Presentation to the 18th Annual Automotive Outlook Symposium

Federal Reserve Bank of Chicago - Detroit Branch

June 3, 2011

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National Automobile Dealers Association
McLean, VA
Light-Vehicle Sales at 12.9 Million Units for 2011
11.55 Million Units in 2010

Source: NADA Industry Analysis
Hybrid Sales Continue to Fall

Source: R. L. Polk, Ward’s Automotive
Recovery from Sales Decline in 2010 over 2009

Faster Pace for Sales Expected in 2011

Crossovers/Pickups led 2010 Percentage Sales Gains, Full Year 2010 over 2009

Source: Ward’s Automotive
Average AuctionNet Price by Segment for 1- to 5-Year-Old Used Vehicles, 2005-2011

Average AuctionNet segment price 1- to 5-Year old vehicles

Source: AuctionNet® ©Copyright 2009, NADA Used Car Guide
# Dealership Performance Improves Under Pressure in 2010

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total sales</td>
<td>$33,379,501</td>
<td>$31,240,140</td>
</tr>
<tr>
<td>Net pretax profit</td>
<td>1.50%</td>
<td>2.10%</td>
</tr>
<tr>
<td>Floorplan expense per new retail unit</td>
<td>$167</td>
<td>($39)</td>
</tr>
<tr>
<td>Net debt-to-equity ratio</td>
<td>1.41</td>
<td>0.97</td>
</tr>
<tr>
<td>Current ratio</td>
<td>1.9</td>
<td>1.39</td>
</tr>
<tr>
<td>Service &amp; parts absorption</td>
<td>51.90%</td>
<td>59.60%</td>
</tr>
<tr>
<td>Return on equity</td>
<td>22.00%</td>
<td>24.80%</td>
</tr>
</tbody>
</table>

Source: NADA Average Dealership Profile
Change in Retail Registrations for the Detroit Three
Buick and Ford Outperform the Market Trend in 2010

<table>
<thead>
<tr>
<th>Make</th>
<th>2007</th>
<th>2010</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chevrolet</td>
<td>387</td>
<td>311</td>
<td>-20%</td>
</tr>
<tr>
<td>Buick</td>
<td>56</td>
<td>58</td>
<td>3%</td>
</tr>
<tr>
<td>GMC</td>
<td>194</td>
<td>153</td>
<td>-21%</td>
</tr>
<tr>
<td>Cadillac</td>
<td>123</td>
<td>108</td>
<td>-12%</td>
</tr>
<tr>
<td>Chrysler</td>
<td>111</td>
<td>46</td>
<td>-58%</td>
</tr>
<tr>
<td>Jeep</td>
<td>143</td>
<td>105</td>
<td>-27%</td>
</tr>
<tr>
<td>Dodge-Ram</td>
<td>254</td>
<td>166</td>
<td>-35%</td>
</tr>
<tr>
<td>Ford</td>
<td>385</td>
<td>368</td>
<td>-4%</td>
</tr>
<tr>
<td>Lincoln</td>
<td>82</td>
<td>56</td>
<td>-31%</td>
</tr>
<tr>
<td>Industry Average</td>
<td>322</td>
<td>286</td>
<td>-11%</td>
</tr>
</tbody>
</table>

Source: Automotive News Data Center and RL Polk & Co.
Percentage Change in Light Vehicle Sales
First Five Months Momentum during 2011

-40% -30% -20% -10% 0% 10% 20% 30% 40%

Crossover Utility Vehicles
Small Cars
Midsize Cars
Large Cars
Luxury Cars
Pickups
Truck-based SUVs
Minivans, Vans

Source: Ward’s Automotive
Third Quarter, 2010
The Double Dip of Modest Housing Prices

Four-Quarter Price Change by State: Purchase-Only Index (Seasonally Adjusted)
US Four-Quarter Appreciation = -3.2% (2009Q3-2010Q3)
Fourth Quarter, 2010
The Continued Double Dip of Housing Prices

Four-Quarter Price Change by State: Purchase-Only Index (Seasonally Adjusted)

US Four-Quarter Appreciation = -3.2% (2009Q4-2010Q4)
First Quarter, 2011
The Accelerated Double Dip of Housing Prices

Four-Quarter Price Change by State: Purchase-Only Index (Seasonally Adjusted)
US Four-Quarter Appreciation = -5.5% (2010Q1-2011Q1)
Nearly All Regions Show An Accelerated Double Dip of Housing Prices

Source: FHFA