Covering the Second Quarter, 2006 Volume 11, Number 3

# Chicago Auto Outlook ™

***Published by Auto Outlook, Inc.***

## Chicago Area Market Likely to Post Small Declines in 2006 and 2007

As discussed in the past several issues of Auto Outlook, the majority of key indicators have been pointing to a slowdown in area new vehicle sales. And it would appear as though the market is indeed poised to soften during 2006, and most likely into 2007 as well. Despite attractive incentive offers and the increasingly impressive array of new product offerings, the negative forces impacting the market appear to be too strong to overcome.

Why has the overall climate for new vehicle sales turned somewhat cloudier? To begin with, consumer debt levels are hovering at near record high levels. And for the first half of this year, the household savings rate was negative, meaning that households dipped into savings to fuel spending. Add to this the softening housing market and it's easy to see why consumers are likely to apply the brakes to their spending habits over the next year or so. What's more, economic growth is slowing, fuel prices are at record highs, inflation is creeping back into the picture, and interest rates continue to move higher. It is not a pretty picture.

But the picture is not completely bleak. There are several compelling reasons to believe that any sales slump will be relatively mild and short-lived. Productivity and income growth continue to be strong, and although most economists expect the economy to cool off over the next several quarters, GDP growth should still be at fairly strong levels. In addition, as mentioned previously, the manufacturers continue to serve up impressive new products that regularly hit consumer hot buttons. This should provide sufficient motivation for a significant number of shoppers to make the trip to area new vehicle dealerships.

**Forecast summary:** New retail light vehicle registrations for all of 2006 are expected to exceed 342,000 units and decline 2.8% from 2005. A 4% drop is predicted from 2006 to 2007. (Look for more details on the 2007 forecast in the next issue.)

### CHICAGO AREA MARKET SUMMARY

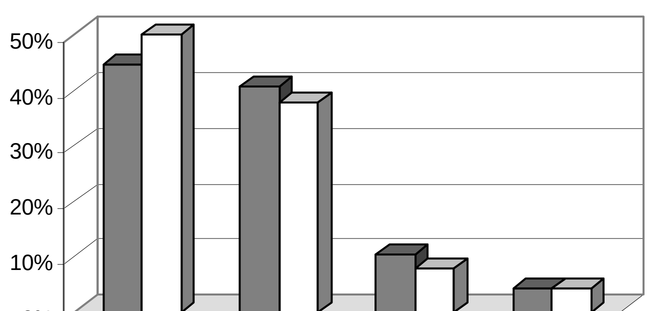
- ❑ New retail light vehicle registrations predicted to decrease 2.8% for all of this year versus 2005.
- ❑ Market declined 9.7% in the Second Quarter of this year versus 2005. Small declines predicted for the Third and Fourth Quarters (see page 2).
- ❑ Sub Compact Car segment posts biggest gains in Chicago Area market during first half of this year.
- ❑ Domestic brand market share declined 2.8 points in first half of 2006 (see page 10).

**Information on Data Source**

Source for new vehicle registration data presented in *Chicago Auto Outlook* is AutoCount, an Experian Company. Figures include new vehicles registered in the six Northeast Illinois counties that were sold by Illinois dealerships, and new vehicles registered in the two Northwest Indiana counties that were sold by Indiana dealerships. For this reason, figures vary slightly from those presented in issues released prior to this year.

## CHICAGO AREA RETAIL LIGHT VEHICLE MARKET—AT A GLANCE

### RETAIL MARKET SHARE—AREA VS. U.S., YTD 2006 (thru June)




| | Trad. Dom. | Japanese | European | Korean |
|---|---|---|---|---|
| ■ Chicago | 44.4% | 40.7% | 10.4% | 4.5% |
| □ US | 49.8% | 37.8% | 8.1% | 4.3% |

### CHICAGO AREA NEW RETAIL LIGHT VEHICLE REGISTRATIONS

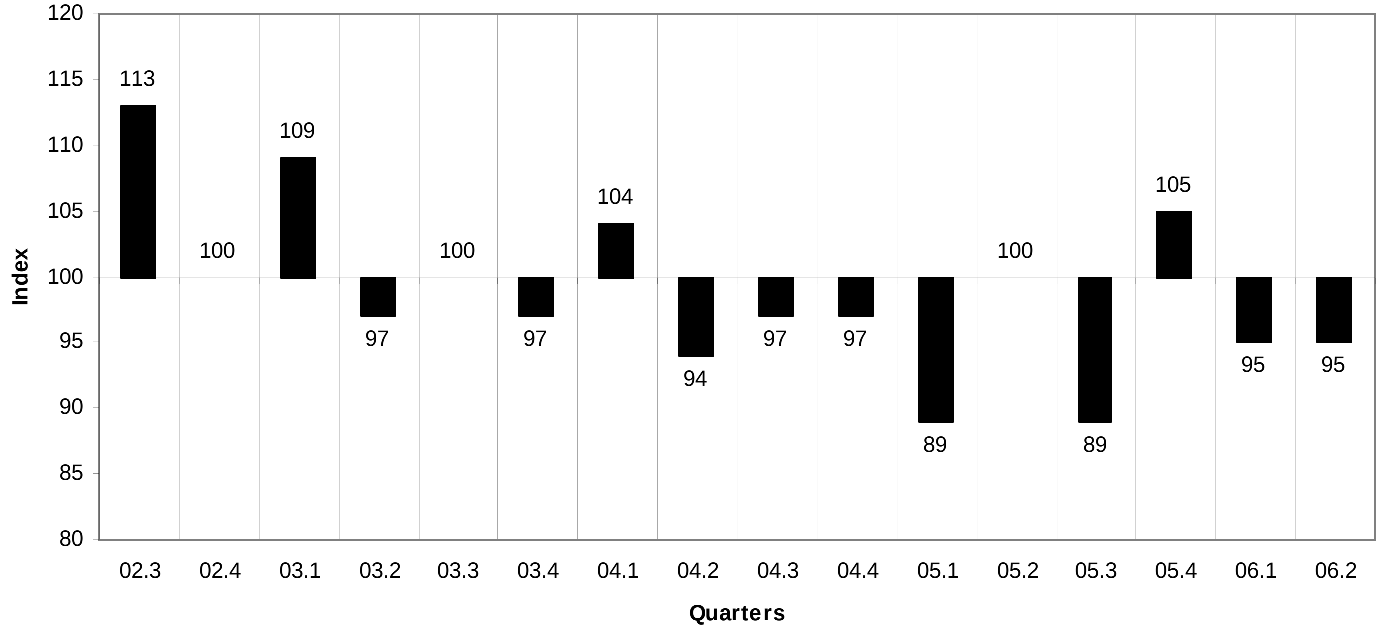
| | 2005 | Forecast 2006 | % Chg. '05 to '06 | Mkt. Share 2006 |
|---|---|---|---|---|
| TOTAL | 352,433 | 342,647 | -2.8% | 0.0% |
| | | | | |
| Car | 184,866 | 183,659 | -0.7% | 53.6% |
| Light Truck | 167,567 | 158,988 | -5.1% | 46.4% |
| | | | | |
| Traditional Domestic | 168,074 | 156,114 | -7.1% | 45.6% |
| Japanese | 134,731 | 136,559 | 1.4% | 39.9% |
| European | 34,799 | 34,598 | -0.6% | 10.1% |
| Korean | 14,829 | 15,377 | 3.7% | 4.5% |

Source for historical data: AutoCount, an Experian Company

***Quarterly Industry Results and Forecast***

# Chicago Area Market Predicted to Decline Slightly in Third and Fourth Quarters of '06

**Chicago Area Quarterly Market Performance Index (100=average)**




The graph above shows the Chicago Area Quarterly Market Performance Index. The Index tracks the performance of the area new retail light vehicle market relative to the U.S. market. When the Index is above 100 (such as in the First Quarter of 2003) the area market had a better quarter than the U.S. Conversely, when the Index falls below 100, the area market was weaker.

| ***Summary Table*** | 04.1 | 04.2 | 04.3 | 04.4 | 05.1 | 05.2 | 05.3 | 05.4 | 06.1 | 06.2 | 06.3 | 06.4 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Actual registrations | 81,505 | 88,604 | 100,724 | 88,260 | 69,375 | 97,900 | 96,561 | 88,597 | 75,047 | 88,369 | 93,896 | 85,333 |
| % change from year earlier | -0.3% | -2.5% | -3.5% | 2.0% | -14.9% | 10.5% | -4.1% | 0.4% | 8.2% | -9.7% | -2.8% | -3.7% |

New retail light vehicle registrations in the Chicago Area declined 9.7% in the Second Quarter of this year versus a year earlier. As shown on the graph above, the Quarterly Market Performance Index was 95 in the First and Second Quarters of this year, indicating that the U.S. market slightly out-performed the area market so far this year.

Source for Historical Data: AutoCount, an Experian Company..

***Chicago Auto Outlook***
***Covering Second Quarter, 2006***

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**Unforeseen events may affect the forecast projections presented in *Chicago Auto Outlook.* Consequently, Auto Outlook, Inc. is not responsible for management decisions based on the content of *Chicago Auto Outlook.***

**Data Source for Vehicle Registration Statistics Presented in Auto Outlook**

Exclusive source for new vehicle registration data presented in *Chicago Auto Outlook* is AutoCount, an Experian Company. AutoCount specializes in providing detailed new and used vehicle sales and registration statistics for dealers, leading auctions, marketing/advertising companies, and auto finance institutions. AutoCount provides new and used vehicle registration data with specific make and model detail for customized geographies. Data is available directly over the Internet.

*For more information on Auto Count, call 407.770.5900 or visit AutoCount's web site: www.autocount.com*

***Segment Watch***

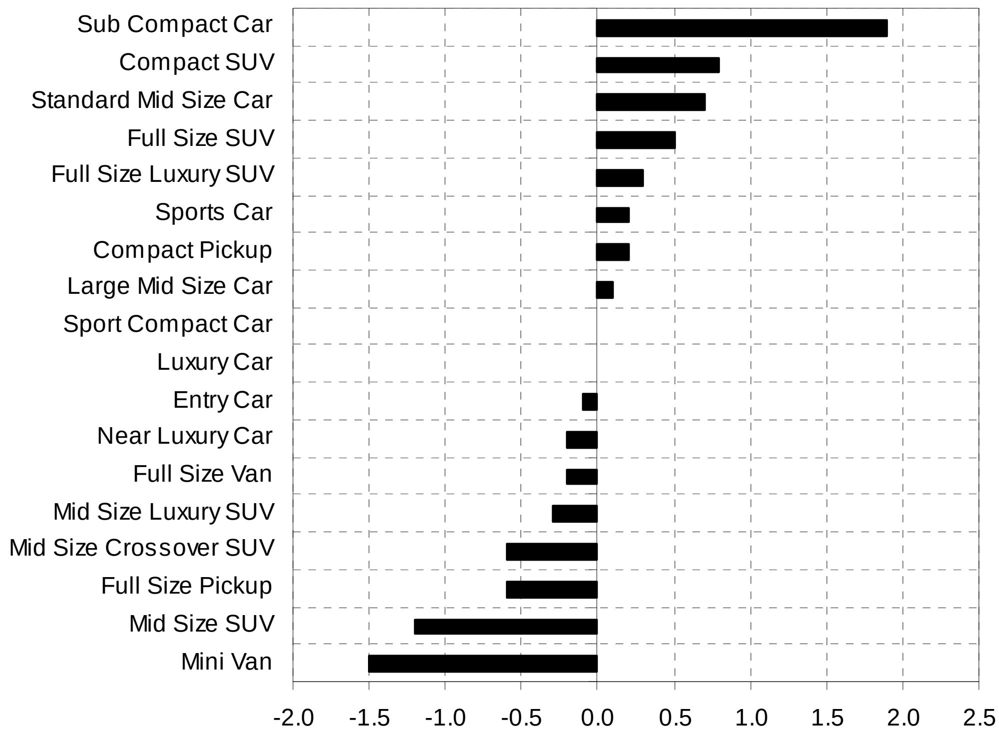
# Sub Compact Car Segment Posts Largest Market Share Gains in Chicago Area

The information on this page provides information on the make-up of the Chicago Area light vehicle market during the first half of this year. The graph on the right provides a snapshot of market segments that have lost or gained market share during the first six months of this year versus the same period a year earlier. The table below shows the top sellers in each segment.

**Observations**: Higher fuel prices and strong sales of the redesigned Honda Civic led the Sub Compact Car segment to the highest market share gain, up 1.9 share points. Compact SUV and Standard Mid Size Car market share each increased by more than 0.5 of a point. Honda Pilot was the best-seller in the Mid Size/Crossover SUV segment.

*Source: AutoCount, an Experian Company.*

**Change in Segment Market Share-YTD '06 (thru June) vs. YTD '05**




**Top Five Selling Models in Each Segment - Chicago Area**
**New Retail Registrations, YTD 2006 (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** |
| Chevrolet Aveo | 763 | 38.2 | Honda Civic | 4882 | 18.3 | Ford Mustang | 1595 | 41.0 | Toyota Camry | 4760 | 21.9 |
| Scion xA | 447 | 22.4 | Toyota Corolla | 3422 | 12.8 | Scion tC | 987 | 25.4 | Honda Accord | 3671 | 16.9 |
| Toyota Yaris | 298 | 14.9 | Chevrolet Cobalt | 2261 | 8.5 | Mitsubishi Eclipse | 496 | 12.8 | Pontiac G6 | 2727 | 12.5 |
| Hyundai Accent | 279 | 14.0 | Ford Focus | 1921 | 7.2 | Acura RSX | 260 | 6.7 | Nissan Altima | 2427 | 11.2 |
| Kia Rio | 153 | 7.7 | Volkswagen Jetta | 1495 | 5.6 | Hyundai Tiburon | 227 | 5.8 | Hyundai Sonata | 1693 | 7.8 |
| **Large Mid Size** | | | **Near Luxury** | | | **Luxury** | | | **Sports Car** | | |
| **Model** | **Regs.** | **Share** | **Model** | **Regs.** | **Share** | **Model** | **Regs.** | **Share** | **Model** | **Regs.** | **Share** |
| Chevrolet Impala | 2017 | 15.5 | Acura TL | 1691 | 17.9 | BMW 5-Series | 964 | 14.0 | Chevrolet Corvette | 536 | 30.8 |
| Chrysler 300 | 1926 | 14.8 | BMW 3-Series | 1618 | 17.1 | Cadillac DTS | 818 | 11.8 | Pontiac Solstice | 281 | 16.2 |
| Toyota Avalon | 1261 | 9.7 | Audi A4 | 1053 | 11.1 | Mercedes E-Class | 697 | 10.1 | Nissan 350 ZX | 207 | 11.9 |
| Buick Lucerne | 1115 | 8.6 | Cadillac CTS | 884 | 9.3 | Lexus GS | 496 | 7.2 | Porsche 911 | 151 | 8.7 |
| Buick LaCrosse | 925 | 7.1 | Lexus ES330 | 782 | 8.3 | Mercedes S-Class | 461 | 6.7 | Mazda MX5 | 138 | 7.9 |
| **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** |
| Honda Ridgeline | 589 | 20.6 | Ford F-Series | 3153 | 41.8 | Honda Odyssey | 3533 | 30.4 | Chevrolet Express | 1182 | 59.2 |
| Ford Ranger | 550 | 19.2 | Chevrolet Silverado | 1918 | 25.4 | Toyota Sienna | 2148 | 18.5 | Ford E-Series | 485 | 24.3 |
| Toyota Tacoma | 463 | 16.2 | Dodge Ram | 858 | 11.4 | Dodge Caravan | 2130 | 18.3 | GMC Savana | 271 | 13.6 |
| Dodge Dakota | 456 | 15.9 | GMC Sierra | 626 | 8.3 | Chrysler T & C | 1484 | 12.8 | | | |
| Chevrolet Colorado | 401 | 14.0 | Chevrolet Avalanche | 358 | 4.7 | Nissan Quest | 552 | 4.8 | | | |
| **Compact SUV** | | | **Mid Size SUV/Crossover SUV** | | | **Full Size SUV** | | | **Mid & Full Size Luxury SUV** | | |
| **Model** | **Regs.** | **Share** | **Model** | **Regs.** | **Share** | **Model** | **Regs.** | **Share** | **Model** | **Regs.** | **Share** |
| Honda CRV | 2101 | 13.0 | Honda Pilot | 2229 | 13.4 | Chevrolet Tahoe | 1624 | 33.3 | Lexus RX350 | 2158 | 23.6 |
| Ford Escape | 2089 | 13.0 | Chevrolet TrailBlazer | 1635 | 9.8 | GMC Yukon | 975 | 20.0 | Acura MDX | 868 | 9.5 |
| Chevrolet Equinox | 1904 | 11.8 | Jeep Grand Cherokee | 1552 | 9.3 | Hummer H3 | 504 | 10.3 | Cadillac Escalade | 749 | 8.2 |
| Toyota RAV4 | 1862 | 11.6 | Nissan Murano | 1296 | 7.8 | Ford Expedition | 486 | 10.0 | Volvo XC90 | 599 | 6.6 |
| Saturn Vue | 1235 | 7.7 | Ford Explorer | 1268 | 7.6 | Chevrolet Suburban | 448 | 9.2 | Land Rover R. R. | 579 | 6.3 |

## Chicago Area New Retail Car and Light Truck Registrations - History and Forecast

| | Registrations | | | | | Market Share | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Units | | | Percent Change | | Share (%) | | | Change | |
| | 2004 | 2005 | Forecast 2006 | '04 to '05 | Forecast '05 to '06 | 2004 | 2005 | Forecast 2006 | '04 to '05 | Forecast '05 to '06 |
| TOTAL | 359,093 | 352,433 | 342,647 | -1.9% | -2.8% | | | | | |
| Domestic Brands | 173,572 | 168,074 | 156,114 | -3.2% | -7.1% | 48.3 | 47.7 | 45.6 | -0.6 | -2.1 |
| Japanese Brands | 132,041 | 134,731 | 136,559 | 2.0% | 1.4% | 36.8 | 38.2 | 39.9 | 1.4 | 1.7 |
| European Brands | 37,110 | 34,799 | 34,598 | -6.2% | -0.6% | 10.3 | 9.9 | 10.1 | -0.4 | 0.2 |
| Korean Brands | 16,370 | 14,829 | 15,377 | -9.4% | 3.7% | 4.6 | 4.2 | 4.5 | -0.4 | 0.3 |
| Acura | 7,925 | 8,185 | 8,016 | 3.3% | -2.1% | 2.2 | 2.3 | 2.3 | 0.1 | 0.0 |
| Audi | 2,805 | 3,205 | 3,085 | 14.3% | -3.7% | 0.8 | 0.9 | 0.9 | 0.1 | 0.0 |
| BMW | 8,014 | 8,311 | 8,349 | 3.7% | 0.5% | 2.2 | 2.4 | 2.4 | 0.2 | 0.0 |
| Buick | 6,874 | 6,851 | 5,591 | -0.3% | -18.4% | 1.9 | 1.9 | 1.6 | 0.0 | -0.3 |
| Cadillac | 6,582 | 6,453 | 6,478 | -2.0% | 0.4% | 1.8 | 1.8 | 1.9 | 0.0 | 0.1 |
| Chevrolet | 48,321 | 46,299 | 41,963 | -4.2% | -9.4% | 13.5 | 13.1 | 12.2 | -0.4 | -0.9 |
| Chrysler | 11,558 | 12,440 | 10,171 | 7.6% | -18.2% | 3.2 | 3.5 | 3.0 | 0.3 | -0.5 |
| Dodge | 17,815 | 16,877 | 16,006 | -5.3% | -5.2% | 5.0 | 4.8 | 4.7 | -0.2 | -0.1 |
| Ford | 38,156 | 36,511 | 34,244 | -4.3% | -6.2% | 10.6 | 10.4 | 10.0 | -0.2 | -0.4 |
| GMC | 8,460 | 7,880 | 6,935 | -6.9% | -12.0% | 2.4 | 2.2 | 2.0 | -0.2 | -0.2 |
| Honda | 34,067 | 34,848 | 36,377 | 2.3% | 4.4% | 9.5 | 9.9 | 10.6 | 0.4 | 0.7 |
| Hummer | 530 | 1,059 | 1,249 | 99.8% | 18.0% | 0.1 | 0.3 | 0.4 | 0.2 | 0.1 |
| Hyundai | 11,786 | 11,681 | 12,246 | -0.9% | 4.8% | 3.3 | 3.3 | 3.6 | 0.0 | 0.3 |
| Infiniti | 4,416 | 4,096 | 3,532 | -7.2% | -13.8% | 1.2 | 1.2 | 1.0 | 0.0 | -0.2 |
| Isuzu | 607 | 260 | 145 | -57.2% | -44.2% | 0.2 | 0.1 | 0.0 | -0.1 | -0.1 |
| Jaguar | 1,368 | 828 | 530 | -39.5% | -36.0% | 0.4 | 0.2 | 0.2 | -0.2 | 0.0 |
| Jeep | 8,531 | 8,630 | 8,798 | 1.2% | 1.9% | 2.4 | 2.4 | 2.6 | 0.0 | 0.2 |
| Kia | 4,584 | 3,148 | 3,131 | -31.3% | -0.5% | 1.3 | 0.9 | 0.9 | -0.4 | 0.0 |
| Land Rover | 1,133 | 1,495 | 1,742 | 32.0% | 16.5% | 0.3 | 0.4 | 0.5 | 0.1 | 0.1 |
| Lexus | 10,480 | 10,562 | 11,008 | 0.8% | 4.2% | 2.9 | 3.0 | 3.2 | 0.1 | 0.2 |
| Lincoln | 2,941 | 2,220 | 2,110 | -24.5% | -4.9% | 0.8 | 0.6 | 0.6 | -0.2 | 0.0 |
| Mazda | 5,419 | 5,024 | 5,199 | -7.3% | 3.5% | 1.5 | 1.4 | 1.5 | -0.1 | 0.1 |
| Mercedes | 6,188 | 5,685 | 5,878 | -8.1% | 3.4% | 1.7 | 1.6 | 1.7 | -0.1 | 0.1 |
| Mercury | 5,327 | 5,405 | 4,856 | 1.5% | -10.1% | 1.5 | 1.5 | 1.4 | 0.0 | -0.1 |
| Mini | 1,262 | 1,939 | 1,668 | 53.6% | -14.0% | 0.4 | 0.6 | 0.5 | 0.2 | -0.1 |
| Mitsubishi | 4,419 | 3,318 | 3,123 | -24.9% | -5.9% | 1.2 | 0.9 | 0.9 | -0.3 | 0.0 |
| Nissan | 20,226 | 20,662 | 18,522 | 2.2% | -10.4% | 5.6 | 5.9 | 5.4 | 0.3 | -0.5 |
| Pontiac | 10,979 | 10,514 | 10,659 | -4.2% | 1.4% | 3.1 | 3.0 | 3.1 | -0.1 | 0.1 |
| Porsche | 978 | 948 | 930 | -3.1% | -1.9% | 0.3 | 0.3 | 0.3 | 0.0 | 0.0 |
| Saab | 1,222 | 1,365 | 1,134 | 11.7% | -16.9% | 0.3 | 0.4 | 0.3 | 0.1 | -0.1 |
| Saturn | 7,498 | 6,935 | 7,053 | -7.5% | 1.7% | 2.1 | 2.0 | 2.1 | -0.1 | 0.1 |
| Subaru | 3,272 | 3,682 | 3,557 | 12.5% | -3.4% | 0.9 | 1.0 | 1.0 | 0.1 | 0.0 |
| Suzuki | 1,773 | 1,364 | 1,890 | -23.1% | 38.5% | 0.5 | 0.4 | 0.6 | -0.1 | 0.2 |
| Toyota/Scion | 39,437 | 42,730 | 45,189 | 8.4% | 5.8% | 11.0 | 12.1 | 13.2 | 1.1 | 1.1 |
| Volkswagen | 9,077 | 7,203 | 7,763 | -20.6% | 7.8% | 2.5 | 2.0 | 2.3 | -0.5 | 0.3 |
| Volvo | 4,322 | 3,243 | 2,961 | -25.0% | -8.7% | 1.2 | 0.9 | 0.9 | -0.3 | 0.0 |
| Others | 741 | 577 | 557 | -22.1% | -3.5% | 0.2 | 0.2 | 0.2 | 0.0 | 0.0 |

Historical Data Source: AutoCount, an Experian Company

Forecast Projections: Auto Outlook

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.

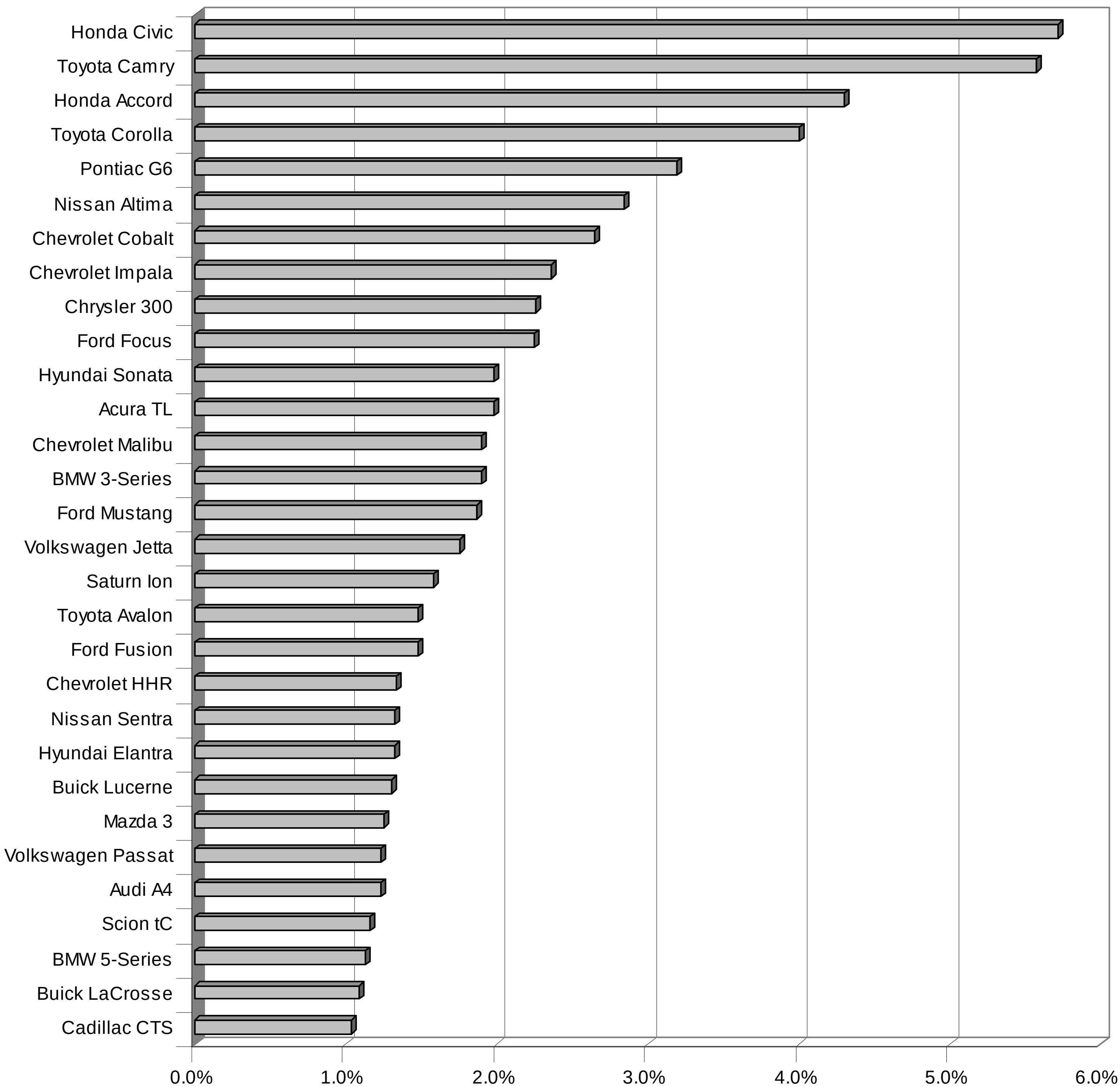
*Car Registrations*

# Honda Civic Best Selling Car in Area Market During First Half of This Year

The graph below shows market share for each of the top 30 selling car models in the Chicago Area retail market during the first six months of this year. Honda Civic was the leader in the area, accounting for 5.7% of the market. Toyota Camry was in second place, followed by Honda Accord, Toyota Corolla, Pontiac G6, Nissan Altima, and Chevrolet Cobalt.

Source: AutoCount, an Experian Company.

## Share of Chicago Area Market for Top 30 Selling Models YTD 2006 thru June



## CHICAGO AREA BRAND SCOREBOARD

## COMPREHENSIVE REVIEW OF BRAND SALES PERFORMANCE IN THE AREA AUTOMOTIVE MARKET

The table below presents a well-rounded picture of brand sales performance during 2006. Two primary measures are displayed and rated. The first, entitled "Longer Term Results," represents the percent change in new retail light vehicle registrations during the first six 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 rating of 1.

The second measure, "Shorter Term Results," represents the percent change in registrations from the First to the Second Quarter of this year. Brands are also ranked and rated on the same 1 to 5 scale.

The last column in the table is the sum of the ratings for Longer Term and Shorter Term sales growth. Suzuki and Pontiac were the only brands to receive the highest combined rating of 10.

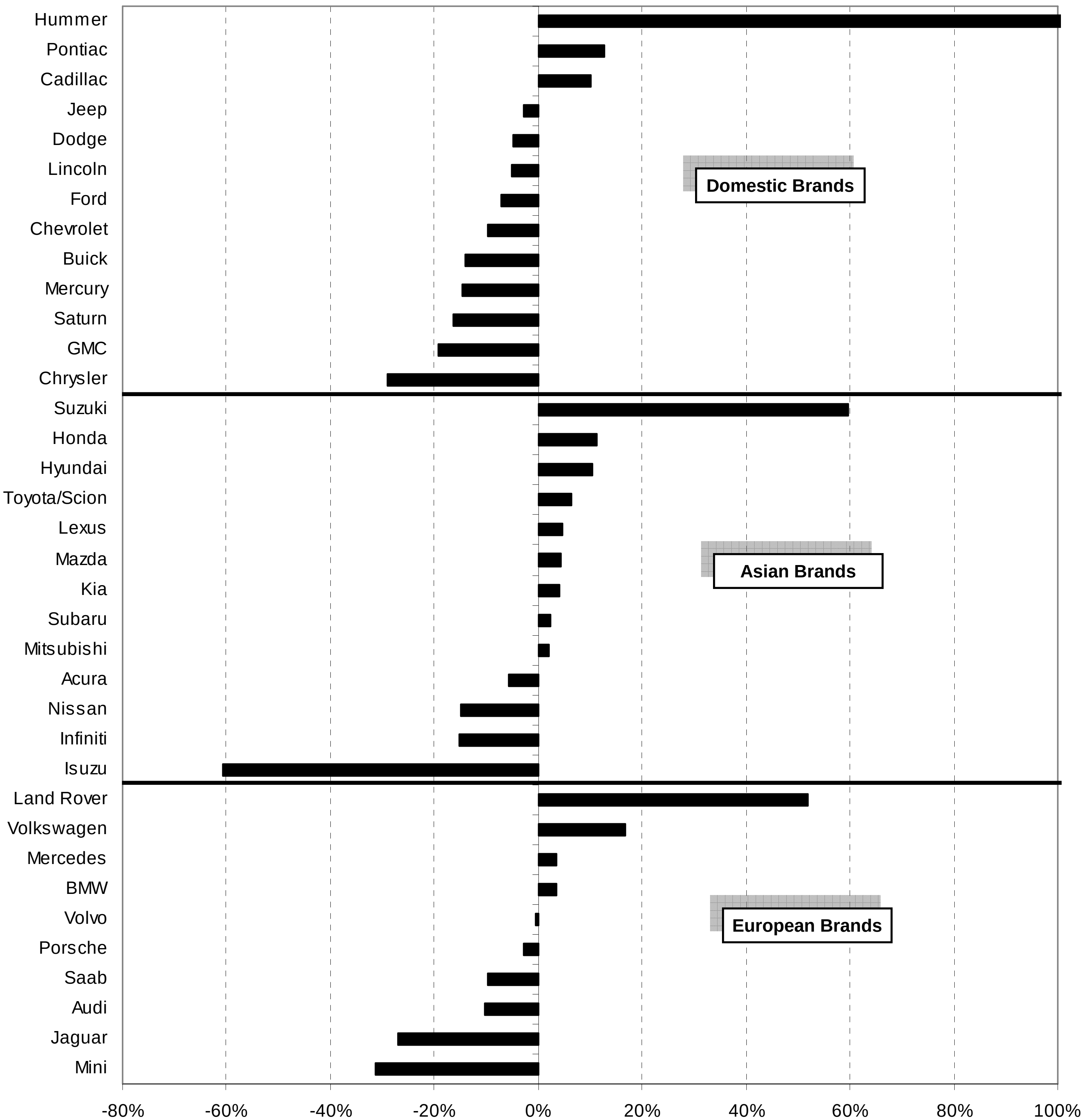
Data Source: AutoCount, an Experian Company.

| | Longer Term Results YTD 2005 to YTD 2006 | | | | Shorter Term Results 1st Qtr. 2006 to 2nd Qtr. 2006 | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Brand | YTD '05 regs. | YTD '06 regs. | % ch '05 to '06 | Rating (5 is high) | 1Q '06 regs. | 2Q '06 regs. | % Change | Rating (5 is high) | Combined Rating (10 is high) |
| Suzuki | 562 | 897 | 59.6% | 5 | 393 | 504 | 28.2% | 5 | 10 |
| Pontiac | 4,993 | 5,628 | 12.7% | 5 | 2,392 | 3,236 | 35.3% | 5 | 10 |
| Hyundai | 5,303 | 5,851 | 10.3% | 5 | 2,635 | 3,216 | 22.0% | 4 | 9 |
| Toyota/Scion | 20,438 | 21,765 | 6.5% | 4 | 9,334 | 12,431 | 33.2% | 5 | 9 |
| Mazda | 2,389 | 2,496 | 4.5% | 4 | 1,071 | 1,425 | 33.1% | 5 | 9 |
| Honda | 16,015 | 17,826 | 11.3% | 5 | 8,395 | 9,431 | 12.3% | 3 | 8 |
| Lexus | 5,304 | 5,551 | 4.7% | 4 | 2,570 | 2,981 | 16.0% | 4 | 8 |
| Kia | 1,473 | 1,534 | 4.1% | 4 | 686 | 848 | 23.6% | 4 | 8 |
| Mitsubishi | 1,578 | 1,610 | 2.0% | 3 | 732 | 878 | 19.9% | 4 | 7 |
| Volvo | 1,543 | 1,536 | -0.5% | 3 | 694 | 842 | 21.3% | 4 | 7 |
| Dodge | 8,046 | 7,659 | -4.8% | 3 | 3,439 | 4,220 | 22.7% | 4 | 7 |
| Ford | 17,163 | 15,916 | -7.3% | 2 | 6,661 | 9,255 | 38.9% | 5 | 7 |
| Land Rover | 602 | 915 | 52.0% | 5 | 504 | 411 | -18.5% | 1 | 6 |
| Volkswagen | 3,300 | 3,858 | 16.9% | 5 | 1,922 | 1,936 | 0.7% | 1 | 6 |
| Cadillac | 3,001 | 3,309 | 10.3% | 4 | 1,568 | 1,741 | 11.0% | 2 | 6 |
| Mercedes | 2,638 | 2,732 | 3.6% | 4 | 1,325 | 1,407 | 6.2% | 2 | 6 |
| Mercury | 2,378 | 2,032 | -14.6% | 1 | 838 | 1,194 | 42.5% | 5 | 6 |
| Subaru | 1,641 | 1,681 | 2.4% | 3 | 824 | 857 | 4.0% | 2 | 5 |
| Lincoln | 1,129 | 1,070 | -5.2% | 2 | 504 | 566 | 12.3% | 3 | 5 |
| Chevrolet | 21,526 | 19,409 | -9.8% | 2 | 9,019 | 10,390 | 15.2% | 3 | 5 |
| Buick | 3,297 | 2,832 | -14.1% | 2 | 1,332 | 1,500 | 12.6% | 3 | 5 |
| BMW | 4,033 | 4,176 | 3.5% | 3 | 2,086 | 2,090 | 0.2% | 1 | 4 |
| Jeep | 4,018 | 3,907 | -2.8% | 3 | 1,976 | 1,931 | -2.3% | 1 | 4 |
| Acura | 4,133 | 3,903 | -5.6% | 2 | 1,887 | 2,016 | 6.8% | 2 | 4 |
| Nissan | 10,518 | 8,948 | -14.9% | 1 | 4,195 | 4,753 | 13.3% | 3 | 4 |
| Chrysler | 6,299 | 4,468 | -29.1% | 1 | 2,104 | 2,364 | 12.4% | 3 | 4 |
| Audi | 1,584 | 1,422 | -10.2% | 2 | 760 | 662 | -12.9% | 1 | 3 |
| Saturn | 3,203 | 2,681 | -16.3% | 1 | 1,294 | 1,387 | 7.2% | 2 | 3 |
| GMC | 3,690 | 2,982 | -19.2% | 1 | 1,457 | 1,525 | 4.7% | 2 | 3 |
| Infiniti | 2,045 | 1,736 | -15.1% | 1 | 922 | 814 | -11.7% | 1 | 2 |

## CHICAGO AREA BRAND SCOREBOARD (continued)

The graph below 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. Brands are organized based on country of origin (Domestic, Asian, and European). This makes it easier to see how each brand stacks up versus its primary competitors. Hummer had the biggest increase among Domestic brands (up 179%). Suzuki had the largest percentage increase for Asian brands, while Land Rover led among the European brands.

**Percent Change in New Retail Registrations (YTD 2006 versus YTD 2005, thru June)**



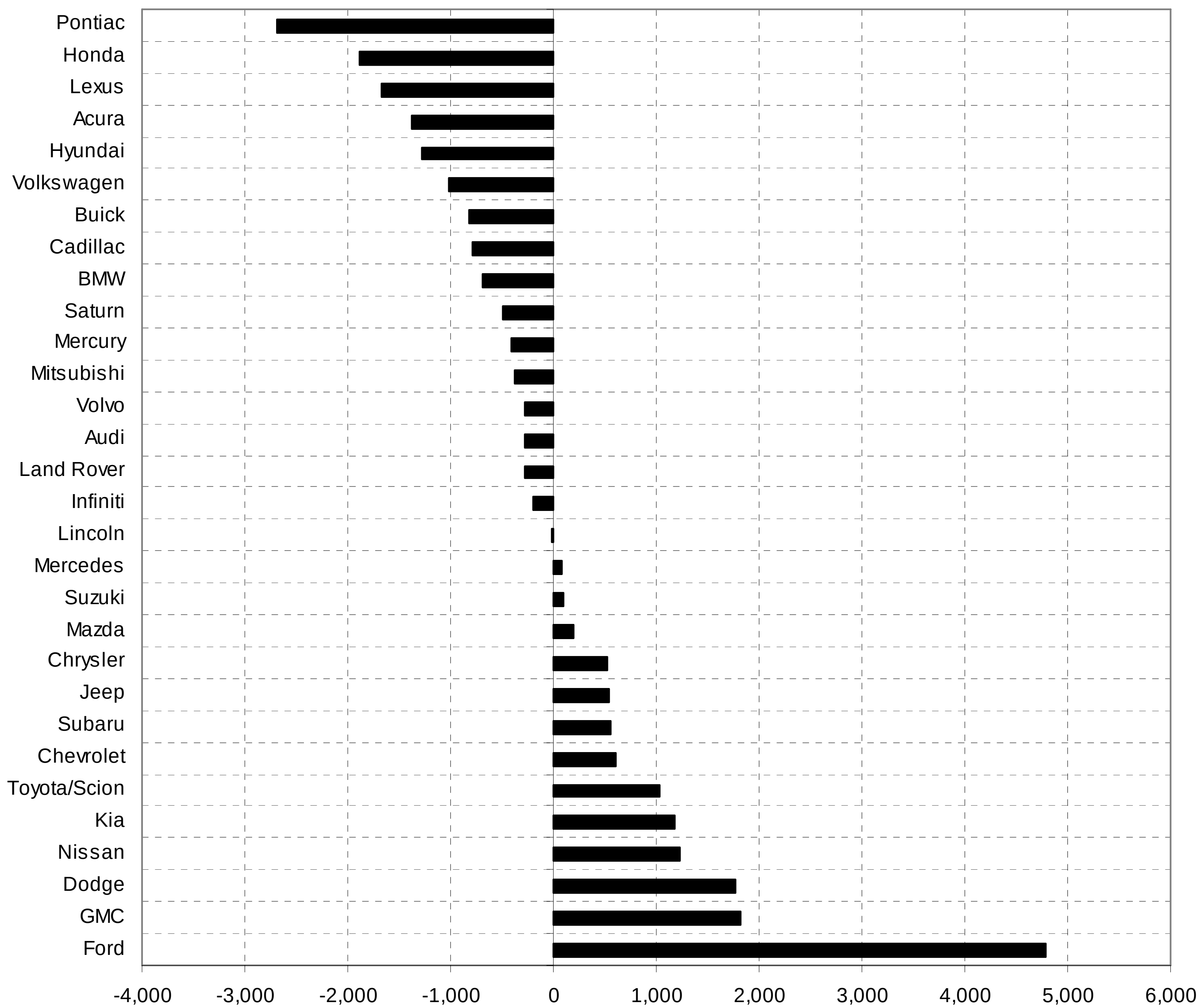
## CHICAGO AREA BRAND SCOREBOARD (continued)

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 Chicago Area market. Actual registrations are subtracted from this target to arrive at the Unit Potential estimate.

Brands at the bottom of the graph (i.e., Ford and GMC) have a high unit potential in the area, meaning that registrations would need to increase significantly for area market share to equal National.

Brands at the top of the graph (Pontiac, Honda, Lexus, Acura, Hyundai, Volkswagen, Buick, and Cadillac) are currently strong sellers in the area, and for this reason, do not have significant potential. Registrations would have to decline in order for area market share to equal National.

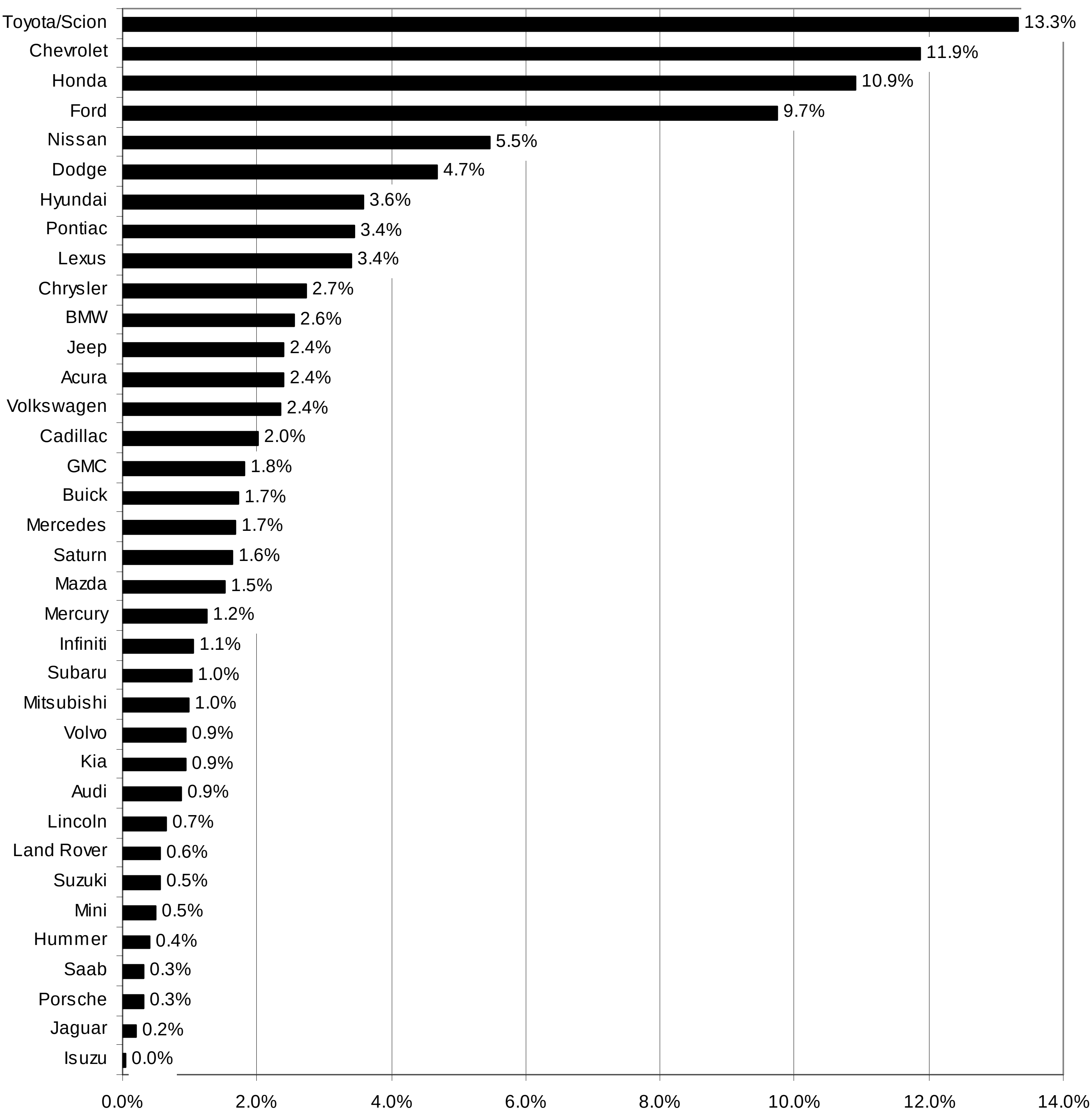
**Chicago Area Retail Market Potential—based on registrations for YTD 2006 (thru June)**
**(Increase or decrease in registrations required for brand to equal National market share in the area)**



## CHICAGO AREA BRAND SCOREBOARD (continued)

The graph below shows new retail light vehicle market share for the top 36 selling brands in the Chicago Area market during the first six months of this year. The graph makes it easy to identify the "heavy hitters" in the area market. Toyota (including Scion) has established itself as the front-runner in the area market, with a 13.3% market share so far this year. Chevrolet was second at 11.9%, followed by Honda, Ford, Nissan, Dodge, Hyundai, and Pontiac.

**Chicago Area Retail Light Vehicle Market Share (YTD 2006, thru June)**



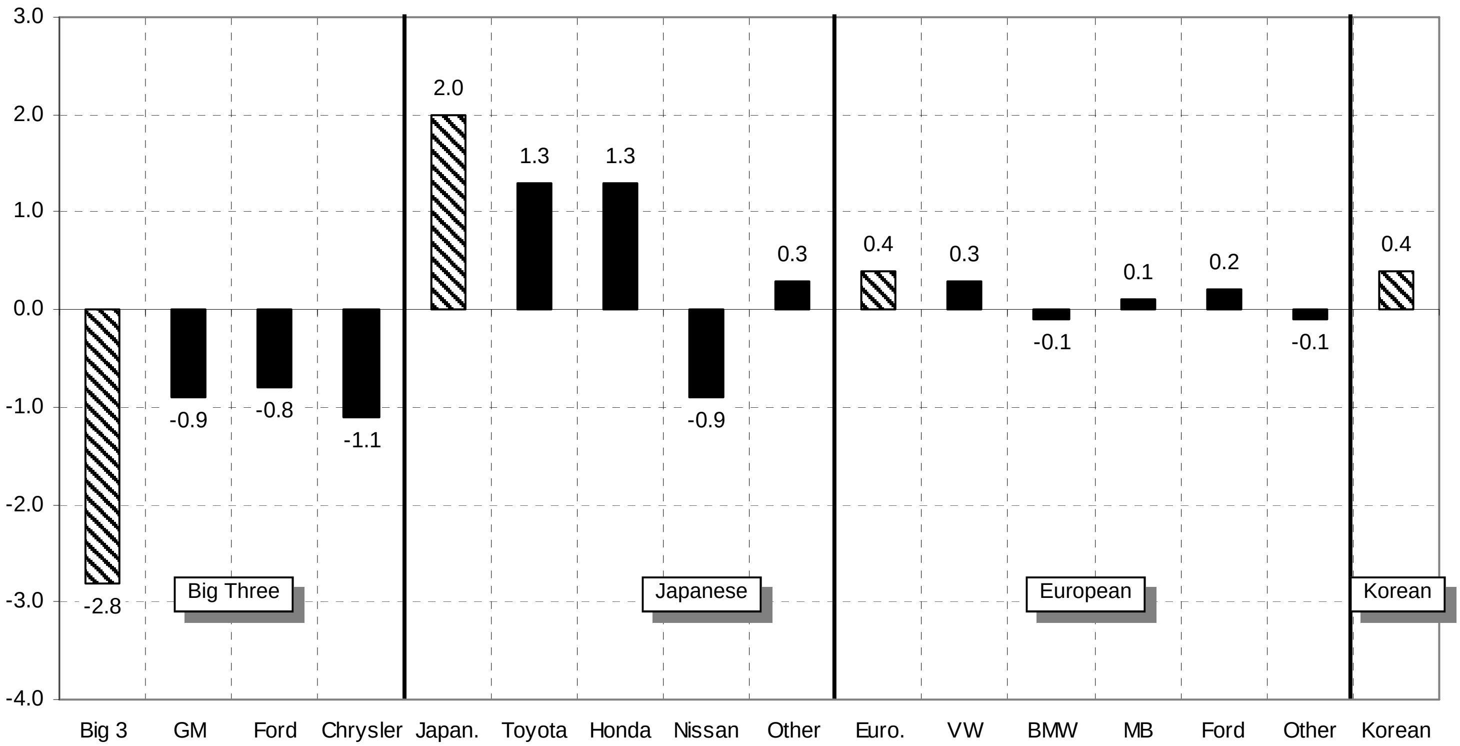
*Market Tracker*

## Domestic Brands Lose 2.8 Market Share Points During First Half of 2006

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 2.8 market share points from the first half of last year to the first half of this year. GM, Ford, and Chrysler each lost about one market share point. (Big Three does not include import brands owned by GM and Ford, such as Volvo and Saab.) Japanese brand market share increased two points, with Toyota (including Lexus and Scion) and Honda (including Acura) each up 1.3 points. European and Korean brand market share each increased by 0.4 of a market share point.

Source: AutoCount, an Experian Company.

### Change in Retail Light Vehicle Market Share - YTD 2006 thru June vs. Year Earlier




**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.

*Chicago Area Top Ten Scoreboard*

## Toyota Increases its First Place Lead

| FIRST QUARTER, 2006 | | | SECOND QUARTER, 2006 | | | *change in* |
|---|---|---|---|---|---|---|
| **Rank** | Make | Market Share | **Rank** | Make | Market Share | *mkt. share* |
| **1** | Toyota/Scion | 12.4% | **1** | Toyota/Scion | 14.1% | *1.7%* |
| **2** | Chevrolet | 12.0% | **2** | Chevrolet | 11.8% | *-0.2%* |
| **3** | Honda | 11.2% | **3** | Honda | 10.7% | *-0.5%* |
| **4** | Ford | 8.9% | **4** | Ford | 10.5% | *1.6%* |
| **5** | Nissan | 5.6% | **5** | Nissan | 5.4% | *-0.2%* |
| **6** | Dodge | 4.6% | **6** | Dodge | 4.8% | *0.2%* |
| **7** | Hyundai | 3.5% | **7** | Pontiac | 3.7% | *0.5%* |
| **8** | Lexus | 3.4% | **8** | Hyundai | 3.6% | *0.1%* |
| **9** | Pontiac | 3.2% | **9** | Lexus | 3.4% | *0.0%* |
| **10** | Chrysler | 2.8% | **10** | Chrysler | 2.7% | *-0.1%* |

This table shows the Top 10 sellers in the Chicago Area retail light vehicle market during the First and Second Quarters of this year. Toyota (including Scion) gained 1.7 market share points and increased its lead over second place Chevrolet to 2.3 points.

Source: AutoCount, an Experian Company.

County Scoreboard

# Kane County Only Market to Post an Increase in Registrations During 2006

The tables on this page provide a thorough summary of each of the Chicago Area's eight county retail light vehicle markets. 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 the first six months of 2005 and 2006, as well as the percent change and unit change over the period. Light truck market share is also shown

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

Kane County registrations increased 2.6%, while the other seven markets declined. Light Truck and Domestic Brand market share declined in each of the eight counties

Source: AutoCount and Experian Company

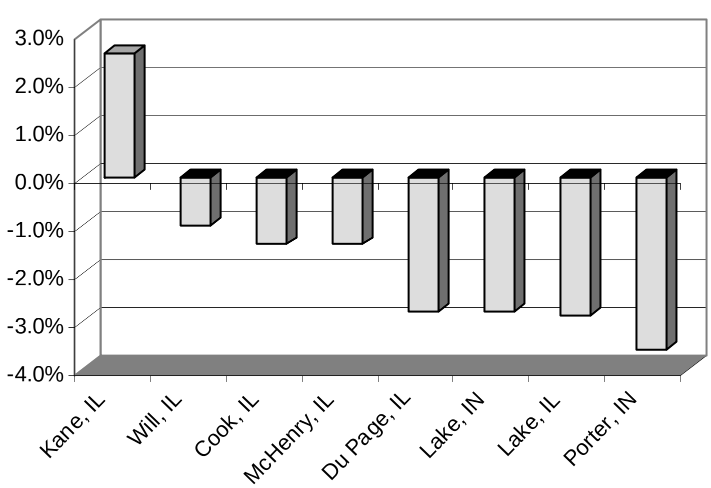
**COUNTY BY COUNTY - PART 1**

| | Registrations (YTD, thru June) | | Percent Change | Unit Change | Light Truck Market Share (%) | | |
|---|---|---|---|---|---|---|---|
| | 2005 | 2006 | 2005 to 2006 | 2005 to 2006 | YTD 2005 | YTD 2006 | Change '05 to '06 |
| Cook, IL | 81,162 | 79,992 | -1.4% | -1,170 | 44.7 | 42.8 | -1.9 |
| Du Page, IL | 24,775 | 24,080 | -2.8% | -695 | 48.0 | 44.6 | -3.4 |
| Kane, IL | 9,733 | 9,990 | 2.6% | 257 | 51.5 | 49.3 | -2.2 |
| Lake, IL | 19,084 | 18,538 | -2.9% | -546 | 49.6 | 46.9 | -2.7 |
| McHenry, IL | 6,803 | 6,706 | -1.4% | -97 | 55.3 | 51.7 | -3.6 |
| Will, IL | 14,636 | 14,484 | -1.0% | -152 | 54.2 | 51.3 | -2.9 |
| Lake, IN | 6,992 | 6,793 | -2.8% | -199 | 51.6 | 48.4 | -3.2 |
| Porter, IN | 2,940 | 2,833 | -3.6% | -107 | 58.7 | 52.5 | -6.2 |

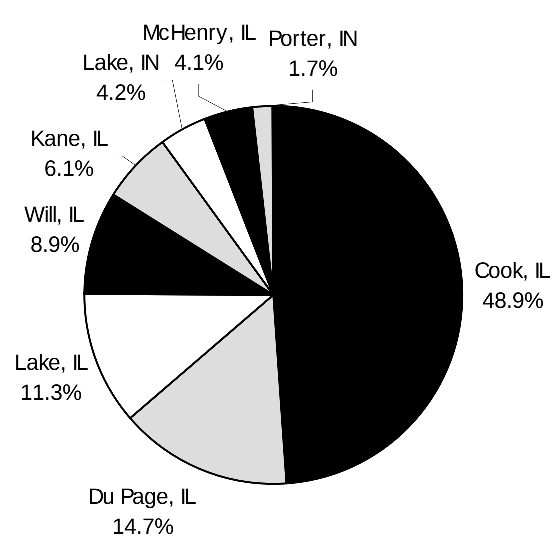
**COUNTY BY COUNTY - PART 2**

| | Market Share Summary-YTD 2006 (thru June) | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Domestic Brands | | | Top Ten Selling Brands in Area | | | | | | | | | |
| | YTD 2005 | YTD 2006 | Change '05 to '06 | Toyota/ Scion | Chev. | Honda | Ford | Nissan | Dodge | Hyund. | Pontiac | Lexus | Chrys. |
| Cook, IL | 46.1 | 43.7 | -2.4 | 13.9 | 11.6 | 10.6 | 9.1 | 5.8 | 4.6 | 3.6 | 3.5 | 3.4 | 2.6 |
| Du Page, IL | 40.5 | 38.7 | -1.8 | 14.3 | 8.9 | 12.1 | 10.1 | 5.5 | 3.5 | 3.5 | 2.9 | 4.5 | 2.5 |
| Kane, IL | 47.1 | 44.1 | -3.0 | 13.1 | 12.9 | 11.1 | 10.1 | 7.0 | 4.8 | 4.0 | 2.7 | 2.2 | 3.0 |
| Lake, IL | 39.2 | 36.0 | -3.2 | 13.3 | 9.3 | 11.6 | 6.7 | 4.9 | 4.6 | 2.7 | 2.8 | 4.8 | 2.3 |
| McHenry, IL | 54.0 | 50.2 | -3.8 | 11.6 | 13.5 | 12.1 | 11.8 | 5.5 | 6.5 | 4.0 | 3.0 | 1.9 | 4.4 |
| Will, IL | 56.1 | 52.4 | -3.8 | 11.1 | 14.3 | 10.4 | 13.1 | 4.8 | 5.8 | 4.7 | 3.1 | 2.3 | 3.1 |
| Lake, IN | 70.7 | 65.6 | -5.1 | 10.5 | 22.1 | 8.7 | 13.5 | 3.3 | 5.1 | 2.6 | 6.7 | 2.3 | 2.7 |
| Porter, IN | 68.2 | 65.3 | -2.9 | 12.2 | 16.4 | 7.9 | 13.0 | 3.7 | 6.4 | 2.5 | 6.8 | 1.1 | 4.0 |

**Percent Change in Registrations – YTD '06 (thru June) vs. YTD '05**




**Share of Regional Market – YTD '06 (thru June)**



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

| | Area Market | | U.S. Market | |
|---|---|---|---|---|
| **Market Growth**<br>% change in registrations<br>YTD 2006 (thru June) vs. YTD 2005 | **-2.3%** | | **-0.3%** | |
| **Car Market Share**<br>Car share of industry retail light vehicle registrations - YTD 2006 (thru June) | **54.6%** | | **49.6%** | |
| **Domestic Brand Market Share**<br>Domestic brand share of industry retail light vehicle registrations -YTD 2006 | **44.4%** | | **49.8%** | |
| **Top Selling Retail Brands**<br>*Top selling light vehicle brands and market share - Second Quarter 2006* | | | | |
| First | **Toyota/Scion** | **14.1%** | **Ford** | **13.9%** |
| Second | **Chevrolet** | **11.8%** | **Chevrolet** | **13.3%** |
| Third | **Honda** | **10.7%** | **Toyota/Scion** | **13.2%** |
| Fourth | **Ford** | **10.5%** | **Honda** | **8.2%** |
| Fifth | **Nissan** | **5.4%** | **Dodge** | **6.7%** |
| Sixth | **Dodge** | **4.8%** | **Nissan** | **6.1%** |
| Seventh | **Pontiac** | **3.7%** | **Chrysler** | **3.7%** |
| Eighth | **Hyundai** | **3.6%** | **Hyundai** | **3.1%** |
| Ninth | **Lexus** | **3.4%** | **Jeep** | **2.6%** |
| Tenth | **Chrysler** | **2.7%** | **GMC** | **2.5%** |

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