

Orange County Auto Outlook™



Comprehensive information on the Orange County automotive market

FORECAST

County Market Gains Strength in Second Quarter

Increases likely to continue into 2013

On balance, the Orange County new retail light vehicle market had a very good first half of 2012, with county registrations increasing 17.4% versus a year earlier. And the positive momentum is likely to continue for the second half of the year as well, with the market almost certain to move higher versus 2011, when sales were held back due to the Japanese earthquake and tsunami.

What's lies ahead for 2013? Another increase is likely, but at this point, it looks like the rate of increase is likely to ease. Auto Outlook is currently projecting a 9% improvement for 2013, below the 14.7% increase expected for this year.

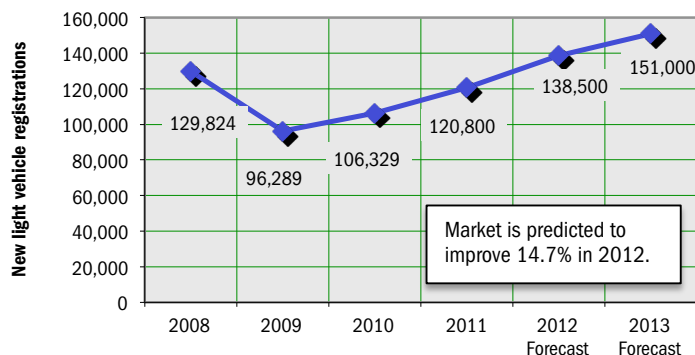
Why do we think the pace of the recovery will ease somewhat next year? Here are the three primary reasons. First, economic growth is expected to remain sluggish, as likely fiscal tightening by the Federal government will limit growth, and the European financial crisis is likely to put a damper on the global economy. Second, the unemployment rate is expected to remain relatively high, with slim gains in employment. And third, although households have made headway in reducing debt, there is still a lot of work to do in curing ailing balance sheets, which are still on the mend following the financial crisis.

At this point, it seems highly unlikely that these events will derail the new vehicle market recovery. Indeed, our basic outlook has remained intact since the recession hit in 2008 and 2009: the market will remain on its long term improvement path, but the recovery will take longer and proceed much more slowly than the 2009 collapse, which hit hard and fast.

5 Key Market Trends

1. Orange county new retail light vehicle registrations increased 17.4% in the first half of 2012 versus a year earlier, above the 9.9% improvement in the Nation.
2. Auto Outlook projects that the county new vehicle market will improve 14.7% for all of this year, with an increase likely in 2013 as well. The uptick next year would mark the fourth consecutive annual increase.
3. Higher fuel prices earlier this year and many key new vehicle introductions have given a boost to car sales in the county. New retail car registrations were up 20.5% in the first half of '12 and car market share increased.
4. Among the top 25 selling brands, Chrysler, Jeep, Kia, and Dodge have had the largest increases so far this year. County registrations for each of the four brands were up more than 50%.
5. Toyota, Mercedes, BMW, Honda, Lexus, and Hyundai are relatively strong sellers in the county market. Vehicle registrations for six brands easily exceed expected levels, which are calculated from National market share (see page 5 for full analysis).

Annual Trend in Orange County New Vehicle Market



Market Summary

	YTD '10 thru June	YTD '11 thru June	YTD '12 thru June	% ch. '11 to '12
TOTAL	51,538	61,678	72,424	17.4%
Car	31,119	37,625	45,354	20.5%
Light Truck	20,419	24,053	27,070	12.5%
Detroit Three	9,081	11,939	14,021	17.4%
European	10,860	13,258	15,166	14.4%
Japanese	28,017	30,255	35,041	15.8%
Korean	3,580	6,226	8,196	31.6%

The graph above shows annual new retail light vehicle registrations in the county from 2008 thru 2011, and Auto Outlook's projections for 2012 and 2013.

Detroit Three consists of vehicles sold by GM, Ford and Chrysler. Historical data Source: AutoCount data from Experian Automotive.

FORECAST DETERMINANTS

Pent Up Demand Should Give Market a Long Term Boost

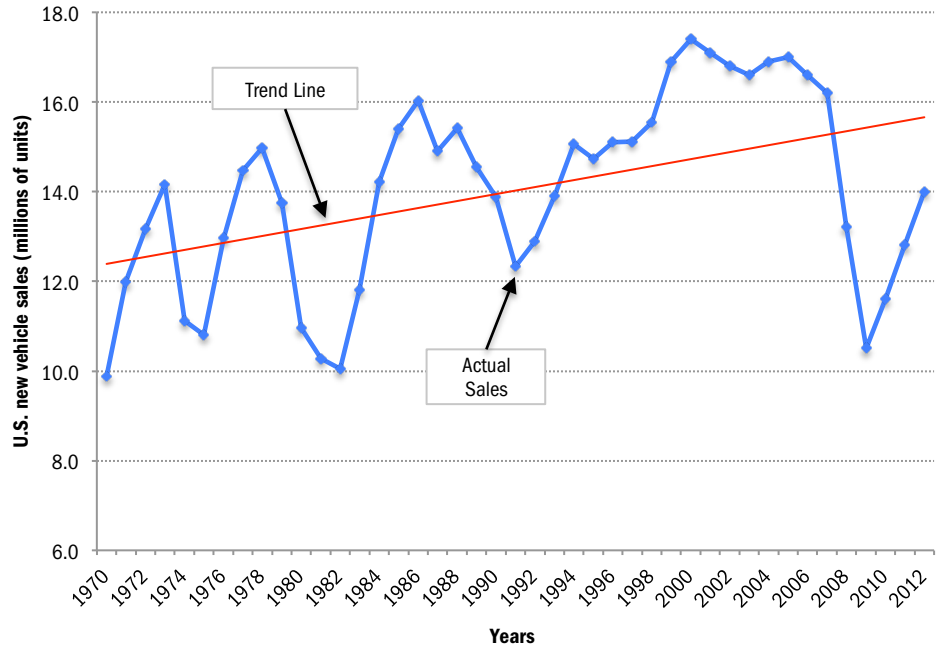
Long term sales pattern points to prolonged "upward cycle"

Although improving, new vehicle sales have remained significantly below trend line levels for several years, resulting in significant pent up demand

Impact on new vehicle sales: POSITIVE

Accumulated pent up demand resulting from depressed sales between 2009 and 2011 is a powerful force that will almost certainly push new vehicle sales higher. Source for sales data: CNW Marketing Research.

U.S. New Vehicle Sales



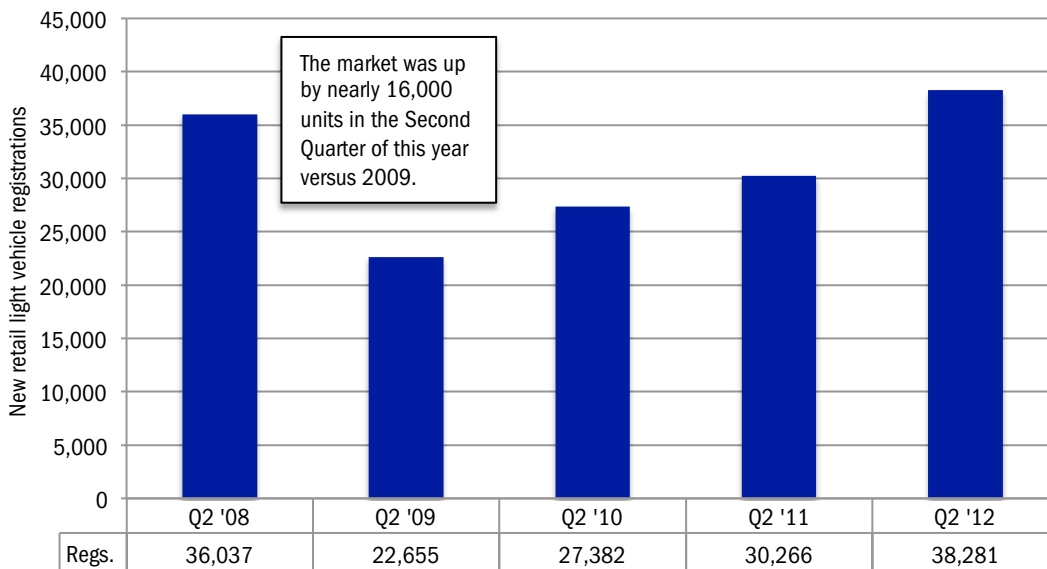
MARKET TRACKER: QUARTERLY PERSPECTIVE

2nd Quarter 2012 New Vehicle Registrations Approach 40,000

Second quarter total this year exceeds 2009 levels by nearly 16,000 units

QUARTERLY PERSPECTIVE

Five Years of Second Quarter Results in Orange County Market



Details on Data

Data presented measures new vehicles registered to purchasers (or lessees) residing in Orange County. Monthly recording of registrations occurs when vehicle title is processed.

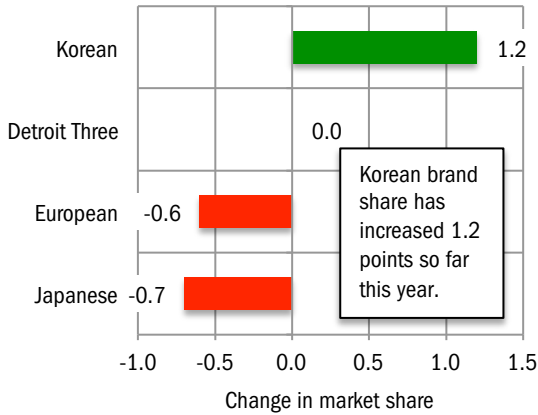
Statistics are compiled by AutoCount Data by Experian Automotive.

Second quarter registrations during past five years

MARKET TRACKER: BRAND MARKET SHARE

Korean Brands Are Up

Change in County Market Share
YTD 2012 thru June vs. YTD 2011

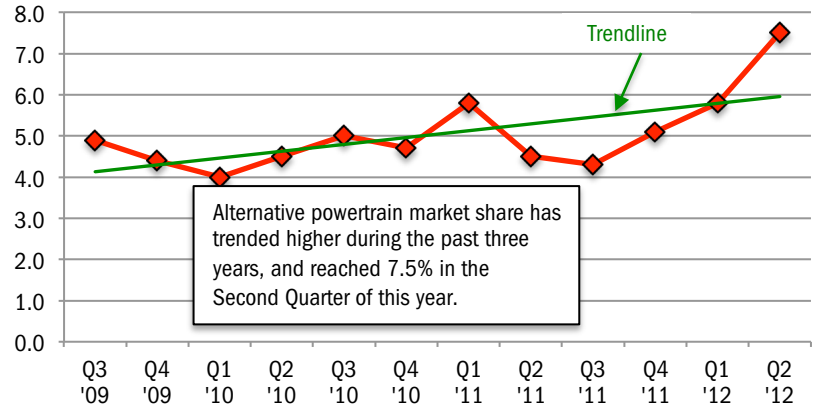


The graph above shows the change in year-to-date market share for four primary brand segments.

MARKET TRACKER: HYBRID AND ELECTRIC VEHICLES

Green Vehicle Share Increases

Quarterly Alternative Powertrain Market Share
(includes hybrid and electric vehicles)



The graph above shows hybrid powertrain and electric vehicle quarterly market share in the county. The line shows market share trend over the past 12 quarters.

MARKET TRACKER - SEGMENTS

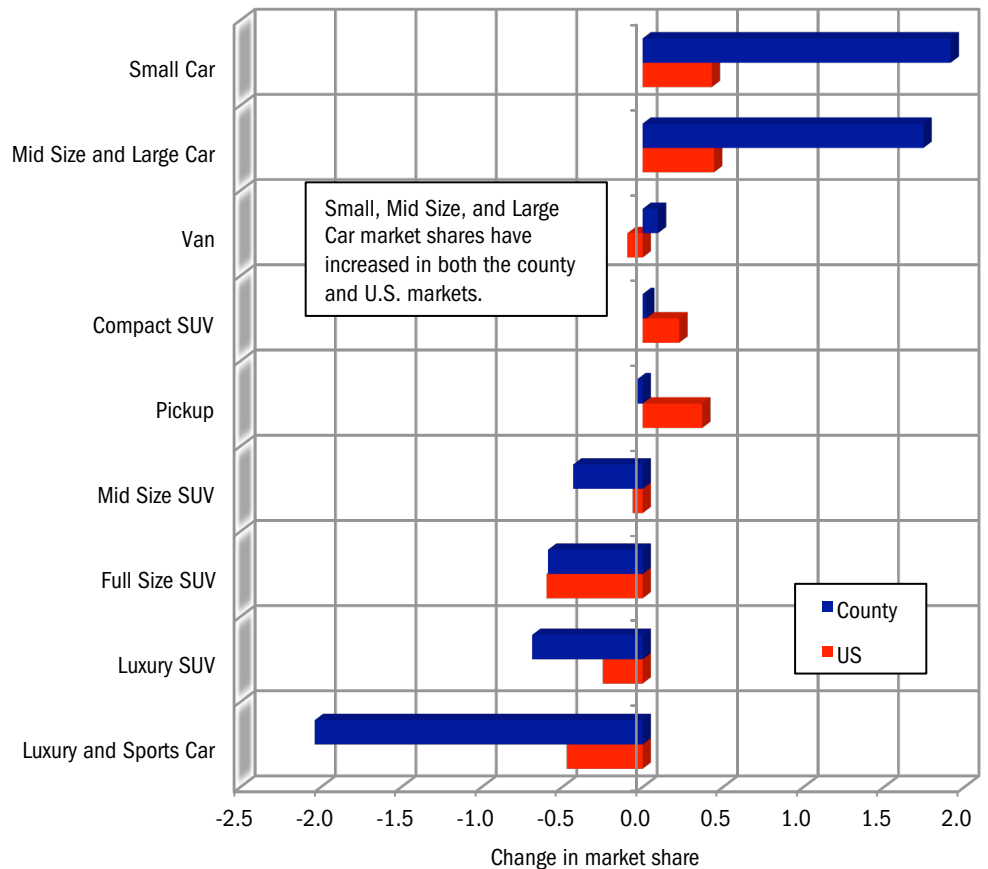
Car Segments Gain Share in County and U.S. Markets

**Change in Segment Market Share
YTD 2012 thru June
vs.
YTD 2011 thru June**

**Orange County and
U.S. Markets**

Typical models in segments:

- Small Car: Hyundai Elantra
- Mid Size & Large Car: Toyota Camry
- Luxury & Sports Car: BMW 3-Series
- Pickup: Ford F-Series
- Van: Honda Odyssey
- Compact SUV: Jeep Liberty
- Mid Size SUV: Jeep Grand Cherokee
- Full Size SUV: Chevrolet Tahoe
- Luxury SUV: Lexus RX



BRAND SCOREBOARD - PART ONE

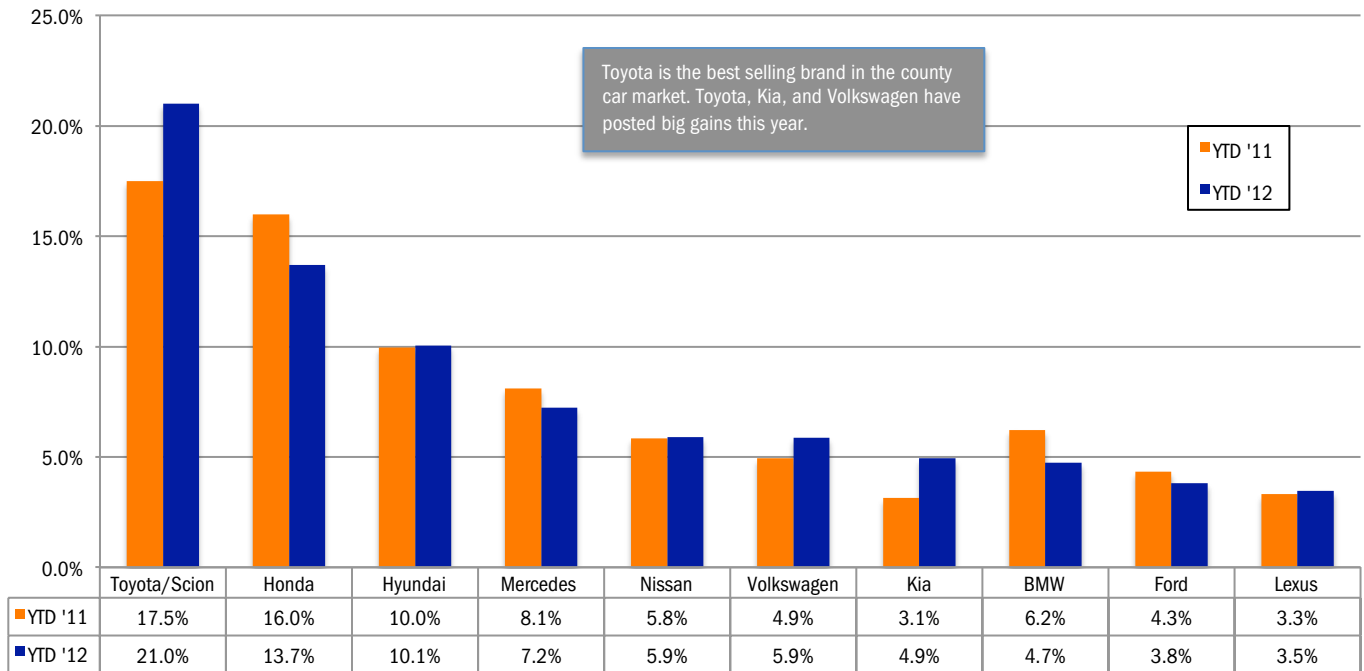
Toyota is County Car Market Share Leader

Toyota also leads in light trucks; Jeep market share moves higher

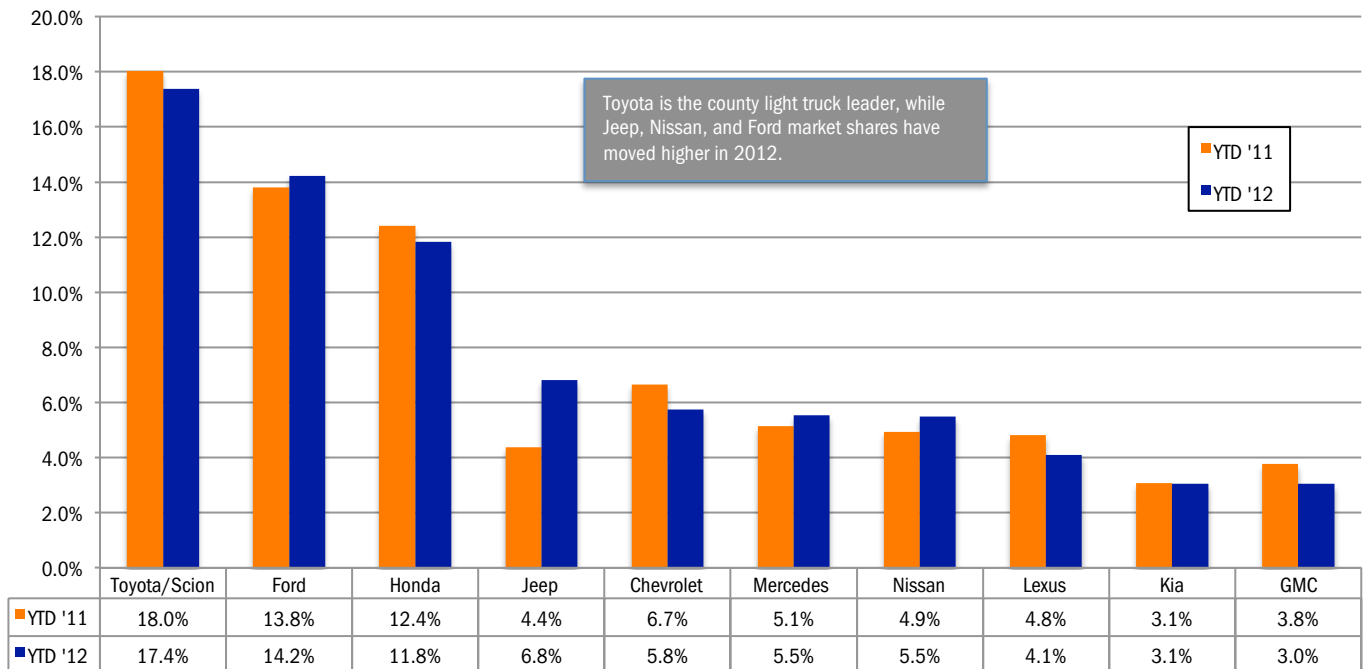
The two graphs below show market share for the top ten car and light truck brands for the first six months of 2011 and 2012. Brands are shown from left to right on each graph based on first half 2012 market share.

Source: AutoCount data from Experian Automotive.

Brand Market Share in County Car Market - YTD 2011 and YTD 2012, thru June
Top Ten Brands only



Brand Market Share in County Light Truck Market - YTD 2011 and YTD 2012, thru June
Top Ten Brands only



BRAND SCOREBOARD - PART TWO

Toyota and Mercedes Relatively Strong Performers in County

BMW, Honda, Lexus, and Hyundai also rank high

The graph below provides an indicator of brands that are popular in 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 registra-

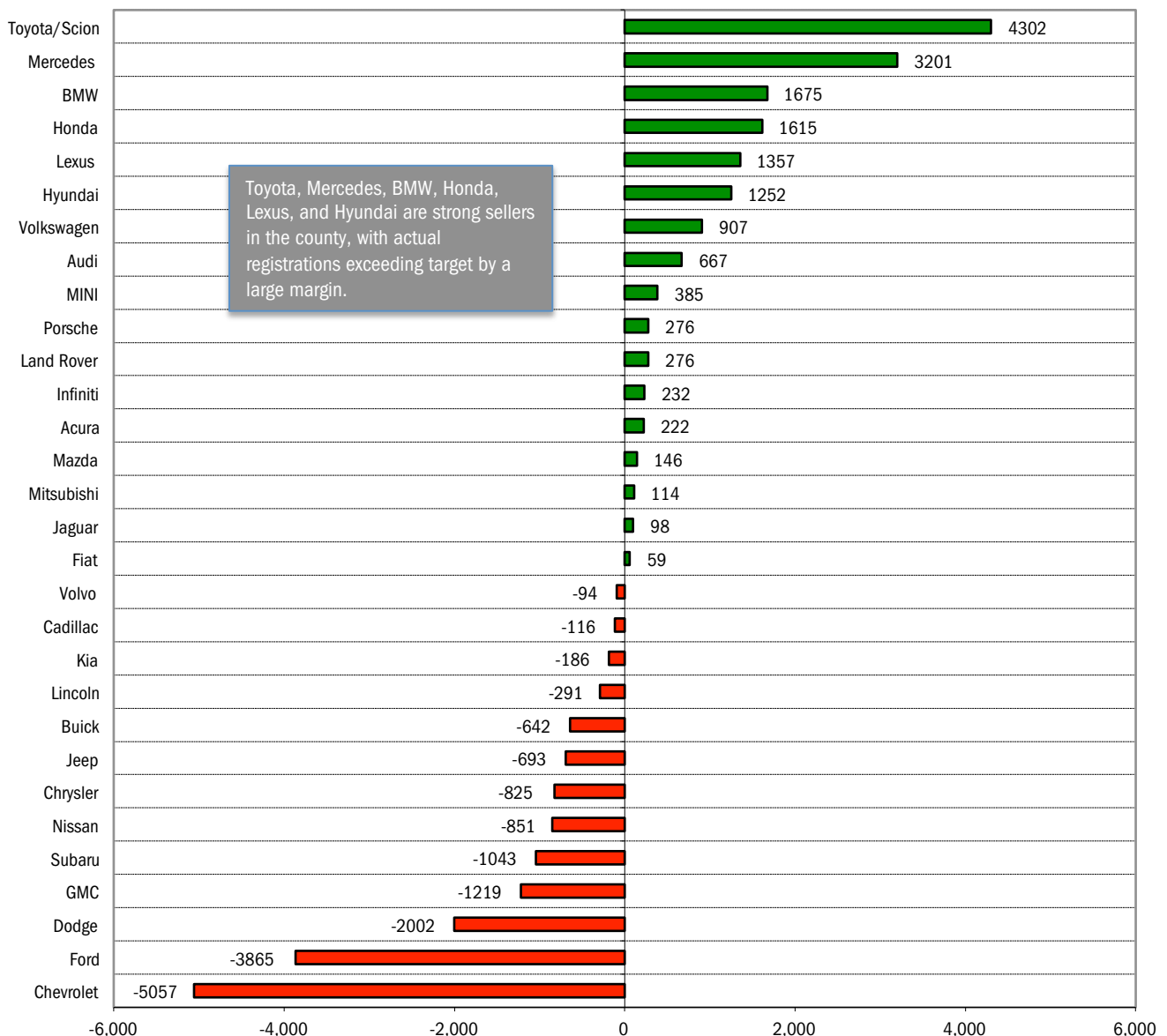
tions in the county during the first six months of 2012. This yields a "target" for the county market. Target registrations are subtracted from actual registrations to derive the measurement of sales performance.

Brands at the top of the graph (i.e., Toyota, Mercedes, BMW, Honda, Lexus, and Hyundai)

are relatively strong sellers in the county, with actual registrations exceeding the calculated target by a large margin. For instance, Toyota registrations exceeded the target by 4,302 units.

Source for registration data: AutoCount data from Experian Automotive.

Orange County Retail Market Performance based on registrations for YTD 2012 thru June
Actual registrations minus target (county industry registrations times U.S. market share)



Toyota, Mercedes, BMW, Honda, Lexus, and Hyundai are strong sellers in the county, with actual registrations exceeding target by a large margin.

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

MODEL RANKINGS

Toyota Camry Stays on Top of Standard Mid Size Car Segment

Ford Edge is best-selling Mid Size SUV

The table below shows the top five selling models during 2012 in 16 primary market segments. In addition to unit registrations, it also shows each model's market share in its respective segment.

Toyota Camry retained the top spot as the best-selling Standard Mid Size Car, with a

23.9% share. Toyota Prius was first among Sub Compact Cars, followed by Honda Civic and Toyota Corolla. Mercedes C-Class was the best seller among Near Luxury Cars.

Toyota Sienna and Honda CRV were the best selling Mini Van and Compact SUV, respectively. Ford Explorer was first among Full Size

SUVs (including Crossovers). Lexus RX was the best-selling Luxury SUV.

Source: AutoCount data from Experian Automotive.

Top Selling Models in Each Segment - Orange County											
New Retail Registrations - YTD 2012 thru June											
Cars											
Entry			Sub Compact			Sporty Compact			Standard Mid Size		
Model	Regs.	Share	Model	Regs.	Share	Model	Regs.	Share	Model	Regs.	Share
Nissan Versa	609	17.1	Toyota Prius	3753	23.3	Chevrolet Camaro	335	23.4	Toyota Camry	2838	23.9
Kia Soul	587	16.4	Honda Civic	2834	17.6	Hyundai Veloster	324	22.6	Honda Accord	2751	23.2
Hyundai Accent	462	12.9	Toyota Corolla/Matrix	1745	10.8	Ford Mustang	279	19.5	Hyundai Sonata	1759	14.8
Honda Fit	418	11.7	Hyundai Elantra	1275	7.9	Dodge Challenger	240	16.8	Nissan Altima	1190	10.0
Fiat 500	271	7.6	Volkswagen Jetta	1242	7.7	Scion tC	232	16.2	Kia Optima	1059	8.9
Large Mid Size			Near Luxury			Luxury			Sports Car		
Model	Regs.	Share	Model	Regs.	Share	Model	Regs.	Share	Model	Regs.	Share
Chrysler 300	220	26.5	Mercedes C-Class	1388	22.2	Mercedes E-Class	1350	32.2	Mazda MX5	39	25.8
Dodge Charger	183	22.0	BMW 3-Series	1052	16.8	BMW 5-Series	697	16.6	Chevrolet Corvette	31	20.5
Nissan Maxima	120	14.4	Hyundai Genesis	558	8.9	Lexus GS	290	6.9	Porsche 911	27	17.9
Toyota Avalon	108	13.0	Infiniti G	482	7.7	Mercedes S-Class	197	4.7	Nissan 370Z	21	13.9
Buick LaCrosse	92	11.1	Lexus IS	426	6.8	Audi A6	193	4.6	Audi TT	15	9.9
Light Trucks											
Compact Pickup			Full Size Pickup			Mini Van			Full Size Van		
Model	Regs.	Share	Model	Regs.	Share	Model	Regs.	Share	Model	Regs.	Share
Toyota Tacoma	995	64.4	Ford F-Series	1032	36.3	Toyota Sienna	408	30.4	Ford E-Series	136	27.5
Nissan Frontier	191	12.4	Chevrolet Silverado	629	22.1	Honda Odyssey	407	30.4	Ford Transit Connect	130	26.3
Ford Ranger	164	10.6	Toyota Tundra	476	16.7	Dodge Caravan	184	13.7	Dodge Sprinter	109	22.0
Honda Ridgeline	81	5.2	Dodge Ram	372	13.1	Chrysler T & C	119	8.9	Chevrolet Express	70	14.1
Chevrolet Colorado	79	5.1	GMC Sierra	236	8.3	Mazda 5	98	7.3	Nissan NV	39	7.9
Compact SUV			Mid Size/Crossover SUV			Full Size SUV			Luxury SUV		
Model	Regs.	Share	Model	Regs.	Share	Model	Regs.	Share	Model	Regs.	Share
Honda CRV	1560	24.1	Ford Edge	893	17.3	Ford Explorer	530	23.6	Lexus RX	985	17.6
Toyota RAV4	767	11.8	Jeep Grand Cherokee	776	15.1	Ford Flex	349	15.6	Mercedes ML-Class	687	12.3
Jeep Wrangler	563	8.7	Honda Pilot	684	13.3	GMC Acadia	197	8.8	BMW X5	443	7.9
Ford Escape	497	7.7	Toyota Highlander	648	12.6	Chevrolet Tahoe	185	8.2	Land Rover Range Rover	438	7.8

COMPARISON OF ORANGE COUNTY, LOS ANGELES COUNTY, AND U.S. MARKETS

Orange County Market Up 17.4% in First Half of 2012

Los Angeles County market was up 19.4%; U.S. up 9.9%

	Orange County Retail Market	Los Angeles County Retail Market	U.S. Retail Market
Market Growth % change in registrations YTD 2012 thru June vs. YTD 2011	17.4%	19.4%	9.9%
Car Market Share Car share of industry retail light vehicle YTD 2012 thru June	62.6%	66.7%	51.4%
Domestic Brand Market Share Domestic brand share of industry retail light vehicle registrations - YTD 2012	19.4%	17.8%	40.3%

Brand	New Retail Registrations - YTD 2012 thru June						Market Share (YTD '12)		
	Orange County		Los Angeles County		U.S.		Orange County	L.A. County	U.S.
	Regs.	% ch. from '11	Regs.	% ch. from '11	Regs.	% ch. from '11			
Acura	1,059	2.4%	2,297	-6.8%	64,862	3.3%	1.5	1.3	1.2
Audi	1,453	16.8%	4,349	12.9%	60,935	20.4%	2.0	2.4	1.1
BMW	3,136	3.0%	8,854	6.7%	113,230	7.8%	4.3	4.9	2.0
Buick	283	-9.3%	616	-3.4%	71,681	-6.1%	0.4	0.3	1.3
Cadillac	639	1.9%	1,688	6.0%	58,517	-11.0%	0.9	0.9	1.0
Chevrolet	2,907	6.1%	8,260	16.8%	617,320	-0.2%	4.0	4.6	11.0
Chry Dodge Jeep Ram	3,497	67.2%	7,020	52.2%	543,922	31.1%	4.8	3.9	9.7
Chrysler	457	93.6%	972	81.7%	99,346	50.4%	0.6	0.5	1.8
Dodge	1,040	50.9%	2,218	39.8%	144,383	19.1%	1.4	1.2	2.6
Jeep	1,816	74.4%	3,066	55.6%	194,487	36.4%	2.5	1.7	3.5
Ram	184	46.0%	764	47.2%	105,706	24.2%	0.3	0.4	1.9
Fiat	271	834.5%	1,215	1115.0%	16,443	1049.1%	0.4	0.7	0.3
Ford	5,698	12.3%	12,400	16.1%	741,289	7.8%	7.9	6.9	13.2
GMC	826	-8.7%	1,632	1.4%	158,543	-3.2%	1.1	0.9	2.8
Honda	9,302	4.6%	26,982	12.3%	595,819	5.4%	12.8	14.9	10.6
Hyundai	5,173	20.4%	7,720	24.8%	303,924	9.3%	7.1	4.3	5.4
Infiniti	845	-9.9%	2,418	0.7%	47,497	-0.3%	1.2	1.3	0.8
Jaguar	169	-22.1%	570	10.5%	5,529	-2.6%	0.2	0.3	0.1
Kia	3,023	56.6%	7,608	92.2%	248,740	22.4%	4.2	4.2	4.4
Land Rover	522	13.2%	1,300	9.5%	19,042	21.9%	0.7	0.7	0.3
Lexus	2,663	12.0%	6,660	16.7%	101,263	5.6%	3.7	3.7	1.8
Lincoln	171	-6.0%	519	-8.6%	35,783	3.1%	0.2	0.3	0.6
Mazda	1,480	5.6%	2,549	9.0%	103,390	7.0%	2.0	1.4	1.8
Mercedes	4,783	12.8%	12,190	23.9%	122,618	21.6%	6.6	6.7	2.2
MINI	777	-12.3%	2,394	-2.0%	30,382	4.4%	1.1	1.3	0.5
Mitsubishi	440	-27.9%	611	1.5%	25,298	-10.9%	0.6	0.3	0.5
Nissan	4,109	22.6%	12,476	17.4%	384,474	4.1%	5.7	6.9	6.8
Porsche	453	6.6%	1,327	-2.9%	13,728	-2.0%	0.6	0.7	0.2
smart	99	350.0%	162	40.9%	3,695	80.2%	0.1	0.1	0.1
Subaru	965	28.7%	2,289	39.3%	155,671	20.2%	1.3	1.3	2.8
Suzuki	142	36.5%	9	-66.7%	11,323	-3.2%	0.2	0.0	0.2
Toyota/Scion	14,036	30.0%	35,706	20.3%	754,562	14.4%	19.4	19.7	13.4
Volkswagen	3,082	43.3%	7,843	28.3%	168,562	27.5%	4.3	4.3	3.0
Volvo	254	-34.0%	976	3.8%	26,982	-6.0%	0.4	0.5	0.5
Other	167	20.1%	335	4.4%	7,522	-26.9%	0.2	0.2	0.1

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									
	Second Quarter			YTD thru June			YTD		
	April '12 thru June '12						Market Share (%)		
	Orange County			Orange County			Orange County		
	2011	2012	% chg.	2011	2012	% chg.	2011	2012	Chg.
MARKET SUMMARY									
TOTAL	30,266	38,281	26.5%	61,678	72,424	17.4%			
Cars	18,842	24,223	28.6%	37,625	45,354	20.5%	61.0	62.6	1.6
Light Trucks	11,424	14,058	23.1%	24,053	27,070	12.5%	39.0	37.4	-1.6
Domestic	5,909	7,273	23.1%	11,939	14,021	17.4%	19.4	19.4	0.0
European	7,016	7,470	6.5%	13,258	15,166	14.4%	21.5	20.9	-0.6
Japanese	13,973	19,303	38.1%	30,255	35,041	15.8%	49.1	48.4	-0.7
Korean	3,368	4,235	25.7%	6,226	8,196	31.6%	10.1	11.3	1.2
BRAND REGISTRATIONS									
Acura	475	547	15.2%	1,034	1,059	2.4%	1.7	1.5	-0.2
Audi	619	688	11.1%	1,244	1,453	16.8%	2.0	2.0	0.0
BMW	1,602	1,508	-5.9%	3,044	3,136	3.0%	4.9	4.3	-0.6
Buick	147	159	8.2%	312	283	-9.3%	0.5	0.4	-0.1
Cadillac	280	295	5.4%	627	639	1.9%	1.0	0.9	-0.1
Chevrolet	1,333	1,569	17.7%	2,740	2,907	6.1%	4.4	4.0	-0.4
C/D/J/R	1,060	1,866	76.0%	2,092	3,497	67.2%	3.4	4.8	1.4
Chrysler	127	237	86.6%	236	457	93.6%	0.4	0.6	0.2
Dodge	300	452	50.7%	584	837	43.3%	0.9	1.2	0.3
Jeep	528	974	84.5%	1,041	1,816	74.4%	1.7	2.5	0.8
Ram	105	203	93.3%	231	387	67.5%	0.4	0.5	0.1
FIAT	29	126		29	271		0.0	0.4	0.4
Ford	2,590	2,896	11.8%	5,076	5,698	12.3%	8.2	7.9	-0.3
GMC	404	395	-2.2%	905	826	-8.7%	1.5	1.1	-0.4
Honda	4,258	5,214	22.5%	8,891	9,302	4.6%	14.4	12.8	-1.6
Hyundai	2,221	2,610	17.5%	4,295	5,173	20.4%	7.0	7.1	0.1
Infiniti	430	435	1.2%	938	845	-9.9%	1.5	1.2	-0.3
Jaguar	131	80	-38.9%	217	169	-22.1%	0.4	0.2	-0.2
Kia	1,147	1,625	41.7%	1,931	3,023	56.6%	3.1	4.2	1.1
Land Rover	243	250	2.9%	461	522	13.2%	0.7	0.7	0.0
Lexus	958	1,381	44.2%	2,377	2,663	12.0%	3.9	3.7	-0.2
Lincoln	93	93	0.0%	182	171	-6.0%	0.3	0.2	-0.1
Mazda	707	780	10.3%	1,402	1,480	5.6%	2.3	2.0	-0.3
Mercedes	2,147	2,295	6.9%	4,242	4,783	12.8%	6.9	6.6	-0.3
MINI	538	401	-25.5%	886	777	-12.3%	1.4	1.1	-0.3
Mitsubishi	284	259	-8.8%	610	440	-27.9%	1.0	0.6	-0.4
Nissan	1,632	2,055	25.9%	3,351	4,109	22.6%	5.4	5.7	0.3
Porsche	232	248	6.9%	425	453	6.6%	0.7	0.6	-0.1
smart	15	48	220.0%	22	99	350.0%	0.0	0.1	0.1
Subaru	343	581	69.4%	750	965	28.7%	1.2	1.3	0.1
Suzuki	46	66	43.5%	104	142	36.5%	0.2	0.2	0.0
Toyota/Scion	4,840	7,985	65.0%	10,798	14,036	30.0%	17.5	19.4	1.9
Volkswagen	1,186	1,598	34.7%	2,150	3,082	43.3%	3.5	4.3	0.8
Volvo	192	142	-26.0%	385	254	-34.0%	0.6	0.4	-0.2
Other	84	86	2.4%	158	167	5.7%	0.3	0.2	-0.1

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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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