Idaho Auto Outlook™

An Analysis of the Idaho New and Used Vehicle Market

Covering Third Quarter 2009 **Volume Ten Number Four**

Idaho Automobile Dealers Association Inc.

FORECAST

CARS Program Gives Market a Boost; Slow Recovery Heading into 2010

Market likely to improve in Fourth Quarter of '09 vs. '08; Projected 13.7% INCREASE in 2010

It's been nearly two years since the recession began, setting off the precipitous downturn in the Idaho new retail light vehicle market. During that time, uncertainty and confusion have reigned supreme. Highlighted on this page is a series of basic questions and concise answers that pinpoint key trends in the state market.

How has the state new vehicle market held up during the recession?
Not too well. U.S. new vehicle sales declined 18% in 2008 (the first year of the recession) while the state market fell 26.0%. Through the first nine months of this year, U.S. sales were off 26.1% compared to 33.5% in Idaho.

Was the CARS program the only reason for the downturn in sales early this Fall?
Short answer: No. CARS contributed to the weak market early this Fall, but was by no means the sole cause. The unqualified success of the program in boosting sales, and the resulting depletion of vehicle inventories contributed to the drop off, but for the most part, sales simply returned to pre-CARS levels.

Where will the market go in 2010?
It's headed up! As we have emphasized for quite some time, key market determinants are almost universally pointing to a sustained, albeit gradual, improvement. Auto Outlook predicts that state new retail light vehicle registrations will increase 13.7% next year.

What happened to light truck market share this year?
It has decreased slightly from 58.9% during the first nine months of last year to 57.9% this year. Lower gas prices have clearly contributed to a stabilization in light truck market share.

Which brands have gained ground in the state market during the sales downturn?
Subaru, Ford, and Kia. Market share for these three brands has increased by more than one share point so far this year vs. 2008.

Market Trends

CARs program helps stabilize market

New retail light vehicle registrations decreased 15% in Third Quarter versus a year earlier, an improvement over recent results.

Consumer affordability continues to be strong

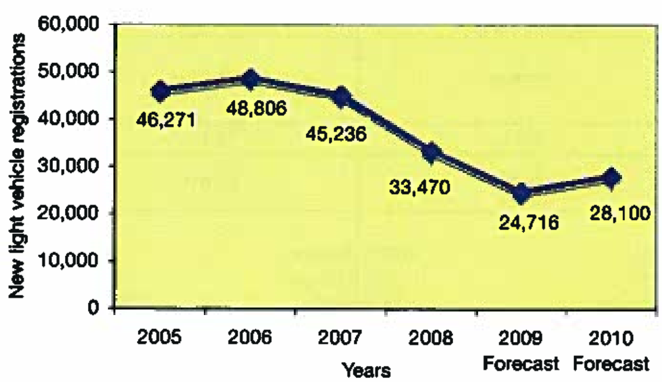
A key indicator of new vehicle affordability sends a positive signal.

Mid Size Crossover segment fastest growing

Mid Size crossover segment market share increased 2.7 points during the first nine months of '09 vs. '08.

Annual Trend in Idaho New Vehicle Market

State New Retail Light Vehicle Registrations-2005 thru 2010



The graph above shows annual new retail light vehicle registrations in the state from 2005 thru 2008, and Auto Outlook's projections for all of this year and 2010.

Market Summary

New Retail Light Vehicle Registrations
2008 History and 2009 Forecast

	2007	2008	Forecast 2009	% ch. '08 to '09
TOTAL	45,236	33,470	24,716	-26.2%
Car	15,860	13,278	10,010	-24.6%
Light Truck	29,376	20,192	14,706	-27.2%
Detroit Three	26,372	17,667	12,235	-30.7%
Japanese	15,117	12,887	9,829	-23.7%
European	1,106	808	698	-13.6%
Korean	2,641	2,108	1,954	-7.3%

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

Source for historical data: AutoCount, an Experian Company.

COUNTY SCOREBOARD

Each of the State's Ten Largest County Markets Decline So Far This Year

Smallest decline in Bonner County (down 13.3%)

The two tables below provide a review of the 10 largest county new vehicle markets in the state during the first nine months of this year. The top rated county in each category is shaded yellow.

COUNTY SCOREBOARD - INDUSTRY SALES AND LIGHT TRUCK MARKET SHARE	New Vehicle Sales (YTD thru September)		Percent Change	Unit Change	Light Truck Market Share (%)		
	YTD 2008	YTD 2009	YTD 2008 to YTD 2009	YTD 2008 to YTD 2009	YTD 2008	YTD 2009	Change '08 to '09
Ada	7,760	4,785	-38.3%	-2,975	52.7	52.4	-0.3
Bannock	1,354	952	-29.7%	-402	56.2	53.7	-2.5
Bingham	683	497	-27.2%	-186	66.8	63.8	-3.0
Bonner	510	442	-13.3%	-68	69.2	67.0	-2.2
Bonneville	2,078	1,322	-36.4%	-756	62.1	63.2	1.1
Canyon	3,216	1,577	-51.0%	-1,639	51.5	50.7	-0.8
Elmore	667	416	-37.6%	-251	58.2	52.4	-5.8
Kootenai	2,456	1,835	-25.3%	-621	65.1	63.2	-1.9
Nez Perce	823	542	-34.1%	-281	53.9	58.5	4.6
Twin Falls	1,262	759	-39.9%	-503	54.6	57.7	3.1

COUNTY SCOREBOARD - BRAND MARKET SHARE Market Share Summary	Domestic Brands			Top Ten Selling Brands in Area-YTD thru September									
	YTD 2008	YTD 2009	Change '08 to '09	Toyota/ Scion	Ford	Chevrolet	Honda	Dodge	Subaru	Nissan	Hyundai	GMC	Kia
Ada	40.6	39.6	-1.0	17.1	17.1	6.2	11.1	5.5	5.5	5.4	5.7	2.4	5.0
Bannock	47.9	51.6	3.7	16.4	11.9	12.6	7.8	9.5	6.9	7.7	4.2	5.0	2.0
Bingham	68.5	68.8	0.3	15.9	17.5	11.7	5.8	15.7	0.8	3.6	3.4	10.9	0.4
Bonner	64.3	58.1	-6.2	15.4	13.3	13.3	4.5	13.3	9.5	1.8	2.5	6.1	3.4
Bonneville	49.7	50.4	0.7	24.4	12.3	13.1	8.8	12.1	2.7	5.5	4.8	4.8	0.2
Canyon	49.4	51.9	2.5	11.6	19.8	10.4	7.6	7.2	3.4	6.0	3.3	3.6	10.1
Elmore	70.5	67.9	-2.6	10.6	19.7	8.7	7.9	12.0	2.9	3.8	4.1	3.1	5.3
Kootenai	51.5	47.7	-3.8	19.9	7.5	9.1	5.6	13.1	7.9	3.2	4.2	6.2	4.7
Nez Perce	43.6	43.9	0.3	24.2	13.1	8.9	10.1	11.6	6.3	4.8	7.9	2.2	0.4
Twin Falls	43.9	47.6	3.7	21.2	16.7	13.3	11.3	4.1	5.8	5.3	5.1	6.6	0.1

IDAHO MARKET VERSUS U.S.

Decline in State Market Exceeds U.S. by 7.4 percentage points

State domestic brand market share 10 points higher than U.S.

	Idaho Market		U.S. Market	
Change in Registrations **% change in registrations** **YTD '09 thru September vs. YTD '08**	-33.5%		-26.1%	
Car market share-YTD '09	42.1%		54.1%	
Domestic brand market share YTD '09	49.8%		39.8%	
Top Selling Retail Brands-YTD '09				
First	Toyota	17.7%	Toyota	15.7%
Second	Ford	14.6%	Honda	12.3%
Third	Chevrolet	10.6%	Ford	11.3%
Fourth	Dodge	9.8%	Chevrolet	10.8%
Fifth	Honda	8.4%	Nissan	6.8%
Sixth	Subaru	5.5%	Dodge	4.6%
Seventh	GMC	4.7%	Hyundai	4.3%
Eighth	Nissan	4.5%	Kia	2.7%
Ninth	Hyundai	4.2%	Jeep	2.6%
Tenth	Kia	3.5%	GMC	2.3%

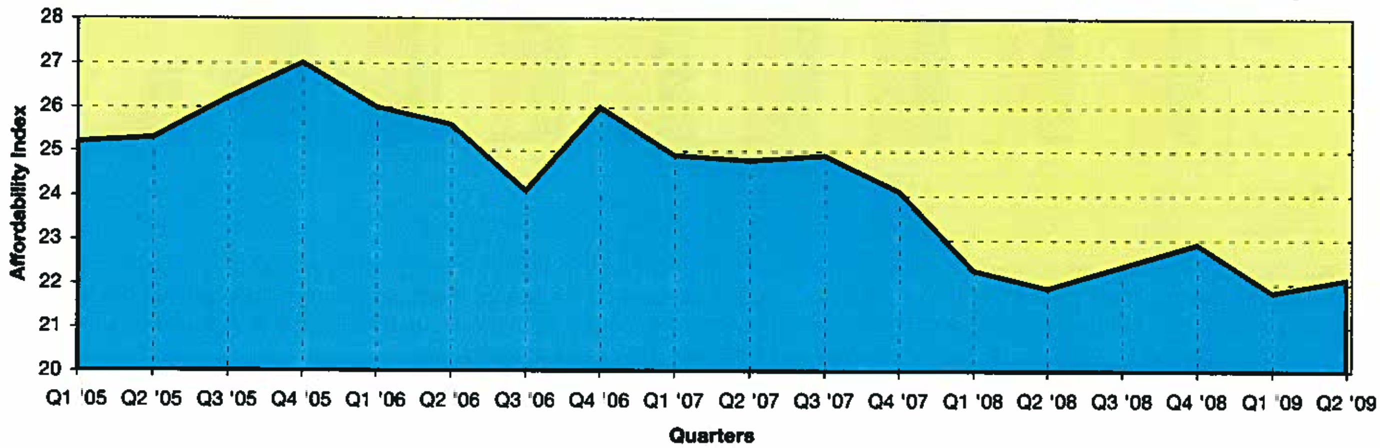
ECONOMIC UPDATE

Consumer Affordability Remains Strong; Positive Sign for State Market

Purchase of average priced new vehicle took 22.1 weeks of median family income in Second Quarter

Very low financing costs and respectable income levels helped keep the cost of a new vehicle at very affordable levels during the Second Quarter of this year. And although official results are not yet available, it is likely that affordability improved in the Third Quarter. The graph below shows Comerica Bank's Auto Affordability Index for the U.S. market, which tracks the number of weeks of median family income needed to purchase a new vehicle. The Index moved higher in the Second Quarter, indicating that the number of weeks of income needed to purchase a new vehicle increased slightly, but the Index is still at near-record low levels. Strong affordability, combined with an improving economy and consumer confidence, bodes well for a recovery in sales. Source: Comerica Bank.

Comerica Bank U.S. Auto Affordability Index (weeks of family income needed to purchase a new vehicle)



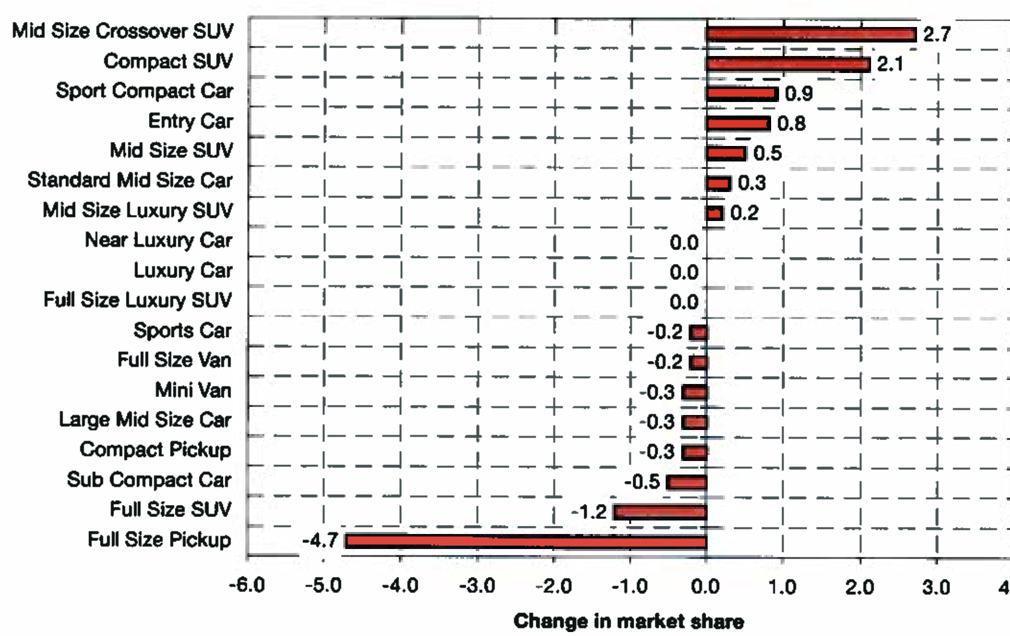
SEGMENT WATCH

Full Size Pickup Segment Loses the Most Market Share

Mid Size Crossover SUV segment posts the largest increase

The graph on the right answers a fundamental question: What types of vehicles are Idaho new vehicle shoppers finding increasingly desirable? It shows the change in market share for 18 segments during the first nine months of this year versus the same period a year earlier. So, what's the answer to the question of what types of vehicles state shoppers are gravitating towards? Mid Size Crossover SUVs (i.e., Toyota Highlander) and Compact SUVs (i.e., Honda CRV). Market share for both segments has increased by more than two share points so far this year.

Change in Idaho Segment Market Share - YTD 2009 thru September vs. Year Earlier

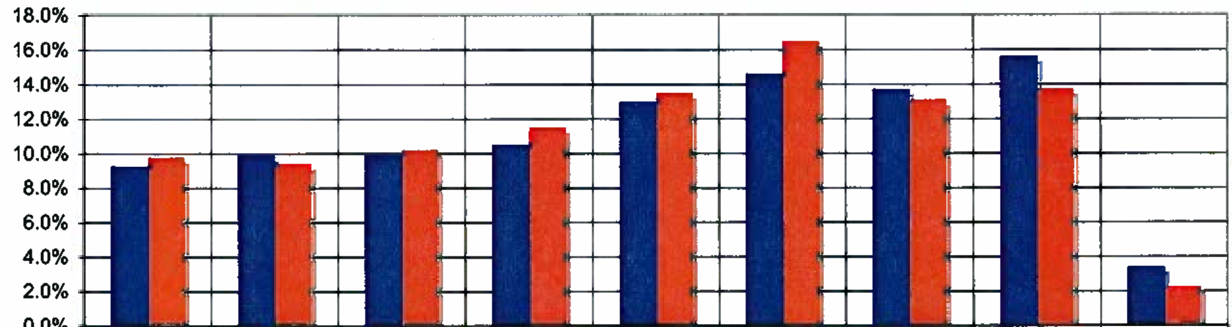


USED VEHICLE MARKET REPORT

Market Share for Three Year Old Vehicles Increases

Used vehicle sales in state down 16.8% so far this year; smaller than 33.5% drop in new vehicle sales

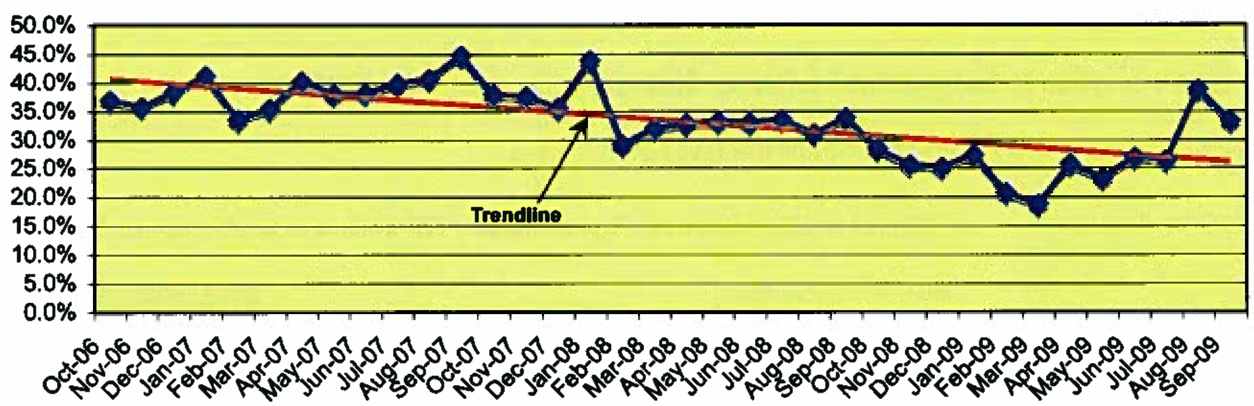
IDAHO USED VEHICLE MARKET SHARE BY AGE OF VEHICLE (YTD 2009 thru September vs. YTD 2008)



	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 08	9.3%	9.9%	9.9%	10.5%	13.0%	14.6%	13.7%	15.6%	3.4%
YTD 09	9.8%	9.4%	10.2%	11.5%	13.5%	16.5%	13.1%	13.7%	2.2%

The graph above provides a view of the changing composition of the Idaho used vehicle market. The graph shows market share by vehicle age range during the first nine months of 2008 and 2009. As shown on the graph, the three year old class posted the largest gain. Three year old vehicle market share was 16.5% during the first nine months of this year, up from 14.6% a year earlier. One year old vehicle share declined from 15.6% to 13.7%. Two year old vehicle market share also declined.

IDAHO NEW VEHICLE SALES AS A % OF USED VEHICLE SALES



As shown on the graph above, new vehicle sales as a percent of used vehicle sales have trended lower over the past three years. However, the CARS program gave a boost to new vehicle sales during the Third Quarter. New vehicle sales as a percent of used rose to 38.8% in August, up from a seven year low of 18.8% in March.

Source for new and used vehicle sales data presented in Auto Outlook: AutoCount data, from Experian Automotive.

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IADA
Idaho Automobile Dealers Association

Driving Idaho's Economy
"Cash for Clunker " Contributions of Idaho's New-Vehicle Dealers

Value of CARS payments requested in US	$2,877,900,000
Number of CARS payments requested in US	690,114
Calculated average CARS payment per vehicle	$4,170
Value of CARS payments requested in Idaho	$11,655,000
Calculated number of vehicles in Idaho in CARS program	2795
US car trade-in percentage	59%
US truck trade-in percentage	41%
Calculated number of cars in Idaho in CARS program	1,649
Calculated number of trucks in Idaho in CARS program	1,146
Average selling price per car - July 2009	$21,309
Average selling price per truck - July 2009	$29,873
Calculated value of cars sold in the CARS program in Idaho	$35,137,633
Calculated value of trucks sold in the CARS program in Idaho	$34,231,041
Calculated value of vehicles sold in the CARS program in Idaho	$69,368,674
Idaho Sales Tax Rate	6.0%
Unadjusted Idaho Sales Tax for vehicles sold in CARS program	**$4,162,120**