Colorado New Retail Car and Light Truck Registrations - History and Forecast

	Registrations					Market Share				
	Units			Percent Change		Share (%)			Change	
	2004	2005	Forecast 2006	'04 to '05	Forecast '05 to '06	2004	2005	Forecast 2006	'04 to '05	Forecast '05 to '06
TOTAL	176,028	172,646	168,976	-1.9%	-2.1%					
Acura	2,562	2,709	2,653	5.7%	-2.1%	1.5	1.6	1.6	0.1	0.0
Audi	2,064	2,061	2,350	-0.1%	14.0%	1.2	1.2	1.4	0.0	0.2
BMW	2,343	2,347	2,282	0.2%	-2.8%	1.3	1.4	1.4	0.1	0.0
Buick	1,759	1,460	1,301	-17.0%	-10.9%	1.0	0.8	0.8	-0.2	0.0
Cadillac	2,109	1,814	1,760	-14.0%	-3.0%	1.2	1.1	1.0	-0.1	-0.1
Chevrolet	21,666	19,157	17,897	-11.6%	-6.6%	12.3	11.1	10.6	-1.2	-0.5
Chrysler	3,000	3,219	3,080	7.3%	-4.3%	1.7	1.9	1.8	0.2	-0.1
Dodge	12,800	11,753	11,518	-8.2%	-2.0%	7.3	6.8	6.8	-0.5	0.0
Ford	27,193	24,697	23,350	-9.2%	-5.5%	15.4	14.3	13.8	-1.1	-0.5
GMC	7,797	7,183	6,442	-7.9%	-10.3%	4.4	4.2	3.8	-0.2	-0.4
Honda	14,355	15,437	15,652	7.5%	1.4%	8.2	8.9	9.3	0.7	0.4
Hummer	312	580	689	85.9%	18.8%	0.2	0.3	0.4	0.1	0.1
Hyundai	3,666	3,817	3,921	4.1%	2.7%	2.1	2.2	2.3	0.1	0.1
Infiniti	1,011	1,112	1,008	10.0%	-9.4%	0.6	0.6	0.6	0.0	0.0
Isuzu	370	200	161	-45.9%	-19.5%	0.2	0.1	0.1	-0.1	0.0
Jaguar	357	212	130	-40.6%	-38.7%	0.2	0.1	0.1	-0.1	0.0
Jeep	7,947	8,416	9,151	5.9%	8.7%	4.5	4.9	5.4	0.4	0.5
Kia	3,177	2,839	2,724	-10.6%	-4.1%	1.8	1.6	1.6	-0.2	0.0
Land Rover	565	678	696	20.0%	2.7%	0.3	0.4	0.4	0.1	0.0
Lexus	3,280	3,404	3,638	3.8%	6.9%	1.9	2.0	2.2	0.1	0.2
Lincoln	848	672	680	-20.8%	1.2%	0.5	0.4	0.4	-0.1	0.0
Mazda	2,305	2,504	2,561	8.6%	2.3%	1.3	1.5	1.5	0.2	0.0
Mercedes	1,467	1,757	1,728	19.8%	-1.7%	0.8	1.0	1.0	0.2	0.0
Mercury	730	847	729	16.0%	-13.9%	0.4	0.5	0.4	0.1	-0.1
Mini	379	445	417	17.4%	-6.3%	0.2	0.3	0.2	0.1	-0.1
Mitsubishi	1,240	982	773	-20.8%	-21.3%	0.7	0.6	0.5	-0.1	-0.1
Nissan	7,717	9,131	8,639	18.3%	-5.4%	4.4	5.3	5.1	0.9	-0.2
Pontiac	2,403	2,255	2,146	-6.2%	-4.8%	1.4	1.3	1.3	-0.1	0.0
Porsche	461	391	392	-15.2%	0.3%	0.3	0.2	0.2	-0.1	0.0
Saab	696	727	641	4.5%	-11.8%	0.4	0.4	0.4	0.0	0.0
Saturn	4,110	3,144	3,205	-23.5%	1.9%	2.3	1.8	1.9	-0.5	0.1
Subaru	7,401	7,832	7,097	5.8%	-9.4%	4.2	4.5	4.2	0.3	-0.3
Suzuki	813	914	1,270	12.4%	38.9%	0.5	0.5	0.8	0.0	0.3
Toyota (incl. Scion)	19,568	20,762	21,463	6.1%	3.4%	11.1	12.0	12.7	0.9	0.7
Volkswagen	5,076	4,500	4,605	-11.3%	2.3%	2.9	2.6	2.7	-0.3	0.1
Volvo	2,319	2,445	1,991	5.4%	-18.6%	1.3	1.4	1.2	0.1	-0.2
Others	162	243	236	50.0%	-2.9%	0.1	0.1	0.1	0.0	0.0

Historical Data Source: AutoCount, an Experian Company

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Colorado Auto Outlook ™

Comprehensive Information on the Colorado Automotive Market

Released May, 2006 (Covering First Quarter, 2006)

New Retail Registrations In Colorado Predicted to Approach 169,000 Units in 2006

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 Colorado market. That's where Auto Outlook comes in. On a quarterly basis, we keep you informed of current events, and forecast projections for the Colorado new vehicle market. Following is a comprehensive characterization and evaluation of the state market.

Predicted decline in Colorado new retail light vehicle market this year to mirror U.S. Auto Outlook is predicting that new retail light vehicle registrations in the state will decline 2.1% this year versus 2005, slightly better than our projected 2.8% drop in National registrations. We think total statewide registrations will approach 169,000 units this year.

Colorado market gets off to a decent start in 2006. Colorado new retail vehicle registrations declined 1.6% during the First Quarter of this year versus a year earlier. U.S. registrations were off 1.9%.

Light truck share declines in both the Colorado and U.S. markets during First Quarter. The light truck share of the state car and light truck retail market declined 3.8 market share points during the First Quarter of this year, higher than the 1.7 point decline in the U.S. Light truck market share in the state exceeded National levels (57% vs. 51.6%).

Domestic brand market share declined during the First Quarter in both the Colorado and U.S. markets. Big Three market share in the state fell four points from the First Quarter of 2005 to the First Quarter of this year, to 46.1%. Domestic brands had a 48.6% share in the Nation, which was down two points versus a year earlier. Auto Outlook is predicting a one point drop for domestic brand share in the state market this year.

Mid Size SUV and Compact SUV segments relatively popular in Colorado market. The Mid Size SUV segment accounted for 10.1% of the Colorado retail market in the First Quarter of this year, much higher than its 7.9% share in the U.S. Compact SUV share was 10.5% in the state versus 8.5% in the Nation.

Honda CRV best selling Compact SUV in Colorado; Subaru Legacy leads among Standard Mid Size Cars. Honda CRV was at the top of the list among Compact SUVs in the state during the first three months of this year, while Subaru Legacy was the Standard Mid Size Car leader.

Data Source Information

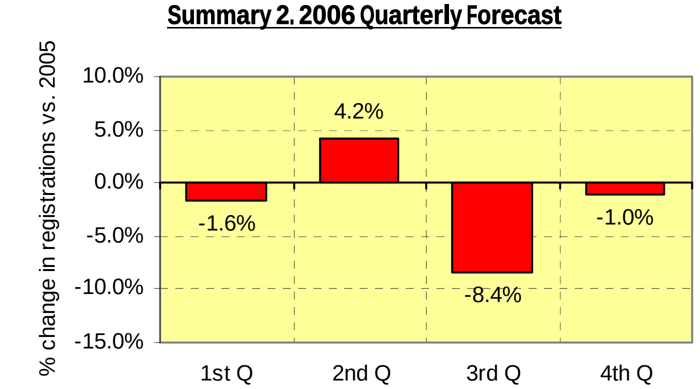
Data source for new vehicle registration data presented in *Colorado Auto Outlook* is AutoCount, an Experian Company. Figures include new vehicles registered and sold in Colorado. Registration figures may vary from those presented in issues released prior to this year.

The Colorado New Retail Light Vehicle Market — At a Glance

Summary 1. Top Ten Scoreboard

4th QUARTER, 2005			1st QUARTER, 2006			*Change in*
Rank	Make	Share	Rank	Make	Share	mkt. Share
1	Ford	13.3%	1	Ford	13.3%	0.0%
2	Toyota	12.5%	2	Toyota	13.1%	0.6%
3	Honda	10.2%	3	Honda	9.9%	-0.3%
4	Chevrolet	8.9%	4	Chevrolet	9.4%	0.5%
5	Dodge	6.7%	5	Dodge	6.2%	-0.5%
6	Nissan	5.7%	6	Nissan	5.1%	-0.6%
7	Jeep	5.0%	7	Subaru	4.8%	-0.2%
8	Subaru	5.0%	8	Jeep	4.8%	-0.2%
9	Volkswagen	3.1%	9	GMC	3.7%	0.7%
10	GMC	3.0%	10	Volkswagen	2.9%	-0.2%

Summary 2. 2006 Quarterly Forecast



Summary 3. Annual Review and Forecast

	2004	2005	Forecast 2006	% ch. '05 to '06
TOTAL	176,028	172,646	168,976	-2.1%
Car	68,914	72,489	72,829	0.5%
Light Truck	107,114	100,157	96,147	-4.0%
Big Three	92,674	85,197	81,948	-3.8%
Japanese	60,622	64,987	64,915	-0.1%
European	15,889	15,806	15,468	-2.1%
Korean	6,843	6,656	6,645	-0.2%

The three summaries provide an overview of the Colorado new retail light vehicle market. The table above shows the **Top Ten** sellers in the state during the Fourth Quarter of last year and the First Quarter of this year, and the change in market share for each brand. **Quarterly Forecast** presents the change in registrations during each Quarter of this year versus 2005. The **Annual Review** table on the right shows our forecast for 2006, and actual figures for 2004 and 2005.

Source for historical data: AutoCount, an Experian Company

<u>County Scoreboard</u>

Pitkin and Mesa Counties Post Largest Increases in First Quarter

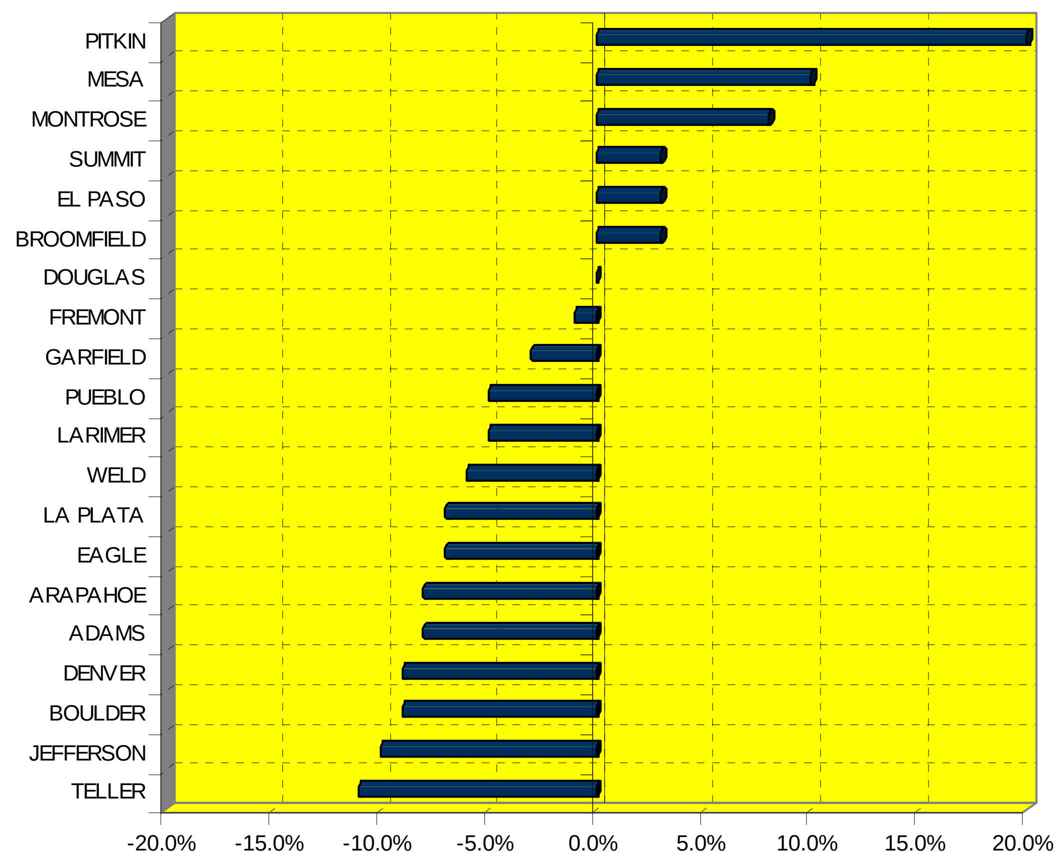
The table below and graph on the right provide a thorough summary of each of the top 20 county new retail light vehicle markets in Colorado. This unique county-level information provides a valuable perspective on local market performance, and a barometer to evaluate the performance of your dealership.

The table shows new retail light vehicle registrations during the first three months of 2005 and 2006, and the percent change (also shown on the graph). The table also shows each county's share of the statewide market, and the change in share over the past year. Light truck market share is also listed.

Pitkin County had the highest increase in registrations, up 20%. The Jefferson County market declined 10%.

Note: The top five rated counties in each category are shaded.
Source: Cross Sell Reports

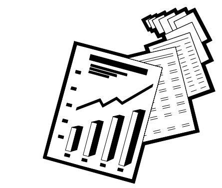
Percent Change in New Retail Car and Light Truck Registrations for Top 20 County Markets in Colorado, YTD '06 (thru March) vs. Year Earlier



COUNTY SCOREBOARD FOR TOP 20 COUNTY MARKETS IN COLORADO - YTD (thru March)

	NEW RETAIL REGISTRATIONS			SHARE OF STATE MARKET			LIGHT TRUCK MARKET SHARE		
COUNTY	2005	2006	% ch	2005	2006	CHANGE	2005	2006	CHANGE
ADAMS	2942	2704	-8.0%	6.9	6.6	-0.3	61.6	53.5	-8.1
ARAPAHOE	4927	4537	-8.0%	11.6	11.2	-0.5	61.0	56.1	-4.9
BOULDER	2545	2318	-9.0%	6.0	5.7	-0.3	56.3	54.9	-1.3
BROOMFIELD	570	589	3.0%	0.0	1.4	1.4	58.0	56.8	-1.2
DENVER	3780	3448	-9.0%	9.8	8.5	-1.3	55.5	51.5	-4.0
DOUGLAS	3753	3745	0.0%	8.8	9.2	0.4	66.9	63.2	-3.7
EAGLE	666	620	-7.0%	1.6	1.5	0.0	73.6	75.3	1.7
EL PASO	4926	5076	3.0%	11.6	12.5	0.9	62.5	57.2	-5.3
FREMONT	274	270	-1.0%	0.6	0.7	0.0	71.5	70.0	-1.5
GARFIELD	658	638	-3.0%	1.6	1.6	0.0	73.7	74.7	1.0
JEFFERSON	5931	5339	-10.0%	14.0	13.1	-0.8	63.3	57.9	-5.4
LA PLATA	532	494	-7.0%	1.3	1.2	0.0	80.3	74.7	-5.6
LARIMER	2441	2314	-5.0%	5.8	5.7	-0.1	63.8	58.9	-4.9
MESA	1000	1098	10.0%	2.4	2.7	0.3	69.9	67.3	-2.6
MONTROSE	270	291	8.0%	0.6	0.7	0.1	77.0	74.4	-2.7
PITKIN	229	274	20.0%	0.5	0.7	0.1	76.4	82.4	6.0
PUEBLO	844	802	-5.0%	2.0	2.0	0.0	59.6	58.4	-1.2
SUMMIT	352	364	3.0%	0.8	0.9	0.1	76.1	74.9	-1.2
TELLER	272	243	-11.0%	0.6	0.6	0.0	77.2	72.3	-4.9
WELD	2243	2099	-6.0%	5.3	5.2	-0.1	66.5	61.7	-4.8

COLORADO BRAND SCOREBOARD



COMPREHENSIVE REVIEW OF BRAND SALES PERFORMANCE IN THE STATE AUTOMOTIVE MARKET

First Quarter 2006 Sales Performance

The table below presents a well-rounded picture of brand sales performance during the First Quarter of 2006. Two primary measures are displayed and rated. The first, entitled "Longer Term Sales Results," represents the percent change in new retail light vehicle registrations from the First Quarter of 2005 to the First Quarter of this year. 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 Results," represents the percent change in registrations from the Fourth Quarter of last year to the First Quarter of this year. Brands are also ranked and rated on the same 1 to 5 scale.

The last column in the table is the sum of the ratings for Longer Term and Shorter Term sales growth. Suzuki and Lincoln were the only brands to receive the highest combined rating of 10.

	Longer Term Results 1st Qtr. 2005 to 1st Qtr. 2006				Shorter Term Results 4th Qtr. 2005 to 1st Qtr. 2006				Combined Rating (10 is high)
Brand	1Q '05 regs.	1Q '06 regs.	% ch '05 to '06	Rating (5 is high)	4Q '05 regs.	1Q '06 regs.	% Change	Rating (5 is high)	
Suzuki	143	374	161.5%	5	305	374	22.6%	5	10
Lincoln	185	231	24.9%	5	147	231	57.1%	5	10
Mercedes	429	534	24.5%	5	505	534	5.7%	4	9
BMW	542	672	24.0%	5	595	672	12.9%	4	9
Cadillac	453	544	20.1%	4	332	544	63.9%	5	9
Land Rover	189	216	14.3%	4	185	216	16.8%	5	9
Mercury	198	225	13.6%	4	173	225	30.1%	5	9
Lexus	821	943	14.9%	4	828	943	13.9%	4	8
Honda	3,502	4,000	14.2%	4	4,085	4,000	-2.1%	3	7
Toyota/Scion	4,887	5,254	7.5%	3	5,010	5,254	4.9%	4	7
Hummer	88	227	158.0%	5	263	227	-13.7%	1	6
Mazda	445	630	41.6%	5	770	630	-18.2%	1	6
Volkswagen	1,014	1,163	14.7%	4	1,243	1,163	-6.4%	2	6
Saturn	683	699	2.3%	3	671	699	4.2%	3	6
Subaru	1,947	1,937	-0.5%	3	1,996	1,937	-3.0%	3	6
Chrysler	790	764	-3.3%	2	697	764	9.6%	4	6
GMC	1,774	1,486	-16.2%	1	1,190	1,486	24.9%	5	6
Jeep	1,894	1,936	2.2%	3	2,003	1,936	-3.3%	2	5
Audi	555	511	-7.9%	2	516	511	-1.0%	3	5
Chevrolet	4,698	3,774	-19.7%	1	3,592	3,774	5.1%	4	5
Kia	566	578	2.1%	3	737	578	-21.6%	1	4
Hyundai	816	812	-0.5%	3	1,007	812	-19.4%	1	4
Pontiac	517	484	-6.4%	2	531	484	-8.9%	2	4
Nissan	2,185	2,038	-6.7%	2	2,300	2,038	-11.4%	2	4
Dodge	2,729	2,499	-8.4%	2	2,694	2,499	-7.2%	2	4
Ford	6,092	5,346	-12.2%	1	5,361	5,346	-0.3%	3	4
Acura	699	593	-15.2%	1	613	593	-3.3%	3	4
Infiniti	258	232	-10.1%	2	305	232	-23.9%	1	3
Buick	332	262	-21.1%	1	287	262	-8.7%	2	3
Volvo	611	481	-21.3%	1	625	481	-23.0%	1	2

Market Tracker

Japanese Brand Market Share Increases 3.4 Points During First Quarter

The graph below tracks the changing composition of the Colorado market. As shown on the graph, the Big Three (consisting of "traditional domestic" brands) lost four market share points in the First Quarter of this year versus a year earlier. (Big Three does not include import brands owned by GM and Ford, such as Volvo and Saab.) Japanese brand market share increased 3.4 points, with Toyota (including Lexus and Scion and Honda (including Acura) each increasing more than one share point. European brand share was up 0.5 of a point, while Korean brand share was up slightly.

Source: AutoCount, an Experian Company.

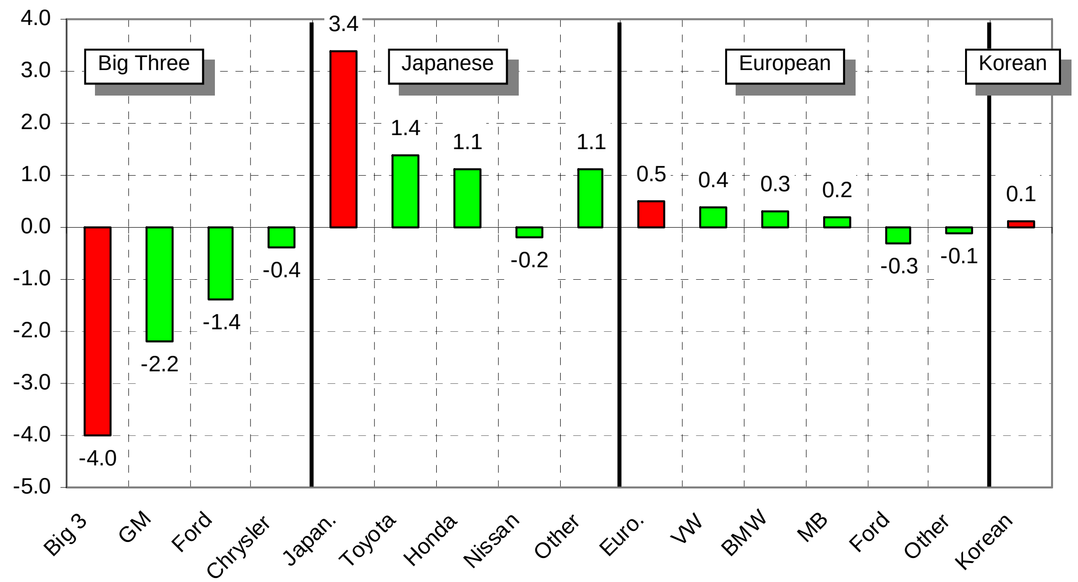
Data Source Information

Exclusive source for new vehicle registration data presented in *Colorado Auto Outlook* is AutoCount, an Experian Company. AutoCount specializes in providing detailed new and used vehicle sales and registration statistics. Consider AutoCount as a source for sales data covering your local market. AutoCount provides new and used vehicle registration data with specific make and model detail for customized geographies. Data is available on a timely basis and is conveniently available directly over the Internet.

For more information on Auto Count, call 407.770.5900 or visit AutoCount's web site: www.autocount.com

AutoCount AN EXPERIAN COMPANY

Change in New Retail Light Vehicle Market Share—First Quarter 2006 vs. Year Earlier



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:** Hyundai and Kia.

New Retail Light Vehicle Market Comparison—Colorado vs. U.S.

	Colorado Market		Denver Metro Market		U.S. Market	
Market Growth % change in registrations First Quarter 2006 vs. First Quarter 2005	**-1.6%**		**1.4%**		**-1.9%**	
Car Market Share Car share of industry retail light vehicle registrations - First Quarter 2006	**43.1%**		**46.6%**		**48.4%**	
Domestic Brand Market Share Domestic brand share of industry retail light vehicle registrations - First Quarter 2006	**46.1%**		**46.6%**		**48.6%**	
Top Selling Retail Brands *Top selling light vehicle brands and market share - First Quarter 2006*						
First	**Ford**	**13.3%**	**Toyota**	**13.6%**	**Toyota**	**13.8%**
Second	**Toyota**	**13.1%**	**Ford**	**11.7%**	**Ford**	**13.1%**
Third	**Honda**	**9.9%**	**Honda**	**11.4%**	**Chevrolet**	**12.5%**
Fourth	**Chevrolet**	**9.4%**	**Chevrolet**	**9.2%**	**Honda**	**9.6%**
Fifth	**Dodge**	**6.2%**	**Nissan**	**5.5%**	**Nissan**	**6.0%**
Sixth	**Nissan**	**5.1%**	**Jeep**	**4.8%**	**Dodge**	**5.4%**
Seventh	**Subaru**	**4.8%**	**Subaru**	**4.8%**	**GMC**	**3.2%**
Eighth	**Jeep**	**4.8%**	**Dodge**	**4.6%**	**Chrysler**	**3.1%**
Ninth	**GMC**	**3.7%**	**Volkswagen**	**3.6%**	**Jeep**	**2.8%**
Tenth	**Volkswagen**	**2.9%**	**Lexus**	**2.9%**	**Hyundai**	**2.6%**

Segment Watch

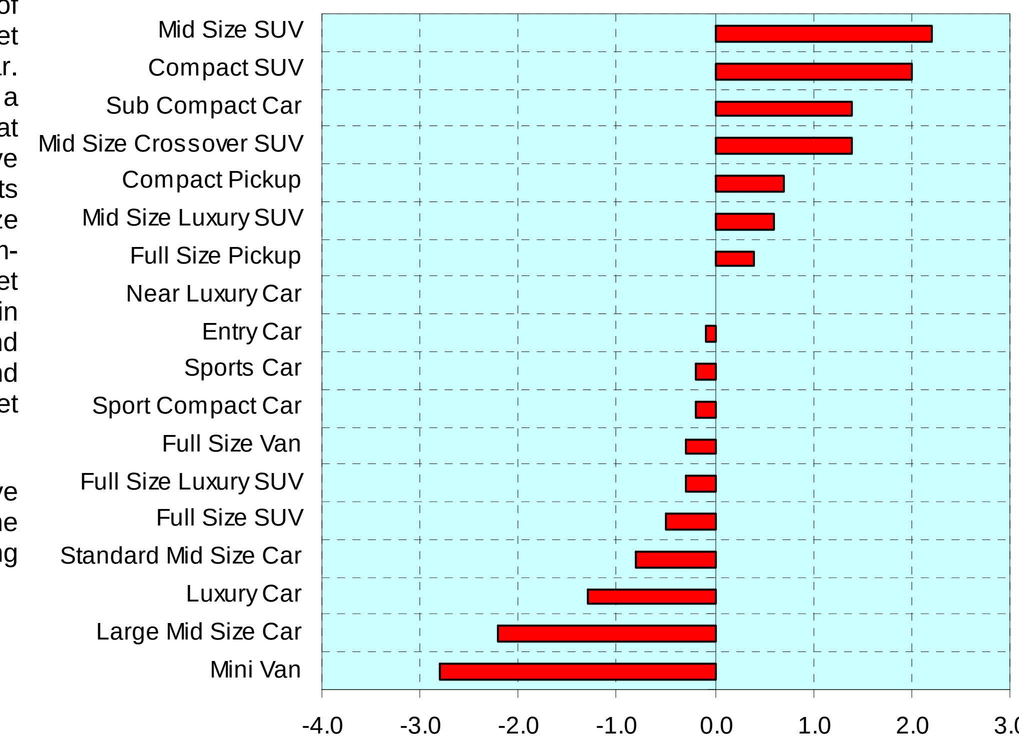
Mid Size SUV Segment Ranks Relatively High in Colorado Market

The information on this page provides information on the make-up of the Colorado light vehicle market during the First Quarter of this year. The graph on the right provides a snapshot of market segments that are popular (or unpopular) relative to the National standard. Segments at the top of the graph (Mid Size SUV, Compact SUV, and Sub Compact Car) have higher market shares in Colorado than they do in the Nation, while those at the end (Mini Van, Large Mid Size Car, and Luxury Car) have lower market shares in the state.

The table below shows the top five sellers in Colorado for each of the primary market segments during the first three months of this year.

Source: AutoCount, an Experian Company.

State Segment Market Share Minus U.S. –First Quarter 2006



Top Five Selling Models in Each Segment - Colorado
New Retail Registrations, YTD '06 (thru March) and Market Share of Segment

Cars											
Entry			**Sub Compact**			**Sporty Compact**			**Standard Mid Size**		
Model	**Regs.**	**Share**	**Model**	**Regs.**	**Share**	**Model**	**Regs.**	**Share**	**Model**	**Regs.**	**Share**
Chevrolet Aveo	139	40.3	Honda Civic	1358	21.0	Ford Mustang	385	51.5	Subaru Legacy	949	25.0
Kia Rio	76	22.0	Toyota Corolla	508	7.9	Scion tC	147	19.7	Toyota Camry	582	15.3
Scion xA	71	20.6	Toyota Prius	471	7.3	Mitsubishi Eclipse	80	10.7	Honda Accord	534	14.1
Hyundai Accent	41	11.9	Volkswagen Jetta	454	7.0	Acura RSX	54	7.2	Nissan Altima	410	10.8
Suzuki Aerio	9	2.6	Saturn Ion	358	5.5	Hyundai Tiburon	40	5.3	Volkswagen Passat	293	7.7
Large Mid Size			**Near Luxury**			**Luxury**			**Sports Car**		
Model	**Regs.**	**Share**	**Model**	**Regs.**	**Share**	**Model**	**Regs.**	**Share**	**Model**	**Regs.**	**Share**
Chrysler 300	365	20.9	Audi A4	390	21.3	Mercedes E-Class	144	13.9	Chevrolet Corvette	82	24.9
Chevrolet Impala	243	13.9	BMW 3-Series	319	17.4	BMW 5-Series	129	12.4	Pontiac Solstice	49	14.9
Toyota Avalon	203	11.6	Volvo 40/50	206	11.3	Lexus GS	86	8.3	Mazda MX5	39	11.9
Nissan Maxima	120	6.9	Acura TL	189	10.3	Cadillac DTS	82	7.9	Nissan 350 ZX	37	11.2
Dodge Charger	115	6.6	Lexus IS	110	6.0	Mercedes S-Class	77	7.4	Porsche 911	32	9.7
Light Trucks											
Compact Pickup			**Full Size Pick Up**			**Mini Van**			**Full Size Van**		
Model	**Regs.**	**Share**	**Model**	**Regs.**	**Share**	**Model**	**Regs.**	**Share**	**Model**	**Regs.**	**Share**
Toyota Tacoma	615	34.4	Ford F-Series	2422	44.4	Honda Odyssey	70	33.0	Chevrolet Express	136	53.5
Ford Ranger	294	16.4	Chevrolet Silverado	957	17.6	Saturn Relay	31	14.6	Ford E-Series	74	29.1
Honda Ridgeline	291	16.3	Dodge Ram	676	12.4	Ford Freestar	28	13.2	GMC Savana	43	16.9
Dodge Dakota	215	12.0	GMC Sierra	610	11.2	Dodge Caravan	20	9.4			
Nissan Frontier	195	10.9	Toyota Tundra	461	8.5	Chevrolet Uplander	18	8.5			
Compact SUV			**Mid Size SUV/Crossover SUV**			**Full Size SUV**			**Mid Size & Full Size Luxury SUV**		
Model	**Regs.**	**Share**	**Model**	**Regs.**	**Share**	**Model**	**Regs.**	**Share**	**Model**	**Regs.**	**Share**
Honda CRV	622	15.7	Toyota 4Runner	871	14.7	Chevrolet Tahoe	536	28.9	Lexus RX330	406	20.0
Jeep Liberty	586	14.8	Honda Pilot	760	12.9	GMC Yukon	503	27.2	Cadillac Escalade	288	14.2
Ford Escape	442	11.1	Jeep Grand Cherokee	733	12.4	Ford Expedition	210	11.3	Volvo XC90	201	9.9
Jeep Wrangler	380	9.6	Dodge Durango	710	12.0	Chevrolet Suburban	195	10.5	L.R. Range Rover	141	6.9
Nissan Xterra	378	9.5	Subaru Forester	393	6.7	Hummer H3	176	9.5	Acura MDX	141	6.9

Competitive Analysis

Getting the "Bang" for the New Product "Buck"

Manufacturers devote significant resources to develop new cars and trucks with the obvious intention of enhancing demand for their products. But despite their best intentions, there are no guarantees. Occasionally, consumers greet new products with a yawn, which can have major consequences for retailers, and can say a lot about a brand's strategic position in the market. The analysis addresses this issue by asking: **Does new product automatically translate into positive sales results in the marketplace?**

The answer to this question can be found below. The graph depicts the relationship between new product and improved sales. If a brand introduces a slew of new products, you would expect a resulting increase in sales. Conversely, if a brand offers little (or no) new products, you would expect market share to decline. As explained on the right, the four "quadrants" on the graph depict these relationships.

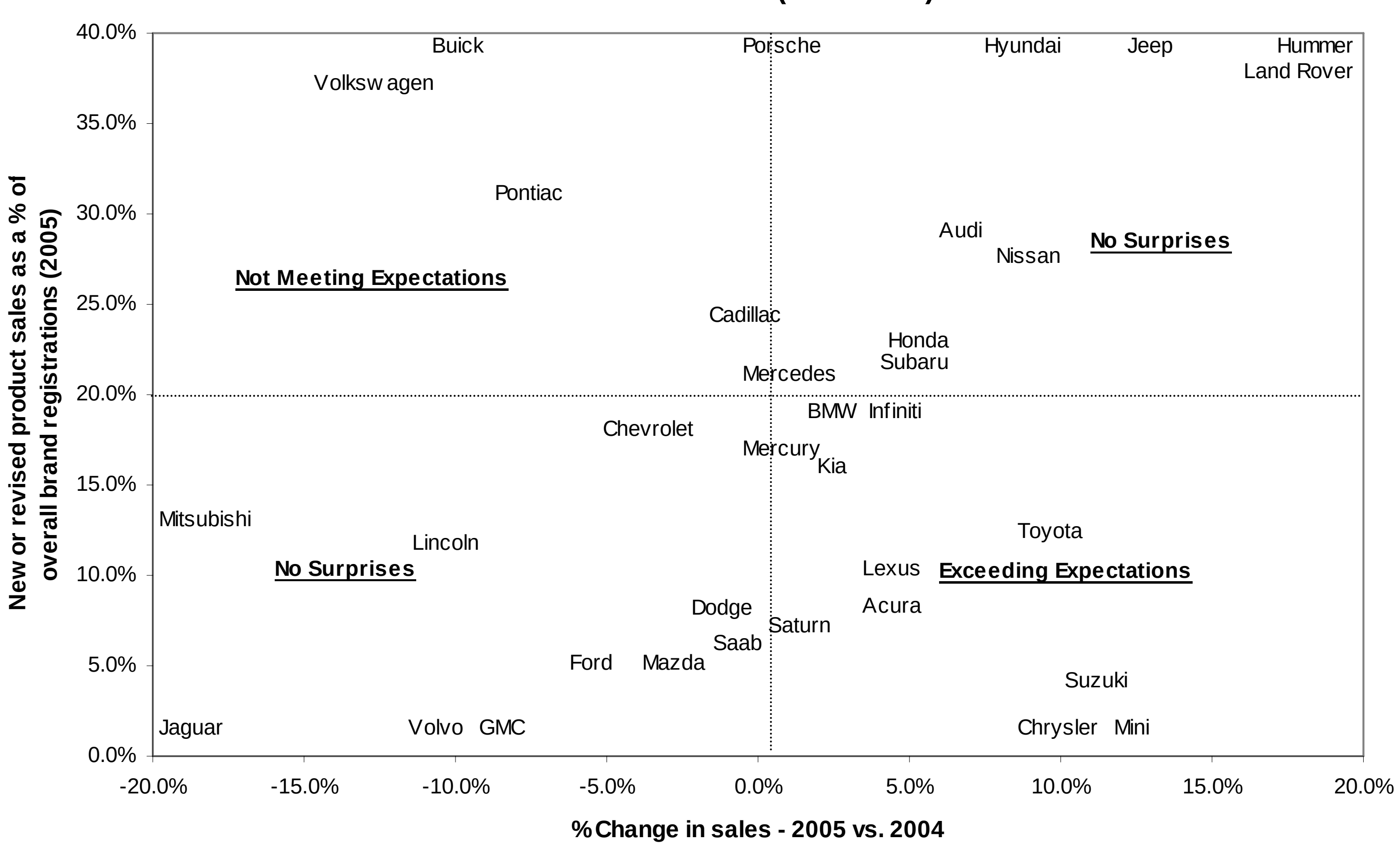
As expected, a majority of brands are positioned in the upper right (high percentage of new product and hefty sales increases) and lower left (low percentage of new product and below average sales increases).

(Continued on page 5)

UNDERSTANDING THE GRAPH

The graph displays two measures. The first (on the vertical axis) presents the percentage of each brand's sales (during 2005) that consisted of new or substantially revised products. Percentages are adjusted for the proportionate time in 2005 that the new model was available. The all-new BMW 3-series, for instance, which was introduced in June, represented 19% of the brand's total sales. The second measure (on the horizontal axis) presents the percent change in sales from 2004 to 2005. Ideally, these two numbers should be related—the more new product, the higher the increase in registrations. The significance of the rectangles on the graph is described below.

NEW PRODUCT PERCENTAGE (new or revised products as a percent of U.S. sales) VS. PERCENT CHANGE IN SALES (2004 to 2005)



Competitive Analysis

Getting the "Bang" for the New Product "Buck" (continued)

(Continued from page 4)

The interesting stories are for brands in the lower right and upper left. The lower right rectangle consists of brands that have exceeded expectations (sales have increased above the industry average despite a below average percentage of new product). Chrysler sales, for instance, were up 10% last year, with no new products on the market. Continued strong sales of the two-year-old 300, and the Town and Country contributed to the gains.

Brands in the upper left quadrant have (for one reason or another) not met expectations. Despite a relative abundance of new product, sales increases have been below average. Buick, for instance, introduced the new LaCrosse (and Lucerne late in the year), but had a 9% decline in sales.

Whether a brand has, or has not, met expectations (based on new product), can tell a lot about a brand's competitive position in the marketplace. If a brand has been able to post hefty sales increases with little or no new product, it could mean the brand has been able to get its marketing message to an attentive audience. Another reason could simply be that the brand enjoys an extremely strong competitive position, and can sustain market share when the new product pipeline slows (i.e., Acura and Toyota).

When new product does **not** result in sales success, it can also send a message. Clearly, one possible reason is that the new product "hasn't set the market on fire." But there could be other reasons. Even if the new product is fine, a brand may have trouble "moving the new metal" if it faces formidable, established competition from brands that have earned a loyal following (i.e., Pontiac G6 competing against Camry and Accord).

Head-to-Head

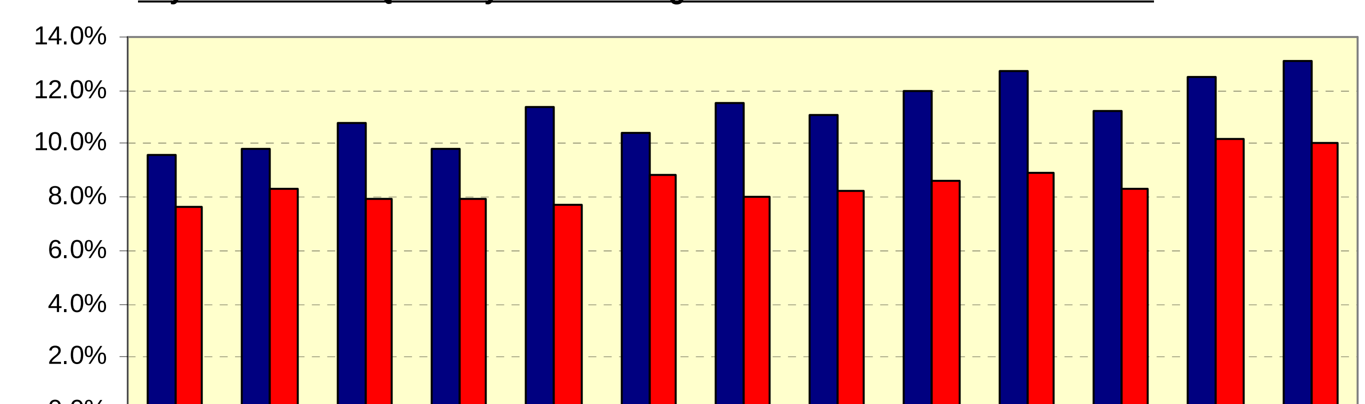
Toyota Maintains Lead Over Honda in Colorado Market

The automotive market is a competitive boiling pot where, increasingly, brands find themselves up against unfamiliar foes (Hyundai Azera and Lexus E330, for example.) But there are still traditional, head-to-head battles that take place: two brands that have competing products in many segments, and where success or failure can be measured against each other. In the Colorado market, one such battle is Toyota versus Honda. The graph below compares Toyota and Honda market share from the First Quarter of 2003 through the First Quarter of this year. Toyota's market share exceeded Honda in each quarter. The table on the right provides a glimpse of market performance for key models. Shown is each model's share of segment registrations in both the state and U.S., and the state share as a percent of U.S.

First Quarter 2006 Segment Market Shares - State vs. U.S.

	State mkt. share	U.S. mkt. share	State as a % of U.S.
Sub Compact Car			
Civic	21.0%	23.0%	91.3%
Corolla (incl. Matrix)	7.9%	13.1%	60.3%
Standard Mid Size Car			
Accord	14.1%	14.3%	98.6%
Camry	15.3%	25.9%	59.1%
Mid Size Crossover SUV			
Pilot	37.5%	31.8%	117.9%
Highlander	15.5%	17.8%	87.1%
Mini Van			
Odyssey	33.0%	25.2%	131.0%
Sienna	6.1%	20.8%	29.3%

Toyota and Honda Quarterly New Retail Light Vehicle Market Share in Colorado



	03.1	03.2	03.3	03.4	04.1	04.2	04.3	04.4	05.1	05.2	05.3	05.4	06.1
Toyota/Scion	9.6%	9.8%	10.8%	9.8%	11.4%	10.4%	11.5%	11.1%	12.0%	12.7%	11.2%	12.5%	13.1%
Honda	7.6%	8.3%	7.9%	7.9%	7.7%	8.8%	8.0%	8.2%	8.6%	8.9%	8.3%	10.2%	10.0%