

# Chicago Auto Outlook™

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## Chicago Area Market Predicted to Decline by a Slim 2.3% in 2007

The Chicago Area new vehicle market ended 2006 with less than satisfactory results. Area retail registrations of new cars and light trucks decreased 7.3% in the Fourth Quarter of last year, and that decline was compared to weak results in the Fourth Quarter of '05. For all of '06, the market was off 6.6% from '05.

2006 is now history and all eyes are focused on what lies ahead in 2007. Unfortunately, the road looks a little bumpy. Definitely not impassible, but 2007 could be a bit of a rough ride for area new vehicle sales. Our expectation of a softer market this year can be found by assessing the key reasons that lead consumers to purchase new vehicles. Following is a list of these key reasons, and how they are likely to impact new vehicle sales during 2007.

**Reason #1 for purchasing a new vehicle: Current vehicle is old, unreliable and needs to be replaced.** Following strong sales between 2000 and 2005, many area residents are behind the wheel of a relatively new car or truck. Improved quality and

reliability make it a viable proposition for consumers to delay vehicle purchases. Replacement demand is not likely to be a pillar of strength for the market during 2007.

**Reason #2 for purchasing a new vehicle: Economic conditions are good and employment prospects are encouraging.** Consumers are more likely to commit to a new vehicle purchase when economic growth is strong, unemployment levels are low, and the outlook is bright. The resulting upbeat attitudes give a boost to new vehicle sales. Unfortunately, the outlook for economic growth and employment is not great. Few economists expect a recession this year, but most are looking for slower growth than in 2006. This should exert a slight drag on new vehicle sales.

**Reason #3 for purchasing a new vehicle: It represents a big improvement over current vehicle.** Consumers frequently spend money on what they *want*, not necessarily on just what they *need*. We think this has given a boost to new vehicle

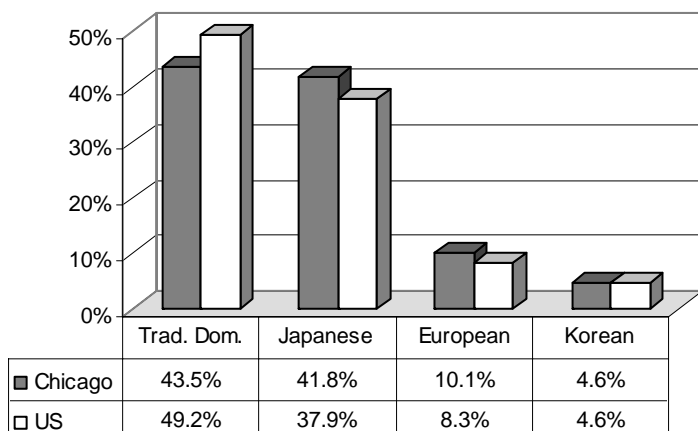
sales over the past several years, and it should continue to be a positive force in 2007. More attractive styling, higher performance, better fuel economy, more innovative interior designs, and advanced infotainment features are a few reasons why consumers may want to purchase a new vehicle, even if the current vehicle meets their basic needs.

**Reason #4 for purchasing a new vehicle: It's affordable.** Affordability, the cumulative impact of vehicle pricing, personal income, and interest rates, is clearly a primary factor when a new vehicle purchase is being considered. On balance, affordability is expected to turn slightly weaker this year, but remain strong based on historical standards.

**Forecast Summary:** New retail light vehicle registrations in the Chicago Area are predicted to decline 2.3% this year. Some good news: the decline is well below the 6.6% drop in 2006, and the market has a good chance of improving in 2008.

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

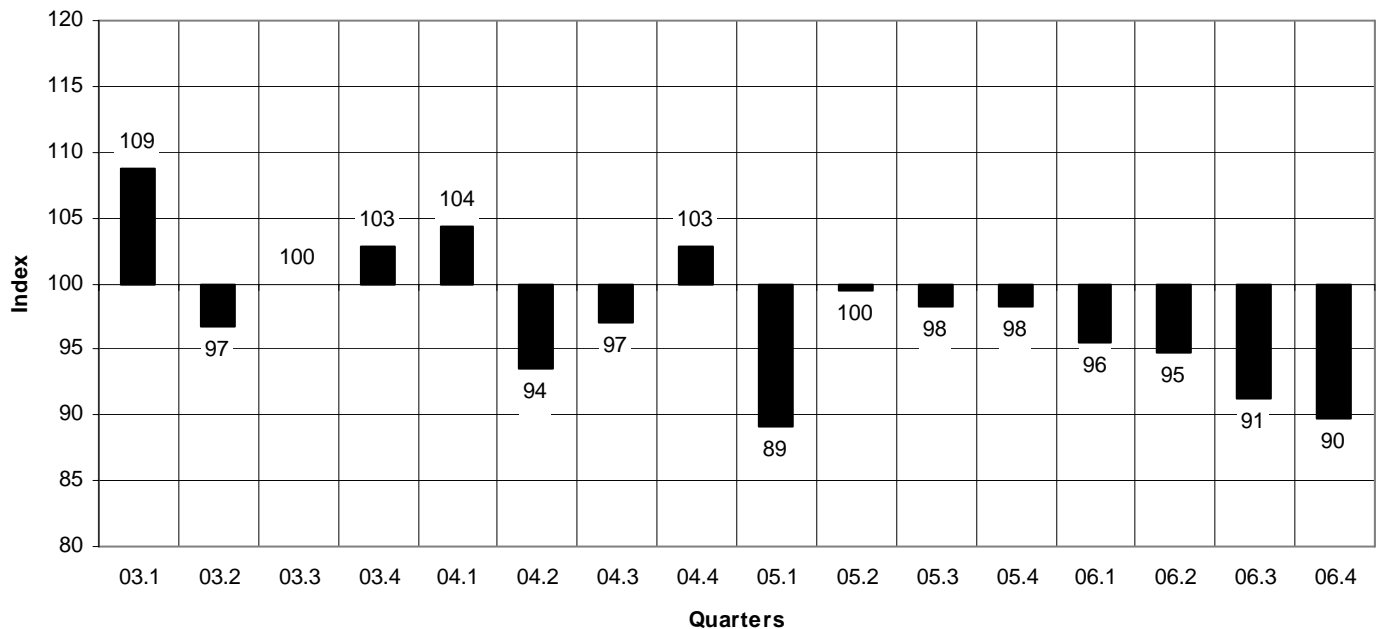
RETAIL MARKET SHARE—2006



CHICAGO AREA NEW RETAIL LIGHT VEHICLE REGISTRATIONS

	2006	Forecast 2007	% Chg. '06 to '07	Mkt. Share 2007
TOTAL	329,150	321,587	-2.3%	0.0%
Car	184,103	180,410	-2.0%	56.1%
Light Truck	145,047	141,177	-2.7%	43.9%
Traditional Domestic	142,782	134,277	-6.0%	41.8%
Japanese	137,676	138,773	0.8%	43.2%
European	33,528	33,686	0.5%	10.5%
Korean	15,164	14,851	-2.1%	4.6%

Source for historical data: AutoCount, an Experian Company

Quarterly Industry Results and Forecast**Chicago Area Market Predicted to Increase Slightly in Second Half of 2007****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.

<b>Summary Table</b>	05.1	05.2	05.3	05.4	06.1	06.2	06.3	06.4	07.1	07.2	07.3	07.4
Actual registrations	69,375	97,900	106,561	78,597	75,047	88,369	92,908	72,826	69,856	84,608	93,221	73,902
% change from year earlier	-14.9%	10.5%	5.8%	-10.9%	8.2%	-9.7%	-12.8%	-7.3%	-6.9%	-4.3%	0.3%	1.5%

New retail light vehicle registrations in the Chicago Area declined 7.3% in the Fourth Quarter of 2006 versus a year earlier. Auto Outlook predicts that the market will decline in the First and Second Quarters of this year versus 2006, with small increases likely in the Third and Fourth Quarters.

Source for Historical Data: AutoCount, an Experian Company.

## **Chicago Auto Outlook** **Covering Fourth 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*.**

### 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 2006.

Note: Due to processing delays at the Indiana Department of Motor Vehicles, new vehicle registration data is unavailable for the two Indiana counties (Lake and Porter) for July thru December of last year. Figures for these months were estimated by Auto Outlook.

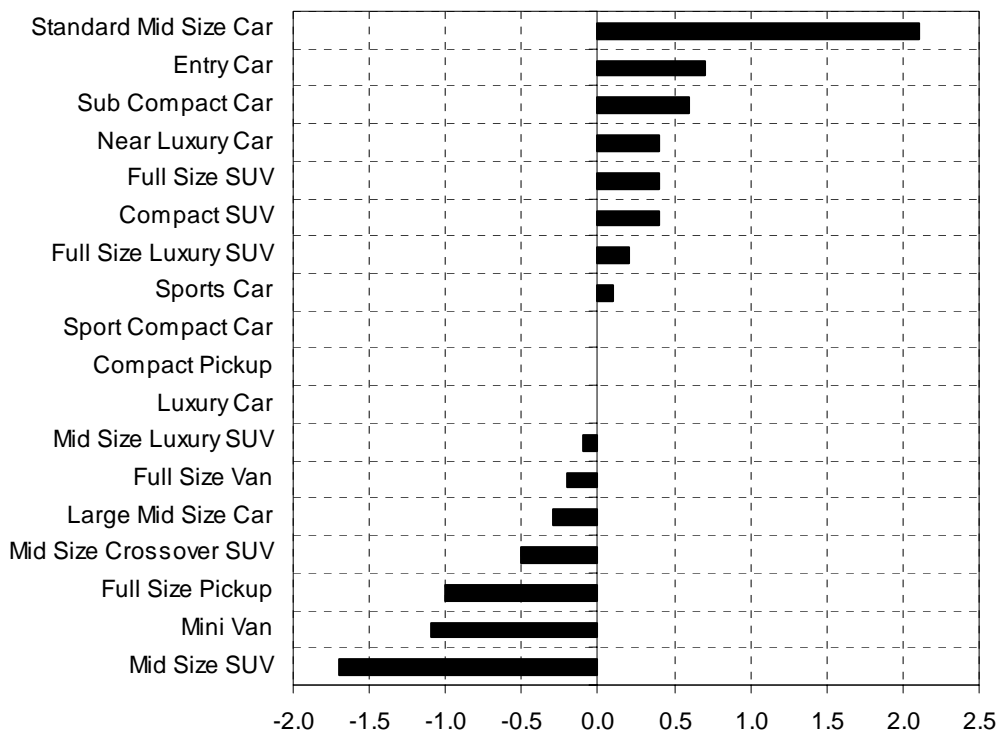
**Segment Watch**

**Standard Mid Size Car Market Share Increases by More Than Two Points in 2006**

Not surprisingly, as fuel prices moved higher during most of 2006, market share levels for many light truck segments eroded. As shown on the graph to the right, the Mid Size SUV segment had the largest decline in market share in the Chicago Area from 2005 to 2006, down 1.7 points. Many area consumers who were reluctant to purchase a pickup or SUV, purchased a car instead. The Standard Mid Size Car segment (which includes Honda Accord, Toyota Camry, etc.) had a 2.1 increase in market share last year.

What's the outlook for 2007? Assuming gas prices do not head sharply higher, we believe that light truck and SUV segments will hold their own this year. This is especially true for the Full Size Pickup segment, where several new products (i.e., Silverado, Sierra, and Tundra) should give sales a boost.

**Change in Segment Market Share-2006 vs. 2005**



Top Selling Models in Each Segment - Chicago Area											
New Retail Registrations, 2006 Annual Totals 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	1983	30.1	Honda Civic	8196	15.5	Ford Mustang	3109	38.8	Toyota Camry	10257	22.6
Toyota Yaris	1419	21.5	Toyota Corolla	7140	13.5	Scion tC	2322	29.0	Honda Accord	8241	18.1
Scion xA	858	13.0	Chevrolet Cobalt	4518	8.6	Mitsubishi Eclipse	959	12.0	Pontiac G6	5148	11.3
Nissan Versa	652	9.9	Ford Focus	3679	7.0	Hyundai Tiburon	443	5.5	Nissan Altima	4742	10.4
Honda Fit	600	9.1	Volkswagen Jetta	2977	5.6	Acura RSX	442	5.5	Chevrolet Malibu	3384	7.5
Large Mid Size			Near Luxury			Luxury			Sports Car		
Model	Regs.	Share	Model	Regs.	Share	Model	Regs.	Share	Model	Regs.	Share
Chevrolet Impala	4514	17.2	Acura TL	3099	15.7	BMW 5-Series	1915	13.9	Chevrolet Corvette	918	29.1
Chrysler 300	3613	13.8	BMW 3-Series	2863	14.5	Mercedes E-Class	1593	11.6	Pontiac Solstice	444	14.1
Buick Lucerne	2879	11.0	Lexus ES330	2626	13.3	Cadillac DTS	1558	11.3	Nissan 350 ZX	370	11.7
Toyota Avalon	2365	9.0	Audi A4	2229	11.3	Lexus GS	990	7.2	Porsche 911	293	9.3
Buick LaCrosse	1804	6.9	Cadillac CTS	1574	8.0	Mercedes S-Class	881	6.4	Mazda MX5	250	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	995	18.3	Ford F-Series	5878	40.6	Honda Odyssey	6756	29.7	Chevrolet Express	2216	57.3
Toyota Tacoma	956	17.6	Chevrolet Silverado	3626	25.1	Toyota Sienna	4488	19.8	Ford E-Series	998	25.8
Ford Ranger	949	17.4	Dodge Ram	1810	12.5	Dodge Caravan	3956	17.4	GMC Savana	462	11.9
Dodge Dakota	885	16.2	GMC Sierra	1063	7.3	Chrysler Town & Coui	2905	12.8			
Chevrolet Colorado	854	15.7	Chevrolet Avalanche	1010	7.0	Nissan Quest	1161	5.1			
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
Toyota RAV4	4212	13.4	Honda Pilot	4465	14.0	Chevrolet Tahoe	2887	29.4	Lexus RX350	4071	22.4
Honda CRV	3744	11.9	Chevrolet TrailBlazer	3301	10.3	GMC Yukon	1988	20.2	Acura MDX	2000	11.0
Chevrolet Equinox	3726	11.9	Jeep Grand Cherokee	2822	8.8	Chevrolet Suburban	1115	11.3	Cadillac Escalade	1434	7.9
Ford Escape	3711	11.8	Nissan Murano	2593	8.1	Hummer H3	920	9.4	Volvo XC90	1408	7.8
Saturn Vue	2440	7.8	Ford Explorer	2512	7.9	Ford Expedition	880	9.0	Land Rover Range F	1012	5.6

Chicago Area Retail Car and Light Truck Registrations - History and Forecast										
	Registrations					Market Share				
	Units			Percent Change		Share (%)			Change	
	2005	2006	Forecast 2007	'05 to '06	'06 to '07	2005	2006	Forecast 2007	'05 to '06	'06 to '07
TOTAL	352,433	329,150	321,587	-6.6%	-2.3%					
Domestic Brands	168,074	142,782	134,277	-15.0%	-6.0%	47.7	43.4	41.8	-4.3	-1.6
Japanese Brands	134,731	137,676	138,773	2.2%	0.8%	38.2	41.8	43.2	3.6	1.4
European Brands	34,799	33,528	33,686	-3.7%	0.5%	9.9	10.2	10.5	0.3	0.3
Korean Brands	14,829	15,164	14,851	2.3%	-2.1%	4.2	4.6	4.6	0.4	0.0
Acura	8,185	8,108	8,490	-0.9%	4.7%	2.3	2.5	2.6	0.2	0.1
Audi	3,205	2,874	2,815	-10.3%	-2.1%	0.9	0.9	0.9	0.0	0.0
BMW	8,311	7,655	7,719	-7.9%	0.8%	2.4	2.3	2.4	-0.1	0.1
Buick	6,851	5,987	5,179	-12.6%	-13.5%	1.9	1.8	1.6	-0.1	-0.2
Cadillac	6,453	6,304	5,664	-2.3%	-10.2%	1.8	1.9	1.8	0.1	-0.1
Chevrolet	46,299	39,770	36,975	-14.1%	-7.0%	13.1	12.1	11.5	-1.0	-0.6
Chrysler	12,440	8,488	7,775	-31.8%	-8.4%	3.5	2.6	2.4	-0.9	-0.2
Dodge	16,877	14,559	13,705	-13.7%	-5.9%	4.8	4.4	4.3	-0.4	-0.1
Ford	36,511	30,649	27,891	-16.1%	-9.0%	10.4	9.3	8.7	-1.1	-0.6
GMC	7,880	5,569	5,508	-29.3%	-1.1%	2.2	1.7	1.7	-0.5	0.0
Honda	34,848	36,431	36,112	4.5%	-0.9%	9.9	11.1	11.2	1.2	0.1
Hummer	1,059	1,281	1,189	21.0%	-7.2%	0.3	0.4	0.4	0.1	0.0
Hyundai	11,681	12,117	11,891	3.7%	-1.9%	3.3	3.7	3.7	0.4	0.0
Infiniti	4,096	3,276	3,159	-20.0%	-3.6%	1.2	1.0	1.0	-0.2	0.0
Isuzu	260	123	87	-52.7%	-29.3%	0.1	0.0	0.0	-0.1	0.0
Jaguar	828	613	443	-26.0%	-27.7%	0.2	0.2	0.1	0.0	-0.1
Jeep	8,630	7,856	8,172	-9.0%	4.0%	2.4	2.4	2.5	0.0	0.1
Kia	3,148	3,047	2,960	-3.2%	-2.9%	0.9	0.9	0.9	0.0	0.0
Land Rover	1,495	1,655	1,865	10.7%	12.7%	0.4	0.5	0.6	0.1	0.1
Lexus	10,562	11,099	11,255	5.1%	1.4%	3.0	3.4	3.5	0.4	0.1
Lincoln	2,220	2,062	2,098	-7.1%	1.7%	0.6	0.6	0.7	0.0	0.1
Mazda	5,024	4,980	5,052	-0.9%	1.4%	1.4	1.5	1.6	0.1	0.1
Mercedes	5,685	5,618	5,779	-1.2%	2.9%	1.6	1.7	1.8	0.1	0.1
Mercury	5,405	3,750	3,295	-30.6%	-12.1%	1.5	1.1	1.0	-0.4	-0.1
Mini	1,939	1,529	1,678	-21.1%	9.7%	0.6	0.5	0.5	-0.1	0.0
Mitsubishi	3,318	3,183	3,175	-4.1%	-0.3%	0.9	1.0	1.0	0.1	0.0
Nissan	20,662	18,417	18,033	-10.9%	-2.1%	5.9	5.6	5.6	-0.3	0.0
Pontiac	10,514	10,885	9,792	3.5%	-10.0%	3.0	3.3	3.0	0.3	-0.3
Porsche	948	923	886	-2.6%	-4.0%	0.3	0.3	0.3	0.0	0.0
Saab	1,365	1,059	829	-22.4%	-21.7%	0.4	0.3	0.3	-0.1	0.0
Saturn	6,935	5,622	7,034	-18.9%	25.1%	2.0	1.7	2.2	-0.3	0.5
Subaru	3,682	3,349	3,024	-9.0%	-9.7%	1.0	1.0	0.9	0.0	-0.1
Suzuki	1,364	1,800	1,963	32.0%	9.1%	0.4	0.5	0.6	0.1	0.1
Toyota/Scion	42,730	46,910	48,423	9.8%	3.2%	12.1	14.3	15.1	2.2	0.8
Volkswagen	7,203	7,922	8,370	10.0%	5.7%	2.0	2.4	2.6	0.4	0.2
Volvo	3,243	3,198	2,835	-1.4%	-11.4%	0.9	1.0	0.9	0.1	-0.1
Others	577	482	467	-16.5%	-3.1%	0.2	0.1	0.1	-0.1	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.

**Brand Forecast**

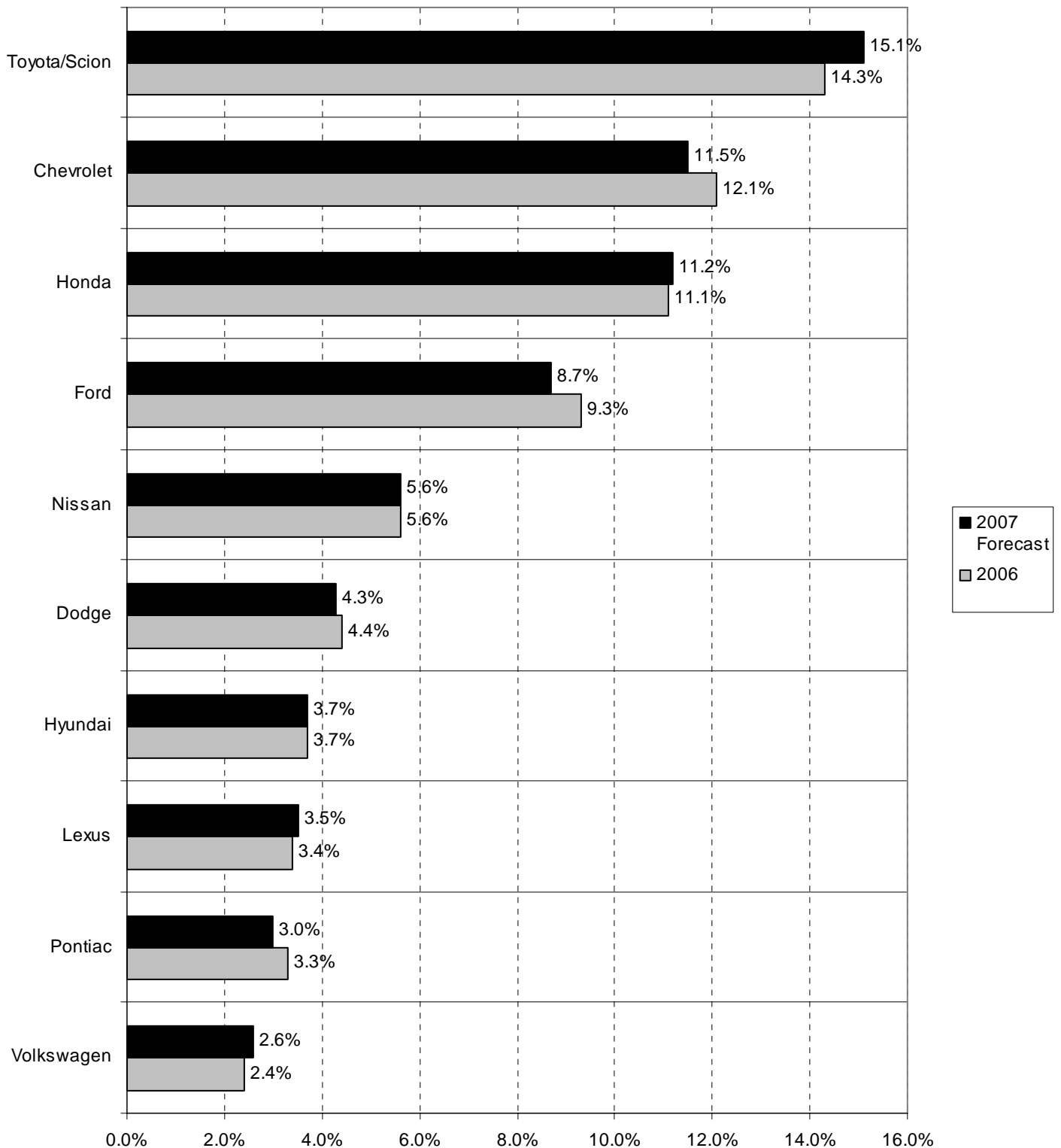
**2007 Market Share Forecast for Top 10 Selling Brands in Area**

Toyota was the winner in the Chicago Area new vehicle market during 2006, with its market share increasing a significant 2.2 share points from 2005. Combined Toyota and Scion car and light truck registrations in-

creased 9.8% last year, while the overall market declined 6.6%. As shown on the graph below, 2007 is predicted to be another good year for Toyota, although its market share gain is likely to be smaller than last

year. Auto Outlook projects that market share for Toyota will increase to 15.1% this year, up from 14.3% a year earlier. Market share projections for the top 10 selling brands in the area are shown on the graph below.

**Chicago Area New Retail Light Vehicle Market Share for Top 10 Brands—2006 (actual) and 2007 Forecast**



**Brand Outlooks****Acura and Jeep Predicted to Post Market Share Gains During 2007**

The brand forecast projections for 2007, presented on pages 4 and 5, are based on Auto Outlook's detailed analysis of brand competitiveness in the Chicago Area market. Below is our appraisal of each brand's strengths and weaknesses for the coming year, and the prospects for gaining (or losing) market share.

**Acura**

*Strengths:* Full year of RDX sales and redesigned MDX.

*Weaknesses:* TL and TSX still strong sellers, but aging. RL faces tough competition in luxury sedan segment.

*Market Share Outlook:* Up slightly.

**Audi**

*Strengths:* Q7 SUV is selling well and will benefit from a full year of sales. Redesigned TT.

*Weaknesses:* Gains will be hard to come by for A4 and A6.

*Market Share Outlook:* Flat.

**BMW**

*Strengths:* Redesigned X5.

*Weaknesses:* 3-Series sales could be impacted by new Infiniti G35.

*Market Share Outlook:* Flat.

**Buick**

*Strengths:* All-new Enclave crossover SUV.

*Weaknesses:* Lacrosse and Lucerne newness is wearing off. Rendezvous and Rainier disappearing.

*Market Share Outlook:* Down slightly.

**Cadillac**

*Strengths:* New CTS arriving later in the year. Full year of sales for new Escalade.

*Weaknesses:* SRX sales dropping, other models aging.

*Market Share Outlook:* Down slightly.

**Chevrolet**

*Strengths:* Redesigned Silverado, Aveo, and Malibu (late in year).

*Weaknesses:* Impala aging in competitive segment. GM production cut-backs.

*Market Share Outlook:* Down slightly.

**Chrysler**

*Strengths:* Redesigned Sebring and all-new Aspen full-size SUV. New Town & County later this year.

*Weaknesses:* 300 sales declining.

*Market Share Outlook:* Down slightly.

**Dodge**

*Strengths:* All-new Nitro and Avenger (replacement for Stratus). Caravan and perhaps Challenger, late in '07.

*Weaknesses:* Magnum sales easing. Durango and Ram are aging and face bevy of new competitors.

*Market Share Outlook:* Flat.

**Ford**

*Strengths:* All-new Edge crossover SUV and redesigned Expedition. Fusion gaining traction.

*Weaknesses:* Taurus dropped. Explorer on decline. F-Series faces formidable competition. Production cut-backs.

*Market Share Outlook:* Down.

**GMC**

*Strengths:* Redesigned Sierra and all-new Acadia crossover.

*Weaknesses:* Envoy is aging and competition is exploding.

*Market Share Outlook:* Up slightly.

**Honda**

*Strengths:* Redesigned CRV and full year of Fit sales.

*Weaknesses:* Accord and Pilot aging in highly competitive market.

*Market Share Outlook:* Flat.

**Hummer**

*Strengths:* Largely avoids ultra-competitive SUV wars due to distinctive designs and market positioning.

*Weaknesses:* No new products

*Market Share Outlook:* Flat.

**Hyundai**

*Strengths:* Redesigned Elantra. Veracruz SUV (lengthened Santa Fe) possible late in 2007.

*Weaknesses:* Sonata to face tough competition. Pricing flexibility hindered by strong Korean won.

*Market Share Outlook:* Flat.

**Infiniti**

*Strengths:* Redesigned G35 coupe and sedan. Possible introduction of X crossover later in year.

*Weaknesses:* FX and QX sales sagging as fuel prices remain high.

*Market Share Outlook:* Flat.

**Isuzu**

*Strengths:* None.

*Weaknesses:* Ascender aging.

*Market Share Outlook:* Down.

**Jaguar**

*Strengths:* Full year of XK sales.

*Weaknesses:* Another year for aging X and S types. Redesigned S-Type launch not likely until 2008.

*Market Share Outlook:* Down.

**Jeep**

*Strengths:* All-new Compass and Patriot add sales volume. Redesigned Wrangler, which includes a four door model for the first time.

*Weaknesses:* Grand Cherokee and Commander sales declining.

*Market Share Outlook:* Up Slightly.

**Brand Outlooks (continued)****Saturn and Suzuki Predicted to Post Market Share Gains During 2007****Kia**

*Strengths:* Rondo small mini van to be introduced in early '07.

*Weaknesses:* Spectra and Optima face formidable competition. As with Hyundai, pricing flexibility lessened due to strong Korean won.

*Market Share Outlook:* Flat.

**Land Rover**

*Strengths:* LR2 is introduced in entry luxury SUV segment.

*Weaknesses:* LR3 faces tough new competition.

*Market Share Outlook:* Up slightly.

**Lexus**

*Strengths:* Redesigned LS 460 sedan. New crossover?

*Weaknesses:* GS does not stand out in crowded luxury sedan segment.

*Market Share Outlook:* Up slightly.

**Lincoln**

*Strengths:* Redesigned Navigator. All-new MKX crossover.

*Weaknesses:* LS dropped. MKZ faces tough competition

*Market Share Outlook:* Up Slightly.

**Mazda**

*Strengths:* Full year of CX-7 sales. CX-5 and CX-9 bow later this year.

*Weaknesses:* Mazda6 faces bevy of new competitors.

*Market Share Outlook:* Up slightly.

**Mercedes**

*Strengths:* Redesigned C-Class, full year of sales for M and G Class SUVs. New S-Class.

*Weaknesses:* Although freshened for 2007 model year, E-Class is older than most other products in its segment.

*Market Share Outlook:* Up slightly.

**Mercury**

*Strengths:* Mild restyling for Mariner.

*Weaknesses:* Mountaineer sales likely to continue declining.

*Market Share Outlook:* Down.

**Mini**

*Strengths:* Redesigned Mini arrives in Spring.

*Weaknesses:* Intense competition in sub compact segment.

*Market Share Outlook:* Up slightly.

**Mitsubishi**

*Strengths:* Redesigned Outlander and new version of Lancer.

*Weaknesses:* Endeavor and Galant are aging.

*Market Share Outlook:* Flat.

**Nissan**

*Strengths:* Full year of sales for redesigned Altima and Sentra. All-new Versa.

*Weaknesses:* Titan and Armada sales likely to decline.

*Market Share Outlook:* Up slightly.

**Pontiac**

*Strengths:* G5 coupe introduction late in the year.

*Weaknesses:* G6 faces tough competition. Solstice sales leveling off.

*Market Share Outlook:* Down.

**Porsche**

*Strengths:* Re-skinned Cayenne likely during 2007.

*Weaknesses:* Softening economy could hurt sports car market.

*Market Share Outlook:* Down slightly.

**Saab**

*Strengths:* None.

*Weaknesses:* Almost all competitors have fresher product offerings.

*Market Share Outlook:* Down.

**Saturn**

*Strengths:* Aura sedan and Outlook crossover SUV look strong. Full year of Sky sales.

*Weaknesses:* Ion dropped in March.

*Market Share Outlook:* Up.

**Subaru**

*Strengths:* Redesigned Impreza.

*Weaknesses:* Forester sales likely to decline as crossover segment explodes with new product.

*Market Share Outlook:* Down slightly.

**Suzuki**

*Strengths:* Redesigned XL7 and all-new SX4.

*Weaknesses:* Verona dropped and Forenza competition intense.

*Market Share Outlook:* Up.

**Toyota/Scion**

*Strengths:* Redesigned Tundra. Full year of sales for Yaris and FJ Cruiser. New versions of Highlander and Sequoia late in the year.

*Weaknesses:* Corolla and Matrix aging in competitive segments.

*Market Share Outlook:* Up.

**Volkswagen**

*Strengths:* Full year of sales for Jetta and Eos. New Tiguan compact SUV.

*Weaknesses:* Touareg sales are falling.

*Market Share Outlook:* Up.

**Volvo**

*Strengths:* New C30 hatchback and redesigned S80.

*Weaknesses:* S40 and S60 are aging and face intense competition.

*Market Share Outlook:* Down slightly.

## CHICAGO AREA BRAND SCOREBOARD

### COMPREHENSIVE REVIEW OF BRAND SALES PERFORMANCE IN THE AREA AUTOMOTIVE MARKET DURING 2006

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 all of 2006 versus 2005. 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 Half 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. Brands at the top of the table had relatively large sales gains last year, and gained momentum as the year progressed.

Data Source: AutoCount, an Experian Company.

Brand	Longer Term Results 2005 to 2006				Shorter Term Results First Half '06 to Second Half '06				Combined Rating (10 is high)
	2005 regs.	2006 regs.	% ch '05 to '06	Rating (5 is high)	1 half regs.	2 half regs.	% Change	Rating (5 is high)	
Toyota/Scion	42,730	46,910	9.8%	5	21,765	25,145	15.5%	5	10
Volkswagen	7,203	7,922	10.0%	5	3,858	4,064	5.3%	4	9
Honda	34,848	36,431	4.5%	5	17,826	18,605	4.4%	4	9
Hyundai	11,681	12,117	3.7%	4	5,851	6,266	7.1%	5	9
Acura	8,185	8,108	-0.9%	4	3,903	4,205	7.7%	5	9
Volvo	3,243	3,198	-1.4%	4	1,536	1,662	8.2%	5	9
Suzuki	1,364	1,800	32.0%	5	897	903	0.7%	3	8
Lexus	10,562	11,099	5.1%	5	5,551	5,548	-0.1%	3	8
Mercedes	5,685	5,618	-1.2%	4	2,732	2,886	5.6%	4	8
Mazda	5,024	4,980	-0.9%	4	2,496	2,484	-0.5%	3	7
Buick	6,851	5,987	-12.6%	2	2,832	3,155	11.4%	5	7
Land Rover	1,495	1,655	10.7%	5	915	740	-19.1%	1	6
Pontiac	10,514	10,885	3.5%	4	5,628	5,257	-6.6%	2	6
Kia	3,148	3,047	-3.2%	3	1,534	1,513	-1.4%	3	6
Jeep	8,630	7,856	-9.0%	3	3,907	3,949	1.1%	3	6
Audi	3,205	2,874	-10.3%	2	1,422	1,452	2.1%	4	6
Nissan	20,662	18,417	-10.9%	2	8,948	9,469	5.8%	4	6
Chevrolet	46,299	39,770	-14.1%	2	19,409	20,361	4.9%	4	6
Saturn	6,935	5,622	-18.9%	1	2,681	2,941	9.7%	5	6
Cadillac	6,453	6,304	-2.3%	3	3,309	2,995	-9.5%	2	5
Mitsubishi	3,318	3,183	-4.1%	3	1,610	1,573	-2.3%	2	5
Lincoln	2,220	2,062	-7.1%	3	1,070	992	-7.3%	2	5
Subaru	3,682	3,349	-9.0%	2	1,681	1,668	-0.8%	3	5
BMW	8,311	7,655	-7.9%	3	4,176	3,479	-16.7%	1	4
Dodge	16,877	14,559	-13.7%	2	7,659	6,900	-9.9%	2	4
Ford	36,511	30,649	-16.1%	1	15,916	14,733	-7.4%	2	3
Infiniti	4,096	3,276	-20.0%	1	1,736	1,540	-11.3%	1	2
GMC	7,880	5,569	-29.3%	1	2,982	2,587	-13.2%	1	2
Mercury	5,405	3,750	-30.6%	1	2,032	1,718	-15.5%	1	2
Chrysler	12,440	8,488	-31.8%	1	4,468	4,020	-10.0%	1	2



**Market Tracker**

**Japanese Brands Gain Four Market Share Points During 2006**

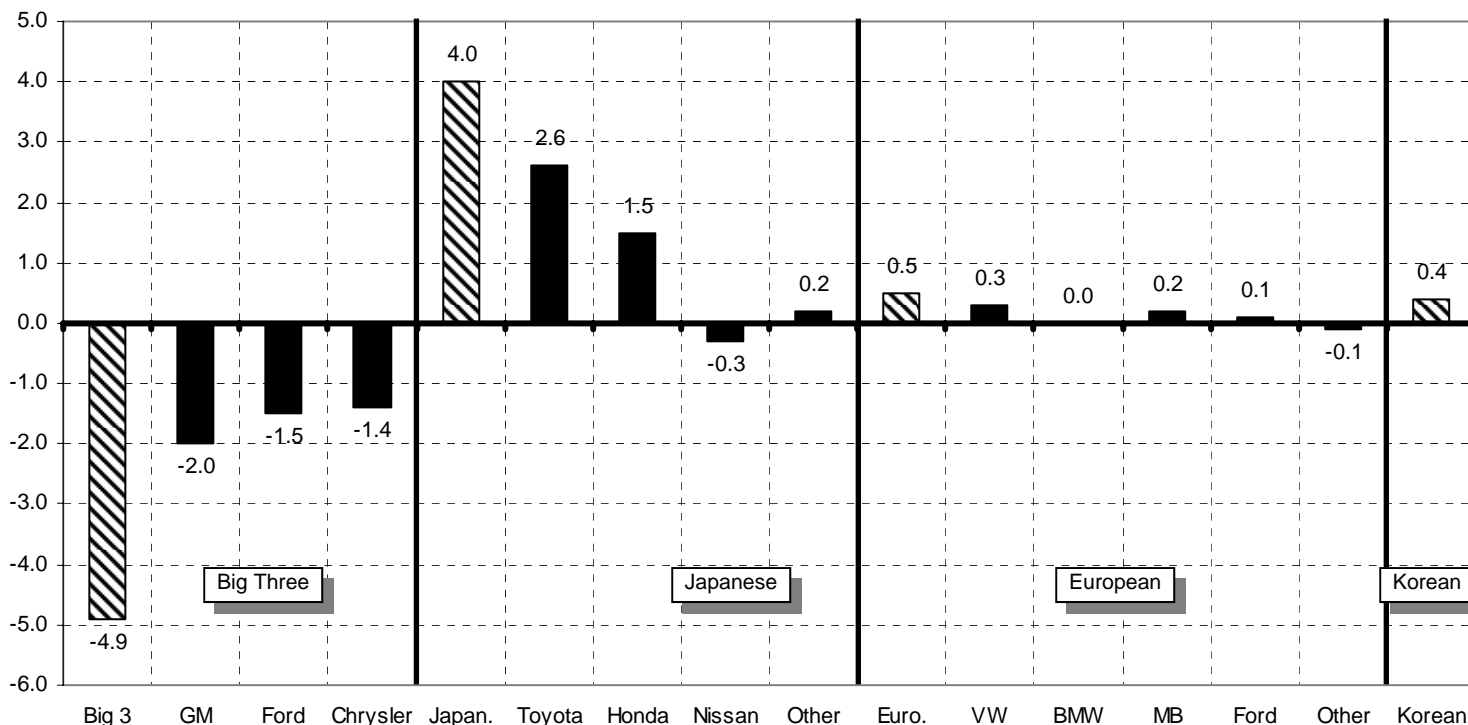
It's no secret that Domestic Brands (the Traditional Big Three) are behind the eight ball in the hotly contested new vehicle market. The basic strategy is one of retrenchment and re-grouping. Market share losses for the Big Three are inevitable as the com-

panies cut production and scale back incentive offers. The hope is that they will emerge as leaner, more focused, more profitable, and more competitive. In the meantime, the picture will not be pretty, as illustrated by the graph below. Collectively, the Big

Three lost 4.9 market share points in the Chicago Area last year. Japanese brands were the primary benefactors, with their market share increasing 4 points.

Source: AutoCount, an Experian Company.

**Change in Retail Light Vehicle Market Share - 2006 vs. 2005**



**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, Maserati, and Saab). **Korean:** Hyundai and Kia.

**Chicago Area Top Ten Scoreboard**

**Toyota Widens Lead Over Second Place Chevrolet**

THIRD QUARTER, 2006			FOURTH QUARTER, 2006			change in mkt. share
Rank	Make	Market Share	Rank	Make	Market Share	
1	Toyota/Scion	14.9%	1	Toyota/Scion	15.5%	0.6%
2	Chevrolet	12.9%	2	Chevrolet	11.5%	-1.4%
3	Honda	11.4%	3	Honda	11.0%	-0.4%
4	Ford	9.2%	4	Ford	8.5%	-0.7%
5	Nissan	5.3%	5	Nissan	6.2%	0.9%
6	Dodge	4.1%	6	Dodge	4.2%	0.1%
7	Hyundai	4.0%	7	Lexus	3.5%	0.2%
8	Pontiac	3.8%	8	Hyundai	3.5%	-0.5%
9	Lexus	3.3%	9	Jeep	2.9%	0.9%
10	Chrysler	2.4%	10	Acura	2.9%	0.6%

This table shows the Top 10 sellers in the Chicago Area retail light vehicle market during the Third and Fourth Quarters of last year. Toyota (including Scion) gained 0.6 of a market share point and remained in first place ahead of Chevrolet, which had a 1.4 point decrease.

Source: AutoCount, an Experian Company.

**Market Comparison**

**Chicago Area Market Struggles to Beat Decent Results in 2005**

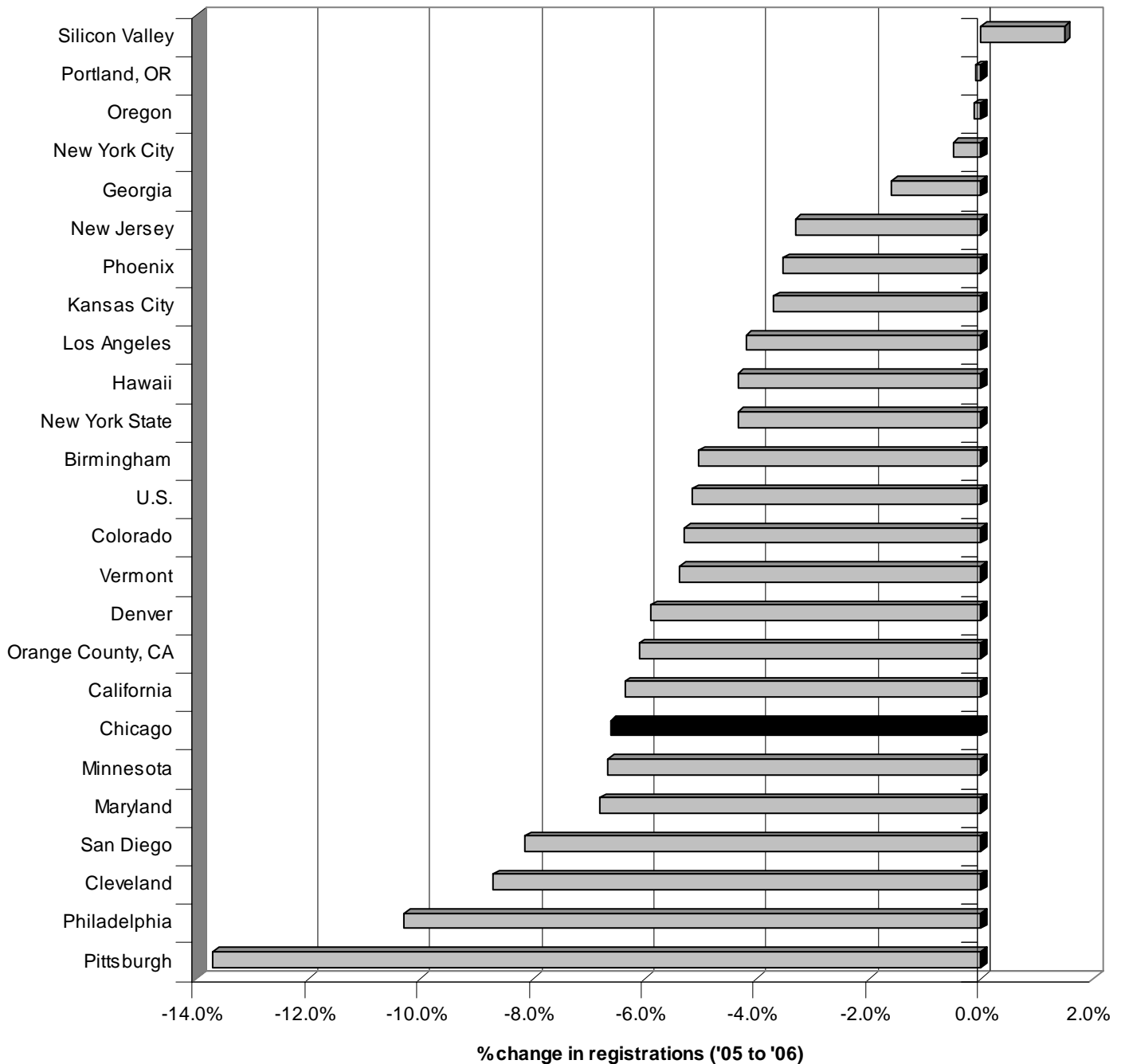
2006 will not be remembered as a great year for the Chicago Area new vehicle market. New vehicle registrations declined 6.6% last year, as the market struggled to match results from 2005.

How does the area market's performance last year stack up against other selected state and metro areas? The answer: not very good. The graph below compares new vehicle sales results for 24 selected state and metro area markets and the U.S.

Each of the markets is ranked from top to bottom based on the percent change in new retail light vehicle registrations from '05 to '06. The area market was in 18th place.

Data Source: AutoCount, an Experian Company.

**Percent Change in New Retail Light Vehicle Registrations in Selected State and Metro Area Markets ('05 to '06)**



**County Scoreboard**

**All Eight County Markets Move Lower 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 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.

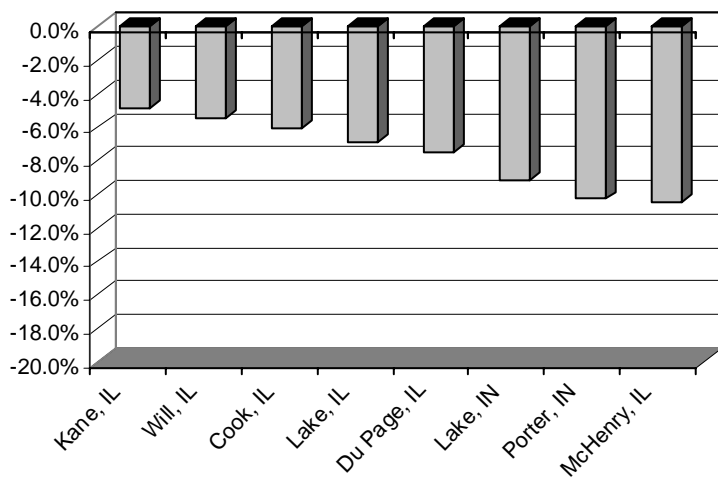
Registrations declined in each of the eight counties during 2006, with the smallest decreases in Kane and Will Counties. Light truck and Domestic brand market share declined in each of the eight markets. Toyota market share was 15.1% in Du Page County.

Source: AutoCount and Experian Company

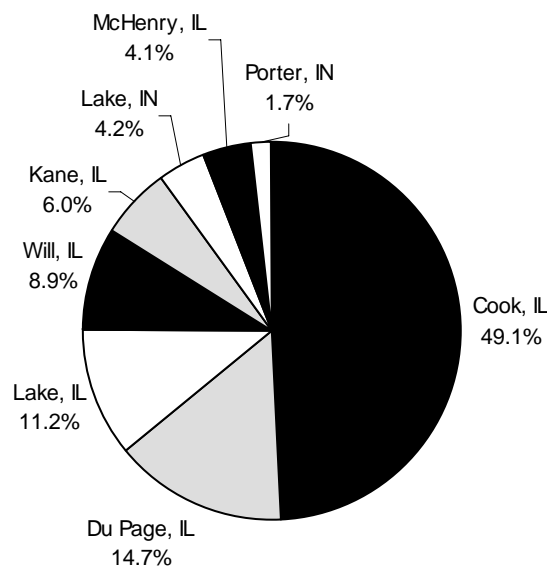
COUNTY BY COUNTY - PART 1							
	Registrations (Annual Totals)		Percent Change	Unit Change	Light Truck Market Share (%)		
	2005	2006	2005 to 2006	2005 to 2006	2005	2006	Change '05 to '06
Cook, IL	172,032	161,695	-6.0%	-10,337	44.3	41.4	-2.9
Du Page, IL	52,224	48,315	-7.5%	-3,909	47.4	43.2	-4.2
Kane, IL	20,851	19,860	-4.8%	-991	51.7	47.8	-3.9
Lake, IL	39,755	37,017	-6.9%	-2,738	49.2	45.9	-3.3
McHenry, IL	15,092	13,510	-10.5%	-1,582	54.5	50.0	-4.6
Will, IL	31,049	29,364	-5.4%	-1,685	53.8	49.7	-4.0
Lake, IN	15,066	13,682	-9.2%	-1,384	51.5	47.3	-4.2
Porter, IN	6,364	5,707	-10.3%	-657	56.4	51.4	-5.0

COUNTY BY COUNTY - PART 2													
	Market Share Summary-YTD 2006 (Annual Totals)												
	Domestic Brands			Top Ten Selling Brands in Area									
	YTD 2005	YTD 2006	Change '05 to '06	Toyota/Scion	Chevrolet	Honda	Ford	Nissan	Dodge	Hyundai	Lexus	Pontiac	Chrysler
Cook, IL	46.3	42.9	-3.4	14.7	11.7	10.9	8.9	6.0	4.3	3.8	3.3	3.4	2.6
Du Page, IL	41.7	38.1	-3.6	15.1	9.4	12.0	9.6	5.7	3.4	3.6	4.4	2.8	2.1
Kane, IL	48.5	44.7	-3.8	13.7	13.9	10.8	9.7	6.7	4.7	4.0	2.2	2.8	2.9
Lake, IL	40.5	36.2	-4.3	15.0	10.5	11.9	6.3	4.7	4.4	2.4	4.6	2.7	2.0
McHenry, IL	54.8	50.2	-4.6	12.4	13.5	12.2	11.3	5.5	6.4	4.0	1.9	3.3	4.2
Will, IL	56.7	53.2	-3.5	11.4	15.7	10.0	12.7	4.7	5.4	4.8	2.3	3.4	2.9
Lake, IN	69.7	65.6	-4.1	10.5	22.1	8.7	13.5	3.3	5.1	2.6	2.3	6.7	2.7
Porter, IN	67.9	65.3	-2.6	12.2	16.4	7.9	13.0	3.7	6.4	2.5	1.1	6.8	4.0





**Percent Change in Registrations – 2006 vs. 2005**



**Share of Regional Market – 2006**



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

	Area Market	U.S. Market
 <b>Market Growth</b> % change in registrations 2006 vs. 2005	<b>-6.6%</b>	<b>-4.3%</b>
 <b>Car Market Share</b> Car share of industry retail light vehicle registrations - 2006	<b>55.9%</b>	<b>49.1%</b>
 <b>Domestic Brand Market Share</b> Domestic brand share of industry retail light vehicle registrations - 2006	<b>43.5%</b>	<b>49.2%</b>
 <b>Top Selling Retail Brands</b> <i>Top selling light vehicle brands and            market share - Fourth Quarter 2006</i>		
First	<b>Toyota/Scion</b> <b>15.5%</b>	<b>Ford</b> <b>14.1%</b>
Second	<b>Chevrolet</b> <b>11.5%</b>	<b>Chevrolet</b> <b>14.0%</b>
Third	<b>Honda</b> <b>11.0%</b>	<b>Toyota/Scion</b> <b>13.6%</b>
Fourth	<b>Ford</b> <b>8.5%</b>	<b>Honda</b> <b>8.2%</b>
Fifth	<b>Nissan</b> <b>6.2%</b>	<b>Dodge</b> <b>6.1%</b>
Sixth	<b>Dodge</b> <b>4.2%</b>	<b>Nissan</b> <b>5.6%</b>
Seventh	<b>Lexus</b> <b>3.5%</b>	<b>Chrysler</b> <b>3.5%</b>
Eighth	<b>Hyundai</b> <b>3.5%</b>	<b>Jeep</b> <b>2.8%</b>
Ninth	<b>Jeep</b> <b>2.9%</b>	<b>GMC</b> <b>2.8%</b>
Tenth	<b>Acura</b> <b>2.9%</b>	<b>Hyundai</b> <b>2.8%</b>

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

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