



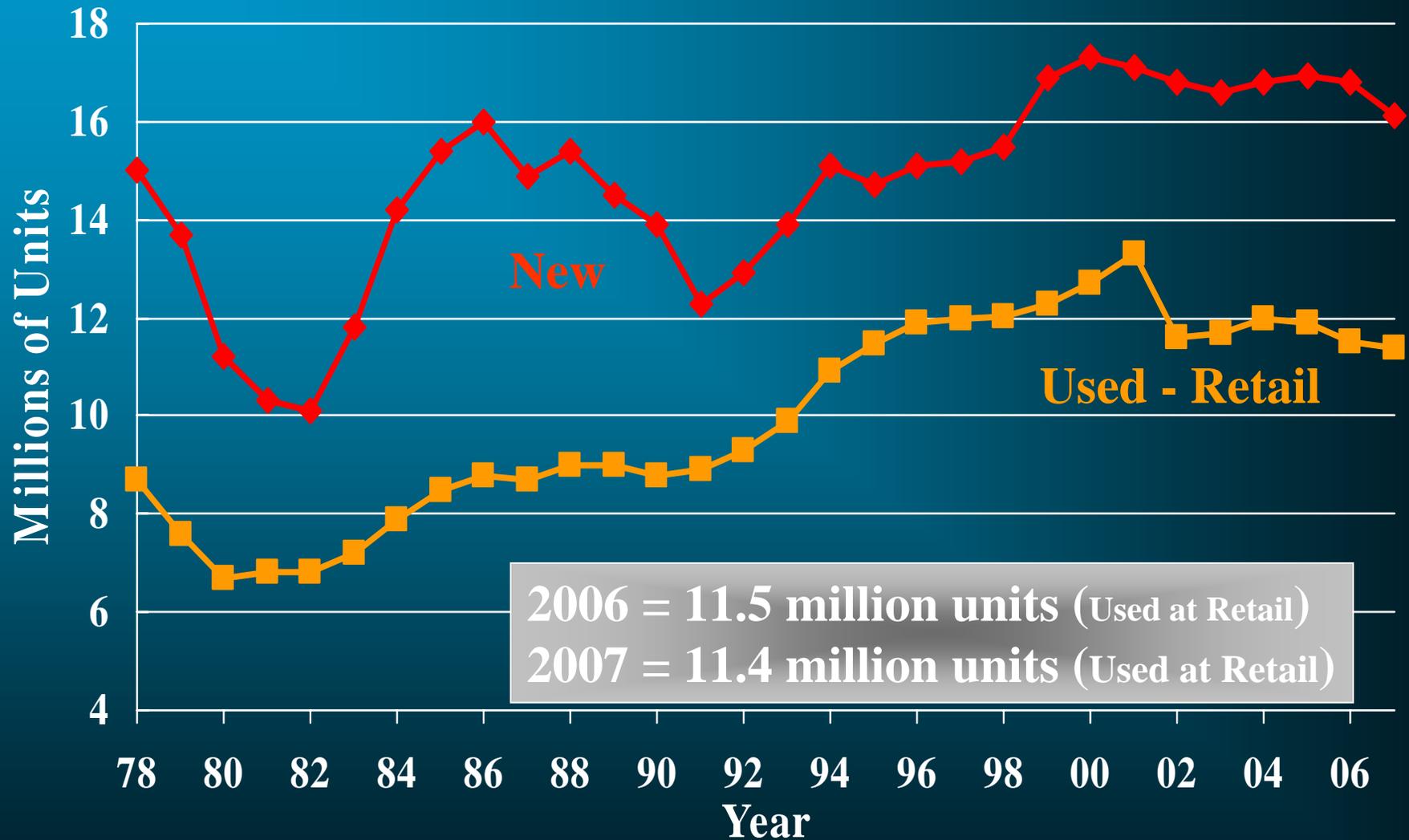
Retail Light Vehicle Outlook

Fifteenth Annual
Automotive Outlook Symposium

Detroit, Michigan
June 6, 2008

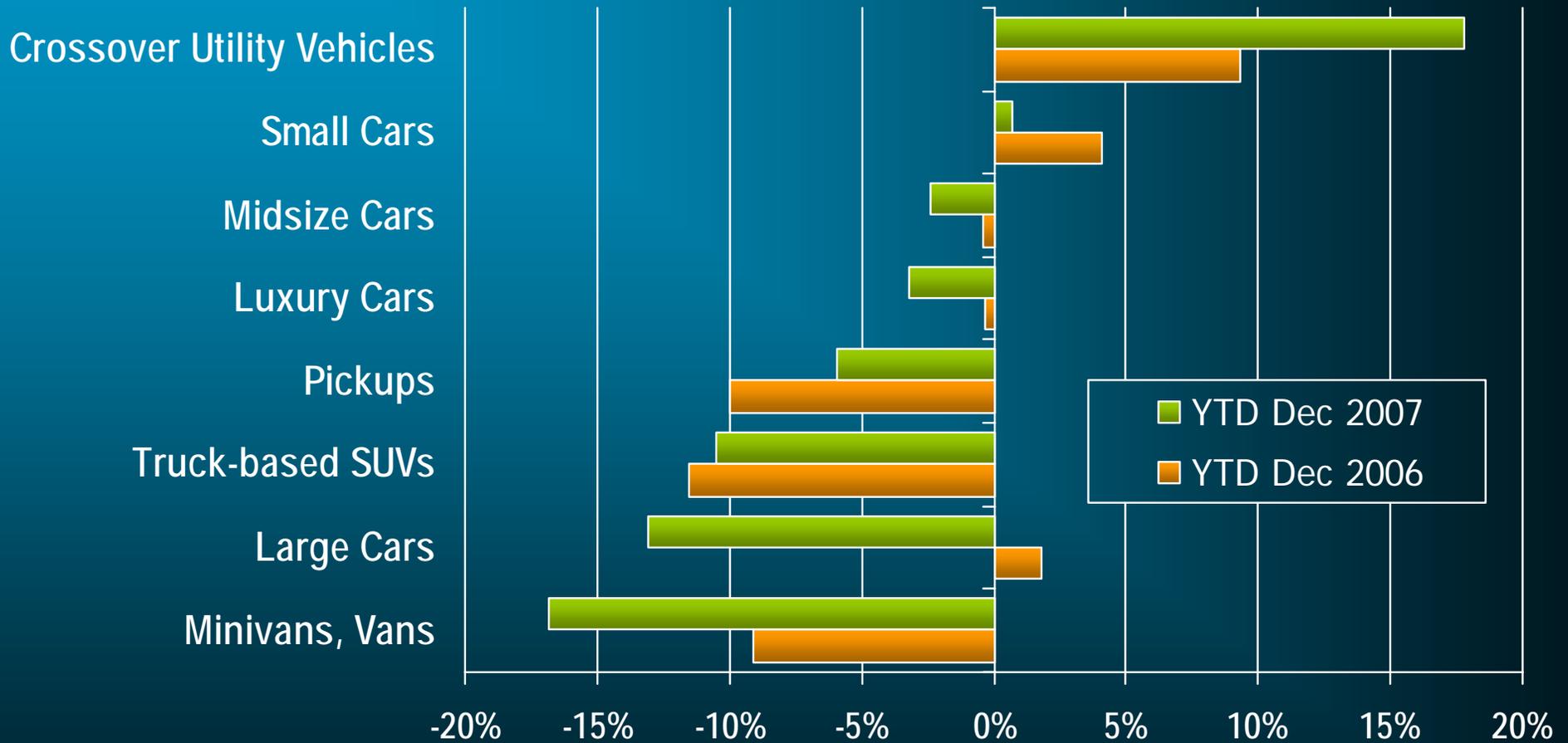
Paul Taylor, NADA Chief Economist
National Automobile Dealers Association
www.nada.org

U.S. Retail New & Used Unit Sales



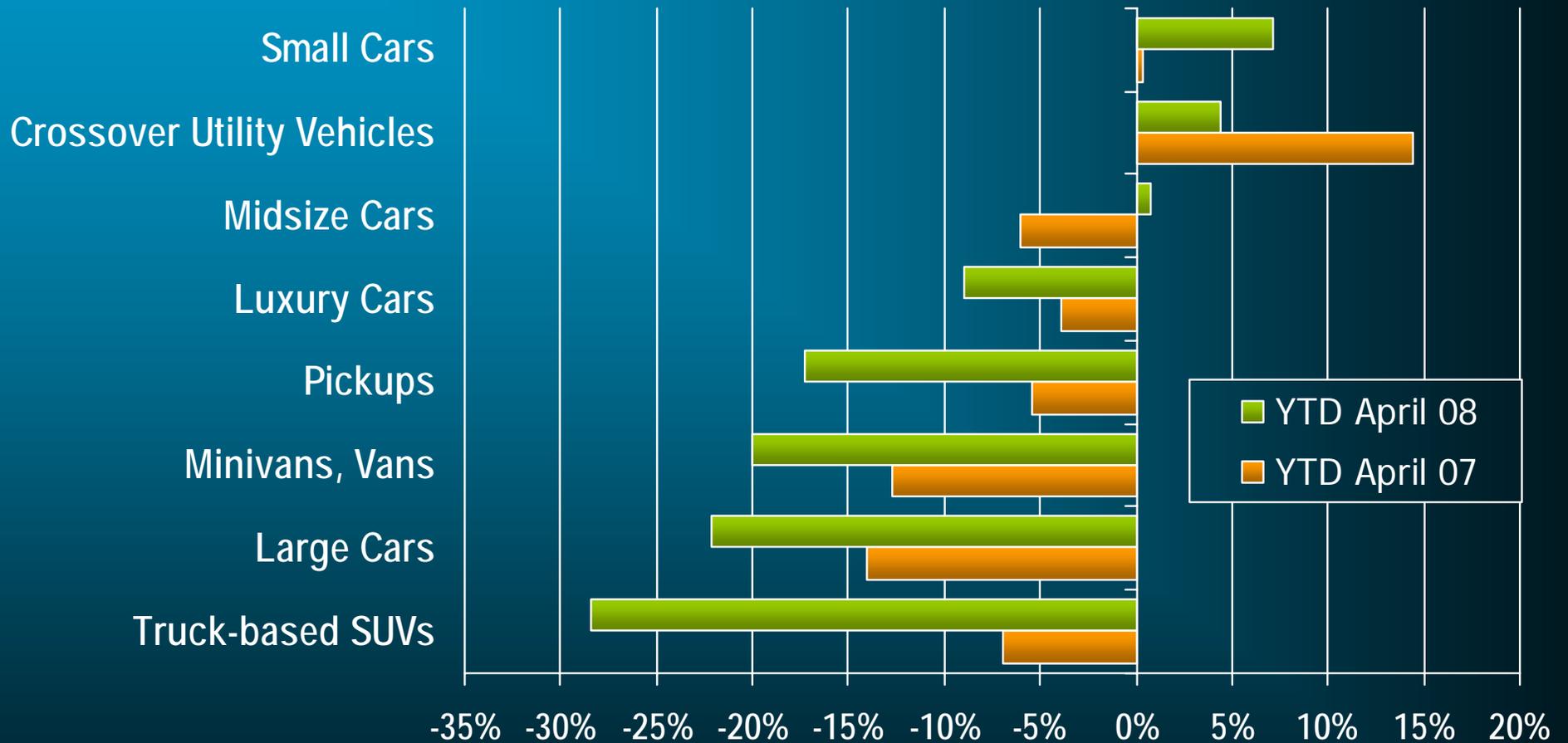
Crossovers: Only Segment with Strong Growth in 2007

Small Car Sales Up 0.8 Percent in 2007



Source: Ward's Automotive

Crossovers, Small and Midsize Cars: Growth in Sales, Year-to-Date April, 2008

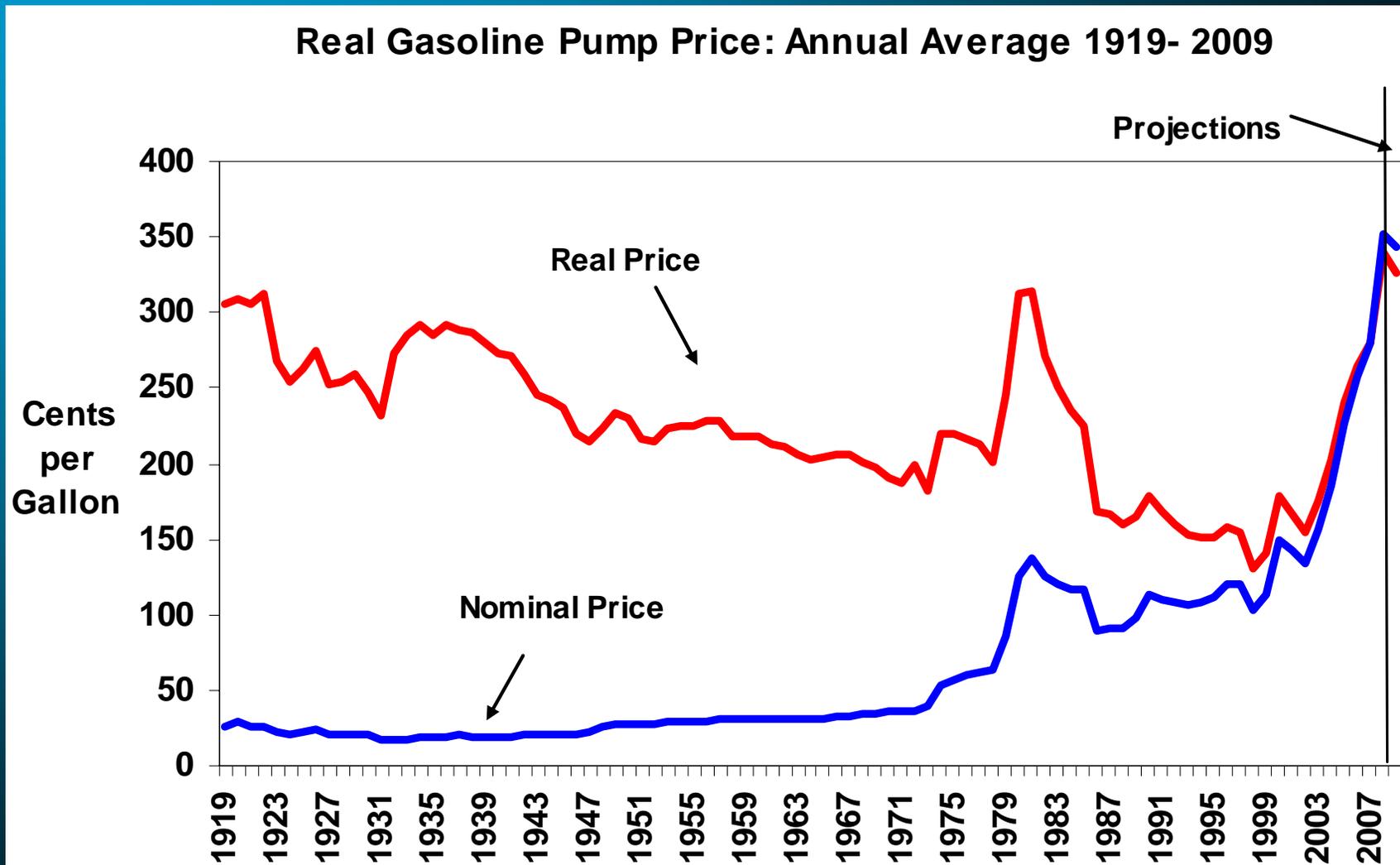


Source: Ward's Automotive

What's Ahead? Two Sources of Continued Headwinds for the Economy

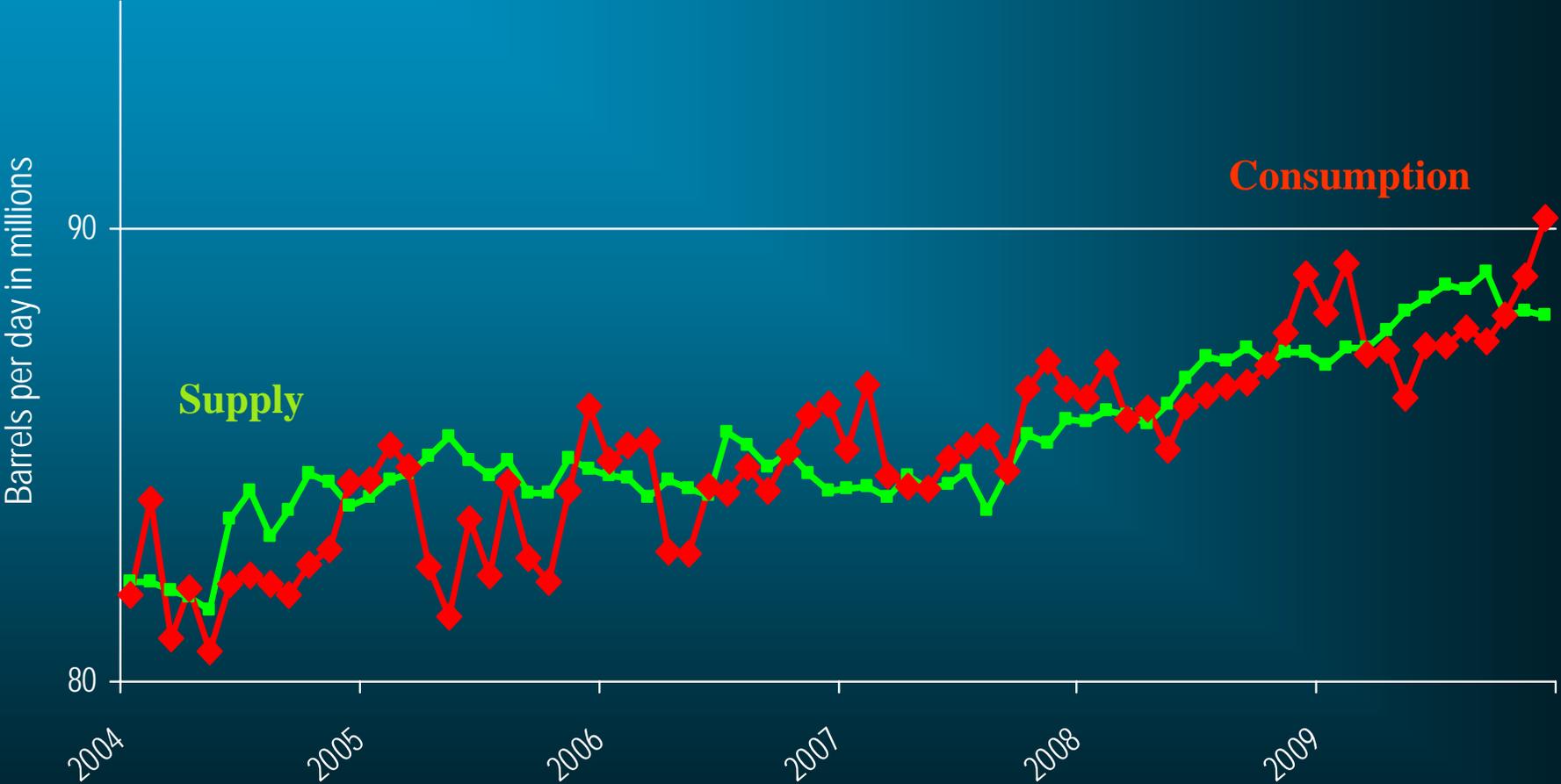
- 1. Energy Prices and “Food at Home” Prices Drain Money from Consumer Budgets in Gasoline Costs, Home Heating and Cooling Costs and Food Costs
- Result: Less Profitable Mix of Light Vehicle Sales with Fewer Large Light Trucks. CAFÉ and State Regulations Speed These Changes
- 2. Residential Real Estate Slowdown Induces Slowdown in Spending by Consumers as Net Household Wealth Falls for Homeowners
- Result: New Light Vehicle Sales Levels Drop Below 16 Million Annual Units in 2008 and Used Truck Prices and Sales Soften

Is the Longterm Trend of Falling Real Gas Prices Over ?



Short Term Energy Outlook-May 2008

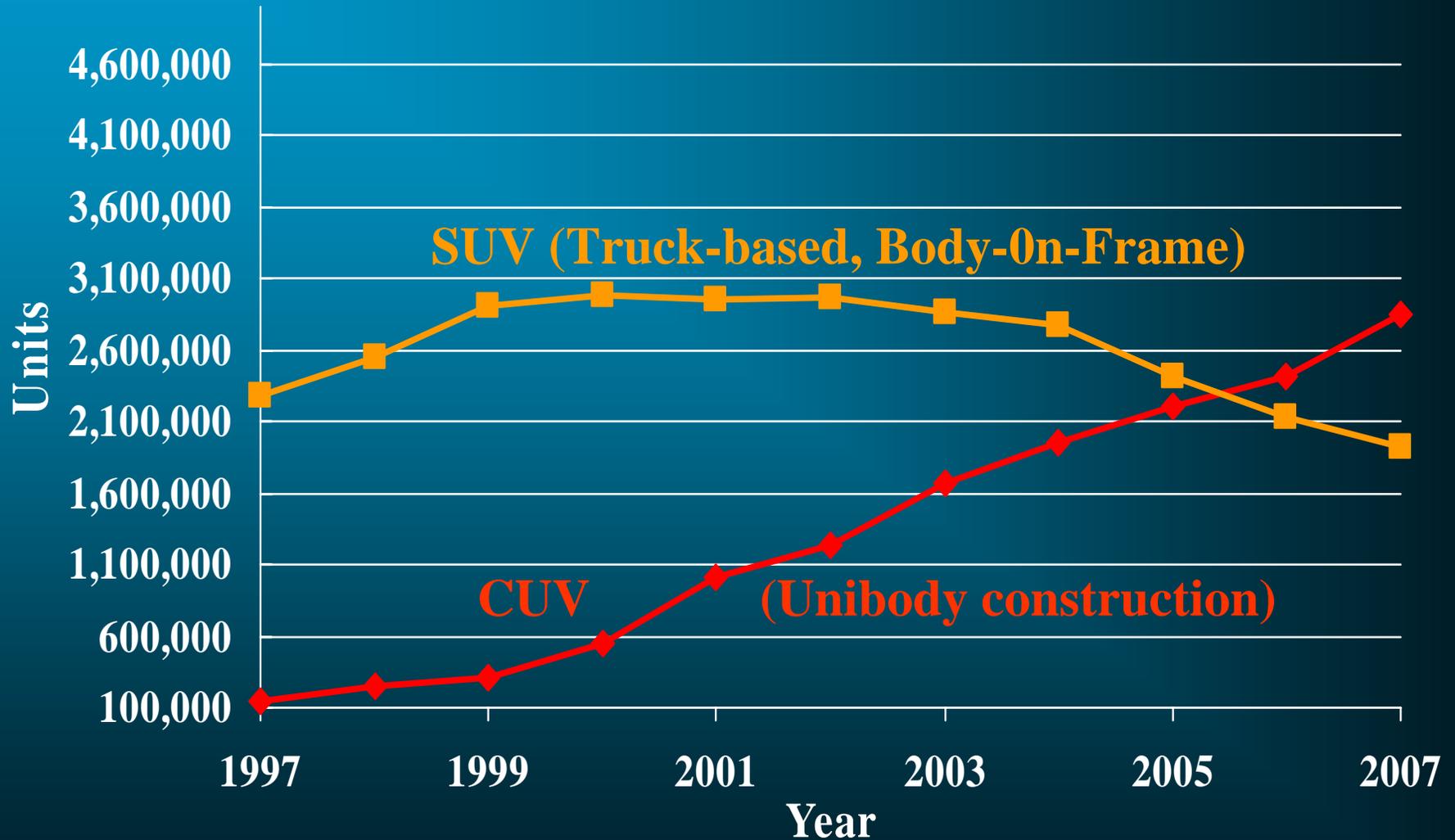
Petroleum: World Supply and Consumption



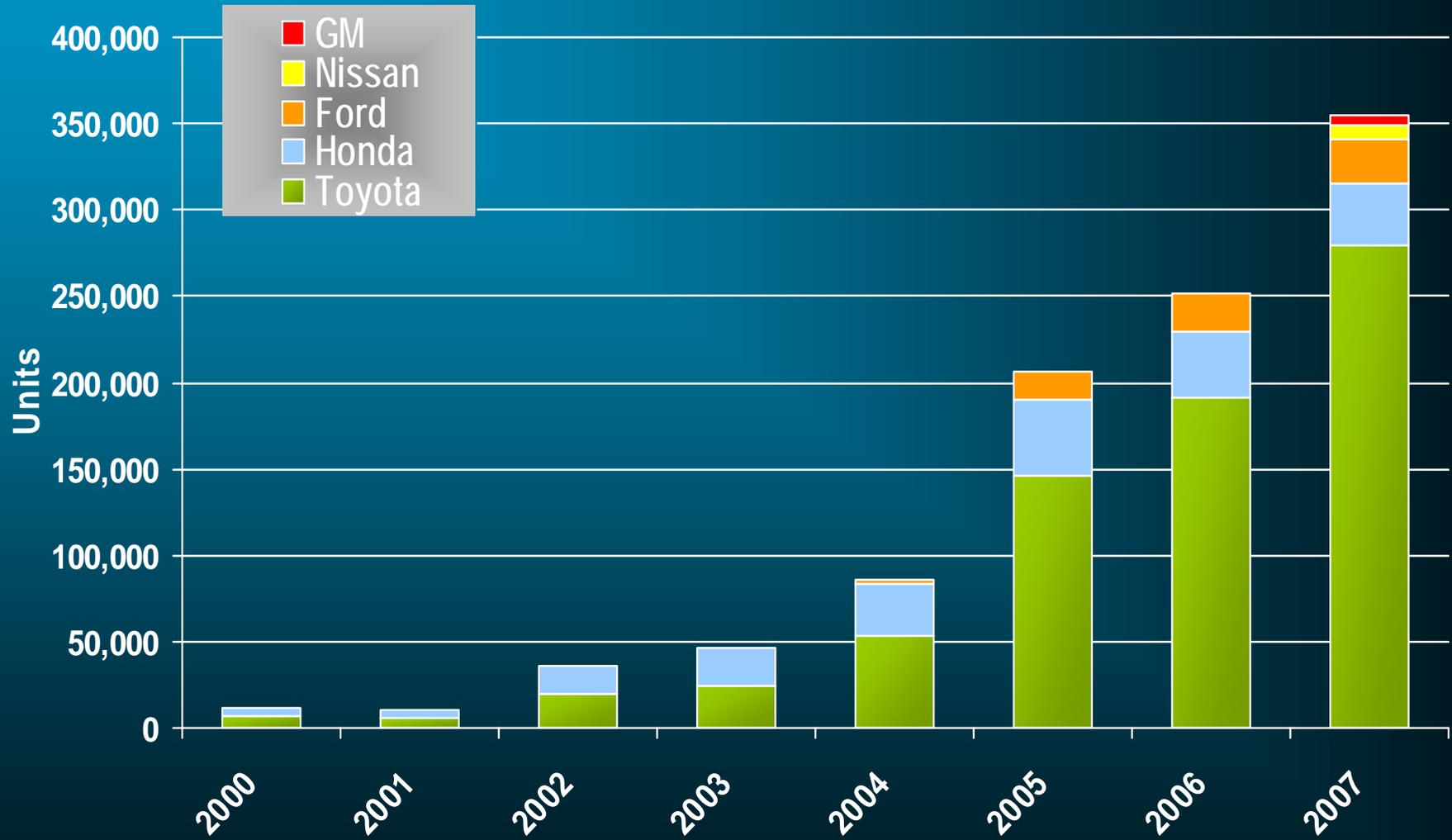
Source: Energy Information Administration

U.S. Retail New SUV & CUV Sales

Crossovers were Only Sales Segment with Double Digit Growth in 2007

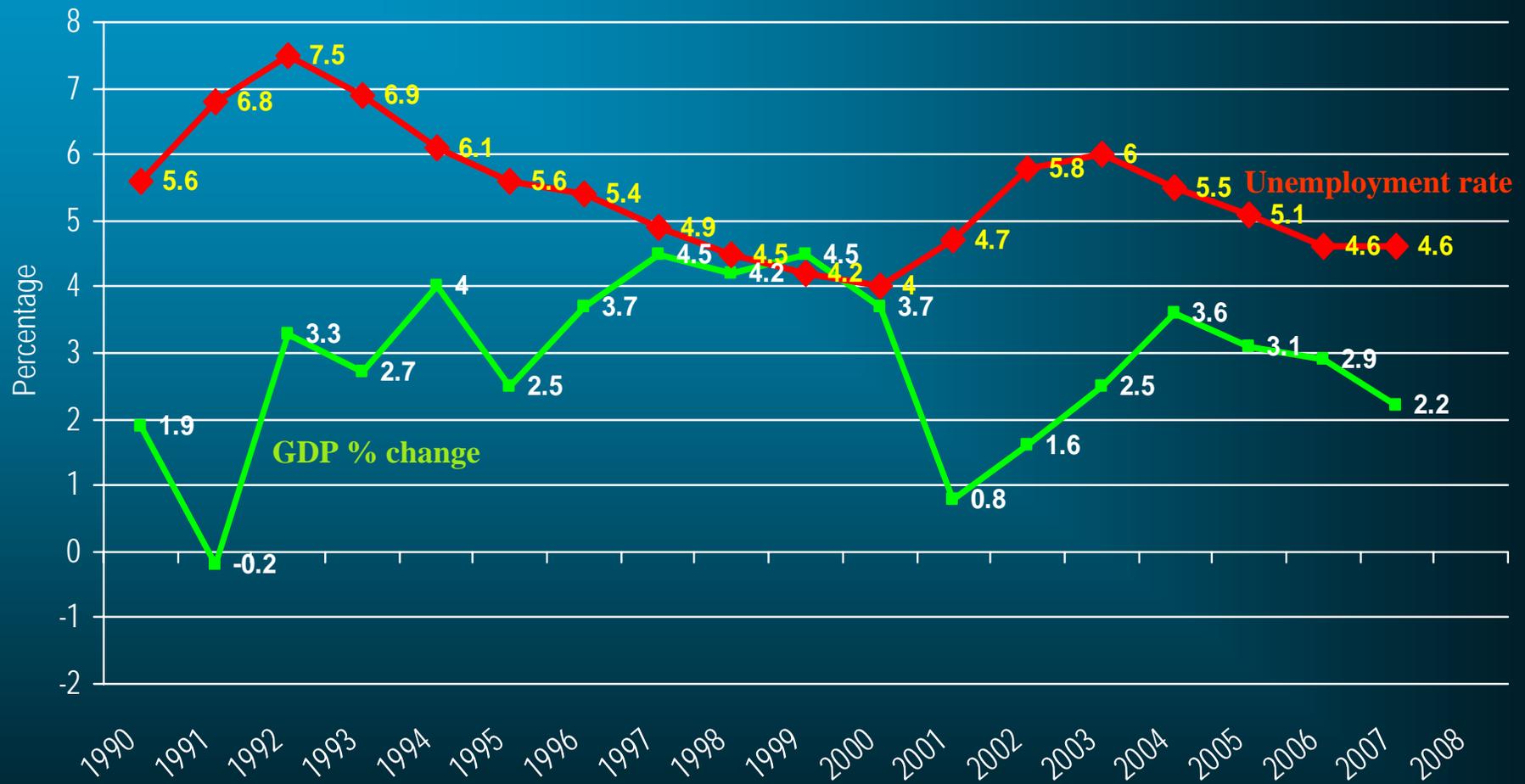


New Hybrid Vehicle Sales: Over 350,000 Units Sold in 2007



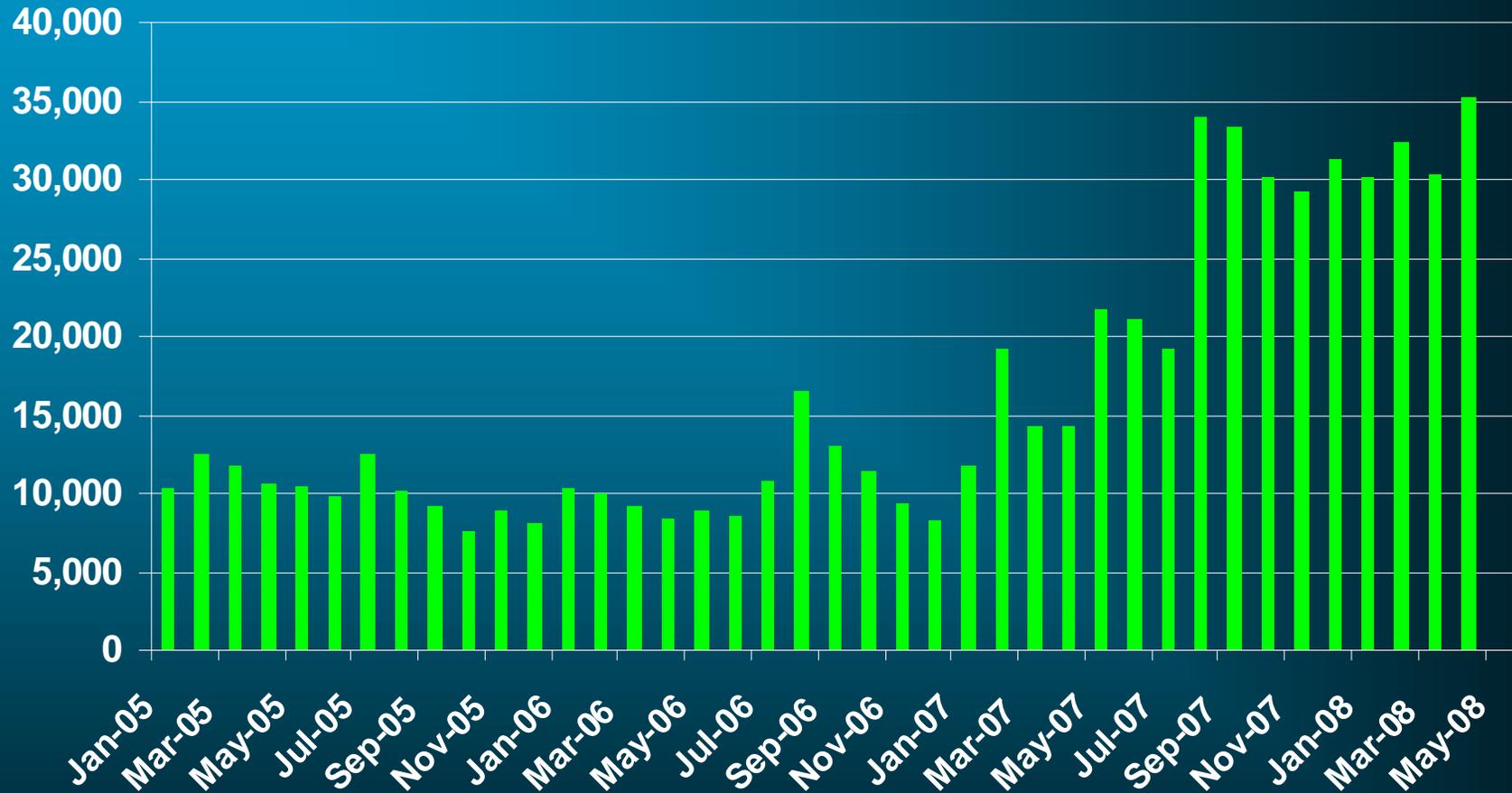
Source: Ward's Automotive

Annual National Unemployment Rate vs. Real GDP Percentage Change From Preceding Year

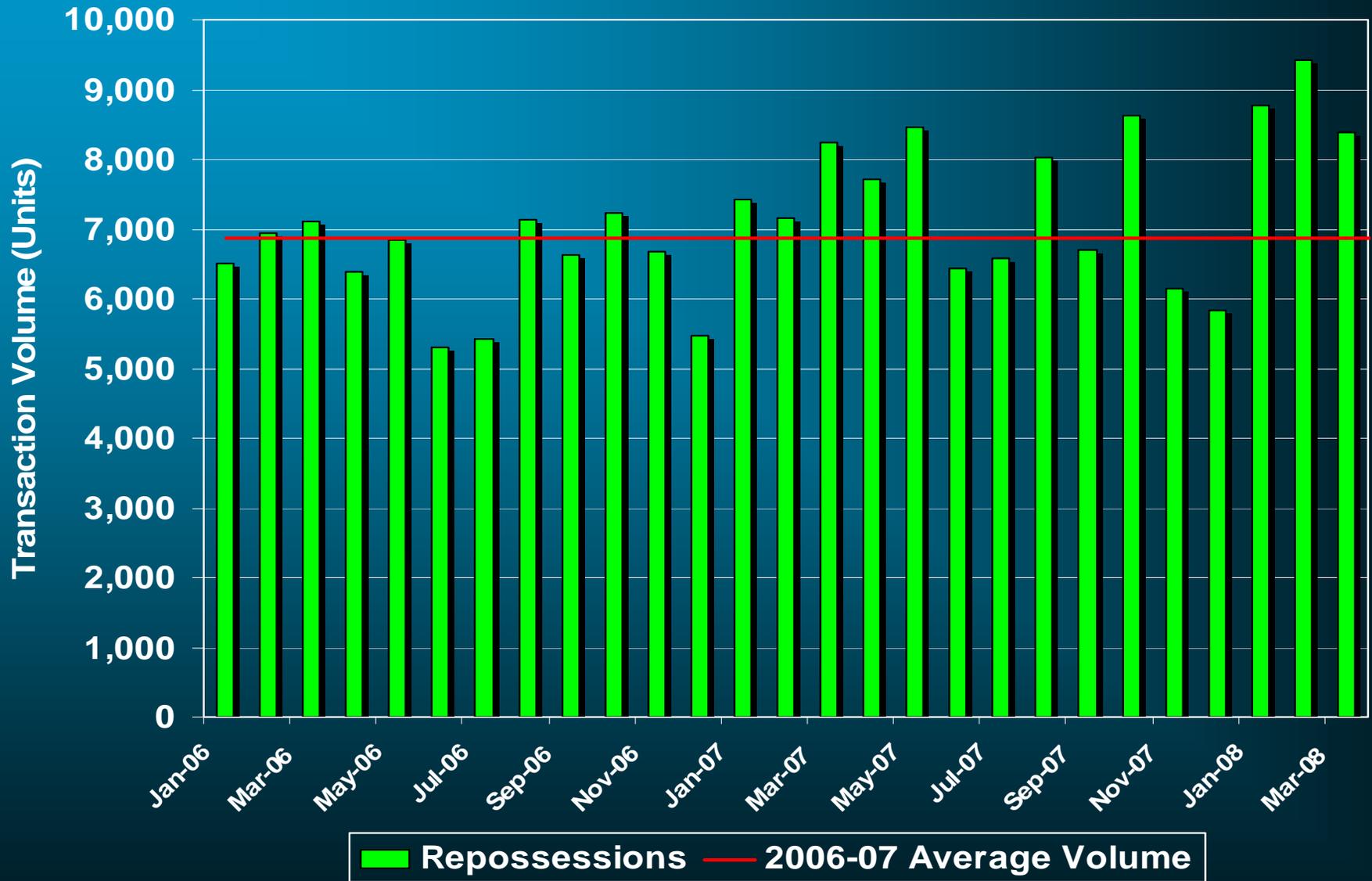


Source: BEA U.S. Department of Commerce, BLS

Case Study: Florida Residential R.E. Foreclosure Filings Monthly, January 2005 to May 2008

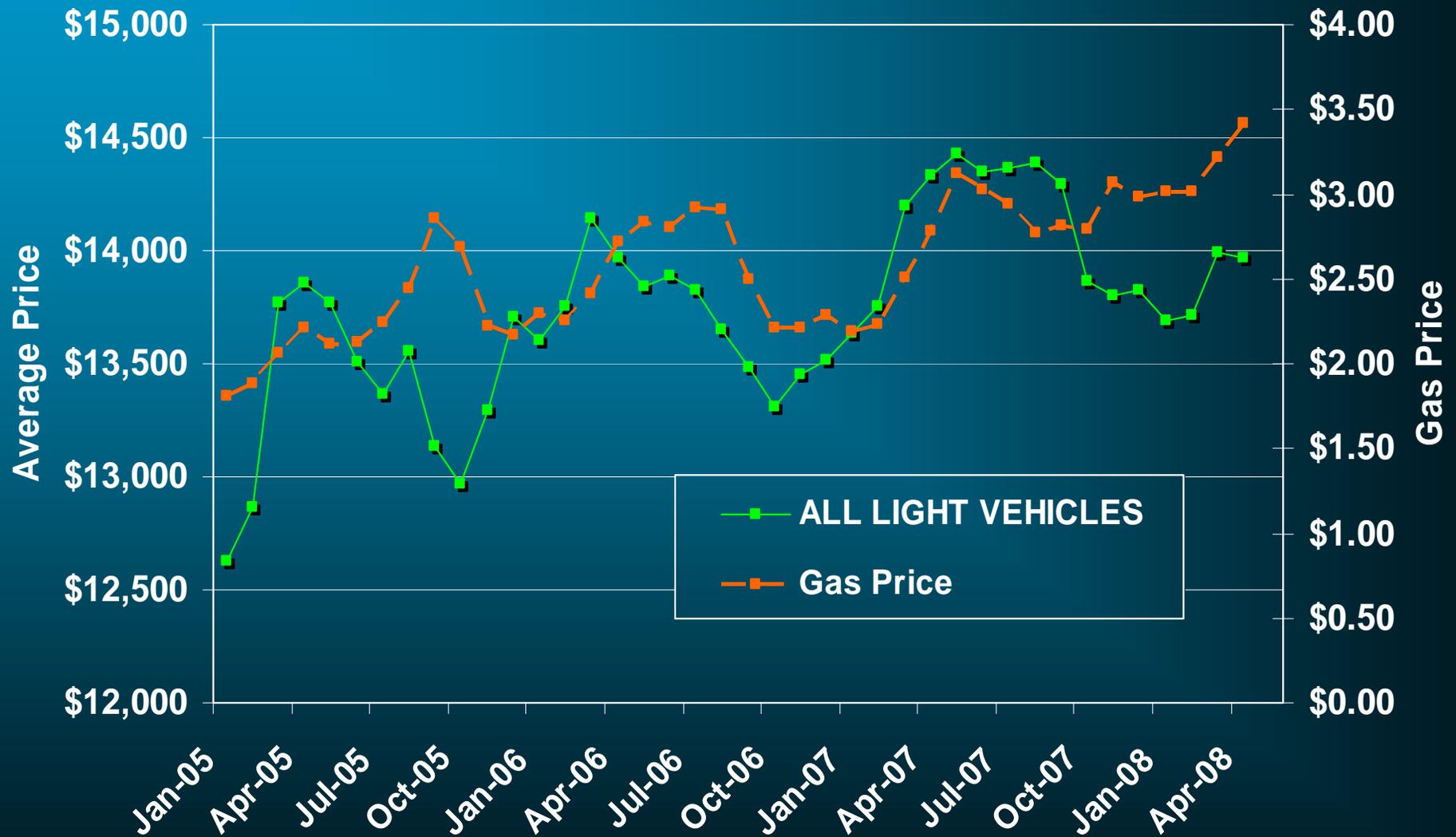


Monthly Volume of Repossessed Light Vehicles Purchased at Wholesale Auctions in the AuctionNet Database



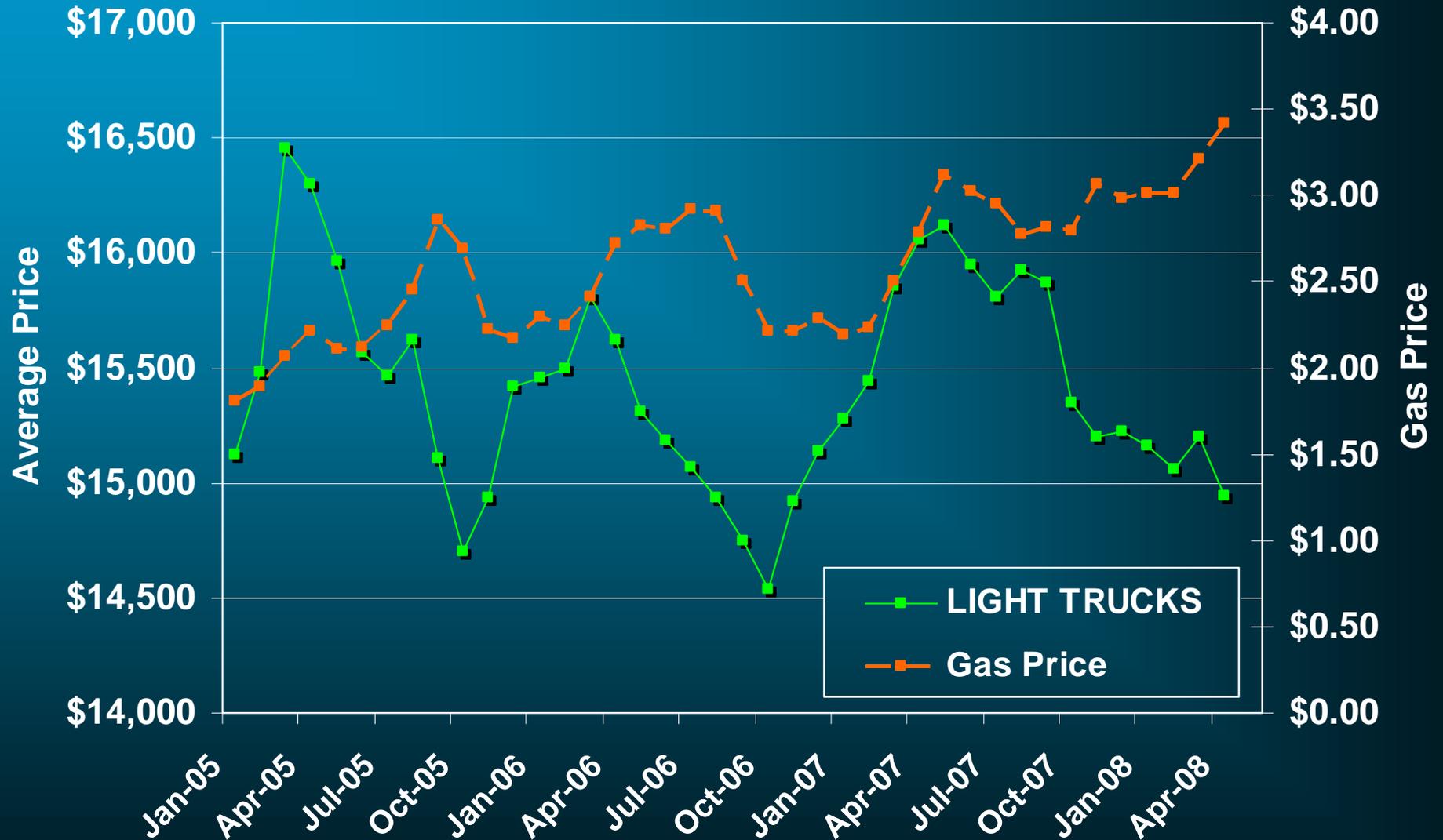
Source: AuctionNet (NADA Guides and NAAA)

AuctionNet Wholesale Used Car Prices and Gas Prices All Light Vehicles



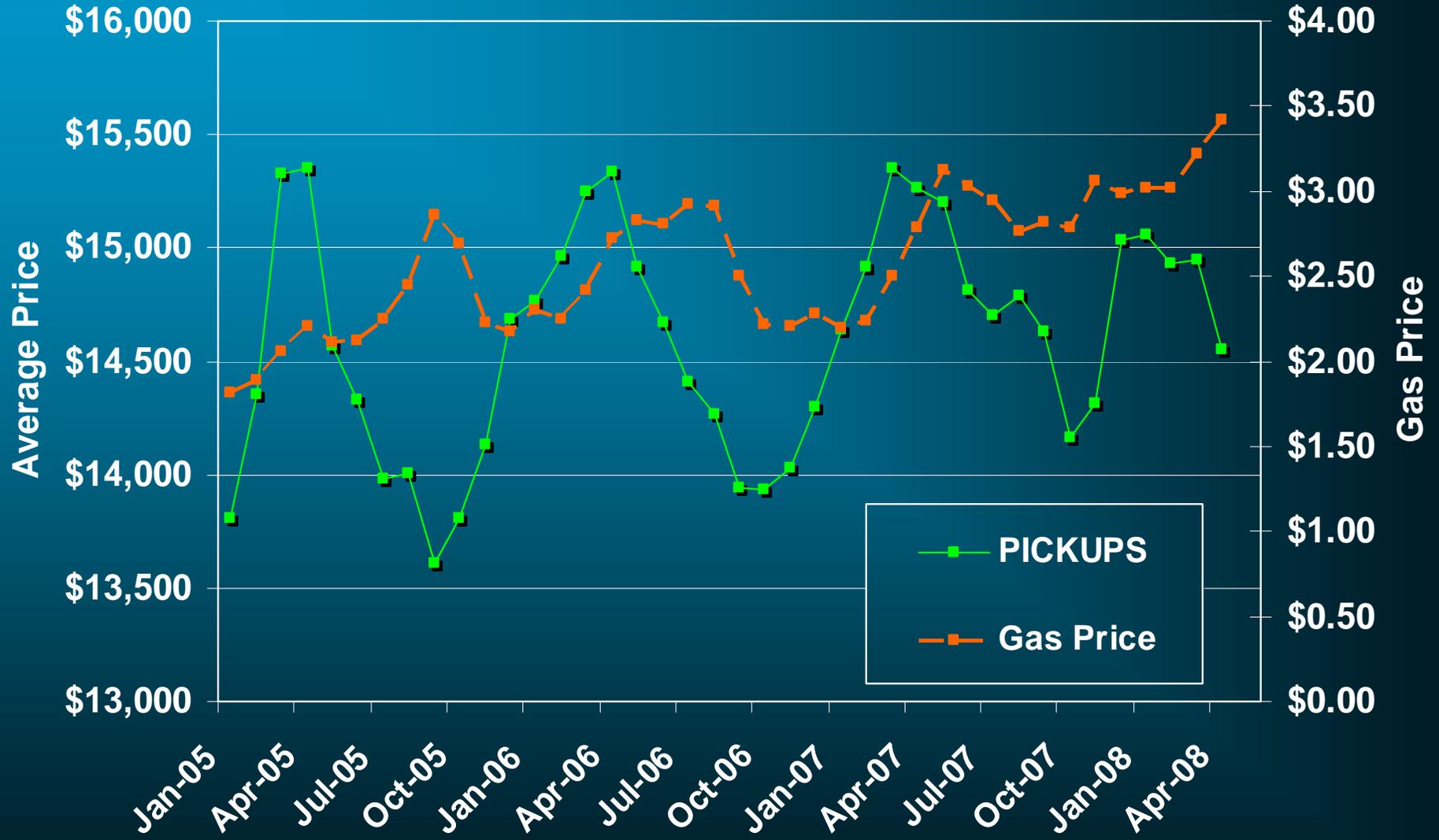
Source: AuctionNet (NADA Guides and NAAA) and EIA, regular gasoline price

AuctionNet Wholesale Used Car Prices and Gas Prices Light Trucks



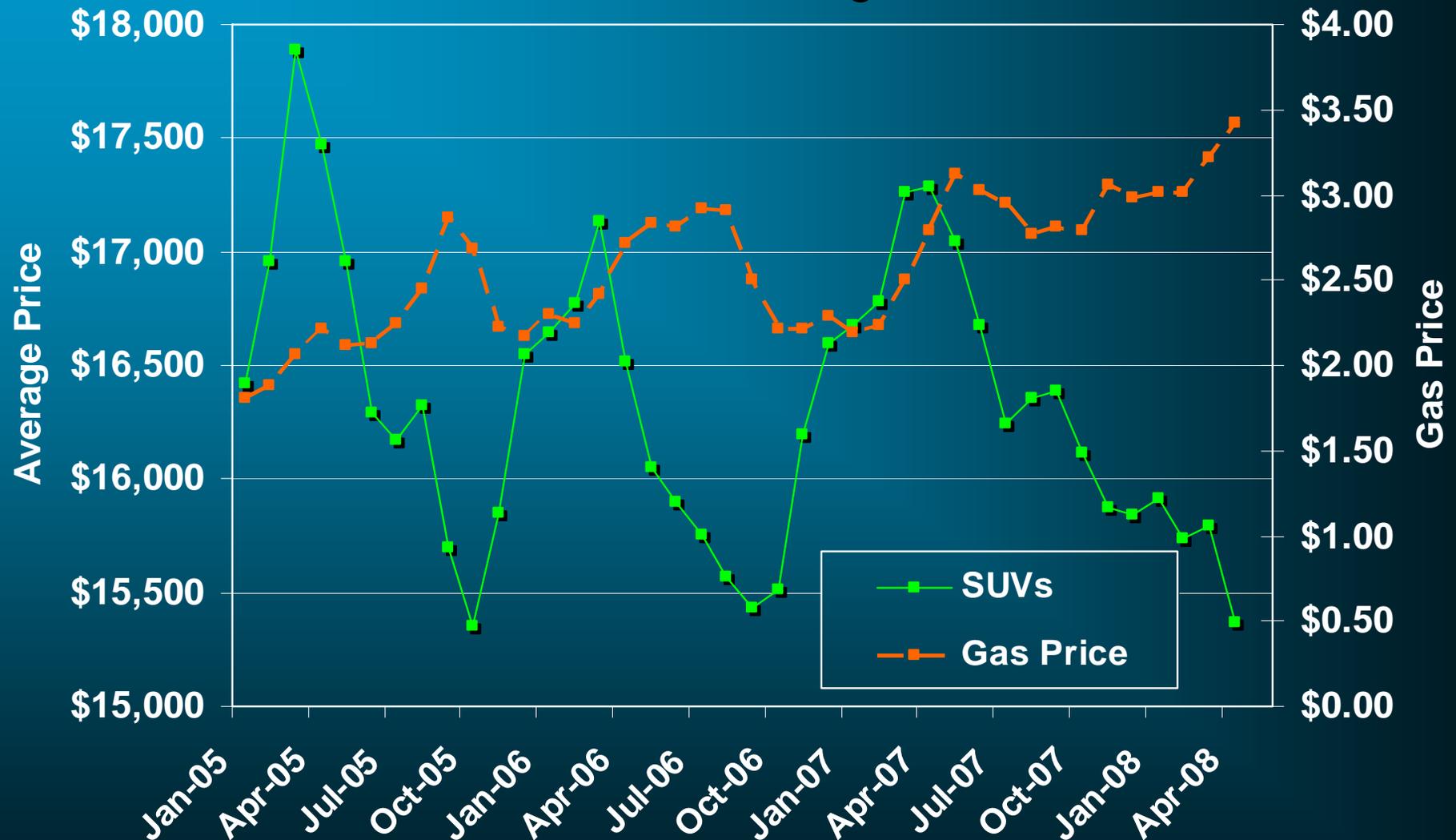
Source: AuctionNet (NADA Guides and NAAA) and EIA, regular gasoline price

AuctionNet Wholesale Used Car Prices and Gas Prices Ward's Pickup Segment



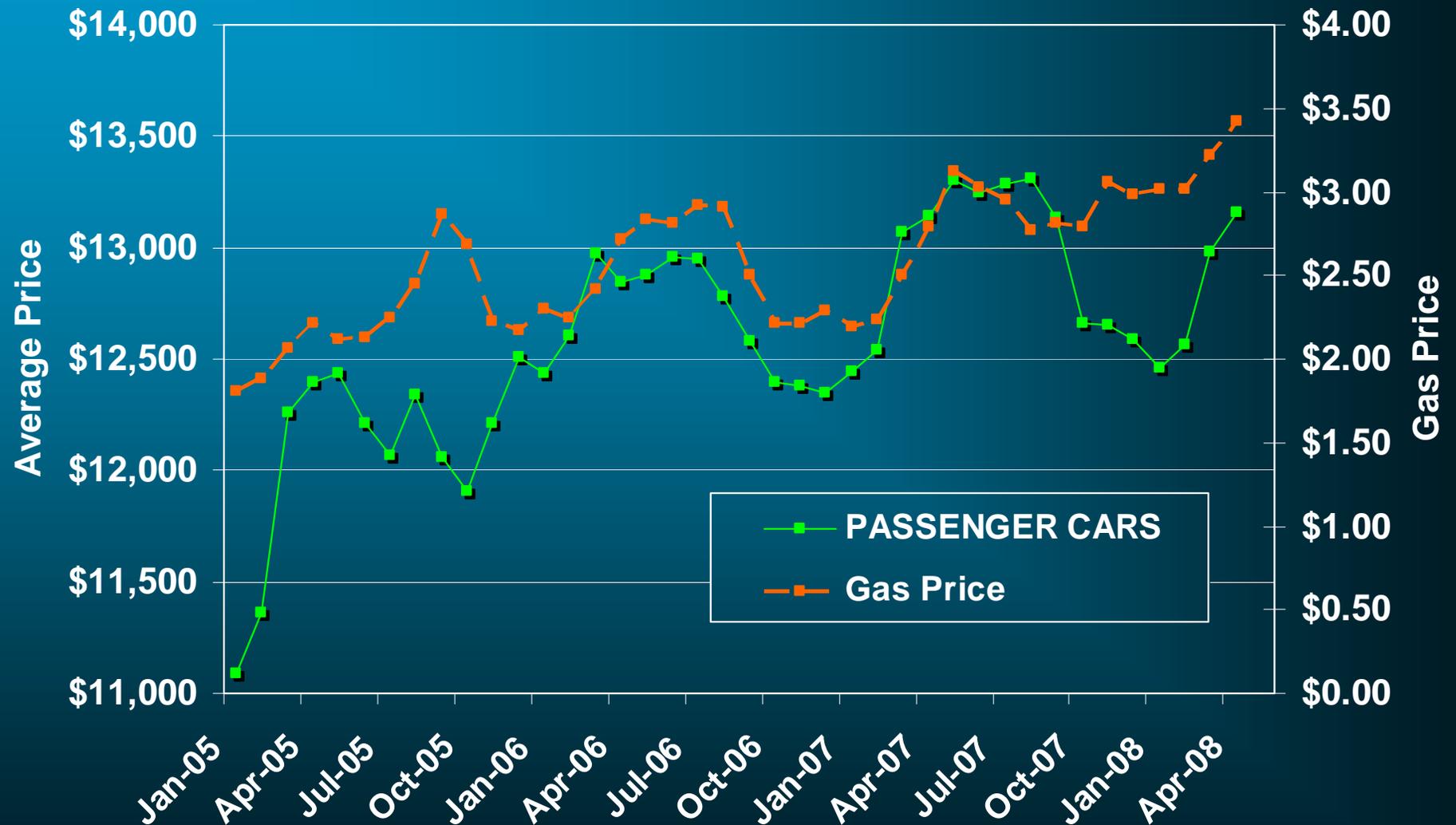
Source: AuctionNet (NADA Guides and NAAA) and EIA, regular gasoline price

AuctionNet Wholesale Used Car Prices and Gas Prices Ward's SUV Segment



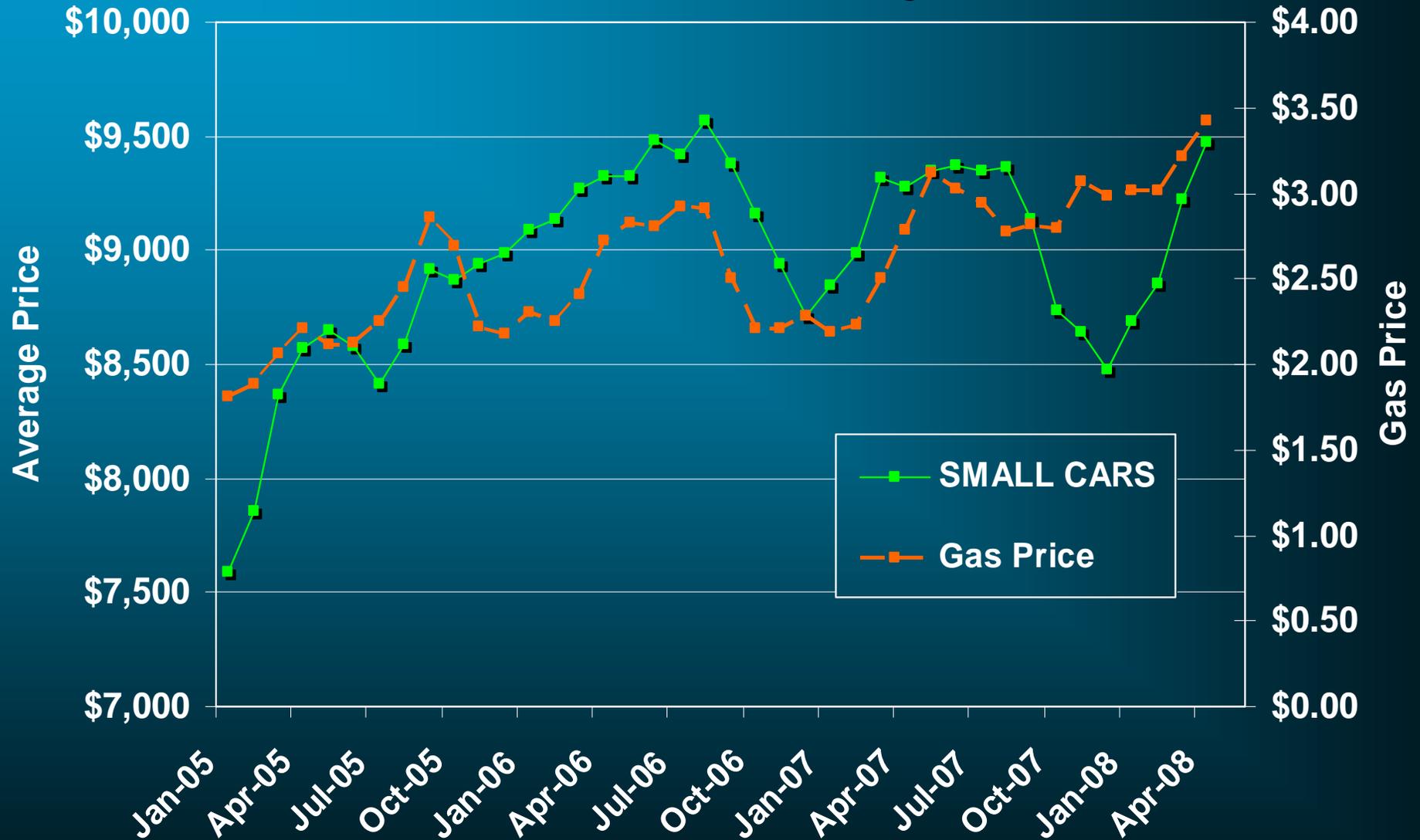
Source: AuctionNet (NADA Guides and NAAA) and EIA, regular gasoline price

AuctionNet Wholesale Used Car Prices and Gas Prices Passenger Cars



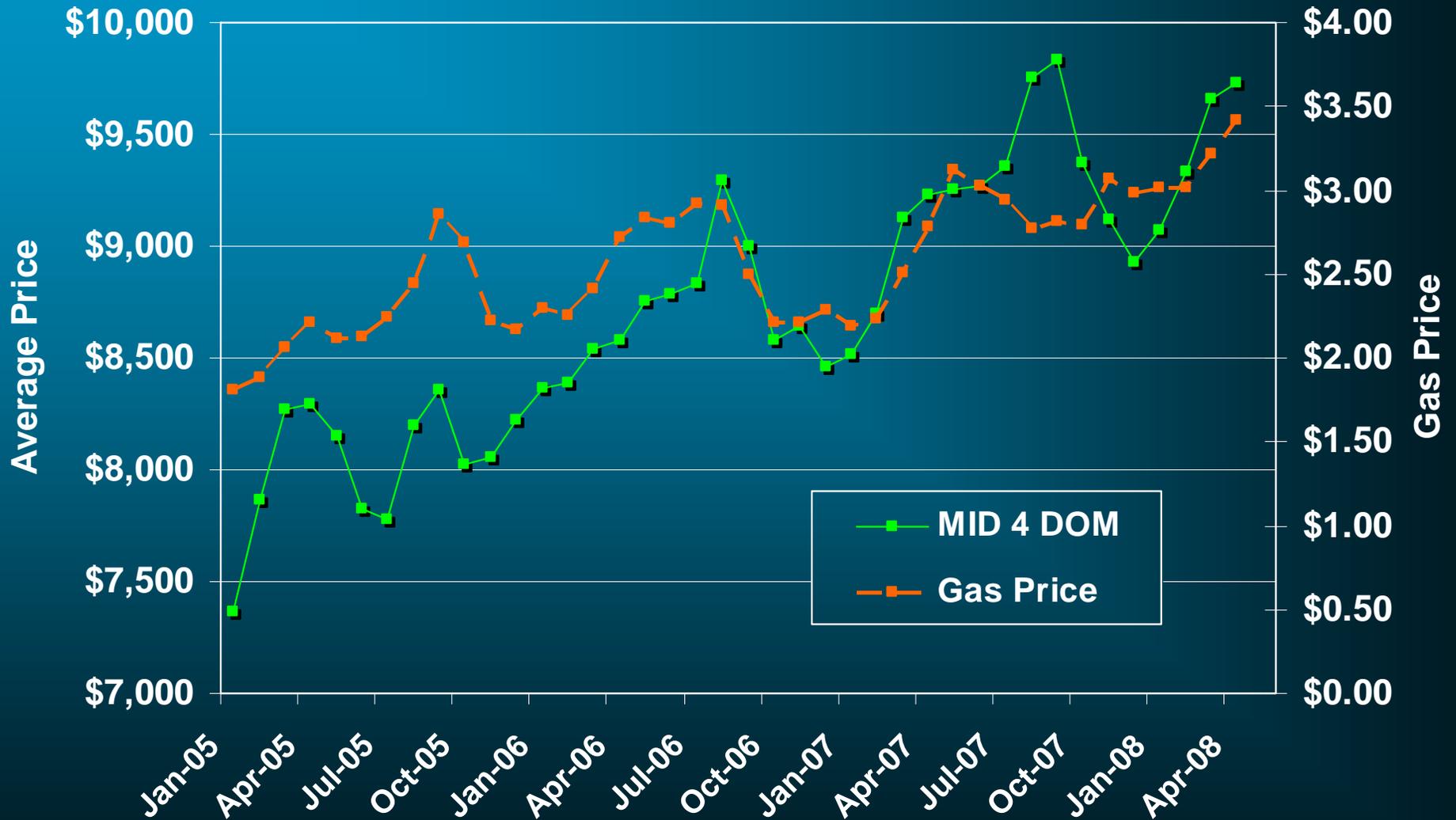
Source: AuctionNet (NADA Guides and NAAA) and EIA, regular gasoline price

AuctionNet Wholesale Used Car Prices and Gas Prices Ward's Small Car Segment



Source: AuctionNet (NADA Guides and NAAA) and EIA, regular gasoline price

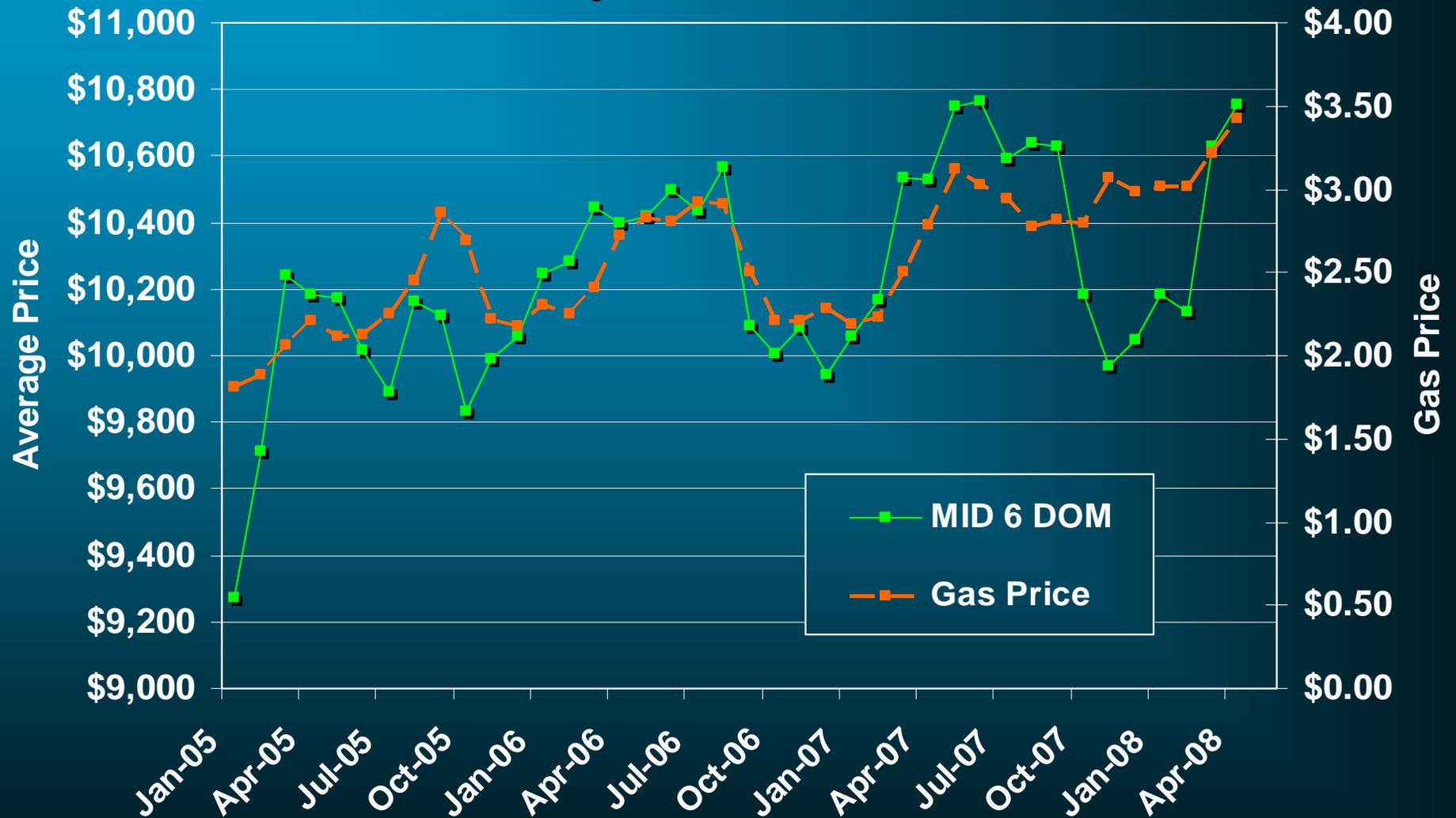
AuctionNet Wholesale Used Car Prices and Gas Prices Ward's Middle Car Segment (4 Cylinder Domestic)



Source: AuctionNet (NADA Guides and NAAA) and EIA, regular gasoline price

AuctionNet Wholesale Used Car Prices and Gas Prices

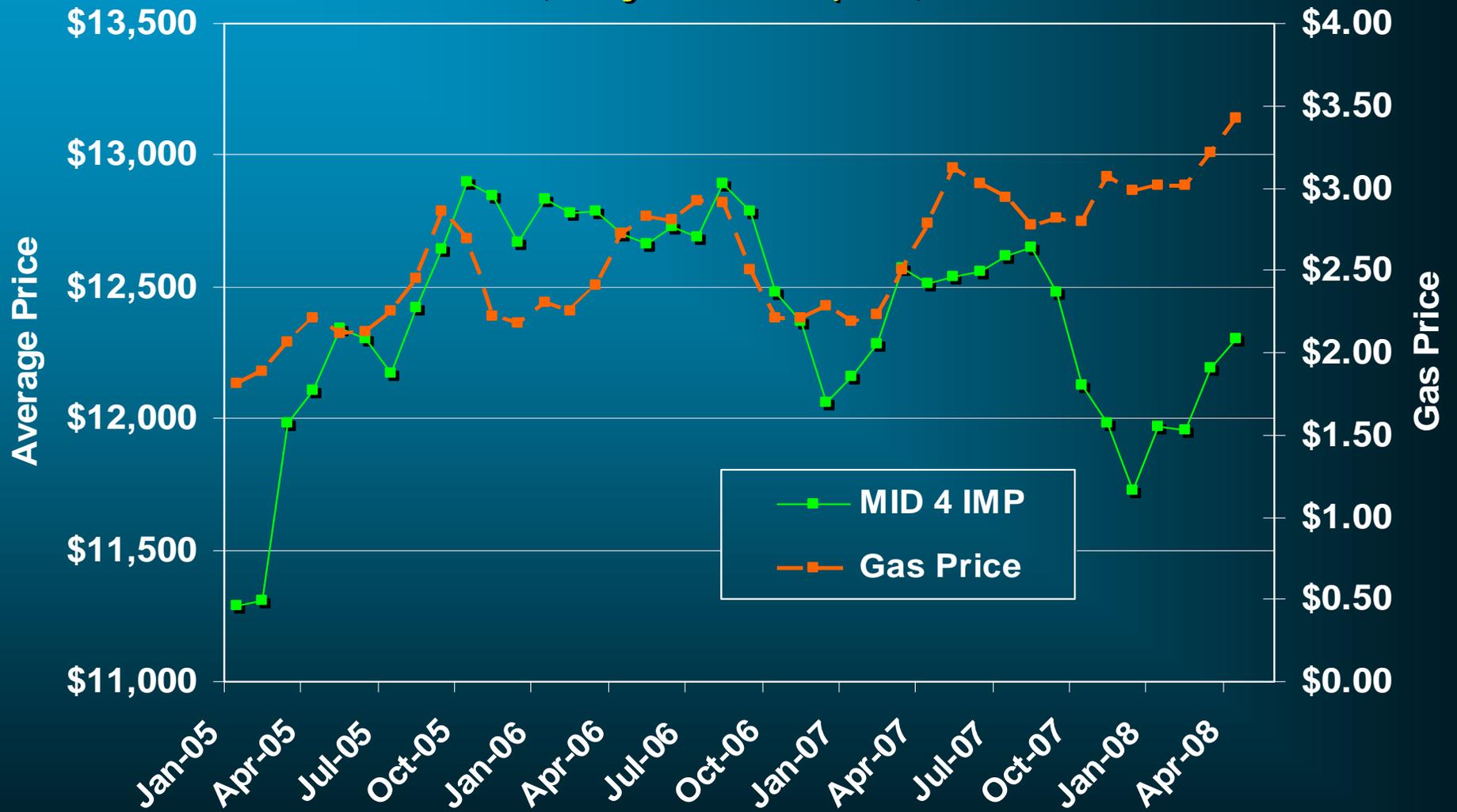
Ward's Middle Car Segment (6 Cylinder Domestic)



Source: AuctionNet (NADA Guides and NAAA) and EIA, regular gasoline price

AuctionNet Wholesale Used Car Prices and Gas Prices

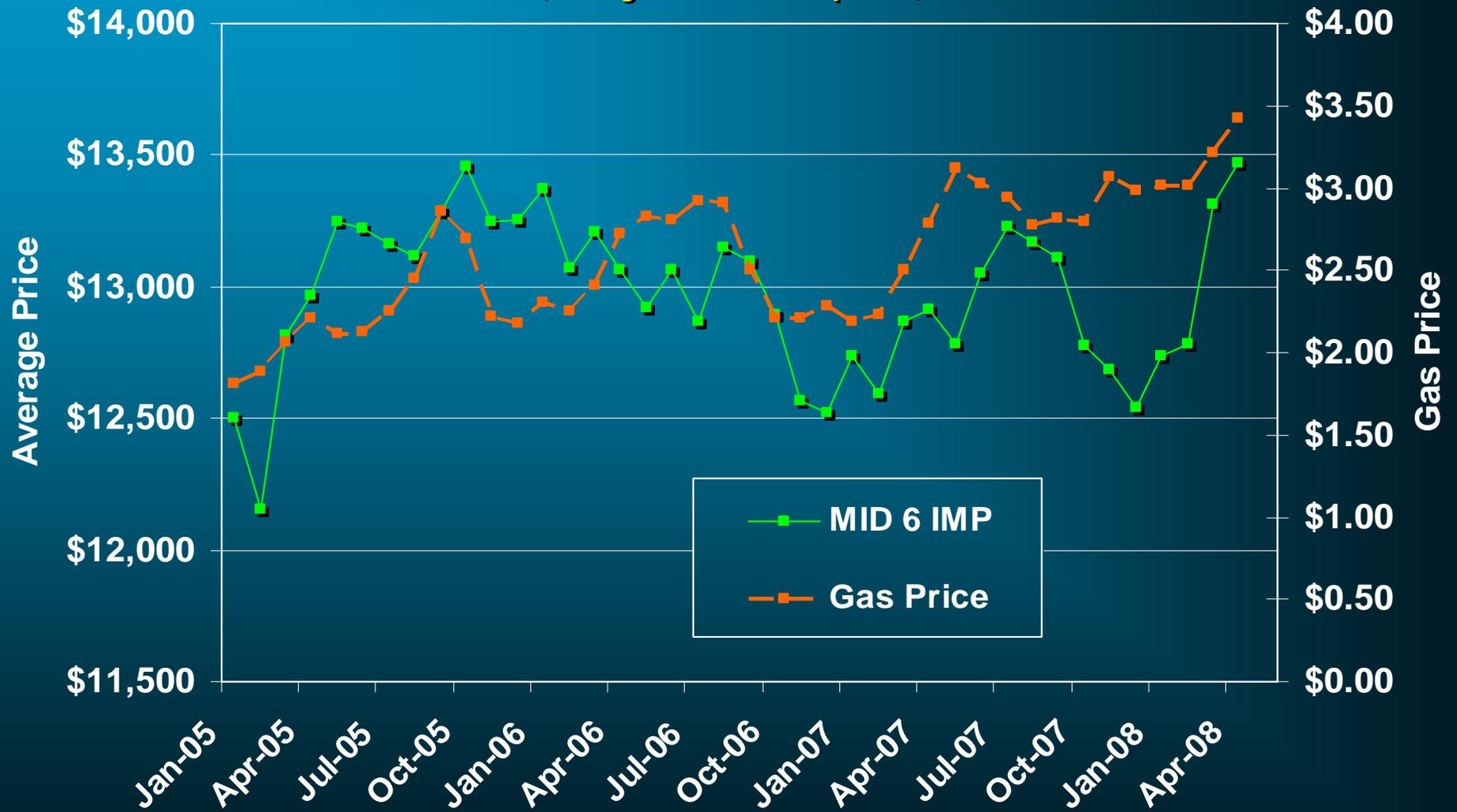
Ward's Middle Car Segment (4 Cylinder Import)



Source: AuctionNet (NADA Guides and NAAA) and EIA, regular gasoline price

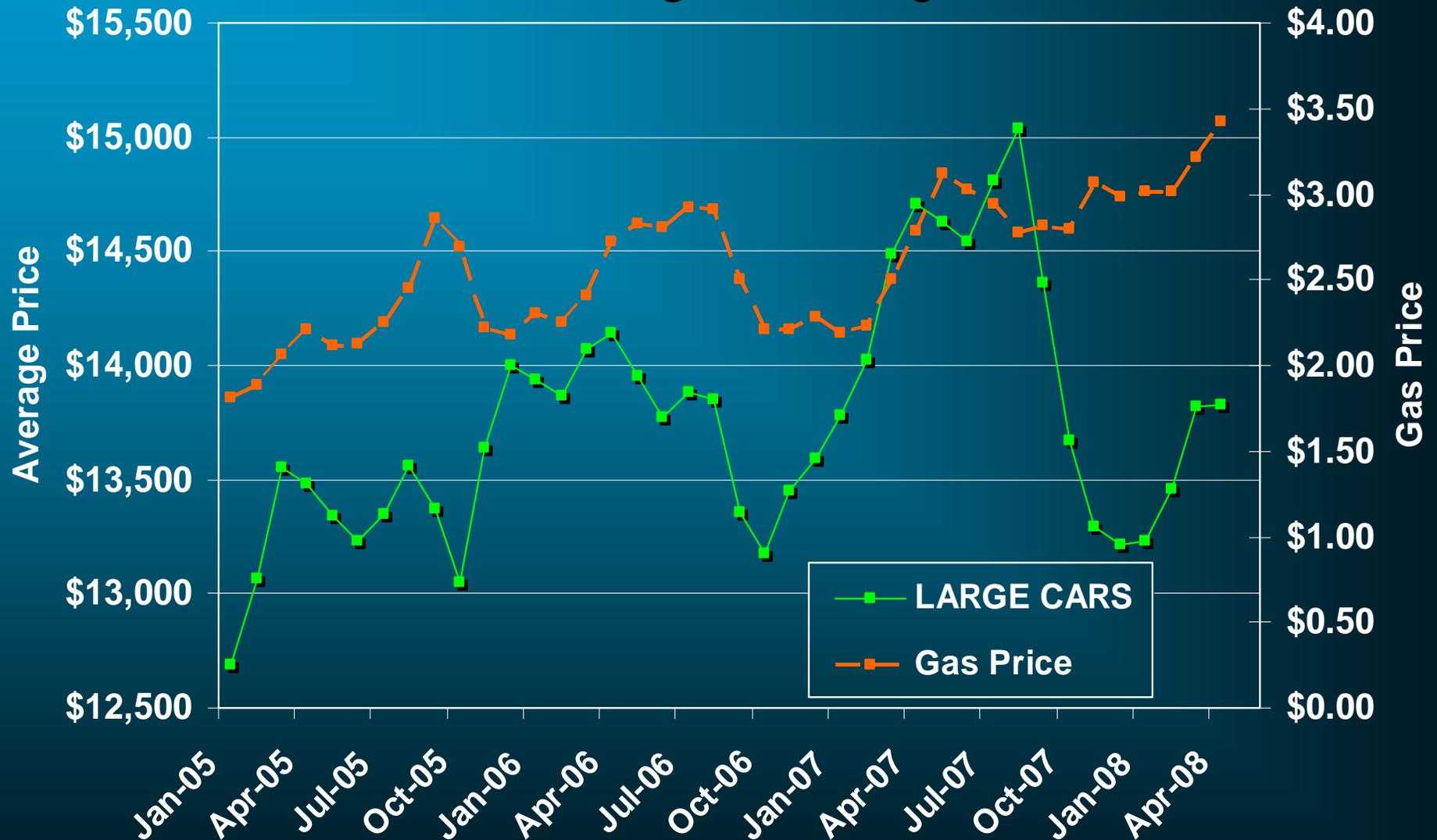
AuctionNet Wholesale Used Car Prices and Gas Prices

Ward's Middle Car Segment (6 Cylinder Import)



Source: AuctionNet (NADA Guides and NAAA) and EIA, regular gasoline price

AuctionNet Wholesale Used Car Prices and Gas Prices Ward's Large Car Segment



Source: AuctionNet (NADA Guides and NAAA) and EIA, regular gasoline price



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