Covering Third Quarter, 2005 Volume 10, Number 4

Chicago Auto Outlook ™

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Special Report: 2006 Outlook

Area New Vehicle Market Predicted to Decline 2.4% in 2006

This summer and fall provided fresh evidence of the plight of the auto industry. With extensive and attention-getting incentives, new vehicle sales hum along. But without big discounts, sales suffer. The employee discount programs offered by the Big Three propelled new vehicle sales in the Third Quarter of this year. But new vehicle sales from January thru May (prior to the introduction of the employee discount programs) were essentially unchanged versus a year earlier, while the market took a tumble in October.

There are several tangible reasons why sales head south when the big incentive offers disappear. Following are three prominent reasons why the manufacturers will have to continue to be ultra-aggressive with incentives to keep the market humming over the next 12 months:

1. New vehicle sales in the Chicago Area significantly exceeded baseline levels between 2001 and 2003 (see page 6). As we have emphasized in past issues, there's a limit to the number of new vehicles that area consumers can purchase over a given period of time, and the market has exceeded those limits. A vehicle can only go so far on a tank of gas before stopping to re-fuel, and similarly, we believe that the area new vehicle market is in need of a brief pit stop.

2. Consumer debt levels continue to hover at near-record levels, and the savings rate (percentage of income allocated towards savings) has actually drifted below zero; two very convincing reasons for consumers to not be in a spending mood.

3. Sky-high energy costs, increasing inflation, and plummeting consumer confidence all contribute to a scenario likely leading to softer economic growth in 2006, and declining new vehicle sales.

Despite these three observations, we still believe that 2006 will be a good year for the Chicago Area new vehicle market. Relatively low interest rates, strong personal income levels, and aggressive pricing on the part of the manufacturers have helped to keep consumer affordability for new vehicles (perhaps the single most important predictor of the market) at near-record levels. In addition, the steady stream of new products being introduced should draw renewed consumer interest. Sales are likely to decline next year (a 2.4% drop is predicted), but on an historical basis, the market should remain relatively strong.

Weighing Forecast Determinants:

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

Positives (why the market could strengthen):

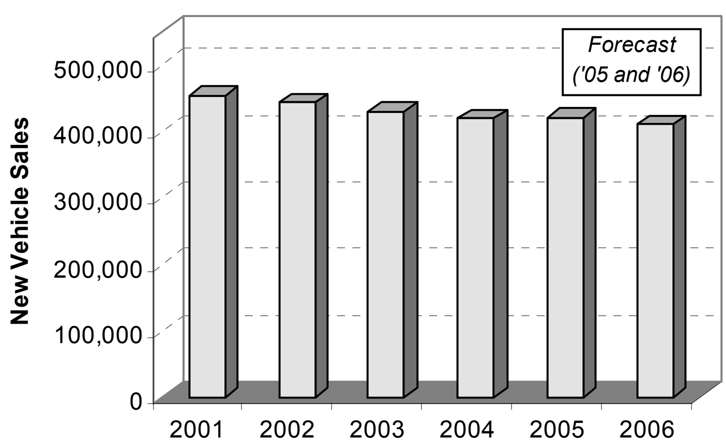
- Consumer affordability for new vehicles remains at near record highs
- Employment growth is accelerating
- Personal income is improving
- Impressive array of new products are scheduled to be introduced

Negatives (why the market could weaken):

- High energy prices
- Strong new vehicle sales over the past several years could lead to a cyclical decline
- High consumer debt levels
- Economic growth could ease

VERDICT: Mild slowdown predicted

Chicago Area New Vehicle Sales-2001 thru 2006



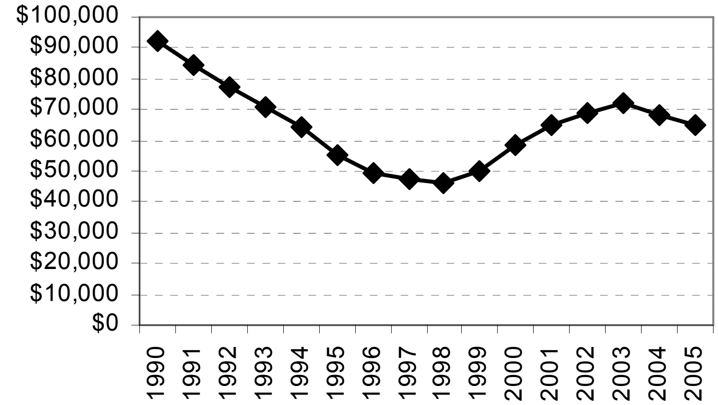
Sales estimates based on data obtained from CNW Marketing Research, Inc.

Leasing Trends

Leasing Penetration Predicted to Increase in 2006 and 2007

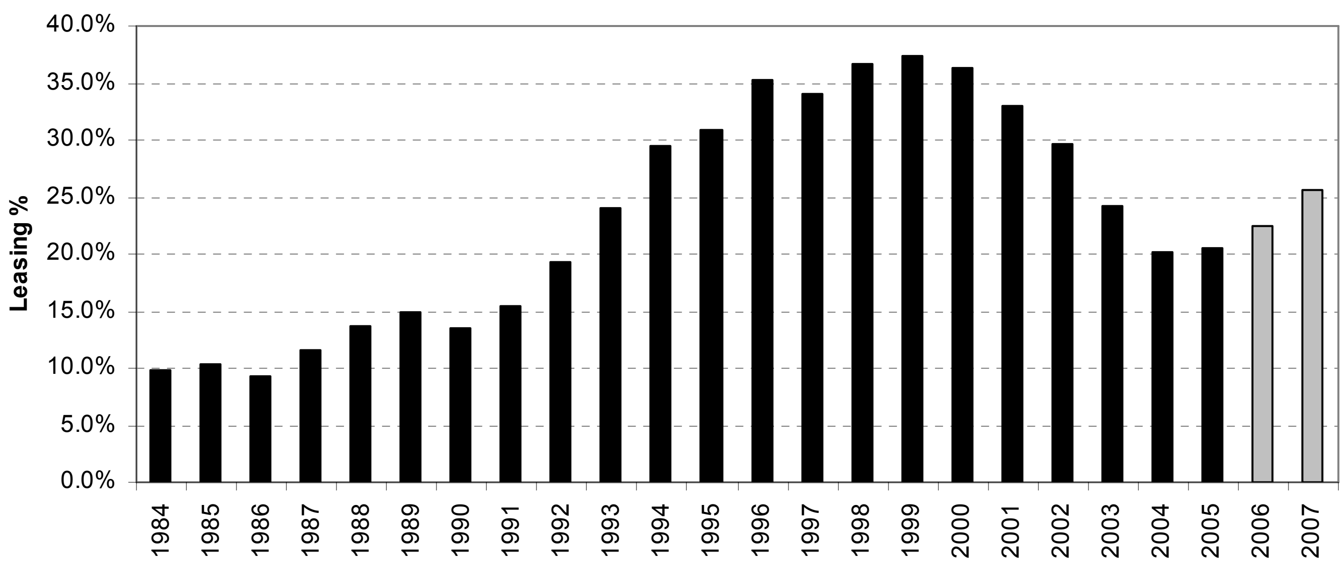
The graph below depicts the dramatic swings that have occurred in new vehicle leasing over the past twenty years. Leasing penetration (the number of new vehicles leased as a percent of total new retail vehicle sales) increased from around 10% during the mid-1980's to over 35% in 1998, 1999, and 2000. During the leasing boom in the mid-1990's the manufacturers got burned by the payback effect of artificially inflated residuals, and instead emphasized rebates and cut-rate financing. As a result, leasing penetration slipped to around 20% by 2004. Leasing is expected to rebound over the next two years as manufacturers gradually move away from big incentive campaigns. Increasingly, payment-conscious consumers should also fuel a resurgence in leasing. As shown on the graph to the right, the average income of lessees increased in the early 2000's as luxury vehicles accounted for a larger percentage of lease contracts.

Average Income of New Vehicle Lessees



Source: CNW Marketing Research, Inc.

Leasing as a % of U.S. New Retail Vehicle Sales-1984 thru 2005 (actual), 2006 and 2007 (projected)



Source: CNW Marketing Research, Inc.

Chicago Auto Outlook - Fourth Quarter, 2005

Special Issue of Auto Outlook

This release of *Chicago Auto Outlook* features market research information compiled by CNW Marketing Research. The CNW information provides a valuable perspective on current developments and trends in the new vehicle market, which is especially pertinent during these relatively uncertain and tumultuous times. We will return to the previous format, featuring detailed information on the Chicago Area new retail automotive market, in the covering Fourth Quarter, 2005 issue.

Moving the Market?

Incentives Still Stimulate Sales, But Impact is Waning

The graph below provides a unique perspective between the interplay of manufacturer incentive offers and new vehicle sales levels. Lessons learned from this analysis provide powerful implications for the future course of new vehicle sales.

The graph presents monthly new vehicle sales on a Seasonally Adjusted Annual Rate (SAAR) basis. Sales are represented by the vertical bars on the graph and plotted against the left axis. Manufacturer incentives (which include customer and dealer rebates, discount finance rates, and special lease offers) are represented by the line and are plotted against the right axis. The monthly incentive figures are sales weighted and account for the relationship between the actual interest rate that is available and credit worthiness. Bottom line: the estimate of average incentives is highly reflective of the actual discounts received by retail customers. Source for all data is CNW Marketing Research, Inc.

Following are primary conclusions:

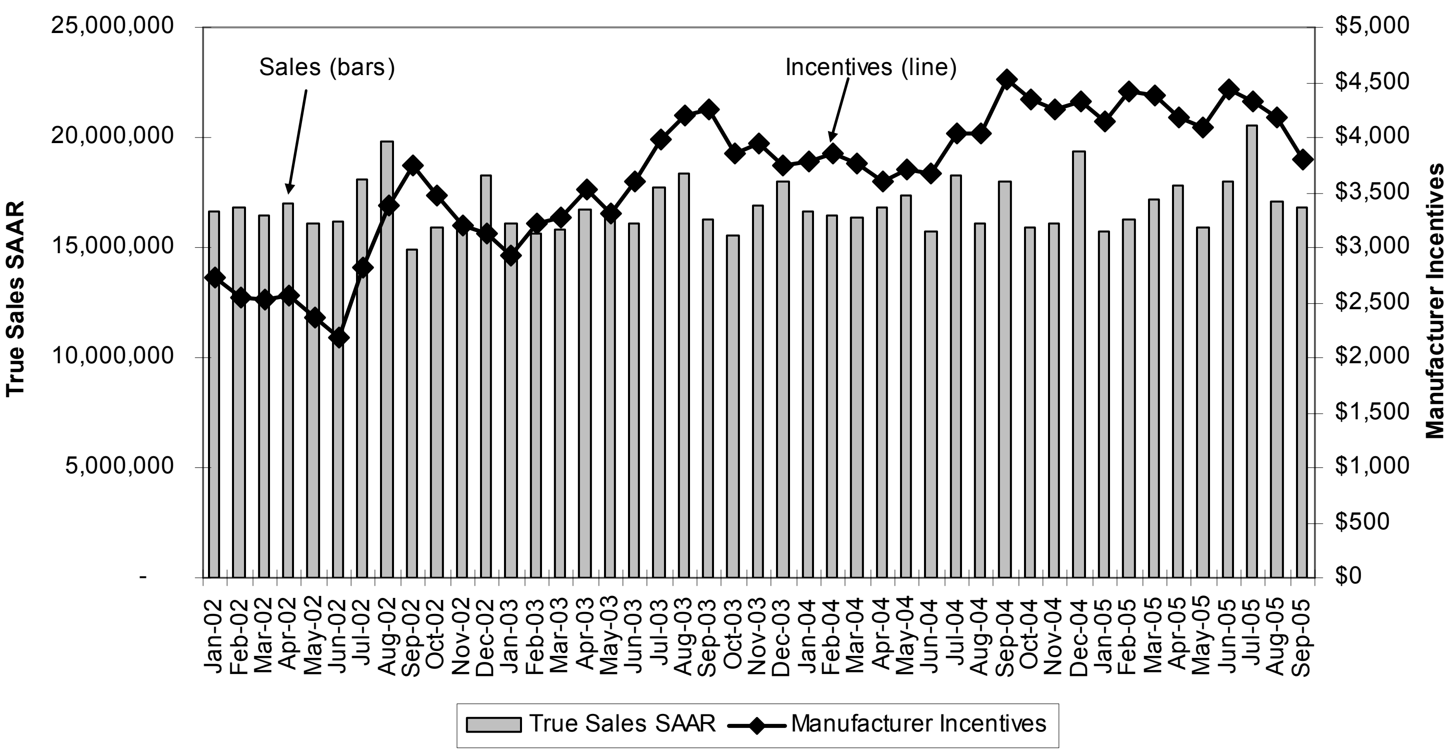
- Although there are a few exceptions, in general, the bars (sales) and the line (incentives) move in the same direction (i.e., when incentives are increased, sales go up). For example, incentives increased sharply in July and August of 2002, and sales increased as well. The same trend was repeated in July and August of 2003. The sales declines that followed in September of both years were mostly due to leaner inventories at dealerships.

- Over the entire 45 month period, it is plainly evident that the "space" between the line (incentives) and the bars (sales) is growing wider. For most of 2002, the line was below the level of the bars, while each month from June 2003 through September of this year, the line was above the level of the bars. This clearly illustrates that the stimulative impact of incentives is waning-the manufacturers need bigger and better offers to move the sales needle.

- This trend eased off a bit during the summer of 2005 when the line came very close to the bar in July. There were two reasons for this. First, dealers were responsible for carrying much more of the incentive burden under the employee discount programs. And second, some have postulated that the "one price for everybody" characteristic of the employee discount programs had an added appeal to customers.

The implications for future new vehicle sales are clear. For at least the next 12 months, manufacturers will be increasingly forced to align the supply of new vehicles with a more realistic level of demand. Using incentives to boost demand in an effort to get vehicle sales in synch with supply will be less of an option.

U.S. Monthly New Vehicle Sales (SAAR) vs. Monthly Manufacturer Incentives



Source: CNW Marketing Research, Inc.

Segment Watch

Hybrid and Premium Mid Range Car Segments Post Largest Market Share Gains

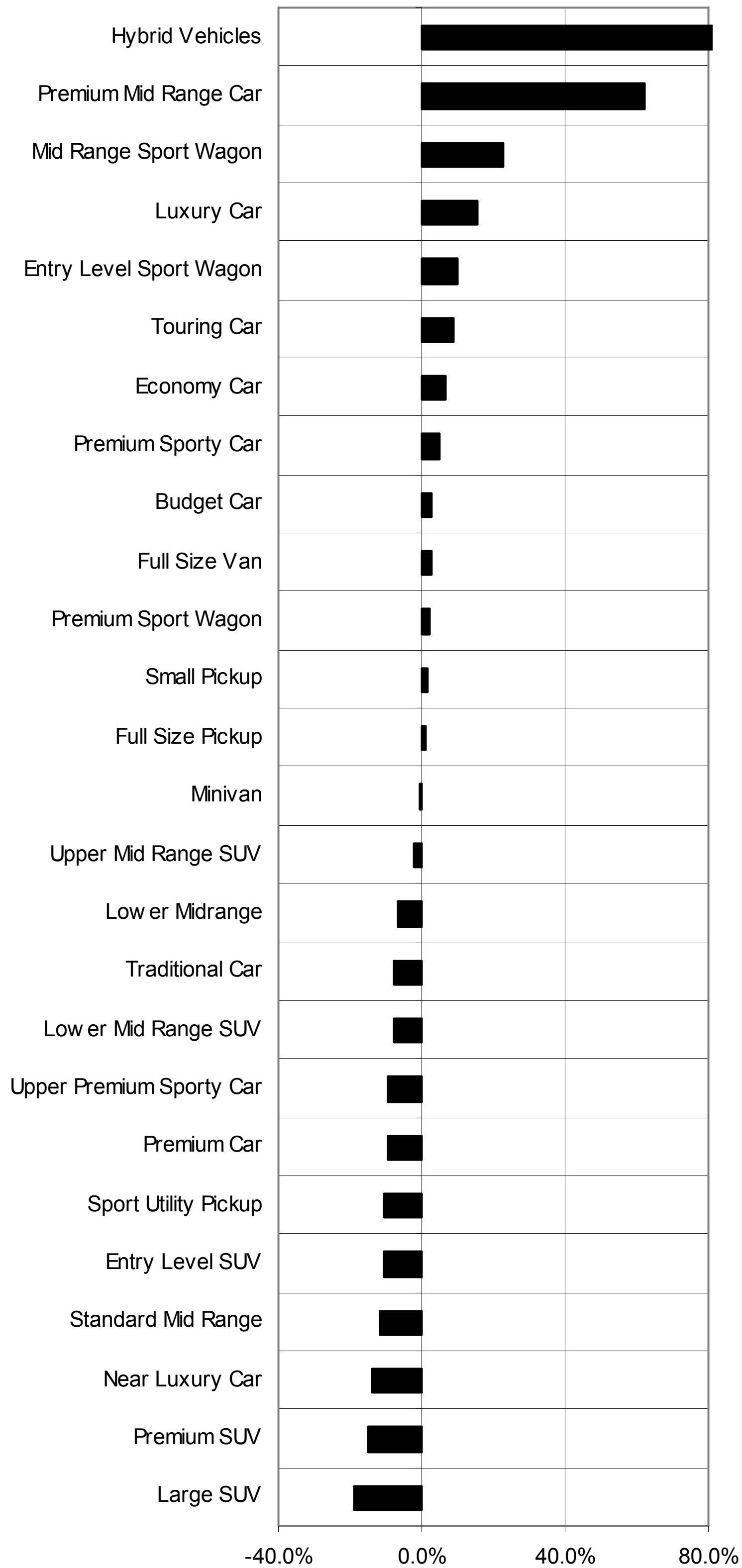
The next two pages present the most thorough segment watch analysis ever presented in Auto Outlook, a tracking of detailed results in 26 distinct segments in the U.S. market. Primary observations follow:

- As shown on the graph to the right and the table below, higher fuel prices led the Hybrid Vehicle segment to the largest percentage increase in market share during the first nine months of this year versus 2004.
- Strong sales of the Chrysler 300, and the all-new Ford Five Hundred contributed to a significant market share increase for the Premium Mid Range Car segment.
- Higher fuel prices have clearly prompted many consumers to switch from traditional truck-based SUVs to crossovers. Big unit sales increases for each of the top five sellers (see table on page 5) led the Mid Range Sport Wagon segment to a 0.6 market share point increase.

U.S. MARKET SHARE BY SEGMENT
YTD 2004 and 2005, thru September

SEGMENT	YTD '05	YTD '04	Percent Change
Hybrid Vehicles	0.9%	0.4%	103.9%
Premium Mid Range Car	4.2%	2.6%	62.4%
Mid Range Sport Wagon	3.4%	2.8%	22.8%
Luxury Car	2.2%	1.9%	15.4%
Entry Level Sport Wagon	5.3%	4.8%	9.9%
Touring Car	2.1%	1.9%	9.1%
Economy Car	9.9%	9.2%	6.8%
Premium Sporty Car	0.7%	0.7%	4.8%
Budget Car	0.9%	0.8%	3.0%
Full Size Van	2.1%	2.0%	2.8%
Premium Sport Wagon	2.1%	2.0%	2.1%
Small Pickup	4.1%	4.0%	1.7%
Full Size Pickup	14.6%	14.5%	1.1%
Minivan	6.6%	6.7%	-0.6%
Upper Mid Range SUV	1.6%	1.7%	-2.4%
Lower Midrange	7.9%	8.4%	-6.8%
Traditional Car	2.0%	2.1%	-7.7%
Lower Mid Range SUV	6.0%	6.5%	-8.0%
Upper Premium Sporty Car	0.3%	0.3%	-9.4%
Premium Car	0.3%	0.3%	-9.7%
Sport Utility Pickup	0.5%	0.6%	-10.6%
Entry Level SUV	2.5%	2.8%	-10.8%
Standard Mid Range	12.2%	13.8%	-11.5%
Near Luxury Car	3.0%	3.5%	-14.0%
Premium SUV	1.0%	1.1%	-14.8%
Large SUV	3.5%	4.3%	-18.6%

Percent Change in U.S. Segment Market Share
YTD 2005 vs. 2004 (thru September)



Data Source: CNW Marketing Research, Inc.

Segment Watch (continued)

Market Share Declines for Large and Premium SUV Segments

Top Five Selling Models in Each Segment
U.S. Market, YTD 2005 (thru September) and Percent Change vs. 2004

Budget Car			Economy Car			Entry Level SUV			Entry Level Sport Wagon		
Model	Sales	% ch.	Model	Sales	% ch.	Model	Sales	% ch.	Model	Sales	% ch.
Aveo	55225	44%	Corolla	188263	2%	Liberty	130986	1%	Escape	132234	-6%
Accent	34873	-2%	Cobalt	184906	13%	Wrangler	64697	2%	CRV	114744	4%
Rio	23492	-26%	Focus	155072	-7%	Xterra	51099	3%	Equinox	107557	111%
Echo	1518	-52%	Neon	99332	10%	Sorento	35418	-11%	Vue	70962	2%
			Elantra	96532	12%	Sportage	20800	--	Santa Fe	56606	-34%

Full Size Pick Up			Full Size Van			Hybrid Cars			Luxury Cars		
Model	Sales	% ch.	Model	Sales	% ch.	Model	Sales	% ch.	Model	Sales	% ch.
F-Series	694690	0%	Econline	135801	4%	Prius	81042	127%	DeVille	37929	-28%
Silverado	570278	8%	Express	97725	15%	Civic Hybrid	21022	9%	Town Car	37008	-5%
Ram	318812	-3%	Savana	28681	-13%	Accord Hybrid	14003	--	5 Series	36261	11%
Sierra	187371	16%	Sprinter	14421	105%	Insight	527	-6%	E class	35495	-14%
Tundra	91086	10%							STS	26458	2044%

Lower Mid Range			Lower Mid Range SUV			Large SUV			Mid Range Sport Wagon		
Model	Sales	% ch.	Model	Sales	% ch.	Model	Sales	% ch.	Model	Sales	% ch.
Civic	212816	-4%	Explorer	196878	-24%	Tahoe	123202	-16%	Highlander	107361	7%
Malibu	162891	28%	TrailBlazer	190964	-8%	Expedition	91778	-25%	Pilot	101653	15%
PT Cruiser	100179	12%	Grand Cherokee	163821	22%	Suburban	70073	-22%	Pacifica	67282	13%
G6	119655	-1%	Durango	90792	-12%	Yukon	60194	-12%	Freestyle	59648	1922%
Sonata	85620	2%	4Runner	77212	-10%	Yukon XL	42908	-11%	Murano	55880	30%

Minivan			Near Luxury Car			Premium Car			Premium Mid Range Car		
Model	Sales	% ch.	Model	Sales	% ch.	Model	Sales	% ch.	Model	Sales	% ch.
Caravan	179307	-3%	3-Series	71066	-4%	7 Series	12773	6%	300/300M	106364	38%
Town & Country	141301	34%	TL	58530	1%	S class	11321	-23%	Five Hundred	84240	--
Odyssey	133639	18%	G35	52813	-1%	XJ	6433	-14%	LaCrosse	73998	--
Sienna	123415	0%	ES 330	51663	-7%	A8	4058	-1%	Maxima	59054	5%
Uplander	64486	6%	CTS	46903	9%	Maserati	1530	141%	Magnum	42671	85%

Premium Sporty Car			Premium SUV			Premium Sport Wagon			Standard Mid Range Car		
Model	Sales	% ch.	Model	Sales	% ch.	Model	Sales	% ch.	Model	Sales	% ch.
Corvette	23080	-17%	Escalade	24310	-9%	RX330	80929	5%	Camry	336349	3%
CLK class	14158	-16%	Navigator	20283	-21%	MDX	44447	4%	Accord	278395	-6%
CLS class	11647	--	H2	18436	-8%	X5	28207	16%	Altima	205145	13%
Crossfire	11503	2%	Touareg	13132	-35%	XC90	26772	-2%	Impala	182279	-17%
Thunderbird	8617	-11%	Escalade ESV	10994	-1%	X3	25409	2%	Taurus	161667	-19%

Small Pickup			Sport Utility Pickup			Touring Car			Traditional Car		
Model	Sales	% ch.	Model	Sales	% ch.	Model	Sales	% ch.	Model	Sales	% ch.
Tacoma	125114	5%	Avalanche	52710	-17%	Mustang	128485	36%	LeSabre	71639	-24%
Colorado	106930	26%	Escalade EXT	6572	-10%	Mini Cooper	32010	25%	Avalon	70120	145%
Ranger	99907	-22%	Mark LT	5927	--	350Z	21325	-11%	Grand Marquis	56503	-13%
Dakota	86243	1%				Tiburon	16744	7%	Crown Victoria	52858	-8%
Frontier	55418	5%				RSX	16287	-6%	Bonneville	9171	-64%

Upper Mid Range SUV			Upper Premium Sporty Car		
Model	Sales	% ch.	Model	Sales	% ch.
Envoy	88245	-16%	SL Coupe	7449	-24%
Mountaineer	26611	-25%	6 Series	7376	37%
GX 470	24335	-1%	911 Carrera	6206	97%
H3	18290	--	SC 430	6144	-16%
Discovery	15079	47%	XLR	3101	13%

Models with 15% or higher increase in sales are highlighted.

Source: CNW Marketing Research

Special Report: Long Term Forecast

Area Market Predicted to Improve in 2008 and 2009

The good news first: the Chicago Area new vehicle market is expected to remain in respectable shape for the next several years. Based on Auto Outlook's detailed long term forecast for the area market, new vehicle sales are predicted to remain above 400,000 units during 2006 through 2009, which (based on historical standards) is a respectable figure.

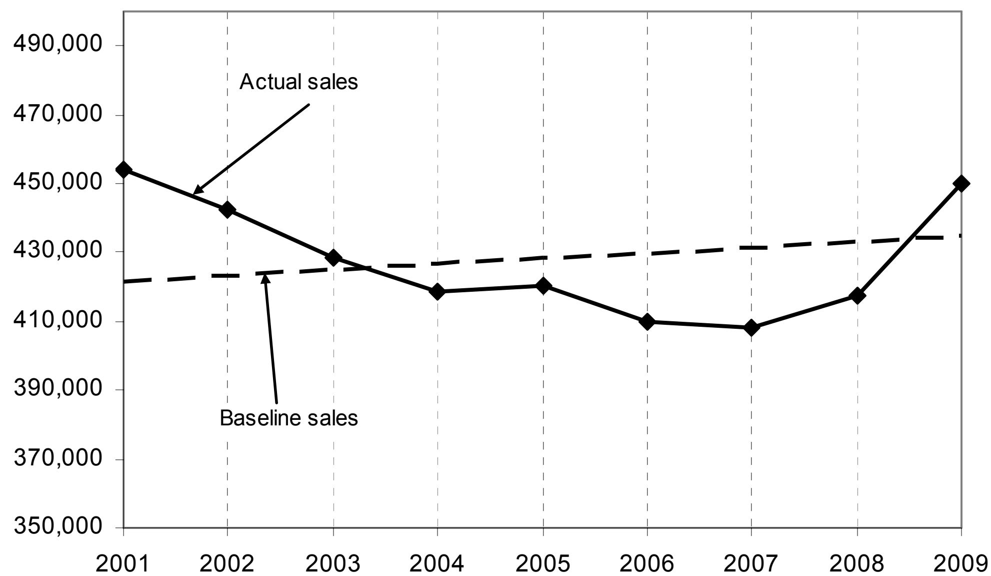
The "not so good" news: the market is likely to remain below its "baseline" level over the next three years, with sales predicted to decline in 2006 and perhaps 2007. Encouragingly, the market should be poised for a healthy recovery in the following two years.

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** sales from 2001 through 2004, and our forecast from 2005 through 2009. 2. **Baseline** sales (denoted by the dotted line), representing "anticipated" sales 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** sales fall below **baseline,** new vehicle purchases are either postponed due to a slowing economy; or, sales slack off following periods of elevated sales. This is likely to occur from 2004 through 2008. When conditions improve, **actual** sales move above **baseline**, the case between 2001 and 2003.

(Continued on page 7)

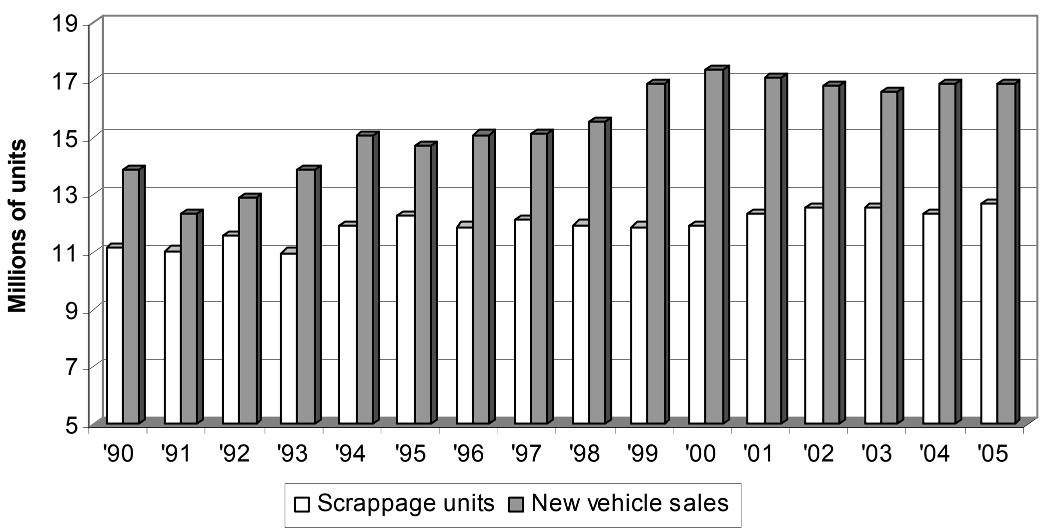
CHICAGO AREA NEW VEHICLE SALES—ACTUAL VS. BASELINE



The two lines on the graph provide a synopsis of the past and anticipated future performance of the Chicago Area new automotive market. **Actual sales** shows actual market results through 2004 and Auto Outlook's forecast for 2005 through 2009. **Baseline** represents anticipated sales 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.

Sales estimated based on data obtained from CNW Marketing Research, Inc.

NEW VEHICLE SALES AND SCRAPPAGE —U.S. MARKET



The graph above compares National new vehicle sales and scrappage between 1990 and 2005. The relationship between these two measurements can serve as a significant predictor of new vehicle sales. When new vehicle sales 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 and 2000. An increase in scrappage in 2001 and a decline in new vehicle sales in 2001 helped narrow the gap somewhat. In 2004, however, the gap widened as scrappage declined and new vehicle sales increased.

Source: CNW Marketing Research, Inc.

Special Report: Long Term Forecast

Major Decline in Area New Vehicle Sales Highly Unlikely

(Continued from page 6)

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. Although the market has been strong for the past several years, sales have not exceeded baseline enough to indicate that a major collapse is in the offing.

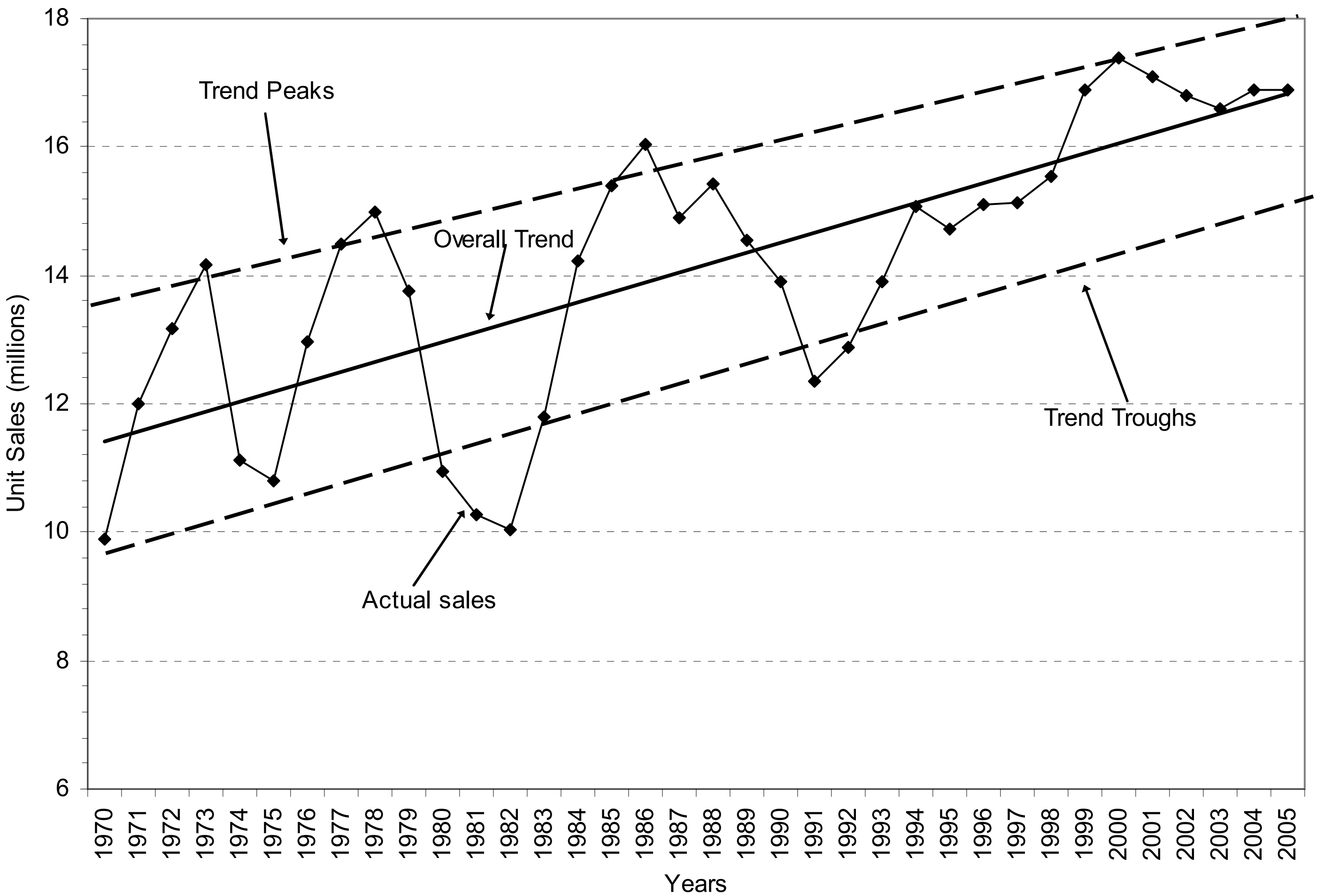
The second graph on page six shows the relationship between new vehicle sales in the U.S. market and scrappage. Bottom line conclusion from this graph: relatively flat scrappage levels and elevated new vehicle sales over the past several years point to a relatively sluggish market for the next year or so.

U.S. Market-Long Term View

Similar to the Chicago Area outlook, long term sales trends in the U.S. market do not support the likelihood of a major meltdown in new vehicle sales. The graph clearly shows the up and down cyclical pattern new vehicle sales have followed over the past 35 years. Our conclusion that sales should remain relatively strong (despite the prediction of a mild slowdown) over the next few years is demonstrated by looking at the three "trend lines." The overall trend has moved steadily upward, and importantly, the same is true for trends in the cyclical peaks and troughs. In fact, the trend line for the market troughs portends that, in the worst case scenario, the low point for a downward sales cycle is now higher than 15 million units. A far cry from 17.4 million in 2000, but nowhere near the 12.5 million units in 1991.

Despite the prediction of a mild decline, there is convincing evidence that new vehicle sales will remain strong, and that a sub-15 million unit sales year is not likely any time soon. The impressive array of new vehicles regularly being introduced, and new power train technologies that are being developed should provide further support for the new vehicle market.

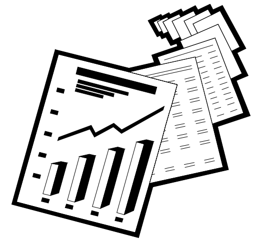
U.S. New Light Vehicle Sales—Long Term Perspective



The graph shows four data series from 1970 to 2005: 1. ***Actual*** *new vehicle sales. 2. The* ***Overall Sales Trend****. 3.* ***Trend Peaks****, which is the trend line for the four cyclical sales peaks. 4.* ***Trend Troughs****, which is the trend line for the cyclical sales troughs.*

Source: CNW Marketing Research, Inc.

BRAND SCOREBOARD



COMPREHENSIVE REVIEW OF BRAND SALES PERFORMANCE IN THE NEW VEHICLE MARKET

The table below presents a well-rounded picture of those brands that are definitely "on the way up" in the Nation'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 vehicle sales during the first ten 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 sales 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 so far this year (versus a year earlier), AND that the brand fared relatively well from the Second to the Third Quarter.

	Longer Term Sales Growth YTD '04 to YTD '05 (thru Oct.)				Shorter Term Sales Growth 2nd Qtr. 2005 to 3rd Qtr. 2005				Combined Rating (10 is high)
Brand	YTD '04 sales	YTD '05 sales	% ch '04 to '05	Rating (5 is high)	2Q '05 sales	3Q '05 sales	% change	Rating (5 is high)	
Scion	79422	132265	66.5%	5	41890	44011	5.1%	4	9
Nissan	706006	795022	12.6%	5	243580	256408	5.3%	4	9
Infiniti	107339	113182	5.4%	4	34342	36794	7.1%	5	9
Honda	998252	1046705	4.9%	4	327651	364789	11.3%	5	9
Jeep	358779	393459	9.7%	5	127257	130059	2.2%	3	8
Acura	163241	177107	8.5%	5	56531	55764	-1.4%	3	8
Subaru	154262	161562	4.7%	4	49138	51485	4.8%	4	8
Mercury	165600	172127	3.9%	3	49608	56291	13.5%	5	8
Suzuki	63898	69732	9.1%	5	22990	21472	-6.6%	2	7
Hyundai	351785	378608	7.6%	4	124425	124758	0.3%	3	7
Audi	63388	66315	4.6%	3	20866	21955	5.2%	4	7
BMW	213865	216063	1.0%	3	67512	70767	4.8%	4	7
Saturn	186032	183823	-1.2%	2	56202	63202	12.5%	5	7
Chrysler	478256	547168	14.4%	5	188622	151018	-19.9%	1	6
Toyota	1405834	1513027	7.6%	4	486382	479462	-1.4%	2	6
Dodge	1005429	1014859	0.9%	3	325274	321710	-1.1%	3	6
Mercedes	175882	174593	-0.7%	2	54858	57610	5.0%	4	6
Pontiac	410862	369831	-10.0%	1	113911	127621	12.0%	5	6
Volkswagen	217418	180193	-17.1%	1	53826	66282	23.1%	5	6
Cadillac	188592	197717	4.8%	4	71527	61200	-14.4%	1	5
Lexus	232588	242060	4.1%	3	78562	76723	-2.3%	2	5
Ford	2327119	2245384	-3.5%	2	719035	739840	2.9%	3	5
Kia	226646	236993	4.6%	3	79756	73276	-8.1%	1	4
Mazda	225398	221367	-1.8%	2	70969	66874	-5.8%	2	4
Lincoln	116438	102177	-12.2%	1	30813	31225	1.3%	3	4
Chevrolet	2304036	2257260	-2.0%	2	788154	707217	-10.3%	1	3
GMC	487553	462381	-5.2%	2	174888	146723	-16.1%	1	3
Volvo	115970	106431	-8.2%	1	33789	31819	-5.8%	2	3
Mitsubishi	142157	105420	-25.8%	1	31231	30375	-2.7%	2	3
Buick	266881	244078	-8.5%	1	87687	81762	-6.8%	1	2

Source: CNW Marketing Research, Inc.

Used Vehicle Market Report

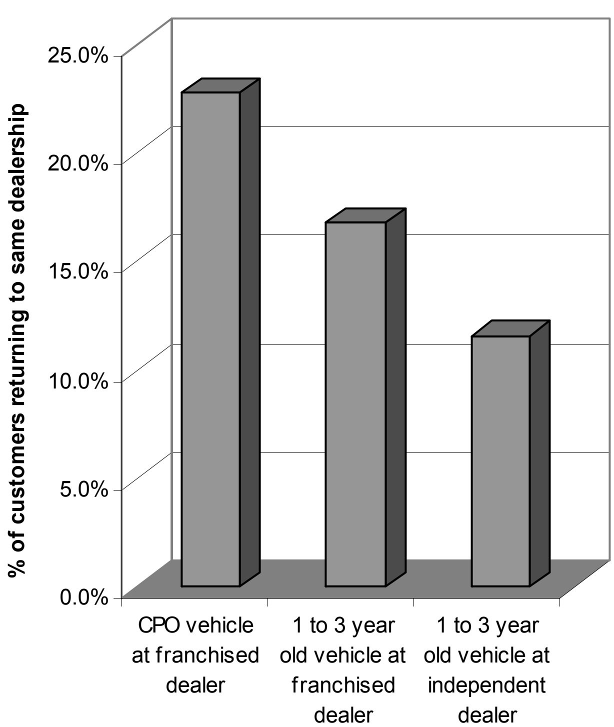
Franchised New Vehicle Dealerships in Area Account for 38.7% of Used Market

Compared to other major metro areas in the U.S., new franchised dealerships account for an average share of the Chicago Area used vehicle market. As shown on the graph to the right, 38.7% of all used vehicles sold in the area during 2004 were sold by franchised new vehicle dealerships. Franchised dealership used vehicle share in the U.S. market was 37.4%. Independent used vehicle dealerships accounted for just 33.8% of the area market, with the balance being private party transactions.

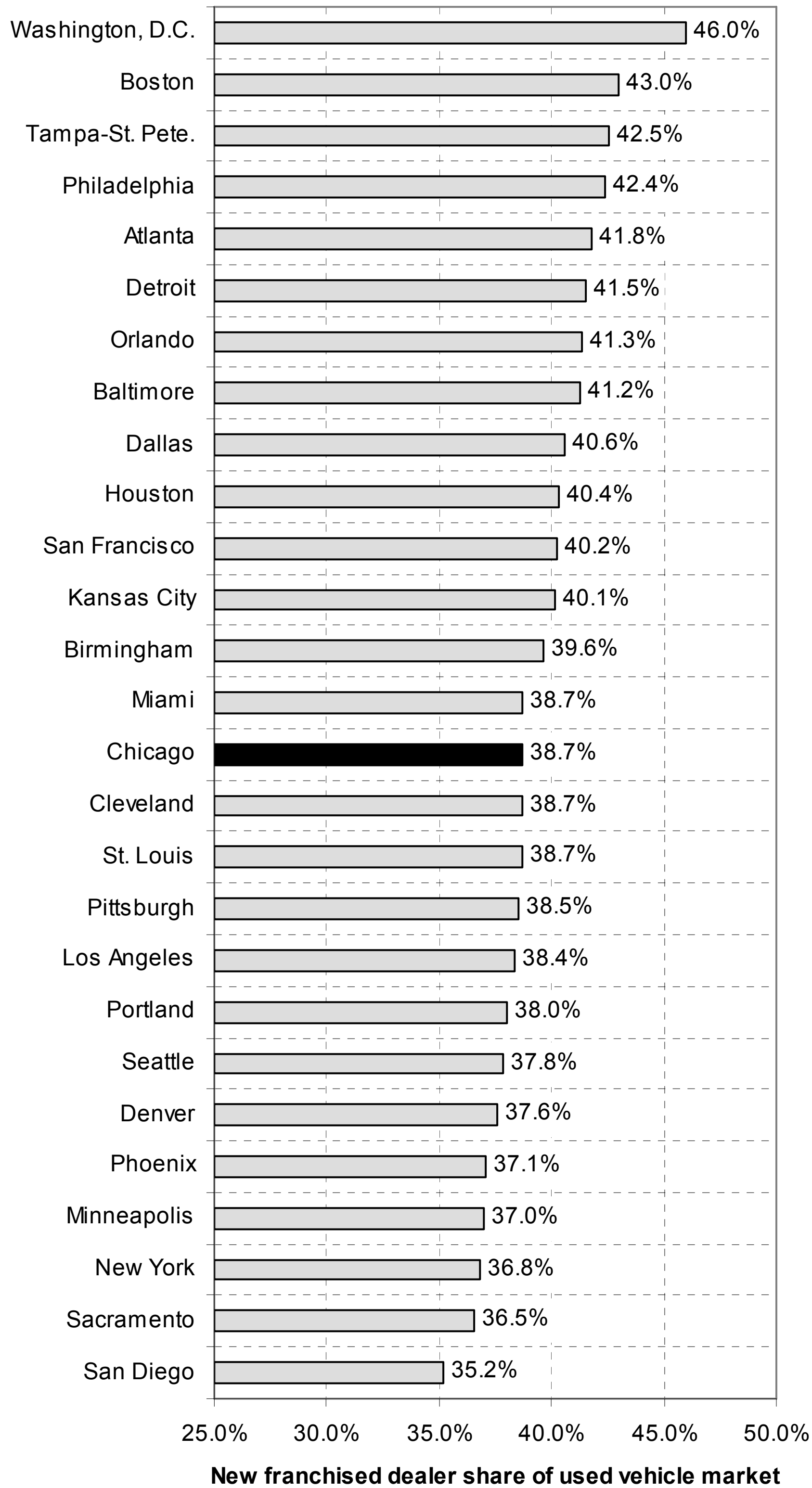
The graph below presents an analysis of used vehicle customer loyalty. As shown on the graph, 22.8% of customers who purchase a certified pre-owned vehicle from a new vehicle dealership return to that dealership for the purchase of their next used vehicle. Used customer loyalty at franchised new vehicle dealerships for 1 to 3 year old cars was 16.8% versus just 11.6% at independent dealerships.

Data Source: CNW Marketing Research, Inc.

Used Vehicle Customer Loyalty to Dealership (% of customers returning to same dealership for subsequent used vehicle purchase)



New Franchised Dealership Share of Used Vehicle Market Major Metro Areas in U.S.—2004



Source: CNW Marketing Research, Inc.

Economic Review

Area Economy and Automotive Consumers in Relatively Good Shape; Risks Ahead

As detailed in Auto Outlook's long term forecast, the Chicago Area new retail light vehicle market is likely to move lower in 2006 and perhaps 2007. The predicted mild decline is mostly due to the market's relative strength during the early 2000's. The good news is that as the market enters what is likely to be a mild cyclical decline in sales, the area's economy is in relatively good shape. The Chicago Area unemployment rate has drifted lower over the past 20 months, while total non-farm employment in the area increased 0.7% in September of this year versus 2004.

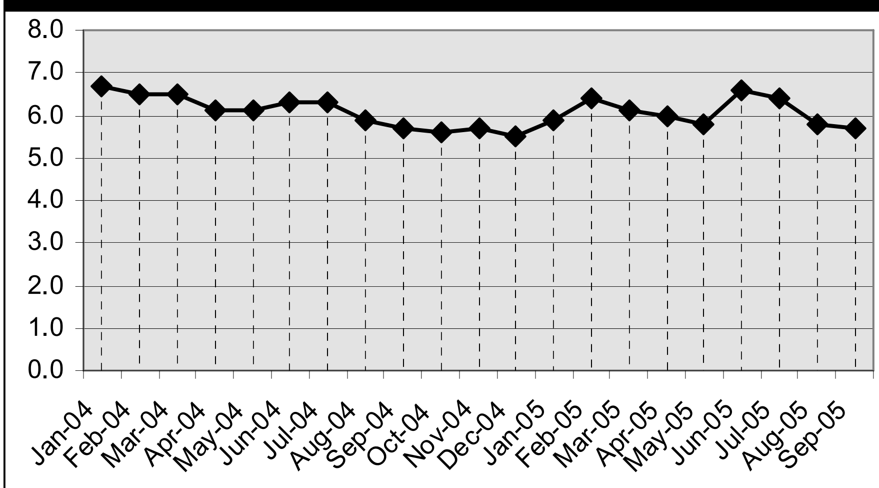
Consumer affordability for new vehicles has been negatively impacted by rising interest rates (the Prime Rate has increased by 2.25 percentage points over the past year). The increase in interest rates, however, has been offset by rising income levels and aggressive pricing. According to CNW Marketing Research, the average manufacturer incentive offer per new vehicle decreased 12.1% in October of this year versus a year earlier, but transaction prices increased just 3.2%. Comerica Bank's New Vehicle Affordability Index indicates that it took 24.7 weeks (based on median household income) for the average U.S. household to purchase a new vehicle in the Second Quarter of this year, unchanged from a year earlier. The Index continues to hover at near record low levels, indicating that a new vehicle purchase is well within reach for a significant number of consumers.

As always, there are some potential potholes ahead for the economy. The two biggest threats are higher energy prices and the prospects of a declining housing market. Higher energy prices drain household disposable income and lead consumers to restrain spending in other areas. A sharp decline in the real estate market would push down housing values, and consequently, household net worth, which has been the key linchpin in supporting retail spending and consumer debt. At this point, it appears that the economy will have enough momentum to weather these storms.

Key Indicators of Chicago Area Economy and Financial Health of Automotive Consumers

Chicago Area Unemployment Rate	
September, 2004	5.7%
September, 2005	5.7%
Change (percentage points)	Unchanged
(Source: Bureau of Labor Statistics)	
Total Non-Farm Employment in the Chicago Area	
September, 2004	4,448,433
September, 2005	4,481,522
Percent Change	Up 0.7%
(Source: Bureau of Labor Statistics)	
Prime Interest Rate	
November, 2004	4.75%
November, 2005	7.0%
Change (percentage points)	Up 2.25 points
(Source: Federal Reserve Bank)	
Average Manufacturer New Vehicle Incentives	
October, 2004	$4,003
October, 2005	$3,519
Percent Change	Down 12.1%
(Source: CNW Marketing Research)	
Comerica Bank New Vehicle Affordability Index (U.S.)	
Number of weeks (median household income) to purchase a new vehicle	
Second Quarter, 2004	24.7 weeks
Second Quarter, 2005	24.7 weeks
Percent Change	No Change
(Source: Comerica Bank)	

Chicago Area Unemployment Rate (January, 2004 thru September, 2005)



Source: Bureau of Labor Statistics

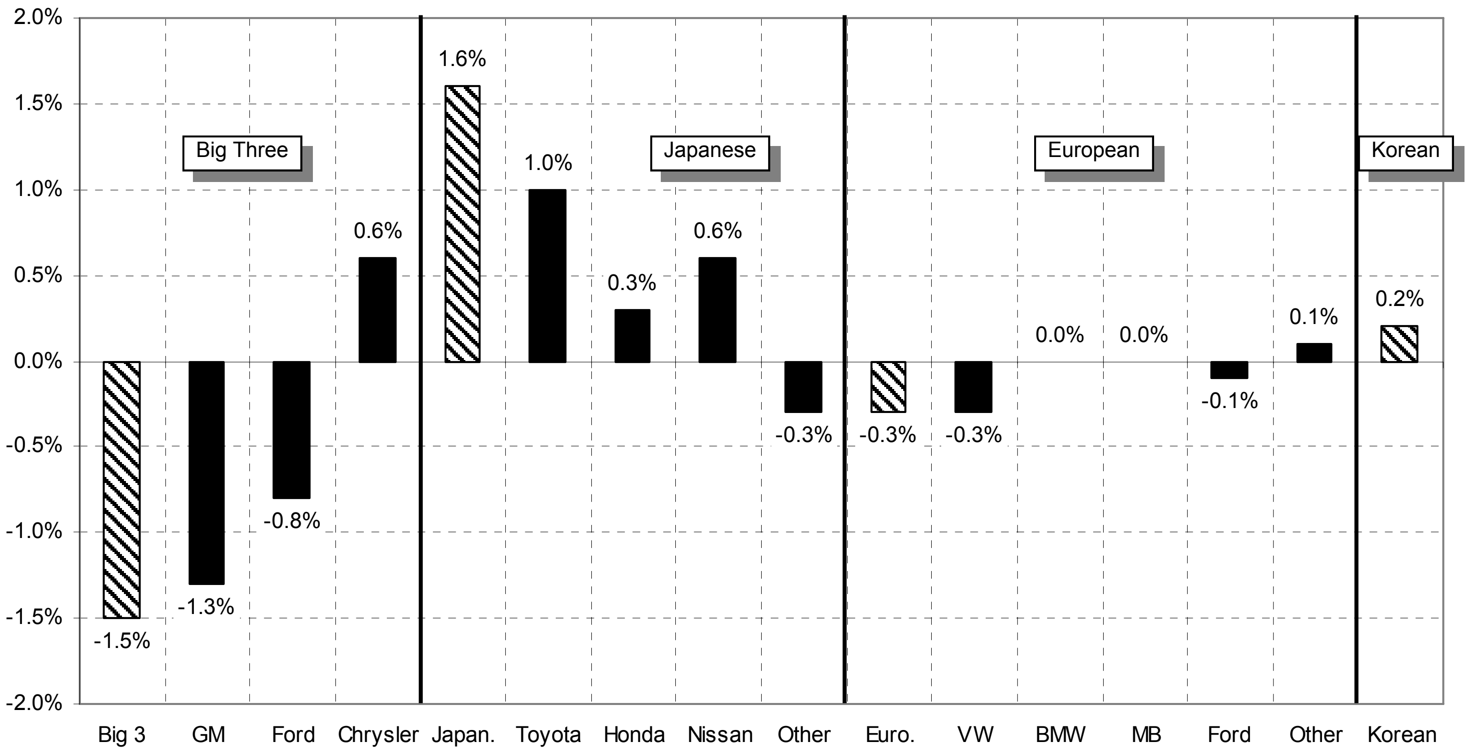
Market Tracker

Japanese Brands Gain 1.6 Market Share Points So Far This Year

The graph below tracks the changing composition of the new vehicle market. As shown on the graph, the Big Three (consisting of "traditional domestic" brands) lost 1.5 market share points during the first 10 months of this year versus a year earlier. GM lost 1.3 share points while Chrysler was up 0.6. (Big Three does not include import brands owned by GM and Ford, such as Volvo and Saab.) Japanese brand market share increased 1.6 points, with Toyota (including Lexus and Scion) increasing one point. Volkswagen's falling market share contributed to the 0.3 point decrease for European brands. Korean brand market share increased 0.2 points.

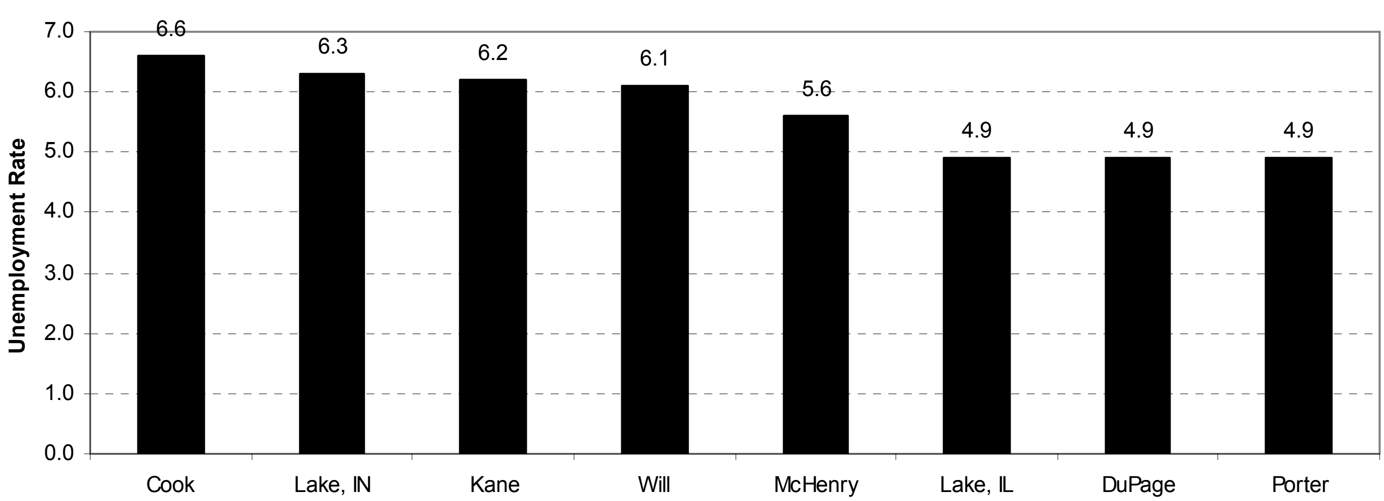
Source: CNW Marketing Research, Inc.

Change in U.S. New Light Vehicle Market Share—YTD '05 vs. YTD '04 (thru October)



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:** Hyundai and Kia.

Average Monthly Unemployment Rate in Greater Chicago Area Counties (2005 average thru August)



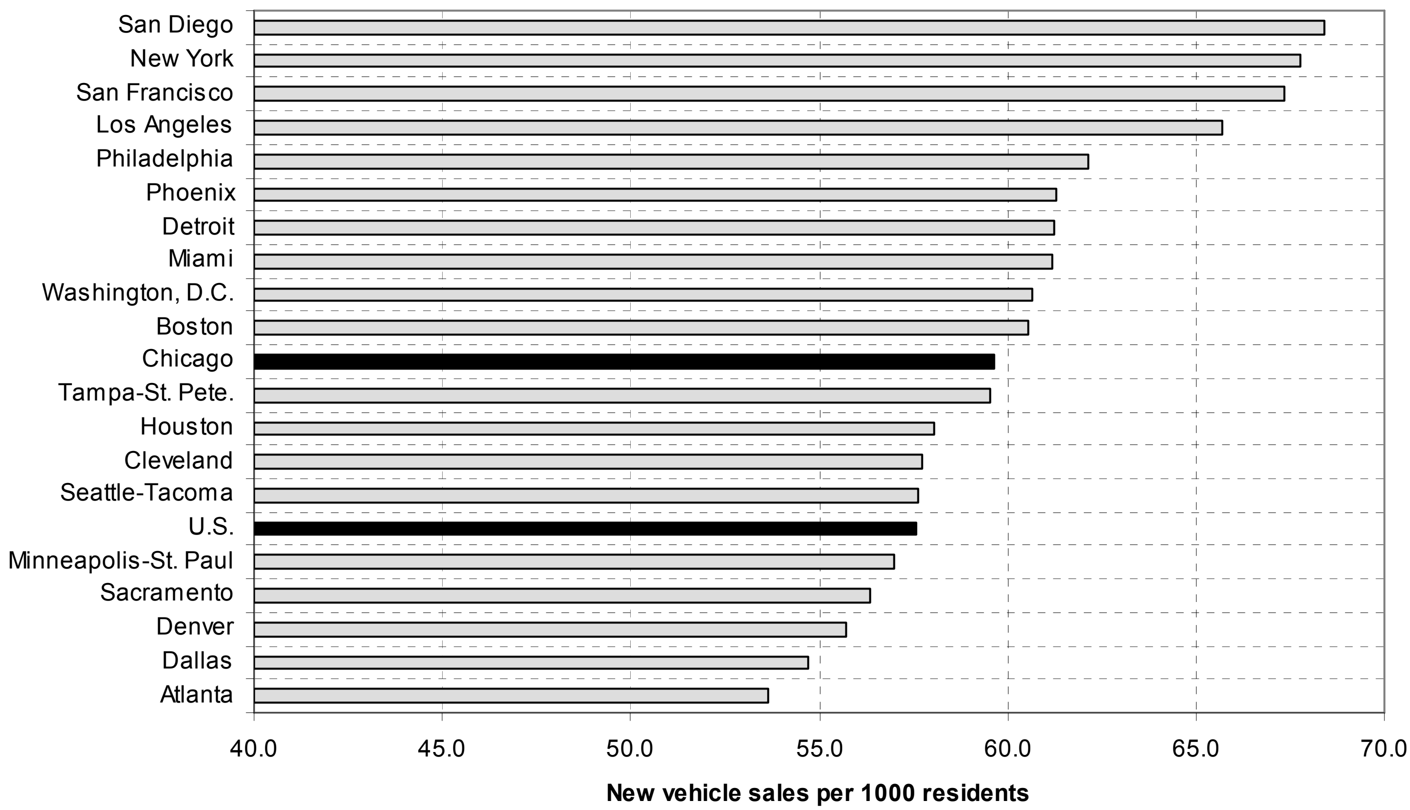
Source: Bureau of Labor Statistics

Strength of Major Metro Markets

Chicago Area New Vehicle Market Ranks in Middle of the Pack Among Major Metro Areas

The graph below provides an excellent indicator of the comparative strength of new vehicle markets. The graph shows projected new vehicle sales for 2005 per 1000 residents for each of the top 20 markets and the Nation. Markets at the top of the graph are relatively stronger, while those at the bottom are weaker. Chicago ranked 11th out of 20, with 59.6 new vehicles sold per 1000 residents, above the U.S. average of 57.6. Source for historical data: CNW Marketing Research, Inc.

New Vehicle Sales Per 1000 Residents (2005 projections)



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