

Chicago Auto Outlook™

Sponsored by: Chicago Automobile Trade Association

Special Report-New vehicle sales downturn and outlook for recovery

Market Avoids Big Decline in First Half; Hope for Mild Rebound in 2009

The Chicago Area new vehicle market has been bombarded with some formidable obstacles during the past 18 months. Credit markets remained in turmoil, gas prices moved above \$4 per gallon, the unemployment rate increased, consumer spending eased, and demand shifted dramatically away from full sized trucks and SUVs to small cars. However, despite the bevy of threats, the area's new vehicle market fared relatively well, with new vehicle registrations declining less than 1% in the first half of this year versus a year earlier.

The burning question is where does the market go from here? Our short answer: up...eventually. As we have emphasized in past issues, the pieces should be in place for a rebound in new vehicle sales. The tricky part is pinpointing exactly when the recovery will begin. Auto Outlook believes that there are two primary impediments holding the market back. First, is the beleaguered state of household finances. Second, are surging fuel prices that have led to a rapid and revolutionary change in the fundamentals of consumer demand.

Number one roadblock to a rebound in new vehicle sales: Excessive household debt. The savings rate has been negative for several years, credit card delinquency rates are surging, and mortgage foreclosures are on the rise. Households are in for a significant round of financial belt-tightening that will lead to more funds being directed towards debt reduction, and less for spending.

The best hope for a quick turnaround in the current auto sales slump is for a rapid restoration in household financial health. Unfortunately, rising inflation (and perhaps interest rates), a softening labor market, and declining net worth are likely to make this a lengthy process. Still, the resiliency of consumers has regularly caught economists by surprise in recent years. A premature opening of pocket-books could give a boost to car sales sooner than expected.

Number two roadblock to a rebound in new vehicle sales: Rising fuel prices and shifting consumer demand. Clearly, higher prices at the pump put a damper on discretionary retail spending, but

that's just the start of the negative fallout for the new vehicle market. The recent surge in gas prices, combined with a well-founded belief that higher prices are here to stay, have fostered a revolutionary transition in demand away from larger trucks and towards smaller cars.

Two conditions of this transition have combined to put the brakes on new vehicle sales. First, at present, manufacturers cannot produce enough smaller and more fuel efficient vehicles to meet consumer demand. And second, rapidly declining resale values for large trucks and SUVs have left a significant number of would be new vehicle shoppers with negative equity, and as a result, they are financially unable to purchase a new vehicle. It will take time for these negative forces to ease.

Bottom line: The market will likely reach its cyclical low point this year. Although sales could head lower next year, the drop would almost certainly be smaller than this year. 2010 should mark the beginning of a sustained recovery.

Market Highlights

Outlook for the rest of 2008: New retail light vehicle registrations predicted to decline 6.8% during the second half of this year versus a year earlier. 3.9% drop expected for the entire year.

2009 forecast: Given the unprecedented level of uncertainty in the economy and the auto industry, putting an exact number on area new vehicle sales in 2009 is very difficult. At this point, the best case scenario is that the market will manage to post a small increase, while the worst case is for another decline, but smaller than this year's. Improvement is likely by 2010.

Hybrid vehicle sales in the area: Sales of hybrid powered vehicles in the area increased 7.2% in the first half of 2008.

Indiana data included

Registration data for Lake and Porter Counties in Indiana is included in this issue of Auto Outlook. For this reason, historical figures differ from previous releases.

Market Summary

New Retail Light Vehicle Registrations 2007 History and 2008 Forecast

	2007	Forecast 2008	% Chg. '07 to '08	Mkt. Share 2008
TOTAL	321,796	309,299	-3.9%	0.0%
Car	176,420	180,940	2.6%	58.5%
Light Truck	145,376	128,359	-11.7%	41.5%
Traditional Domestic	131,427	117,267	-10.8%	37.9%
Japanese	142,213	144,288	1.5%	46.7%
European	31,595	31,405	-0.6%	10.2%
Korean	16,561	16,339	-1.3%	5.3%

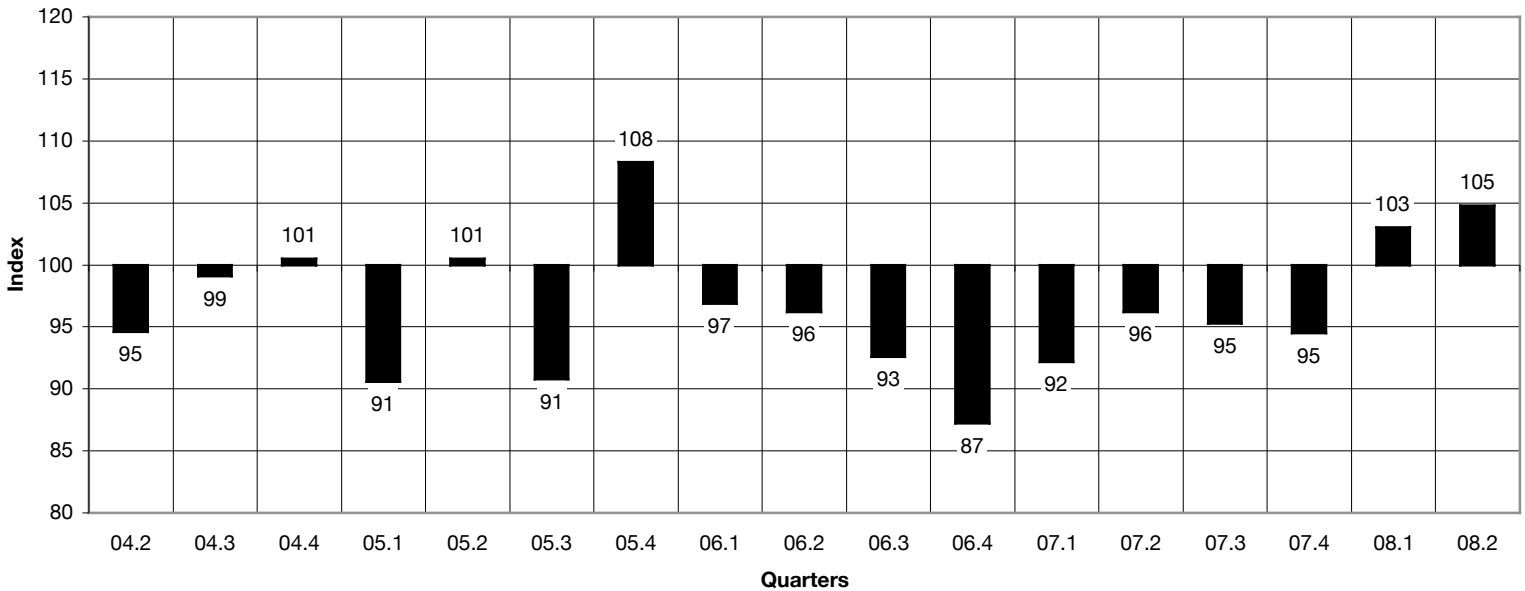
Traditional Domestic consists of vehicles sold by General Motors, Ford and Chrysler, and excludes import nameplates.

Source for historical data: AutoCount, an Experian Company.

Quarterly Industry Results and Forecasts

Area Market Predicted to Decline In Third and Fourth Quarters

Chicago Area Quarterly Market Performance Index



The graph above shows the Chicago Area Quarterly Market Performance Index. The Index tracks the performance of the area’s new retail light vehicle market relative to the U.S. market. When the Index is above 100 (such as in the Fourth Quarter of 2005), the area’s market had a better quarter than the U.S. Conversely, when the Index is below 100, the Chicago Area market was weaker.

Summary Table	06.1	06.2	06.3	06.4	07.1	07.2	07.3	07.4	08.1	08.2	08.3	08.4
Actual registrations	75,047	88,792	92,324	72,363	70,539	85,476	89,974	75,807	72,823	81,976	83,500	71,000
% change from year earlier	8.2%	-9.3%	-4.4%	-18.3%	-6.0%	-3.7%	-2.5%	4.8%	3.2%	-4.1%	-7.2%	-6.3%

Area new retail light vehicle registrations declined 4.1% in the Second Quarter of this year versus a year earlier, relatively mild compared to the double digit percentage decline in the U.S. The Quarterly Market Performance Index increased to 105 in the Second Quarter, reflecting the relative strength of the area market. Forecast quarters in the table above are shaded gray.

**Chicago Auto Outlook
Covering Second Quarter, 2008**

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**WHO ARE MY TOP COMPETITORS?
-BY MARKET AREA?**

WHAT NEW AND USED CARS SELL WELL IN MY MARKETS?

ANSWERS DRIVE RESULTS.

You need insights into your marketplace to make the best decisions to maximize profits. The AutoCount® Dealer Report analyzes full details on new and used competitive dealer market share, down to specific areas you define.

You bring the questions. We'll bring the answers.

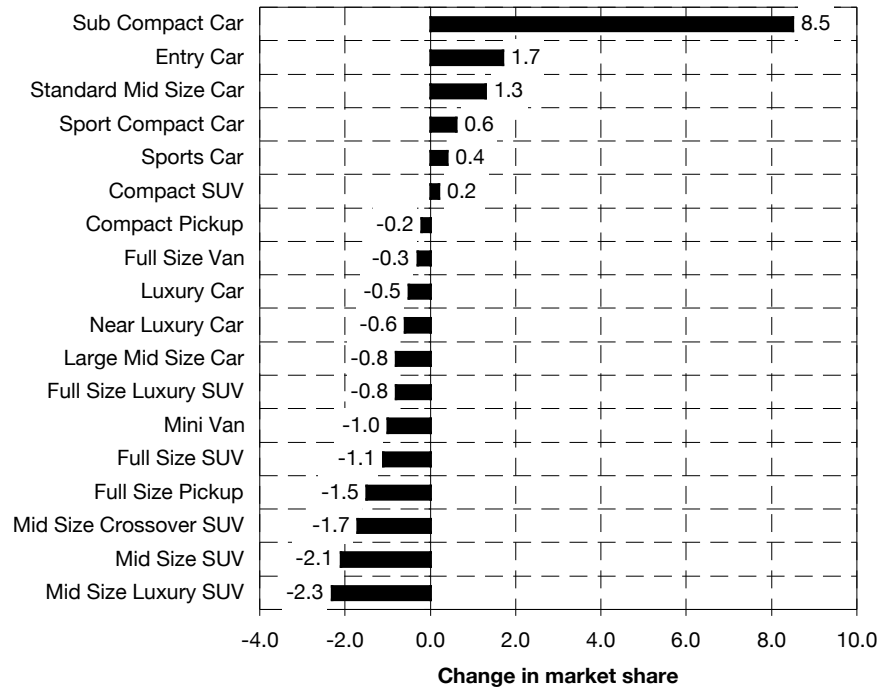


Segment Watch

Sub Compact Car Segment Market Share Increases Sharply

During the first half of this year, the industry has dealt with the dramatic and abrupt shift in consumer demand away from trucks and SUVs towards smaller, more fuel efficient vehicles. Typically, the graph on the right would present the year-to-date change in market share versus a year earlier, but given the significant changes that have taken place from quarter-to-quarter, and even month-to-month during the first half of this year, we have shortened the comparative time period. The graph shows the change in market share for 18 primary segments from January of this year to June, and the results are definitely eye-opening. Sub Compact Car market share increased a substantial 8.5 share points over the period, while Mid Size Luxury SUV share declined 2.3 points. The table below shows the top sellers by market segment during the first half of this year.

Change in Segment Market Share - June 2008 vs. January 2008



Data: AutoCount data from Experian Automotive.

Top Selling Models in Each Segment - Chicago Area											
New Retail Registrations, YTD 2008 thru June and Market Share of Segment											
Cars											
Entry			Sub Compact			Sporty Compact			Standard Mid Size		
Model	Regs.	Share	Model	Regs.	Share	Model	Regs.	Share	Model	Regs.	Share
Nissan Versa	1563	23.0	Honda Civic	5554	17.7	Ford Mustang	738	40.5	Toyota Camry	5834	22.0
Toyota Yaris	1555	22.9	Toyota Corolla/Matrix	4843	15.4	Scion TC	687	37.7	Honda Accord	5083	19.1
Chevrolet Aveo	1370	20.1	Ford Focus	3113	9.9	Mitsubishi Eclipse	260	14.3	Nissan Altima	3730	14.0
Honda Fit	1022	15.0	Chevrolet Cobalt	2682	8.5	Hyundai Tiburon	135	7.4	Chevrolet Malibu	2378	9.0
Hyundai Accent	453	6.7	Toyota Prius	2238	7.1				Pontiac G6	2035	7.7
Large Mid Size			Near Luxury			Luxury			Sports Car		
Model	Regs.	Share	Model	Regs.	Share	Model	Regs.	Share	Model	Regs.	Share
Chevrolet Impala	2465	27.4	BMW 3-Series	1478	15.6	BMW 5-Series	750	13.9	Chevrolet Corvette	381	31.5
Dodge Charger	1069	11.9	Lexus ES	1258	13.3	Cadillac DTS	559	10.3	Pontiac Solstice	134	11.1
Buick Lucerne	976	10.9	Cadillac CTS	1166	12.3	Mercedes E-Class	424	7.8	Mazda MX5	106	8.8
Chrysler 300	712	7.9	Acura TL	1059	11.2	Lexus LS	384	7.1	Porsche 911	97	8.0
Toyota Avalon	655	7.3	Infiniti G	875	9.2	Lexus GS	369	6.8	Nissan 350 Z	84	6.9
Light Trucks											
Compact Pickup			Full Size Pick Up			Mini Van			Full Size Van		
Model	Regs.	Share	Model	Regs.	Share	Model	Regs.	Share	Model	Regs.	Share
Toyota Tacoma	682	26.7	Chevrolet Silverado	2335	30.9	Honda Odyssey	3031	33.5	Chevrolet Express	971	50.2
Ford Ranger	503	19.7	Ford F-Series	2308	30.6	Toyota Sienna	2097	23.2	Ford E-Series	673	34.8
Chevrolet Colorado	476	18.7	GMC Sierra	814	10.8	Chrysler T & C	1518	16.8	Dodge Sprinter	153	7.9
Honda Ridgeline	439	17.2	Dodge Ram	795	10.5	Dodge Caravan	1316	14.6	GMC Savana	137	7.1
Nissan Frontier	222	8.7	Toyota Tundra	730	9.7	Nissan Quest	347	3.8			
Compact SUV			Mid Size SUV/Crossover SUV			Full Size SUV			Mid and Full Size Luxury SUV		
Model	Regs.	Share	Model	Regs.	Share	Model	Regs.	Share	Model	Regs.	Share
Honda CRV	3333	17.3	Toyota Highlander	1748	10.0	Chevrolet Tahoe	945	28.2	Lexus RX	1859	18.6
Toyota RAV4	2170	11.3	Honda Pilot	1703	9.8	Chevrolet Suburban	560	16.7	Acura MDX	1230	12.3
Ford Escape	2152	11.2	Hyundai Santa Fe	1558	8.9	GMC Yukon	378	11.3	BMW X5	738	7.4
Chevrolet Equinox	1661	8.6	Ford Edge	1503	8.6	Ford Expedition	360	10.7	Cadillac Escalade	672	6.7
Nissan Rogue	1502	7.8	Nissan Murano	1404	8.0	Toyota Sequoia	304	9.1	Acura RDX	527	5.3

Chicago Area Retail Car and Light Truck Registrations - History and Forecast										
	Registrations					Market Share				
	Units			Percent Change		Share (%)			Change	
	2006	2007	Forecast 2008	'06 to '07	Forecast '07 to '08	2006	2007	Forecast 2008	'06 to '07	Forecast '07 to '08
TOTAL	328,526	321,796	309,299	-2.0%	-3.9%					
Domestic Brands	144,864	131,427	117,267	-9.3%	-10.8%	44.1	40.8	37.9	-3.3	-2.9
Japanese Brands	135,783	142,213	144,288	4.7%	1.5%	41.3	44.2	46.7	2.9	2.5
European Brands	32,752	31,595	31,405	-3.5%	-0.6%	10.0	9.8	10.2	-0.2	0.4
Korean Brands	15,127	16,561	16,339	9.5%	-1.3%	4.6	5.1	5.3	0.5	0.2
Acura	7,870	7,230	6,535	-8.1%	-9.6%	2.4	2.2	2.1	-0.2	-0.1
Audi	2,805	2,870	2,800	2.3%	-2.4%	0.9	0.9	0.9	0.0	0.0
BMW	7,490	7,437	7,021	-0.7%	-5.6%	2.3	2.3	2.3	0.0	0.0
Buick	6,024	4,872	4,250	-19.1%	-12.8%	1.8	1.5	1.4	-0.3	-0.1
Cadillac	6,240	5,135	5,635	-17.7%	9.7%	1.9	1.6	1.8	-0.3	0.2
Chevrolet	40,594	36,437	33,841	-10.2%	-7.1%	12.4	11.3	10.9	-1.1	-0.4
Chrysler	8,538	7,895	5,784	-7.5%	-26.7%	2.6	2.5	1.9	-0.1	-0.6
Dodge	14,713	12,894	10,193	-12.4%	-20.9%	4.5	4.0	3.3	-0.5	-0.7
Ford	30,991	27,744	26,338	-10.5%	-5.1%	9.4	8.6	8.5	-0.8	-0.1
GMC	5,964	6,748	6,077	13.1%	-9.9%	1.8	2.1	2.0	0.3	-0.1
Honda	36,028	38,491	41,750	6.8%	8.5%	11.0	12.0	13.5	1.0	1.5
Hummer	1,284	802	547	-37.5%	-31.8%	0.4	0.2	0.2	-0.2	0.0
Hyundai	11,967	12,661	12,517	5.8%	-1.1%	3.6	3.9	4.0	0.3	0.1
Infiniti	3,190	3,538	3,534	10.9%	-0.1%	1.0	1.1	1.1	0.1	0.0
Isuzu	119	101	96	-15.1%	-5.0%	0.0	0.0	0.0	0.0	0.0
Jaguar	596	491	530	-17.6%	7.9%	0.2	0.2	0.2	0.0	0.0
Jeep	7,747	8,231	7,677	6.2%	-6.7%	2.4	2.6	2.5	0.2	-0.1
Kia	3,160	3,900	3,822	23.4%	-2.0%	1.0	1.2	1.2	0.2	0.0
Land Rover	1,611	1,603	1,431	-0.5%	-10.7%	0.5	0.5	0.5	0.0	0.0
Lexus	10,869	10,782	9,464	-0.8%	-12.2%	3.3	3.4	3.1	0.1	-0.3
Lincoln	2,033	2,438	2,242	19.9%	-8.0%	0.6	0.8	0.7	0.2	-0.1
Mazda	4,941	5,674	5,953	14.8%	4.9%	1.5	1.8	1.9	0.3	0.1
Mercedes	5,455	5,723	6,064	4.9%	6.0%	1.7	1.8	2.0	0.1	0.2
Mercury	3,806	3,051	2,358	-19.8%	-22.7%	1.2	0.9	0.8	-0.3	-0.1
MINI	1,487	1,177	1,458	-20.8%	23.9%	0.5	0.4	0.5	-0.1	0.1
Mitsubishi	3,177	3,107	2,868	-2.2%	-7.7%	1.0	1.0	0.9	0.0	-0.1
Nissan	18,104	21,587	22,127	19.2%	2.5%	5.5	6.7	7.2	1.2	0.5
Pontiac	11,308	8,901	7,256	-21.3%	-18.5%	3.4	2.8	2.3	-0.6	-0.5
Porsche	899	851	713	-5.3%	-16.2%	0.3	0.3	0.2	0.0	-0.1
Saab	1,039	767	627	-26.2%	-18.3%	0.3	0.2	0.2	-0.1	0.0
Saturn	5,622	6,279	5,069	11.7%	-19.3%	1.7	2.0	1.6	0.3	-0.4
Subaru	3,279	2,661	2,846	-18.8%	7.0%	1.0	0.8	0.9	-0.2	0.1
Suzuki	1,770	1,663	1,611	-6.0%	-3.1%	0.5	0.5	0.5	0.0	0.0
Toyota/Scion	46,436	47,379	47,504	2.0%	0.3%	14.1	14.7	15.4	0.6	0.7
Volkswagen	7,793	7,446	7,698	-4.5%	3.4%	2.4	2.3	2.5	-0.1	0.2
Volvo	3,095	2,595	2,304	-16.2%	-11.2%	0.9	0.8	0.7	-0.1	-0.1
Others	482	635	759	31.7%	19.5%	0.1	0.2	0.2	0.1	0.0

Historical Data Source: AutoCount, an Experian Company

The table above presents Auto Outlook's forecast for new retail light vehicle registrations in the Chicago Area. Projections are based on a detailed analysis of competitive dynamics in the new vehicle market, including consumer tastes, new vehicle product plans, and manufacturers' sales targets. As with any forecast, please keep in mind that the projections are subject to some uncertainty. This is especially true in today's hotly competitive automotive market, where market fortunes can change abruptly.

Brand Forecast

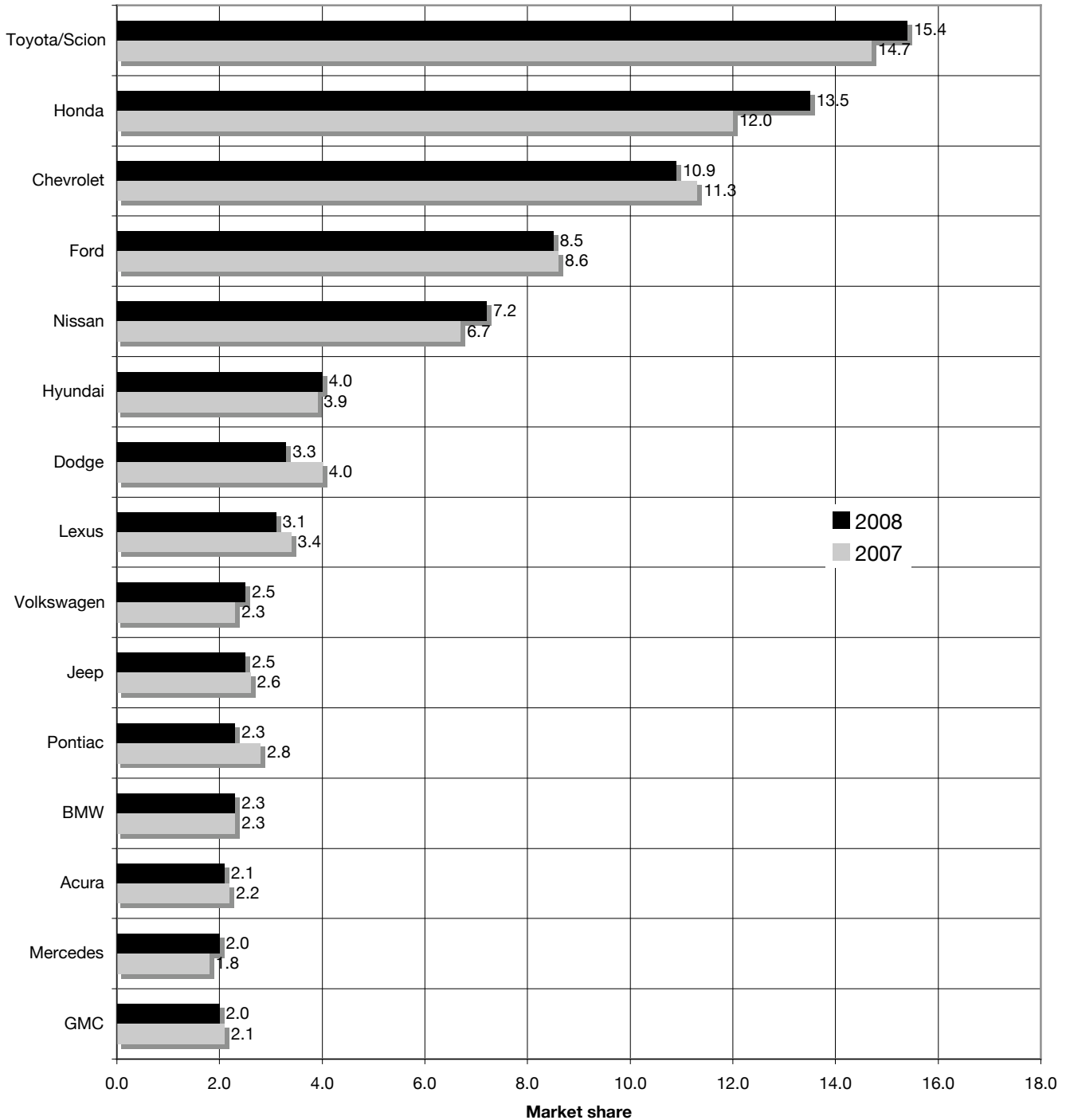
2008 Market Share Forecast for Top 15 Selling Brands in Area

As each year passes, it's hard to imagine that the new vehicle market can get more competitive, but it does. With seemingly every manufacturer introducing impressive new products, it's becoming increasingly difficult to separate the likely winners and losers. And the tumultuous events of the past six months, have made it even

harder. But nevertheless, we give it a shot, with the caveat that any brand sales projections are subject to uncertainty. The graph below shows market share during 2007, and Auto Outlook's projection for all of 2008 for the top 15 selling brands in the area market last year.

Observations: Toyota/Scion and Honda ranked first and second, respectively, in the area market last year. Toyota market share is predicted to increase 0.7 of a point this year, while Honda's share is projected to increase 1.5 points.

Chicago Area New Retail Light Vehicle Market Share for Top 15 Brands - 2007 Actual and 2008 Forecast



Market Fundamentals

Current Market Downturn Paves the Way for Significant Improvement by 2010

Although the area new vehicle market will almost certainly fare better than many other markets this year, it appears as though U.S. new vehicle sales will fall below the 15 million unit level for the first time in over 15 years. An unfortunate combination of negative forces is responsible for the market heading south:

- ▶ Credit crisis
- ▶ Declining real estate market
- ▶ Record high fuel prices
- ▶ Slowing economy
- ▶ Rising unemployment
- ▶ Elevated household debt levels

In addition to these economic forces, an extended period of strong sales in the past decade (largely fueled by unsustainably aggressive manufacturer incentives) made the market vulnerable to a downturn. As we have reported previously, Auto Outlook had pegged the low point for a cyclical downturn in sales around the 15 million unit level. The near perfect storm that the industry now faces

could push sales below this estimated floor.

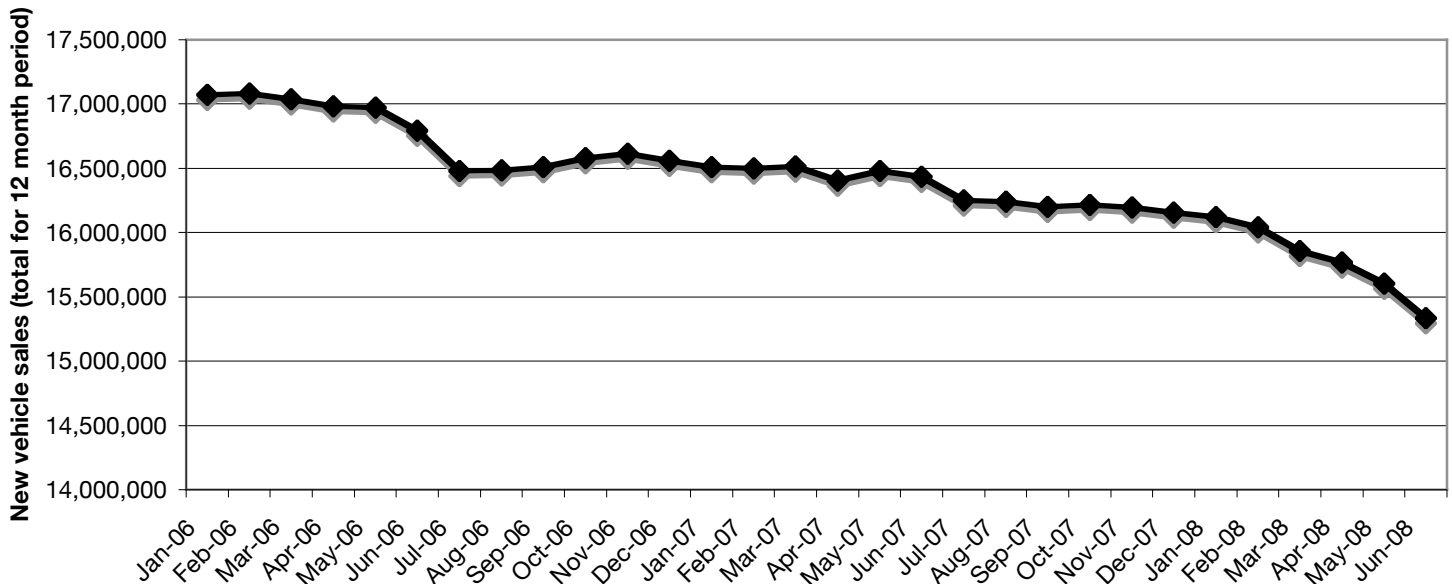
On one hand, this pointedly illustrates the severity of the current slump, which is clearly depicted in the graph below. Combined with excess production capacity, highly strained retail profitability, and dramatic and sudden shift toward smaller, more fuel efficient vehicles, it's easy to see why the market weakness has hit dealers especially hard.

On the other hand, the extent to which sales have fallen below long term trend levels will pave the way for improvement. Succinctly, the market simply cannot get much worse, and it's inevitable that sales will swing back upward. During tough economic times such as these, vehicle purchases are postponed. This phenomena is referred to as pent-up-demand, reflecting the fact that when economic conditions improve, new vehicle sales receive an added boost from these postponed purchases. Recent analysis conducted by CNW Research estimates that

the level of pent up demand reached 400,000 units in early 2008, the highest level in over 18 years! And pent-up-demand will almost certainly head even higher before the end of this year.

As discussed on page one, the primary stumbling blocks for a recovery in sales are the ailing health of household balance sheets and the pronounced shift in demand for smaller vehicles, which on many levels, has turned the market upside down. It will take some time for these negative forces to be alleviated, which will likely prevent a significant rebound in new vehicle sales next year. But the steadily increasing number of more fuel efficient, hybrid and alternative powertrain vehicles will almost certainly stoke consumer demand. And by 2010 and 2011, these product offerings will hit at a time when household finances should be in much better shape. Sales of 17 million units or more is a definite possibility by 2011.

U.S. New Vehicle Sales - Total Sales for 12 Month Periods



The graph above provides a clear (and not very pretty) picture of the course that U.S. new vehicle sales have followed over the past two and a half years. For each month, it shows the total sales for the current month, and the 11 preceding months. In June of this year, for instance, this is equal to the sum of sales from July of 2007 thru June of 2008. This methodology removes the seasonal component of sales, and random fluctuations that can occur in individual months, such as poor weather or heightened incentives. 12 month total sales declined from approximately 17 million units in January of 2006 to about 16.5 million units in July of 2006. Sales fluctuated at around that level until July of 2007, when a gradual decline took hold. The rate of decline accelerated in March of this year, with the figure dropping to about 15.3 million units in June. Data source: CNW Research.

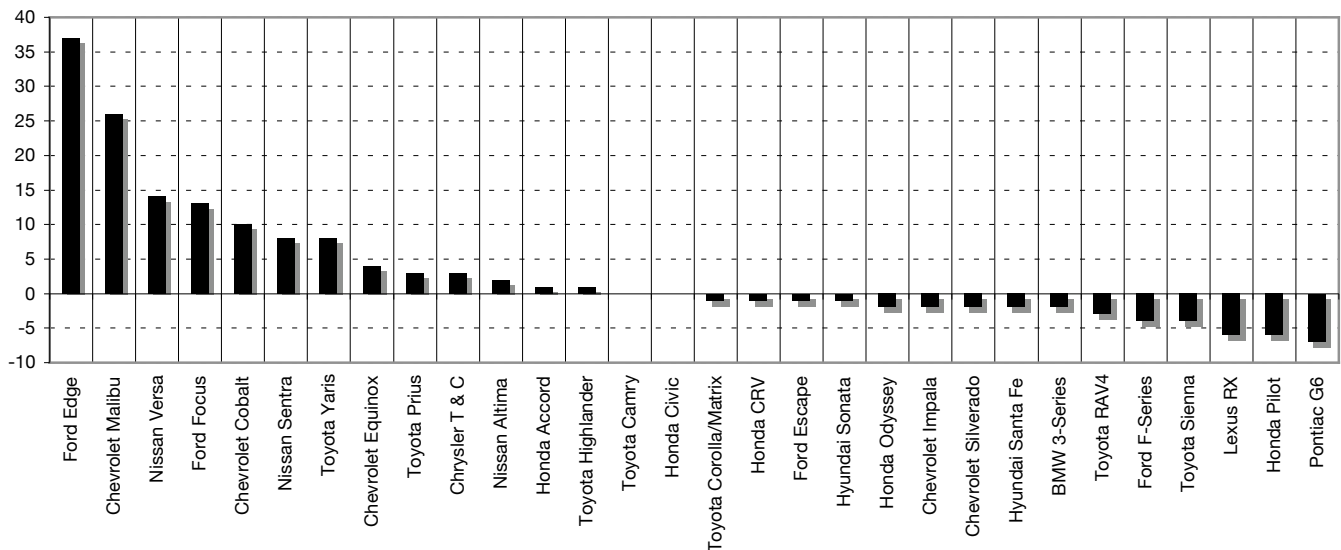
Model Scoreboard

Ford Edge Posts Big Gain in Area Market

The information below provides a snapshot of models that are gaining (or losing) ground in the Chicago Area market. The table shows market share and rankings for the top 30 selling models during the first six months of this year, rankings during the first six months of 2007, and the change in ranking over the period (also shown on the graph). The biggest gainer was Ford Edge, ranked 29th this year, up from 66th in 2007. Edge was just hitting the market early in '07, however. Source: AutoCount.

Top 30 Selling Models in Area New Retail Market (YTD thru June, Market Share and Rankings)				
Model	YTD '08 Mkt. Share	YTD '08 Ranking	YTD '07 Ranking	Change in Ranking '08 vs. '07
Toyota Camry	3.5%	1	1	0
Honda Civic	3.3%	2	2	0
Honda Accord	3.1%	3	4	1
Toyota Corolla/Matrix	2.9%	4	3	-1
Nissan Altima	2.2%	5	7	2
Honda CRV	2.0%	6	5	-1
Ford Focus	1.9%	7	20	13
Honda Odyssey	1.8%	8	6	-2
Chevrolet Cobalt	1.6%	9	19	10
Chevrolet Impala	1.5%	10	8	-2
Chevrolet Malibu	1.4%	11	37	26
Chevrolet Silverado	1.4%	12	10	-2
Ford F-Series	1.4%	13	9	-4
Toyota Prius	1.3%	14	17	3
Toyota RAV4	1.3%	15	12	-3
Ford Escape	1.3%	16	15	-1
Toyota Sienna	1.3%	17	13	-4
Pontiac G6	1.2%	18	11	-7
Hyundai Sonata	1.1%	19	18	-1
Lexus RX	1.1%	20	14	-6
Toyota Highlander	1.1%	21	22	1
Honda Pilot	1.0%	22	16	-6
Chevrolet Equinox	1.0%	23	27	4
Nissan Sentra	1.0%	24	32	8
Nissan Versa	0.9%	25	39	14
Hyundai Santa Fe	0.9%	26	24	-2
Toyota Yaris	0.9%	27	35	8
Chrysler T & C	0.9%	28	31	3
Ford Edge	0.9%	29	66	37
BMW 3-Series	0.9%	30	28	-2

Change in Rankings for Top 30 Selling Models - YTD '08 thru June vs. YTD '07



Brand Scoreboard

Acura, Hyundai, and Lexus Relatively Strong Sellers in the Area Market

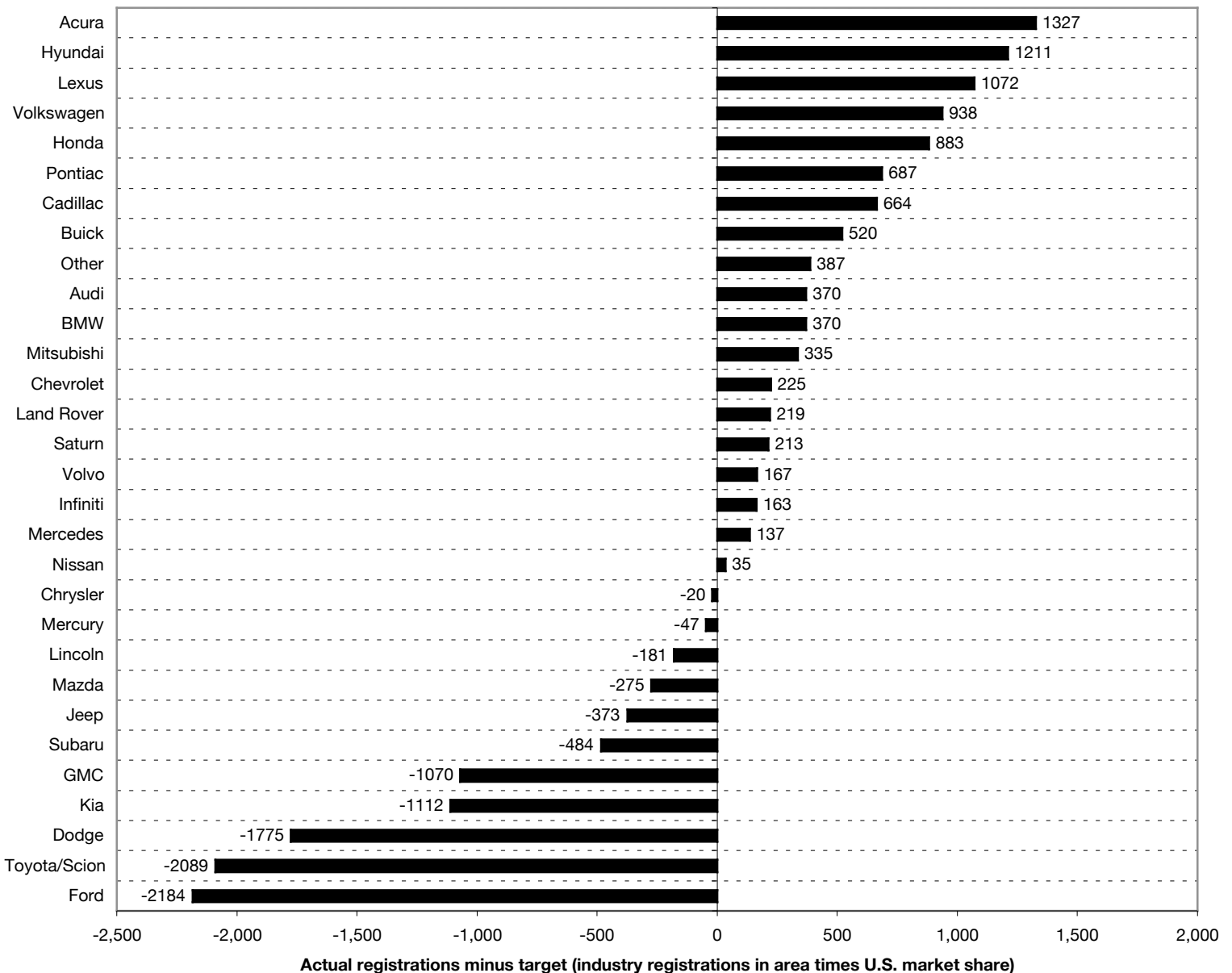
The graph below provides an indicator of brands that are popular in the Chicago Area (relative to the National standard), and those that are not. Here's how it works: For the top 30 selling brands in the area, each brand's share of the U.S. market is multiplied by retail registrations in the area during the first six months of

this year. This yields a "target" for the area market. Target registrations are subtracted from actual registrations to derive the measurement of sales performance.

Brands at the top of the graph (i.e., Acura, Hyundai, and Lexus) are relatively strong sellers in the area, with actual

registrations exceeding the calculated target by a large margin. For instance, Acura registrations exceeded the calculated target by 1,327 units.

Chicago Area Retail Market Performance based on registrations for January thru June 2008
Actual registrations minus target (area industry registrations times U.S. market share)



Market Tracker

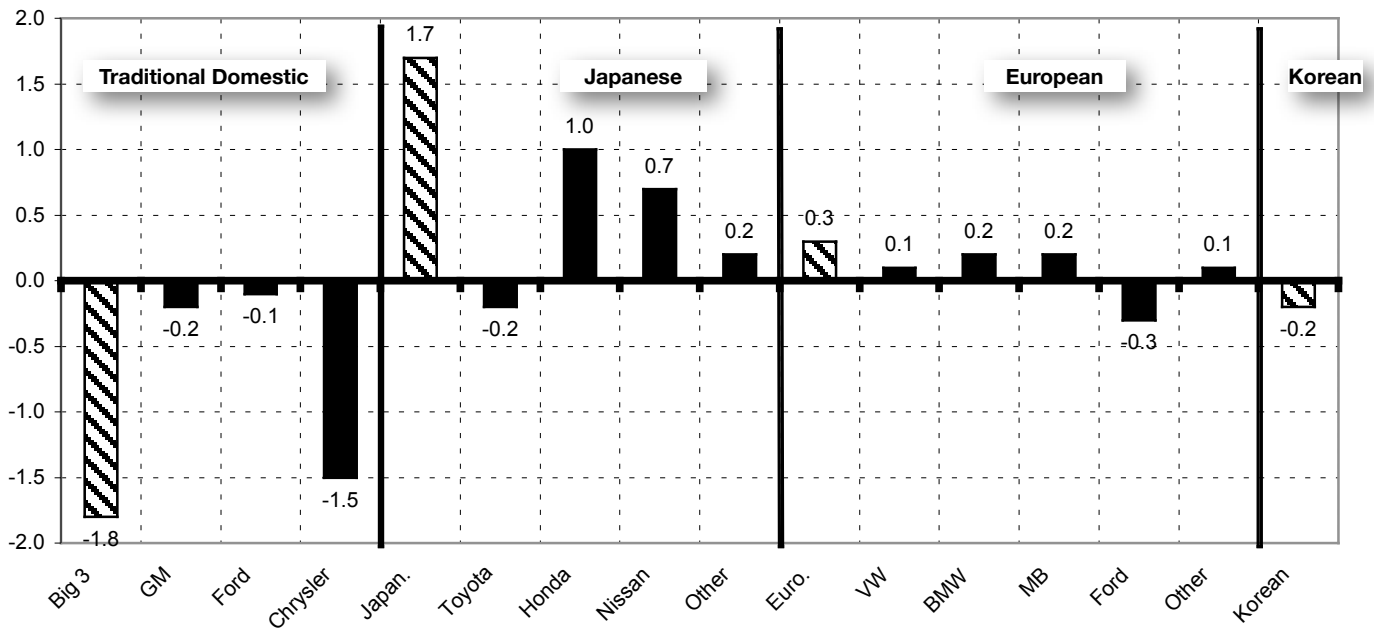
Japanese Brands Gain Market Share in First Half

After showing some promising signs of a comeback during the second half of 2007, the traditional Big Three were dealt a severe blow by the sharp increase in fuel prices, and the ensuing rapid change in consumer demand. With a disproportionate share of production capacity allocated

towards full size trucks and SUVs, the Big Three were severely impacted by declining sales, and in addition, have relatively thin product offerings in stronger segments (such as compact cars). As shown on the graph below, the predictable consequence has occurred, with Traditional

Domestic brand market share declining 1.8 points during the first six months of this year versus the same period a year earlier. Japanese brand share increased 1.7 points. European brand market share increased 0.3 of a point.

Change in Market Share - YTD 2008 thru June vs. YTD 2007



Brands included above: Big 3: GM (Buick, Cadillac, Chevrolet, GMC, Hummer, 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, Maserati, and Saab). Korean: Hyundai and Kia.

Chicago Area Top Ten Scoreboard

Honda Takes Over Second Place from Chevrolet

FIRST QUARTER, 2008			SECOND QUARTER, 2008			change in mkt. share
Rank	Make	Market Share	Rank	Make	Market Share	
1	Toyota/Scion	14.5%	1	Toyota/Scion	15.7%	1.2%
2	Chevrolet	12.1%	2	Honda	13.4%	1.6%
3	Honda	11.8%	3	Chevrolet	10.8%	-1.3%
4	Ford	8.7%	4	Ford	9.1%	0.4%
5	Nissan	6.9%	5	Nissan	7.6%	0.7%
6	Hyundai	3.6%	6	Hyundai	3.9%	0.3%
7	Lexus	3.3%	7	Dodge	3.4%	0.3%
8	Dodge	3.1%	8	Lexus	2.9%	-0.4%
9	Jeep	2.8%	9	Jeep	2.6%	-0.2%
10	Pontiac	2.5%	10	BMW	2.4%	-0.1%

The table to the left shows the top ten selling brands in the Chicago Area new retail light vehicle market during the First and Second Quarters of this year, as well as change in market share. Honda gained 1.6 market share points and moved into second place, ahead of Chevrolet.

Data: AutoCount data from Experian Automotive.

Hybrid Vehicle Spotlight

Chicago Area Hybrid Vehicle Sales Increase 7.2% During First Half of 2008

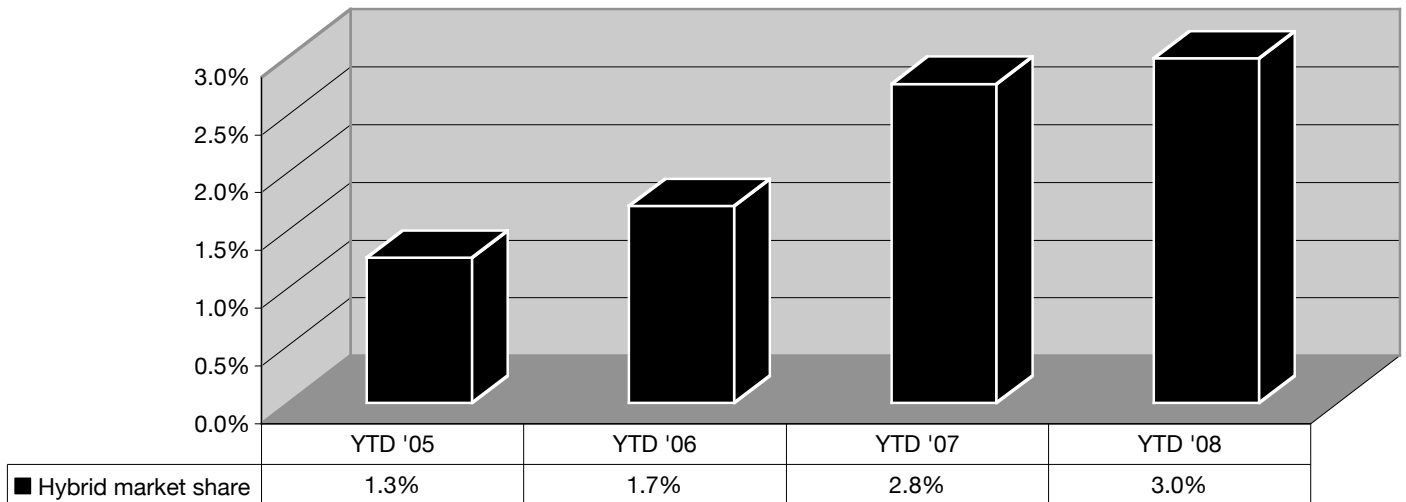
With gasoline prices moving above the \$4 per gallon level, hybrid powertrain vehicles have increasingly found their way on consumer shopping lists. Combined with an increasing number of models hitting the market, hybrid vehicle sales increased 7.2% during the first six months of this year versus the same period a year earlier, while the overall market declined. Hybrid sales were up 119% from the first half of

2005. However, due partly to a battery supply shortage, hybrids still account for a relatively small percentage of the area market, just 3% during the first half of this year.

Most analysts believe that hybrid sales are poised to take off. Indeed, the combination of higher gas prices, increasing hybrid offerings, eventual usage of

lithium-ion batteries, enhanced environmental consciousness, and increasingly stringent fuel economy and emissions regulations make an expansion of hybrid sales a near certainty. However, there's a limit to the premium that increasingly cost-conscious consumers will pay. The industry needs to remain mindful of this fact as the hybrid revolution unfolds over the next several years.

Hybrid Vehicle Share of Chicago Area New Retail Market - YTD thru June, 2005 thru 2008

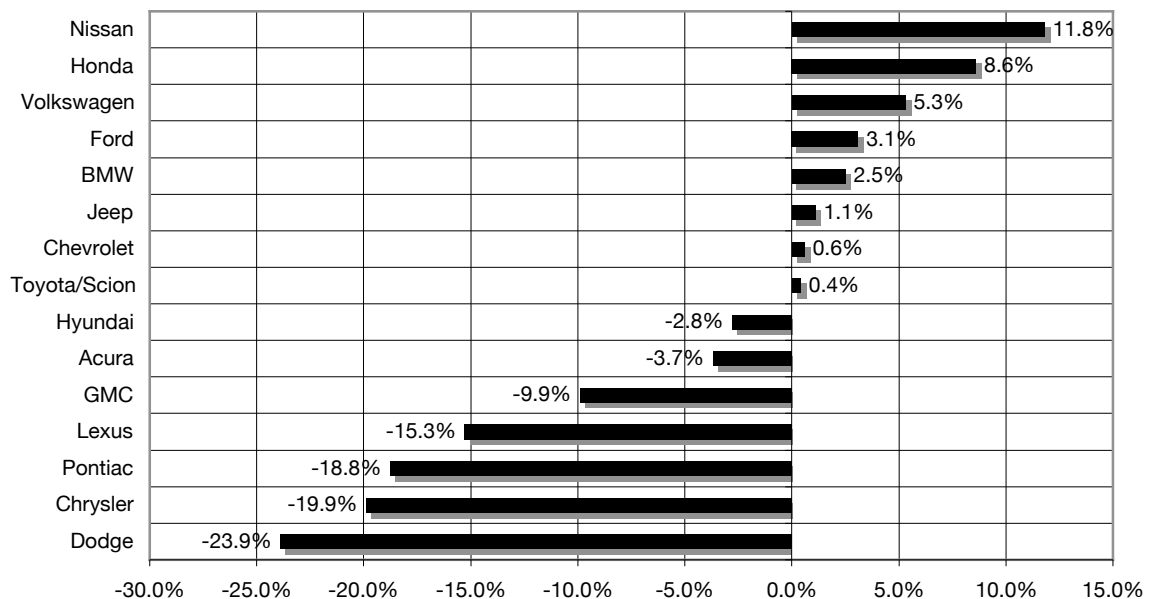


Mid Year Brand Scoreboard

Nissan Posts Big Gain in Area Market So Far This Year

The graph on the right shows the brands that have gained (or lost) ground in the area market during the first half of 2008. For the top 15 selling brands, the graph shows the percent change in new retail light vehicle registrations during the first six months of this year versus the same period a year earlier. Three brands had increases of greater than 5%: Nissan, Honda, and Volkswagen.

% Change in New Retail Registrations for Top 15 Selling Brands - YTD '08 (thru June) vs. YTD '07



Source: AutoCount data, from Experian Automotive.

County Scoreboard

Registrations Increase Slightly in Four County Markets

The tables on this page provide a thorough summary of each of the Chicago Area's eight county new retail light vehicle markets. The unique county-level information provides a valuable perspective on local market performance, and a

barometer to evaluate the performance of your dealership.

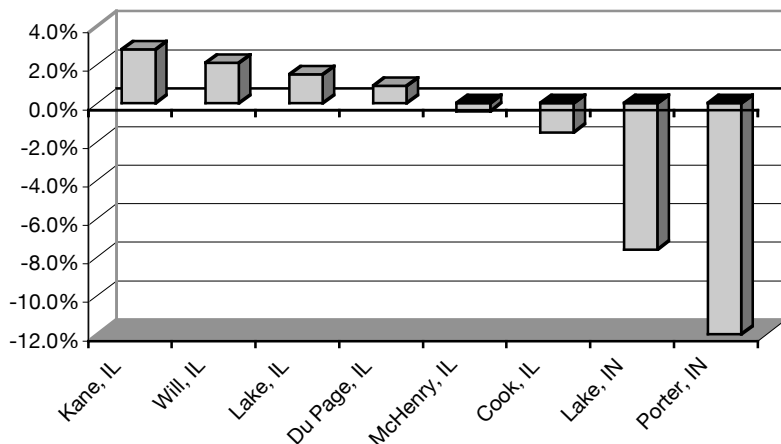
Part 1 below shows registration data and light truck market share during the first six months of 2007 and 2008.

Part 2 presents data for Domestic brands, and the top 10 selling car and light truck brands in the Chicago Area. The top ranked county in each category is shaded.

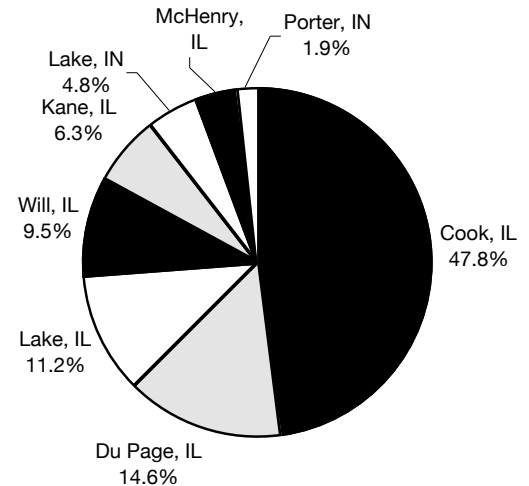
COUNTY BY COUNTY - PART 1							
	Registrations (ytd thru June)		Percent Change	Unit Change	Light Truck Market Share (%)		
	YTD 2007	YTD 2008	YTD '07 to YTD '08	YTD '07 to YTD '08	YTD 2007	YTD 2008	Change '07 to '08
Cook, IL	75,250	74,089	-1.5%	-1,161	43.1	41.2	-1.9
Du Page, IL	22,345	22,552	0.9%	207	45.2	43.7	-1.5
Kane, IL	9,422	9,689	2.8%	267	49.7	47.0	-2.7
Lake, IL	17,050	17,313	1.5%	263	49.1	47.5	-1.6
McHenry, IL	6,199	6,176	-0.4%	-23	53.3	48.5	-4.8
Will, IL	14,356	14,656	2.1%	300	51.5	47.1	-4.4
Lake, IN	7,972	7,365	-7.6%	-607	47.2	43.2	-4.0
Porter, IN	3,421	2,959	-13.5%	-462	53.1	47.7	-5.4

COUNTY BY COUNTY - PART 2													
	Market Share Summary												
	Domestic Brands			Top Ten Selling Brands in Area-YTD 2008 thru June									
	YTD 2007	YTD 2008	Change '07 to '08	Toyota/Scion	Honda	Chevrolet	Ford	Nissan	Dodge	Hyundai	Lexus	Pontiac	Jeep
Cook, IL	40.0	37.7	-2.3	15.7	12.7	10.9	8.7	7.6	4.0	3.1	3.2	2.3	2.4
Du Page, IL	32.7	32.9	0.2	15.4	14.2	9.2	7.4	7.4	3.7	2.0	4.0	2.3	3.2
Kane, IL	40.7	40.5	-0.2	15.3	11.8	12.5	9.9	8.4	4.3	3.7	2.4	2.5	1.4
Lake, IL	33.0	32.3	-0.7	17.1	13.4	9.7	5.2	6.3	2.1	3.1	4.1	3.5	3.7
McHenry, IL	47.2	46.4	-0.8	12.6	13.7	13.5	11.1	7.3	4.6	4.0	1.6	4.4	1.7
Will, IL	48.8	48.2	-0.6	12.2	12.1	13.5	11.8	6.4	5.2	4.6	2.0	3.2	1.3
Lake, IN	65.9	61.4	-4.5	11.8	9.4	18.3	14.0	4.9	2.2	4.7	1.1	2.9	1.9
Porter, IN	64.0	60.4	-3.6	13.0	8.0	15.4	13.1	7.8	1.5	6.6	1.3	3.4	0.6

Percent Change in County New Retail Light Vehicle Registrations YTD 2008 thru June vs. YTD 2007



Share of Chicago Area Market YTD 2008 thru June



Chicago Area Market vs. U.S.**Area Market Declines by Less Than 1% in First Half; U.S. Market Down 9%**

	Area Market		U.S. Market	
Market Growth % change in registrations YTD '08 thru June vs. YTD '07	-0.8%		-9.0%	
Car Market Share Car share of industry retail light vehicle registrations - YTD '08 thru June	56.3%		53.4%	
Domestic Brand Market Share Domestic brand share of industry retail light vehicle registrations - YTD '08 thru June	39.5%		43.8%	
Top Selling Retail Brands <i>Top selling light vehicle brands and market share - Second Quarter 2008</i>				
First	Toyota/Scion	15.7%	Toyota/Scion	16.6%
Second	Honda	13.4%	Honda	11.7%
Third	Chevrolet	10.8%	Chevrolet	11.3%
Fourth	Ford	9.1%	Ford	10.5%
Fifth	Nissan	7.6%	Nissan	7.1%
Sixth	Hyundai	3.9%	Dodge	4.6%
Seventh	Dodge	3.4%	Jeep	3.0%
Eighth	Lexus	2.9%	GMC	2.9%
Ninth	Jeep	2.6%	Hyundai	2.8%
Tenth	BMW	2.4%	Lexus	2.2%

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