Idaho Automobile Dealers Association

Idaho Auto Outlook
An Analysis of the Idaho New and Used Vehicle Market

Presentation to the 2009 Joint Legislative Economic Outlook and Revenue Assessment Committee

Prepared by

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Source for historical data: Idaho Vehicle Report Service, an IADA Company.

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Driving Idaho's Economy

Annual Contributions of Idaho's New-Vehicle Dealers

Idaho's dealers maintain a multi-BILLION dollar retail industry.

Average sales per dealership.. $26.2 million
Total sales of all new-vehicle dealerships in Idaho.................. $3.2 billion
Dealership sales as % of total retail sales in the state............ 18.3%
Estimated number of new-vehicle dealerships.......................... 123

Dealers provide thousands of well-paying jobs in Idaho.

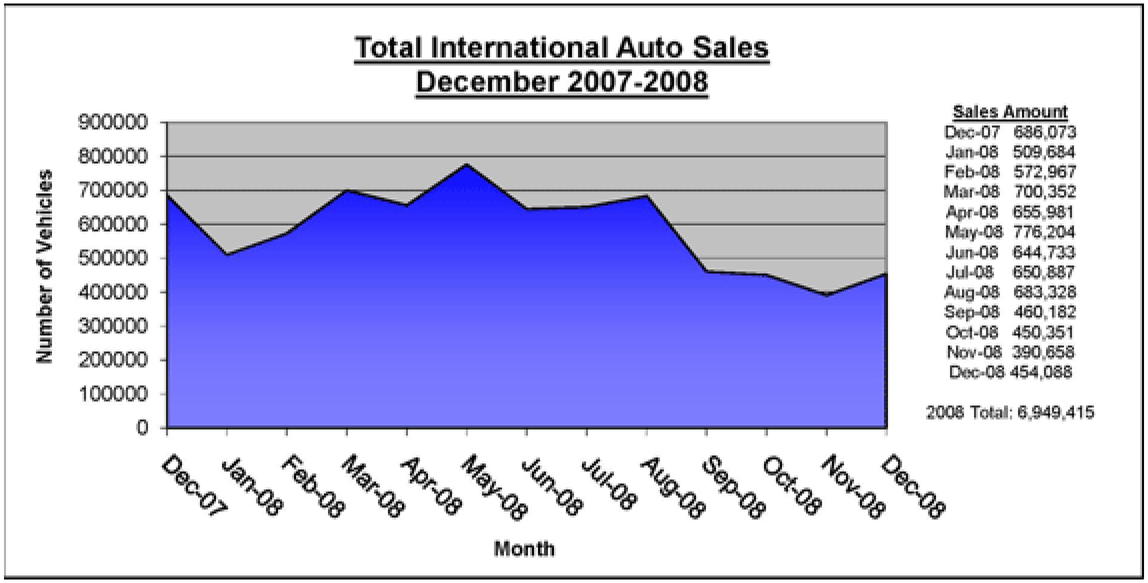
Total number of new-vehicle dealership employees in Idaho............ 5,842
Average number of employees per dealership........................... 47
Average annual earnings of new-vehicle dealership employees.......... $42,982
Dealership payroll as % of total state retail payroll................12.6%
Annual payroll of new-vehicle dealerships............................ $223 million
Average annual payroll per new-vehicle dealership.................... $1.85 million

Dealers generate hundreds of millions of dollars of tax revenue for state and local government through:

- Sales Tax Revenue
- Corporate Tax Revenue
- Payroll Tax Revenue

*Numbers reflect annual economic activity through **September 2008***

Weak December Auto Sales



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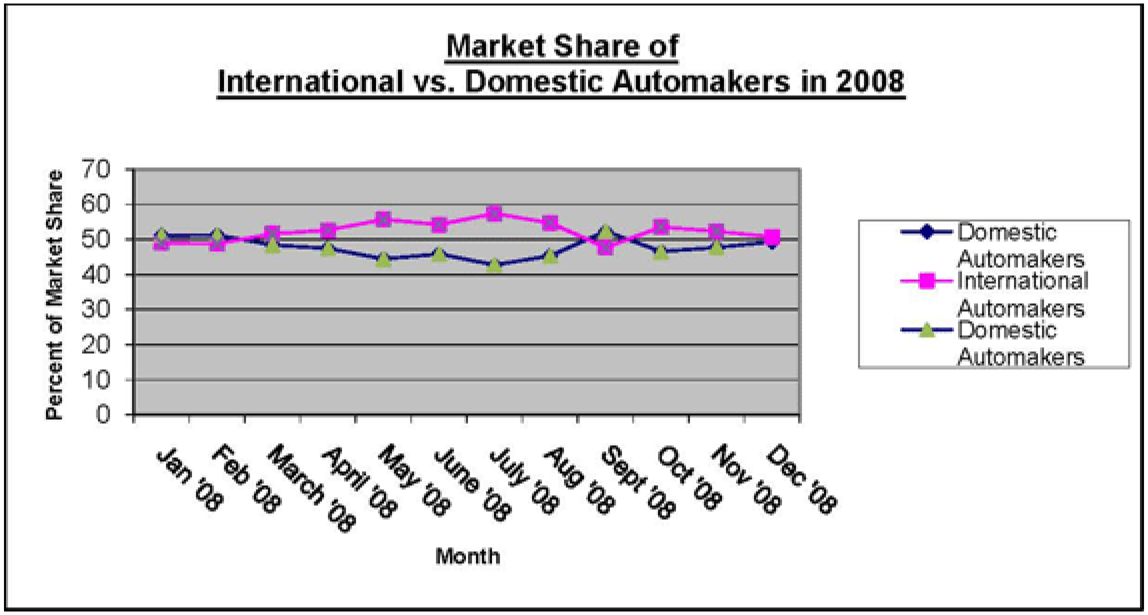
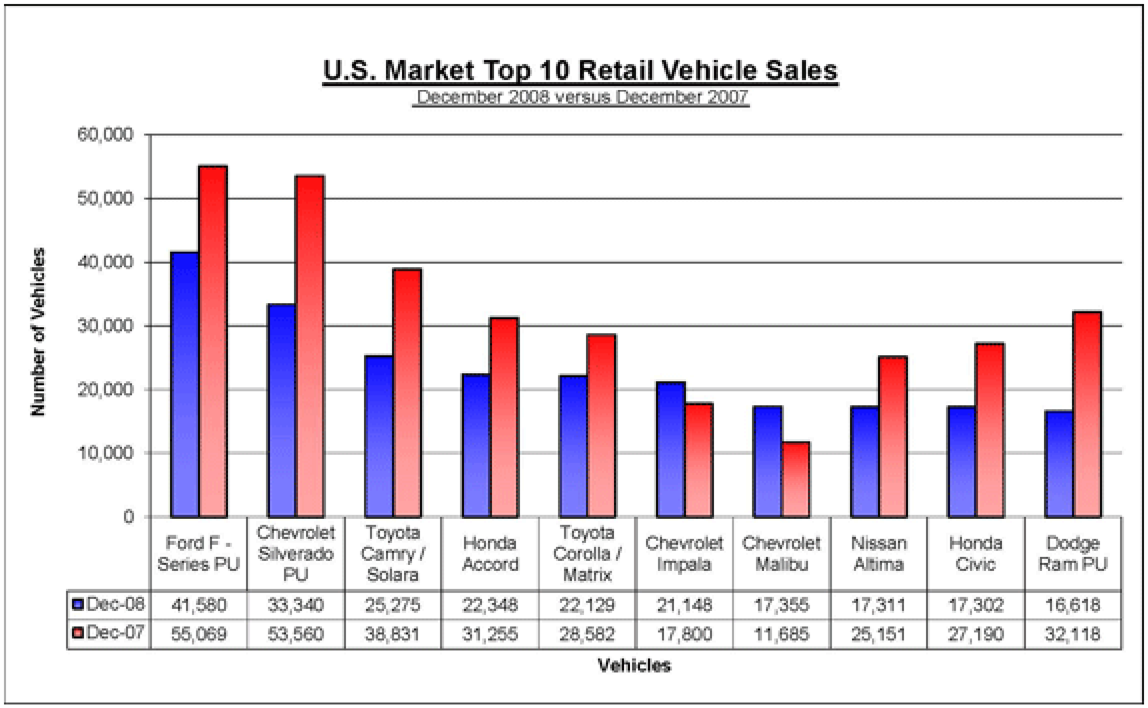
International Makes Retain Market Share Majority

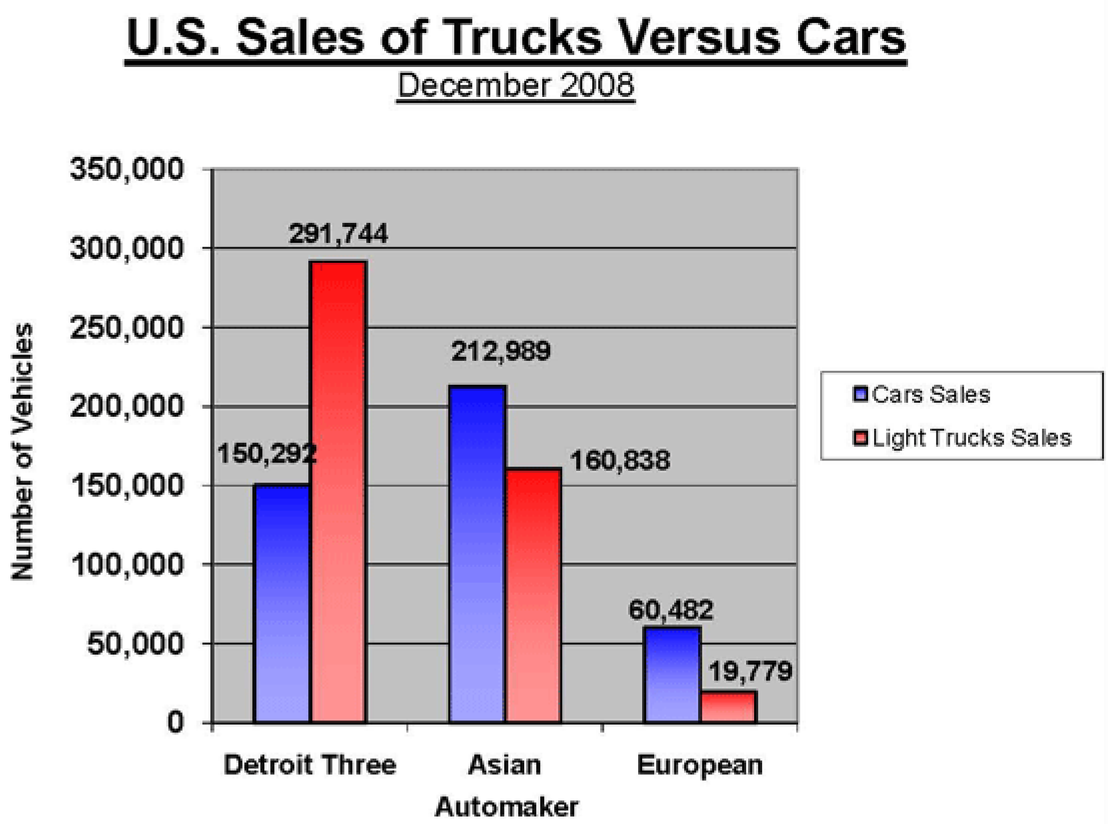


Top Selling Vehicles Hold Steady



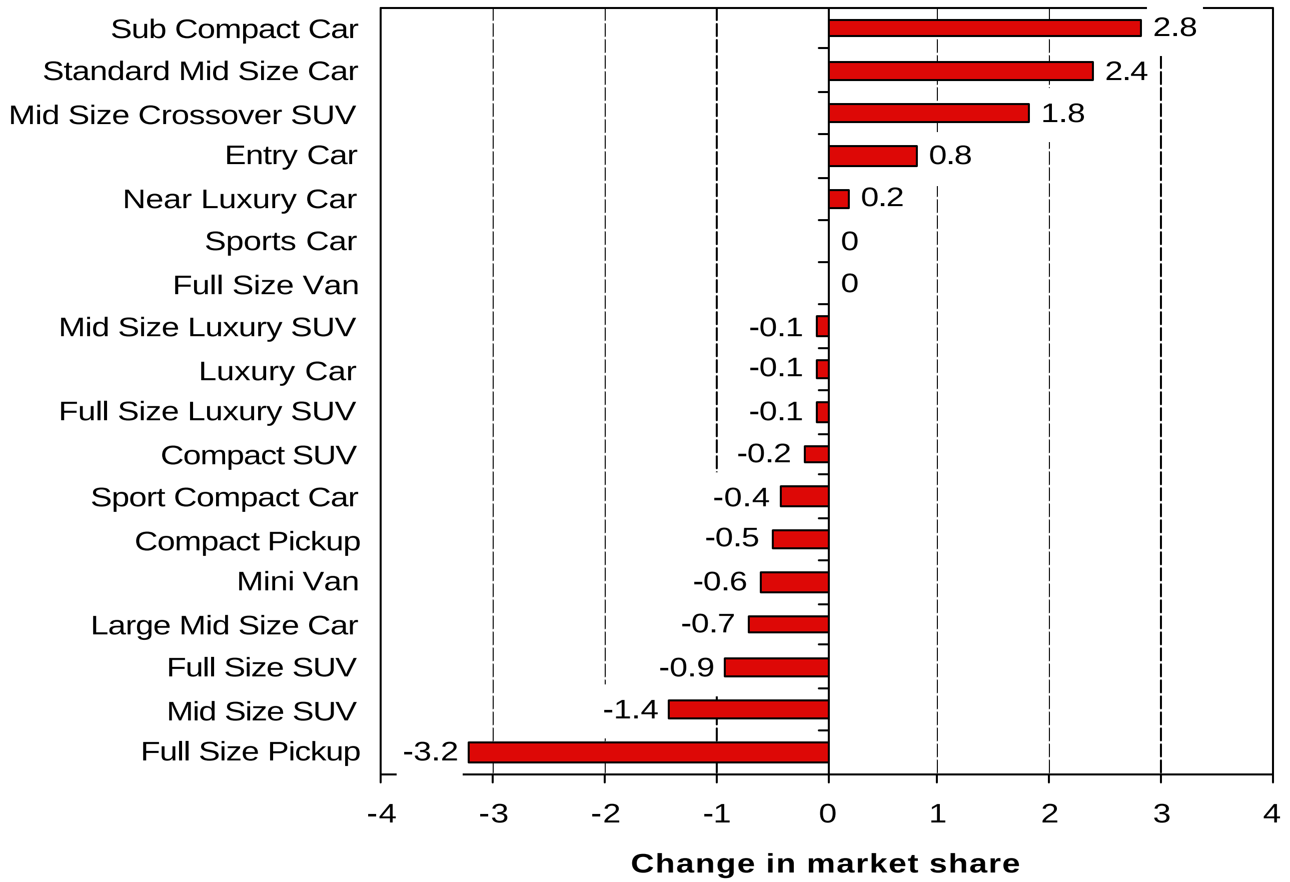
	Ford F - Series PU	Chevrolet Silverado PU	Toyota Camry / Solara	Honda Accord	Toyota Corolla / Matrix	Chevrolet Impala	Chevrolet Malibu	Nissan Altima	Honda Civic	Dodge Ram PU
Dec-08	41,580	33,340	25,275	22,348	22,129	21,148	17,355	17,311	17,302	16,618
Dec-07	55,069	53,560	38,831	31,255	28,582	17,800	11,685	25,151	27,190	32,118

Trucks vs. Cars



Change in Market Share by New Vehicle Segment

YTD 2008 thru November vs. YTD 2007



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Driving Forces for Idaho Market

- **Household debt.** The average U.S. household is carrying too much debt and not saving enough. Combined with rising unemployment, falling home values, and declining wealth, consumers are due for a major spending pullback.
- **Pent up demand.** New vehicle market conditions deteriorated significantly over the past two years. Postponed new vehicle purchases are starting to reach a significant level and should provide some support to the market by late 2009.
- **Fear and uncertainty.** Job losses, bank failures and instability in financial markets leads to households being concerned about the safety of their savings, and much less likely to spend on major purchases, such as new vehicles. Fear and uncertainty must decrease significantly before the new vehicle market can recover.
- **Functioning credit markets.** The new vehicle market will be stuck in neutral until banks restore credit availability to consumers and dealers.

Market Highlights

- Outlook Wrap-up for 2008: New retail light vehicle registrations predicted to decline 25.4% during the Fourth Quarter of this year versus a year earlier. 22.4% drop expected for the entire year.

- 2009 forecast: The Idaho new retail light vehicle market is predicted to decline 10.3% from 2008 to 2009, the third consecutive annual decline.

- Used vehicle market results: Used vehicle sales in the state declined by a relatively slim 9.5% during the first eleven months of this year versus the same period a year earlier.

- County markets: Of the ten largest county markets in the state, the smallest decline in new vehicle registrations so far this year was in Bonneville County, down 15.5%.

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Market Summary

Idaho New Retail Light Vehicle Registrations

2007 History and 2008 Forecast

	2006	2007	Forecast 2008	% ch. '07 to '08
TOTAL	48,806	45,236	35,103	-22.4%
Car	17,057	15,860	14,287	-9.9%
Light Truck	31,749	29,376	20,816	-29.1%
Big Three	29,434	26,372	18,460	-30.0%
Japanese	15,405	15,117	13,471	-10.9%
European	1,175	1,106	875	-20.9%
Korean	2,792	2,641	2,297	-13.0%

Traditional Domestic consists of vehicles sold by GM, Ford and Chrysler, and excludes import nameplates.
Source for historical data: Idaho Vehicle Report Service, an IADA Company.

Idaho Market Likely to Improve

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In 2007 New Light Vehicle Titles topped 42,600 units

New Retail Light Vehicle Titles

Year	Registrations	% change from previous year
2008	35,789	-25.4%
2009	31,500	-10.3%
2010	33,000	4.8%
2011	35,750	8.3%

YTD 2008 thru November 30

Hot Pockets of Idaho Used Vehicle Market

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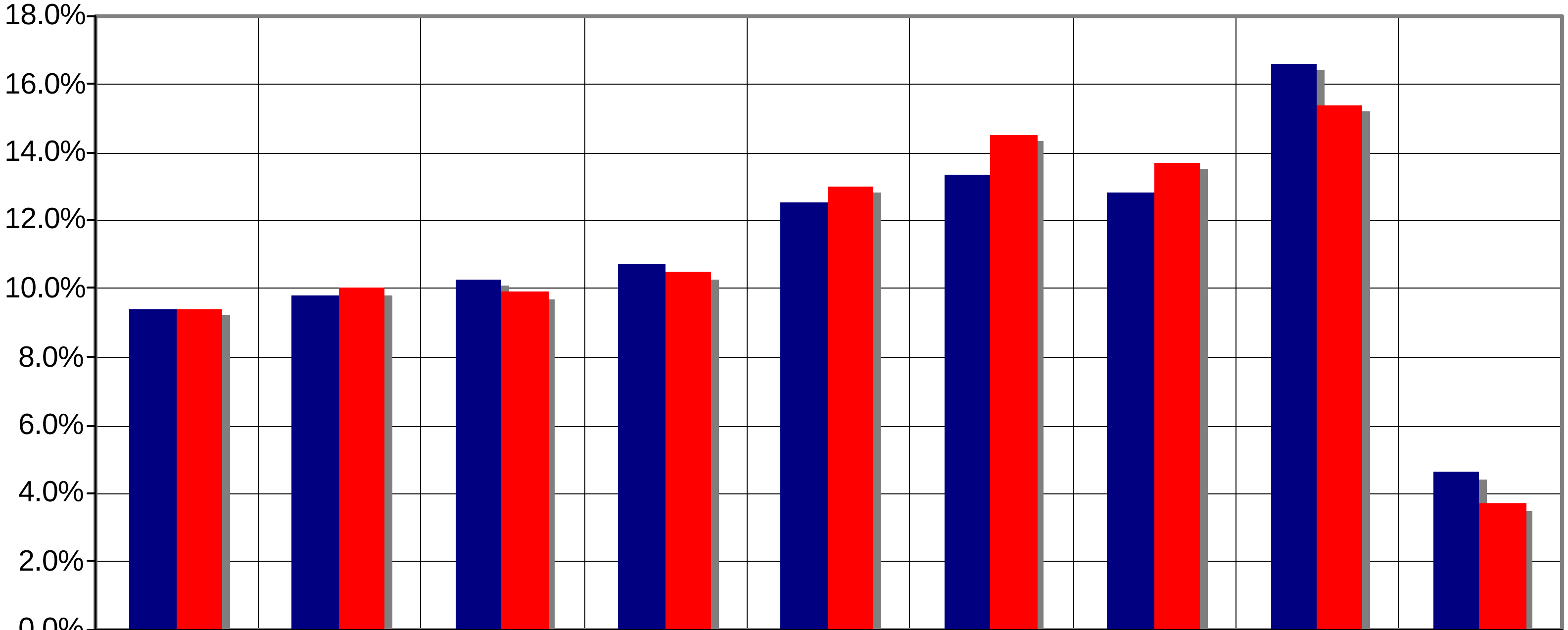
IDAHO USED VEHICLE MARKET SHARE BY AGE OF VEHICLE
(YTD '08 thru November vs. YTD '07)



	8 yrs. old	7 yrs. old	6 yrs. old	5 yrs. old	4 yrs. old	3 yrs. old	2 yrs. old	1 yr. old	< 1 yr.
YTD '07	9.4%	9.8%	10.3%	10.7%	12.5%	13.3%	12.8%	16.6%	4.6%
YTD '08	9.4%	10.0%	9.9%	10.5%	13.0%	14.5%	13.7%	15.4%	3.7%

County Scoreboard

Each of the State's Ten Largest County Markets Move Lower

COUNTY SCOREBOARD - PART 1							
	New Vehicle Sales (ytd thru October)		**Percent Change**	**Unit Change**	**Light Truck Market Share (%)**		
	YTD 2007	YTD 2008	YTD '07 to YTD '08	YTD '07 to YTD '08	YTD 2007	YTD 2008	Change '07 to '08
Ada	11,687	8,330	-28.7%	-3,357	60.1	53.1	-7.0
Bannock	1,745	1,445	-17.2%	-300	59.8	56.4	-3.4
Bingham	949	760	-19.9%	-189	68.5	68.4	-0.1
Bonner	758	571	-24.7%	-187	75.9	70.2	-5.7
Bonneville	2,654	2,242	-15.5%	-412	67.7	62.8	-4.9
Canyon	4,886	3,426	-29.9%	-1,460	60.5	51.8	-8.7
Elmore	871	713	-18.1%	-158	60.7	58.6	-2.1
Kootenai	3,355	2,695	-19.7%	-660	68.9	65.1	-3.8
Nez Perce	1,102	898	-18.5%	-204	62.6	55.7	-6.9
Twin Falls	1,716	1,365	-20.5%	-351	62.4	54.8	-7.6

County Scoreboard

Each of the State's Ten Largest County Markets Move Lower

COUNTY BY COUNTY - PART 2													
	Market Share Summary												
	Domestic Brands			Top Ten Selling Brands in Area-YTD 2008 thru October									
	YTD 2007	YTD 2008	Change '07 to '08	Toyota/ Scion	Ford	Chevrolet	Honda	Dodge	Nissan	GMC	Hyundai	Subaru	Kia
Ada	47.7	40.7	-7.0	16.7	14.3	7.7	10.8	6.7	6.6	3.8	6.1	3.8	3.1
Bannock	54.9	48.1	-6.8	19.1	8.9	11.3	11.6	9.8	8.4	9.1	2.8	4.2	1.1
Bingham	72.8	69.7	-3.1	14.2	13.6	12.1	7.0	17.5	3.4	14.6	1.7	1.7	0.4
Bonner	70.4	63.2	-7.2	15.6	18.4	13.8	4.9	14.5	1.9	6.0	1.6	7.9	2.3
Bonneville	58.1	50.3	-7.8	19.4	13.5	12.7	11.4	8.3	7.2	6.7	4.3	3.0	0.1
Canyon	59.8	49.8	-10.0	15.3	15.6	11.5	8.9	9.8	5.9	5.1	3.5	2.9	7.6
Elmore	69.9	70.3	0.4	7.4	21.5	10.9	6.3	19.8	3.8	4.8	4.6	1.5	1.5
Kootenai	58.2	51.5	-6.7	24.7	6.7	13.0	6.6	14.2	3.9	7.8	2.9	5.0	1.9
Nez Perce	52.0	44.5	-7.5	23.8	11.2	12.5	13.1	10.6	4.0	2.4	7.7	5.8	0.0
Twin Falls	53.4	44.7	-8.7	21.8	13.1	14.4	10.3	2.8	8.6	8.3	6.2	3.6	0.2

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Used Vehicle Market Fares Better Than New During 2008

IDAHO NEW VEHICLE SALES AS A % OF USED VEHICLE SALES