

# Chicago Auto Outlook™

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## Small Decline in Area Market Predicted for 2005

It's definitely important to keep abreast of developments in the U.S. market, but in many cases, National trends are not reflective of what's occurring in the Chicago Area. That's where Auto Outlook comes in. On a quarterly basis, we keep you informed of current events and forecast projections for the area new vehicle market. Following is a comprehensive characterization and evaluation of the area market.

**Predicted decline in area new retail light vehicle market during 2005 smaller than in U.S.** Auto Outlook is predicting that new retail light vehicle registrations in the Chicago Area will fall 1.8% this year versus 2004, not as bad as the projected 3.6% drop in the Nation. We think total area registrations will exceed 390,000 units this year, which, based on historical standards, is above average.

**National market out-performed Chicago Area last year.** Area new retail vehicle registrations declined 3.9% in 2004, while U.S. registrations were up 0.5% (see page 12).

**Light truck gains in the area market trailed U.S. during 2004.** Light truck share of the area car and light truck retail market increased 0.6 market share points in 2004, below the 1.2 point increase in the U.S. Nationally, light trucks accounted for 57.7% of the overall retail market compared to just 49% in Chicago.

**Domestic brand market share declined again in 2004 in both the Chicago and U.S. markets.** Domestic brand market share in the area fell 3.4 share points from 2003 to 2004, to 48.4%. Domestic brands had a 53.5% share in the Nation, down 2.3 points from 2003.

**Sub Compact and Standard Mid Size Car segments relatively popular in area market.** The Sub Compact car segment accounted for 14.7% of the area retail market in 2004, higher than its 12.5% share in the U.S. Standard Mid Size Car share was 15.2% in the area versus 13.2% in the Nation.

**Pontiac, Honda, Lexus, Acura, Hyundai, and Volkswagen are**

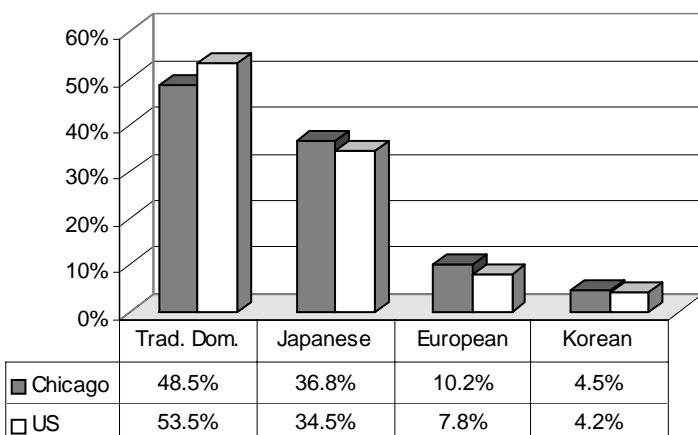
**strong sellers in area market.** Those brands are at the top of the charts based on area sales results versus the U.S. (See page 7 for complete rankings.)

**Toyota Camry best selling Standard Mid Size Car in area; Dodge Caravan leads among Mini Vans.** Toyota Camry was at the top of the list among Standard Mid Size Cars in the Chicago Area during 2004, while Honda Accord led in the Nation. Dodge Caravan was the area's Mini Van leader while Toyota Sienna topped the U.S. charts.

**Area economy showed signs of improvement during 2004** Economic news in the Chicago Area was more upbeat in 2004 than a year earlier. The area's unemployment rate fell to 5.7% in the Fourth Quarter of 2004, down 0.8 points from a year earlier. The U.S. rate was 5.1%, down 0.4 points. Total employment in the area was up 1.7% in the Fourth Quarter, slightly higher than the 1.6% improvement in the Nation.

### CHICAGO AREA RETAIL LIGHT VEHICLE MARKET—AT A GLANCE

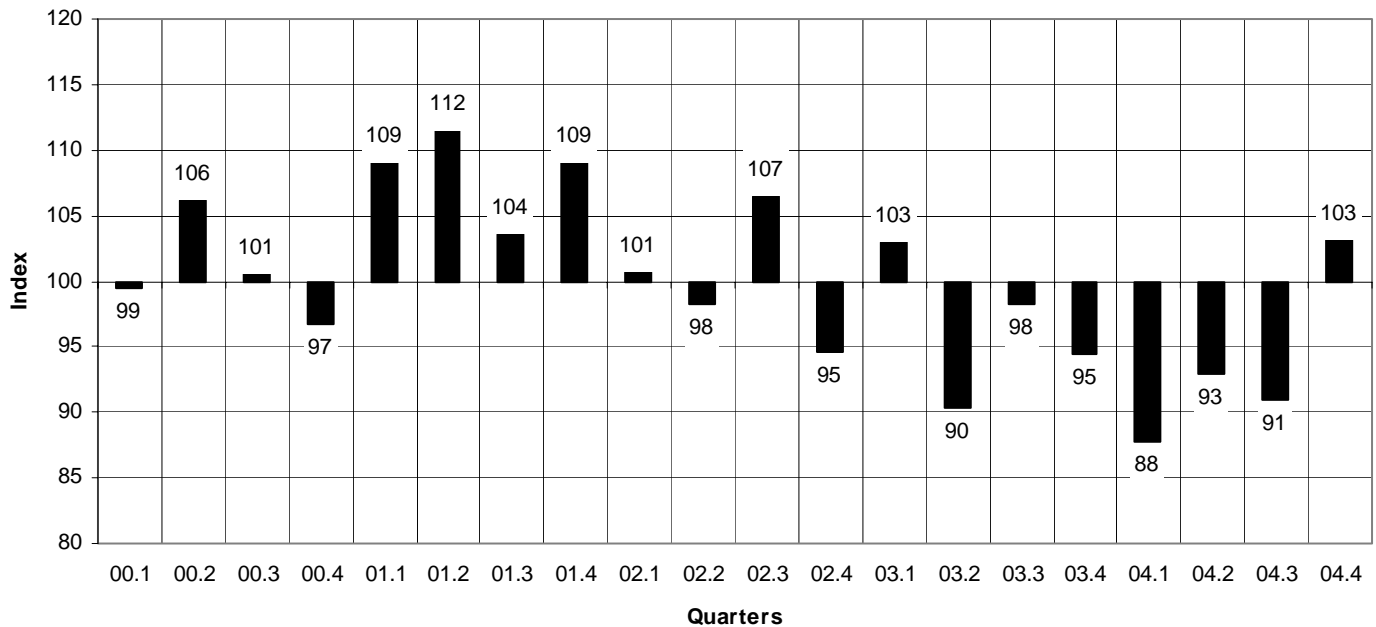
RETAIL MARKET SHARE—AREA VS. U.S., 2004



CHICAGO AREA NEW RETAIL LIGHT VEHICLE REGISTRATIONS

	2003	2004	Forecast % change	
			2005	'04 to '05
TOTAL	414,117	397,930	390,736	-1.8%
Car	215,703	206,016	198,988	0.2%
Light Truck	198,414	191,914	191,748	0.0%
Traditional Domestic	214,498	192,541	185,557	-3.6%
Japanese	136,250	146,525	146,903	0.3%
European	42,674	40,208	38,816	-3.5%
Korean	20,695	18,656	19,460	4.3%

Source for historical data: The Polk Company

Quarterly Industry Results and Forecast**Area Market Predicted to Decline Slightly in Second Quarter of 2005 (versus '04)****Chicago Area Quarterly Market Performance Index (100=average)**

The graph above shows the Chicago Area Quarterly Market Performance Index. The Index tracks the performance of the area new retail light vehicle market relative to the U.S. market. When the Index is above 100 (such as in the Fourth Quarter of 2004) the area market had a better quarter than the U.S. Conversely, when the Index falls below 100, the area market was weaker.

<b>Summary Table</b>	03.1	03.2	03.3	03.4	04.1	04.2	04.3	04.4	05.1	05.2	05.3	05.4
Actual registrations	103,148	98,139	118,598	94,232	87,469	100,878	106,880	102,703	89,005	99,246	106,817	95,669
% change from year earlier	-3.6%	-10.1%	-8.8%	1.3%	-15.2%	2.8%	-9.9%	9.0%	1.8%	-1.6%	-0.1%	-6.8%

After struggling a bit during the first three Quarters of 2004, the Chicago Area new retail light vehicle market rebounded somewhat in the Fourth Quarter. Registrations increased 9% versus the Fourth Quarter of 2003, and the Market Performance Index exceeded 100 for the first time since the First Quarter of 2003.

Source for Historical Data: The Polk Company.

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**Segment Watch**

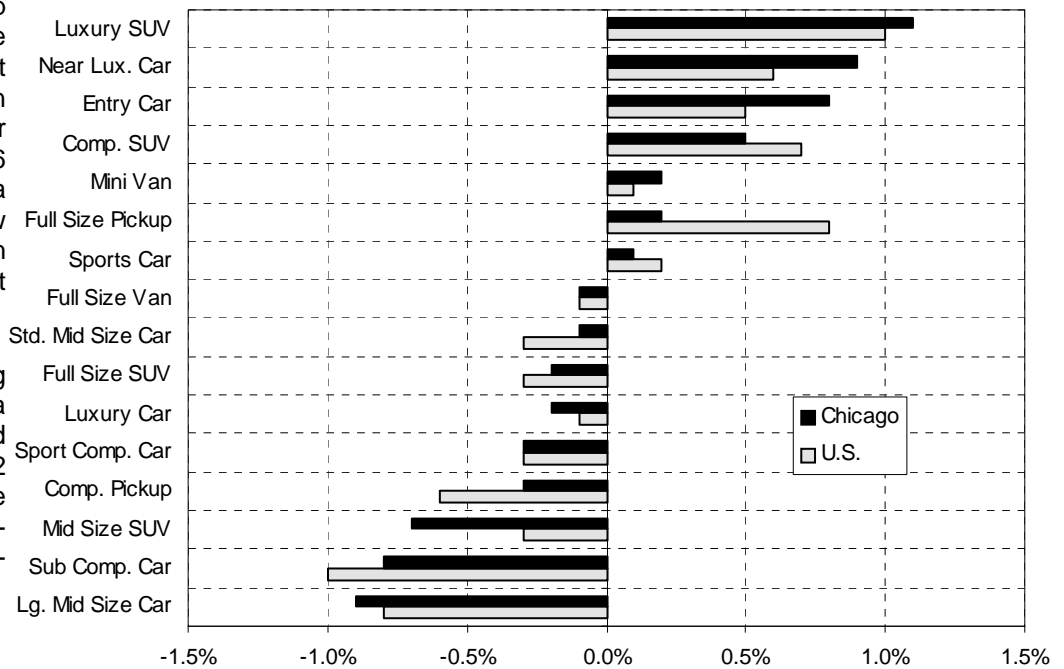
**Luxury SUV Segment Recorded Largest Market Share Increase in Area Last Year**

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 last year (versus 2003) 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 last year and the percent change in new registrations.

**Observations:** Continued strong sales of the Lexus RX330, Acura MDX, and Chrysler Pacifica helped the Luxury SUV segment to a 1.2 market share point increase in the Chicago Area. Ford Focus registrations increased 7% in the Sub Compact segment.

Source: The Polk Company.

**Change in Retail Light Vehicle Market Share - 2004 vs. 2003**



**Top Five Selling Models in Each Segment**

**New Retail Registrations, 2004 and Percent Change vs. 2003**

**CARS**

Entry			Sub Compact			Sporty Compact			Standard Mid Size		
Model	Regs.	% ch.	Model	Regs.	% ch.	Model	Regs.	% ch.	Model	Regs.	% ch.
Chevrolet Aveo	2382	--	Toyota Corolla	9314	6%	Ford Mustang	2181	6%	Toyota Camry	12105	7%
Scion xA/tC	1385	--	Honda Civic	8673	3%	Acura RSX	709	-16%	Honda Accord	10811	0%
Toyota Prius	1169	121%	Chevrolet Cavalier	6990	-25%	Hyundai Tiburon	628	-17%	Nissan Altima	7165	14%
Hyundai Accent	774	-31%	Ford Focus	5286	7%	Mitsubishi Eclipse	620	-59%	Chevrolet Malibu	4824	7%
Kia Rio	585	-42%	Saturn Ion	4018	-19%	Toyota Celica	227	-28%	Pontiac G6/Gr. Am	3788	-6%
Large Mid Size			Near Luxury			Luxury			Sports Car		
Model	Regs.	% ch.	Model	Regs.	% ch.	Model	Regs.	% ch.	Model	Regs.	% ch.
Chevrolet Impala	4665	-21%	Chrysler 300	3626	304%	Cadillac Deville	1891	-24%	Chevrolet Corvette	1239	19%
Pontiac Grand Prix	3691	-11%	Acura TL	3500	51%	Mercedes E	1867	-5%	Nissan 350ZX	641	-36%
Mercury Gr. Marq.	2791	-3%	Lexus ES330	3129	13%	BMW 5-Series	1839	2%	Pontiac GTO	542	--
Buick LeSabre	2756	-9%	BMW 3-Series	2903	-17%	Lexus LS	1123	23%	Mazda RX8	483	118%
Chevrolet Monte Carlo	2234	-29%	Infiniti G35	2414	-1%	Lincoln Town Car	1098	-17%	BMW Z4	364	-44%

**LIGHT TRUCKS**

Compact Pickup			Full Size Pick Up			Minivan			Full Size Van		
Model	Regs.	% ch.	Model	Regs.	% ch.	Model	Regs.	% ch.	Model	Regs.	% ch.
Chevrolet Colorado/S10	2186	-14%	Ford F-Series	8369	15%	Dodge Caravan	6332	7%	Chevrolet Express	3085	-4%
Ford Ranger	1750	-32%	Chevrolet Silverado	5549	-7%	Honda Odyssey	6096	0%	Ford Econoline	2114	-21%
Dodge Dakota	1563	-14%	Dodge Ram	3591	-22%	Toyota Sienna	5923	49%	GMC Savanah	665	-8%
Toyota Tacoma	792	11%	GMC Sierra	1898	4%	Chrysler T & C	4103	9%	Sprinter	533	--
Nissan Frontier	504	1%	Chevrolet Avalanche	1876	-20%	Ford Freestar	2356	-39%			
Compact SUV			Mid Size SUV			Full Size SUV			Luxury SUV		
Model	Regs.	% ch.	Model	Regs.	% ch.	Model	Regs.	% ch.	Model	Regs.	% ch.
Ford Escape	5265	-2%	Chevrolet TrailBlazer	6582	-17%	Chevrolet Tahoe	3206	-10%	Lexus RX330	4607	14%
Honda CRV	5088	-7%	Ford Explorer	6394	-26%	Ford Expedition	2407	-20%	Acura MDX	3008	5%
Hyundai Santa Fe	4262	-6%	Honda Pilot	4754	17%	Chevrolet Suburban	2303	-14%	Chrysler Pacifica	1887	77%
Jeep Liberty	3764	-22%	Toyota Highlander	4571	6%	Toyota Sequoia	1073	-14%	Cadillac Escalade	1740	16%
Chevrolet Equinox	3273	--	Jeep Gr. Cher.	4143	-32%	Nissan Armada	869	--	Buick Rendezvous	1668	-24%

## CHICAGO AREA NEW RETAIL LIGHT VEHICLE REGISTRATIONS

### History and Forecast

(Historical data obtained from The Polk Company)

	Registrations				Percent Change		
				Forecast			Forecast
	2002	2003	2004	2005	02 to 03	03 to 04	04 to 05
TOTAL	439,339	414,117	397,930	390,736	-5.7%	-3.9%	-1.8%
Acura	6,849	7,288	8,742	9,048	6.4%	20.0%	3.5%
Car	4,317	4,415	5,734	6,077	2.3%	29.9%	6.0%
Truck	2,532	2,873	3,008	2,971	13.5%	4.7%	-1.2%
Audi	3,661	3,577	3,106	3,428	-2.3%	-13.2%	10.4%
BMW	8,504	9,136	8,929	8,728	7.4%	-2.3%	-2.3%
Car	6,322	7,191	6,261	6,044	13.7%	-12.9%	-3.5%
Truck	2,182	1,945	2,668	2,684	-10.9%	37.2%	0.6%
Buick	11,324	9,141	7,475	7,002	-19.3%	-18.2%	-6.3%
Car	8,396	6,815	5,153	4,348	-18.8%	-24.4%	-15.6%
Truck	2,928	2,326	2,322	2,654	-20.6%	-0.2%	14.3%
Cadillac	7,528	7,663	7,709	7,854	1.8%	0.6%	1.9%
Car	5,853	5,646	4,860	4,936	-3.5%	-13.9%	1.6%
Truck	1,675	2,017	2,849	2,918	20.4%	41.2%	2.4%
Chevrolet	62,190	57,434	53,963	50,765	-7.6%	-6.0%	-5.9%
Car	25,260	24,013	22,411	21,028	-4.9%	-6.7%	-6.2%
Truck	36,930	33,421	31,552	29,737	-9.5%	-5.6%	-5.8%
Chrysler	14,802	11,574	13,507	13,958	-21.8%	16.7%	3.3%
Car	6,440	4,390	6,166	6,806	-31.8%	40.5%	10.4%
Truck	8,362	7,184	7,341	7,152	-14.1%	2.2%	-2.6%
Daewoo	534	236	0	0	-55.8%	-100.0%	--
Dodge	27,816	21,479	19,685	19,490	-22.8%	-8.4%	-1.0%
Car	8,332	5,914	5,125	5,726	-29.0%	-13.3%	11.7%
Truck	19,484	15,565	14,560	13,764	-20.1%	-6.5%	-5.5%
Ford	54,726	47,615	40,869	39,502	-13.0%	-14.2%	-3.3%
Car	17,500	13,848	11,664	11,193	-20.9%	-15.8%	-4.0%
Truck	37,226	33,767	29,205	28,309	-9.3%	-13.5%	-3.1%
GMC	10,527	10,220	9,208	8,375	-2.9%	-9.9%	-9.0%
Honda	33,632	37,057	37,348	37,563	10.2%	0.8%	0.6%
Car	20,312	19,421	19,654	18,680	-4.4%	1.2%	-5.0%
Truck	13,320	17,636	17,694	18,883	32.4%	0.3%	6.7%
Hummer	560	967	638	706	72.7%	-34.0%	10.7%
Hyundai	13,141	13,422	12,766	13,260	2.1%	-4.9%	3.9%
Car	9,307	8,901	8,286	8,233	-4.4%	-6.9%	-0.6%
Truck	3,834	4,521	4,480	5,027	17.9%	-0.9%	12.2%
Infiniti	3,864	4,820	4,742	4,951	24.7%	-1.6%	4.4%
Car	3,029	3,442	3,080	3,244	13.6%	-10.5%	5.3%
Truck	835	1,378	1,662	1,707	65.0%	20.6%	2.7%
Isuzu	1,532	1,056	660	430	-31.1%	-37.5%	-34.8%
Jaguar	2,369	1,842	1,641	1,290	-22.2%	-10.9%	-21.4%
Jeep	16,157	12,489	9,364	9,555	-22.7%	-25.0%	2.0%
Kia	7,003	6,856	5,134	5,451	-2.1%	-25.1%	6.2%
Car	4,094	3,374	2,408	2,398	-17.6%	-28.6%	-0.4%
Truck	2,909	3,482	2,726	3,053	19.7%	-21.7%	12.0%
Land Rover	1,597	1,373	1,316	1,372	-14.0%	-4.2%	4.3%
Lexus	9,683	10,440	11,382	11,556	7.8%	9.0%	1.5%
Car	5,738	4,766	5,001	5,088	-16.9%	4.9%	1.7%
Truck	3,945	5,674	6,381	6,468	43.8%	12.5%	1.4%
Lincoln	4,233	4,444	3,331	2,690	5.0%	-25.0%	-19.2%
Car	3,336	2,456	1,848	1,368	-26.4%	-24.8%	-26.0%
Truck	897	1,988	1,483	1,322	121.6%	-25.4%	-10.9%

## CHICAGO AREA NEW RETAIL LIGHT VEHICLE REGISTRATIONS

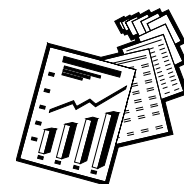
### History and Forecast

(Historical data obtained from The Polk Company)

	Registrations				Percent Change		
				Forecast			Forecast
	2002	2003	2004	2005	02 to 03	03 to 04	04 to 05
Mazda	5,597	5,450	5,960	5,668	-2.6%	9.4%	-4.9%
Car	3,129	3,337	4,527	4,506	6.6%	35.7%	-0.5%
Truck	2,468	2,113	1,433	1,162	-14.4%	-32.2%	-18.9%
Mercedes	7,107	7,439	6,696	6,731	4.7%	-10.0%	0.5%
Car	5,381	6,218	5,824	5,573	15.6%	-6.3%	-4.3%
Truck	1,726	1,221	872	1,158	-29.3%	-28.6%	32.8%
Mercury	6,709	5,913	5,784	5,969	-11.9%	-2.2%	3.2%
Car	4,545	4,431	3,881	3,706	-2.5%	-12.4%	-4.5%
Truck	2,164	1,482	1,903	2,263	-31.5%	28.4%	18.9%
Mini	830	1,218	1,189	1,123	46.7%	-2.4%	-5.6%
Mitsubishi	8,321	6,736	4,689	3,629	-19.0%	-30.4%	-22.6%
Car	5,938	3,954	2,779	2,071	-33.4%	-29.7%	-25.5%
Truck	2,383	2,782	1,910	1,558	16.7%	-31.3%	-18.4%
Nissan	17,119	19,212	22,553	22,598	12.2%	17.4%	0.2%
Car	12,161	13,306	13,378	12,742	9.4%	0.5%	-4.8%
Truck	4,958	5,906	9,175	9,856	19.1%	55.4%	7.4%
Oldsmobile	4,250	1,591	527	125	-62.6%	-66.9%	-76.3%
Car	2,912	1,022	309	64	-64.9%	-69.8%	-79.3%
Truck	1,338	569	218	61	-57.5%	-61.7%	-72.0%
Pontiac	15,987	13,564	12,348	12,165	-15.2%	-9.0%	-1.5%
Car	13,941	11,927	11,156	10,790	-14.4%	-6.5%	-3.3%
Truck	2,046	1,637	1,192	1,375	-20.0%	-27.2%	15.4%
Porsche	892	1,063	1,242	1,251	19.2%	16.8%	0.7%
Car	892	555	430	440	-37.8%	-22.5%	2.3%
Truck	0	508	812	811	--	59.8%	-0.1%
Saab	1,412	1,728	1,396	1,250	22.4%	-19.2%	-10.5%
Saturn	10,790	10,404	8,133	7,401	-3.6%	-21.8%	-9.0%
Car	7,865	6,864	4,838	3,814	-12.7%	-29.5%	-21.2%
Truck	2,925	3,540	3,295	3,587	21.0%	-6.9%	8.9%
Scion	0	0	2,457	3,890	--	--	58.3%
Car	0	0	1,385	2,204	--	--	59.1%
Truck	0	0	1,072	1,686	--	--	57.3%
Subaru	4,084	4,055	3,630	3,728	-0.7%	-10.5%	2.7%
Car	2,493	2,354	2,192	2,191	-5.6%	-6.9%	0.0%
Truck	1,591	1,701	1,438	1,537	6.9%	-15.5%	6.9%
Suzuki	1,290	1,200	2,143	2,222	-7.0%	78.6%	3.7%
Car	344	374	1,392	1,527	8.7%	272.2%	9.7%
Truck	946	826	751	695	-12.7%	-9.1%	-7.5%
Toyota	37,233	38,936	42,219	41,620	4.6%	8.4%	-1.4%
Car	22,098	22,819	23,830	22,958	3.3%	4.4%	-3.7%
Truck	15,135	16,117	18,389	18,662	6.5%	14.1%	1.5%
Volkswagen	11,917	10,439	9,556	8,825	-12.4%	-8.5%	-7.6%
Car	11,801	9,755	8,154	7,493	-17.3%	-16.4%	-8.1%
Truck	116	684	1,402	1,332	489.7%	105.0%	-5.0%
Volvo	3,274	4,796	5,067	4,750	46.5%	5.7%	-6.3%
Car	3,252	3,405	3,464	3,148	4.7%	1.7%	-9.1%
Truck	22	1,391	1,603	1,602	6222.7%	15.2%	-0.1%
Other	138	181	756	749	31.2%	317.7%	-0.9%

## CHICAGO AREA BRAND SCOREBOARD

### COMPREHENSIVE REVIEW OF BRAND SALES PERFORMANCE IN THE AREA AUTOMOTIVE MARKET



#### Winners and Losers

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 during the Fourth Quarter of 2004 versus the same period a

year earlier. 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. 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 during the Fourth Quarter of last year (versus a year earlier), AND brand sales fared relatively well from the Third to the Fourth Quarter.

Brand	Longer Term Sales Growth 4th Qtr. 2003 to 4th Qtr. 2004				Shorter Term Sales Growth 3rd Qtr. 2004 to 4th Qtr. 2004				Combined Rating (10 is high)
	4Q '03 sales	4Q '04 sales	% ch '03 to '04	Rating (5 is high)	3Q '04 sales	4Q '04 sales	% change	Rating (5 is high)	
Acura	1825	2415	32.3%	5	2166	2415	11.5%	5	10
Infiniti	1062	1280	20.5%	5	1241	1280	3.1%	5	10
Chevrolet	12739	14820	16.3%	4	14179	14820	4.5%	5	9
BMW	2059	2374	15.3%	4	2323	2374	2.2%	5	9
Nissan	4761	6005	26.1%	5	6262	6005	-4.1%	3	8
Toyota	8933	10808	21.0%	5	11579	10808	-6.7%	3	8
Hyundai	2774	3325	19.9%	5	3463	3325	-4.0%	3	8
Subaru	820	960	17.1%	4	942	960	1.9%	4	8
Lexus	2630	3002	14.1%	4	2958	3002	1.5%	4	8
Pontiac	2896	3302	14.0%	3	2928	3302	12.8%	5	8
Cadillac	2083	2225	6.8%	3	1793	2225	24.1%	5	8
Chrysler	2421	3844	58.8%	5	4133	3844	-7.0%	2	7
Honda	8114	9613	18.5%	4	10104	9613	-4.9%	3	7
Volvo	1239	1386	11.9%	3	1359	1386	2.0%	4	7
Kia	1324	1344	1.5%	3	1330	1344	1.1%	4	7
Ford	11392	10185	-10.6%	2	10559	10185	-3.5%	4	6
Mazda	1161	1380	18.9%	4	1709	1380	-19.3%	1	5
GMC	2466	2259	-8.4%	2	2346	2259	-3.7%	3	5
Mercedes	1828	1666	-8.9%	2	1777	1666	-6.2%	3	5
Audi	923	783	-15.2%	1	768	783	2.0%	4	5
Mercury	1366	1364	-0.1%	3	1677	1364	-18.7%	1	4
Dodge	4776	4531	-5.1%	3	5623	4531	-19.4%	1	4
Jaguar	425	402	-5.4%	2	455	402	-11.6%	2	4
Volkswage	2601	2345	-9.8%	2	2855	2345	-17.9%	2	4
Saab	359	329	-8.4%	2	407	329	-19.2%	1	3
Saturn	2033	1804	-11.3%	1	2080	1804	-13.3%	2	3
Lincoln	976	811	-16.9%	1	891	811	-9.0%	2	3
Mitsubishi	1421	982	-30.9%	1	1170	982	-16.1%	2	3
Buick	1993	1605	-19.5%	1	2137	1605	-24.9%	1	2
Jeep	2822	1943	-31.1%	1	2370	1943	-18.0%	1	2

# CHICAGO AREA BRAND SCOREBOARD



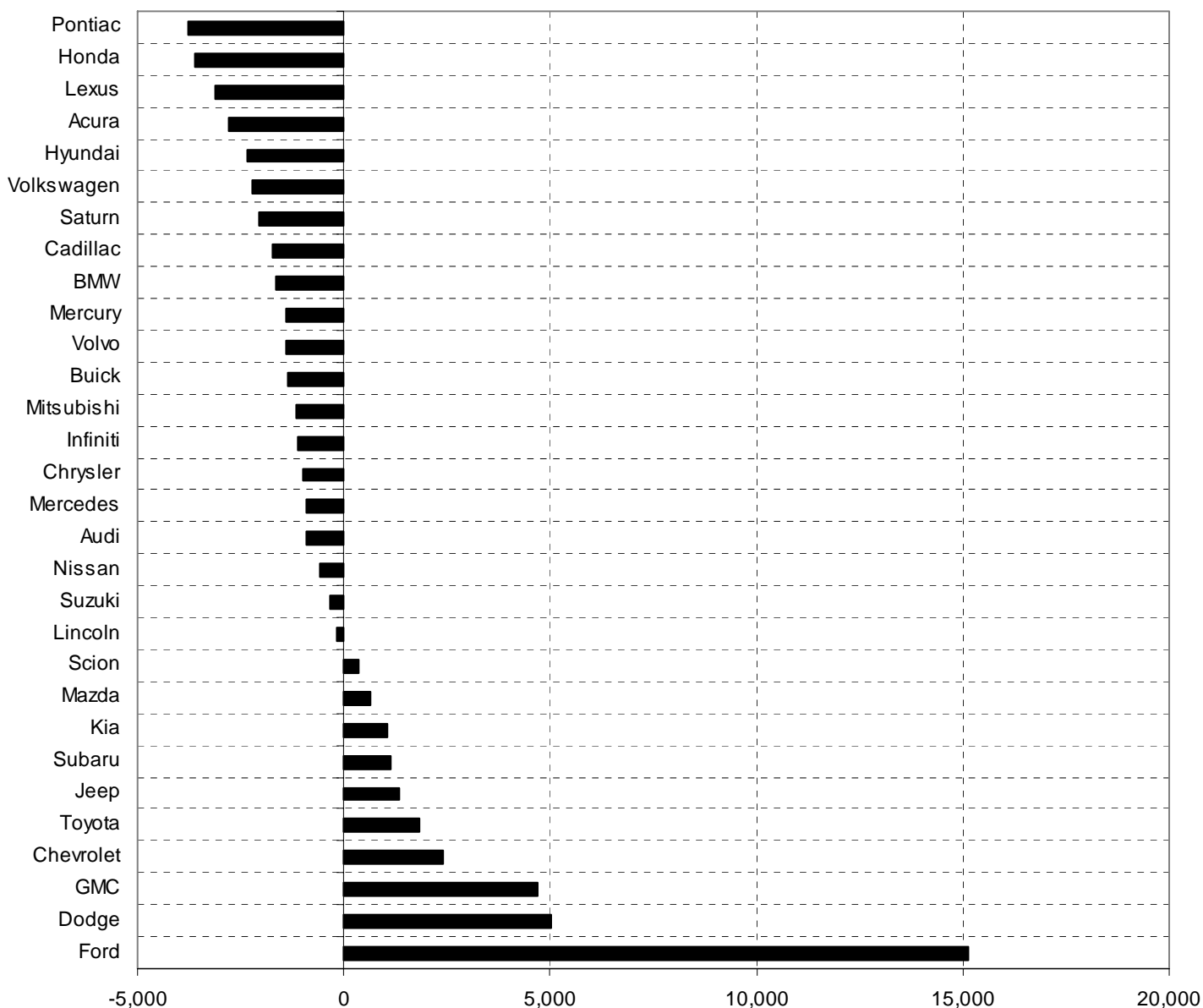
## Unit Sales Potential Based on National Market Share

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 2004. 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 and Dodge) 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, Honda, Lexus, Acura, Hyundai, Volkswagen, and Saturn) have a "significant negative potential," indicating that they are strong sellers in the area.

Chicago Area Retail Market Potential—based on registrations for 2004  
 (Increase or decrease in registrations required for brand to equal National market share in the area)



**Market Tracker**

**Japanese Brands Gain 3.9 Market Share Points During 2004**

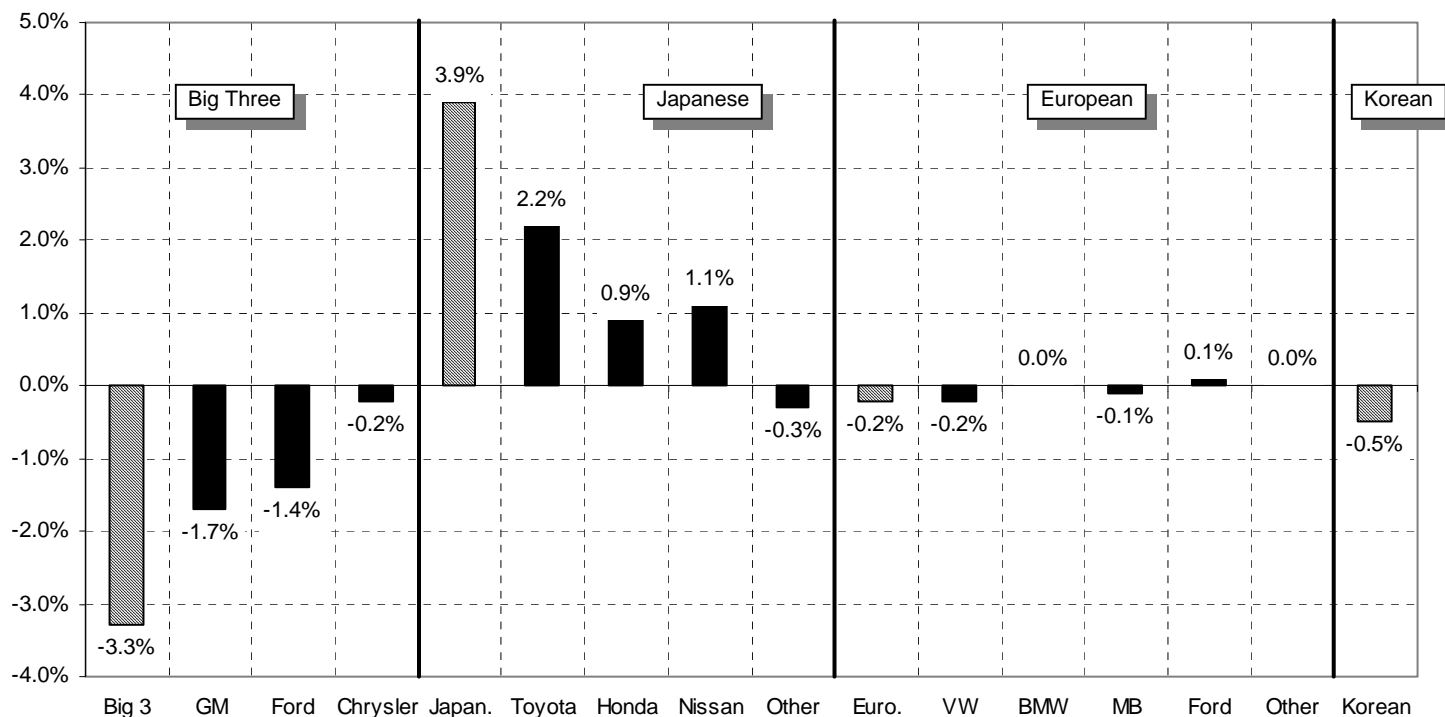
The graph below tracks the changing composition of the area market. As shown on the graph, the Big Three (consisting of “traditional domestic” brands) lost 3.3 market share points from 2003 to 2004. GM lost 1.7 market share points and Ford lost 1.4

points. Chrysler was down slightly. (Big Three does not include import brands owned by GM and Ford, such as Volvo and Saab.) Japanese brand market share increased 3.9 points, with Toyota (including Lexus and Scion), Honda (including Acura), and

Nissan (including Infiniti) all up substantially. There was little change in European brand share. Korean brand share declined 0.5 points.

Source: The Polk Company.

**Change in New Retail Light Vehicle Market Share  
2004 vs. 2003**



**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, Lexus, and Scion), 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**

**Chevrolet Widens First Place Lead Over Toyota**

THIRD QUARTER, 2004			FOURTH QUARTER, 2004			change in mkt. share
Rank	Make	Market Share	Rank	Make	Market Share	
1	Chevrolet	13.2%	1	Chevrolet	14.4%	1.2%
2	Toyota	10.8%	2	Toyota	10.5%	-0.3%
3	Ford	9.9%	3	Ford	9.9%	0.0%
4	Honda	9.4%	4	Honda	9.4%	0.0%
5	Nissan	5.8%	5	Nissan	5.8%	0.0%
6	Dodge	5.2%	6	Dodge	4.4%	-0.8%
7	Chrysler	3.9%	7	Chrysler	3.7%	-0.2%
8	Hyundai	3.2%	8	Hyundai	3.2%	0.0%
9	Lexus	2.8%	9	Pontiac	3.2%	0.5%
10	Pontiac	2.7%	10	Lexus	2.9%	0.1%

The table on the left shows the Top 10 sellers in the Chicago Area light vehicle market during the Third and Fourth Quarters of 2004. Chevrolet market share increased 1.2 points as it widened its lead over Toyota to 3.9 points. Pontiac market share increased 0.5 points.

Source: The Polk Company.

**Best Selling Models in Chicago Area**

**Toyota Camry Best Selling Car in Area Retail Market;  
Ford F-Series 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 2004. In addition to total registrations, the table also shows the percent change in registrations from 2003 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. The top five ranked models in each category are shaded.

Top 20 Selling New Car Models in Chicago Area Retail Market (2004)							
Rank	Model	Area Regs.	% change in regs. 2003 to 2004		Market Share in 2004		
			Area	U.S.	Area	U.S.	Area as % of U.S.
1	Toyota Camry	12,105	6.6%	2.5%	6.0%	6.4%	94%
2	Honda Accord	10,811	0.2%	-3.3%	5.3%	6.4%	83%
3	Toyota Corolla	9,314	5.7%	4.6%	4.6%	5.0%	92%
4	Honda Civic	8,673	3.0%	3.1%	4.3%	5.2%	83%
5	Nissan Altima	7,165	14.2%	17.0%	3.5%	3.5%	102%
6	Chevrolet Cavalier	6,990	-25.2%	-28.4%	3.4%	2.2%	154%
7	Ford Focus	5,286	7.4%	-12.1%	2.6%	2.7%	98%
8	Chevrolet Malibu	4,824	6.9%	22.8%	2.4%	2.0%	118%
9	Chevrolet Impala	4,665	-20.8%	-20.1%	2.3%	2.2%	105%
10	Saturn Ion	4,018	-19.3%	-13.4%	2.0%	1.8%	113%
11	Pontiac G6/Gr. Am	3,788	-6.0%	-12.3%	1.9%	1.4%	137%
12	Pontiac Grand Prix	3,691	-10.6%	-8.3%	1.8%	1.2%	147%
13	Chrysler 300	3,626	303.8%	357.6%	1.8%	1.5%	116%
14	Acura TL	3,500	51.1%	40.5%	1.7%	1.3%	133%
15	Volkswagen Jetta	3,395	-15.6%	-18.7%	1.7%	1.6%	107%
16	Hyundai Elantra	3,247	-14.9%	-4.2%	1.6%	1.7%	93%
17	Lexus ES330	3,129	13.0%	14.1%	1.5%	1.2%	128%
18	Hyundai Sonata	2,968	13.0%	19.5%	1.5%	1.4%	104%
19	Nissan Maxima	2,948	-13.1%	-10.4%	1.5%	1.2%	120%
20	BMW 3-Series	2,903	-17.4%	-3.7%	1.4%	1.6%	89%

**Observations**

- ❑ Toyota Camry and Ford F-Series, respectively, are the best selling car and light truck models in the area.
- ❑ Ford Focus registrations in the area increased 7.4% versus a 12.1% drop in the Nation.
- ❑ Lexus RX330 market share in the Chicago Area was 2.4%, about double its 1.2% share in the U.S.
- ❑ Pickup truck models (Ford F-Series, Dodge Ram, and Chevrolet Silverado) were relatively low sellers in the Chicago Area.
- ❑ Pontiac Grand Prix market share in the Chicago Area was 1.8%, well above its 1.2% National share.

Top 20 Selling New Light Truck Models in Chicago Area Market (2004)							
Rank	Model	Area Regs.	% change in regs. 2003 to 2004		Market Share in 2004		
			Area	U.S.	Area	U.S.	Area as % of U.S.
1	Ford F-Series	8,369	15.3%	9.6%	4.3%	9.7%	44%
2	Chevrolet TrailBlazer	6,582	-17.3%	-7.6%	3.4%	2.6%	129%
3	Ford Explorer	6,394	-25.6%	-15.0%	3.3%	3.5%	94%
4	Dodge Caravan	6,332	7.1%	4.7%	3.2%	1.9%	175%
5	Honda Odyssey	6,096	-0.4%	-0.7%	3.1%	1.9%	164%
6	Toyota Sienna	5,923	48.6%	56.4%	3.0%	1.9%	158%
7	Chevrolet Silverado	5,549	-7.1%	-2.8%	2.8%	7.1%	40%
8	Ford Escape	5,265	-1.6%	13.1%	2.7%	1.8%	150%
9	Honda CRV	5,088	-6.6%	2.7%	2.6%	1.8%	142%
10	Honda Pilot	4,754	16.6%	19.4%	2.4%	1.6%	156%
11	Lexus RX330	4,607	13.9%	17.1%	2.4%	1.2%	190%
12	Toyota Highlander	4,571	6.3%	7.2%	2.3%	1.6%	148%
13	Hyundai Santa Fe	4,262	-5.7%	6.6%	2.2%	1.3%	170%
14	Jeep Gr. Cher.	4,143	-31.7%	-13.1%	2.1%	2.0%	106%
15	Chrysler T & C	4,103	9.2%	20.8%	2.1%	1.5%	139%
16	Jeep Liberty	3,764	-22.1%	0.0%	1.9%	1.8%	108%
17	Dodge Ram	3,591	-22.4%	-3.3%	1.8%	5.0%	37%
18	GMC Envoy	3,364	-15.1%	1.5%	1.7%	1.5%	114%
19	Chevrolet Equinox	3,273	--	--	1.7%	0.9%	182%
20	Saturn Vue	3,258	-8.0%	5.4%	1.7%	1.1%	156%

Market Perspective

## New Vehicle Sales Likely to Remain Relatively Strong For an Extended Period

For the past six years, automotive sales have been humming along at a strong 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 six years (setting a new record in 2000), and incentives have clearly played a big part in keeping the market strong. These two facts have led some to predict 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. Long term sales indicators do point to a mild slowdown in sales for perhaps the next two years, but a sharp pronounced decline is highly unlikely. The graph below demonstrates why.

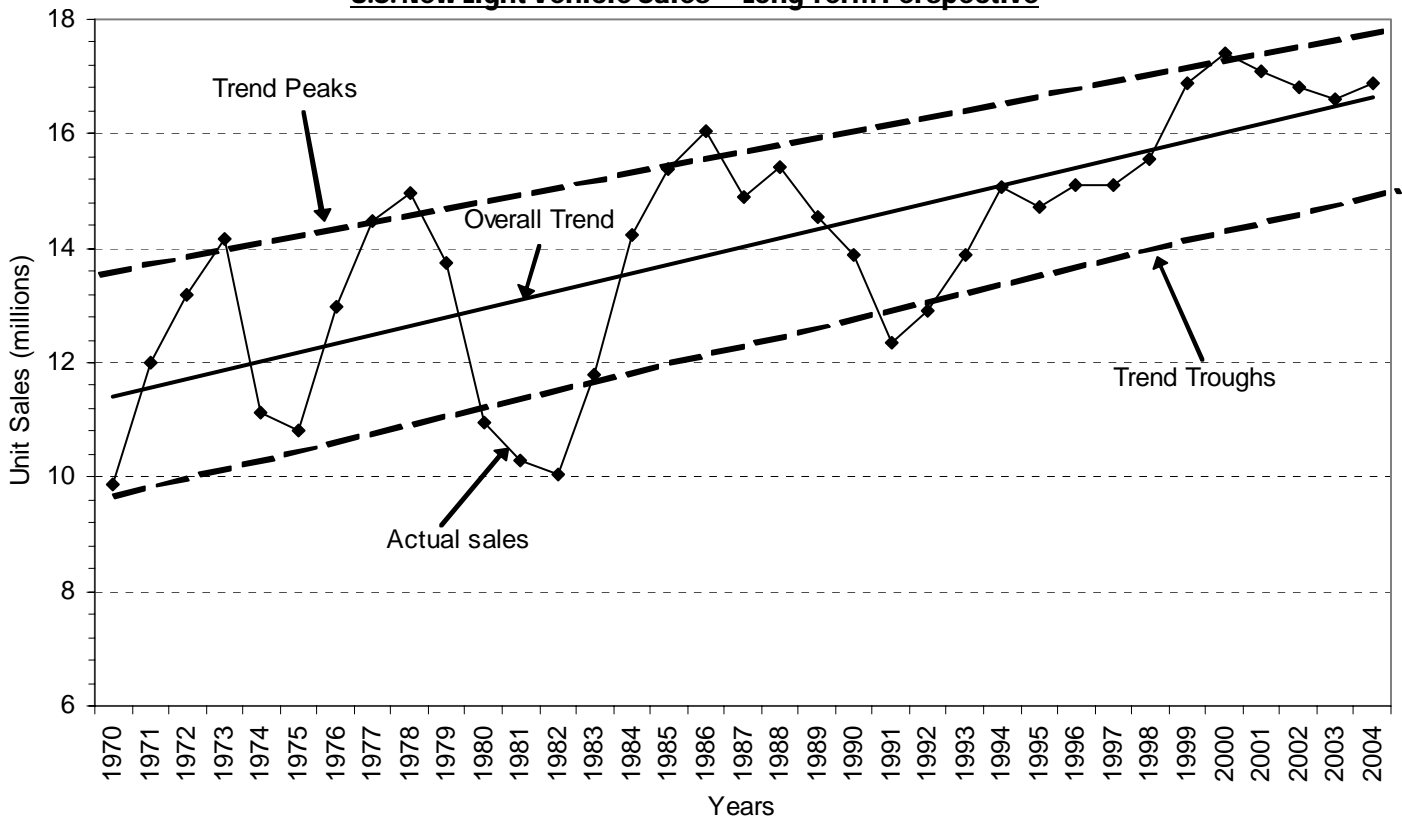
The graph clearly shows the up and down cyclical pattern new vehicle sales have followed over the past 35 years. Our conclusion that sales should remain relatively strong (despite the prediction of a mild slowdown) over the next few years is demonstrated by looking at the three "trend lines." The overall trend 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 a downward sales cycle is now higher than 15 million units. A far cry from 17.4 million in 2000, but nowhere near the 12.5 million units in 1991.

In addition, there is a common perception that aggressive incentives have led to an overheated market that is now due for a significant meltdown. The graph largely refutes this argu-

ment. Although sales have exceeded trend line levels between 1999 and 2004, the surplus over these years is partially offset by the deficit (sales below trend line) between 1995 and 1998. Therefore, a prolonged sales decline, precipitated by an overheated market, would not appear to be in the cards.

We do believe that there is a very good chance that sales will slide below trend line for at least the next two years. But there is very convincing evidence that new vehicle sales will remain strong for several years, and that a sub-16 million unit sales year is not likely any time soon. The impressive array of new vehicles regularly being introduced, and new power train technologies that are being developed, adds up to a conviction that new vehicle retailing is a great business to be in.

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



The graph shows four data series from 1970 to 2004: 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 cyclical sales troughs.

County Scoreboard

### Porter County Market Posts Small Increase in Registrations During 2004

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 2002, 2003, and 2004. 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.

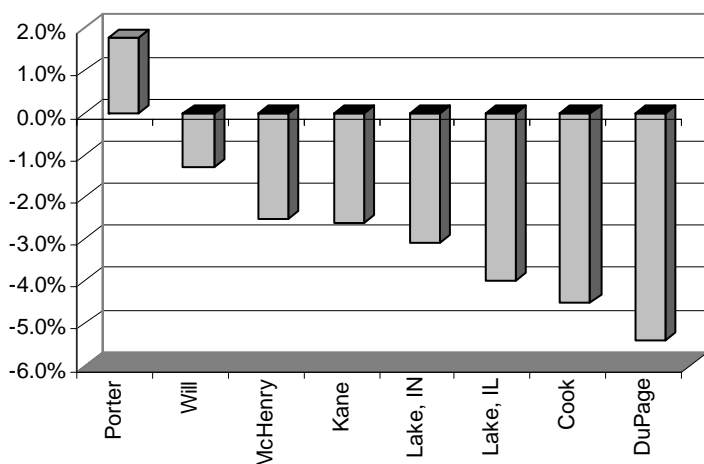
Part 2 presents market share data for light trucks, Domestic brands, and the top five selling car and light truck brands in the area. The top two ranked counties in each category are shaded.

Source: The Polk Company

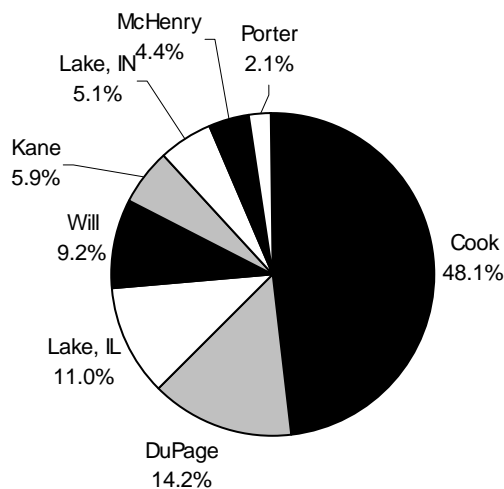
	Registrations (Annual Totals)			Percent Change			Unit Change		
	2002	2003	2004	2002 to 2003	2003 to 2004	2002 to 2004	2002 to 2003	2003 to 2004	2002 to 2004
	Cook	217,890	200,466	191,359	-8.0%	-4.5%	-12.2%	-17,424	-9,107
DuPage	64,277	59,876	56,660	-6.8%	-5.4%	-11.9%	-4,401	-3,216	-7,617
Kane	24,359	23,952	23,337	-1.7%	-2.6%	-4.2%	-407	-615	-1,022
Lake, IL	47,300	45,704	43,866	-3.4%	-4.0%	-7.3%	-1,596	-1,838	-3,434
Lake, IN	22,179	20,845	20,207	-6.0%	-3.1%	-8.9%	-1,334	-638	-1,972
McHenry	18,289	18,046	17,593	-1.3%	-2.5%	-3.8%	-243	-453	-696
Porter	8,207	8,067	8,214	-1.7%	1.8%	0.1%	-140	147	7
Will	36,838	37,161	36,694	0.9%	-1.3%	-0.4%	323	-467	-144

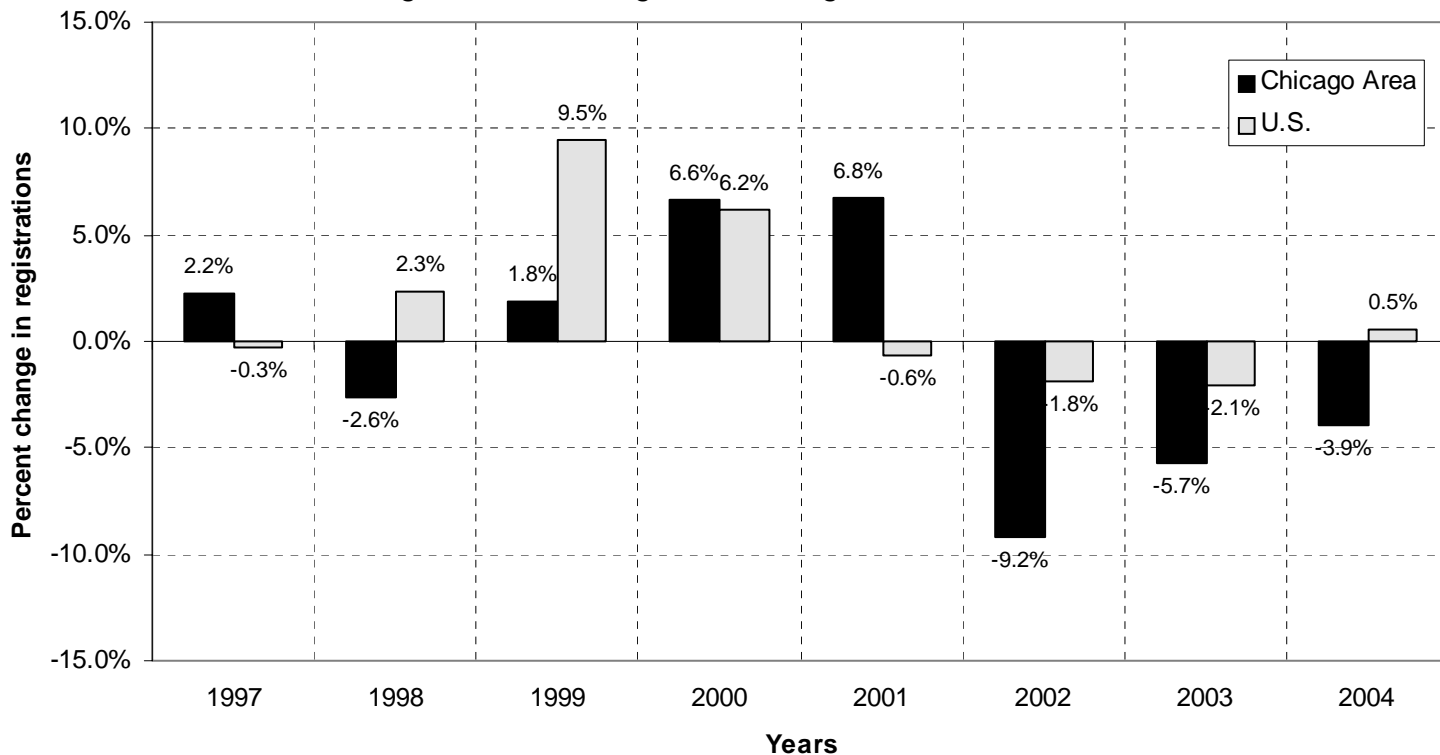
	Market Share Summary				Brand Market Share - Top Five Chicago Area Retail Brands									
	Light Truck		Domestic Brand		Cars					Light Trucks				
	2004 Total	Change from '03	2004 Total	Change from '03	Toyota	Chev.	Honda	Nissan	Ford	Chev.	Ford	Toyota	Honda	Dodge
Cook	45.2	0.9	45.6	-3.7	12.6	11.0	9.9	6.6	5.5	15.4	14.1	10.2	9.7	7.1
DuPage	48.7	0.5	43.4	-3.4	12.2	8.6	10.2	7.1	5.0	14.0	14.6	10.8	10.2	6.0
Kane	54.9	0.6	52.6	-3.8	10.2	11.3	10.4	7.8	6.0	17.3	15.5	8.8	8.1	9.0
Lake, IL	51.5	0.2	42.4	-2.3	12.3	9.5	9.5	5.3	3.3	16.1	10.2	11.4	9.8	6.5
Lake, IN	52.0	0.2	67.4	-2.9	8.8	17.3	6.7	6.3	10.4	18.8	22.6	5.2	5.6	8.5
McHenry	57.9	1.1	58.1	-2.4	9.0	11.8	11.4	5.3	6.5	20.3	17.5	7.4	7.7	9.3
Porter	57.9	0.5	67.2	-2.4	8.7	13.8	8.3	6.4	9.2	16.1	18.4	5.5	6.3	10.5
Will	55.1	-0.6	57.0	-3.9	9.3	13.2	8.8	7.2	7.8	18.4	18.1	6.5	7.6	9.1

Percent Change in Registrations – 2004 vs. 2003



Share of Area Market – 2004



Area Market Vs. U.S.**Area Retail Market Declined in 2004; U.S. Market Up Slightly****Annual Percent Change in New Retail Light Vehicle Registrations—Area vs. U.S. (1997 thru 2004)**

The graph above shows the annual percent change in new retail light vehicle registrations in both the Chicago Area and U.S. markets between 1997 and 2004. The graph provides an excellent picture of the similar (or dissimilar) paths that the two markets have followed. In 2001, the Chicago Area market improved by a strong 6.8% (versus a small decline in the U.S.), and over the past three years, the area market has suffered the consequences. In 2002, area registrations fell 9.2%, versus the 1.8% drop in the Nation. In 2003, new retail registrations declined 5.7% in the area, compared to 2.1% in the U.S. Last year, the Chicago market was down 3.9%, while the U.S. market was up slightly.

Source: The Polk Company.

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