	\$0.80	\$1.10	23.3x	16.9x	-71%	38%	1,358	1,781	6.5x	9.4%	6.9%	-1.9%	23%	1.5	6.2x	3.7x	19%	2.3%	-40%	-15%	-10%		
Lindsay Corporation	<b>LNN</b>	\$32.43	\$130.49	\$20.89	55%	\$3.20	\$1.10	\$0.91	29.6x	35.8x	-66%	-17%	399	389	6.6x	23.6%	17.4%	17.1%	-5%	NM	18.8x	5.5x	6%	0.9%	-55%	2%	-9%		
Manitowoc Co. Inc.	<b>MTW</b>	\$6.10	\$43.45	\$2.34	161%	\$3.10	\$0.57	\$0.43	10.8x	14.2x	-82%	-24%	795	3,333	5.7x	19.1%	11.5%	-70.3%	77%	4.3	5.0x	4.2x	-6%	1.2%	-82%	-29%	-8%		
Navistar International Corp.	<b>NAV</b>	\$44.43	\$79.05	\$15.24	192%	\$7.23	\$3.17	\$5.52	14.0x	8.1x	-56%	74%	3,129	3,969	3.4x	NM	13.5%	-59.1%	-548%	1.1	5.9x	8.9x	12%	0.0%	-61%	108%	-2%		
Oshkosh Corporation	<b>OSK</b>	\$14.04	\$40.85	\$3.85	264%	\$3.37	(\$0.19)	\$1.15	-72.5x	12.2x	-106%	692%	1,045	3,458	7.1x	9.5%	6.2%	-156.6%	93%	5.0	1.8x	5.4x	69%	0.0%	-81%	60%	-4%		
Terex Corp.	<b>TEX</b>	\$13.09	\$76.25	\$7.34	78%	\$5.32	(\$0.67)	\$0.05	-19.7x	284.6x	-113%	107%	1,380	2,538	3.8x	16.6%	10.0%	-8.0%	37%	1.7	5.6x	3.2x	29%	0.0%	-74%	-24%	-10%		
<b>Average (w/o min or max)</b>					<b>110%</b>				<b>15.5x</b>	<b>17.1x</b>	<b>-65%</b>	<b>77%</b>	<b>4,524</b>	<b>6,063</b>	<b>5.7x</b>	<b>19.0%</b>	<b>10.8%</b>	<b>-2.4%</b>	<b>31%</b>	<b>1.7</b>	<b>8.8x</b>	<b>5.2x</b>	<b>9%</b>	<b>1.3%</b>	<b>-62%</b>	<b>15%</b>	<b>-8%</b>		
<b>Min/Max</b>									<b>-72/260</b>	<b>8/285</b>	<b>-1/0</b>	<b>0/14</b>			<b>3/8</b>														
<b>Truck &amp; Truck Components</b>																													
Accuride Corp.	<b>BB:AURD</b>	\$0.35	\$8.36	\$0.13	167%	NA	NA	NA	NA	NA	NA	NA	13	579	11.0x	0.9%	0.6%	-421.7%	115%	10.8	0.1x	7.2x	410%	0.0%	-97%	52%	21%		
ArvinMertor Inc.	<b>ARM</b>	\$3.70	\$18.11	\$0.32	1056%	\$1.60	(\$0.88)	\$0.40	-4.2x	9.2x	-155%	146%	274	1,676	6.7x	7.3%	2.6%	2656.3%	169%	5.9	1.0x	10.1x	-10%	0.0%	-74%	30%	-1%		
Cummins Inc.	<b>CM</b>	\$33.56	\$75.98	\$17.70	90%	\$4.08	\$1.35	\$1.81	24.8x	18.6x	-67%	34%	6,773	7,286	5.5x	19.5%	10.2%	16.5%	7%	0.3	22.5x	5.9x	4%	1.9%	-57%	27%	-7%		
Commercial Vehicle Group Inc.	<b>CVGI</b>	\$1.29	\$14.21	\$0.40	223%	(\$9.58)	(\$1.48)	\$0.01	-0.9x	258.0x	85%	100%	28	188	28.0x	-3.9%	-2.6%	-154.8%	85%	23.7	NM	7.3x	166%	0.0%	-94%	39%	22%		
Eaton Corporation	<b>ETN</b>	\$46.34	\$98.14	\$30.02	54%	\$6.83	\$1.96	\$3.06	23.7x	15.1x	-71%	56%	7,674	11,469	7.5x	9.4%	6.1%	12.5%	36%	2.4	6.0x	6.9x	14%	4.2%	-47%	-5%	-5%		
Navistar International Corp.	<b>NAV</b>	\$44.43	\$79.05	\$15.24	192%	\$7.23	\$3.17	\$5.52	14.0x	8.1x	-56%																		

# U.S. Autos Comp Sheet — OEMs

## OEM Comps

							EV/ Sales		EV/ EBITDA		P/E	
Ticker	Rating	Currency		Price	Market Cap	Current EV	2009E	2010E	2009E	2010E	2009E	2010E
Ford	F US	N	\$	5.7	19,084	37,489	38%	36%	43.4x	5.4x	NA	NA
<b>US Average</b>						<b>37,489</b>	<b>38%</b>	<b>36%</b>	<b>43.4x</b>	<b>5.4x</b>	<b>NA</b>	<b>NA</b>
DAI	DAI GY	OW	€	25.7	27,214	25,068	37%	39%	10.7x	6.1x	NA	78.2x
BMW	BMW GY	N	€	27.7	17,595	17,175	40%	41%	6.6x	5.0x	NA	NA
VW Prefs.	VOW GY	N	€	48.9	19,568	16,105	17%	17%	1.9x	2.0x	19.8x	23.4x
PSA	UG FP	UW	€	20.9	4,892	9,651	22%	23%	6.9x	4.6x	NA	NA
Renault	RNO FP	UW	€	28.0	7,991	10,498	36%	37%	27.1x	8.6x	NA	NA
Fiat	F IM	N	€	7.3	8,849	15,622	34%	37%	4.9x	5.9x	NA	NA
Porsche	PAH3 GY	N	€	45.6	7,980	7,965	149%	120%	9.8x	7.3x	29.1x	11.4x
<b>Europe Average</b>						<b>14,583</b>	<b>48%</b>	<b>45%</b>	<b>9.7x</b>	<b>5.6x</b>	<b>24.5x</b>	<b>37.7x</b>
Toyota	7203 JP	N	¥	3700	12,757,591	11,523,277	64%	60%	14.2x	6.8x	NA	28.9x
Honda	7267 JP	OW	¥	2680	4,917,340	4,871,094	55%	50%	9.5x	6.3x	193.3x	17.6x
Nissan	7201 JP	N	¥	568	2,567,766	2,525,978	34%	31%	8.2x	3.7x	NA	66.4x
<b>Japan Average</b>						<b>6,306,783</b>	<b>51%</b>	<b>47%</b>	<b>10.7x</b>	<b>5.6x</b>	<b>193.3x</b>	<b>37.6x</b>
Hyundai	005380 KS		KW	70200	17,356	14,455	50%	44%	5.1x	4.2x	13.9x	10.5x
Kia	000270 KS		KW	11850	4,365	9,158	58%	54%	7.5x	6.6x	12.5x	8.6x
<b>S.Korea Average</b>						<b>11,807</b>	<b>54%</b>	<b>49%</b>	<b>6.3x</b>	<b>5.4x</b>	<b>13.2x</b>	<b>9.5x</b>
<b>Global Average</b>							<b>48%</b>	<b>44%</b>	<b>17.5x</b>	<b>5.5x</b>	<b>77.0x</b>	<b>28.3x</b>

Note: VW Market Cap calculated as VW Pref. Share price times Ordinary +Pref. NOSH

Source: Company Reports, J.P. Morgan Estimates for the rated companies, Bloomberg consensus for the rest.

EV= Market Cap + Total Net Debt+ (Pension +OPEB) underfunding + Minority Interest - BV of financial affiliates - MV of associates

Average for suppliers exclude GNTX.

All the prices are as of: 16-Jun-09

# U.S. Autos Comp Sheet — OEMs

## Tire Comps

	Ticker	Rating	Currency	Price	Market Cap	Current EV	EV/ Sales		EV/ EBITDA		P/E	
							2009E	2010E	2009E	2010E	2009E	2010E
Michelin	ML FP		(€)	43.0	6,144	11,728	77%	75%	6.5x	5.3x	34.2x	14.2x
Bridgestone	5108 JP		(¥)	1,380	1,140	1,759	67%	63%	6.0x	5.0x	56.9x	17.6x
Continental	CON GR		(€)	20.3	3,656	5,739	27%	26%	2.6x	2.2x	34.4x	9.5x
Goodyear	GT US	OW	(\$)	11.9	2,823	8,408	53%	50%	5.7x	4.7x	NA	9.2x
Cooper	CTB US	OW	(\$)	9.1	464	1,013	38%	36%	3.9x	2.9x	NA	7.0x
Nokian	NRE1V FH		(€)	13.9	1,717	1,819	208%	197%	9.5x	7.9x	22.8x	15.1x
Hankook	000240 KS		(KW)	16,100	2,420	2,631	NA	98%	6.2x	5.7x	14.6x	10.1x
Sumitomo	5110 JP		(¥)	690.0	188	282	52%	50%	4.7x	5.0x	50.0x	16.2x
Yokohama	5101 JP		(¥)	417.0	147	309	66%	66%	6.3x	6.3x	NA	16.6x
<b>Global Average</b>							<b>74%</b>	<b>71%</b>	<b>5.7x</b>	<b>4.9x</b>	<b>35.5x</b>	<b>13.8x</b>

## Supplier Comps

	Ticker	Rating	Currency	Price	Market Cap	Current EV	EV/ Sales		EV/ EBITDA		P/E	
							2009E	2010E	2009E	2010E	2009E	2010E
Autoliv	ALV US	OW	\$	28.9	2,029	3,132	74%	70%	8.9x	5.8x	NA	32.2x
American Axle	AXL US	N	\$	3.5	160	1,561	94%	76%	8.7x	5.4x	NA	NA
ArvinMeritor	ARM US	N	\$	3.7	266	2,028	40%	39%	11.4x	8.0x	NA	NA
Borg Warner	BWA US	OW	\$	32.3	3,761	4,630	120%	96%	11.7x	7.3x	79.1x	17.5x
Dana	DAN US	N	\$	1.5	232	1,228	25%	22%	5.1x	3.1x	NA	NA
Gentex	GNTX US	N	\$	12.7	1,661	1,327	291%	257%	17.6x	13.6x	67.2x	33.3x
Genuine Parts Corp.	GPC US	N	\$	33.1	5,237	5,905	58%	57%	7.2x	7.0x	14.1x	13.2x
Johnson Controls	JCI US	N	\$	20.9	12,431	17,528	60%	56%	14.3x	8.1x	79.3x	16.7x
Lear	LEA US	N	\$	1.3	100	2,645	28%	24%	12.5x	5.5x	NA	NA
Magna	MGA US	N	\$	38.6	4,315	3,193	19%	17%	20.6x	3.7x	NA	38.5x
TRW	TRW US	N	\$	9.2	932	3,674	36%	33%	12.4x	7.4x	NA	NA
Tenneco	TEN US	N	\$	10.0	456	2,165	48%	41%	8.1x	5.0x	NA	NA
<b>US Average</b>							<b>55%</b>	<b>48%</b>	<b>11.0x</b>	<b>6.0x</b>	<b>59.9x</b>	<b>25.2x</b>
Beru	BZL GR		€	76.0	760	742	NA	NA	NA	NA	NA	NA
Brembo	BRE IM		€	4.4	292	552	62%	60%	5.1x	4.8x	17.6x	11.9x
Continental	CON GR		€	20.3	3,656	5,739	27%	26%	2.6x	2.2x	34.4x	9.5x
Faurecia	EO FP		€	6.8	622	2,478	25%	24%	8.5x	5.4x	NA	NA
GKN	GKN LN		€	1.3	989	1,628	NA	NA	NA	NA	88.7x	11.8x
Tomkins	TOMK LN		€	1.5	1,395	1,897	NA	NA	4.4x	3.7x	14.8x	9.2x
Valeo	FR FP		€	14.1	1,141	2,741	38%	37%	4.5x	3.5x	NA	NA
<b>Europe Average</b>							<b>38%</b>	<b>37%</b>	<b>5.0x</b>	<b>3.9x</b>	<b>38.8x</b>	<b>10.6x</b>
<b>US&amp; Europe Average</b>							<b>52%</b>	<b>47%</b>	<b>9.4x</b>	<b>5.5x</b>	<b>49.4x</b>	<b>17.9x</b>

Note: VW Market Cap calculated as VW Pref. Share price times Ordinary +Pref. NOSH

Source: Company Reports, J.P. Morgan Estimates for the rated companies, Bloomberg consensus for the rest.

EV= Market Cap + Total Net Debt+ (Pension +OPEB) underfunding + Minority Interest - BV of financial affiliates - MV of associates

Average for suppliers exclude GNTX.

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