

Chicago Auto Outlook™

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Small 1.1% Drop In Area Market Predicted for 2005

Forecasting the Chicago Area new vehicle market is a delicate balancing act. Indicators frequently present mixed signals on where the market is headed. Some point squarely to improvement, while others indicate a decline. The summary on the right presents Auto Outlook's list of key positive and negative forecast determinants for the area market in 2005.

Many auto industry pundits paint a rather gloomy picture for new vehicle sales next year, but we feel there are several significant reasons why 2005 is likely to be another relatively good year for the Chicago Area market. As shown on the right, several economic indicators are very encouraging. The one that stands out most is that new vehicle affordability

continues to be very strong, indicating that a new vehicle purchase is within reach for a large number of Chicago Area consumers.

On the flip side, the continuation of elevated gas prices and uncomfortably high debt levels for many consumers is likely to put a damper on sales next year. In addition, as discussed on page eight, very strong sales between 2000 and 2002 is likely to put a bit of a damper on sales next year.

Forecast Summary: With three quarters in the books for this year, it looks like new vehicle registrations in the area will decline by about 4.8% from 2003. Registrations next year should come in at just about 390,000 units, a 1.1% drop from this year.

Weighing Forecast Determinants:

Positives and Negatives for the area new vehicle market over the next 12 months



Positives (why the market could strengthen):

- ◆ Consumer affordability for new vehicles remains at near record highs
- ◆ Employment growth is accelerating
- ◆ Personal income is improving
- ◆ Economic growth is predicted to remain strong during 2005
- ◆ Impressive array of new products are scheduled to be introduced

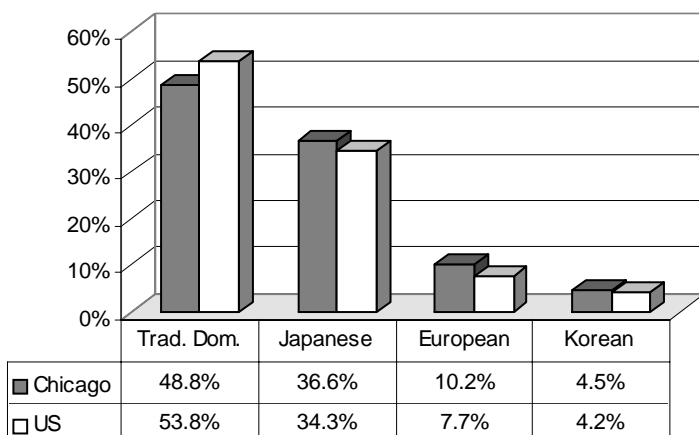
Negatives (why the market could weaken):

- ◆ High gas prices
- ◆ Strong new vehicle sales over the past several years could lead to a cyclical decline
- ◆ High consumer debt levels

VERDICT: Mild slowdown predicted

CHICAGO AREA RETAIL LIGHT VEHICLE MARKET—AT A GLANCE

RETAIL MARKET SHARE—AREA VS. U.S., YTD '04 (thru Sept.)



CHICAGO AREA NEW RETAIL LIGHT VEHICLE REGISTRATIONS

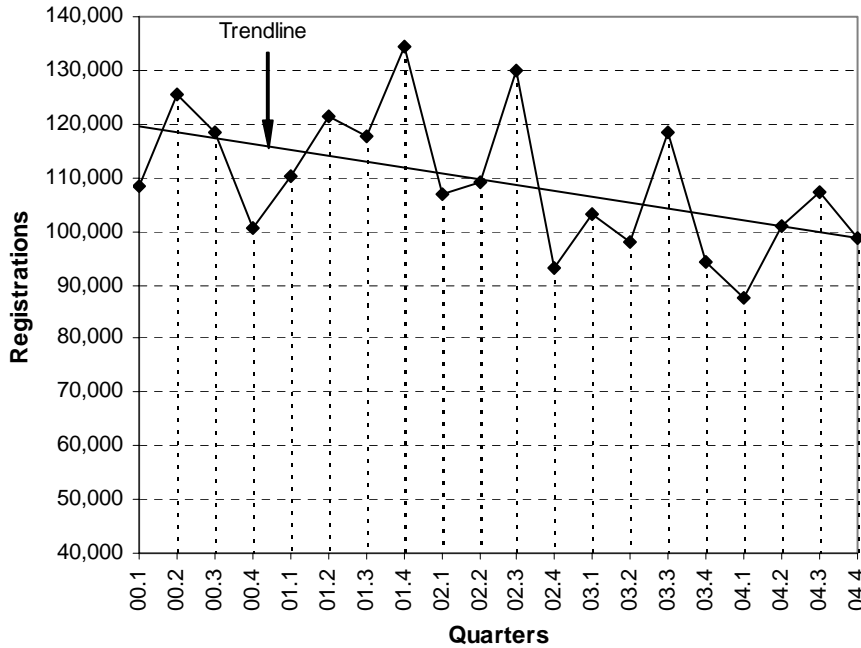
	2003	Forecast 2004	Forecast 2005	% change '03 to '04
TOTAL	414,117	394,342	390,045	-4.8%
Car	215,703	202,112	195,998	-6.3%
Light Truck	198,414	192,230	194,047	-3.1%
Traditional Domestic	214,498	192,107	190,254	-10.4%
Japanese	136,250	144,086	142,692	5.8%
European	42,674	39,627	38,392	-7.1%
Korean	20,695	18,522	18,707	-10.5%

Source for historical data: The Polk Company

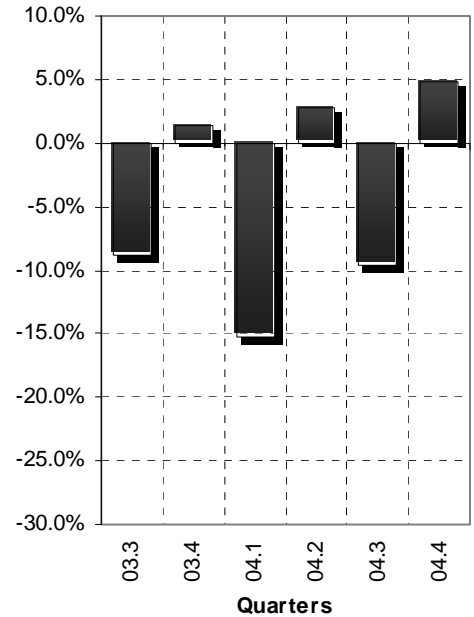
Quarterly Industry Results and Forecast

Area Market Predicted to Improve in Fourth Quarter of '04 versus Year Earlier

New Retail Light Vehicle Registrations



Quarterly Percent Change in Registrations vs. a Year Earlier
(Bars up indicate an increase; down a decrease)



Summary Table	02.1	02.2	02.3	02.4	03.1	03.2	03.3	03.4	04.1	04.2	04.3	04.4
Actual registrations	107,053	109,187	130,079	93,020	103,148	98,139	118,598	94,232	87,469	100,878	107,241	98,754
% change from year earlier	-3.0%	-10.1%	10.6%	-30.8%	-3.6%	-10.1%	-8.8%	1.3%	-15.2%	2.8%	-9.6%	4.8%

As expected, new retail car and light truck registrations in the Chicago Area declined in the Third Quarter of this year versus a year earlier (down 9.6%). The large decline was primarily attributable to the market's strong results in the Third Quarter of last year. We are predicting a 4.8% increase in Fourth Quarter registrations.

Source for Historical Data: The Polk Company.

Chicago Auto Outlook

Published by:

Auto Outlook, Inc.
5 Great Valley Parkway, Suite 234
Malvern, PA 19355
Phone: 800-206-0102
Fax: 610-648-3806
E-Mail: autoecon@msn.com

Editor:

Jeffrey A. Foltz

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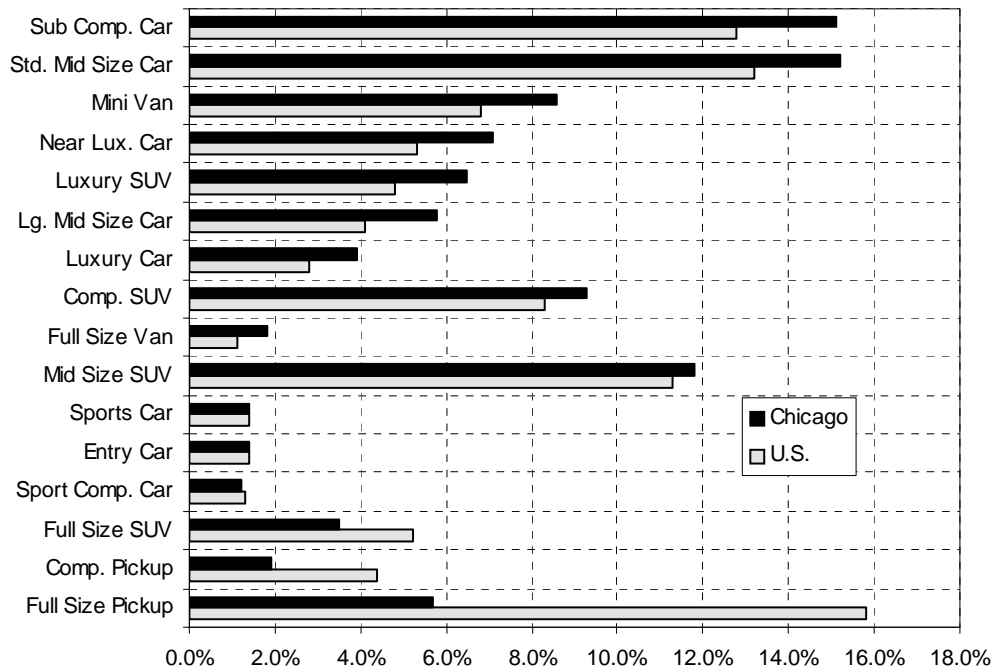
Segment Watch

Sub Compact Car Segment Accounts for Relatively Large Share of Area Market

What are the hot segments in the Chicago Area market? And which models are gaining ground on their segment competitors? *Segment Watch* provides the answers. The graph on the right shows each segment's share of the area and U.S. markets during the first nine months of this year. Segments at the top of the graph have a significantly higher share in the area than Nationally. The table below ranks the top five selling models in each segment so far this year, and the percent change versus a year earlier.

Observations: Sub Compact Car market share in the area exceeded U.S. share by 2.3 points, the highest differential among the 16 segments.
 Source: The Polk Company.

Area and U.S. Segment Market Shares - YTD '04 (thru September)



Top Five Selling Models in Each Segment

New Retail Registrations, YTD 2004 (thru September) and Percent Change vs. 2003

CARS

Entry			Sub Compact			Sporty Compact			Standard Mid Size		
Model	Regs.	% ch.	Model	Regs.	% ch.	Model	Regs.	% ch.	Model	Regs.	% ch.
Chevrolet Aveo	1425	--	Toyota Corolla	6798	-2%	Ford Mustang	1575	-6%	Toyota Camry	8959	1%
Toyota Prius	736	154%	Honda Civic	6738	1%	Mitsubishi Eclipse	561	-55%	Honda Accord	8037	-5%
Hyundai Accent	595	-30%	Chevrolet Cavalier	5456	-23%	Acura RSX	545	-24%	Nissan Altima	5253	11%
Scion xA/tC	577	--	Ford Focus	3943	2%	Hyundai Tiburon	464	-26%	Chevrolet Malibu	3330	-4%
Kia Rio	518	-32%	Saturn Ion	2994	-26%	Toyota Celica	177	-33%	Pontiac Grand Am	2540	-20%
Large Mid Size			Near Luxury			Luxury			Sports Car		
Model	Regs.	% ch.	Model	Regs.	% ch.	Model	Regs.	% ch.	Model	Regs.	% ch.
Chevrolet Impala	3447	-28%	Acura TL	2520	53%	Cadillac Deville	1458	-18%	Chevrolet Corvette	881	-4%
Pontiac Grand Prix	2867	-7%	Lexus ES330	2377	15%	Mercedes E	1404	-4%	Nissan 350ZX	510	-38%
Buick LeSabre	2270	-7%	BMW 3-Series	2186	-24%	BMW 5-Series	1382	2%	Mazda RX8	404	292%
Mercury Gr. Marq.	2213	-2%	Chrysler 300	2168	206%	Lexus LS	843	31%	BMW Z4	344	-33%
Chevrolet Monte Carlo	1698	-34%	Infiniti G35	1821	-6%	Lincoln Town Car	812	-24%	Porsche 911	258	3%

LIGHT TRUCKS

Compact Pickup			Full Size Pick Up			Minivan			Full Size Van		
Model	Regs.	% ch.	Model	Regs.	% ch.	Model	Regs.	% ch.	Model	Regs.	% ch.
Chevrolet Colorado/S10	1497	-29%	Ford F-Series	5978	12%	Dodge Caravan	4706	2%	Chevrolet Express	2344	-4%
Ford Ranger	1374	-33%	Chevrolet Silverado	4165	-8%	Toyota Sienna	4661	85%	Ford Econoline	1663	-15%
Dodge Dakota	1294	-9%	Dodge Ram	2828	-18%	Honda Odyssey	4472	-7%	GMC Savannah	496	-8%
Toyota Tacoma	575	7%	Chevrolet Avalanche	1447	-19%	Chrysler T & C	2957	-2%	Sprinter	427	--
Nissan Frontier	381	3%	GMC Sierra	1376	0%	Ford Freestar	1908	-32%			
Compact SUV			Mid Size SUV			Full Size SUV			Luxury SUV		
Model	Regs.	% ch.	Model	Regs.	% ch.	Model	Regs.	% ch.	Model	Regs.	% ch.
Ford Escape	4042	-2%	Ford Explorer	4996	-21%	Chevrolet Tahoe	2452	-5%	Lexus RX330	3294	11%
Honda CRV	3731	-12%	Chevrolet TrailBlazer	4899	-22%	GMC Yukon	2129	268%	Acura MDX	2214	5%
Hyundai Santa Fe	3217	-12%	Toyota Highlander	3388	-4%	Ford Expedition	1817	-23%	Chrysler Pacifica	1426	149%
Jeep Liberty	3074	-18%	Honda Pilot	3246	9%	Chevrolet Suburban	1664	-15%	Buick Rendezvous	1360	-21%
Saturn Vue	2543	-11%	Jeep Gr. Cher.	3101	-34%	Toyota Sequoia	794	-16%	Cadillac Escalade	1270	16%

CHICAGO AREA NEW RETAIL LIGHT VEHICLE REGISTRATIONS

History and Forecast

(Historical data obtained from The Polk Company)

	Registrations				Percent Change		
	2002	2003	Forecast	Forecast	02 to 03	Forecast	Forecast
			2004	2005		03 to 04	04 to 05
TOTAL	439,339	414,117	394,342	390,045	-5.7%	-4.8%	-1.1%
Acura	6,849	7,288	8,420	8,850	6.4%	15.5%	5.1%
Car	4,317	4,415	5,437	5,875	2.3%	23.1%	8.1%
Truck	2,532	2,873	2,983	2,975	13.5%	3.8%	-0.3%
Audi	3,661	3,577	3,162	3,790	-2.3%	-11.6%	19.9%
BMW	8,504	9,136	8,708	8,178	7.4%	-4.7%	-6.1%
Car	6,322	7,191	6,317	5,835	13.7%	-12.2%	-7.6%
Truck	2,182	1,945	2,391	2,343	-10.9%	22.9%	-2.0%
Buick	11,324	9,141	7,776	7,653	-19.3%	-14.9%	-1.6%
Car	8,396	6,815	5,386	4,956	-18.8%	-21.0%	-8.0%
Truck	2,928	2,326	2,390	2,697	-20.6%	2.8%	12.8%
Cadillac	7,528	7,663	7,301	7,320	1.8%	-4.7%	0.3%
Car	5,853	5,646	4,537	4,460	-3.5%	-19.6%	-1.7%
Truck	1,675	2,017	2,764	2,860	20.4%	37.0%	3.5%
Chevrolet	62,190	57,434	52,384	51,190	-7.6%	-8.8%	-2.3%
Car	25,260	24,013	21,458	20,918	-4.9%	-10.6%	-2.5%
Truck	36,930	33,421	30,926	30,272	-9.5%	-7.5%	-2.1%
Chrysler	14,802	11,574	12,911	13,664	-21.8%	11.6%	5.8%
Car	6,440	4,390	5,695	6,568	-31.8%	29.7%	15.3%
Truck	8,362	7,184	7,216	7,096	-14.1%	0.4%	-1.7%
Daewoo	534	236	0	0	-55.8%	-100.0%	--
Dodge	27,816	21,479	20,474	20,879	-22.8%	-4.7%	2.0%
Car	8,332	5,914	5,325	5,742	-29.0%	-10.0%	7.8%
Truck	19,484	15,565	15,149	15,137	-20.1%	-2.7%	-0.1%
Ford	54,726	47,615	41,180	40,474	-13.0%	-13.5%	-1.7%
Car	17,500	13,848	11,520	11,398	-20.9%	-16.8%	-1.1%
Truck	37,226	33,767	29,660	29,076	-9.3%	-12.2%	-2.0%
GMC	10,527	10,220	9,268	8,773	-2.9%	-9.3%	-5.3%
Honda	33,632	37,057	36,920	36,415	10.2%	-0.4%	-1.4%
Car	20,312	19,421	19,646	18,347	-4.4%	1.2%	-6.6%
Truck	13,320	17,636	17,274	18,068	32.4%	-2.1%	4.6%
Hummer	560	967	636	642	72.7%	-34.2%	0.9%
Hyundai	13,141	13,422	12,735	12,928	2.1%	-5.1%	1.5%
Car	9,307	8,901	8,227	7,614	-4.4%	-7.6%	-7.5%
Truck	3,834	4,521	4,508	5,314	17.9%	-0.3%	17.9%
Infiniti	3,864	4,820	4,604	4,666	24.7%	-4.5%	1.3%
Car	3,029	3,442	3,094	3,096	13.6%	-10.1%	0.1%
Truck	835	1,378	1,510	1,570	65.0%	9.6%	4.0%
Isuzu	1,532	1,056	671	376	-31.1%	-36.5%	-44.0%
Jaguar	2,369	1,842	1,546	1,243	-22.2%	-16.1%	-19.6%
Jeep	16,157	12,489	10,000	10,570	-22.7%	-19.9%	5.7%
Kia	7,003	6,856	5,060	5,052	-2.1%	-26.2%	-0.2%
Car	4,094	3,374	2,367	2,235	-17.6%	-29.8%	-5.6%
Truck	2,909	3,482	2,693	2,817	19.7%	-22.7%	4.6%
Land Rover	1,597	1,373	1,126	1,217	-14.0%	-18.0%	8.1%
Lexus	9,683	10,440	11,189	11,269	7.8%	7.2%	0.7%
Car	5,738	4,766	5,069	5,059	-16.9%	6.4%	-0.2%
Truck	3,945	5,674	6,120	6,210	43.8%	7.9%	1.5%
Lincoln	4,233	4,444	3,359	2,832	5.0%	-24.4%	-15.7%
Car	3,336	2,456	1,896	1,537	-26.4%	-22.8%	-18.9%
Truck	897	1,988	1,463	1,295	121.6%	-26.4%	-11.5%

CHICAGO AREA NEW RETAIL LIGHT VEHICLE REGISTRATIONS

History and Forecast

(Historical data obtained from The Polk Company)

	Registrations				Percent Change		
	2002	2003	Forecast	Forecast	02 to 03	Forecast	Forecast
			2004	2005		03 to 04	04 to 05
Mazda	5,597	5,450	6,082	5,779	-2.6%	11.6%	-5.0%
Car	3,129	3,337	4,614	4,570	6.6%	38.3%	-1.0%
Truck	2,468	2,113	1,468	1,209	-14.4%	-30.5%	-17.6%
Mercedes	7,107	7,439	6,671	6,520	4.7%	-10.3%	-2.3%
Car	5,381	6,218	5,762	5,538	15.6%	-7.3%	-3.9%
Truck	1,726	1,221	909	982	-29.3%	-25.6%	8.0%
Mercury	6,709	5,913	5,958	6,292	-11.9%	0.8%	5.6%
Car	4,545	4,431	4,062	4,047	-2.5%	-8.3%	-0.4%
Truck	2,164	1,482	1,896	2,245	-31.5%	27.9%	18.4%
Mini	830	1,218	1,137	1,078	46.7%	-6.7%	-5.2%
Mitsubishi	8,321	6,736	4,889	3,882	-19.0%	-27.4%	-20.6%
Car	5,938	3,954	2,802	2,013	-33.4%	-29.1%	-28.2%
Truck	2,383	2,782	2,087	1,869	16.7%	-25.0%	-10.4%
Nissan	17,119	19,212	22,040	22,014	12.2%	14.7%	-0.1%
Car	12,161	13,306	13,140	12,570	9.4%	-1.2%	-4.3%
Truck	4,958	5,906	8,900	9,444	19.1%	50.7%	6.1%
Oldsmobile	4,250	1,591	460	34	-62.6%	-71.1%	-92.6%
Car	2,912	1,022	287	25	-64.9%	-71.9%	-91.3%
Truck	1,338	569	173	9	-57.5%	-69.6%	-94.8%
Pontiac	15,987	13,564	11,971	12,174	-15.2%	-11.7%	1.7%
Car	13,941	11,927	10,668	10,801	-14.4%	-10.6%	1.2%
Truck	2,046	1,637	1,303	1,373	-20.0%	-20.4%	5.4%
Porsche	892	1,063	1,254	1,270	19.2%	18.0%	1.3%
Car	892	555	474	460	-37.8%	-14.6%	-3.0%
Truck	0	508	780	810	--	53.5%	3.8%
Saab	1,412	1,728	1,510	1,440	22.4%	-12.6%	-4.6%
Saturn	10,790	10,404	8,429	7,757	-3.6%	-19.0%	-8.0%
Car	7,865	6,864	5,003	4,126	-12.7%	-27.1%	-17.5%
Truck	2,925	3,540	3,426	3,631	21.0%	-3.2%	6.0%
Scion	0	0	1,689	2,385	--	--	41.2%
Car	0	0	793	1,231	--	--	55.2%
Truck	0	0	896	1,154	--	--	28.8%
Subaru	4,084	4,055	3,557	3,681	-0.7%	-12.3%	3.5%
Car	2,493	2,354	2,044	2,054	-5.6%	-13.2%	0.5%
Truck	1,591	1,701	1,513	1,627	6.9%	-11.1%	7.5%
Suzuki	1,290	1,200	2,132	2,224	-7.0%	77.7%	4.3%
Car	344	374	1,339	1,479	8.7%	258.0%	10.5%
Truck	946	826	793	745	-12.7%	-4.0%	-6.1%
Toyota	37,233	38,936	41,893	41,151	4.6%	7.6%	-1.8%
Car	22,098	22,819	23,152	22,205	3.3%	1.5%	-4.1%
Truck	15,135	16,117	18,741	18,946	6.5%	16.3%	1.1%
Volkswagen	11,917	10,439	9,549	8,773	-12.4%	-8.5%	-8.1%
Car	11,801	9,755	8,102	7,348	-17.3%	-16.9%	-9.3%
Truck	116	684	1,447	1,425	489.7%	111.5%	-1.5%
Volvo	3,274	4,796	4,899	4,820	46.5%	2.1%	-1.6%
Car	3,252	3,405	3,358	3,207	4.7%	-1.4%	-4.5%
Truck	22	1,391	1,541	1,613	6222.7%	10.8%	4.7%
Other	138	181	727	727	31.2%	301.7%	0.0%

Leading Light Truck Models

Ford F-Series Top Selling Light Truck Model in Chicago Area Retail Market

The two graphs below show new retail registrations in both the Chicago Area and U.S. markets for the top 20 selling light truck models in the nation so far this year.

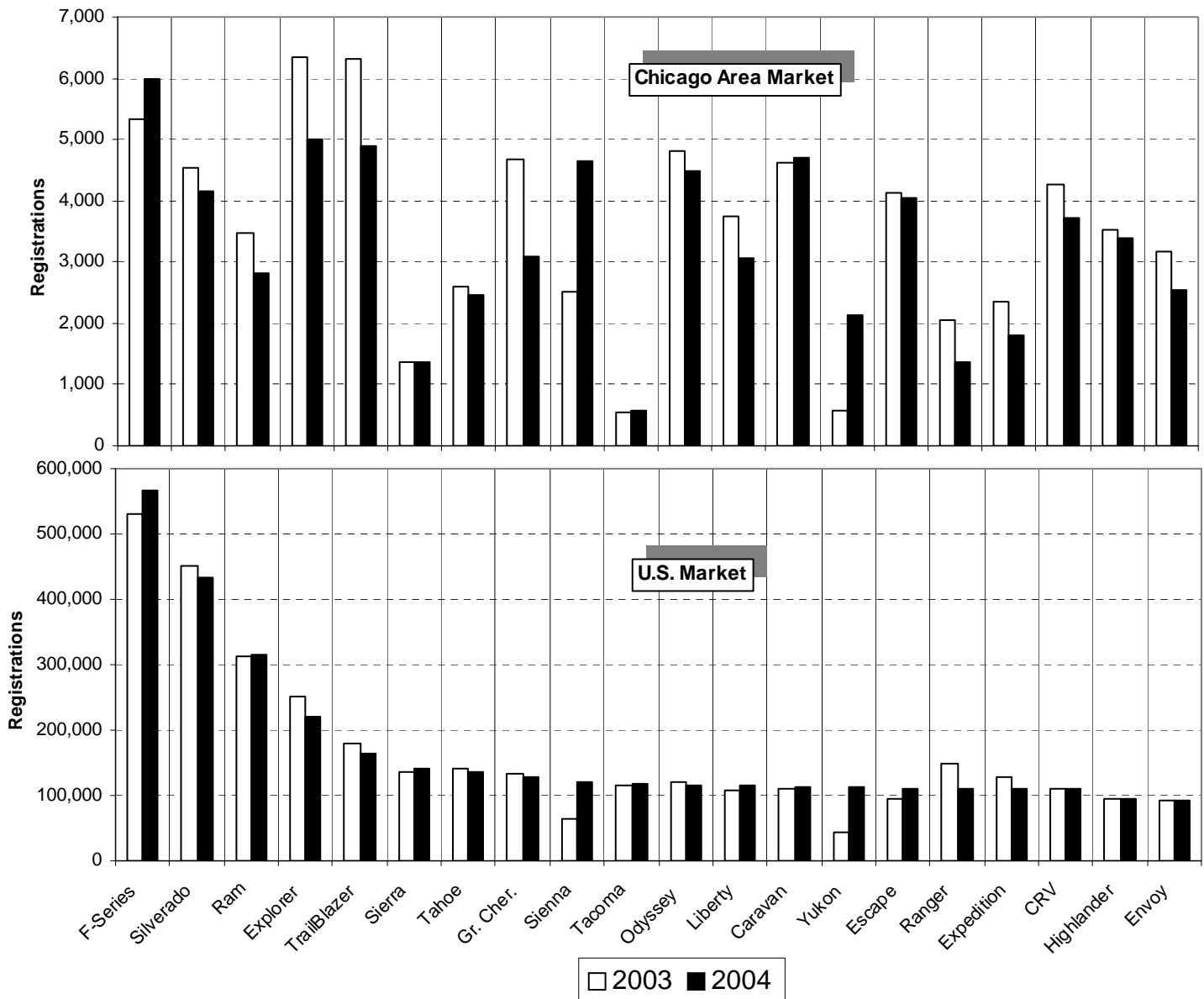
Comparing the relative heights of the bars reveals those models which are relatively popular (or unpopular) in the area. Bars for Ford Explorer, Chevro-

let TrailBlazer, Jeep Grand Cherokee, Toyota Sienna, Honda Odyssey, and Dodge Caravan for instance, are all relatively higher in the area than in the nation.

In addition, comparing the heights of the bars in 2003 and 2004 reveals those models that are gaining (or losing) ground. Chevrolet Silverado

registrations, for instance, have declined in both markets, while Ford F-Series registrations have increased. Toyota Sienna registrations were up sharply in both markets.

New Retail Light Truck Registrations—Chicago Area and U.S. (thru September 2003 & 2004)



Source: The Polk Company

CHICAGO AREA BRAND SCOREBOARD



COMPREHENSIVE REVIEW OF BRAND SALES PERFORMANCE IN THE AREA AUTOMOTIVE MARKET

Winners and Losers in the Area Market

The table below presents a well-rounded picture of those brands that are definitely "on the way up" in the area's new vehicle market, and those that are lagging. Two primary measures are displayed and rated. The first, entitled "Longer Term Sales Growth," represents the percent change in new retail light vehicle registrations during the first nine months of this year versus the same

period a year earlier. Brands are then rated (from highest to lowest), using a 1 to 5 scale. Brands having the highest increases in registrations receive a 5 rating, and those with the largest decreases get a 1 rating.

The second measure, "Shorter Term Sales Growth," represents the percent change in sales from the Second to the Third Quarter of this year.

Brands are also ranked and rated on a 1 to 5 scale. The last column in the table is the sum of the ratings for Longer Term and Shorter Term sales growth. Higher combined ratings indicate that brand sales were up during the first nine months of this year (versus a year earlier), AND that sales increased (or decreased by a relatively small amount) from the Second to the Third quarter.

Brand	Longer Term Sales Growth YTD '03 to YTD '04 (thru Sept.)				Shorter Term Sales Growth 2nd Qtr. 2004 to 3rd Qtr. 2004				Combined Rating (10 is high)
	YTD '03 sales	YTD '04 sales	% ch '03 to '04	Rating (5 is high)	2Q '04 sales	3Q '04 sales	% change	Rating (5 is high)	
Nissan	14451	16550	14.5%	5	5523	6264	13.4%	5	10
Chrysler	9153	9665	5.6%	5	3081	4135	34.2%	5	10
Mazda	4289	4581	6.8%	5	1542	1710	10.9%	4	9
Mercury	4547	4421	-2.8%	4	1468	1678	14.3%	5	9
Volkswage	7838	7273	-7.2%	4	2460	2917	18.6%	5	9
Toyota	29992	31431	4.8%	5	11266	11599	3.0%	3	8
Volvo	3557	3685	3.6%	4	1230	1363	10.8%	4	8
Dodge	16703	15163	-9.2%	3	4896	5632	15.0%	5	8
Lexus	7810	8379	7.3%	5	2922	2957	1.2%	2	7
Honda	28943	27739	-4.2%	4	9644	10108	4.8%	3	7
Buick	7148	5877	-17.8%	2	1835	2144	16.8%	5	7
Acura	5463	6328	15.8%	5	2352	2167	-7.9%	1	6
Hyundai	10648	9442	-11.3%	3	3353	3464	3.3%	3	6
Chevrolet	44695	39194	-12.3%	2	13382	14230	6.3%	4	6
Jaguar	1417	1238	-12.6%	2	417	454	8.9%	4	6
Cadillac	5580	5485	-1.7%	4	2011	1794	-10.8%	1	5
BMW	7077	6555	-7.4%	4	2501	2323	-7.1%	1	5
Infiniti	3758	3462	-7.9%	3	1217	1241	2.0%	2	5
Audi	2654	2393	-9.8%	3	831	838	0.8%	2	5
Mercedes	5611	5035	-10.3%	3	1773	1782	0.5%	2	5
GMC	7754	6954	-10.3%	3	2356	2351	-0.2%	2	5
Ford	36223	30734	-15.2%	2	10206	10609	3.9%	3	5
Subaru	3235	2670	-17.5%	2	920	942	2.4%	3	5
Saab	1369	1067	-22.1%	1	378	407	7.7%	4	5
Lincoln	3468	2521	-27.3%	1	851	892	4.8%	4	5
Kia	5532	3790	-31.5%	1	1286	1330	3.4%	3	4
Pontiac	10668	9039	-15.3%	2	3243	2921	-9.9%	1	3
Jeep	9667	7423	-23.2%	1	2328	2372	1.9%	2	3
Saturn	8371	6329	-24.4%	1	2233	2080	-6.9%	1	2
Mitsubishi	5315	3715	-30.1%	1	1193	1178	-1.3%	1	2

Special Report: Long Term Forecast

Area New Light Vehicle Market Predicted to Head Higher in 2006 and 2007

The good news first: the Chicago Area new retail light vehicle market is expected to remain in respectable shape for the next three years. Based on Auto Outlook's detailed long term forecast for the area market, new retail car and light truck registrations are predicted to remain well above 380,000 units during 2005 through 2007, which (based on historical standards) is a decent figure.

The "not so good" news: the market is likely to remain below "baseline" level over the next three years, with registrations predicted to decline for the fourth consecutive year in 2005. Encouragingly, the market should be poised for a healthy recovery in 2006 and 2007.

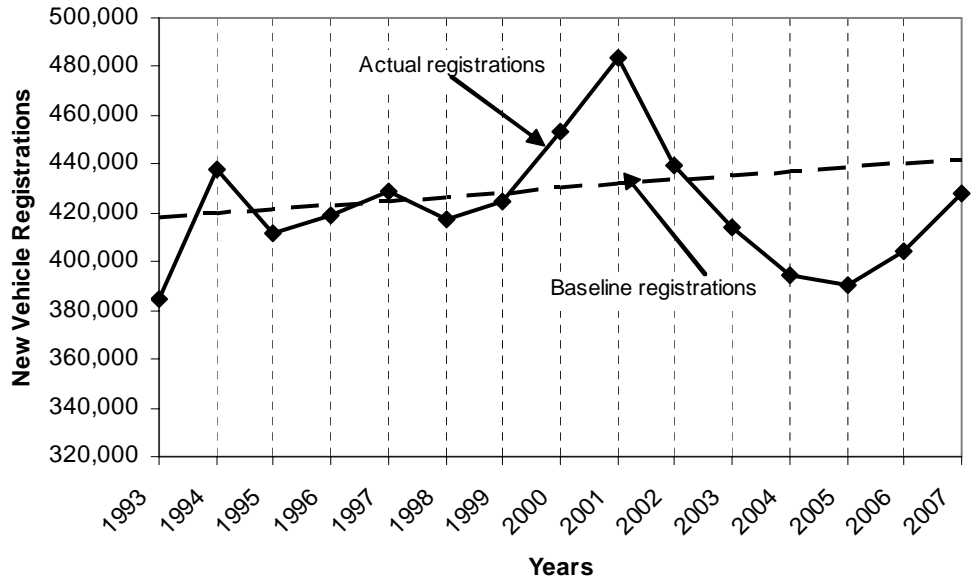
The two graphs on this page illustrate the market fundamentals that contribute to our long term forecast. The top graph shows two lines: 1. **Actual** registrations from 1993 through 2003, and our forecast from 2004 through 2007. 2. **Baseline** registrations (denoted by the dotted line), representing "anticipated" registrations in the absence of economic fluctuations.

Historically, vehicle sales have followed a cyclical trend, with sales moving up and down in response to economic factors and consumer behavior. When **actual** registrations fall below **baseline**, new vehicle purchases are postponed (usually due to a slowing economy). This occurred in 2003 and 2004. When the economy improves, **actual** registrations move above **baseline**, the case between 2000 and 2002.

The common perception in the industry is that consistently aggressive incentives over the past several years have pushed vehicle sales significantly above trend line levels, resulting in an imminent, prolonged sales slump. We believe that this will not happen. Sales lev-

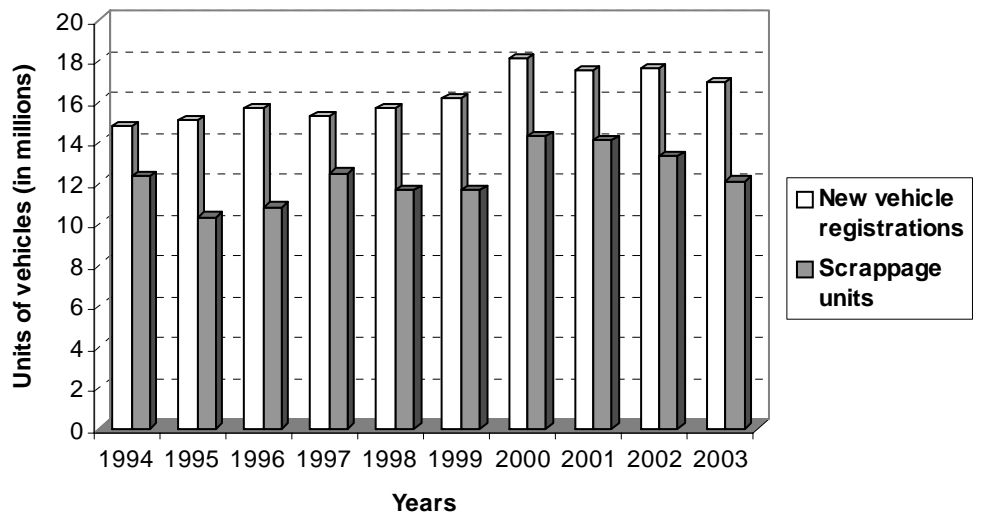
(Continued on page 9)

AREA NEW RETAIL LIGHT VEHICLE REGISTRATIONS—ACTUAL VS. BASELINE



The two lines on the graph provide a synopsis of the past and anticipated future performance of the Chicago Area new retail automotive market. **Actual registrations** shows actual market results and Auto Outlook's forecast for 2004 through 2007. **Baseline** represents anticipated registrations that would occur in the absence of economic fluctuations, and is a function of "core" factors, such as the number of households in the area and population over age 20. Conclusion: **actual** registrations fell below **baseline** in 2002, 2003, and 2004, paving the way for an improving market in 2006 and 2007.

NEW VEHICLE REGISTRATIONS AND SCRAPPAGE —U.S. MARKET



The graph above compares National new vehicle registrations and scrappage between 1994 and 2003. The relationship between these two measurements can serve as a significant predictor of new vehicle sales. When new vehicle registrations exceed scrappage, the size of the "overall vehicle fleet" is growing at an accelerated pace, which could portend a slowdown in new vehicle sales. The gap between the two was relatively large in 1999. An increase in scrappage in 2000 and a decline in new vehicle sales in 2001 helped narrow the gap somewhat. In 2002 and 2003, however, the gap widened as scrappage declined rather sharply in both years. Source: The Polk Company.

Special Report: Long Term Forecast

Import Brands Gain Nearly 25 Market Share Points in Nine Years

(Continued from page 8)

els in the Chicago Area have actually fallen below baseline over the past two years, and incentives are now a fixture in the industry.

The second graph on page eight shows the relationship between new vehicle registrations in the U.S. market and scrappage. Bottom line conclusion from this graph: a decrease in scrappage between 2001 and 2003, combined with a relatively strong new vehicle market, indicates that a sales boom is unlikely.

Long Term Trends

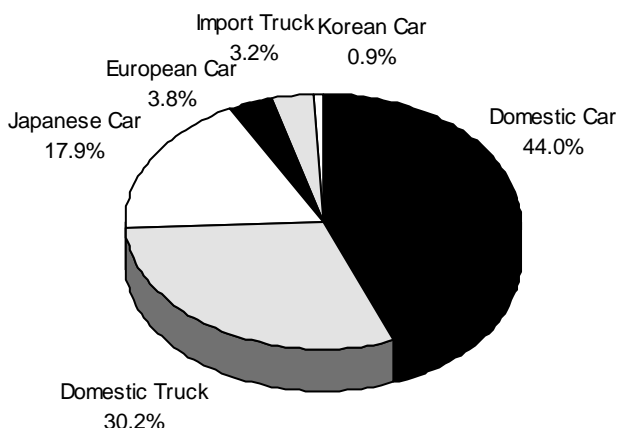
The three graphs below illustrate the changing, long term composition of the Chicago Area retail automotive market. And there have been some pronounced changes.

Between 1995 and 2004, Domestic Brand (traditional Big Three) Car market share declined a significant 24.7 points, and now accounts for less than 20% of the area market. A good portion of that lost market share was picked up by Import Trucks, which

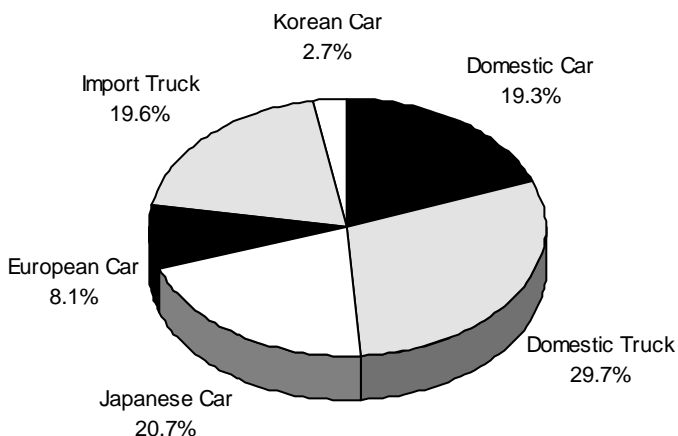
now account for 19.6% of the area market, up from just 3.2% in 1995. Japanese Car market share increased 2.8 points over the period.

The bar graph below shows unit changes in registrations during the first nine months of 2004 versus the same period in 2000. New registrations for Honda, Toyota, Hyundai, Nissan, Acura, Lexus, BMW, and Mazda each increased by more than 1000 units over the period.

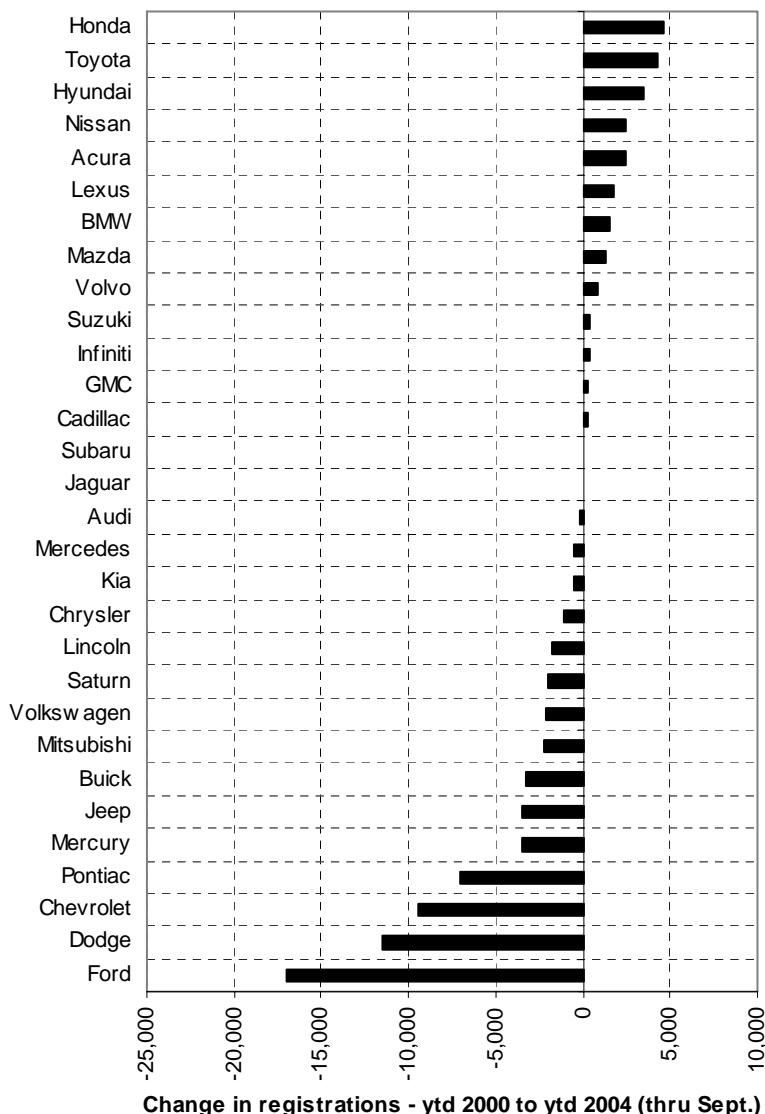
RETAIL MARKET SHARE - 1995



RETAIL MARKET SHARE - 2004



CHANGE IN REGISTRATIONS—2000 TO 2004



The two pie charts above provide a graphic illustration of the changing make-up of the area retail automotive market. Domestic vehicles consist of the traditional Big Three. Source: The Polk Company

Market Tracker

Japanese Brands Gain 3.7 Market Share Points During First Nine Months of This Year

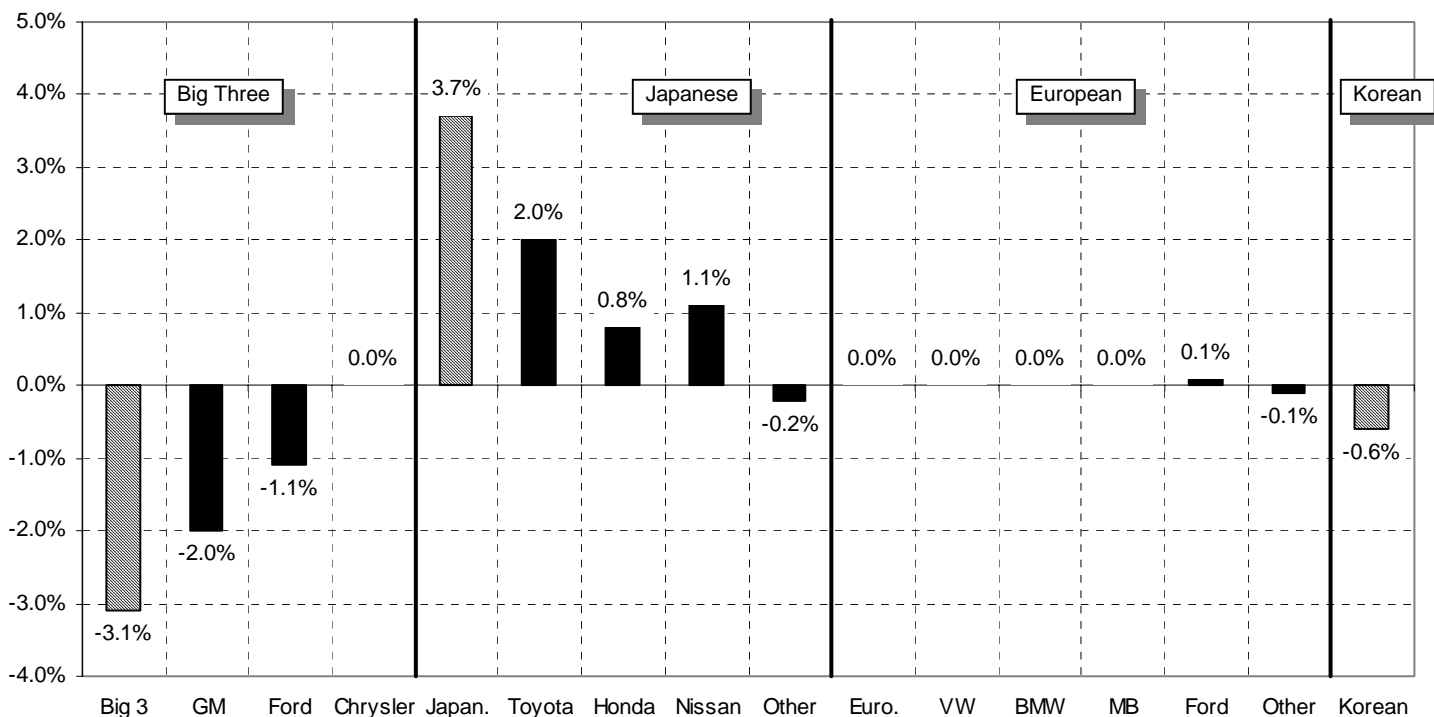
The graph below tracks the changing composition of the area market. As shown on the graph, the Big Three (consisting of “traditional domestic” brands) lost 3.1 market share points from January thru September of this year versus the same period a year

earlier. GM lost two market share points and Ford lost 1.1 points. Chrysler was unchanged (Big Three does not include import brands owned by GM and Ford, such as Volvo and Saab.) Japanese brand market share increased 3.7 points, with Toyota

(including Lexus and Scion), Honda (including Acura), and Nissan (including Infiniti) all up 0.8 points or more. Korean brand share declined 0.6 points.

Source: The Polk Company.

**Change in New Retail Light Vehicle Market Share
YTD '04 vs. YTD '03 (January thru September)**



Brands included above: Big 3: GM (Buick, Cadillac, Chevrolet, GMC, Hummer, Oldsmobile, Pontiac, and Saturn), Ford (Ford, Lincoln, and Mercury), Chrysler (Chrysler, Dodge, and Jeep). **Japanese:** Toyota (Toyota, Lexus, and Scion), Honda (Honda and Acura), Nissan (Nissan and Infiniti), Other (Isuzu, Mazda, Mitsubishi, Subaru, and Suzuki). **European:** VW (Audi, Bentley, and Volkswagen), BMW (BMW, Rolls Royce, and Mini), MB (Mercedes Benz), Ford (Aston Martin, Jaguar, Land Rover, and Volvo), Other (Ferrari, Lotus, and Maserati). **Korean:** Daewoo, Hyundai and Kia.

Chicago Area Top Ten Scoreboard

Chevrolet Easily Holds Onto First Place

SECOND QUARTER, 2004			THIRD QUARTER, 2004			change in mkt. share
Rank	Make	Market Share	Rank	Make	Market Share	
1	Chevrolet	13.3%	1	Chevrolet	13.2%	-0.1%
2	Toyota	11.2%	2	Toyota	10.8%	-0.4%
3	Ford	10.1%	3	Ford	9.9%	-0.2%
4	Honda	9.6%	4	Honda	9.4%	-0.2%
5	Nissan	5.5%	5	Nissan	5.8%	0.3%
6	Dodge	4.9%	6	Dodge	5.2%	0.3%
7	Hyundai	3.3%	7	Chrysler	3.8%	0.7%
8	Pontiac	3.2%	8	Hyundai	3.2%	-0.1%
9	Chrysler	3.1%	9	Lexus	2.8%	-0.1%
10	Lexus	2.9%	10	Pontiac	2.7%	-0.5%

The table on the left shows the Top 10 sellers in the Chicago Area light vehicle market during the Second and Third Quarters of this year. Chevrolet held a comfortable 2.4 market share point lead over second place Toyota. Chrysler gained 0.7 points and moved up from ninth to seventh place. Source: The Polk Company.

County Scoreboard

All Eight County Markets in Area Move Lower During First Nine Months of This Year

The tables on this page provide a thorough summary of the retail light vehicle markets for each of the eight counties that comprise the Chicago Area. This unique county-level information provides a valuable perspective on local market performance, and a barometer to evaluate the performance of your dealership.

Part 1 (below) shows new retail light vehicle registrations during during the first nine months of 2002, 2003, and 2004. Percentage change, reflecting the **relative** growth or contraction of county markets, is shown in the middle of the table. Unit change, reflecting the **absolute** growth or contraction of county markets, is shown in the last three columns.

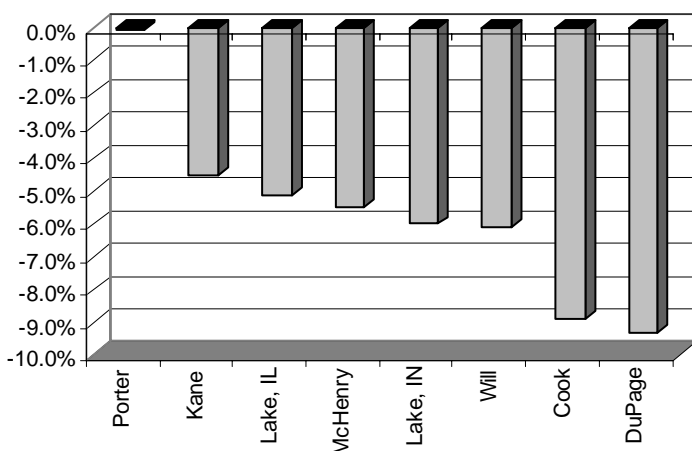
Part 2 presents market share data for light trucks, Domestic brands, and the top five selling car and light truck brands in the area. The top two ranked counties in each category are shaded.

Source: The Polk Company

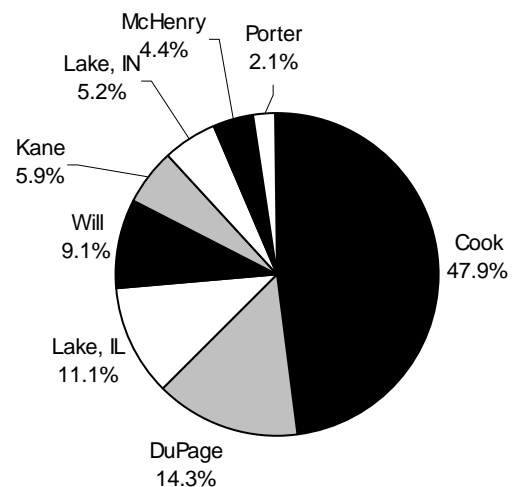
COUNTY BY COUNTY - PART 1									
	Registrations (YTD thru Sept.)			Percent Change			Unit Change		
	2002	2003	2004	2002 to 2003	2003 to 2004	2002 to 2004	2002 to 2003	2003 to 2004	2002 to 2004
Cook	171,633	155,301	141,444	-9.5%	-8.9%	-17.6%	-16,332	-13,857	-30,189
DuPage	50,691	46,475	42,131	-8.3%	-9.3%	-16.9%	-4,216	-4,344	-8,560
Kane	19,260	18,296	17,468	-5.0%	-4.5%	-9.3%	-964	-828	-1,792
Lake, IL	37,171	34,721	32,938	-6.6%	-5.1%	-11.4%	-2,450	-1,783	-4,233
Lake, IN	17,736	16,327	15,353	-7.9%	-6.0%	-13.4%	-1,409	-974	-2,383
McHenry	14,372	13,880	13,121	-3.4%	-5.5%	-8.7%	-492	-759	-1,251
Porter	6,576	6,296	6,292	-4.3%	-0.1%	-4.3%	-280	-4	-284
Will	28,880	28,589	26,841	-1.0%	-6.1%	-7.1%	-291	-1,748	-2,039

COUNTY BY COUNTY - PART 2														
	Market Share Summary				Brand Market Share - Top Five Chicago Area Retail Brands									
	Light Truck		Domestic Brand		Cars					Light Trucks				
	YTD 2004	Change from '03	YTD 2004	Change from '03	Toyota	Chev.	Honda	Nissan	Ford	Ford	Chev.	Toyota	Honda	Dodge
Cook	45.2	1.6	46.1	-3.2	12.6	10.8	9.9	6.7	5.5	14.4	15.2	10.4	9.3	7.4
DuPage	48.8	1.3	43.2	-4.1	12.0	8.2	10.7	7.0	4.9	14.6	13.6	10.9	10.5	6.2
Kane	54.8	1.4	53.1	-3.1	9.9	11.3	10.8	7.4	6.1	15.9	17.2	8.9	8.0	9.2
Lake, IL	51.2	0.6	42.5	-2.7	12.0	9.2	9.6	5.3	3.3	10.4	15.8	11.7	9.4	6.8
Lake, IN	51.9	0.7	67.6	-3.0	8.8	16.4	7.0	6.8	10.9	23.5	18.4	5.3	5.7	8.8
McHenry	57.5	1.6	58.1	-1.9	8.9	11.2	11.7	5.0	6.7	17.7	19.8	8.0	7.2	9.5
Porter	57.7	1.8	66.6	-3.3	8.3	11.7	8.3	6.7	10.2	18.7	15.1	5.8	6.9	10.7
Will	55.2	0.6	57.0	-3.8	8.9	13.0	9.3	7.2	7.7	18.0	17.6	6.4	7.7	9.5





Percent Change in Registrations – YTD '04 (thru Sept.) vs. YTD '03



Share of Area Market – YTD '04 (thru Sept.)



NEW RETAIL LIGHT VEHICLE MARKET COMPARISON: CHICAGO AREA VS. U.S.

	Area Market	U.S. Market
 Market Growth % change in registrations YTD 2004 vs. YTD 2003 (thru Sept.)	-7.6%	-1.1%
 Car Market Share Car share of industry retail light vehicle registrations - YTD 2004 (thru Sept.)	51.0%	42.4%
 Domestic Brand Market Share Domestic brand share of industry retail light vehicle registrations - YTD 2004 (thru Sept.)	48.8%	53.8%
 Top Selling Retail Brands <i>Top selling light vehicle brands and market share - Third Quarter 2004</i>		
First	Chevrolet 13.2%	Chevrolet 14.4%
Second	Toyota 10.8%	Ford 14.2%
Third	Ford 9.9%	Toyota 11.1%
Fourth	Honda 9.4%	Honda 8.6%
Fifth	Nissan 5.8%	Dodge 6.6%
Sixth	Dodge 5.2%	Nissan 5.5%
Seventh	Chrysler 3.8%	GMC 3.6%
Eighth	Hyundai 3.2%	Chrysler 3.3%
Ninth	Lexus 2.8%	Hyundai 2.8%
Tenth	Pontiac 2.7%	Jeep 2.6%

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Phone: 800-206-0102

Fax: 610-648-3806

E-Mail autoecon@email.msn.com

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