Covering the Fourth Quarter, 2002 Volume 8, Number 1

Chicago Auto Outlook ™

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Area New Retail Light Vehicle Market Predicted to Decline by Less Than 3% in 2003

This issue of *Chicago Auto Outlook* contains a wealth of information on the area's automotive market. From brand sales performance to county market evaluations to detailed forecasts on the area market, it's all "inside." Following is an **Executive Summary** of primary conclusions.

Chicago Area market predicted to have another good year in 2003

Following an above average year in 2002, the Chicago Area market is expected to remain in relatively good shape in 2003. Auto Outlook projects that new retail registrations of cars and light trucks in the area will decline by about 2.5% this year, with the market remaining above the 425,000 unit level for the fifth consecutive year. Clearly, there are several tangible events that could impact the market this year, so stay tuned.

Market takes expected fall in the Fourth Quarter of 2002

Not surprisingly, the area market had a hard time approaching its record-setting performance of a year earlier during the Fourth Quarter of last year, with registrations declining by about 30% (see page 2).

Mini SUV segment fastest growing in 2002

Led by the Honda CRV and Jeep Liberty, the Mini SUV segment had the largest market share gain in the area last year. Compact Car had the steepest decline (see page 3).

Infiniti, Porsche, Mazda, Mitsubishi, Cadillac, and Nissan predicted to have good years in 2003

Boosted by major new products, the six brands listed above are predicted to post the biggest percentage increases in registrations in the Chicago Area this year (see pages 4 and 5).

Pontiac, Saturn, Jeep, Hyundai, Lexus, Buick, and Cadillac strong performers in area market

These seven brands were at the "top of the charts" in 2002 based on Chicago Area sales results versus the U.S. (see page 7).

Toyota Camry best selling car in area retail market; Ford Explorer light truck leader

Top 20 selling car and light truck models in the area market are shown on page 8.

Japanese brands increase market share in 2002

Japanese brand market share in the Chicago Area increased by 3.1 market share points in the second half of last year. The Big Three lost 4.4 points (see page 9).

New vehicle sales downturn likely to be short and mild

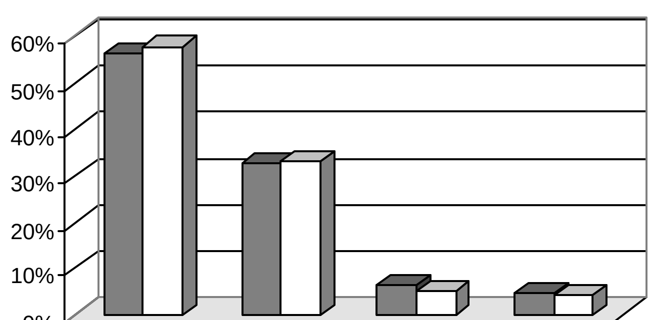
Our long term analysis of new vehicle sales trends indicates that the current slide in new vehicle sales is likely to be relatively mild (see page 10).

Kane County market has smallest decline in 2002

The Kane County market declined by less than 5% last year, the smallest decline of the eight county markets in the area (see page 11).

CHICAGO AREA RETAIL LIGHT VEHICLE MARKET—AT A GLANCE

RETAIL MARKET SHARE—AREA VS. U.S. (2002)



	Trad. Dom.	Japanese	European	Korean
Chicago	56.4%	32.8%	6.1%	4.7%
US	57.8%	33.3%	4.9%	4.0%

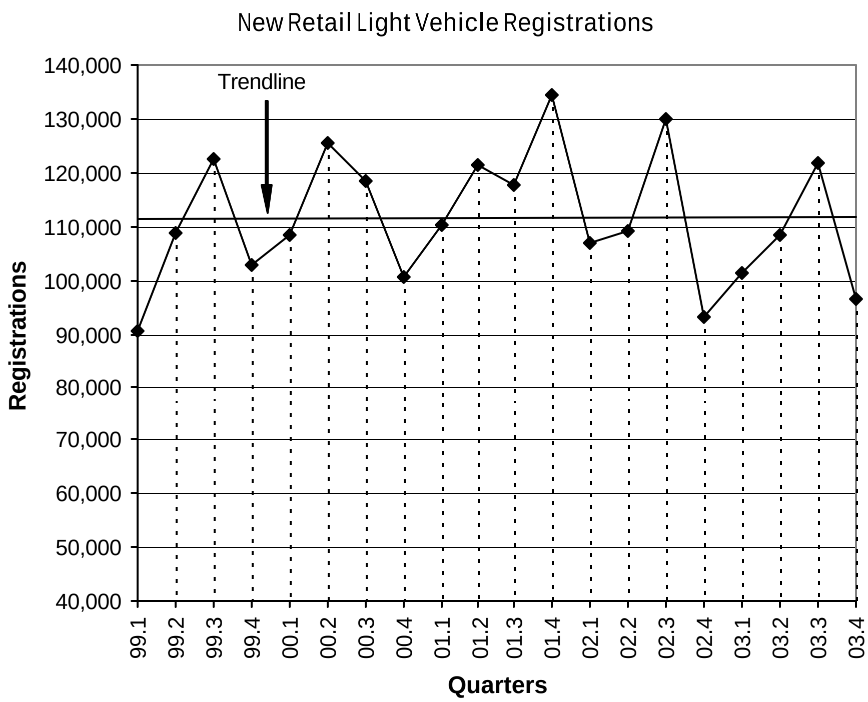
CHICAGO AREA NEW RETAIL LIGHT VEHICLE REGISTRATIONS

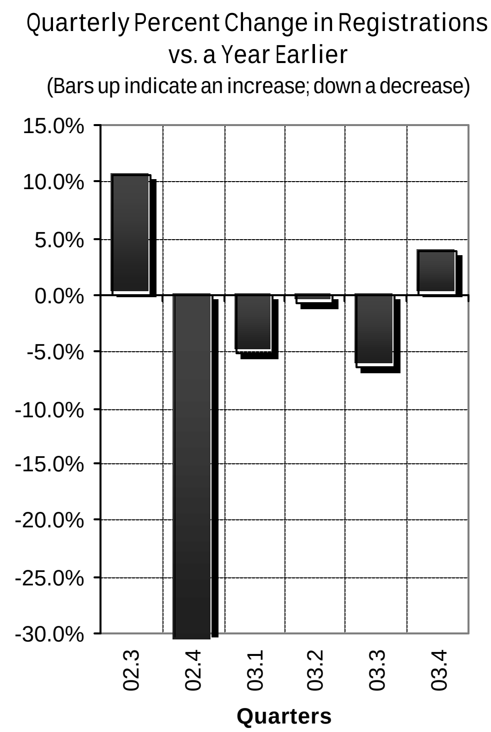
	2001	2002	Forecast 2003	% change '02 to '03
TOTAL	483,987	439,339	428,444	-2.5%
Car	270,882	236,268	224,537	-5.0%
Light Truck	213,105	203,071	203,907	0.4%
Traditional Domestic	288,973	247,701	232,292	-6.2%
Japanese	132,802	129,204	133,971	3.7%
European	40,809	41,618	41,809	0.5%
Korean	21,403	20,816	20,372	-2.1%

Source for historical data: The Polk Company

Quarterly Industry Results and Forecast

Market Expected to Remain Relatively Strong During 2003





Summary Table	01.1	01.2	01.3	01.4	02.1	02.2	02.3	02.4	03.1	03.2	03.3	03.4
Actual registrations	110,379	121,500	117,632	134,476	107,053	109,187	130,079	93,020	101,472	108,476	121,904	96,592
% change from year earlier	1.7%	-3.2%	-0.7%	33.6%	-3.0%	-10.1%	10.6%	-30.8%	-5.2%	-0.7%	-6.3%	3.8%

As expected, the Chicago Area new retail light vehicle market declined significantly in the Fourth Quarter of 2002 versus a year earlier, with the market falling by just over 30%. The drop-off, however, was due largely to extremely strong sales in the Fourth Quarter of 2001, not to overly weak sales in last year's Fourth Quarter. The market is predicted to decline by 5.2% in the First Quarter of this year. Source for Historical Data: The Polk Company.

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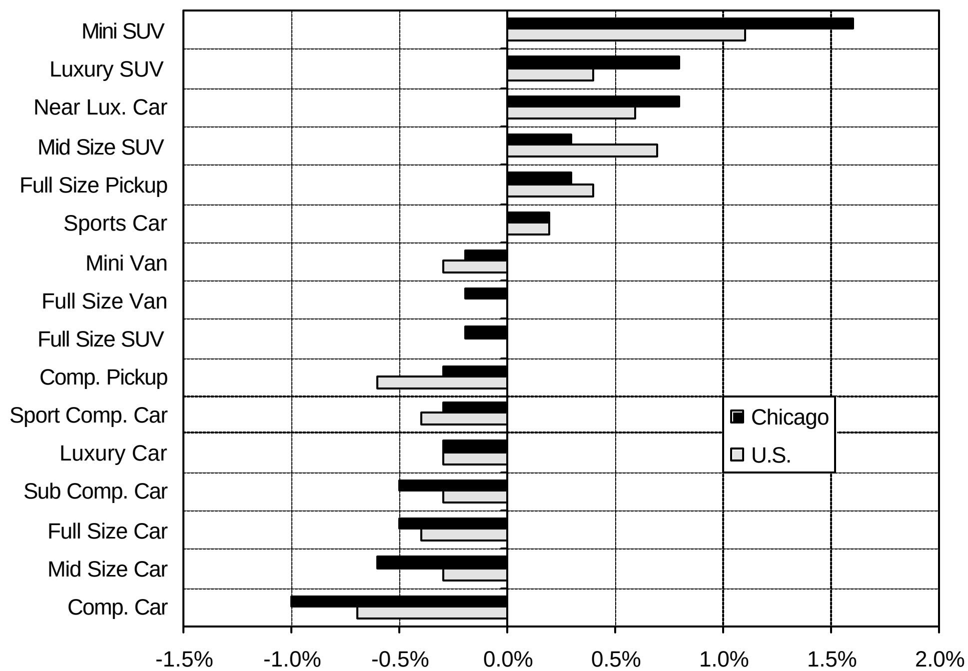
Segment Watch

Mini SUV Segment Continues to Increase Market Share in Chicago Area

Segment Watch provides a great deal of information on the makeup of the Chicago Area light vehicle market. The graph on the right shows the increase or decrease in market share during 2002 (versus 2001) for each of the 16 primary segments in both the area and U.S. markets. The table below shows the top five sellers in each segment during 2002 and the percent change in new registrations versus 2001.

Observations: Strong sales of the Jeep Liberty and big increases for the Honda CRV (the segment leader) and Hyundai Santa Fe contributed to the 1.6 market share point increase in the Mini SUV segment. Strong sales of the Buick Rendezvous led the Luxury SUV segment to the second highest gain. Nissan Altima registrations increased by 40%.
Source: The Polk Company.

Change in Retail Light Vehicle Market Share - 2002 vs. 2001



Top Five Selling Models in Each Segment
New Retail Registrations, 2002 (annual total) and Percent Change vs. 2001

CARS											
Sub Compact			**Compact**			**Sporty Compact**			**Mid Size**		
Model	**Regs.**	**% ch.**	**Model**	**Regs.**	**% ch.**	**Model**	**Regs.**	**% ch.**	**Model**	**Regs.**	**% ch.**
Honda Civic	9943	-6%	Volkswagen Jetta	5187	-2%	Ford Mustang	2498	-21%	Toyota Camry	11532	2%
Chevrolet Cavalier	9433	-14%	Pontiac Grand Am	4627	-34%	Mitsubishi Eclipse	2249	-13%	Honda Accord	9995	-13%
Toyota Corolla	6629	6%	Chevrolet Malibu	4443	-27%	Acura RSX	891	128%	Nissan Altima	5834	40%
Ford Focus	6385	-24%	Chrysler Sebring	4153	-4%	Chevrolet Camaro	789	-17%	Chevrolet Impala	5387	1%
Saturn S	4768	-43%	Dodge Stratus	2675	-3%	Hyundai Tiburon	776	32%	Ford Taurus	5216	-25%
Full Size			**Near Luxury**			**Luxury**			**Sports Car**		
Model	**Regs.**	**% ch.**	**Model**	**Regs.**	**% ch.**	**Model**	**Regs.**	**% ch.**	**Model**	**Regs.**	**% ch.**
Buick LeSabre	3666	-26%	BMW 3-Series	3364	-6%	Cadillac Deville	2981	-17%	Chevrolet Corvette	1162	-15%
Mercury Gr. Marq.	2196	-23%	Lexus ES300	3012	62%	Lincoln Town Car	1469	-7%	Lexus SC430	550	27%
Pontiac Bonneville	1199	-31%	Acura TL	2481	-16%	BMW 5-Series	1435	-6%	Ford Thunderbird	539	742%
Buick Park Ave.	692	-37%	Audi A4	1828	25%	Mercedes E	1322	-12%	Porsche Boxster	452	8%
Ford Crown Vic.	675	-10%	Mercedes C	1782	17%	Audi A6	1322	-19%	Porsche 911	440	15%
LIGHT TRUCKS											
Compact Pickup			**Full Size Pick Up**			**Mini Van**			**Full Size Van**		
Model	**Regs.**	**% ch.**	**Model**	**Regs.**	**% ch.**	**Model**	**Regs.**	**% ch.**	**Model**	**Regs.**	**% ch.**
Ford Ranger	2671	-21%	Ford F-Series	7959	-11%	Dodge Caravan	7727	-15%	Chevrolet Express	3290	-13%
Chevrolet S10	2565	-17%	Chevrolet Silverado	6080	-20%	Honda Odyssey	5652	18%	Ford Econoline	3109	-9%
Dodge Dakota	2464	-29%	Dodge Ram	4159	1%	Chrysler T & C	4292	-14%	Dodge Ram Van	1508	-36%
Toyota Tacoma	826	-22%	Chevrolet Avalanch	2408	174%	Ford Windstar	4138	-26%	GMC Savanah	659	-23%
GMC Sonoma	631	-3%	GMC Sierra	2070	-12%	Toyota Sienna	3285	-6%			
Mini SUV			**Mid Size SUV**			**Full Size SUV**			**Luxury SUV**		
Model	**Regs.**	**% ch.**	**Model**	**Regs.**	**% ch.**	**Model**	**Regs.**	**% ch.**	**Model**	**Regs.**	**% ch.**
Honda CRV	5873	23%	Ford Explorer	11273	1%	Chevrolet Tahoe	3833	-10%	Lexus RX300	3559	-13%
Jeep Liberty	5673	83%	Jeep Gr. Cher.	8423	0%	Chevrolet Suburbar	2889	-6%	Buick Rendezvous	2928	119%
Ford Escape	5045	-18%	Chevrolet TrailBlaze	8121	117%	Ford Expedition	2470	-30%	Acura MDX	2532	23%
Hyundai Santa Fe	3834	44%	Toyota Highlander	3812	58%	Toyota Sequoia	1629	-8%	BMW X5	2182	-1%
Toyota RAV4	2990	-8%	GMC Envoy	3765	137%	GMC Yukon	874	-21%	Mercedes ML	1564	-13%

CHICAGO AREA NEW RETAIL LIGHT VEHICLE REGISTRATIONS

History and Forecast

(Historical data obtained from The Polk Company)

	ANNUAL TOTALS				PERCENT CHANGE		
	2000	2001	2002	Forecast 2003	00 to 01	01 to 02	Forecast 02 to 03
TOTAL	453,188	483,987	439,339	**428,444**	6.8%	-9.2%	**-2.5%**
Acura	4,894	7,055	6,849	**6,441**	44.2%	-2.9%	**-6.0%**
Car	4,704	4,998	4,317	**3,824**	6.3%	-13.6%	**-11.4%**
Truck	190	2,057	2,532	**2,617**	982.6%	23.1%	**3.4%**
Audi	3,329	3,735	3,661	**3,506**	12.2%	-2.0%	**-4.2%**
BMW	6,560	8,668	8,504	**8,376**	32.1%	-1.9%	**-1.5%**
Car	5,498	6,469	6,322	**6,257**	17.7%	-2.3%	**-1.0%**
Truck	1,062	2,199	2,182	**2,119**	107.1%	-0.8%	**-2.9%**
Buick	12,046	13,268	11,324	**10,800**	10.1%	-14.7%	**-4.6%**
Car	12,046	11,929	8,396	**7,455**	-1.0%	-29.6%	**-11.2%**
Truck	0	1,339	2,928	**3,345**	--	118.7%	**14.2%**
Cadillac	6,672	7,219	7,528	**8,110**	8.2%	4.3%	**7.7%**
Car	6,017	6,239	5,853	**5,978**	3.7%	-6.2%	**2.1%**
Truck	655	980	1,675	**2,132**	49.6%	70.9%	**27.3%**
Chevrolet	63,711	68,968	62,190	**58,667**	8.3%	-9.8%	**-5.7%**
Car	28,722	29,891	25,260	**22,770**	4.1%	-15.5%	**-9.9%**
Truck	34,989	39,077	36,930	**35,897**	11.7%	-5.5%	**-2.8%**
Chrysler	14,989	17,515	14,802	**14,590**	16.9%	-15.5%	**-1.4%**
Car	6,545	7,619	6,440	**5,424**	16.4%	-15.5%	**-15.8%**
Truck	8,444	9,896	8,362	**9,166**	17.2%	-15.5%	**9.6%**
Daewoo	1,269	1,574	534	**90**	24.0%	-66.1%	**-83.1%**
Dodge	36,374	34,176	27,816	**25,497**	-6.0%	-18.6%	**-8.3%**
Car	8,734	9,740	8,332	**7,528**	11.5%	-14.5%	**-9.6%**
Truck	27,640	24,436	19,484	**17,969**	-11.6%	-20.3%	**-7.8%**
Ferrari	47	52	46	**44**	10.6%	-11.5%	**-4.3%**
Ford	62,659	64,164	54,726	**51,006**	2.4%	-14.7%	**-6.8%**
Car	23,191	21,211	17,500	**15,716**	-8.5%	-17.5%	**-10.2%**
Truck	39,468	42,953	37,226	**35,290**	8.8%	-13.3%	**-5.2%**
GMC	8,752	10,612	10,527	**10,180**	21.3%	-0.8%	**-3.3%**
Honda	29,818	32,771	33,632	**35,420**	9.9%	2.6%	**5.3%**
Car	20,531	22,711	20,312	**20,383**	10.6%	-10.6%	**0.3%**
Truck	9,287	10,060	13,320	**15,037**	8.3%	32.4%	**12.9%**
Hummer	0	0	560	**755**	--	--	**34.8%**
Hyundai	7,357	12,390	13,141	**13,036**	68.4%	6.1%	**-0.8%**
Car	7,114	9,729	9,307	**9,088**	36.8%	-4.3%	**-2.4%**
Truck	243	2,661	3,834	**3,948**	995.1%	44.1%	**3.0%**
Infiniti	3,897	3,894	3,864	**5,187**	-0.1%	-0.8%	**34.2%**
Car	2,676	2,770	3,029	**3,834**	3.5%	9.4%	**26.6%**
Truck	1,221	1,124	835	**1,353**	-7.9%	-25.7%	**62.0%**
Isuzu	1,996	2,012	1,532	**1,486**	0.8%	-23.9%	**-3.0%**
Jaguar	1,463	1,501	2,369	**2,120**	2.6%	57.8%	**-10.5%**
Jeep	15,460	17,516	16,157	**15,703**	13.3%	-7.8%	**-2.8%**
Kia	5,943	7,344	7,003	**7,112**	23.6%	-4.6%	**1.6%**
Car	3,314	4,699	4,094	**3,959**	41.8%	-12.9%	**-3.3%**
Truck	2,629	2,645	2,909	**3,153**	0.6%	10.0%	**8.4%**
Land Rover	1,045	1,027	1,597	**1,577**	-1.7%	55.5%	**-1.3%**
Lexus	8,736	9,776	9,683	**10,216**	11.9%	-1.0%	**5.5%**
Car	3,881	5,243	5,738	**5,963**	35.1%	9.4%	**3.9%**
Truck	4,855	4,533	3,945	**4,253**	-6.6%	-13.0%	**7.8%**

CHICAGO AREA NEW RETAIL LIGHT VEHICLE REGISTRATIONS

History and Forecast

(Historical data obtained from The Polk Company)

	ANNUAL TOTALS				PERCENT CHANGE		
	2000	2001	2002	Forecast 2003	00 to 01	01 to 02	Forecast 02 to 03
Lincoln	5,984	5,070	4,233	**4,377**	-15.3%	-16.5%	**3.4%**
Car	4,757	4,046	3,336	**2,961**	-14.9%	-17.5%	**-11.2%**
Truck	1,227	1,024	897	**1,416**	-16.5%	-12.4%	**57.9%**
Mazda	4,194	5,478	5,597	**6,096**	30.6%	2.2%	**8.9%**
Car	2,906	3,241	3,129	**3,876**	11.5%	-3.5%	**23.9%**
Truck	1,288	2,237	2,468	**2,220**	73.7%	10.3%	**-10.0%**
Mercedes	7,377	7,239	7,107	**7,174**	-1.9%	-1.8%	**0.9%**
Car	5,429	5,434	5,381	**5,570**	0.1%	-1.0%	**3.5%**
Truck	1,948	1,805	1,726	**1,604**	-7.3%	-4.4%	**-7.1%**
Mercury	10,497	8,829	6,709	**5,389**	-15.9%	-24.0%	**-19.7%**
Car	8,044	6,623	4,545	**3,346**	-17.7%	-31.4%	**-26.4%**
Truck	2,453	2,206	2,164	**2,043**	-10.1%	-1.9%	**-5.6%**
Mini	0	0	830	**1,275**	--	--	**53.6%**
Mitsubishi	8,209	8,829	8,321	**9,017**	7.6%	-5.8%	**8.4%**
Car	5,783	6,073	5,938	**5,642**	5.0%	-2.2%	**-5.0%**
Truck	2,426	2,756	2,383	**3,375**	13.6%	-13.5%	**41.6%**
Nissan	17,722	17,926	17,119	**18,436**	1.2%	-4.5%	**7.7%**
Car	10,942	11,312	12,161	**12,944**	3.4%	7.5%	**6.4%**
Truck	6,780	6,614	4,958	**5,492**	-2.4%	-25.0%	**10.8%**
Oldsmobile	9,184	8,714	4,250	**1,934**	-5.1%	-51.2%	**-54.5%**
Car	6,893	6,428	2,912	**1,177**	-6.7%	-54.7%	**-59.6%**
Truck	2,291	2,286	1,338	**757**	-0.2%	-41.5%	**-43.4%**
Plymouth	3,071	1,573	102	**2**	-48.8%	-93.5%	**-98.0%**
Car	1,921	1,508	99	**2**	-21.5%	-93.4%	**-98.0%**
Truck	1,150	65	3	**0**	-94.3%	-95.4%	**-100.0%**
Pontiac	21,613	20,574	15,987	**14,872**	-4.8%	-22.3%	**-7.0%**
Car	19,711	18,030	13,941	**13,099**	-8.5%	-22.7%	**-6.0%**
Truck	1,902	2,544	2,046	**1,773**	33.8%	-19.6%	**-13.3%**
Porsche	742	803	892	**991**	8.2%	11.1%	**11.1%**
Car	742	803	892	**848**	8.2%	11.1%	**-4.9%**
Truck	0	0	0	**143**	--	--	**--**
Saab	1,232	1,423	1,412	**1,425**	15.5%	-0.8%	**0.9%**
Saturn	10,814	10,775	10,790	**10,410**	-0.4%	0.1%	**-3.5%**
Car	10,814	10,774	7,865	**7,551**	-0.4%	-27.0%	**-4.0%**
Truck	0	1	2,925	**2,859**	--	--	**-2.3%**
Subaru	3,439	4,558	4,084	**3,968**	32.5%	-10.4%	**-2.8%**
Car	1,751	2,779	2,493	**2,371**	58.7%	-10.3%	**-4.9%**
Truck	1,688	1,779	1,591	**1,597**	5.4%	-10.6%	**0.4%**
Suzuki	1,498	1,697	1,290	**1,176**	13.3%	-24.0%	**-8.8%**
Car	384	336	344	**355**	-12.5%	2.4%	**3.2%**
Truck	1,114	1,361	946	**821**	22.2%	-30.5%	**-13.2%**
Toyota	34,642	38,806	37,233	**36,528**	12.0%	-4.1%	**-1.9%**
Car	24,216	23,395	22,098	**21,594**	-3.4%	-5.5%	**-2.3%**
Truck	10,426	15,411	15,135	**14,934**	47.8%	-1.8%	**-1.3%**
Volkswagen	12,354	12,331	11,917	**11,869**	-0.2%	-3.4%	**-0.4%**
Car	12,309	12,243	11,801	**11,352**	-0.5%	-3.6%	**-3.8%**
Truck	45	88	116	**517**	95.6%	31.8%	**345.7%**
Volvo	3,534	4,019	3,274	**3,443**	13.7%	-18.5%	**5.2%**
Car	3,534	4,019	3,252	**2,948**	13.7%	-19.1%	**-9.3%**
Truck	0	0	22	**495**	--	--	**2150.0%**
Other	54	95	138	**134**	75.9%	45.3%	**-2.9%**

CHICAGO AREA BRAND SCOREBOARD

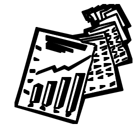
COMPREHENSIVE REVIEW OF BRAND SALES PERFORMANCE IN THE AREA AUTOMOTIVE MARKET

Winners and Losers in the Area Market During the Past Year

The table below presents a well-rounded picture of those brands that are definitely “on the way up” in the area’s new vehicle market, and those that are lagging. Two primary measures are displayed and rated. The first, entitled “Longer Term Sales Growth,” represents the percent change in new retail light vehicle registrations from 2001 to 2002. 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 1 rating. The second measure, “Shorter Term Sales Growth,” represents the percent change in sales from the third to the fourth quarter of last year. The brands are also ranked and rated on a 1 to 5 scale. The last column in the table is the sum of the ratings for Longer Term and Shorter Term sales growth. Higher combined ratings indicate that brand sales were up sharply last year (versus a year earlier), AND that sales increased as the year progressed.

	Longer Term Sales Growth 2001 to 2002				Shorter Term Sales Growth 3rd Qtr. 2002 to 4th Qtr. 2002				Combined
Brand	2001 sales	2002 sales	% ch '01 to '02	Rating (5 is high)	3Q '02 sales	4Q '02 sales	% change	Rating (5 is high)	Rating (10 is high)
Cadillac	7219	7528	4.3%	5	2246	2006	-10.7%	5	10
Honda	32771	33632	2.6%	5	9888	8105	-18.0%	5	10
Saturn	10775	10790	0.1%	5	3037	2846	-6.3%	5	10
Hyundai	12390	13141	6.1%	5	3891	2985	-23.3%	4	9
Mercedes	7239	7107	-1.8%	4	1754	1829	4.3%	5	9
BMW	8668	8504	-1.9%	4	2228	1928	-13.5%	5	9
Audi	3735	3661	-2.0%	4	912	888	-2.6%	5	9
Infiniti	3894	3864	-0.8%	4	1106	884	-20.1%	4	8
GMC	10612	10527	-0.8%	4	3116	2508	-19.5%	4	8
Jaguar	1501	2369	57.8%	5	653	437	-33.1%	2	7
Lexus	9776	9683	-1.0%	4	2649	1799	-32.1%	3	7
Mazda	5478	5597	2.2%	5	2006	1038	-48.3%	1	6
Acura	7055	6849	-2.9%	3	1906	1432	-24.9%	3	6
Toyota	38806	37233	-4.1%	3	11183	8019	-28.3%	3	6
Nissan	17926	17119	-4.5%	3	4809	3634	-24.4%	3	6
Mitsubishi	8829	8321	-5.8%	3	2535	1855	-26.8%	3	6
Jeep	17516	16157	-7.8%	2	4764	3612	-24.2%	4	6
Subaru	4558	4084	-10.4%	2	1162	938	-19.3%	4	6
Volkswagen	12331	11917	-3.4%	3	3611	2363	-34.6%	2	5
Volvo	4019	3274	-18.5%	1	927	746	-19.5%	4	5
Kia	7344	7003	-4.6%	3	2348	1475	-37.2%	1	4
Chevrolet	68968	62190	-9.8%	2	18576	12223	-34.2%	2	4
Ford	64164	54726	-14.7%	2	16957	11403	-32.8%	2	4
Lincoln	5070	4233	-16.5%	1	1315	923	-29.8%	3	4
Buick	13268	11324	-14.7%	2	3557	2177	-38.8%	1	3
Chrysler	17515	14802	-15.5%	2	4152	2522	-39.3%	1	3
Dodge	34176	27814	-18.6%	1	7673	5044	-34.3%	2	3
Mercury	8829	6709	-24.0%	1	2210	1413	-36.1%	2	3
Pontiac	20574	15987	-22.3%	1	4930	3068	-37.8%	1	2
Oldsmobile	8714	4250	-51.2%	1	1248	679	-45.6%	1	2

CHICAGO AREA BRAND SCOREBOARD (continued)

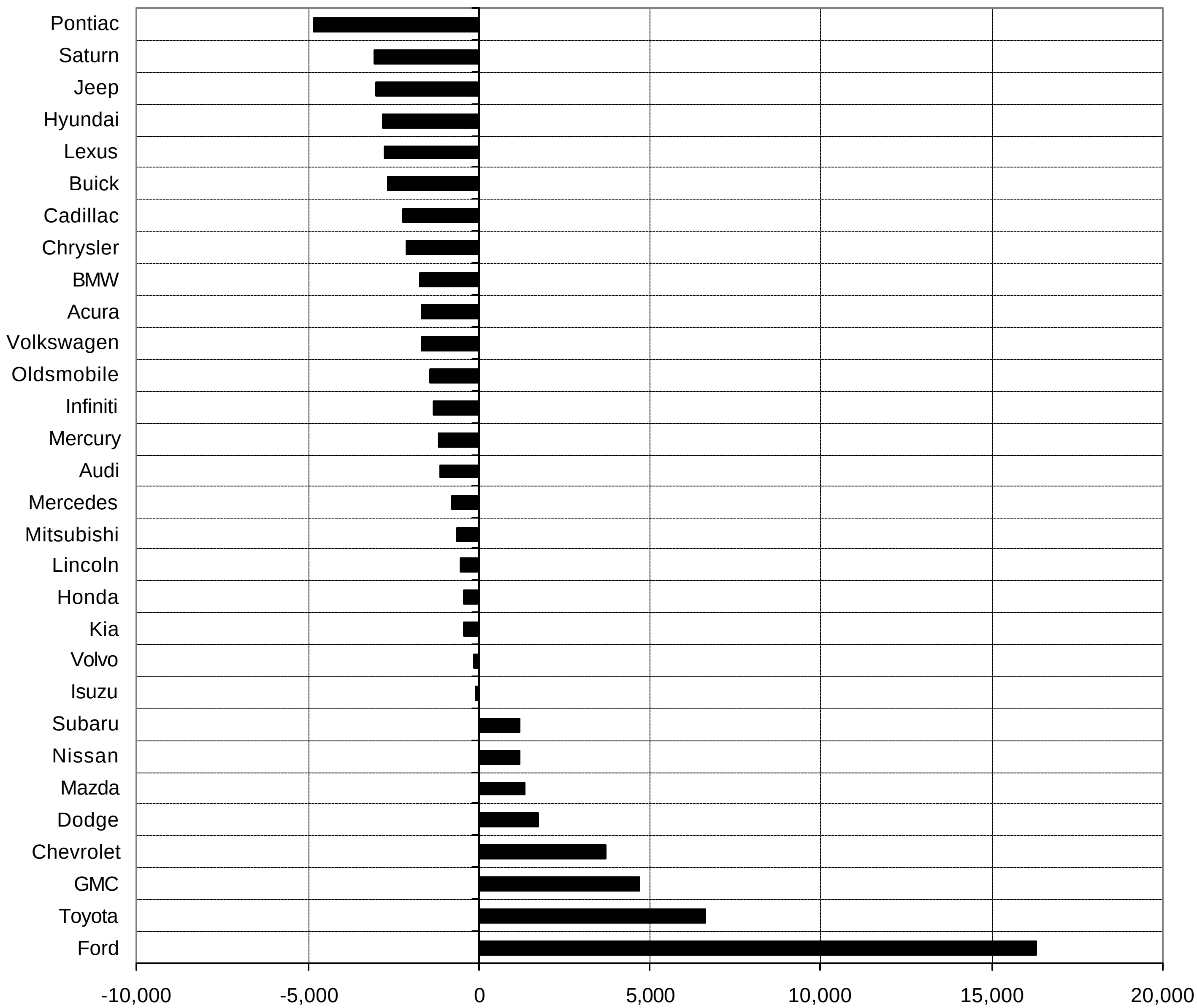


Unit Sales Potential Based on National Market Share

The graph below provides an indicator of brands that are popular in the Chicago Area (relative to the National standard), and those that are not. Here's how it works: For the top 30 selling brands in the area, each brand's share of the U.S. market is multiplied by retail registrations in the area during all of 2002. This yields a "target" for the Chicago Area market. Actual registrations are subtracted from this target to arrive at the Unit Potential estimate. Brands at the bottom of the graph (i.e., Ford, Toyota, GMC, and Chevrolet) have a high unit potential in the area, meaning that registrations would need to increase by a significant number for area market share to equal National. Brands at the top of the graph (Pontiac, Saturn, Jeep, Hyundai, Lexus, Buick, Cadillac, and Chrysler) have a "significant negative potential," indicating that they are strong sellers in the area. Registrations would have to decline in order for area market share to equal National.

Chicago Area Retail Market Potential—based on registrations for 2002

(Increase or decrease in registrations required for brand to equal National market share in the area)



Source: The Polk Company.

Best Selling Models in Chicago Area

Toyota Camry Best Selling Car in Area Retail Market; Ford Explorer Light Truck Leader

The tables on the right show the 20 best selling models in the Chicago Area retail car and light truck markets in 2002. In addition to total registrations, the table also shows the percent change in registrations from 2001 for both the area and U.S. markets.

Each model's share of the car or light truck market is also compared for both the area and the U.S. The column labeled "Area as a % of U.S." shows each model's share of the area market divided by its U.S. share. When this number is above 100%, for instance, area market share is above U.S. This provides an indicator of relative popularity of models in the Chicago Area.

Observations

- Toyota Camry and Ford Explorer, respectively, are the best selling car and light truck models in the area.
- Chevrolet Impala registrations in the area increased 1.3% last year versus a 2.1% decline in the U.S.
- Jeep Grand Cherokee market share in the Chicago Area is more than 1.5 times higher than its U.S. market share.
- Not surprisingly, pickup truck models (Ford F-Series, Dodge Ram, and Chevrolet Silverado) were relatively low sellers in the Chicago Area.
- Camry registrations in the Chicago Area increased 1.8% last year, while Honda Accord registrations decreased 12.7%.

Top 20 Selling New Car Models in Chicago Area Retail Market (2002)

			% change in regs. 2001 to 2002		Market Share in 2002		
Rank	Model	Area Regs.	Area	U.S.	Area	U.S.	Area as a % of U.S.
1	Toyota Camry	11,532	1.8%	12.2%	4.9%	5.9%	84%
2	Honda Accord	9,995	-12.7%	-5.3%	4.3%	6.1%	70%
3	Honda Civic	9,943	-6.2%	-5.8%	4.2%	4.8%	88%
4	Chevrolet Cavalier	9,433	-14.3%	-2.8%	4.0%	2.7%	152%
5	Toyota Corolla	6,629	5.5%	17.1%	2.8%	3.4%	83%
6	Ford Focus	6,385	-24.1%	-13.0%	2.7%	3.0%	91%
7	Nissan Altima	5,834	39.6%	51.8%	2.5%	2.8%	88%
8	Chevrolet Impala	5,387	1.3%	-2.1%	2.3%	2.2%	106%
9	Ford Taurus	5,216	-24.7%	-17.7%	2.2%	2.3%	95%
10	Volkswagen Jetta	5,187	-2.0%	-2.4%	2.2%	2.2%	102%
11	Saturn S	4,768	-42.9%	-29.0%	2.0%	1.7%	120%
12	Pontiac Grand Am	4,627	-34.4%	-15.7%	2.0%	1.5%	129%
13	Chevrolet Malibu	4,443	-26.8%	-15.1%	1.9%	1.4%	131%
14	Pontiac Grand Prix	4,289	-23.1%	-12.6%	1.8%	1.1%	161%
15	Chrysler Sebring	4,153	-3.8%	-5.4%	1.8%	1.3%	133%
16	Hyundai Elantra	3,839	4.3%	3.6%	1.6%	1.7%	99%
17	Volkswagen Passat	3,736	10.1%	4.8%	1.6%	1.5%	107%
18	Buick LeSabre	3,666	-26.0%	-12.4%	1.6%	1.6%	98%
19	Chevrolet Monte Carlo	3,621	-11.8%	-8.9%	1.5%	0.9%	174%
20	Dodge Neon	3,504	-5.1%	32.2%	1.5%	1.2%	122%

Top 20 Selling New Light Truck Models in Chicago Area Market (2002)

			% change in regs. 2001 to 2002		Market Share in 2002		
Rank	Model	Area Regs.	Area	U.S.	Area	U.S.	Area as a % of U.S.
1	Ford Explorer	11,273	0.8%	10.5%	5.5%	5.1%	108%
2	Jeep Gr. Cher.	8,423	-0.4%	1.5%	4.1%	2.7%	152%
3	Chevrolet TrailBlazer	8,121	117.2%	138.5%	4.0%	2.9%	136%
4	Ford F-Series	7,959	-11.2%	-5.1%	3.9%	9.3%	42%
5	Dodge Caravan	7,727	-15.3%	-6.0%	3.8%	2.3%	167%
6	Chevrolet Silverado	6,080	-19.6%	-8.3%	3.0%	7.2%	41%
7	Honda CRV	5,873	22.7%	26.2%	2.9%	1.9%	150%
8	Jeep Liberty	5,673	83.4%	110.3%	2.8%	2.0%	139%
9	Honda Odyssey	5,652	18.5%	18.5%	2.8%	2.0%	137%
10	Ford Escape	5,045	-18.0%	-19.2%	2.5%	1.5%	160%
11	Chrysler T & C	4,292	-13.7%	-8.5%	2.1%	1.4%	145%
12	Dodge Ram	4,159	1.0%	15.6%	2.0%	4.8%	42%
13	Ford Windstar	4,138	-26.2%	-24.6%	2.0%	1.2%	162%
14	Hyundai Santa Fe	3,834	44.1%	41.5%	1.9%	1.0%	192%
15	Chevrolet Tahoe	3,833	-10.3%	1.8%	1.9%	2.5%	73%
16	Toyota Highlander	3,812	57.5%	41.1%	1.9%	1.5%	128%
17	GMC Envoy	3,765	136.8%	137.3%	1.8%	1.3%	137%
18	Dodge Durango	3,626	-32.6%	-18.9%	1.8%	1.3%	138%
19	Lexus RX300	3,559	-13.2%	-7.5%	1.7%	0.9%	190%
20	Chevrolet Express	3,290	-13.0%	0.3%	1.6%	0.7%	234%

Source: The Polk Company

Market Tracker

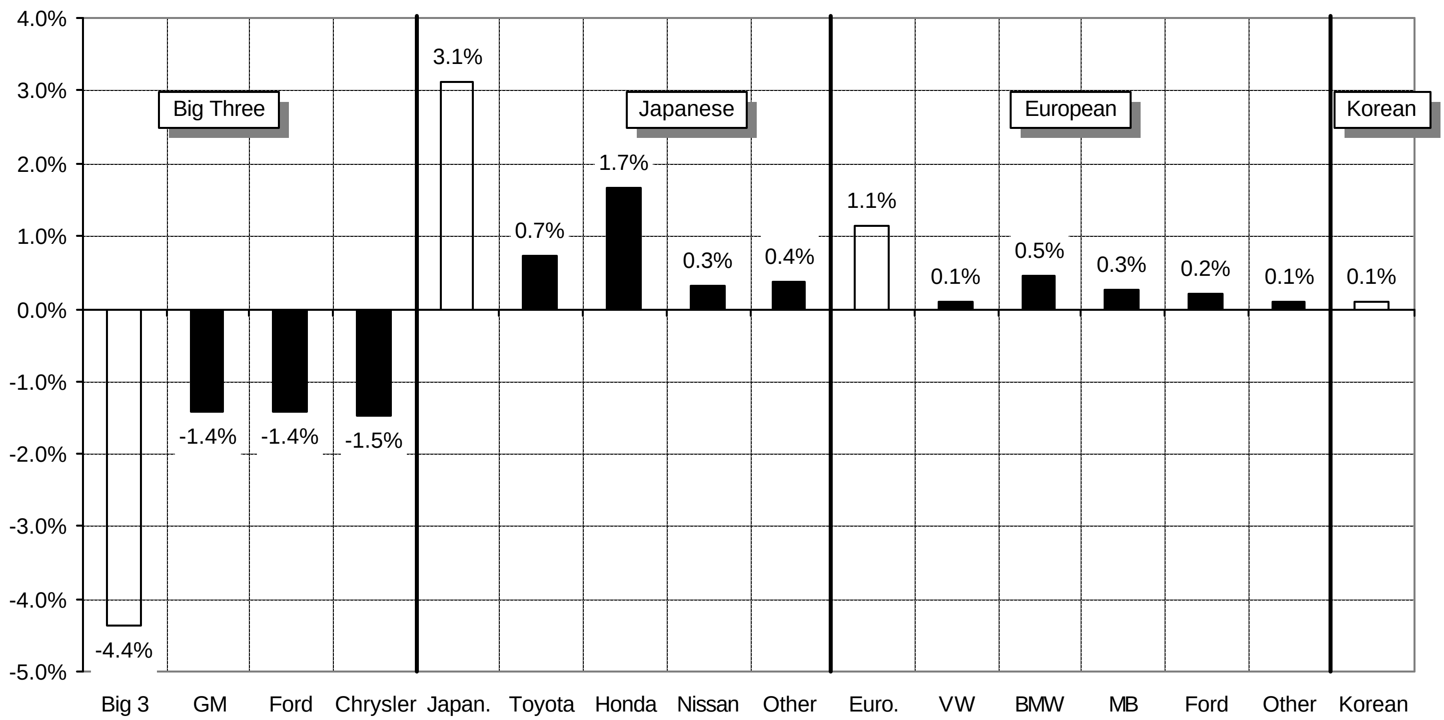
Japanese Brands Gain 3.1 Market Share Points in Second Half of 2002

The graph below (a new feature in *Chicago Auto Outlook*) tracks the changing composition of the area market. As shown on the graph, the Big Three (consisting of "traditional domestic" brands) lost 4.4 market share points in the second half of 2002 versus the same period a year earlier. The decline was spread evenly, with GM, Ford, and Chrysler each losing about 1.5 market share points. (Big Three does not include import brands owned by GM and Ford, such as Volvo and Saab.) Japanese brand market share increased by 3.1 points, with Toyota (including Lexus) increasing by 0.7 points and Honda (including Acura) up 1.7 points. Korean brand market share was virtually unchanged.

Source: The Polk Company.

Change in New Retail Light Vehicle Market Share

July through December, 2002 versus Same Period in 2001



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 and Lexus), 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, and Maserati). **Korean:** Daewoo, Hyundai and Kia.

Chicago Area Top Ten Scoreboard

Honda Gains Ground; Overtakes Toyota for Third Place

THIRD QUARTER, 2002			FOURTH QUARTER, 2002			*change in*
Rank	Make	Market Share	**Rank**	Make	Market Share	*mkt. share*
1	Chevrolet	14.3%	**1**	Chevrolet	13.1%	*-1.2%*
2	Ford	13.0%	**2**	Ford	12.3%	*-0.7%*
3	Toyota	8.6%	**3**	Honda	8.7%	*1.1%*
4	Honda	7.6%	**4**	Toyota	8.6%	*0.0%*
5	Dodge	5.9%	**5**	Dodge	5.4%	*-0.5%*
6	Pontiac	3.8%	**6**	Nissan	3.9%	*0.2%*
7	Nissan	3.7%	**7**	Jeep	3.9%	*0.2%*
8	Jeep	3.7%	**8**	Pontiac	3.3%	*-0.5%*
9	Chrysler	3.2%	**9**	Hyundai	3.2%	*0.2%*
10	Hyundai	3.0%	**10**	Saturn	3.1%	*0.8%*

The table on the left shows the Top 10 sellers in the Chicago Area light vehicle market during the Third and Fourth Quarters of last year. Chevrolet remained in first place, despite losing 1.2 market share points in the Fourth Quarter. Honda gained 1.1 points and moved into third place.

Source: The Polk Company.

Market Perspective

New Vehicle Sales Downturn Likely To Be Short and Mild

For the past five years, automotive sales have been humming along at a decent pace, and for the most part, automotive retailers have been a happy bunch. But as anyone familiar with the industry knows, sales tend to move in cycles, up and down. Sales have been especially strong for the past four years (setting a new record in 2000), so some are fearing an impending and extended downturn that will send new vehicle sales tumbling to near record low levels.

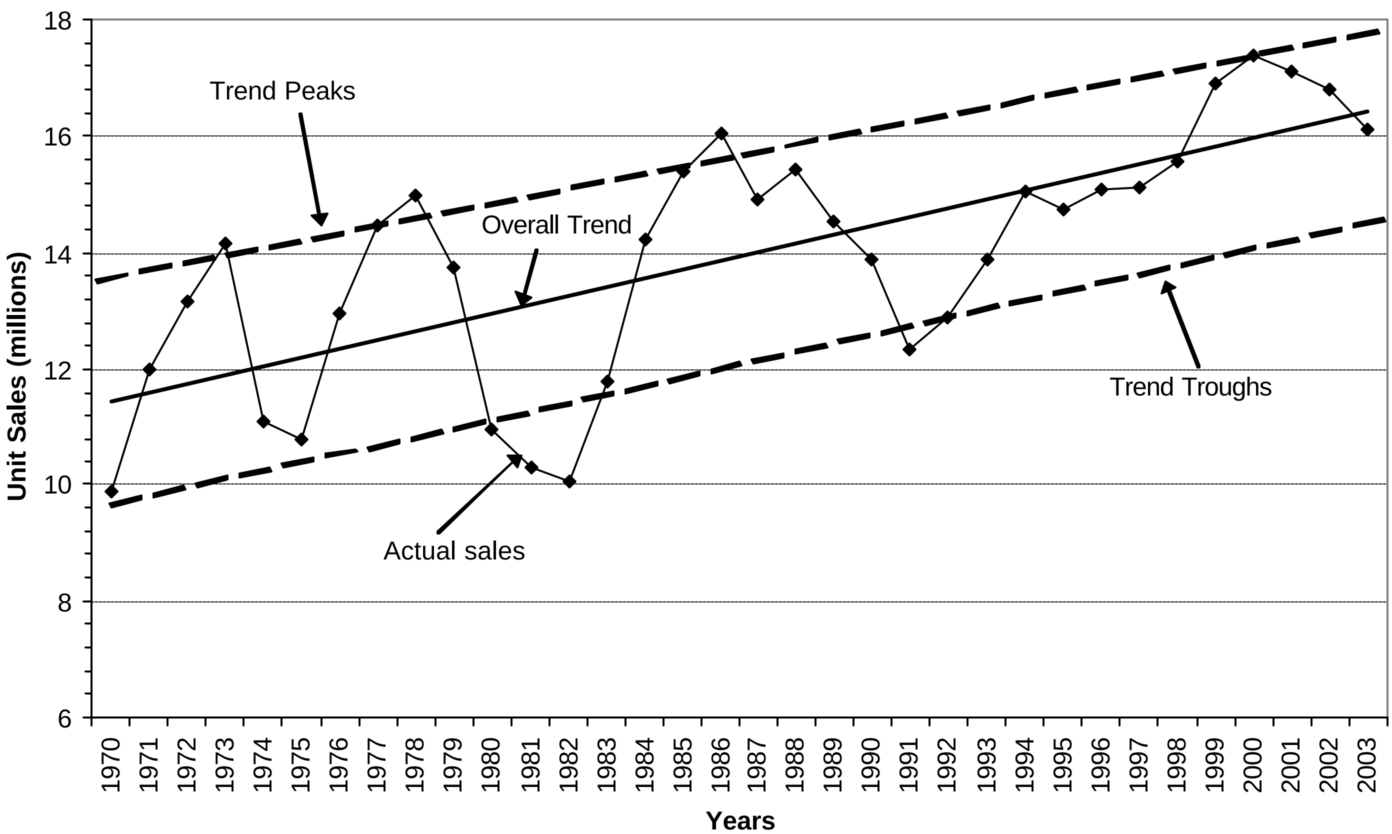
We believe there is very little chance that this will happen. In fact, we predict that the latest downward sales cycle (which actually began in 2001 and we think will extend into 2004) will be comparatively short, with sales bottoming at a much higher level than in 1990. The graph below demonstrates why.

The graph clearly shows the up and down cyclical pattern that new vehicle sales have followed over the past 32 years. Our conclusion that the latest sales decline will be relatively short and mild is demonstrated by looking at the three "trend lines." The overall trend over the past 32 years has moved steadily upward, and importantly, the same is true for trends in the cyclical peaks and troughs. In fact, the trend line for the market troughs portends that, in the worst case scenario, the low point for the current downward cycle will be right around 15 million units, or higher. A far cry from 17.4 million in 2000, but nowhere near the 12.5 million in 1991.

In addition, there is a common perception that the market was especially strong, and exceeded trend levels beginning in the mid-1990's. The graph shows that this was not the case. For most of the 1990's, the market was below trend or just at trend. Therefore, a prolonged sales decline, precipitated by an over-heated market, would not appear to be in the cards.

No doubt about it, these are uncertain times; any economically-based forecast carries with it a lot of risk. And as shown by the last diamond on the graph (our forecast for sales this year), we look for the market to decline further in 2003. But there is very convincing evidence pointing to a relatively mild, short-lived sales downturn.

U.S. New Light Vehicle Sales—Long Term Perspective



The graph shows four data series from 1970 to 2003: 1. ***Actual*** *new vehicle sales. 2. The* ***Overall Sales Trend****. 3.* ***Trend Peaks****, which is the trend line for the four cyclical sales peaks. 4.* ***Trend Troughs****, which is the trend line for the five cyclical sales troughs.*

County Scoreboard

Will and Kane County Markets Record Smallest Declines in 2002

The tables on this page provide a thorough summary of the retail light vehicle markets for each of the eight counties that comprise the Chicago Area. 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 2000, 2001, and 2002. Percentage change, reflecting the **relative** growth or contraction of county markets, is shown in the middle of the table. Unit change, reflecting the **absolute** growth or contraction of county markets, is shown in the last three columns.

Part 2 presents market share data for light trucks, Domestic brands, and the top five selling car and light truck brands in the area. The top two ranked counties in each category are shaded.

Source: The Polk Company

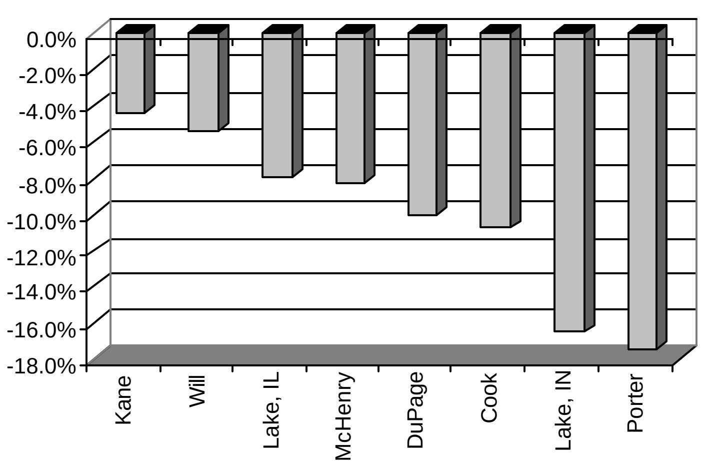
COUNTY BY COUNTY - PART 1

	Registrations (Annual Totals)			Percent Change			Unit Change		
	2000	2001	2002	2000 to 2001	2001 to 2002	2000 to 2002	2000 to 2001	2001 to 2002	2000 to 2002
Cook	227,195	243,890	217,890	7.3%	-10.7%	-4.1%	16,695	-26,000	-9,305
DuPage	67,384	71,412	64,277	6.0%	-10.0%	-4.6%	4,028	-7,135	-3,107
Kane	22,974	25,493	24,359	11.0%	-4.4%	6.0%	2,519	-1,134	1,385
Lake, IL	47,961	51,332	47,300	7.0%	-7.9%	-1.4%	3,371	-4,032	-661
Lake, IN	26,360	26,556	22,179	0.7%	-16.5%	-15.9%	196	-4,377	-4,181
McHenry	17,870	19,926	18,289	11.5%	-8.2%	2.3%	2,056	-1,637	419
Porter	9,612	9,936	8,207	3.4%	-17.4%	-14.6%	324	-1,729	-1,405
Will	33,832	38,942	36,838	15.1%	-5.4%	8.9%	5,110	-2,104	3,006

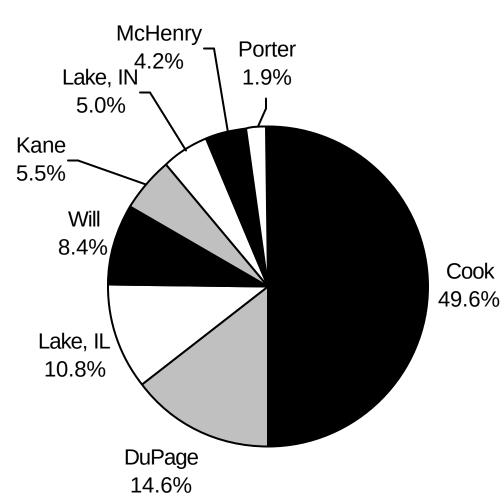
COUNTY BY COUNTY - PART 2

	Market Share Summary				Brand Market Share - Top Five Chicago Area Retail Brands, 2002									
	Light Truck		Domestic Brand		Cars					Light Trucks				
	2002	Change from '01	2002	Change from '00	Chev.	Toyota	Honda	Ford	Pont.	Chev.	Ford	Dodge	Jeep	Toyota
Cook	43.0	2.3	53.8	-3.3	11.1	10.3	8.8	7.1	5.5	17.1	17.1	9.8	7.8	8.0
DuPage	46.2	1.7	51.9	-4.0	8.7	9.2	9.6	6.9	5.2	17.2	17.9	7.7	7.6	8.4
Kane	52.8	1.8	61.5	-3.8	11.5	7.7	9.6	8.1	6.0	21.6	18.9	10.2	7.6	6.4
Lake, IL	49.3	1.5	49.3	-3.3	7.9	10.1	9.0	4.8	5.3	17.1	14.0	7.8	9.2	9.2
Lake, IN	50.6	2.5	75.0	-1.3	14.3	6.7	5.7	13.9	8.2	16.3	27.7	10.1	8.3	3.6
McHenry	56.6	2.7	65.5	-3.9	12.1	8.0	9.5	8.3	9.9	23.0	19.2	11.5	8.3	5.8
Porter	55.9	3.9	74.1	-1.9	11.4	5.8	7.4	11.8	11.2	15.3	23.0	10.5	8.2	3.5
Will	53.1	2.5	65.7	-3.8	13.6	7.0	7.1	9.2	7.4	20.9	20.4	10.8	6.8	5.0

Percent Change in Registrations – 2002 vs. 2001



Share of Area Market – 2002



Market Comparison

Chicago Area Market Slightly Above Average in Domestic Brand Market Share During 2002

	New retail registrations 2002		Change in retail registrations 2002 vs. 2001		Domestic brand market share 2002		Light Truck market share 2002	
	Units	Rank	% change	Rank	Share	Rank	Share	Rank
Birmingham Metro	68,454	18	6.2%	2	55.6%	7	56.8%	5
Chicago Metro	439,339	4	-9.2%	17	56.4%	6	46.7%	13
Cleveland Metro	199,216	10	-7.1%	15	67.3%	2	46.7%	14
Colorado	214,495	8	-8.8%	16	54.7%	9	58.6%	3
Denver Metro	176,356	12	-10.1%	18	55.0%	8	59.1%	1
Georgia	417,547	5	-0.4%	10	57.3%	5	59.0%	2
Hawaii	53,314	19	11.0%	1	31.8%	19	54.6%	8
Kansas City Metro	83,986	17	-10.9%	19	63.4%	3	55.5%	7
Maryland	313,953	7	0.9%	8	46.6%	14	46.6%	15
New Jersey	549,633	2	-0.4%	9	45.7%	15	45.5%	17
New York Metro	465,078	3	5.8%	3	36.4%	18	42.0%	19
New York State	844,166	1	4.8%	4	49.4%	11	46.6%	16
North Carolina	354,261	6	-5.9%	13	58.1%	4	57.2%	4
Orange County Metro (CA)	189,748	11	3.0%	6	37.8%	17	50.7%	11
Philadelphia Metro	201,160	9	-3.2%	12	49.2%	12	44.4%	18
Phoenix Metro	174,149	13	-7.0%	14	51.7%	10	55.6%	6
Pittsburgh Metro	154,201	15	-1.0%	11	68.3%	1	47.0%	12
San Diego Metro	153,217	16	3.5%	5	44.1%	16	53.9%	9
Seattle Metro	167,980	14	1.6%	7	47.0%	13	53.0%	10
U.S.	*14,071,282*		*-1.8%*		*57.8%*		*54.4%*	

The table above compares 19 selected state and regional new retail light vehicle markets. National figures are also shown. Of the 19 markets, the Chicago Area was the fourth largest. The area ranked 17th in registration gains last year versus a year earlier. Domestic brand (the traditional Big Three) market share in the area stood at 56.4% (sixth highest), and light truck market share was 46.7% (seventh lowest). Source: The Polk Company.

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