





Industry and Economic Outlook

11th Annual Automotive Outlook Symposium

June 4, 2004

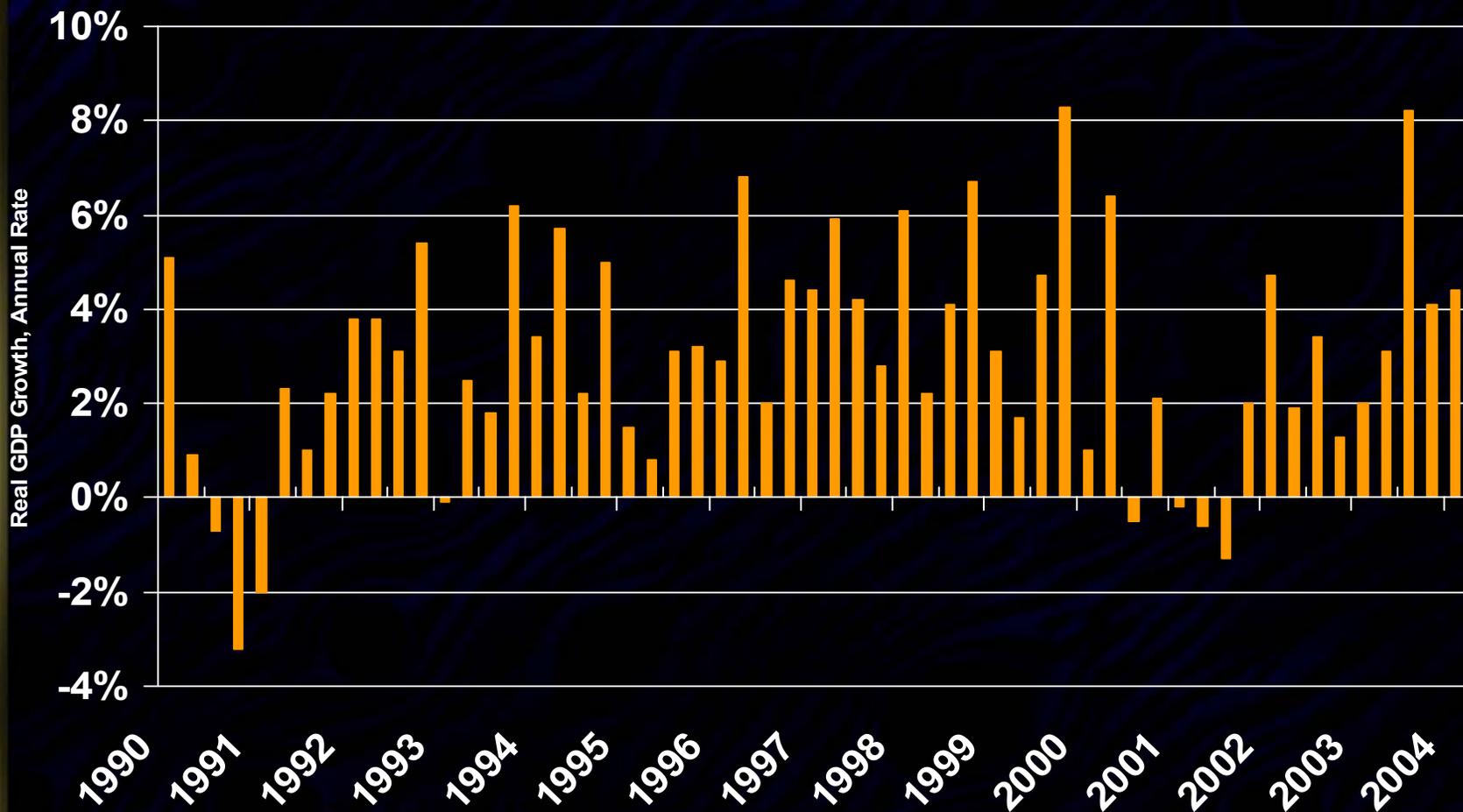
Detroit Branch, FRB-Chicago

Paul Taylor, Chief Economist

National Automobile Dealers Association, McLean, VA
www.nada.org

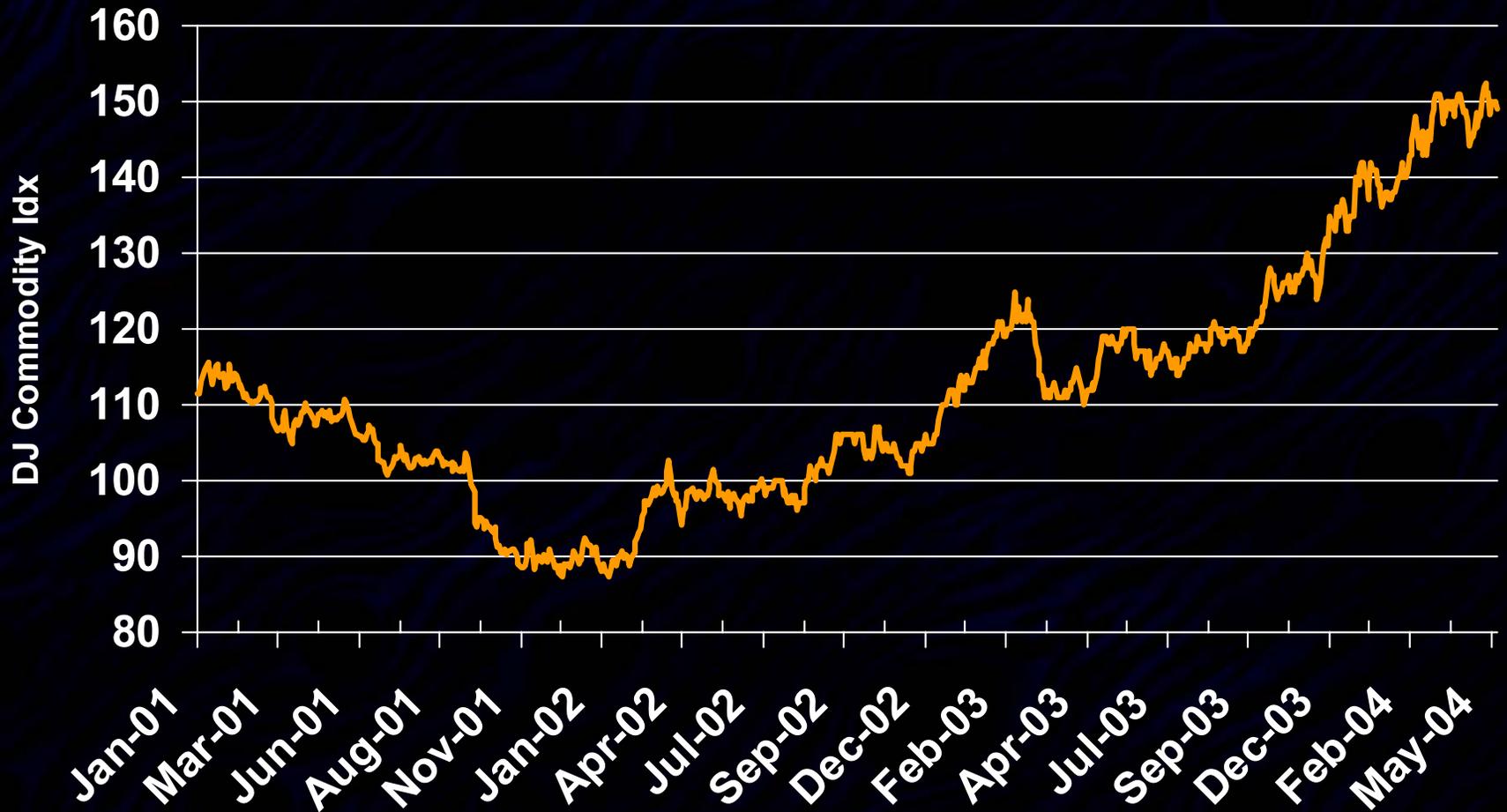
Economic Growth

Quarterly Real GDP Growth, Annual Rate



Source: Bureau of Economic Analysis

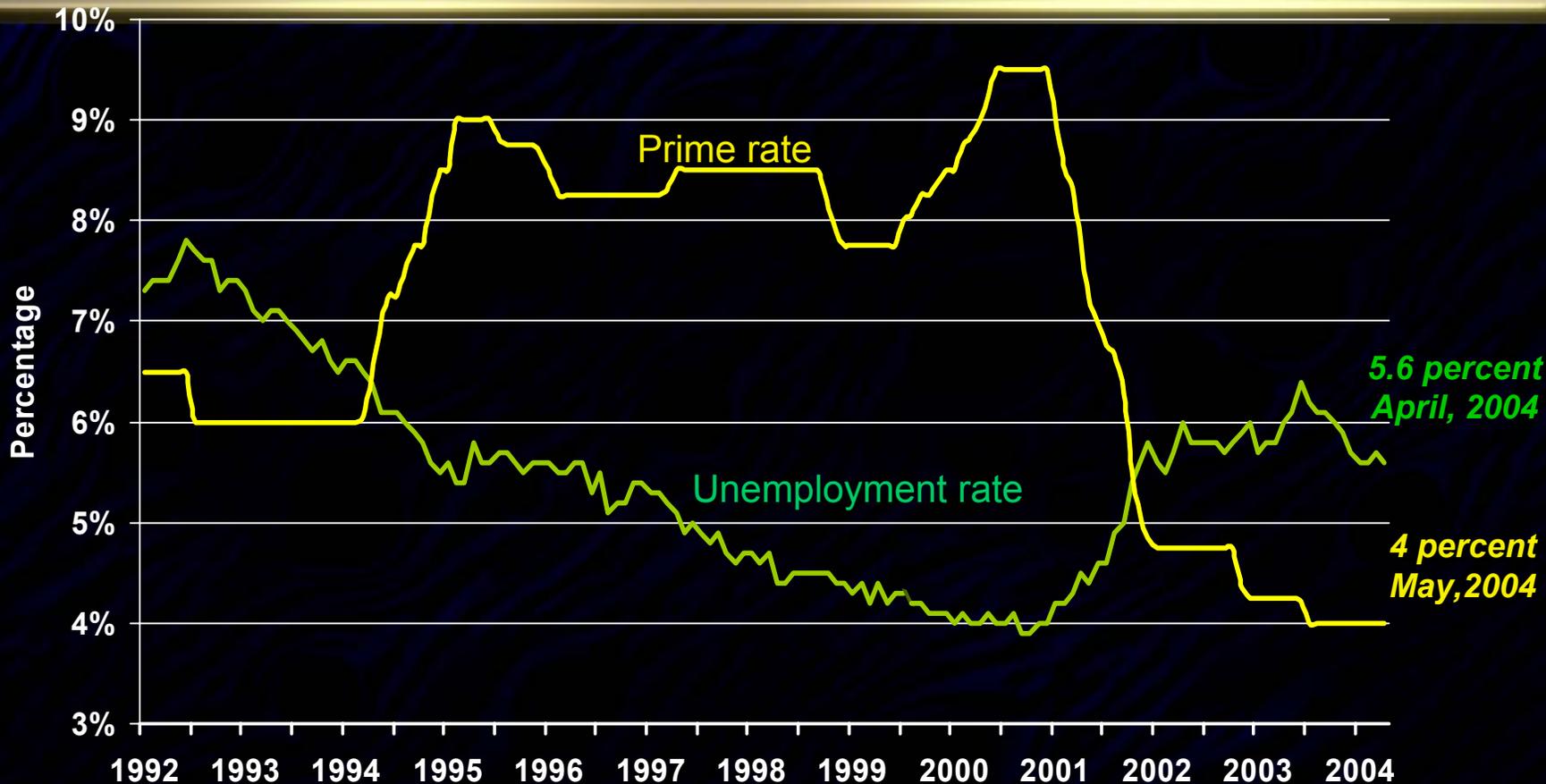
Commodity Prices Continue to Rise, a Sign of Underlying Strength in the World Economy (Dow Jones Commodity Index)



Source: Dow Jones

Unemployment Rates and Interest Rates

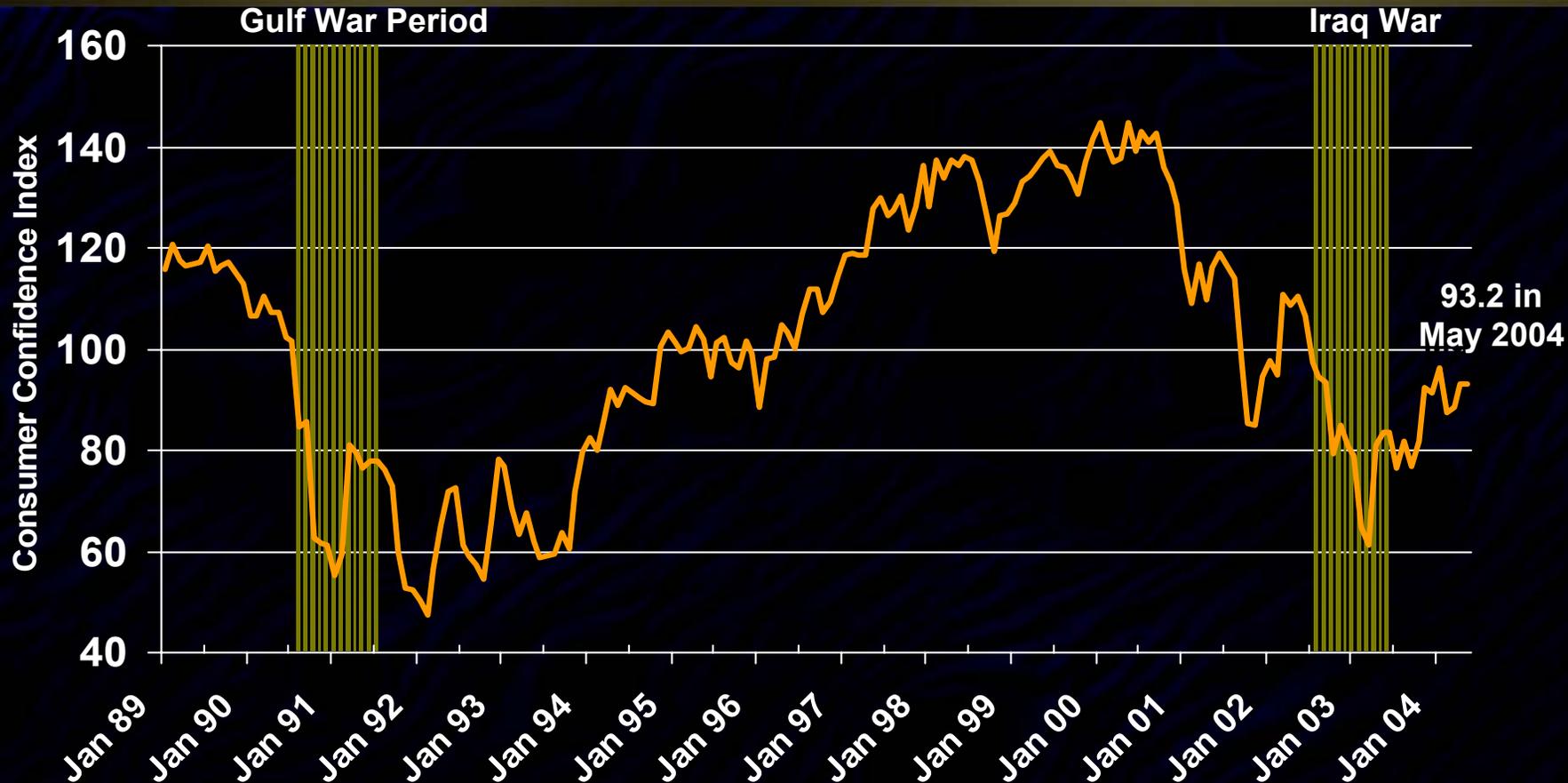
Unemployment was 5.6 % in April, Short term Interest Rates likely to
Rise in the Second Half of this year



Source: Federal Reserve, Bureau of Labor Statistics

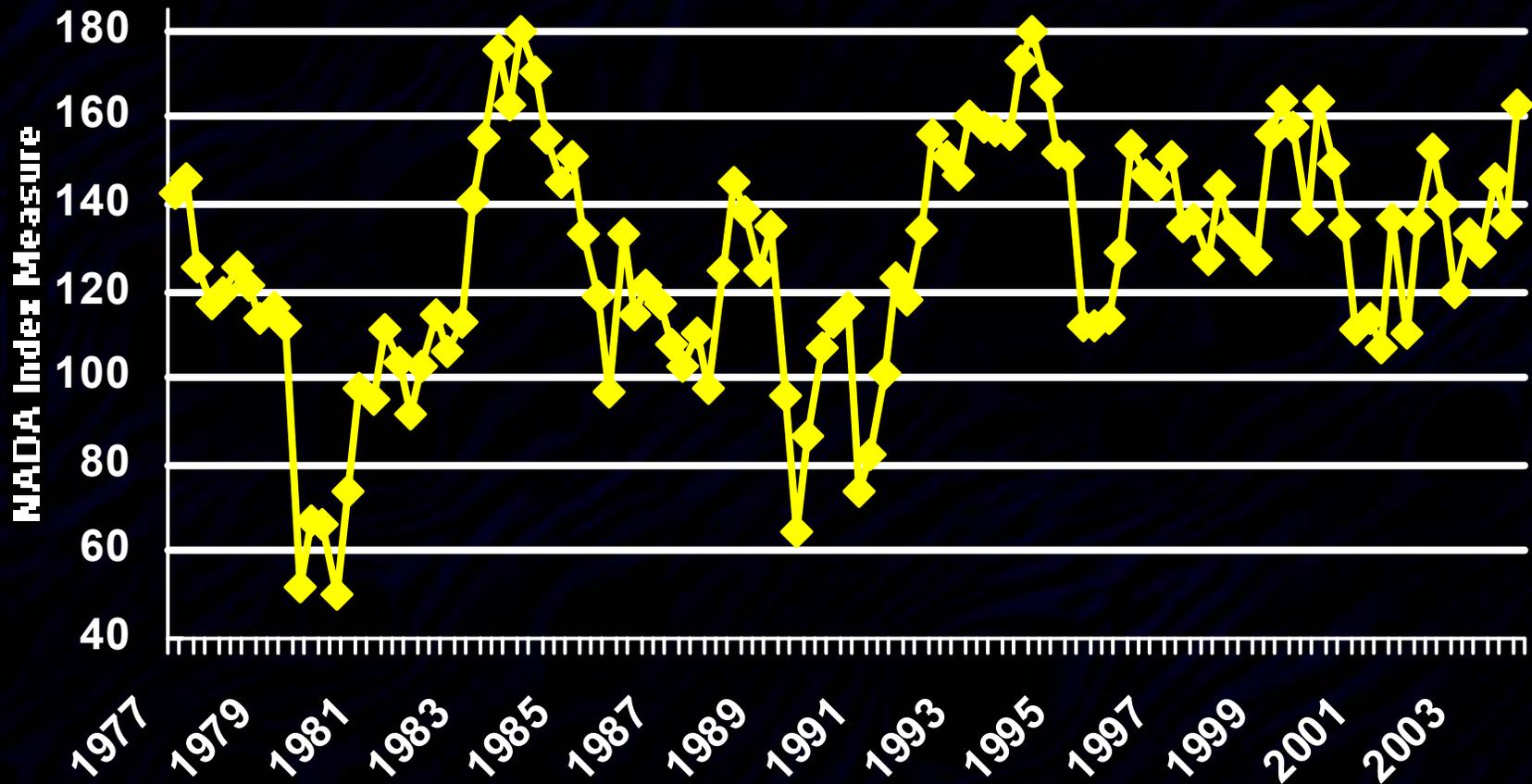
Consumers Retain Adequate Confidence

Conference Board's Consumer Confidence Index



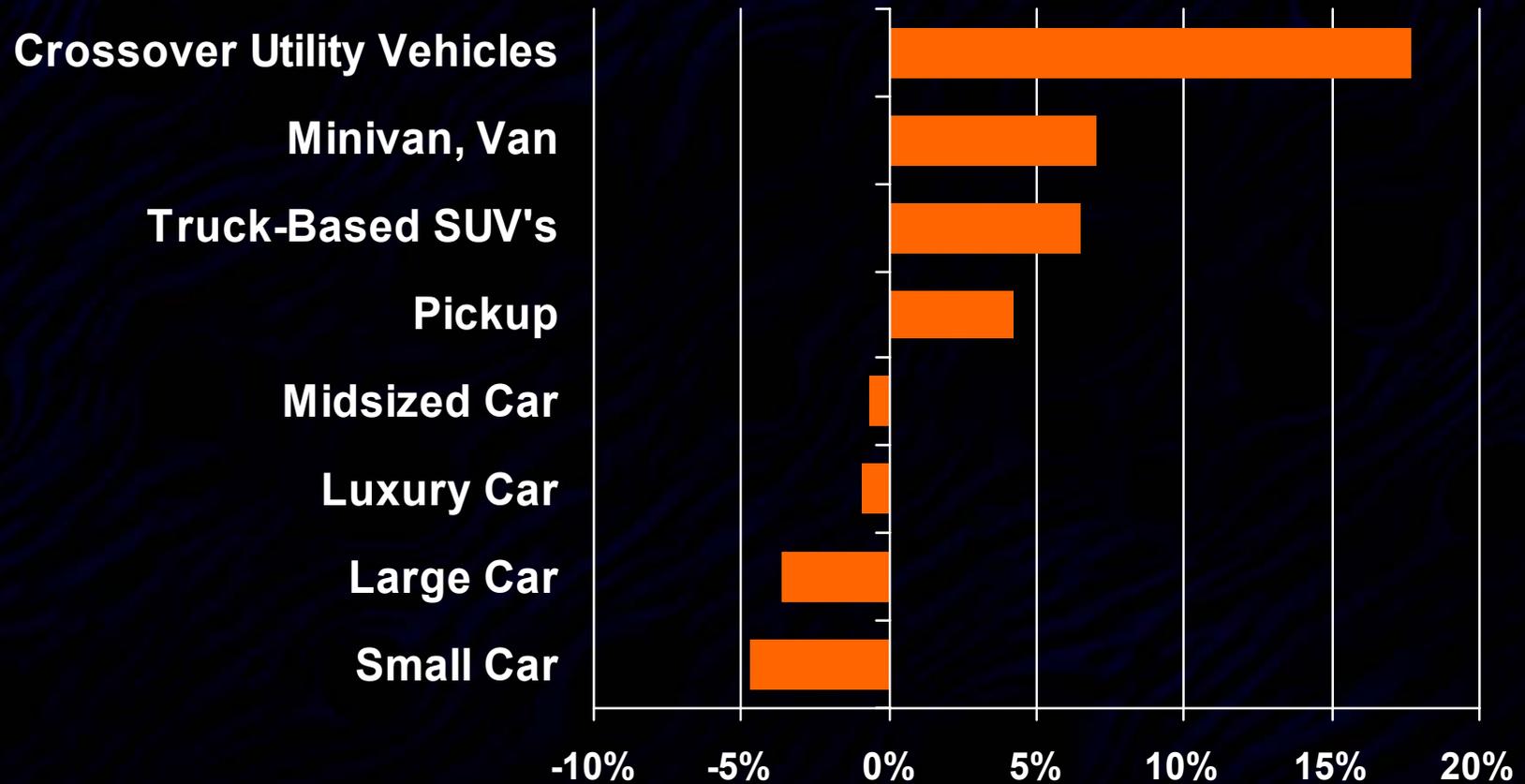
Source: Conference Board

NADA Dealer Optimism Index remains at Relatively Strong Levels



Source: NADA Industry Analysis

Crossover Utility Vehicle and Pickups Lead Sales, Year-to-Date April 2004



Source: Ward's Automotive

U.S. Household Net Financial Assets Doubled from 1994 through 1999 as Unemployment Fell



Source: Federal Reserve Flow of Funds Data, Z.I., Table L.10.

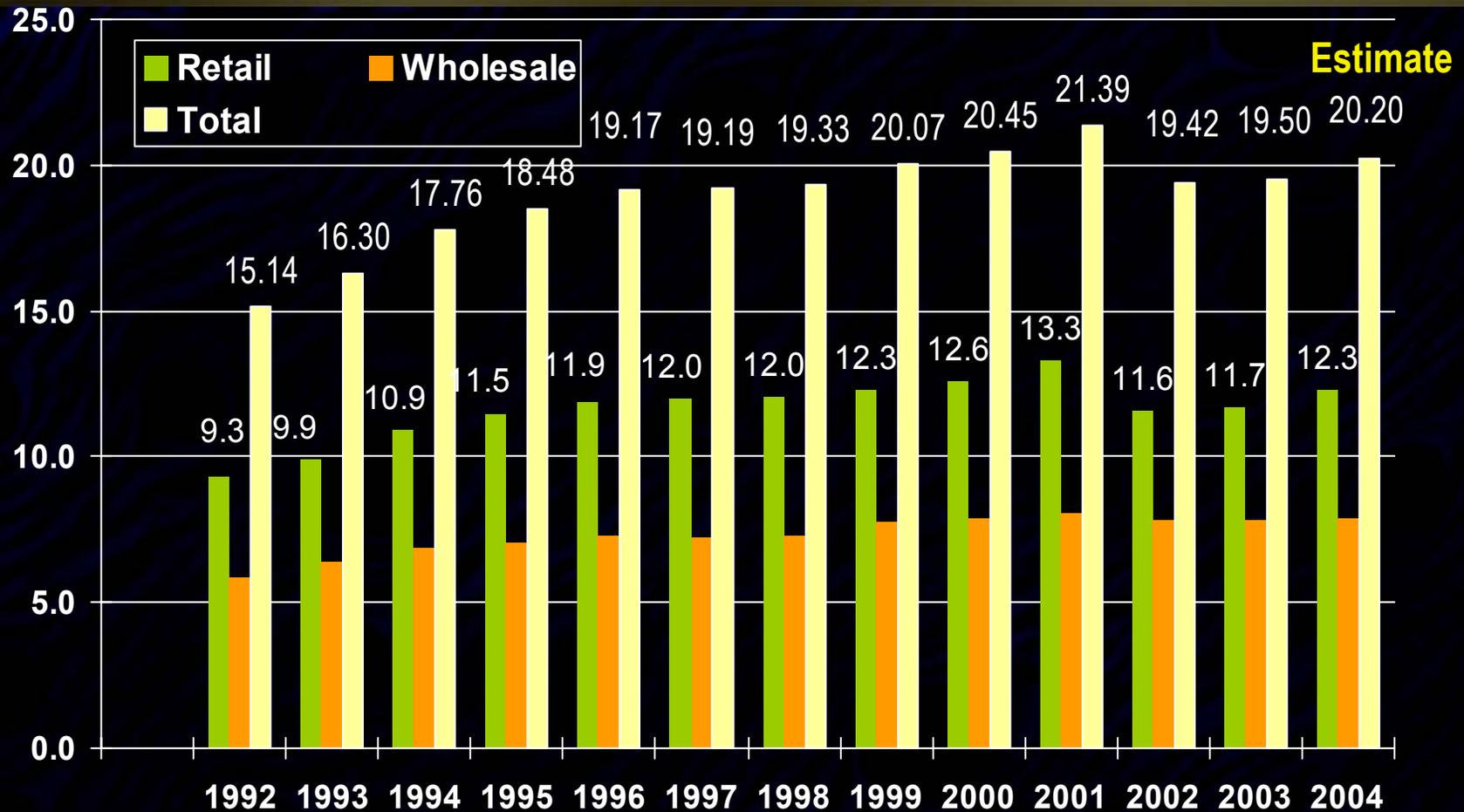
Luxury Vehicle Sales and Net Assets by Quarters

Net Household Assets = Total Financial Assets - Total Liabilities



Source: Federal Reserve Flow of Funds Data, Z.I., Table L.10.

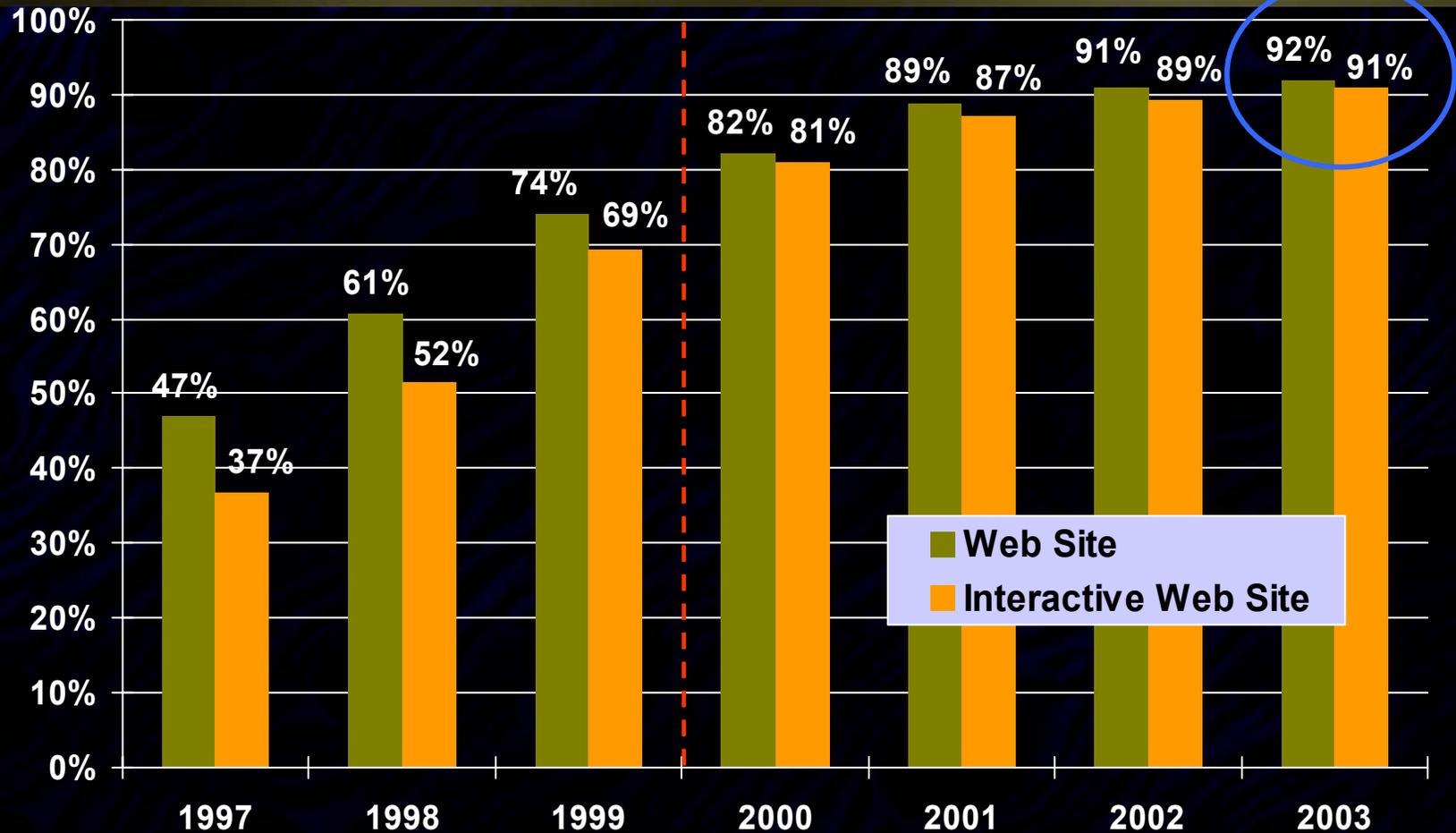
Used Light Vehicle Sales by Franchised New Car Dealers, 1992 to 2004



Source: NADA Industry Analysis

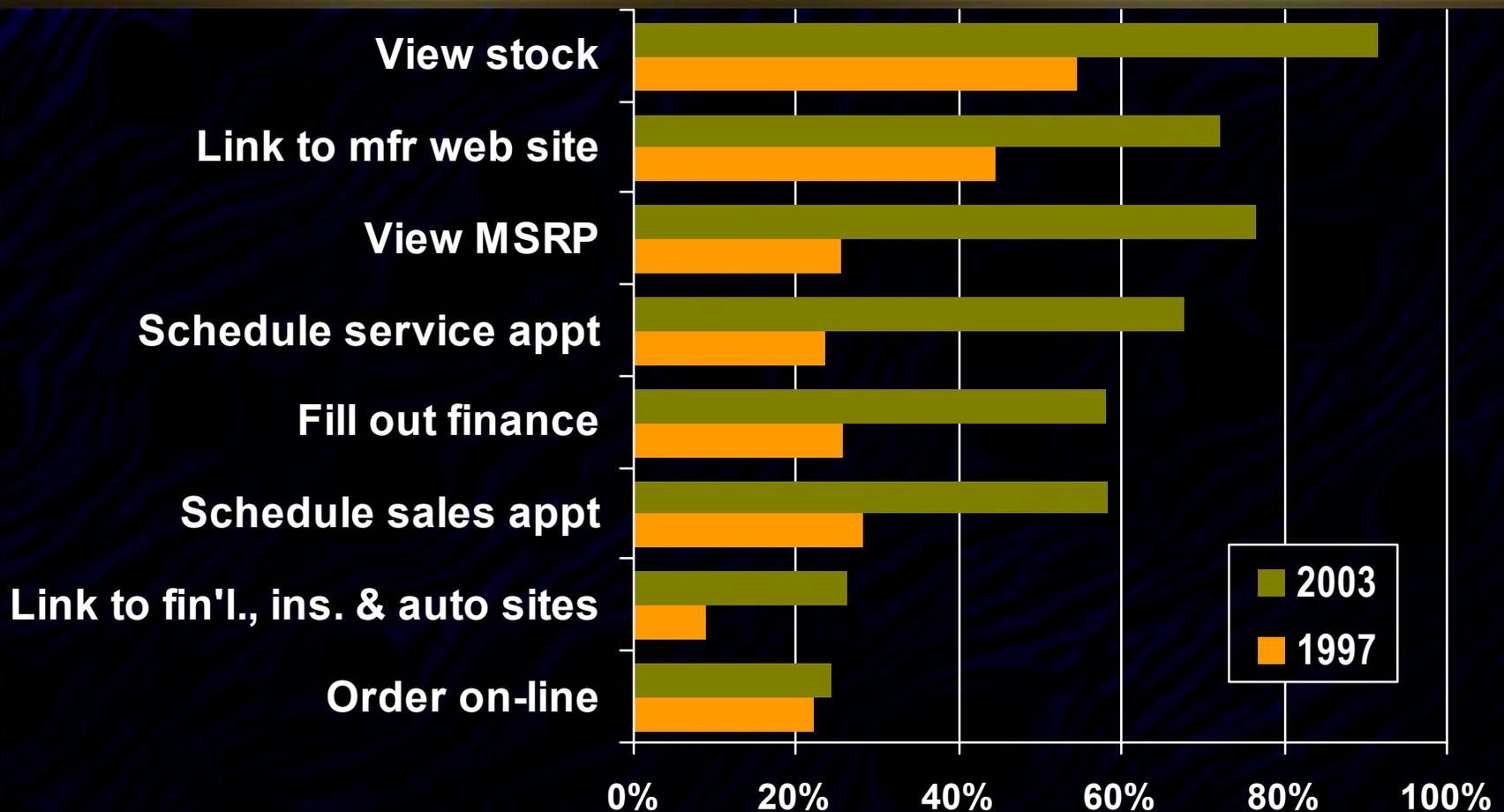
Dealerships with Web Sites

1997 to 2003



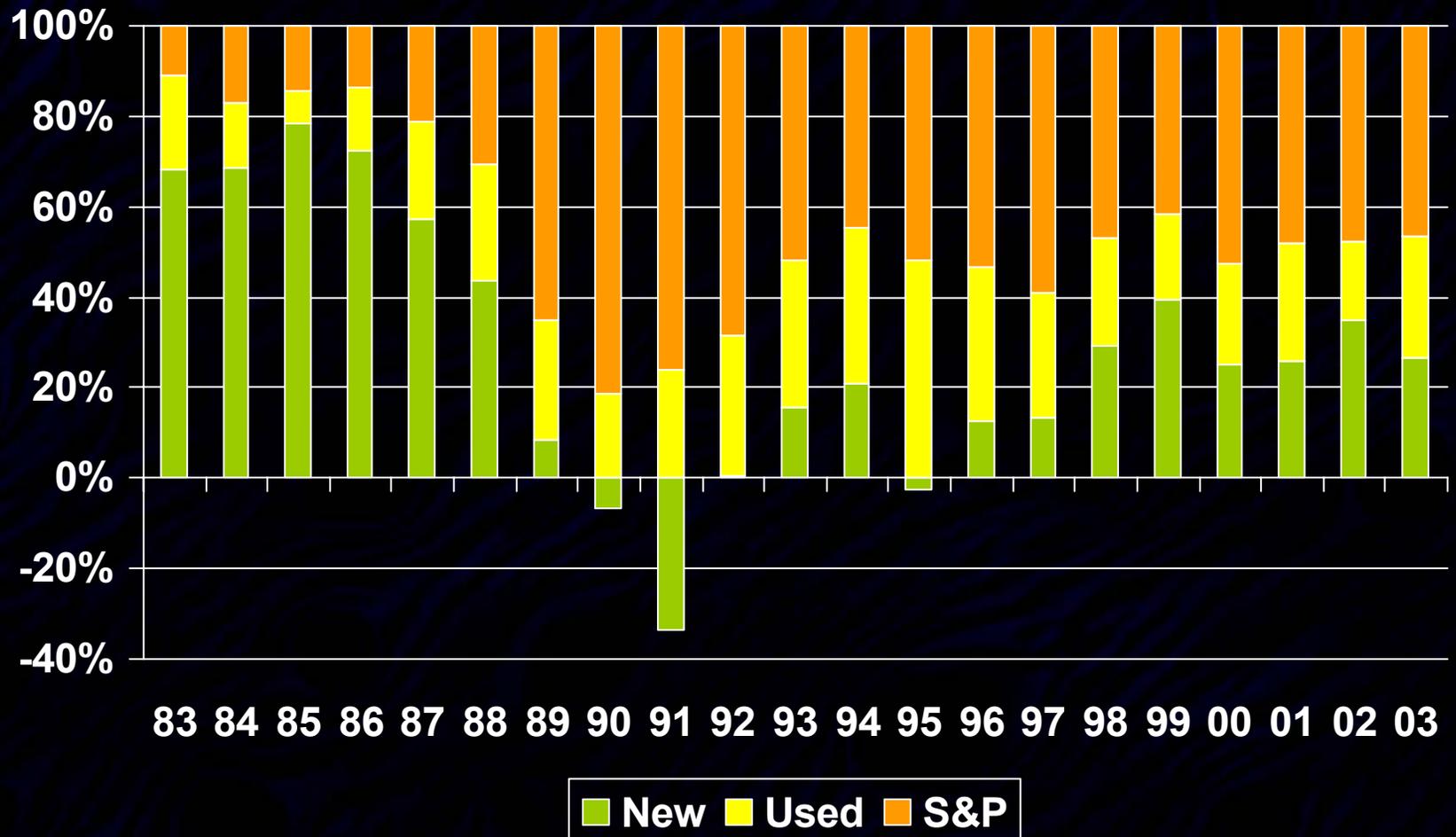
Source: NADA Industry Analysis

Services Offered on Dealership Web Sites



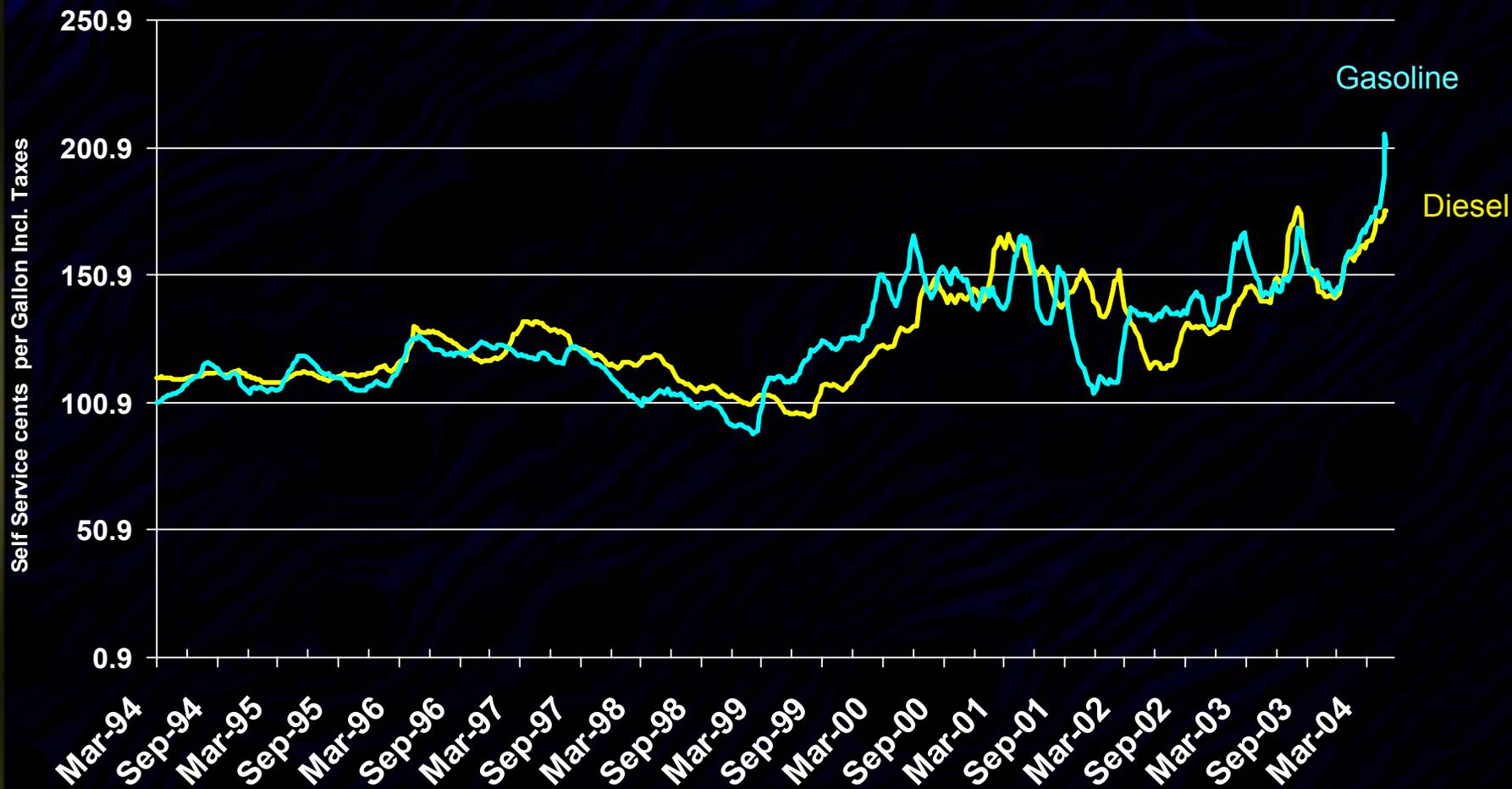
Source: NADA Industry Analysis

Contribution to Total Profit



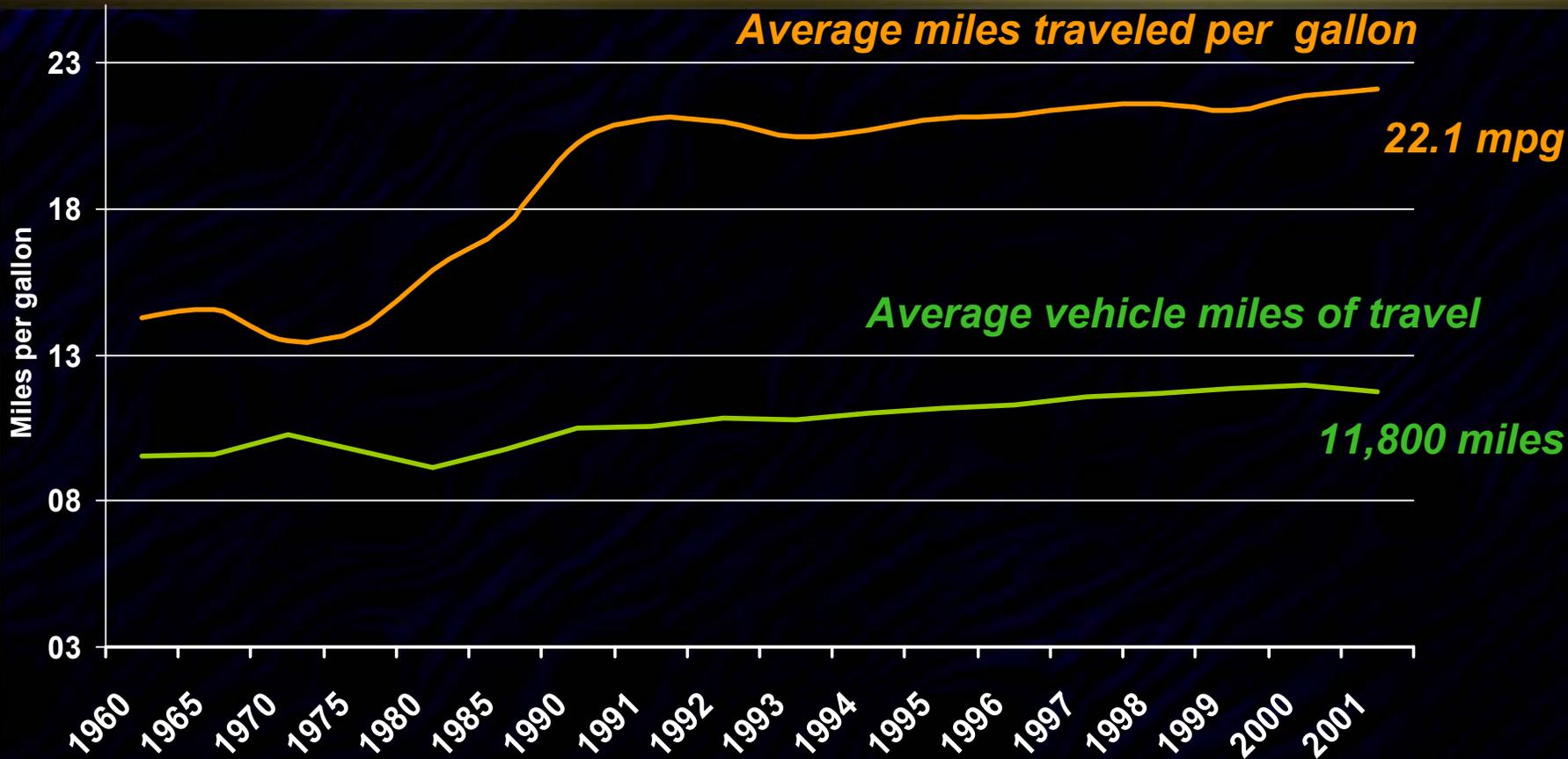
Source: NADA Industry Analysis

National Average Retail Gasoline and Diesel Price



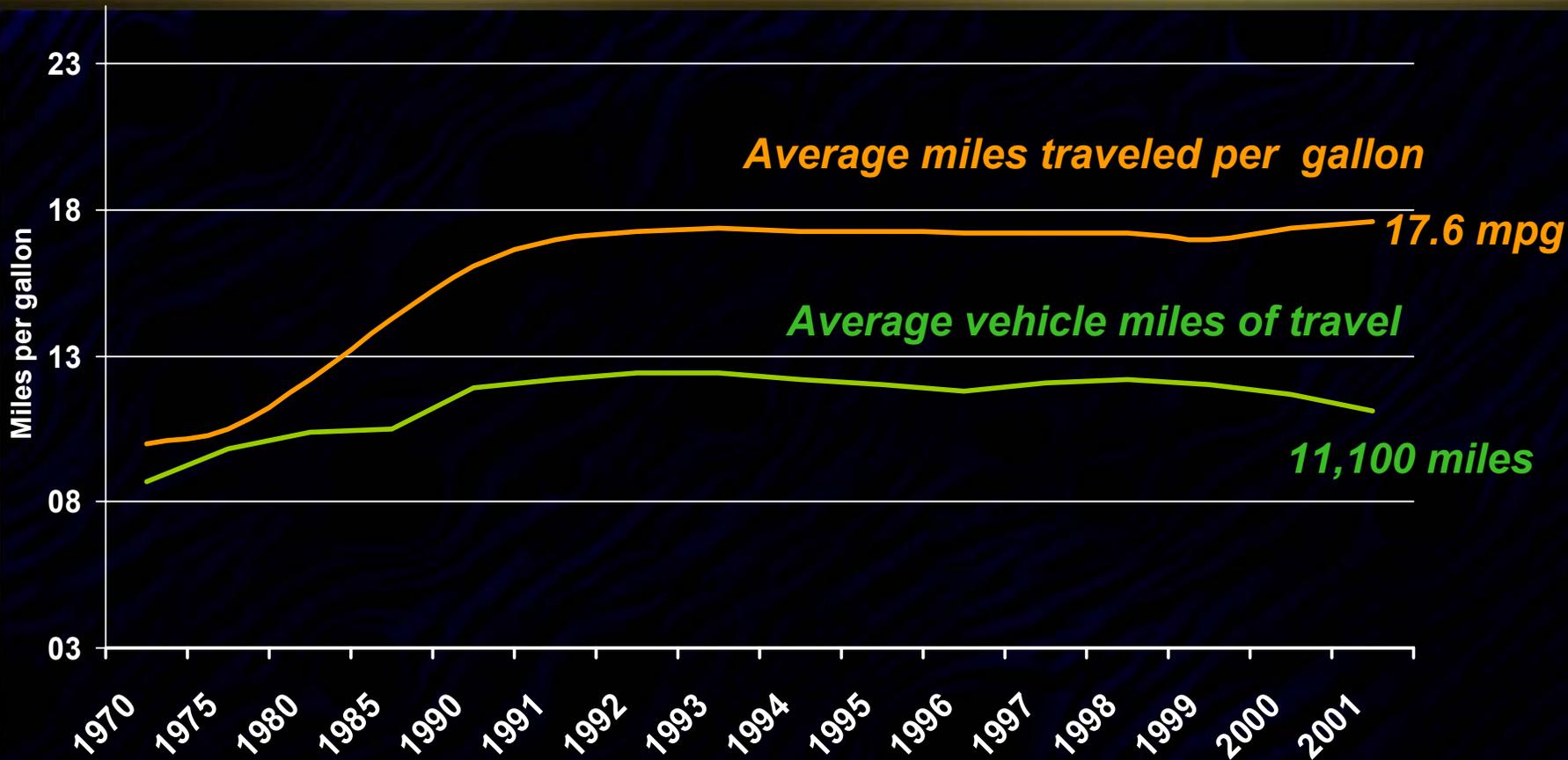
Source: Energy Information Administration

Passenger Cars



Source: 2003 National Transportation Survey

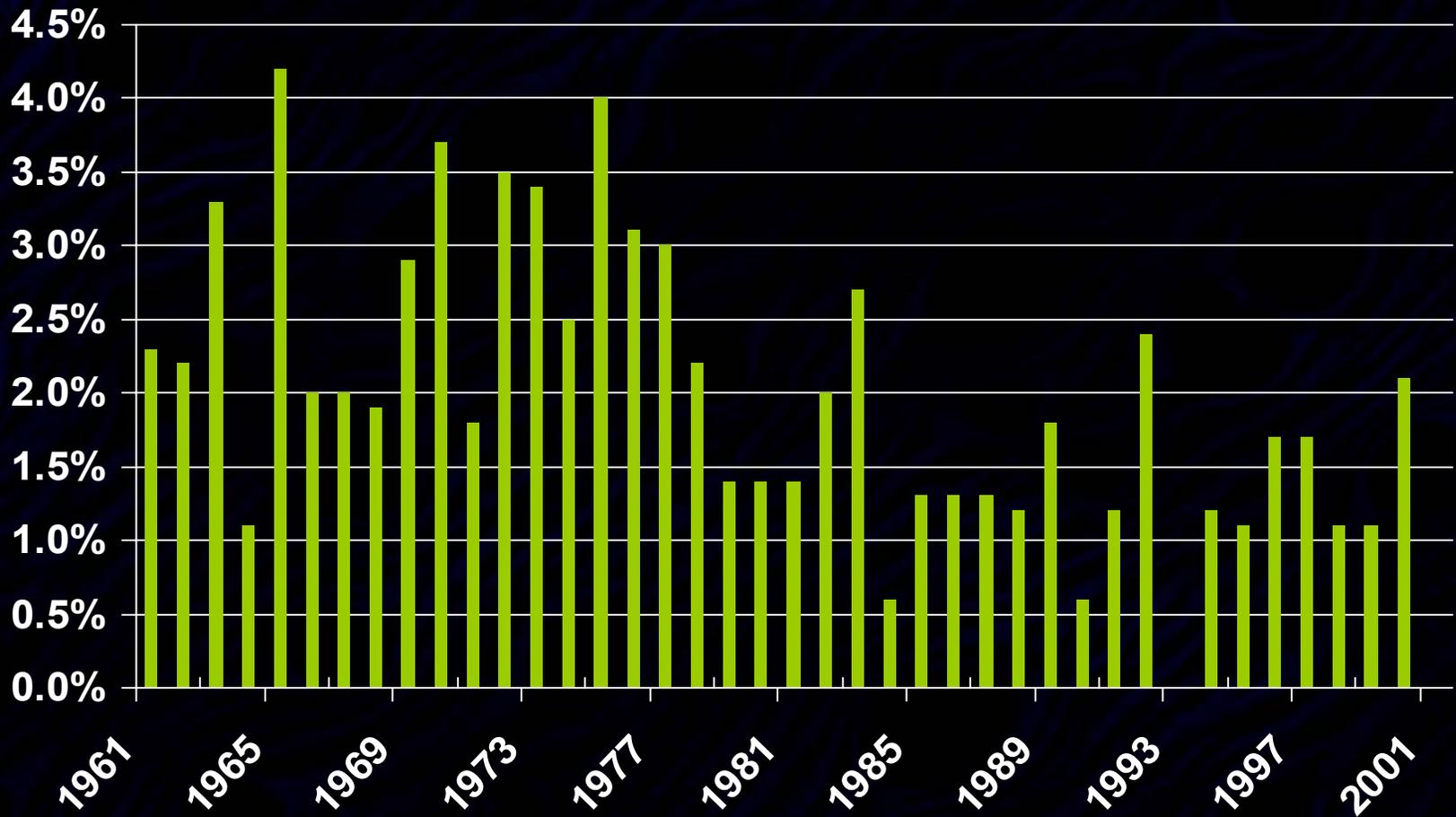
Light Trucks



Source: 2003 National Transportation Survey

Growth in Licensed Drivers

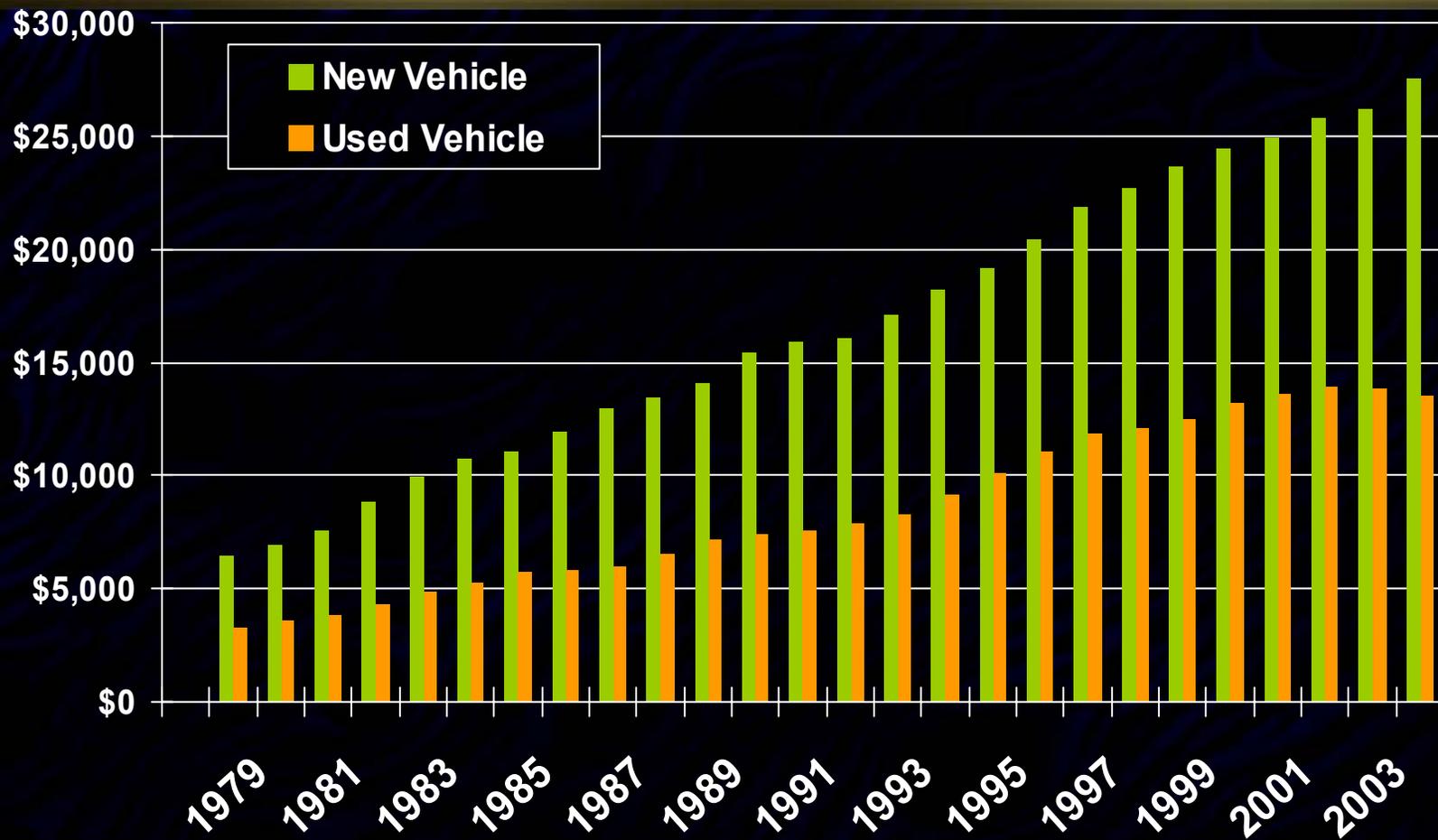
Annual Percentage Increase



Source: Department of Transportation

Average Transaction Prices

Franchised New Vehicle Dealerships, 1978 to 2003



Source: NADA Industry Analysis

NADA Official Used Car Guide-Eastern Edition

Model Year 1998 Top Ten Values

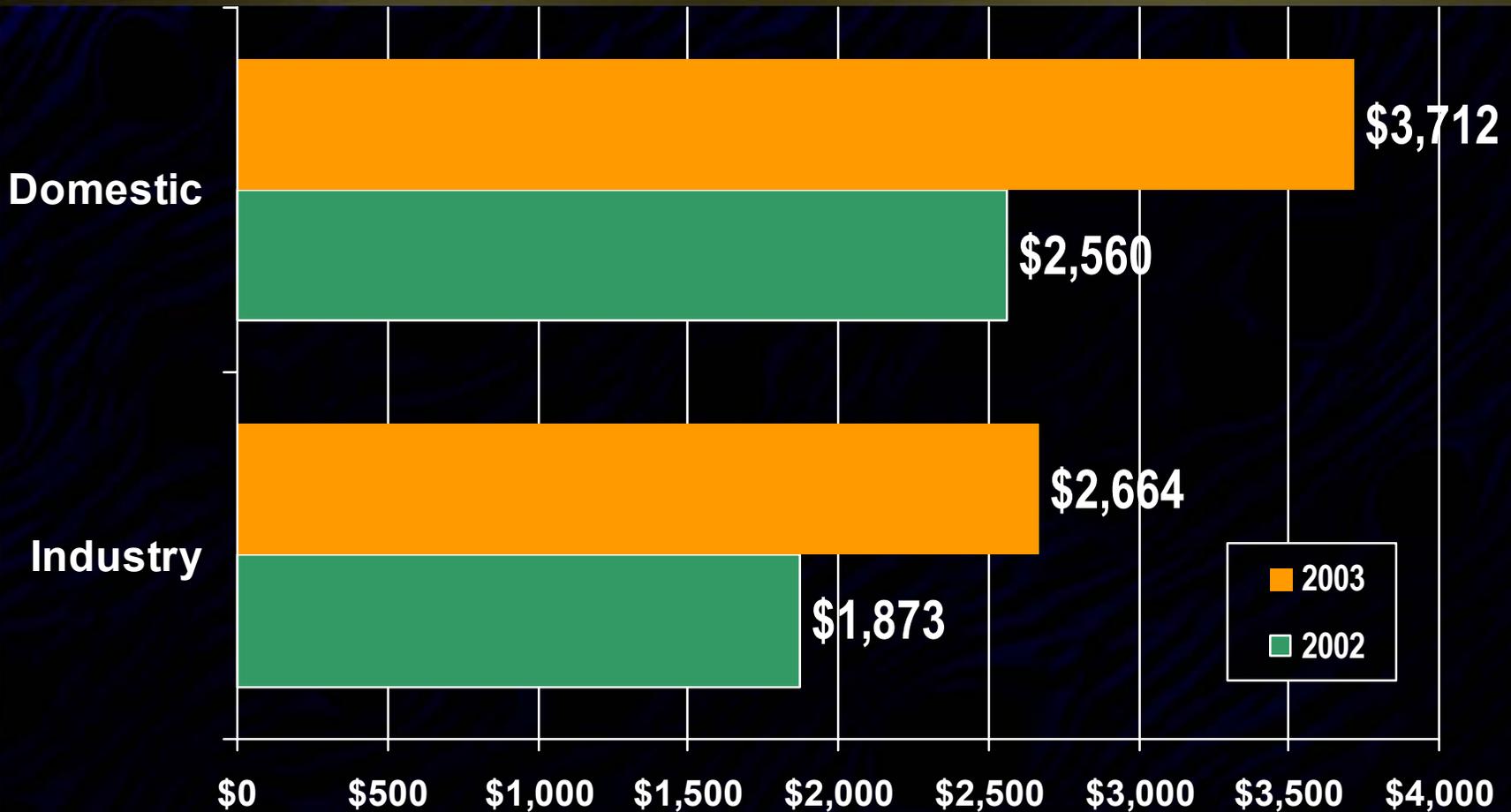
	Jul 2000 to Jul 2001		Jul 2001 to Jul 2002		Jul 2002 to Jul 2003		Dec 2003 to May 2004	
	\$ Decline	% Decline	\$ Decline	% Decline	\$ Decline	% Decline	\$ Decline	% Decline
Accord 4D LX - 4 Cyl	-\$1,925	-12.3%	-\$1,900	-13.9%	-\$2,450	-20.8%	-\$850	-9.5%
C1500 Pickup Flttd Ext - V8	-\$2,600	-13.0%	-\$2,450	-14.1%	-\$2,825	-18.9%	-\$500	-4.5%
Camry 4D LE - 4 Cyl	-\$1,700	-11.5%	-\$2,400	-18.3%	-\$2,225	-20.7%	-\$200	-2.6%
Grand Caravan SE - V6	-\$2,250	-15.3%	-\$2,225	-17.8%	-\$2,925	-28.5%	-\$500	-6.9%
Cavalier 4D - 4 Cyl	-\$1,300	-13.7%	-\$1,650	-20.2%	-\$1,950	-29.9%	-\$275	-6.8%
Civic 4D LX - 4 Cyl	-\$1,350	-10.4%	-\$1,825	-15.8%	-\$1,550	-15.9%	-\$475	-6.3%
Escort 4D SE - 4 Cyl	-\$1,375	-15.4%	-\$1,875	-24.8%	-\$1,400	-24.7%	-\$225	-6.5%
Expedition XLT 4WD - V8	-\$3,850	-15.5%	-\$3,050	-14.6%	-\$2,975	-16.6%	-\$800	-5.9%
Explorer 4WD - V6	-\$3,750	-18.7%	-\$3,025	-18.5%	-\$3,100	-23.3%	-\$575	-6.4%
F150 Pickup Styleside XL - V8	-\$1,925	-13.1%	-\$2,150	-16.8%	-\$1,775	-16.7%	-\$575	-6.6%
Grand Cherokee Laredo 4WD - 6 Cyl	-\$2,525	-13.3%	-\$2,875	-17.4%	-\$3,400	-24.9%	-\$400	-4.3%
Ram 1500 Pickup Sweptline - V8	-\$2,225	-13.9%	-\$2,650	-19.3%	-\$1,675	-15.1%	-\$500	-5.9%
Ranger Pickup Styleside - V6	-\$1,450	-14.1%	-\$1,750	-19.8%	-\$1,250	-17.6%	-\$100	-1.9%
Taurus 4D SE - V6	-\$1,975	-17.0%	-\$1,925	-19.9%	-\$2,125	-27.4%	-\$500	-10.5%
Average	\$ (2,157.14)	-14%	\$ (2,267.86)	-18%	\$ (2,258.93)	-22%	\$ (462.50)	-6%

NADA Official Used Car Guide-Eastern Edition

Model Year 1999 Luxury Values

	Jul 2000 to Jul 2001		Jul 2001 to Jul 2002		Jul 2002 to Jul 2003		Dec 2003 to May 2004	
	\$ Decline	% Decline	\$ Decline	% Decline	\$ Decline	% Decline	\$ Decline	% Decline
BMW 3-Series 318TI 2D	-\$2,800	-12.5%	-\$3,400	-17.3%	-\$3,450	-21.2%	-\$975	-8.7%
BMW 5-Series 528i 4D SED	-\$4,500	-11.4%	-\$5,225	-15.0%	-\$4,725	-16.0%	-\$1,625	-7.8%
BMW 7-Series 740i 4D SED	-\$4,490	-8.9%	-\$9,975	-21.7%	-\$6,700	-18.6%	-\$1,950	-7.7%
Audi A-8 4D SED V8	-\$7,125	-16.5%	-\$6,625	-18.4%	-\$6,525	-22.2%	-\$125	-0.7%
Audi A-6 4D SED V6	-\$3,775	-12.0%	-\$5,100	-18.5%	-\$5,100	-22.6%	-\$1,955	-13.7%
Audi A-4 4D SED V6	-\$2,700	-10.2%	-\$4,000	-16.9%	-\$3,300	-16.7%	-\$1,175	-9.0%
Mercedes E Class 4D SED E320	-\$5,350	-12.2%	-\$6,150	-15.9%	-\$4,775	-14.7%	-\$1,800	-7.6%
Mercedes S Class 4D SED S320V	-\$5,950	-11.1%	-\$9,575	-20.0%	-\$5,675	-14.8%	-\$1,450	-5.4%
Volvo S80 4D SED	-\$4,275	-12.1%	-\$4,700	-15.1%	-\$4,475	-16.9%	-\$1,925	-10.7%
Jaguar XJ8 4D SED	-\$5,800	-13.2%	-\$6,575	-17.2%	-\$5,575	-17.6%	-\$825	-3.9%
Cadillac Deville 4D SED V8	-\$3,275	-12.4%	-\$3,350	-14.5%	-\$3,775	-19.1%	-\$1,175	-9.0%
Lincoln Town Car 4D SED Cartier	-\$3,200	-11.4%	-\$3,425	-13.8%	-\$4,100	-19.2%	-\$1,150	-7.6%
Lincoln Continental 4D SED	-\$3,875	-14.6%	-\$5,050	-22.3%	-\$3,325	-18.9%	-\$950	-8.2%
Lexus ES 300 4D SED V6	-\$3,025	-10.1%	-\$4,500	-16.8%	-\$3,525	-15.8%	-\$525	-3.2%
Lexus LS 400 4D SED	-\$5,625	-11.8%	-\$7,550	-17.9%	-\$4,975	-14.4%	-\$1,725	-6.6%
Infinity Q45 4D SED	-\$4,675	-12.8%	-\$5,400	-16.9%	-\$4,650	-17.5%	-\$850	-4.5%
Average	\$ (4,402.50)	-12%	\$ (5,662.50)	-17%	\$ (4,665.63)	-18%	\$ (1,261.25)	-7%

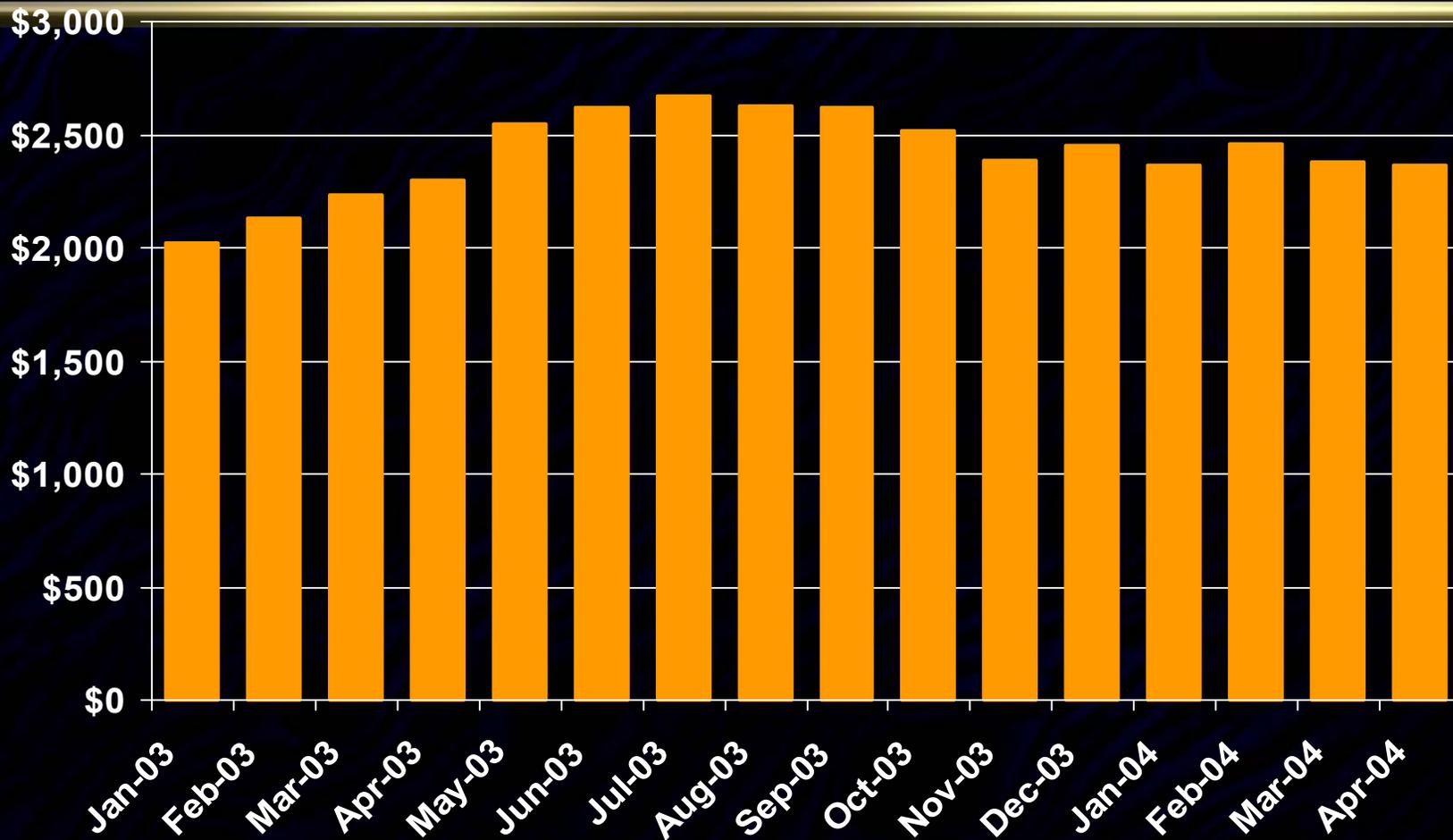
Pay to Play: Average Incentives Increase 2002-2003



Source: Autodata Corp

Average Manufacturer Incentive per Vehicle Sold in the U.S.

Jan 2002- Apr 2004



Source: Edmunds.com

Pay to Play: Average Incentives April 2004



Source:Edmunds.com

