

Orange County Auto Outlook™



Comprehensive information on the Orange County automotive market

FORECAST

Orange County Out Paces the Nation in Third Quarter

Increase likely in Fourth Quarter; more improvement predicted for 2011

Below is a compilation of key trends and developments in the Orange County new retail light vehicle market.

Results in the Third Quarter of 2010

As expected, the rate of recovery in the Orange County new vehicle market slowed down a bit the Third Quarter. Registrations increased 6.8% in the Third Quarter of this year versus a year earlier, compared to 25.2% in the Second Quarter.

Outlook for the Fourth Quarter

New vehicle sales should improve compared to a year earlier. Auto Outlook is predicting a 9.8% increase.

Forecast for all of this year

The county market is projected to improve 12% from 2009 to 2010.

Forecast for 2011

According to our latest forecast, new retail light vehicle registrations next year will approach

120,00 units and increase 10.8% from this year. Despite the increase, the market will still be relatively weak based on historical averages.

Key factors boosting the market

Record-setting pent up demand, combined with an aging vehicle fleet should provide an upward momentum for new vehicle sales for years to come.

Key factors holding the market back

Excessive household debt, a moribund labor market, and depressed consumer confidence should lead to a market recovery that is slow and gradual.

County market results versus U.S.

The Orange County market emerged from the 2008 and 2009 sales slump quicker than the Nation. County year-to-date new retail light vehicle registrations increased 12.8% thru September of this year, compared to 2.4% in the Nation.

Strong performing brands in the county

Toyota, Mercedes, Lexus, BMW, and Honda have been relatively strong sellers in the county market for quite some time, and this trend has continued so far this year.

Best selling models

Toyota Camry, Honda Accord, Honda Civic, Toyota Corolla, and Toyota Prius were the top five selling models during the first nine months of this year.

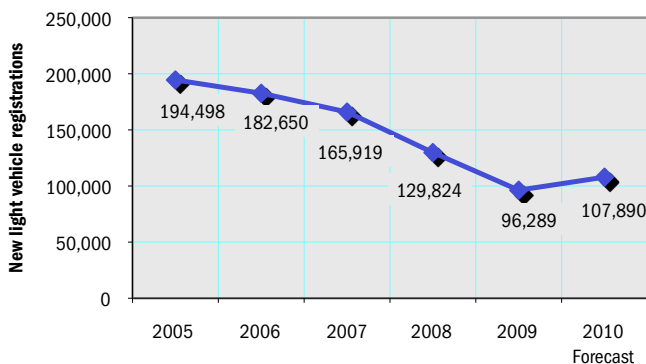
Segment review

Sub Compact Car segment is the largest in the county, while county Near Luxury Car share easily exceeds the National average.

Mid Size Crossover SUV Segment

Honda Pilot and Ford Edge are battling it out for the top spot in the Orange County Mid Size Crossover SUV segment.

Annual Trend in County New Vehicle Market



The graph above shows annual new retail light vehicle registrations in Orange County from 2005 thru 2009, and Auto Outlook's projection for 2010.

Data Source: AutoCount data from Experian Automotive.

Market Summary

	2008	2009	Forecast 2010	% ch. '09 to '10
TOTAL	129,824	96,289	107,890	12.0%
Car	77,745	58,419	64,842	11.0%
Light Truck	52,079	37,870	43,048	13.7%
Detroit Three	27,573	18,603	19,642	5.6%
Japanese	72,809	51,952	58,704	13.0%
European	25,173	20,259	22,666	11.9%
Korean	4,269	5,475	6,878	25.6%

Detroit Three consists of vehicles sold by GM, Ford and Chrysler, and excludes import nameplates.

Historical data Source: AutoCount data from Experian Automotive.

MARKET TRACKER

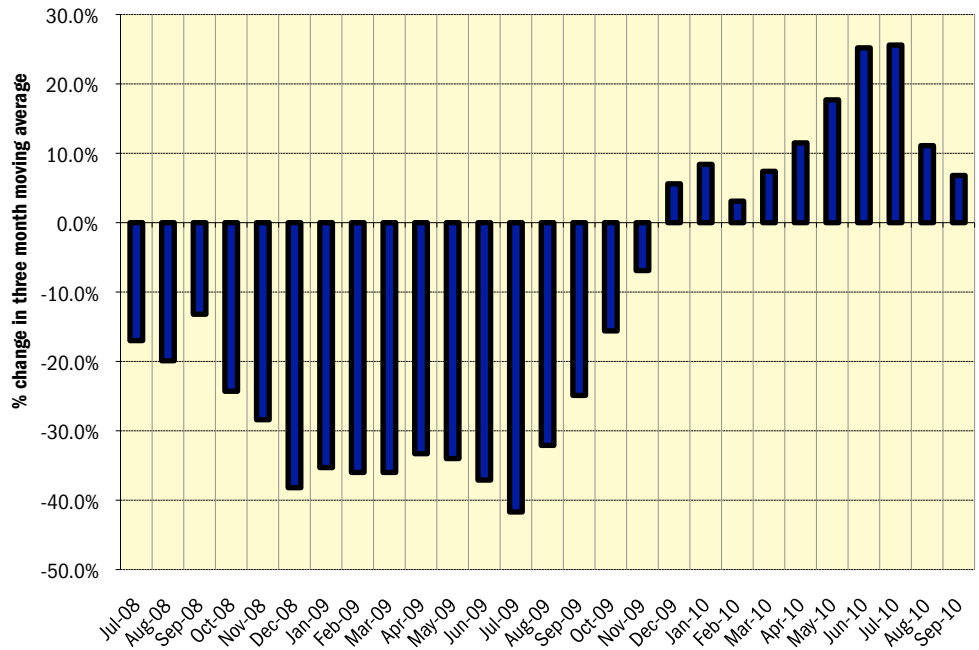
Market Recovery Eases During Third Quarter Largely Due to Cash for Clunkers in 2009

Trend is still positive and some acceleration is likely in Fourth Quarter

The graph to the right provides a clear picture of the general trending direction of the Orange County new retail light vehicle market. And as highlighted in the graph, the trend so far this year is positive. The graph shows the year-over-year percent change in the three month moving average of new retail light vehicle registrations. The three month moving average provides a clearer picture of the trending direction than individual monthly registrations, which can fluctuate due to such factors as the timing of manufacturer incentive programs, weather, and vehicle title processing delays by governmental agencies.

The market has increased for ten consecutive months, with the percentage increase exceeding 25% in June. As expected, the rate of improvement eased during late summer. Increases should move higher for the rest of this year.

Percent Change in Orange County New Retail Light Vehicle Registrations Three Month Moving Average versus Year Earlier



MARKET TRACKER (Continued)

County Light Truck Market Share Holds Steady This Year

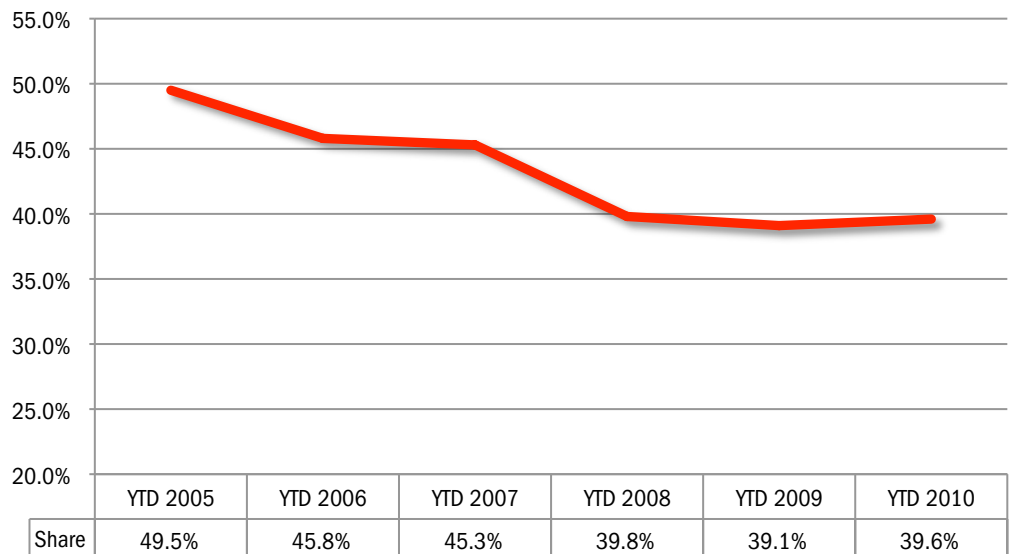
U.S. share up sharply

Lower gas prices for most of this year contributed to increasing market share for light trucks in the National market, but the same is not true in Orange County.

As shown on the graph to the right, light trucks accounted for 39.1% of industry new vehicle registrations during the first nine months of 2009, with the share increasing by 0.5 points this year. U.S. light truck market share increased 2.2 share points over the same period.

Source: AutoCount data from Experian Automotive.

Light Truck Share of Orange County New Retail Light Vehicle Market YTD 2005 thru YTD 2010 (January thru September)



MODELS

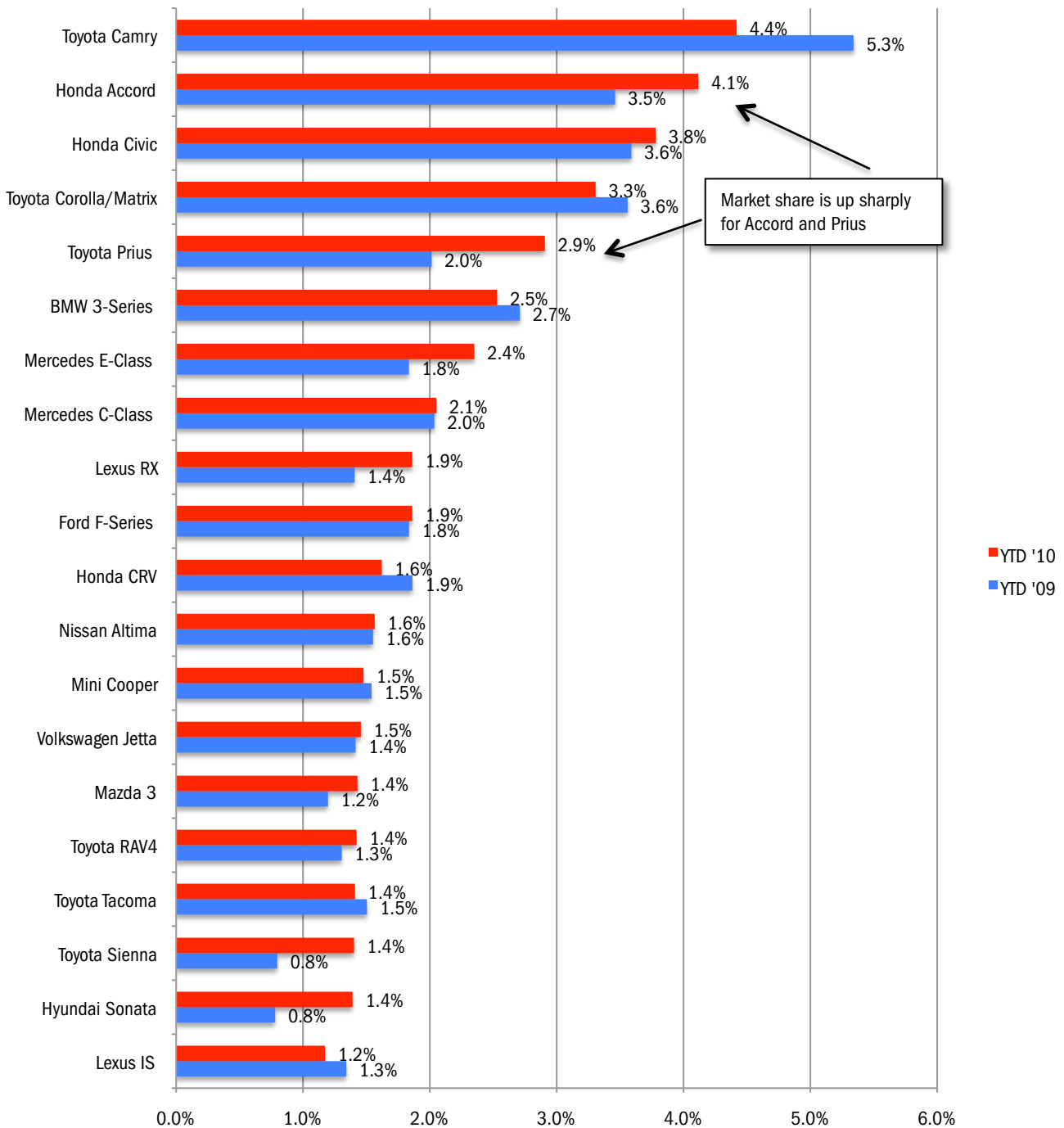
Toyota Camry Best-Seller in County Market

Prius posts big market share gain so far this year

The graph below shows market share during the first nine months of 2009 and 2010 for the top 20 selling models in Orange County. Toyota Camry is the county's best seller, followed by Accord and Civic. Toyota Prius, Accord, and Hyundai Sonata posted big gains in market share.

Source: AutoCount data from Experian Automotive.

Market Share for Top 20 Selling Models in County - YTD 2009 and 2010 thru September



SEGMENT WATCH

Standard Mid Size Car Market Share Increases

County Near Luxury Car market share much higher than U.S.

The table below provides a synopsis of the five most popular vehicle segments in the Orange county market. Below is an explanation of three main sections of the table:

County market share review: Segment share of the overall market during the first nine months of 2009 and 2010, and the change in share. Also displays the primary reason contributing to the change in market share.

County market share versus U.S.: Comparison of segment market shares in the Orange county and U.S. markets during the first three quarters of this year.

Top five selling vehicles in segment: top five selling models, based on new retail registrations, so far this year.

Primary Conclusions

- Sub Compact Car is the most popular segment in the county (20.1% share).
- Standard Mid Size Car share increased 0.9 points so far this year.
- County Near Luxury Car share was 5.7 points higher than in the U.S.

Review of Top Five Vehicle Segments in Orange County Market

		Sub Compact Car	Standard Mid Size Car	Near Luxury Car	Compact SUV	Mid Size Cross-over SUV
County Market Share Review YTD thru September	YTD '09 share	20.3%	14.6%	11.1%	8.8%	8.0%
	YTD '10 share	20.1%	15.5%	11.0%	8.5%	7.9%
	Change in share	Down 0.2 points	Up 0.9 points	Down 0.1 point	Down 0.3 points	Down 0.1 points
	Primary reason for gain or loss	Lower fuel prices	Buyers moving down market	Not much change	Not much new product	Not much change
County Market Share vs. U.S. YTD thru September	YTD '10 county share	20.1%	15.5%	11.0%	8.5%	7.9%
	YTD '10 U.S. share	15.9%	17.1%	5.3%	12.1%	9.3%
	County versus U.S.	4.2 points higher in county	1.6 points lower in county	5.7 points higher in county	3.6 points lower in county	1.4 points lower in county
Top Five Selling Vehicles in Segment YTD '10 thru September	#1	Honda Civic	Toyota Camry	BMW 3-Series	Honda CRV	Honda Pilot
	#2	Toyota Corolla/Matrix	Honda Accord	Mercedes C-Class	Toyota RAV4	Ford Edge
	#3	Toyota Prius	Nissan Altima	Lexus IS	Jeep Wrangler	Toyota Highlander
	#4	Mini Cooper	Hyundai Sonata	Infiniti G	Ford Escape	Toyota Venza
	#5	Volkswagen Jetta	Ford Fusion	Hyundai Genesis	Nissan Rogue	Ford Flex

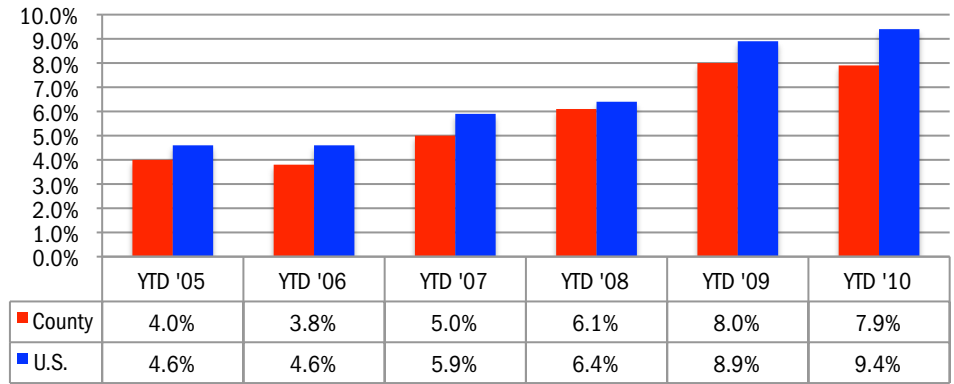
MID SIZE CROSSOVER SUV SEGMENT CLOSE UP

Mid Size Crossover SUV Market Share Marches Higher

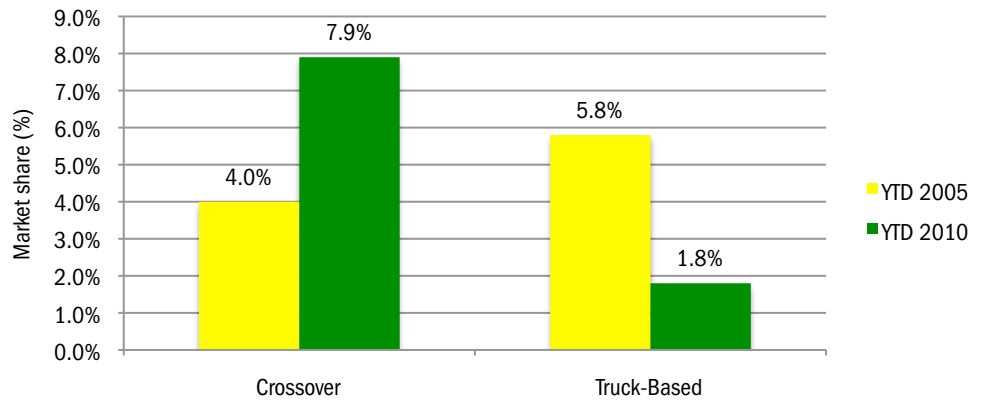
Top four sellers in segment separated by less than six market share points

The Mid Size Crossover SUV segment is one of the fastest growing segments in the Orange County market, and perhaps the most competitive. As shown on the graph on the top right, Mid Size Crossover SUV market share has risen steadily during the past five years, and now accounts for nearly 8% of the county market. Heightened consumer demand for fuel efficiency and a steady release of new Crossover SUV models has hastened the transition away from truck-based Mid Size SUVs, which now account for less than 2% of the county market.

Mid Size Crossover Segment Market Share - County vs. U.S.



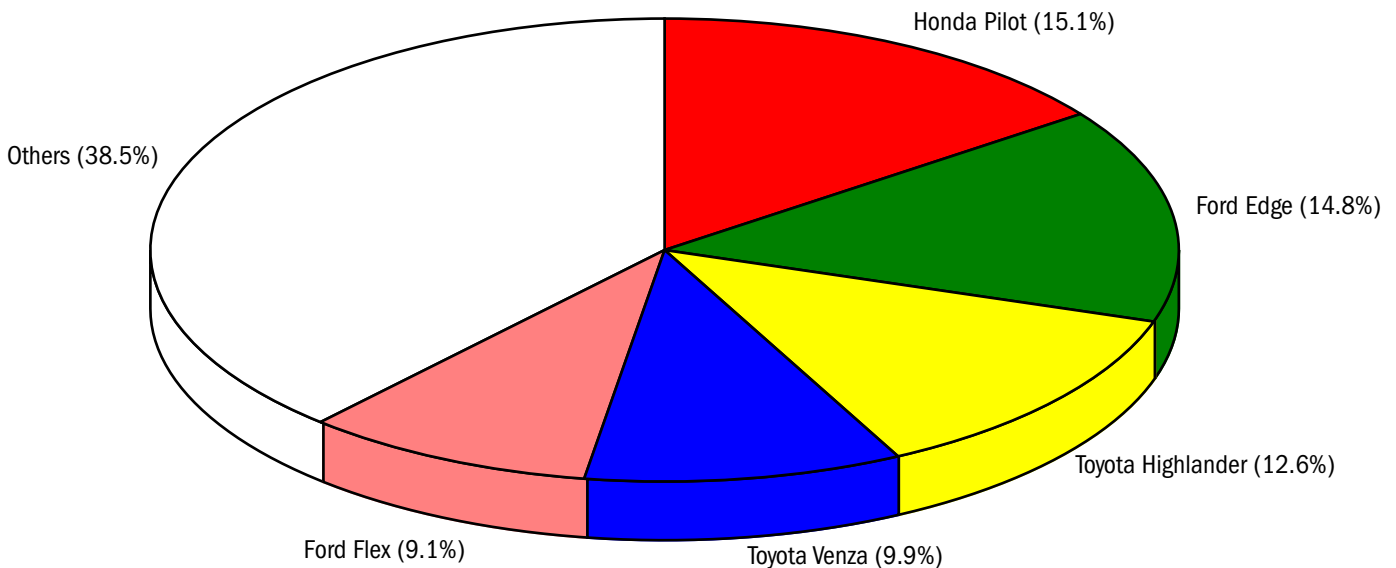
Mid Size Crossover Market Share vs. Mid Size Truck Based SUV



The pie chart below shows market share by model in the county Mid Size Crossover SUV segment. The market share leader was Honda Pilot (15.1%), but it was followed closely by Ford Edge, Toyota Highlander, and Venza. The remaining models accounted for a sizeable 47.6% of the segment.

Source: AutoCount data from Experian Automotive.

Mid Size Crossover Models - Orange County Segment Market Share (YTD 2010 thru September)



BRAND SCOREBOARD

Toyota and Mercedes Relatively Strong Performers in County

Chevrolet and Ford market share well below National

The graph below provides an indicator of brands that are popular in the Orange County (relative to the National standard), and those that are not. Here's how it works: For the top 30 selling brands in the county, each brand's share of the U.S. market is multiplied by retail registrations in the county during the first nine months of this year. This yields a "target" for the county market. Target registrations are sub-

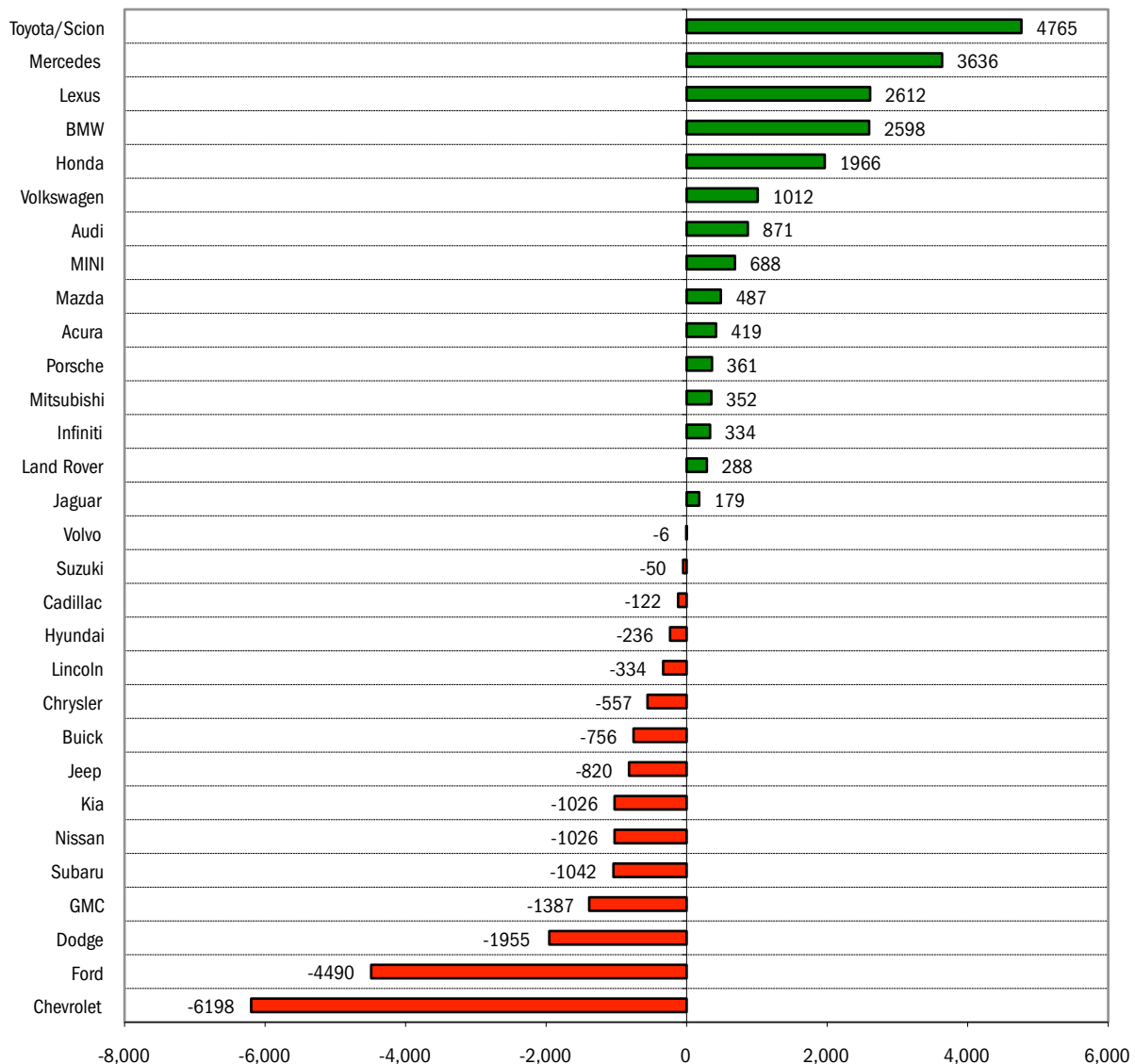
tracted from actual registrations to derive the measurement of sales performance.

Brands at the top of the graph (i.e., Toyota/Scion, Mercedes, Lexus, BMW, Honda, and Volkswagen) are relatively strong sellers in the county, with actual registrations exceeding the calculated target by a large margin.

For instance, Toyota registrations exceeded the calculated target by 4,765 units.

Source for registration data: AutoCount data from Experian Automotive.

Orange County Retail Market Performance based on registrations for YTD 2010 thru September
Actual registrations minus target (county industry registrations times U.S. market share)



Actual registrations minus Target (county industry registrations times U.S. market share)

Comparison Of Orange County, Los Angeles County, And U.S. Markets

Orange County Market Improves 12.8% So Far This Year**Los Angeles County market was up 11.6%**

	Orange County Retail Market	Los Angeles County Retail Market	U.S. Retail Market
Market Growth % change in registrations YTD 2010 thru September vs. Year Earlier	12.8%	11.6%	2.4%
Car Market Share Car share of industry retail light vehicle YTD 2010 thru September	60.4%	65.6%	50.8%
Domestic Brand Market Share Domestic brand share of industry retail light vehicle registrations - YTD 2010 thru September	17.7%	15.5%	38.5%

Brand	New Retail Registrations - YTD 2010 thru September (U.S. figures below include fleets)						Market Share (YTD '10)		
	Orange County		Los Angeles County		U.S.		Orange County	L.A. County	U.S.
	Regs.	% ch. from '09	Regs.	% ch. from '09	Regs.	% ch. from '08			
Acura	1,518	33.6%	3,301	18.7%	85,656	18.6%	1.9	1.6	1.3
Audi	1,653	50.1%	5,646	24.4%	66,839	18.9%	2.0	2.8	1.0
BMW	4,182	11.4%	11,100	6.2%	132,885	4.0%	5.2	5.5	2.1
Buick	330	90.8%	754	97.9%	86,524	41.5%	0.4	0.4	1.3
Cadillac	834	61.9%	1,822	51.8%	78,877	32.8%	1.0	0.9	1.2
Chevrolet	3,072	-1.7%	7,401	4.0%	716,567	3.0%	3.8	3.7	11.1
Chrysler	355	-46.0%	578	-56.9%	72,561	-33.2%	0.4	0.3	1.1
Dodge	1,085	-13.3%	2,316	-18.1%	237,808	-21.8%	1.3	1.2	3.7
Ford	6,217	10.5%	12,968	23.0%	844,007	14.1%	7.7	6.5	13.1
GMC	1,000	19.5%	2,040	24.6%	186,061	19.4%	1.2	1.0	2.9
Honda	11,592	16.6%	31,407	12.0%	759,664	0.0%	14.3	15.7	11.8
Hyundai	3,743	36.6%	4,843	65.1%	306,227	21.2%	4.6	2.4	4.7
Infiniti	1,179	30.6%	3,509	25.2%	64,660	24.2%	1.5	1.8	1.0
Jaguar	269	0.0%	890	-0.6%	8,277	1.5%	0.3	0.4	0.1
Jeep	990	-12.7%	1,936	-6.1%	143,835	-12.2%	1.2	1.0	2.2
Kia	1,420	16.1%	3,046	19.5%	185,145	15.4%	1.8	1.5	2.9
Land Rover	503	-5.3%	1,592	1.7%	19,290	17.0%	0.6	0.8	0.3
Lexus	4,296	10.1%	10,386	10.7%	150,077	10.9%	5.3	5.2	2.3
Lincoln	263	21.2%	747	3.5%	46,643	-2.4%	0.3	0.4	0.7
Mazda	2,279	13.6%	3,759	16.3%	149,676	11.6%	2.8	1.9	2.3
Mercedes	5,258	10.9%	13,941	17.0%	136,651	15.8%	6.5	7.0	2.1
MINI	1,031	13.4%	2,667	3.4%	31,028	-1.0%	1.3	1.3	0.5
Mitsubishi	725	10.9%	865	24.6%	31,862	-11.5%	0.9	0.4	0.5
Nissan	4,769	15.5%	12,579	7.0%	477,059	11.1%	5.9	6.3	7.4
Porsche	527	27.3%	1,729	30.8%	15,189	8.2%	0.7	0.9	0.2
Saab	13	-65.8%	63	-54.7%	2,930	-56.5%	0.0	0.0	0.0
smart	60	-30.2%	219	-59.9%	4,025	-68.5%	0.1	0.1	0.1
Subaru	1,026	27.3%	2,271	13.9%	165,181	21.4%	1.3	1.1	2.6
Suzuki	120	-56.5%	34	-58.0%	14,621	-49.8%	0.1	0.0	0.2
Toyota/Scion	16,929	11.2%	46,245	11.3%	980,138	0.5%	20.9	23.1	15.2
Volkswagen	3,014	39.4%	7,734	27.8%	164,562	15.1%	3.7	3.9	2.5
Volvo	403	-8.4%	1,242	-7.0%	33,281	-11.2%	0.5	0.6	0.5
Other	335	-61.3%	819	-69.0%	67,292	-71.2%	0.4	0.4	1.0

The two tables above provide a comparison of the Orange County, Los Angeles County, and U.S. new retail light vehicle markets.

Source: AutoCount data from Experian Automotive.

Orange County New Retail Car and Light Truck Registrations															
	September				Three Month Period July '10 thru Sept. '10				YTD thru September				YTD Market Share (%)		
	Orange County			U.S.	Orange County			U.S.	Orange County			Orange County			
	2009	2010	% chg.	% chg.	Yr. Ago	Current	% chg.	% chg.	2009	2010	% chg.	% chg.	2009	2010	Chg.
MARKET SUMMARY															
TOTAL	9,576	11,812	23.4%	2.7%	26,826	28,659	6.8%	-4.2%	71,790	80,990	12.8%	2.4%			
Cars	6,342	7,158	12.9%	-10.7%	17,393	17,422	0.2%	-14.6%	43,675	48,904	12.0%	-1.9%	60.8	60.4	-0.4
Light Trucks	3,234	4,654	43.9%	21.4%	9,433	11,237	19.1%	9.4%	28,115	32,086	14.1%	7.2%	39.2	39.6	0.4
Domestic	1,702	2,006	17.9%	10.4%	4,883	5,053	3.5%	-3.3%	14,226	14,310	0.6%	-3.0%	19.8	17.7	-2.1
Japanese	5,650	6,407	13.4%	-5.6%	15,424	15,627	1.3%	-7.9%	38,995	44,437	14.0%	3.9%	54.3	54.9	0.6
European	1,643	2,385	45.2%	15.0%	4,962	5,956	20.0%	4.0%	14,605	17,080	16.9%	6.8%	20.3	21.1	0.8
Korean	581	1,014	74.5%	5.9%	1,557	2,023	29.9%	3.5%	3,964	5,163	30.2%	19.8%	5.5	6.4	0.9
BRAND REGISTRATIONS															
Acura	112	262	133.9%	64.7%	351	577	64.4%	34.4%	1,136	1,518	33.6%	18.6%	1.6	1.9	0.3
Audi	131	212	61.8%	29.1%	382	602	57.6%	8.9%	1,101	1,653	50.1%	18.9%	1.5	2.0	0.5
BMW	452	603	33.4%	13.0%	1,215	1,543	27.0%	5.4%	3,755	4,182	11.4%	4.0%	5.2	5.2	0.0
Buick	12	42	250.0%	110.0%	51	118	131.4%	75.6%	173	330	90.8%	41.5%	0.2	0.4	0.2
Cadillac	32	102	218.8%	76.0%	127	309	143.3%	73.8%	515	834	61.9%	32.8%	0.7	1.0	0.3
Chevrolet	477	447	-6.3%	-4.9%	1,187	1,097	-7.6%	-7.0%	3,124	3,072	-1.7%	3.0%	4.4	3.8	-0.6
Chrysler	66	47	-28.8%	-1.6%	212	134	-36.8%	-21.0%	658	355	-46.0%	-33.2%	0.9	0.4	-0.5
Dodge	138	165	19.6%	7.9%	363	418	15.2%	-8.1%	1,251	1,085	-13.3%	-21.8%	1.7	1.3	-0.4
Ford	724	888	22.7%	16.5%	2,104	2,167	3.0%	6.0%	5,628	6,217	10.5%	14.1%	7.8	7.7	-0.1
GMC	79	135	70.9%	36.5%	244	334	36.9%	24.6%	837	1,000	19.5%	19.4%	1.2	1.2	0.0
Honda	1,376	1,821	32.3%	-8.3%	3,717	4,223	13.6%	-11.4%	9,943	11,592	16.6%	0.0%	13.9	14.3	0.4
Hyundai	312	691	121.5%	-1.5%	1,004	1,439	43.3%	0.4%	2,741	3,743	36.6%	21.2%	3.8	4.6	0.8
Infiniti	88	217	146.6%	45.3%	317	507	59.9%	31.4%	903	1,179	30.6%	24.2%	1.3	1.5	0.2
Jaguar	20	33	65.0%	58.5%	63	125	98.4%	49.6%	269	269	0.0%	1.5%	0.4	0.3	-0.1
Jeep	100	150	50.0%	35.3%	341	373	9.4%	14.5%	1,134	990	-12.7%	-12.2%	1.6	1.2	-0.4
Kia	269	323	20.1%	2.8%	553	584	5.6%	3.9%	1,223	1,420	16.1%	15.4%	1.7	1.8	0.1
Land Rover	39	52	33.3%	19.9%	121	169	39.7%	20.5%	531	503	-5.3%	17.0%	0.7	0.6	-0.1
Lexus	597	507	-15.1%	8.9%	1,453	1,411	-2.9%	-1.7%	3,903	4,296	10.1%	10.9%	5.4	5.3	-0.1
Lincoln	10	22	120.0%	-2.4%	48	69	43.8%	-1.9%	217	263	21.2%	-2.4%	0.3	0.3	0.0
Mazda	270	283	4.8%	6.5%	744	717	-3.6%	5.6%	2,006	2,279	13.6%	11.6%	2.8	2.8	0.0
Mercedes	478	780	63.2%	41.9%	1,520	1,552	2.1%	16.9%	4,742	5,258	10.9%	15.8%	6.6	6.5	-0.1
MINI	137	136	-0.7%	14.2%	390	393	0.8%	-0.2%	909	1,031	13.4%	-1.0%	1.3	1.3	0.0
Mitsubishi	85	96	12.9%	-11.8%	184	191	3.8%	-9.4%	654	725	10.9%	-11.5%	0.9	0.9	0.0
Nissan	703	553	-21.3%	-5.2%	1,815	1,437	-20.8%	-6.9%	4,128	4,769	15.5%	11.1%	5.8	5.9	0.1
Porsche	50	66	32.0%	40.3%	124	228	83.9%	31.2%	414	527	27.3%	8.2%	0.6	0.7	0.1
Saab	0	2	--	-3.1%	11	8	-27.3%	-37.7%	38	13	-65.8%	-56.5%	0.1	0.0	-0.1
smart	12	4	-66.7%	-68.5%	34	20	-41.2%	-64.7%	86	60	-30.2%	-68.5%	0.1	0.1	0.0
Subaru	107	121	13.1%	6.6%	319	342	7.2%	2.6%	806	1,026	27.3%	21.4%	1.1	1.3	0.2
Suzuki	8	3	-62.5%	-53.1%	38	21	-44.7%	-51.4%	276	120	-56.5%	-49.8%	0.4	0.1	-0.3
Toyota/Scion	2,303	2,544	10.5%	-3.2%	6,479	6,201	-4.3%	-10.1%	15,222	16,929	11.2%	0.5%	21.2	20.9	-0.3
Volkswagen	261	426	63.2%	24.7%	865	1,115	28.9%	8.8%	2,162	3,014	39.4%	15.1%	3.0	3.7	0.7
Volvo	53	44	-17.0%	-17.8%	188	130	-30.9%	-28.7%	440	403	-8.4%	-11.2%	0.6	0.5	-0.1
Other	75	35	-53.3%	-76.7%	262	105	-59.9%	-78.9%	865	335	-61.3%	-71.2%	1.2	0.4	-0.8

Orange County Auto Outlook

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Explanation of Data

Data presented in Auto Outlook measures new vehicle registrations in Orange County. Monthly recording of registrations occurs when vehicle title information is processed.

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