Released January 2008 Covering Fourth Quarter 2007

Colorado Auto Outlook™

Comprehensive information on the Colorado automotive market

Market Expected to Struggle in '08; Strong Recovery Likely to Follow

The economic events that have unfolded over the past few months have not been good news for the Colorado automotive market. Questions about where the market has been, and more important, where it is headed are primary concerns. Following is a concise summary of key trends in the state market, with an emphasis on expected results during 2008.

2008 Forecast
Auto Outlook projects that Colorado new retail car and light truck registrations will decline 2.7% from 2007 to 2008, with the total just exceeding 155,000 units. As discussed in the previous issue, the market has now moved below its trend levels as economic events have taken a predictable toll on new vehicle sales.

2007 Wrap Up
State new retail light vehicle registrations last year totaled 159,809 units, a drop of 6.2%. The decline was steeper than our projection at the beginning of the year.

Reasons why the market will struggle
The list of negative forces impacting the market in 2008 is uncomfortably long. Here are the biggest threats: extremely tight credit markets. rising unemployment, falling housing values, excessive consumer debt, slowing economic growth, and high gas prices. Not an encouraging scenario, to be sure.

Reasons for some hope during 2008
It would be a surprise if the Colorado market moved higher in 2008. But despite the likely decline, we believe there are a few reasons why the market is not headed for a collapse. Consumer affordability for new vehicles remains at very respectable levels. Lower interest rates, aggressive pricing, and personal income gains should help keep a new vehicle purchase a viable proposition for many consumers. In addition, economic conditions are expected to improve somewhat during the second half of the year, while impressive new products should entice many shoppers to take the new vehicle purchase plunge.

Market poised to take off by 2010
Auto Outlook strongly believes that within two years, the weakness in sales in 2008 will be a distant memory. The pieces are in place for the new vehicle market to take off by 2010. After several years of sluggish sales, replacement demand will give the market a big boost, as consumers replace aging vehicles. In conjunction with the inevitable cyclical recovery in sales, the emergence of advanced powertrain technologies (i.e., lithium-ion battery powered and plug in hybrids) could provide enhanced motivation for consumers to enter the new vehicle market.

It's almost guaranteed that higher gas prices and greater environmental consciousness are here to stay. The industry is on the cusp of a massive product assault that addresses these emerging trends. Just like high definition and flat panel screens have led to soaring TV sales over the past years, new technologies are likely to transform the automobile, and ignite sales for years to come.

Data Explanation: *Data presented in Colorado Auto Outlook covers light vehicles only, which consists of cars, SUVs, minivans, and most pickup trucks.*

Colorado New Retail Light Vehicle Market - At a Glance

Top Ten Scoreboard

Leading brands in Colorado

2006			2007			Change in
Rank	Make	Share	Rank	Make	Share	mkt. Share
1	Toyota/Scion	14.9%	1	Toyota/Scion	16.2%	1.3%
2	Ford	12.5%	2	Ford	10.9%	-1.6%
3	Honda	10.3%	3	Honda	10.4%	0.1%
4	Chevrolet	9.6%	4	Chevrolet	9.3%	-0.3%
5	Dodge	6.2%	5	Dodge	6.2%	0.0%
6	Nissan	5.3%	6	Nissan	5.5%	0.2%
7	Subaru	5.0%	7	Subaru	5.1%	0.1%
8	Jeep	4.2%	8	Jeep	4.7%	0.5%
9	GMC	3.5%	9	GMC	4.0%	0.5%
10	Volkswagen	2.5%	10	Hyundai	2.5%	0.4%

The table above shows the top ten selling brands in the Colorado market during all of 2006 and 2007 and the change in market share.

Industry Summary

New Retail Light Vehicle Registrations

	2006	2007	Forecast 2008	% ch. '07 to '08
TOTAL	170,422	159,809	155,539	-2.7%
Car	73,452	62,166	62,216	0.1%
Light Truck	96,970	97,643	93,323	-4.4%
Big Three	74,959	67,605	63,008	-6.8%
Japanese	73,597	72,499	72,346	-0.2%
European	15,049	12,581	13,046	3.7%
Korean	6,817	7,124	7,139	0.2%

Traditional Domestic consists of vehicles sold by General Motors, Ford, and Chrysler, and excludes import nameplates.

Source for historical data: AutoCount, an Experian Company

County Scoreboard

Larimer County Market Manages Small Increase in 2007

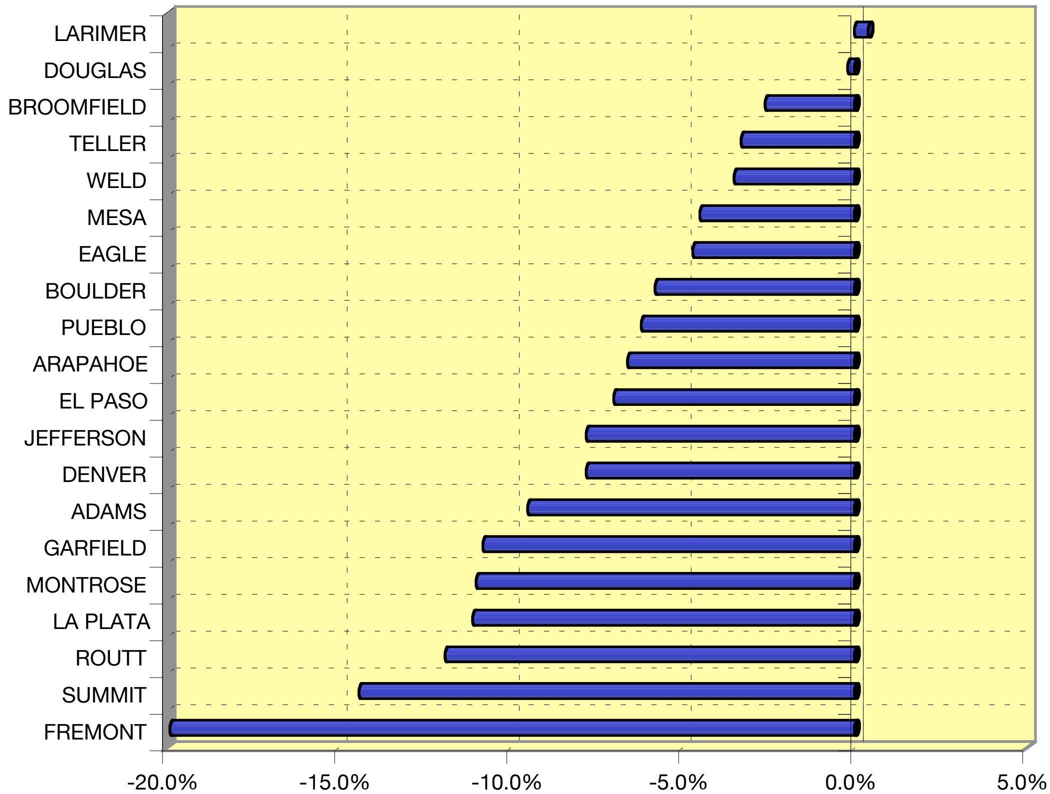
The table below and graph on the right provide a thorough summary of each of the top 20 county new retail light vehicle markets in Colorado. This unique county-level information provides a valuable perspective on local market performance, and a barometer to evaluate the performance of your dealership.

The table shows new retail light vehicle registrations during 2006 and 2007, and the percent change (also shown on the graph). The table shows each county's share of the statewide market, and the change in share. Light truck market share is also listed.

Registrations declined in all but one county last year. The exception was Larimer County, but the increase was small (less than 1%).

Note: The top five rated counties in each category are shaded. Source: AutoCount, an Experian Company

Percent Change in New Retail Car and Light Truck Registrations for Top 20 County Markets in Colorado, 2007 vs. 2006



COUNTY SCOREBOARD FOR TOP 20 COUNTY MARKETS IN COLORADO - Annual Totals

COUNTY	NEW RETAIL REGISTRATIONS			SHARE OF STATE MARKET			LIGHT TRUCK MARKET SHARE		
	2006	2007	% ch	2006	2007	CHANGE	2006	2007	CHANGE
ADAMS	12712	11502	-9.5%	7.5	7.2	-0.3	53.1	57.7	4.6
ARAPAHOE	18026	16845	-6.6%	10.6	10.5	0.0	52.5	58.7	6.2
BOULDER	9323	8784	-5.8%	5.5	5.5	0.0	50.7	53.2	2.5
BROOMFIELD	3531	3440	-2.6%	2.1	2.2	0.1	52.7	56.6	3.9
DENVER	17453	16097	-7.8%	10.2	10.1	-0.2	49.1	53.4	4.4
DOUGLAS	15834	15810	-0.2%	9.3	9.9	0.6	59.8	65.7	5.9
EAGLE	2758	2627	-4.7%	1.6	1.6	0.0	67.4	71.2	3.8
EL PASO	20616	19176	-7.0%	12.1	12.0	-0.1	54.0	58.1	4.1
FREMONT	1167	935	-19.9%	0.7	0.6	-0.1	60.7	64.4	3.7
GARFIELD	2748	2452	-10.8%	1.6	1.5	-0.1	70.0	71.5	1.6
JEFFERSON	19776	18224	-7.8%	11.6	11.4	-0.2	55.7	61.0	5.3
LA PLATA	1504	1337	-11.1%	0.9	0.8	0.0	71.1	68.6	-2.5
LARIMER	9257	9297	0.4%	5.4	5.8	0.4	56.1	59.0	3.0
MESA	4511	4307	-4.5%	2.6	2.7	0.0	66.0	67.6	1.7
MONTROSE	1105	983	-11.0%	0.6	0.6	0.0	71.0	71.6	0.6
PUEBLO	3630	3404	-6.2%	2.1	2.1	0.0	53.9	57.0	3.1
ROUTT	1024	902	-11.9%	0.6	0.6	0.0	72.0	76.4	4.4
SUMMIT	1511	1294	-14.4%	0.9	0.8	-0.1	66.5	69.9	3.4
TELLER	961	929	-3.3%	0.6	0.6	0.0	68.8	70.5	1.7
WELD	9384	9057	-3.5%	5.5	5.7	0.2	58.4	62.2	3.8

Segment Watch

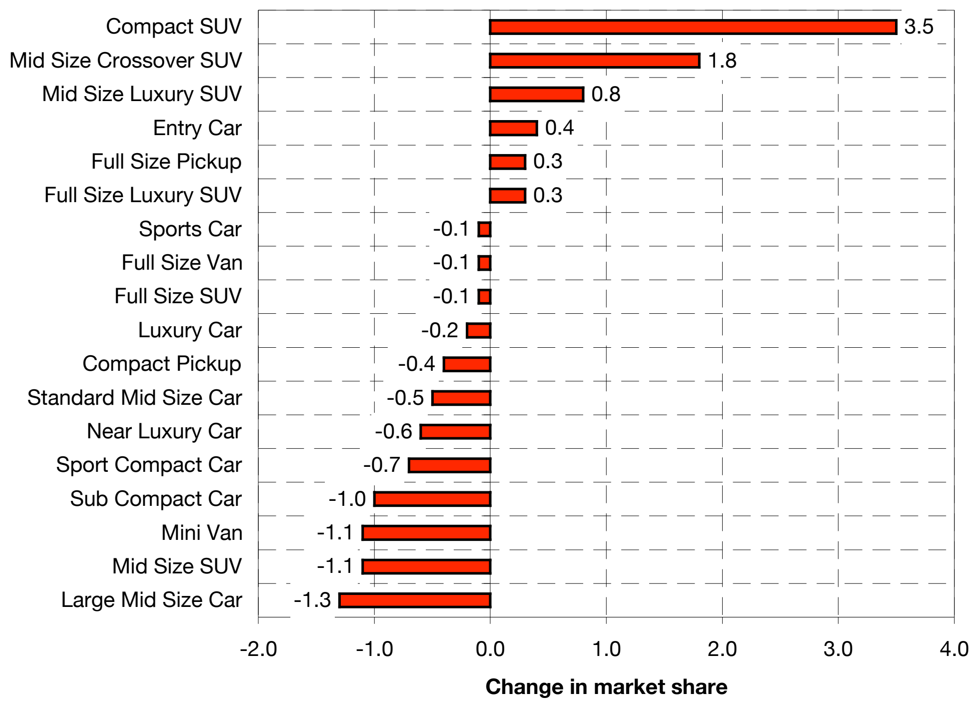
Compact and Mid Size Crossover SUV Segments Post Big Gains

The prospects of $3 per gallon (or higher) gasoline prices for the foreseeable future have some industry pundits predicting the death of the SUV, and a dramatic shift in demand towards sub compact cars. Without question, higher fuel prices are having an impact on the types of vehicles purchased, but as illustrated by the graph to the right, SUVs are still in high demand among Colorado consumers. Combined market share for Compact and Mid Size Crossover SUVs increased 5.3 share points from 2006 to 2007. Looking to the future, we believe the option of hybrid and diesel powertrains will provide some support for Full Size SUV sales.

The table below shows the top sellers by market segment during all of 2007. Lexus RX was the best-selling Luxury SUV in the state market, while Subaru Legacy was the Standard Mid Size Car leader.

Data: AutoCount, an Experian Company.

Change in Segment Market Share - 2007 vs. 2006



Top Selling Models in Each Segment - Colorado
New Retail Registrations, 2007 Annuals Totals 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
Toyota Yaris	695	20.0	Honda Civic	3445	14.2	Ford Mustang	1004	50.5	Subaru Legacy	3727	22.3
Chevrolet Aveo	668	19.2	Toyota Prius	2854	11.8	Scion TC	441	22.2	Honda Accord	3542	21.2
Honda Fit	603	17.4	Toyota Corolla/Matrix	2505	10.4	Mitsubishi Eclipse	289	14.5	Toyota Camry	2696	16.1
Nissan Versa	551	15.9	Subaru Impreza	2254	9.3	Hyundai Tiburon	160	8.0	Nissan Altima	1652	9.9
Kia Rio	379	10.9	Chevrolet Cobalt	1422	5.9	Pontiac GTO	84	4.2	Ford Fusion	914	5.5
Large Mid Size			**Near Luxury**			**Luxury**			**Sports Car**		
Model	Regs.	Share	Model	Regs.	Share	Model	Regs.	Share	Model	Regs.	Share
Chevrolet Impala	830	19.4	BMW 3-Series	1182	19.2	BMW 5-Series	421	14.1	Chevrolet Corvette	288	20.3
Chrysler 300	563	13.2	Audi A4	992	16.1	Volvo V70/XC70	368	12.3	Pontiac Solstice	164	11.6
Dodge Charger	452	10.6	Acura TL	564	9.2	Mercedes E-Class	219	7.3	Mazda MX5	158	11.2
Buick Lucerne	429	10.0	Infiniti G	533	8.7	Lexus GS	208	7.0	Nissan 350 Z	155	10.9
Toyota Avalon	404	9.4	Lexus ES	524	8.5	Lexus LS	184	6.2	Saturn Sky	146	10.3

Light Trucks

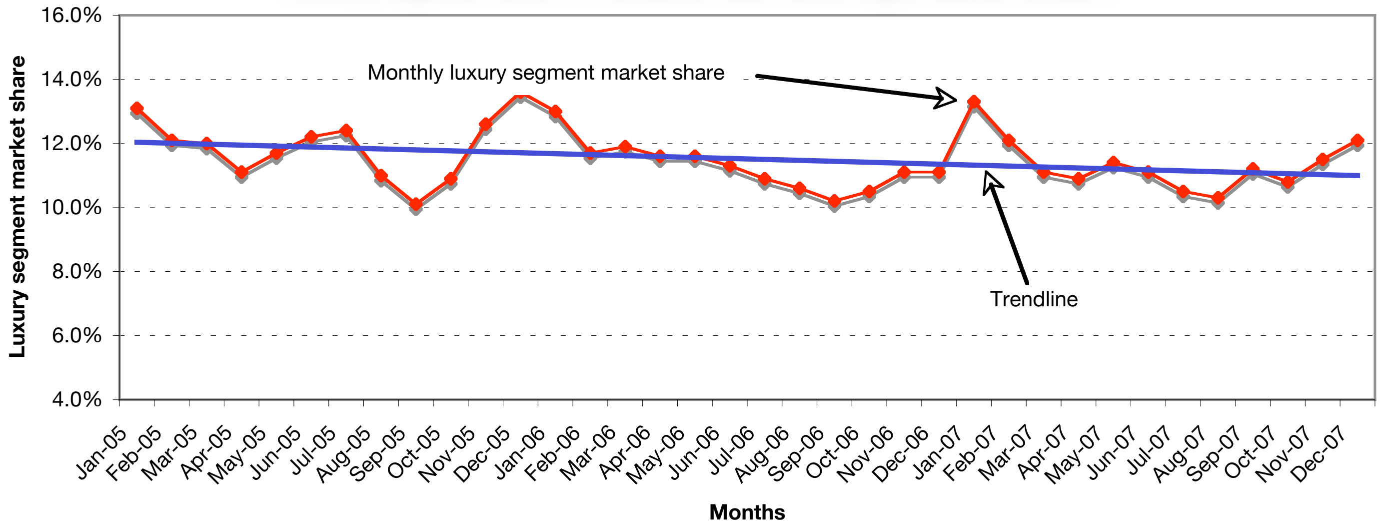
Compact Pickup			Full Size Pick Up			Mini Van			Full Size Van		
Model	Regs.	Share	Model	Regs.	Share	Model	Regs.	Share	Model	Regs.	Share
Toyota Tacoma	2904	39.7	Ford F-Series	7192	29.3	Honda Odyssey	1604	31.7	Ford E-Series	789	46.0
Nissan Frontier	1008	13.8	Dodge Ram	5379	21.9	Toyota Sienna	1129	22.3	Chevrolet Express	637	37.1
Honda Ridgeline	873	11.9	Chevrolet Silverado	5071	20.6	Dodge Caravan	723	14.3	GMC Savana	223	13.0
Ford Ranger	811	11.1	GMC Sierra	3019	12.3	Chrysler T & C	498	9.9			
Chevrolet Colorado	713	9.7	Toyota Tundra	2523	10.3	Kia Sedona	477	9.4			
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	3671	16.7	Toyota 4Runner	2420	11.2	Chevrolet Tahoe	1341	23.8	Lexus RX	1705	20.1
Toyota RAV4	2667	12.1	Honda Pilot	2218	10.2	GMC Yukon	897	16.0	Acura MDX	937	11.1
Jeep Wrangler	2583	11.8	Toyota Highlander	2008	9.3	Chevrolet Suburban	747	13.3	Cadillac Escalade	658	7.8
Ford Escape	1659	7.5	Jeep Grand Cherokee	1903	8.8	Ford Expedition	659	11.7	Acura RDX	468	5.5
Toyota FJ	1613	7.3	Subaru Forester	1414	6.5	GMC Yukon XL	654	11.6	Volvo XC90	461	5.4

Luxury Segment Close Up

In Depth Analysis of the Colorado Luxury Segment

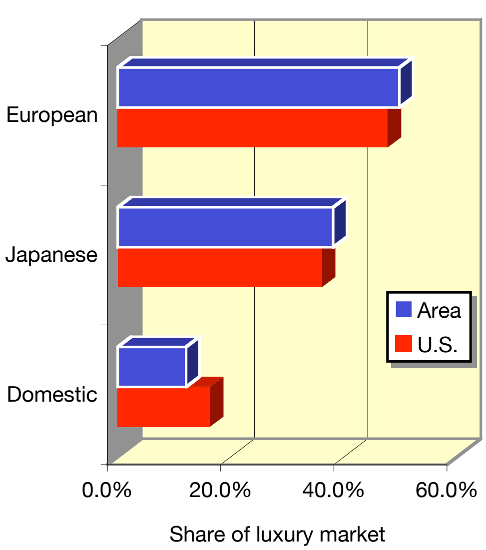
The graphs and tables on this page and the following page provide a concise, thorough review of the Colorado luxury segment. Each graph and table is accompanied by an explanation of what is displayed, and bottom line assessment of primary conclusions.
Data Source: AutoCount, an Experian Company.

Luxury Segment Share of Colorado New Retail Light Vehicle Market



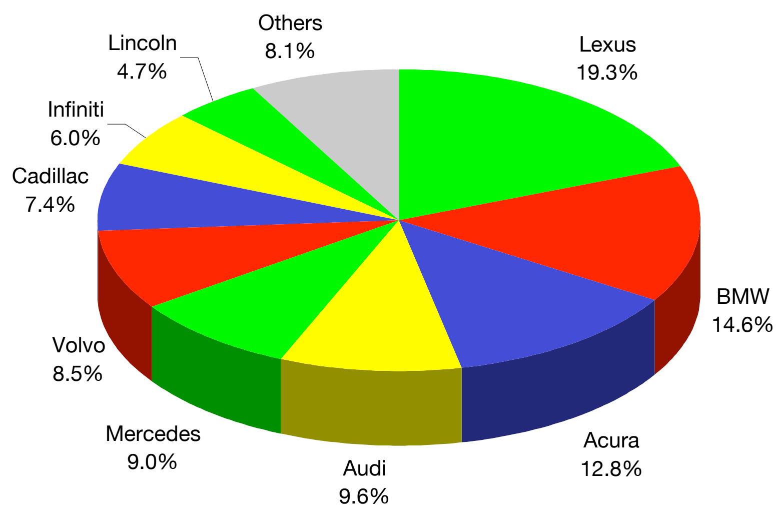
Explanation: The graph shows the luxury segment share of the Colorado new retail light vehicle market between January of 2005 and December of 2007 (see following page for brands included in luxury segment). **Bottom line:** As shown by the trendline, luxury segment market share in the state has trended lower over the past two years.

Domestic, Japanese, and European Market Shares



Explanation: The graph shows market share results for Domestic, Japanese, and European brands in the state and U.S. Markets during 2007. **Bottom line:** Domestic luxury brands (Cadillac and Lincoln) sell at relatively lower rates in Colorado than they do in the Nation. Japanese and European brand market shares in the state are higher than National levels.

Luxury Brand Market Shares in Colorado



Explanation: The pie chart shows market share figures for the top nine selling brands in Colorado during all of 2007. “Others” consists of Jaguar, Land Rover, Porsche, and Saab. **Bottom line:** Lexus is the state retail luxury segment leader, with market share of 19.3% during 2007. BMW was second with a 14.6% share, followed by Acura, Audi, and Mercedes.

Luxury Segment Close Up

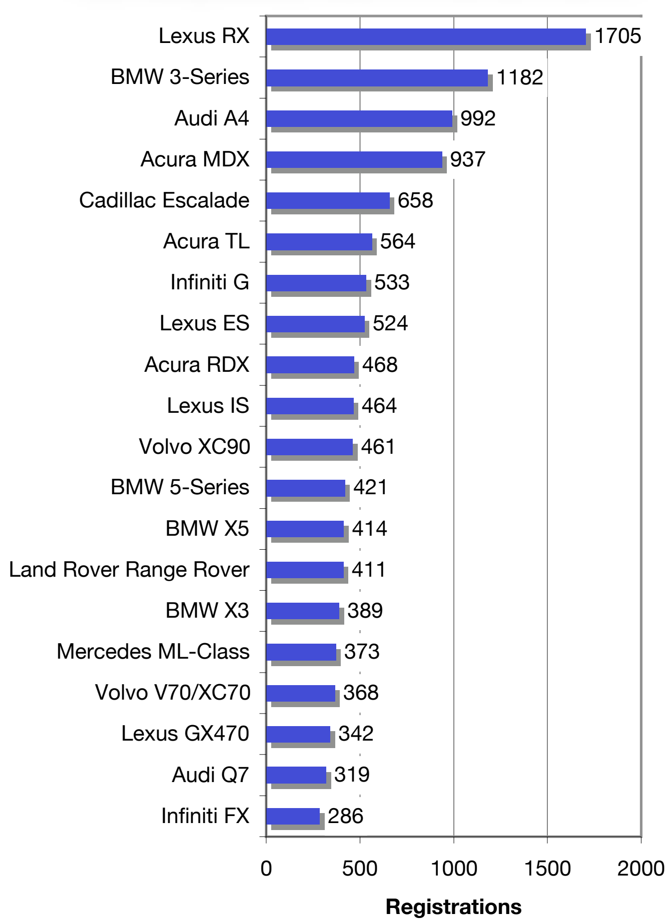
In Depth Analysis of the Colorado Luxury Segment (continued)

Colorado Luxury Brand Review

Brand	2007 Retail Market Share Area	2007 Retail Market Share U.S.	Area % change in regs.-'06 to '07	Top selling model in area during 2007	Key new product introduction during '08
Acura	12.8%	10.5%	-2.1%	MDX	TL and TSX late in year
Audi	9.6%	5.1%	-4.0%	A4	Redesigned A4
BMW	14.6%	16.6%	5.1%	3-Series	New 1-Series
Cadillac	7.4%	9.9%	-11.0%	Escalade	Redesigned CTS
Infiniti	6.0%	7.0%	-1.0%	G35/G37	EX Crossover
Jaguar	0.4%	0.9%	-48.3%	X-Type	XF Sedan
Land Rover	3.7%	2.7%	-10.4%	Range Rover Sport	No new products
Lexus	19.3%	18.6%	-5.5%	RX	Redesigned L5470
Lincoln	4.7%	6.3%	23.1%	MKX	All new MKS Sedan
Mercedes	9.0%	13.6%	-10.4%	ML	Redesigned C-Class
Porsche	1.9%	1.8%	-14.8%	Cayene	No new products
Saab	2.1%	1.7%	-35.5%	9-3	No new products
Volvo	8.5%	5.3%	-13.4%	XC90	All new C30; red. V70

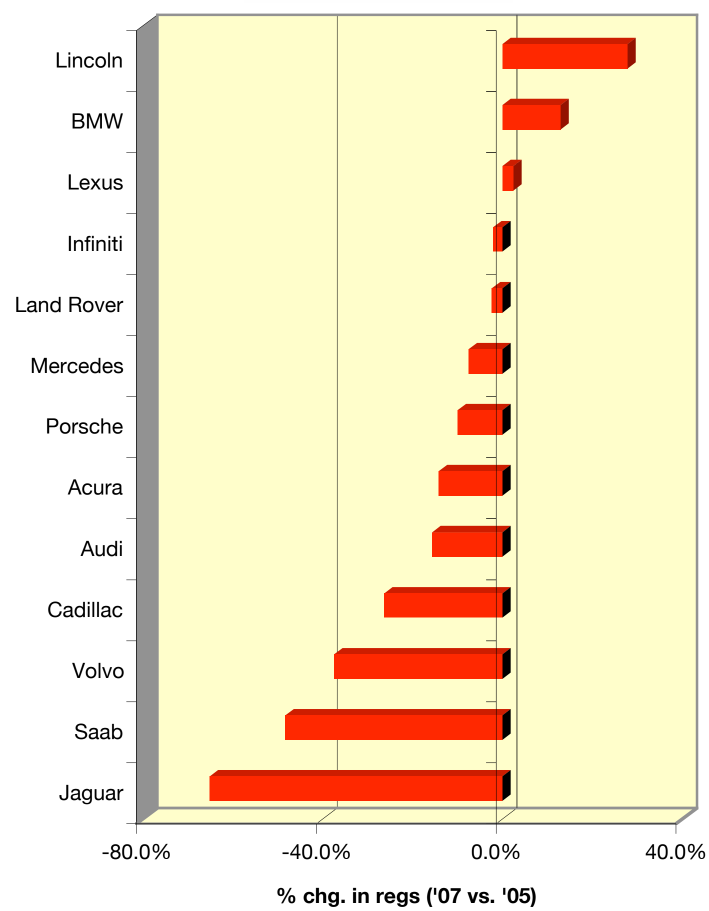
Explanation: The table above provides a summary of key facts and figures for luxury brands. Market share figures are a percent of the overall luxury vehicle market in the state and US. markets. **Bottom line:** Audi market share in the state last year was 9.6%, well above its 5.1% share in the Nation. Lincoln had the highest percentage increase in state registrations last year, up 23.1%.

Top Selling Luxury Models in Colorado Market



Explanation: The graph shows the top selling models in the Colorado luxury market during 2007, based on new retail registrations **Bottom line:** Lexus RX was the top seller in the state last year, followed by BMW 3-Series and Audi A4.

Two Year Sales Trends



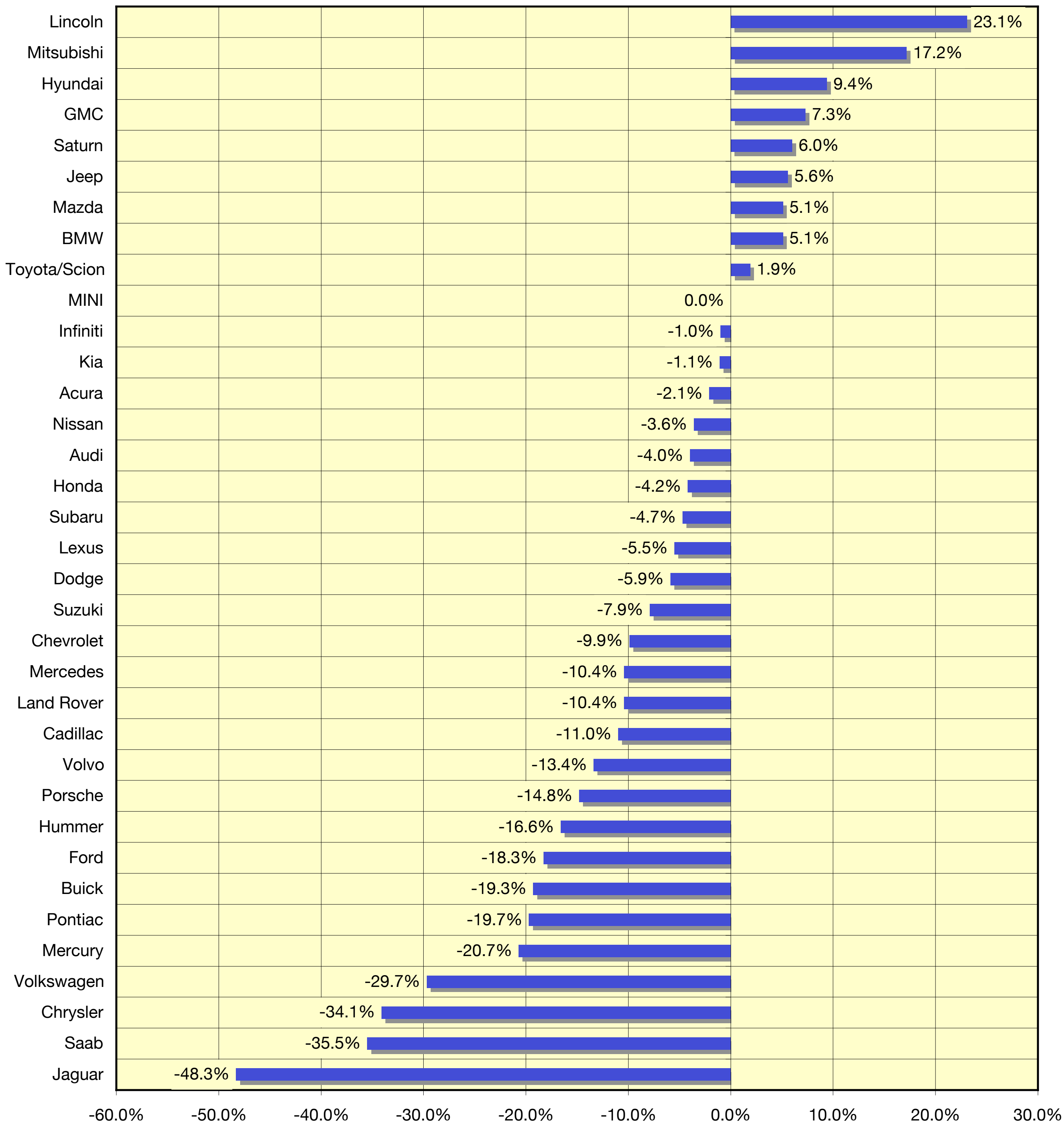
Explanation: The graph shows the two year percent change in registrations from 2005 to 2007 **Bottom line:** Lincoln recorded the largest percent increase in registrations over the two year period (up 27.8%), followed by BMW, and Lexus.

Brand Scoreboard

Lincoln, Mitsubishi, and Hyundai Post the Biggest Percentage Increases in 2007

The graph below shows the percentage change in new retail light vehicle registrations for all of 2007 versus 2006. Brands with the highest increases in registrations are at the top of the graph. Boosted by the new MKX, Lincoln had the highest percentage increase last year, up 23.1%. Other strong performers were Mitsubishi, Hyundai, and GMC.

Percent Change in New Retail Light Vehicle Registrations - 2007 vs. 2006

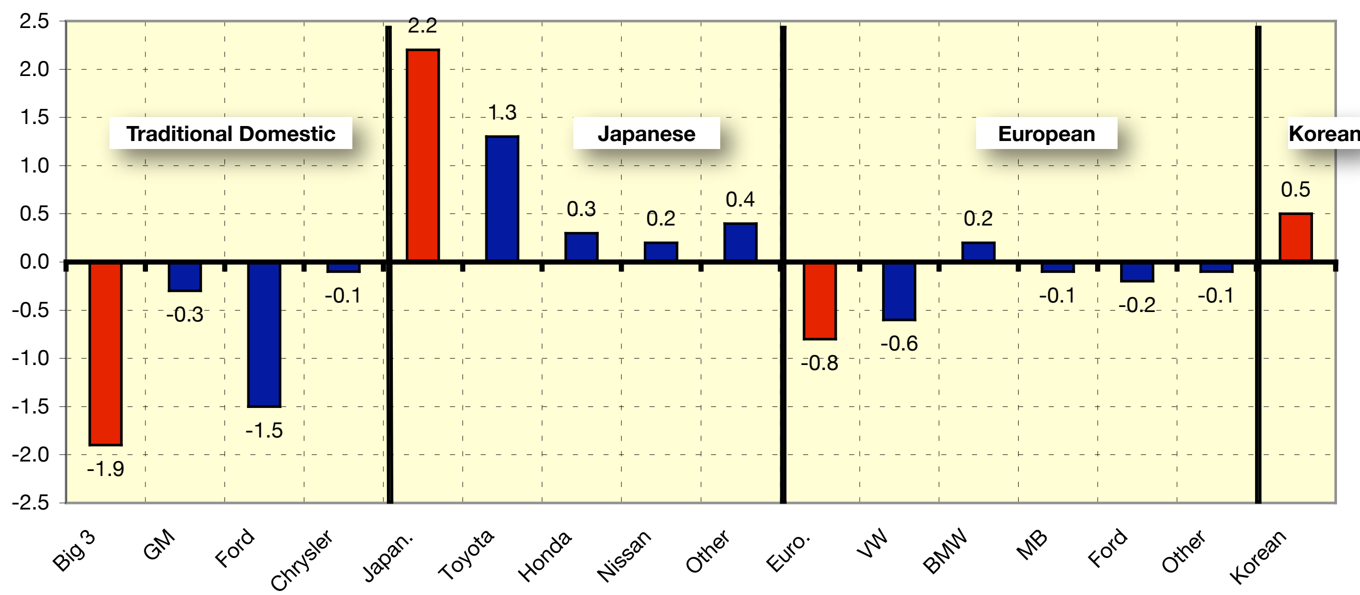


Market Tracker

Japanese Brands Gain 2.2 Share Points in 2007

Production cutbacks, scaled back incentives, a less than optimal product mix, and a bloated cost structure prior to the UAW agreement reached last summer have taken a predictable toll on Traditional Domestic brand market share during this decade. And as shown on the graph below, the trend continued in 2007. Traditional Domestic brand market share declined 1.9 share points from 2006 to 2007. Ford's share was down 1.5 points, while GM and Chrysler declined slightly. Market share figures include import brands owned by GM and Ford. See text below graph. Japanese brands gained 2.2 share points, with Toyota (including Scion) having the largest increase. European brand share declined 0.8 of a point, while Korean brand share was up 0.5 of a point.

Change in Segment Market Share - 2007 VS. 2006



Brands included above: Big 3: GM (Buick, Cadillac, Chevrolet, GMC, Hummer, and 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, Maserati, and Saab). Korean: Hyundai and Kia.

Colorado, Denver, and U.S. Markets Comparison

	Colorado Market		Denver Metro Market		U.S. Market	
Market Growth % change in registrations 2006 to 2007	-6.2%		-6.0%		-3.4%	
Car Market Share Car share of industry retail light vehicle registrations, 2007	38.9%		41.3%		48.2%	
Domestic Brand Market Share Domestic brand share of industry retail registrations, 2007	42.3%		37.8%		45.5%	
Top Selling Retail Brands *Top selling light vehicle brands and market share - 2007*						
First	Toyota	16.2%	Toyota	16.3%	Toyota	16.1%
Second	Ford	10.9%	Honda	12.4%	Chevrolet	12.0%
Third	Honda	10.4%	Ford	9.6%	Ford	11.5%
Fourth	Chevrolet	9.3%	Chevrolet	8.6%	Honda	10.3%
Fifth	Dodge	6.2%	Jeep	5.3%	Nissan	6.4%
Sixth	Nissan	5.5%	Nissan	5.2%	Dodge	5.3%
Seventh	Subaru	5.1%	Subaru	5.0%	GMC	3.2%
Eighth	Jeep	4.7%	Dodge	4.6%	Jeep	3.0%
Ninth	GMC	4.0%	GMC	2.9%	Hyundai	2.9%
Tenth	Hyundai	2.5%	Lexus	2.7%	Chrysler	2.4%

AutoCount, an Experian Company, is the exclusive source for vehicle registration data presented in Colorado Auto Outlook

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

	Registrations					Market Share				
	Units			Percent Change		Share (%)			Change	
	2006	2007	Forecast 2008	'06 to '07	Forecast '07 to '08	2006	2007	Forecast 2008	'06 to '07	Forecast '07 to '08
TOTAL	170,422	159,809	155,539	-6.2%	-2.7%					
Acura	2,374	2,325	2,187	-2.1%	-5.9%	1.4	1.5	1.4	0.1	-0.1
Audi	1,811	1,739	1,805	-4.0%	3.8%	1.1	1.1	1.2	0.0	0.1
BMW	2,521	2,650	2,919	5.1%	10.2%	1.5	1.7	1.9	0.2	0.2
Buick	1,147	926	815	-19.3%	-12.0%	0.7	0.6	0.5	-0.1	-0.1
Cadillac	1,502	1,337	1,308	-11.0%	-2.2%	0.9	0.8	0.8	-0.1	0.0
Chevrolet	16,408	14,786	13,787	-9.9%	-6.8%	9.6	9.3	8.9	-0.3	-0.4
Chrysler	3,633	2,395	2,072	-34.1%	-13.5%	2.1	1.5	1.3	-0.6	-0.2
Dodge	10,503	9,880	9,331	-5.9%	-5.6%	6.2	6.2	6.0	0.0	-0.2
Ford	21,239	17,350	15,664	-18.3%	-9.7%	12.5	10.9	10.1	-1.6	-0.8
GMC	5,896	6,324	6,324	7.3%	0.0%	3.5	4.0	4.1	0.5	0.1
Honda	17,517	16,782	17,238	-4.2%	2.7%	10.3	10.5	11.1	0.2	0.6
Hummer	838	699	626	-16.6%	-10.4%	0.5	0.4	0.4	-0.1	0.0
Hyundai	3,641	3,983	3,900	9.4%	-2.1%	2.1	2.5	2.5	0.4	0.0
Infiniti	1,100	1,089	1,201	-1.0%	10.3%	0.6	0.7	0.8	0.1	0.1
Isuzu	220	167	150	-24.1%	-10.2%	0.1	0.1	0.1	0.0	0.0
Jaguar	143	74	77	-48.3%	4.1%	0.1	0.0	0.0	-0.1	0.0
Jeep	7,189	7,590	7,024	5.6%	-7.5%	4.2	4.7	4.5	0.5	-0.2
Kia	3,176	3,141	3,239	-1.1%	3.1%	1.9	2.0	2.1	0.1	0.1
Land Rover	739	662	641	-10.4%	-3.2%	0.4	0.4	0.4	0.0	0.0
Lexus	3,691	3,487	3,345	-5.5%	-4.1%	2.2	2.2	2.2	0.0	0.0
Lincoln	698	859	868	23.1%	1.0%	0.4	0.5	0.6	0.1	0.1
Mazda	2,854	3,000	2,869	5.1%	-4.4%	1.7	1.9	1.8	0.2	-0.1
Mercedes	1,814	1,625	1,687	-10.4%	3.8%	1.1	1.0	1.1	-0.1	0.1
Mercury	879	697	571	-20.7%	-18.1%	0.5	0.4	0.4	-0.1	0.0
MINI	425	425	462	0.0%	8.7%	0.2	0.3	0.3	0.1	0.0
Mitsubishi	1,059	1,241	1,260	17.2%	1.5%	0.6	0.8	0.8	0.2	0.0
Nissan	9,116	8,784	8,930	-3.6%	1.7%	5.3	5.5	5.7	0.2	0.2
Pontiac	2,212	1,777	1,746	-19.7%	-1.7%	1.3	1.1	1.1	-0.2	0.0
Porsche	413	352	315	-14.8%	-10.5%	0.2	0.2	0.2	0.0	0.0
Saab	583	376	364	-35.5%	-3.2%	0.3	0.2	0.2	-0.1	0.0
Saturn	2,815	2,985	2,872	6.0%	-3.8%	1.7	1.9	1.8	0.2	-0.1
Subaru	8,597	8,194	7,432	-4.7%	-9.3%	5.0	5.1	4.8	0.1	-0.3
Suzuki	1,682	1,549	1,577	-7.9%	1.8%	1.0	1.0	1.0	0.0	0.0
Toyota (incl. Scion)	25,387	25,881	26,157	1.9%	1.1%	14.9	16.2	16.8	1.3	0.6
Volkswagen	4,340	3,051	3,200	-29.7%	4.9%	2.5	1.9	2.1	-0.6	0.2
Volvo	1,766	1,530	1,482	-13.4%	-3.1%	1.0	1.0	1.0	0.0	0.0
Others	494	97	94	-80.4%	-3.1%	0.3	0.1	0.1	-0.2	0.0

Historical Data Source: AutoCount, an Experian Company

Colorado Auto Outlook

Published for:
Colorado Automobile Dealers Association
290 East Speer Boulevard
Denver, CO 80203

Phone: 303-831-1722

Published by:
Auto Outlook, Inc.
5 Great Valley Parkway, Suite 234
Malvern, PA 19355

Phone: 800-206-0102
Email: jfoltz@autooutlook.com

Colorado Auto Outlook is distributed free of charge to all members of Colorado Automobile Dealers Association. The publication is sponsored and supported by CADA. Colorado Auto Outlook is published and edited by Auto Outlook, Inc., an independent automotive market research firm. Opinions expressed in Colorado Auto Outlook are solely those of Auto Outlook, Inc., and are not necessarily shared by CADA.