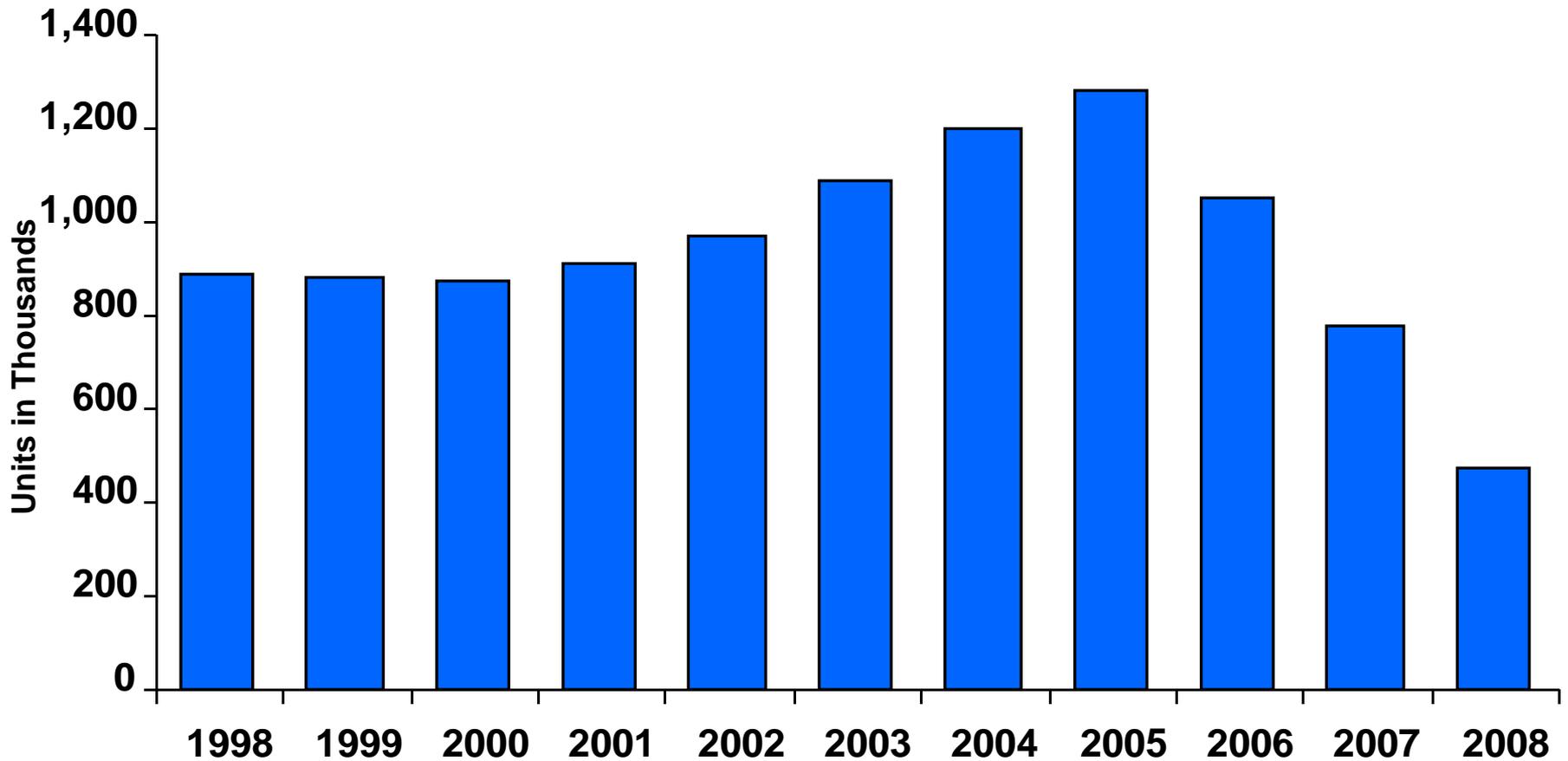




Mike Jackson
Chairman and Chief Executive Officer

Automotive Outlook Symposium
Federal Reserve Bank of Chicago-Detroit Branch
June 5, 2009

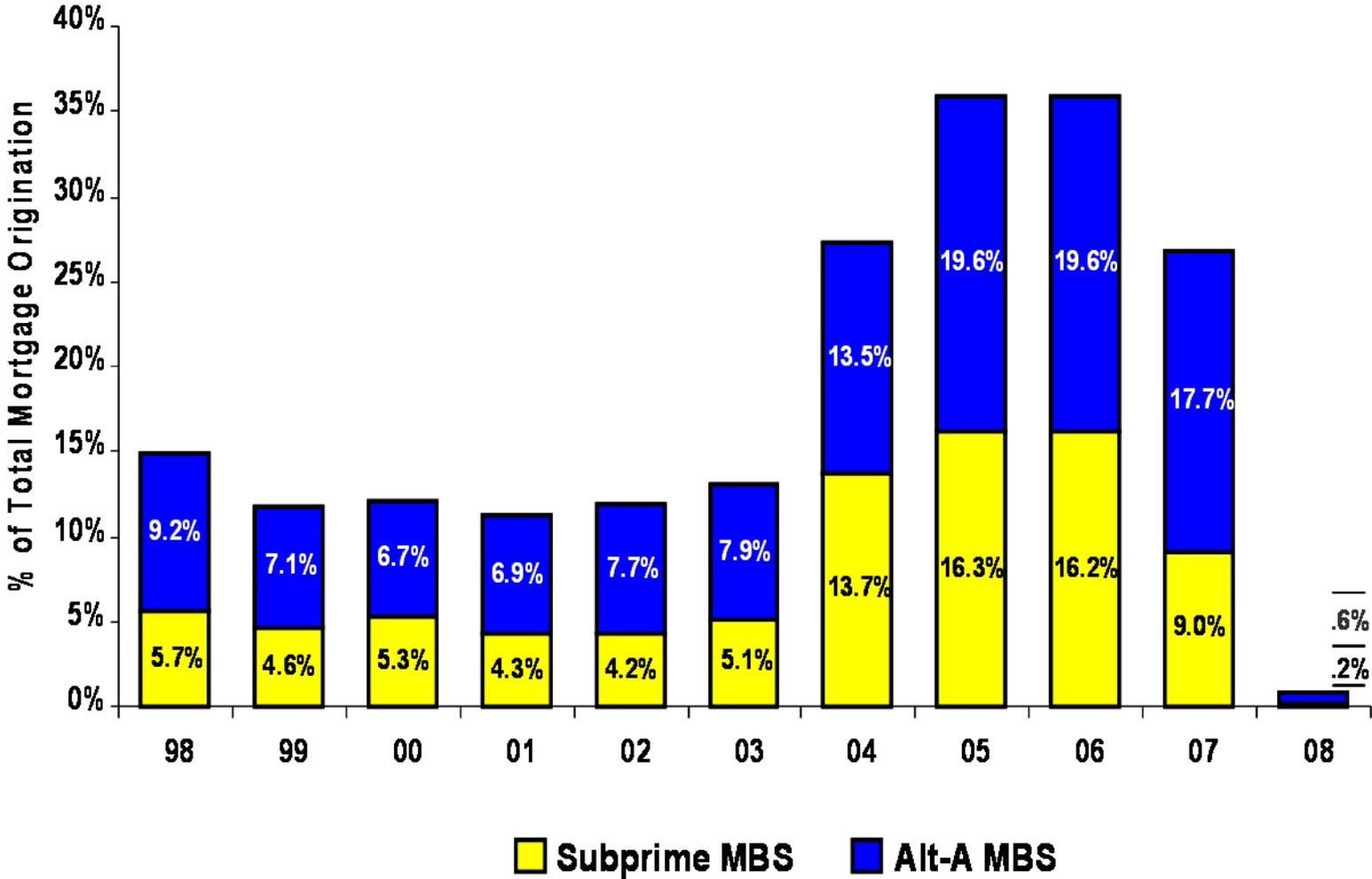
New Single Family Home Sales



Not Seasonally Adjusted
Source: U.S. Census Bureau



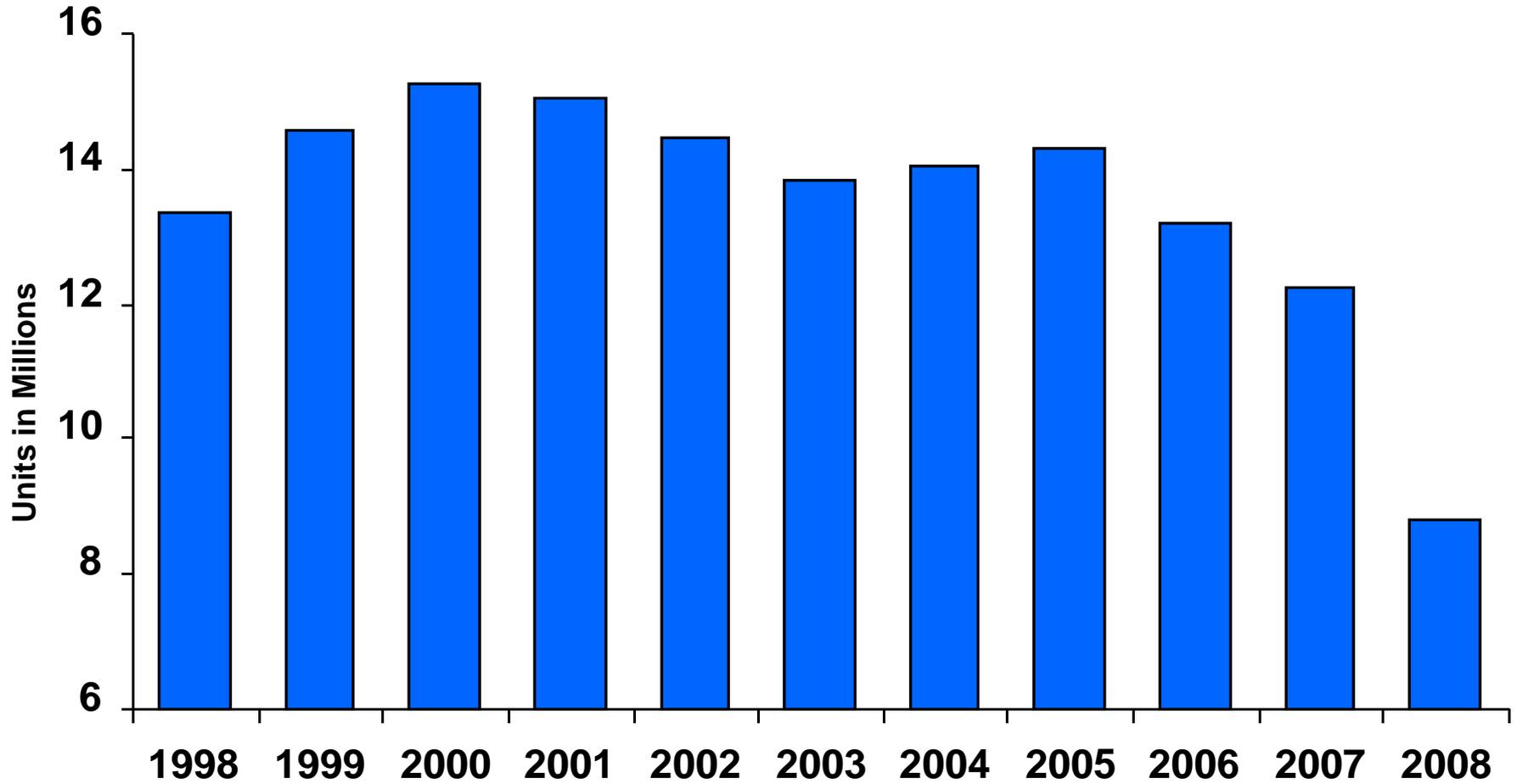
Subprime & Alt-A Mortgage Loan Origination



Sources: Inside Mortgage Finance



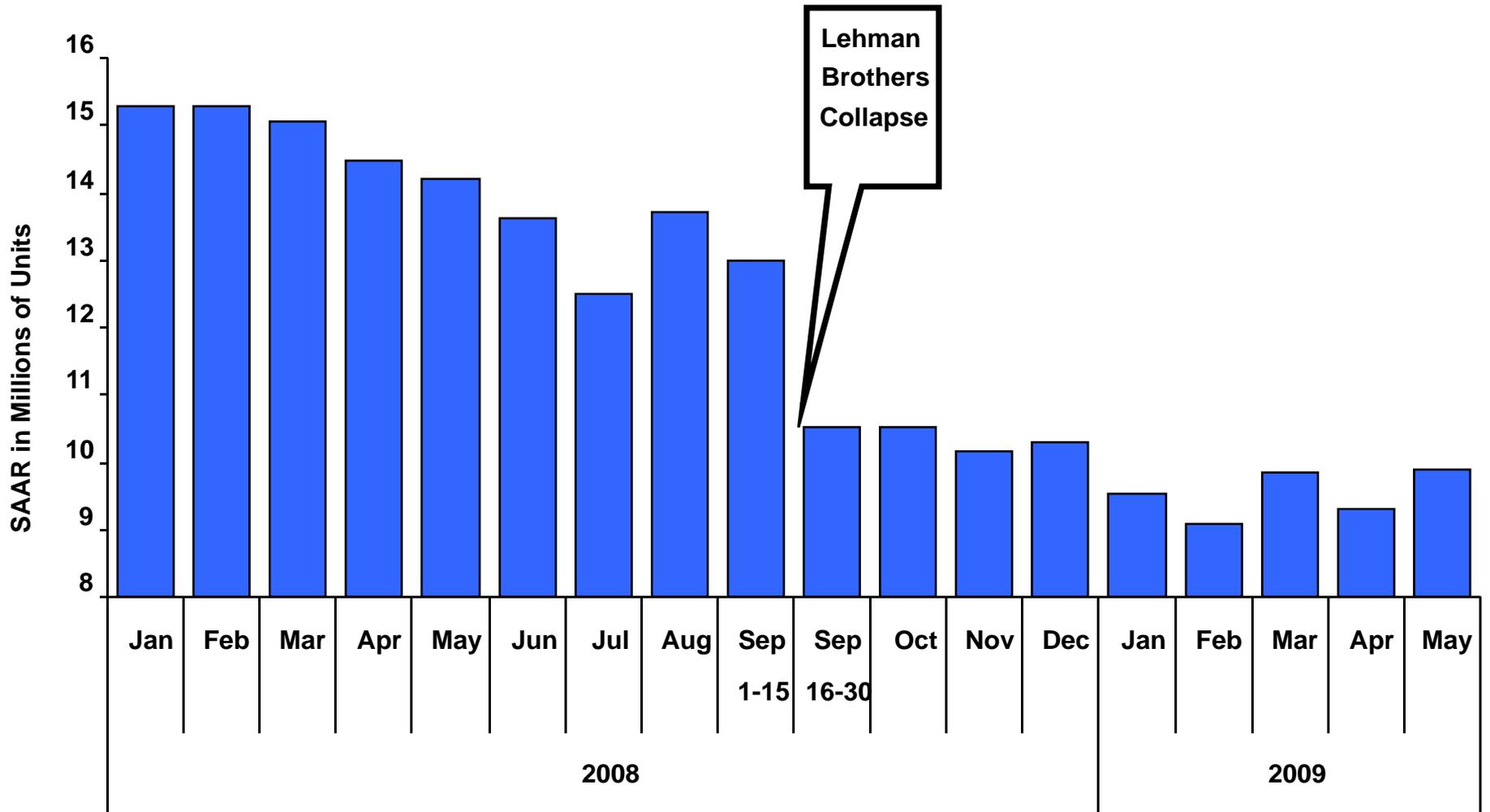
Auto Retail Sales Full Year



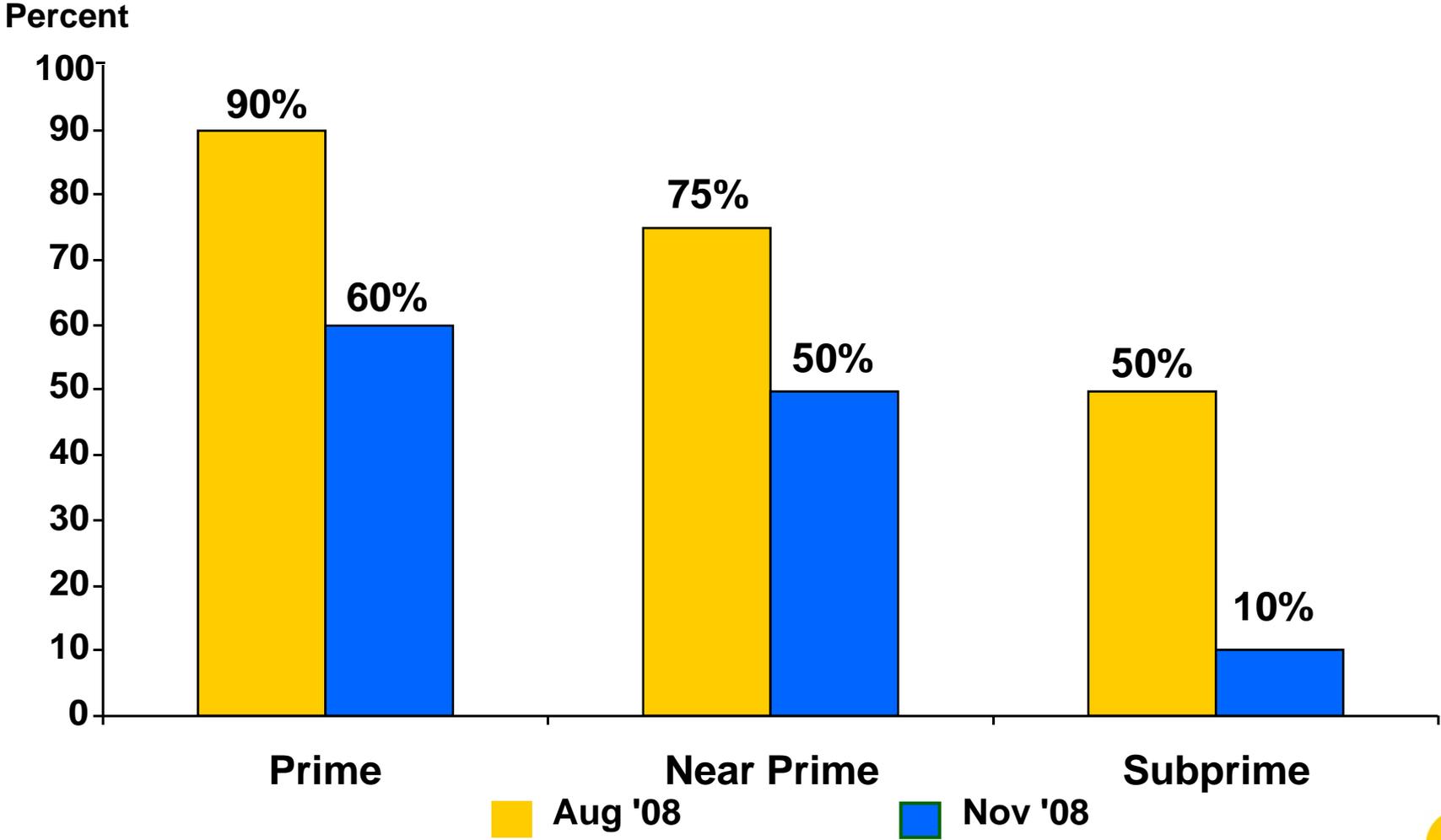
Source: CNW



Monthly SAAR



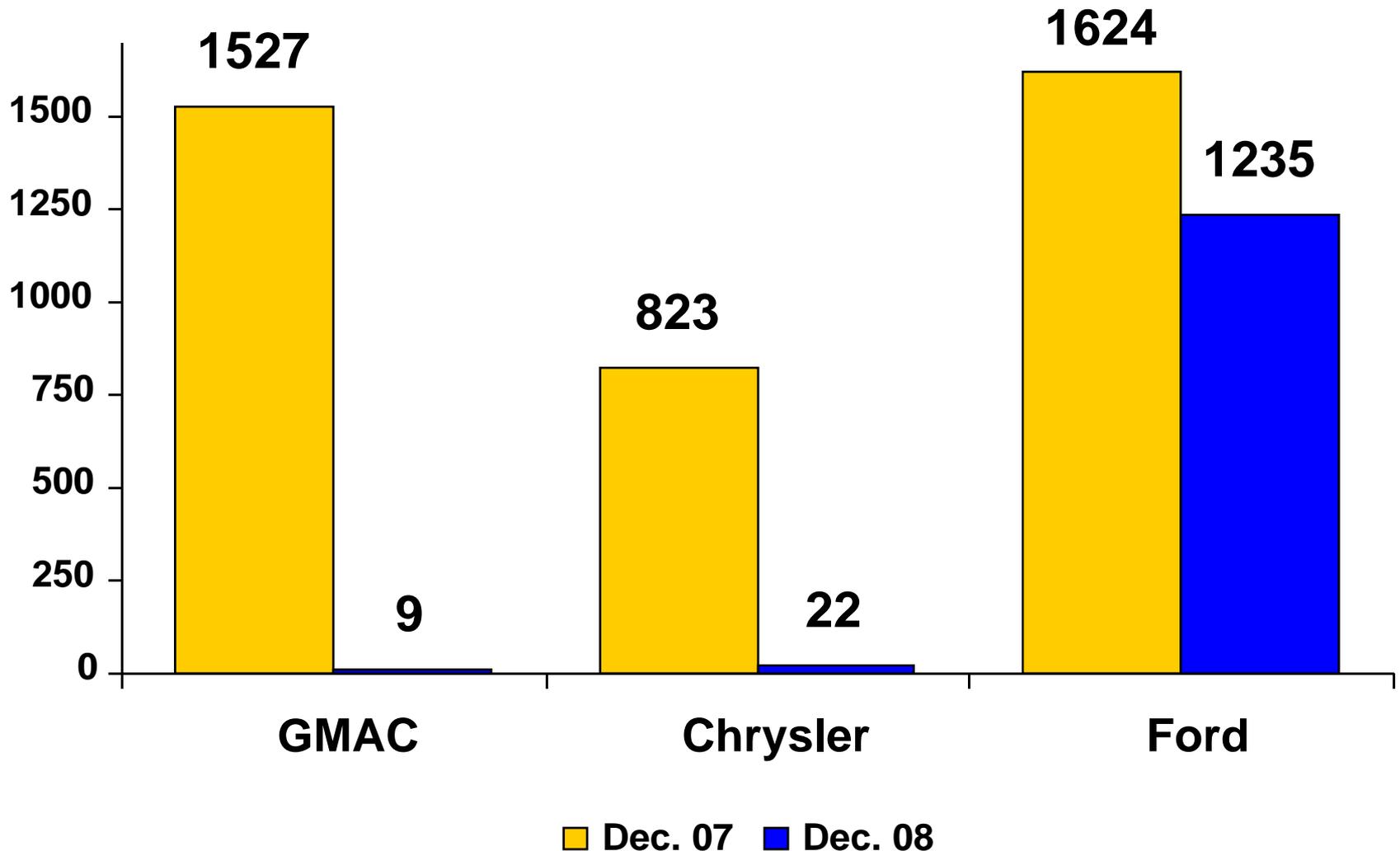
Auto Loans



Source: CNW Data / AutoNation Data



Captive Finance Companies Loan Acceptance

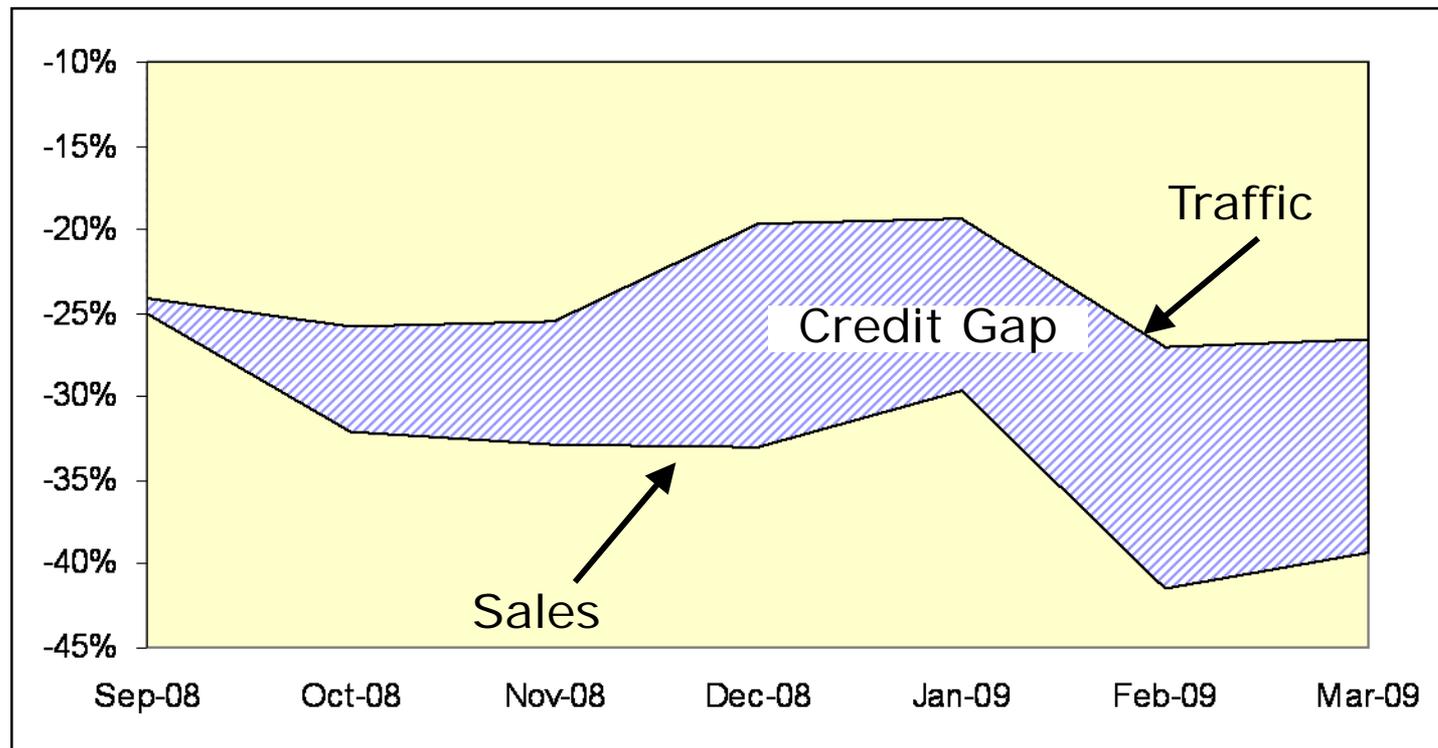


Source: AutoNation



AutoNation Traffic vs. Sales – Year over Year

- Post Lehman Brothers, AutoNation identified an increasing gap between our customer traffic and unit sales due to lack of available credit.

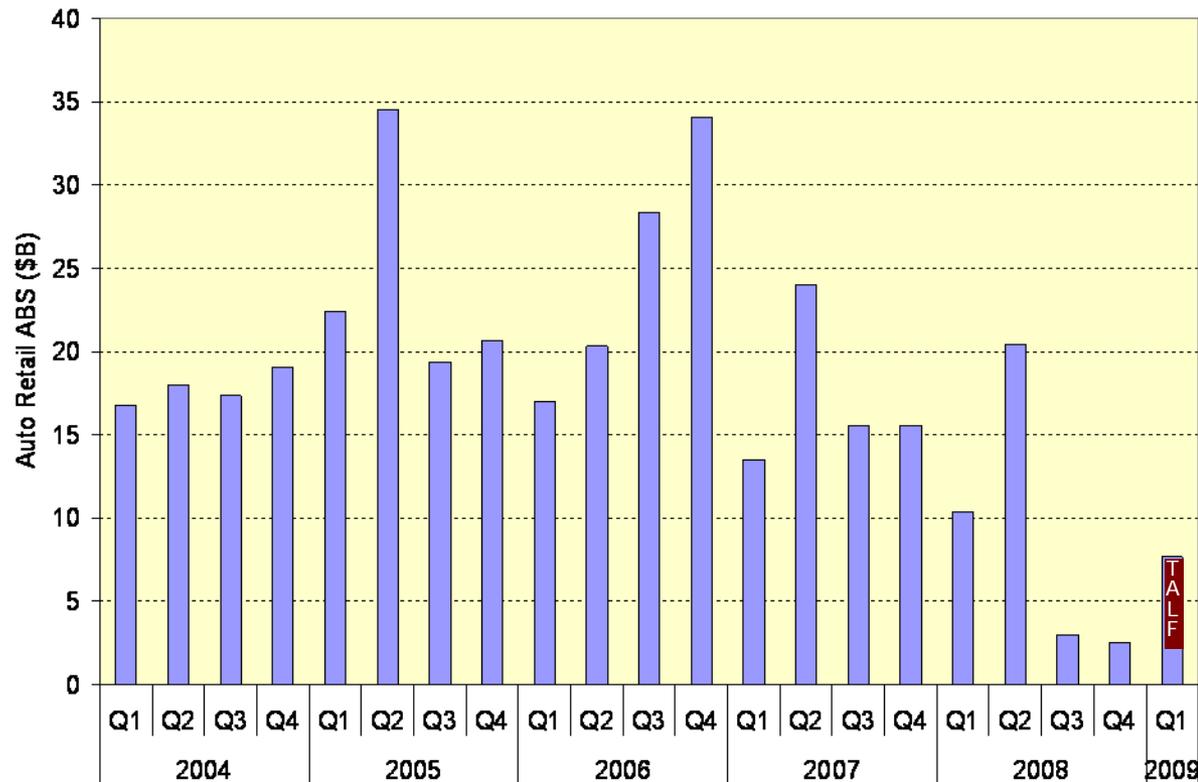


Source: AutoNation Analysis

Auto Retail Credit Situation Assessment

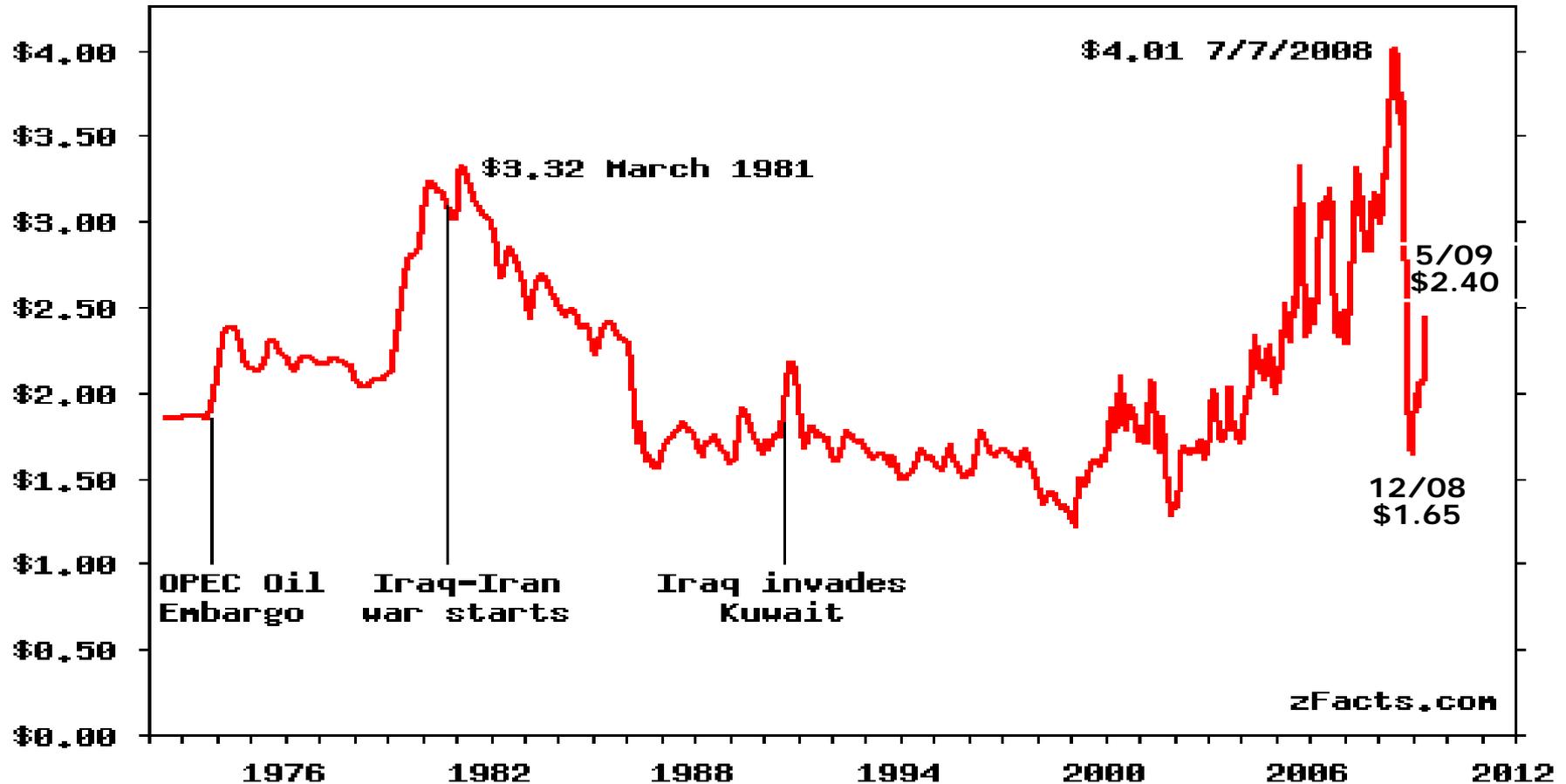
- The Auto ABS market collapsed in the second half of 2008.
- A healthy securitization market has been critical to providing liquidity to auto retail lenders.

- The inability of lenders to sell these loans into the secondary market has limited their ability to approve new loans.
- TALF has contributed to some recovery. However, more will have to be done to make this market fully functional.
 - Allow credit enhancement on auto ABS to enable it to meet TALF eligibility standards.
 - Eliminate mark to market on non-TALF auto ABS.

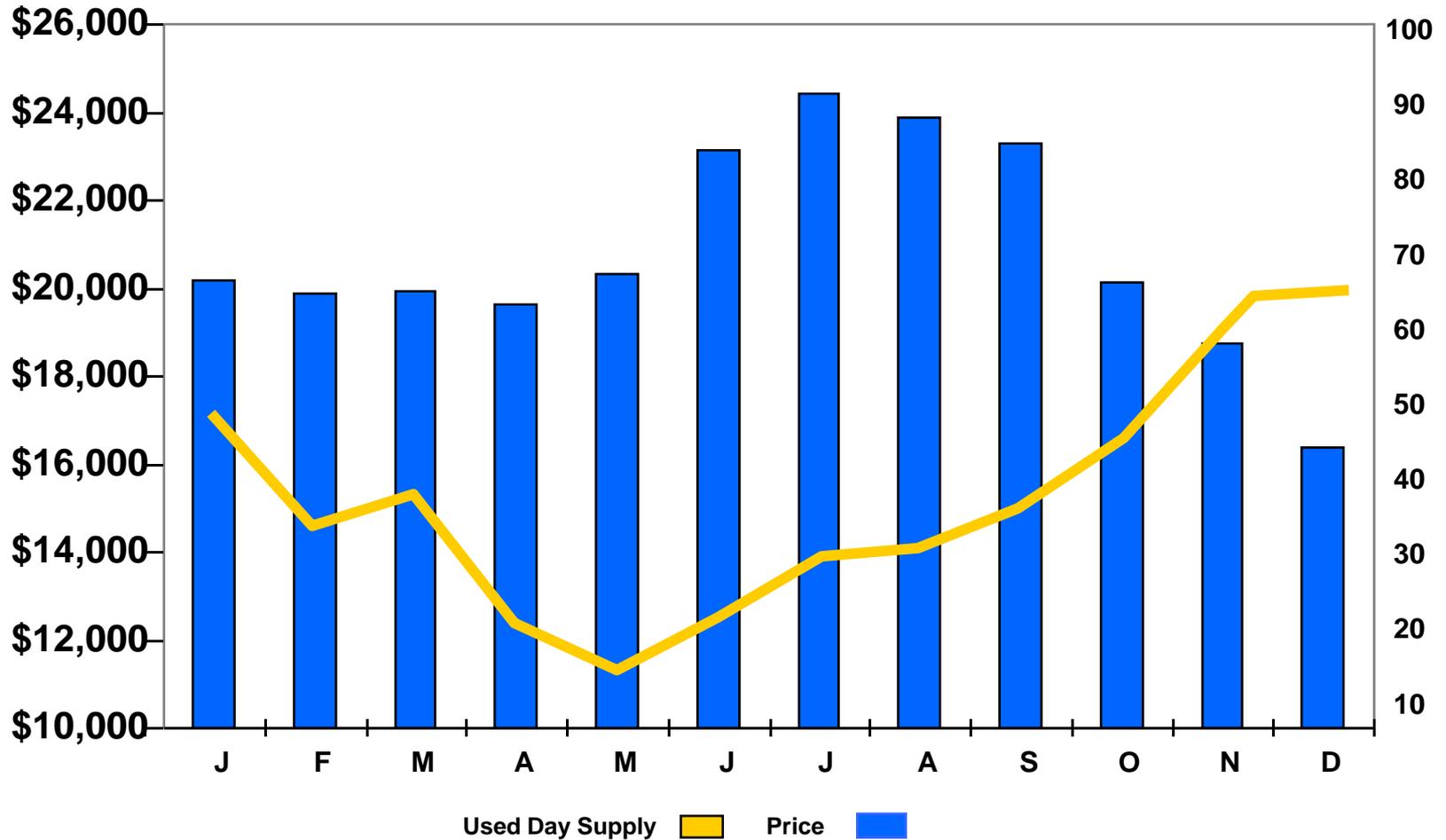


Gasoline Prices

Regular Gasoline Price in Today's Dollars (5/25/2009)



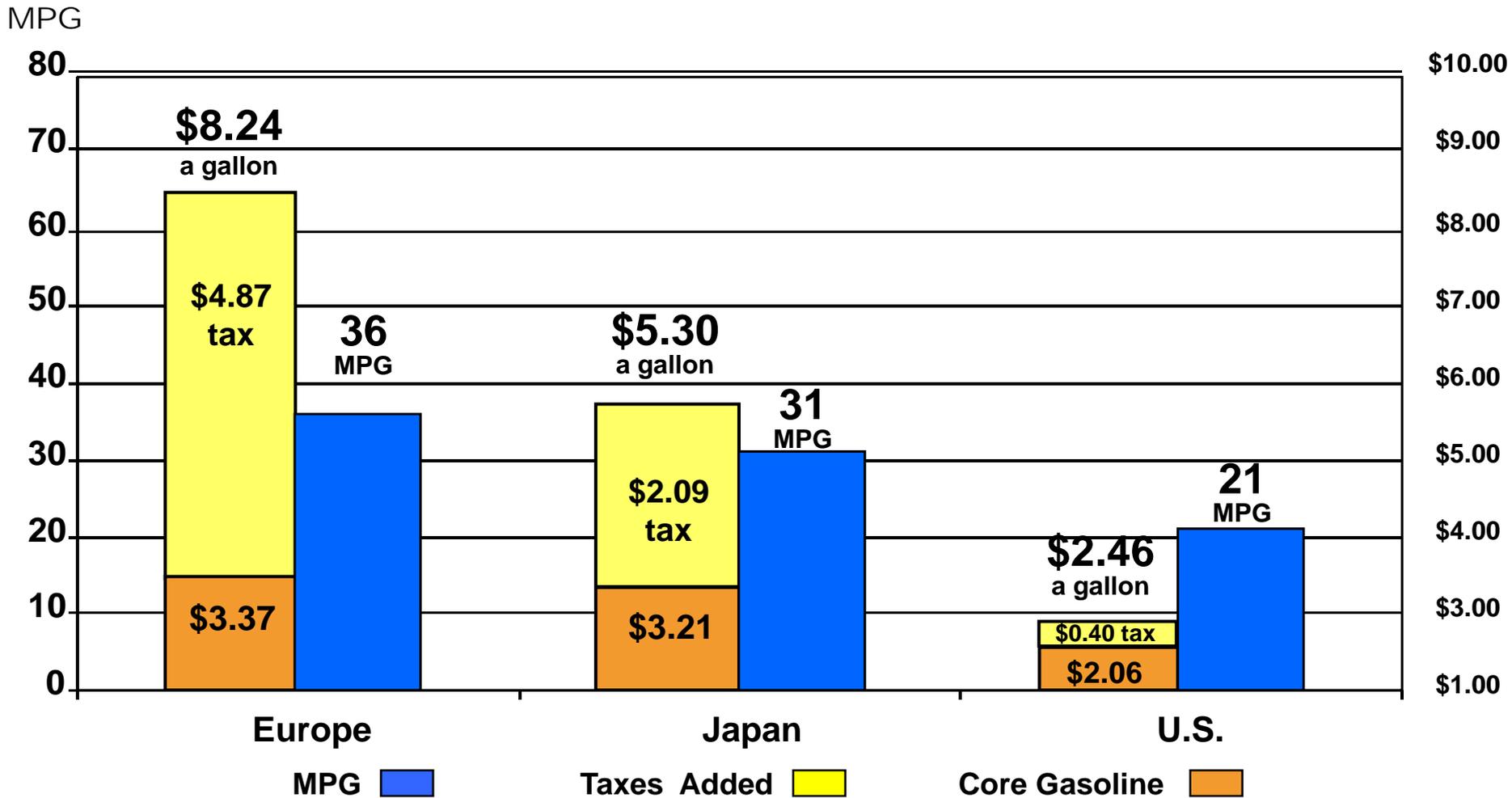
Used Prius Value



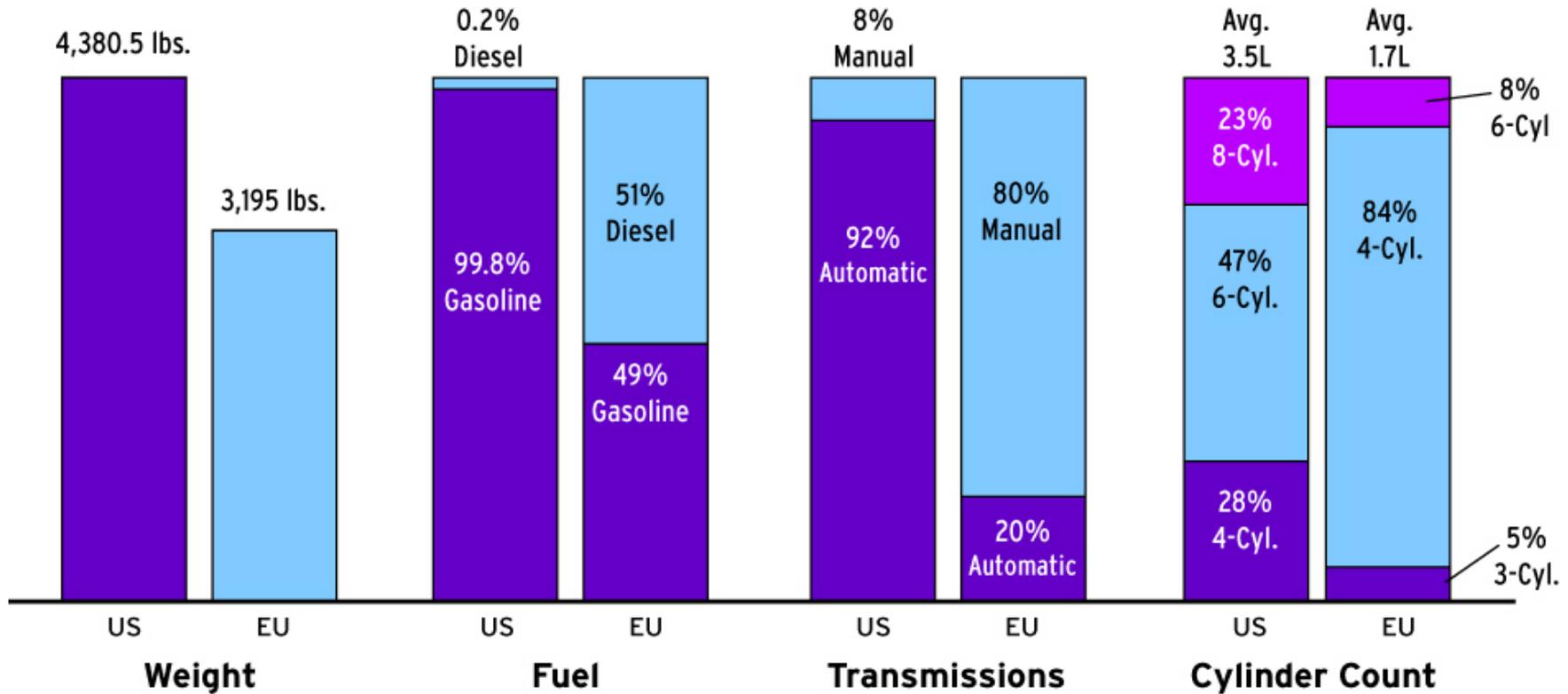
Source: AutoNation



Gas Prices vs. Fuel Efficiency



Autos in Europe (\$6/gallon gas = 36 m.p.g.) vs. United States (\$3/gallon gas = 21* m.p.g.)

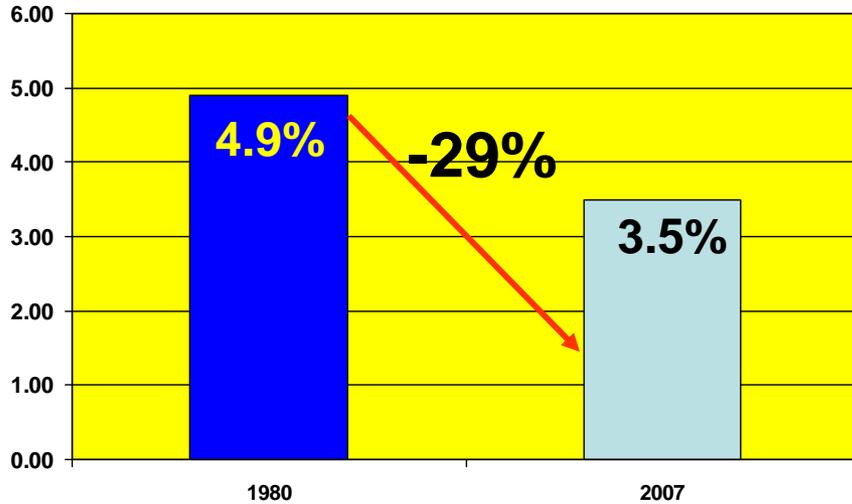


Source: <http://www.epa.gov/otaq/cert/mpg/fetrends/420r06011.pdf>,
http://www.acea.be/files/Averages%20Power%20CC-PC-90-06_0.pdf, <http://www.acea.be/files/DIESEL-PC-90-06.pdf>

*Adjusted fuel economy

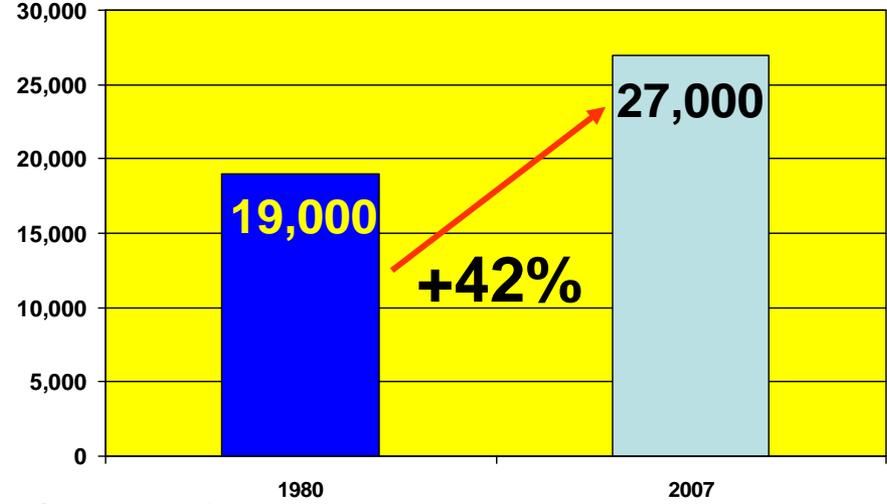
Energy In America

Consumer Expenditures Gas & Oil - % Of Personal Income



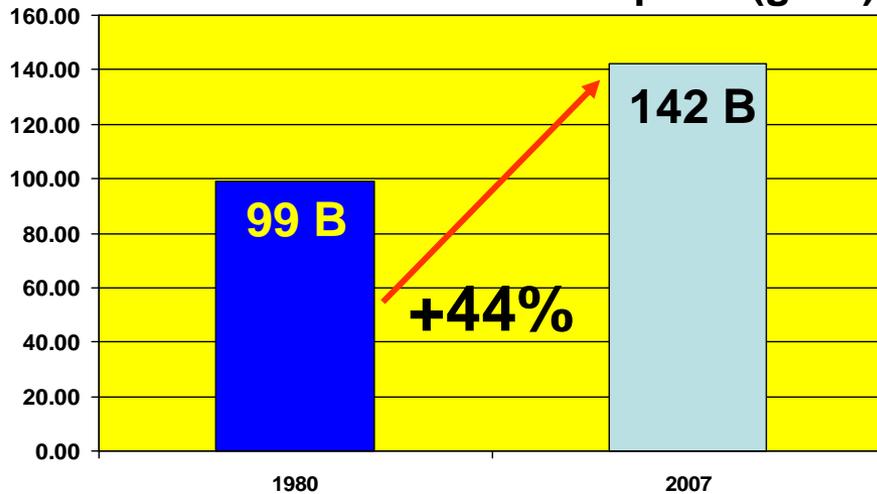
Source: Bureau of Economic Analysis

Miles Driven Per Household



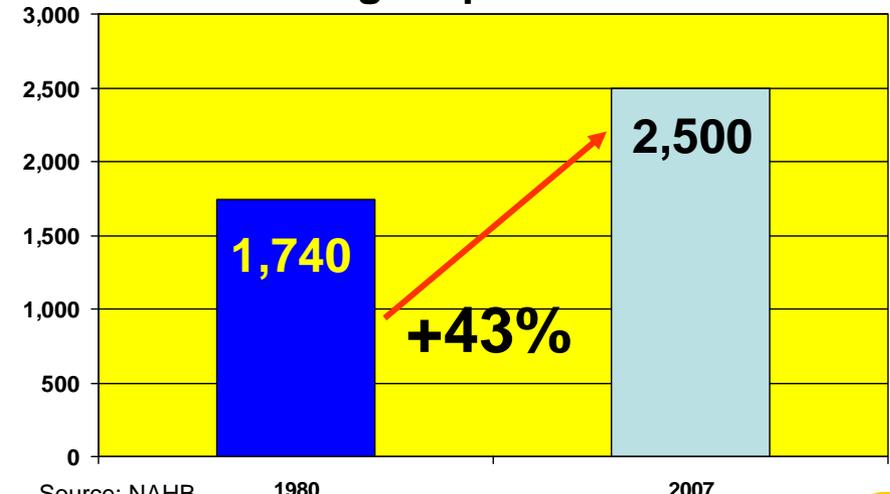
Source: Dept. of Energy & Transportation

Motor Gasoline Consumption (gals.)



Source: Dept. of Energy

Average Sq. Ft. - Homes



Source: NAHB

■ 1980 ■ 2007

■ 1980 ■ 2007

1980 - Avg. age of vehicles 6.6 years / 2007 Avg. age of vehicles 9.2 years 39%



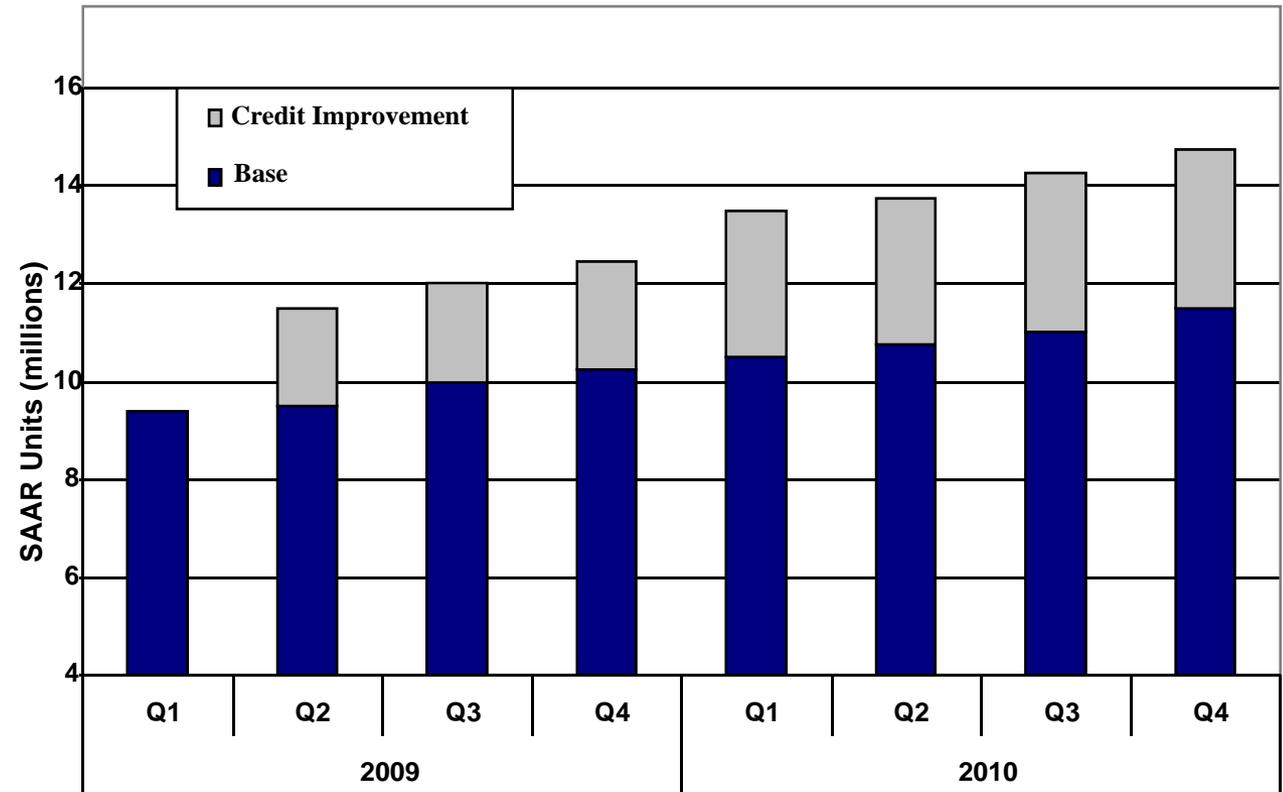
Consumers Perspective

	Technology Price	Fuel Economy	Range	Fuel Availability
Direct Gas Injected/ Turbo Green	●	●	●	●
Diesel	●	●	●	●
Hybrid	●	●	●	●
E-85	●	●	●	●
CNG	●	●	●	●
Plug in Hybrid	●	●	●	●
Electric w/ Range Extender	●	●	●	●
Hydrogen	●	●	●	●



SAAR forecast based on credit improvement

- Assuming normalized credit conditions and a moderate recovery in the core volume forecast, the SAAR would approach 11.3mm units and 14.1mm units in 2009 and 2010 respectively.
- Improved credit would contribute 1.6mm of that growth in 2009 and 3.1mm in 2010.



Four Things That Need To Happen

- Credit normalization
- Lower mortgage rates to stabilize housing
- Automotive Stimulus
- Energy Policy



Q&A Discussion