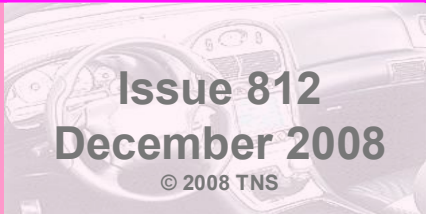




the sixth sense of business™

TNS.SENSESM AUTOMOTIVE



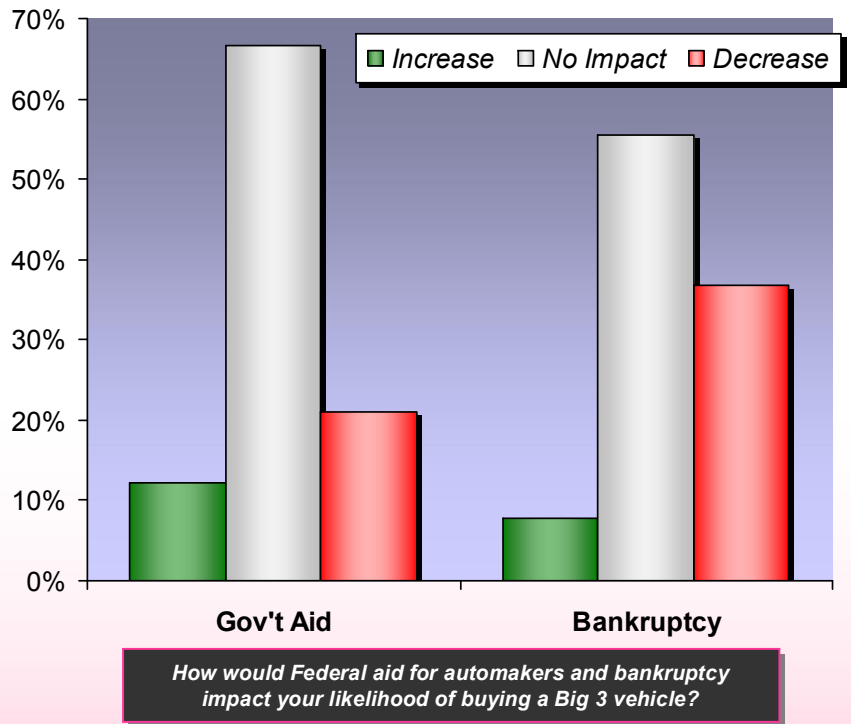
BIG 3 BANKRUPTCY WOULD DAMAGE SALES

The government has invested a significant amount of time in determining whether to **invest in the US Big 3**. One of the potential alternatives is **bankruptcy**. The Big 3 have conjectured that the bankruptcy option would be **financially devastating** because consumers would be unlikely to buy vehicles from a company under Chapter 11. TNS asked 1,000 consumers how their likelihood to purchase a Big 3 vehicle would *change* were the Big 3 to get government aid and, separately, were the Big 3 to file for bankruptcy.



In **either scenario**, sales are likely to be adversely impacted. With government aid, about **1 in 5 consumers** reported that they would be less likely to buy a Big 3 vehicle. About 10% reported more likely, which could reflect a patriotic leaning.

The **damage nearly doubles** under the bankruptcy scenario, with **37% of consumers** reporting that they would be less likely to buy a Big 3 vehicle, including 1 in 5 that said the likelihood would “greatly decrease” (not shown). In the bankruptcy scenario the adverse impact on sales could total **\$50 billion or more in a single year** (calculations below).



Impact Calculations: Big 3 market share CYTD 2008 is 48%. With some decay, 2009 could be 45%. Even in a very soft 2009 sales year (such as 12.0 million new units sold) the Big 3 together would sell about 5.4 million units. Applying an average price of \$25,000, and 37% of sales possibly lost, the potential lost revenue equals \$50 billion—higher than the loans and loan guarantees that the Big 3 seek.

In either scenario (aid or Chapter 11), the **logical next step** is to identify which **brands and/or models** would be most impacted and from there develop response plans—including **directing consumer interest** to those brands and models least at risk.

TNS is the world's foremost provider of custom research and analysis, combining in-depth industry sector understanding with world-class expertise in the areas of new product development, segmentation and positioning research, brand and advertising research and stakeholder management. For additional information on these results contact Lincoln Merrihew of TNS Automotive (Lincoln.Merrihew@tns-global.com) or Melanie Mumper of TNS Marketing (Melanie.Mumper@tns-global.com)