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Russia about to be gripped by winter chill
pages 13 - 15

Porsche may delay VW majority move
pages 8 - 9

"Balloon has popped" Audi's new Q5 SUV
pages 15 - 18

02.12.08

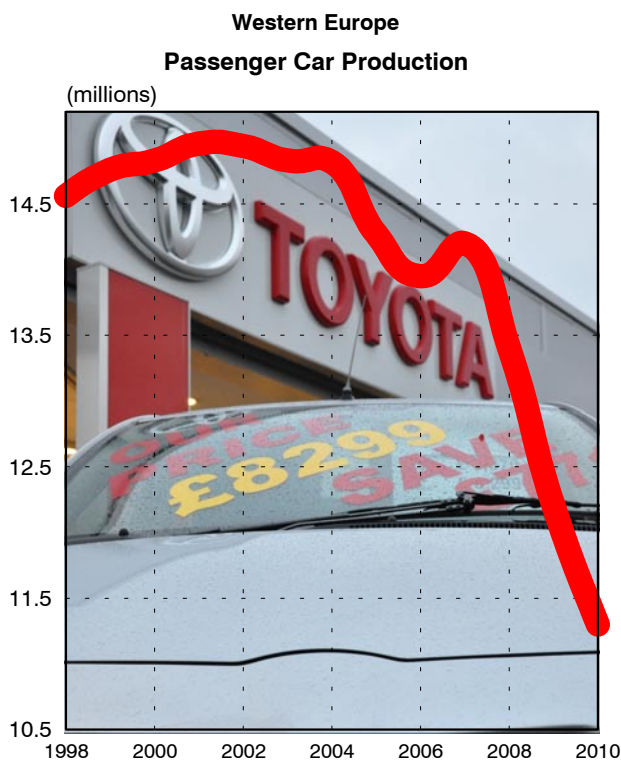
Europe
Squeals of pain

Initial car sales crisis, latest soundings suggest, is threatening to turn into slump

SIGNS of a fast deepening car sales slump are emerging. Amongst the most tangible evidence, apart from plummeting new car sales and rapidly thinning order books, are almost daily reports of widespread lay-offs and job shedding at previously buzzing car plants, tumbling autoindustry profits and above all, initial desperate pleas for urgent government assistance from some hard-pressed carmakers.

The extreme swings in negative sentiment that have suddenly gripped the global automotive sector during these past three months have rarely, if ever been seen in such a short period of time. No less telling of today's prevailing conditions, and with very few notable exceptions, the deepening downward spiral has affected virtually all market participants, and many are already suffering from the resulting fallout. Conditions are such that even previously high-flying carmakers such as BMW, Mercedes and Toyota, who in past downturns have weathered the ill-effects with little outwardly visible damage, are now also taking it on the chin.

To judge from alarmist private comments of people close to carmakers' senior decision makers, the global autoindustry may be about to face the worst, longest



AID Graph 08/97 2008/09/10 F-Cast = AUTO AID 2008

Markets:

Europe	1, 2, 3, 4, 5, 6, 7, 15
France	9, 19
Germany	2, 4, 5, 8, 9 - 12, 14, 15, 16, 18
Italy	9
Japan	5, 6, 11, 14, 19
Russia	13, 14, 15
South Korea	11, 14
Spain	9
Sweden	2
UK	2, 15, 16, 17, 18, 19
USA	2, 5, 6, 7, 15, 19

New Products:

"Party is over"

Audi's Q5 makes UK dealer debut just as SUV bubble bursts 15-18

"iQ Test"

Toyota's new iQ town car to hit UK showrooms in January 18-19

In Depth & Other Topics:

"Knives are out"

Europe: Production cutbacks are beginning to snowball 2

"Downturn turns to slump"

Pot has boiled over and left big mess on the floor 1 - 3

"Change with a difference"

More inroads from automatics, paced by double-clutch transmissions 3 - 6

"Struggle to stay airborne"

Collateral damage worry - bailout of US carmakers likely . . . 6 - 7

"So far so good"

Germany remains relatively unscathed, but dark clouds are already gathering 9 - 13

"Volksarmour"

VW, remarkable display of muscle and stamina . . . 10 - 13

Alfa Romeo	11, 14	Lamborghini	11
Audi	4, 5, 10, 11 - 14, 15, 16, 17, 18	Lancia	11
Aisin	5	Land Rover	2, 11, 19
Aston Martin	11, 19	Lexus	11, 14
Bentley	11	Leyland Truck	19
BMW	1, 2, 4, 5, 10, 11 -14, 16, 18	LuK	4
BorgWarner	4	Mazda	11, 14, 19
Cadillac	7	Mercedes	1, 2, 4, 5, 11, 13, 14, 18
Chevrolet/Daewoo	11, 12, 14	Merrill Lynch	7
Chrysler	6, 7, 11	Mini	11
Citroën	11, 14	Mitsubishi	10, 11, 14
Citigroup	6	Nissan	10, 11, 14, 16
Credit Suisse	8, 9	Pontiac	7
Dacia	11, 14	Porsche	2, 4, 8, 9, 11
Daihatsu	11	PSA-Peugeot	11, 13, 14, 19
Daimler	11, 14	Renault	11, 14
Deutsche Bank	6, 7	Rolls Royce	19
Faurecia	19	Saab	2, 6, 7, 11, 14
Ferrari/Maserati	11	Saturn	6, 7
Fiat	11, 14	SEAT	11, 14
Ford	6, 11, 12, 13, 14, 19	Skoda	11, 12, 13, 14
GM Opel	2, 11, 12, 13, 14, 19	Smart	11
Global Insight	8	SsangYong	11
GM (US)	6, 7, 11, 14	Subaru	11, 14
Honda	2, 11, 14, 19	Suzuki	10, 11, 14
Hummer	6, 7, 11	Tata	2, 11, 19
Hyundai	10, 11, 14	Toyota	1, 2, 10, 11, 12, 14, 16, 18, 19
Jaguar	2, 11, 19	VW	4, 5, 8, 9, 10, 11, 12, 13, 14, 16
Kia	11, 14	Volvo	2, 11, 14, 16
Lada	11, 14	ZF	3, 4, 5



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