



Idaho Automobile Dealers Association Inc.

Idaho Auto Outlook

An Analysis of the Idaho New and Used Vehicle Market

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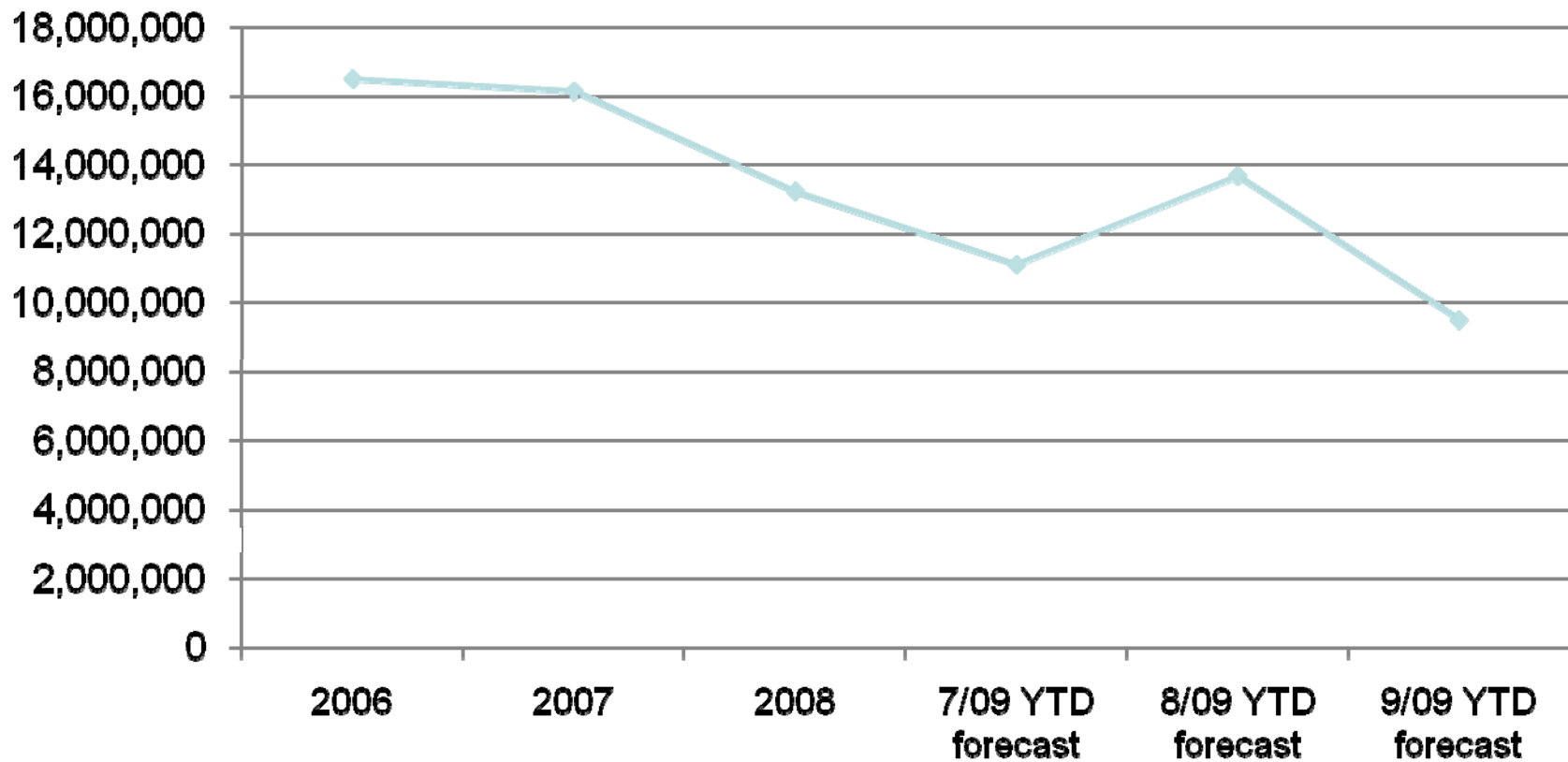
Source for historical data: Idaho Vehicle Report Service.



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U.S. Annual Sales Rate & 2009

Seasonally Adjusted Annualized Rate New Vehicle Sales





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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.....\$19.8 million
- Total sales of all new-vehicle dealerships in Idaho..... \$2.4 billion
- Dealership sales as % of total retail sales in the state.....13.1%
- Estimated number of new-vehicle dealerships.....121

Dealers provide thousands of well-paying jobs in Idaho.

- Total number of new-vehicle dealership employees in Idaho.....4,989
- Average number of employees per dealership.....41
- Average annual earnings of new-vehicle dealership employees.....\$43,706
- Dealership payroll as % of total state retail payroll.....11.7%
- Annual payroll of new-vehicle dealerships.....\$237 million
- Average annual payroll per new-vehicle dealership.....\$1.96 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**



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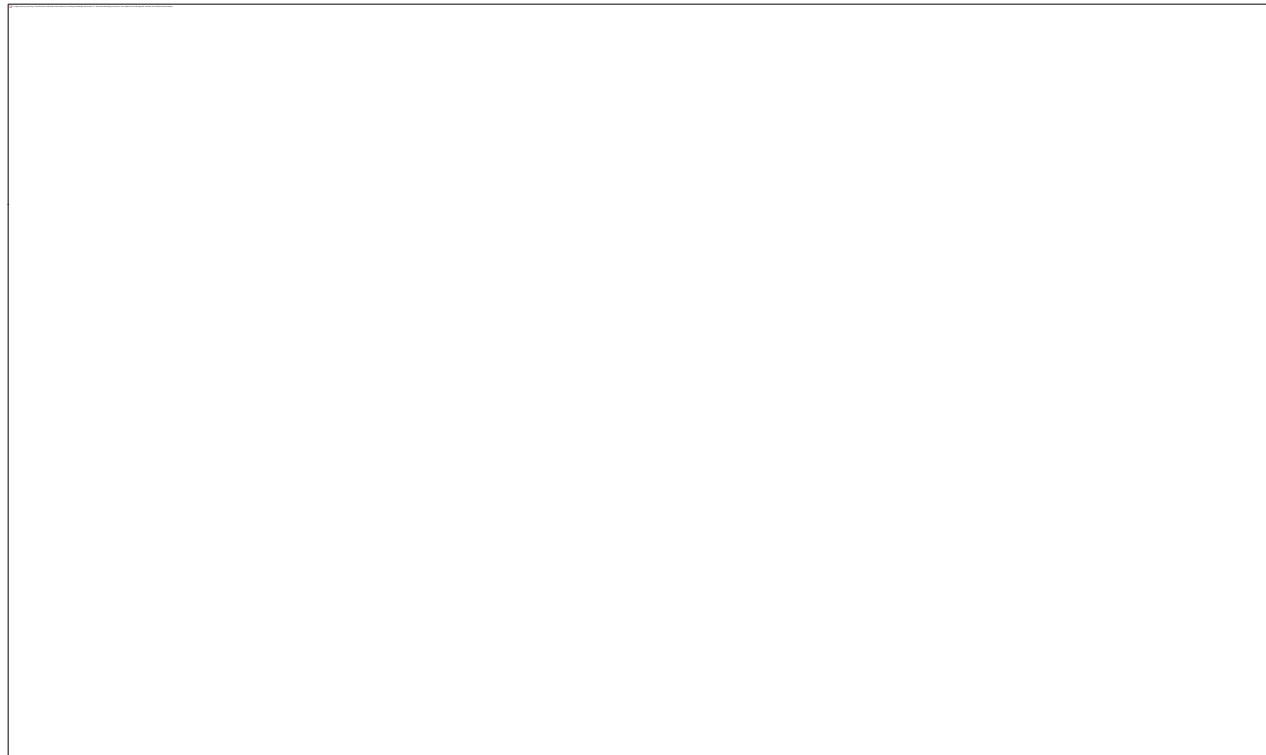
Driving Idaho's Economy "Cash for Clunker " Contributions of Idaho's New-Vehicle Dealers

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



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Top Selling Vehicles Hold Steady

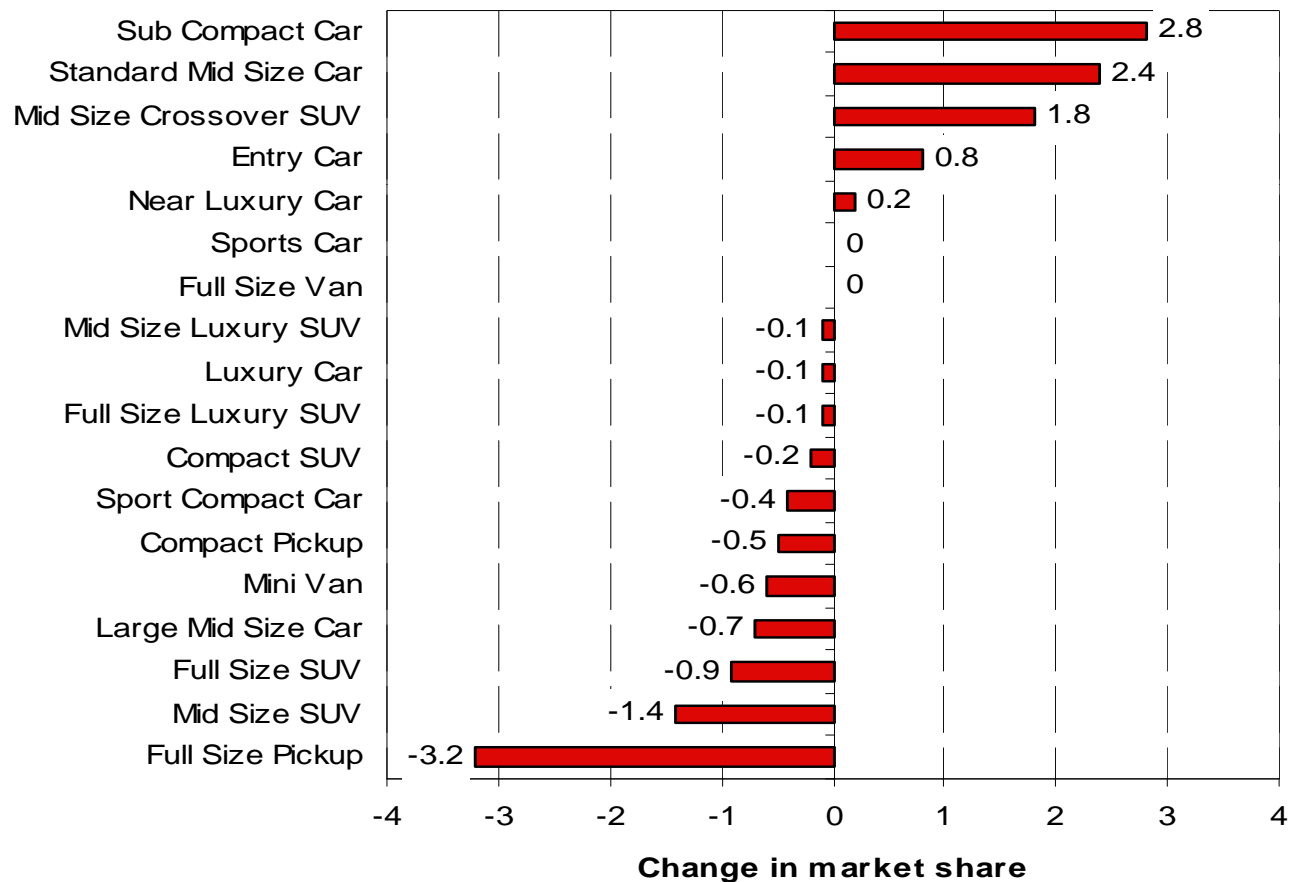




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Change in Market Share by New Vehicle Segment

YTD 2009 vs. YTD 2008

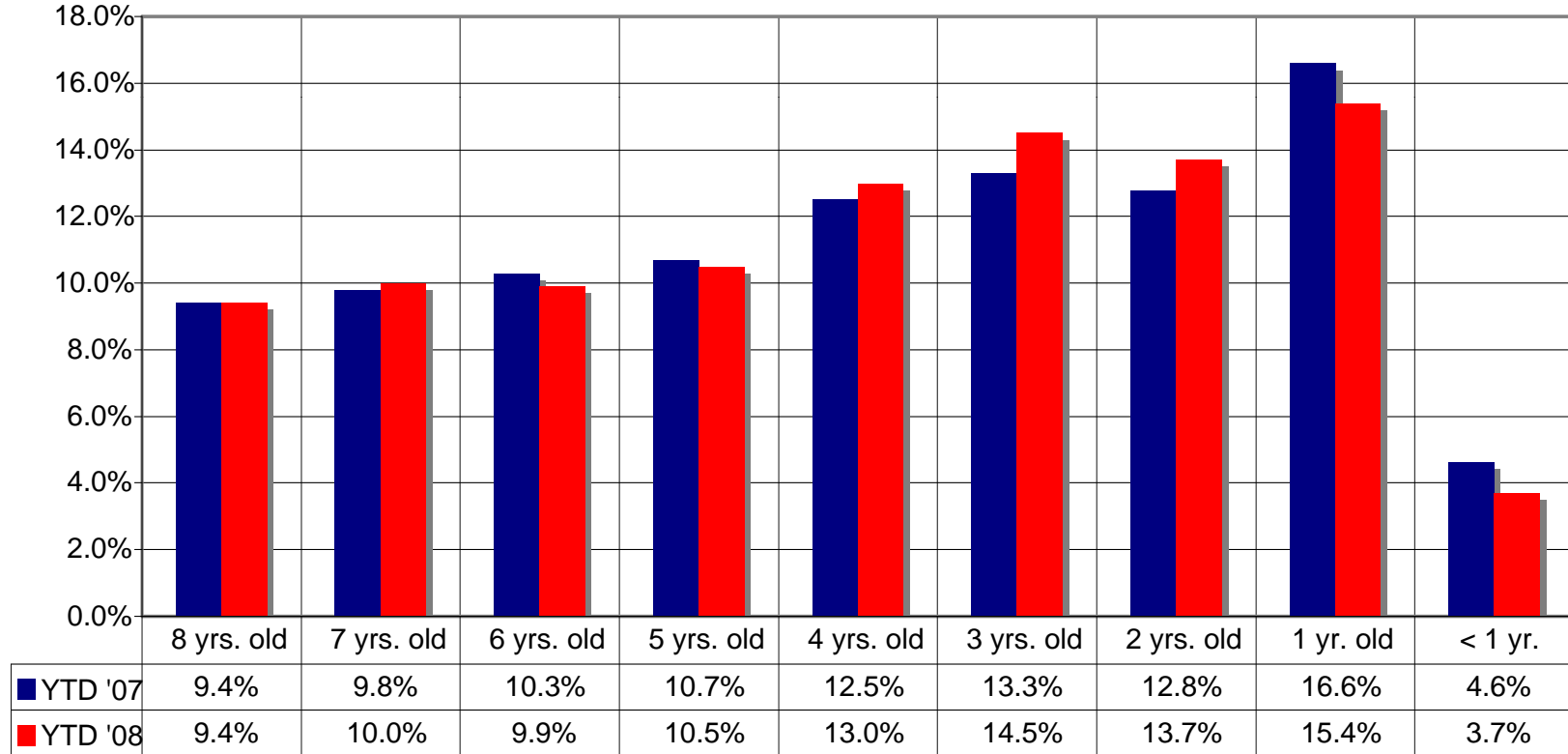




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Hot Pockets of Idaho Used Vehicle Market

Used vehicle sales in state down 16.8% so far this year; smaller than 33.5% drop in new vehicle sales (YTD 2009 thru September vs. YTD 2008)





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Driving Forces for Idaho Market

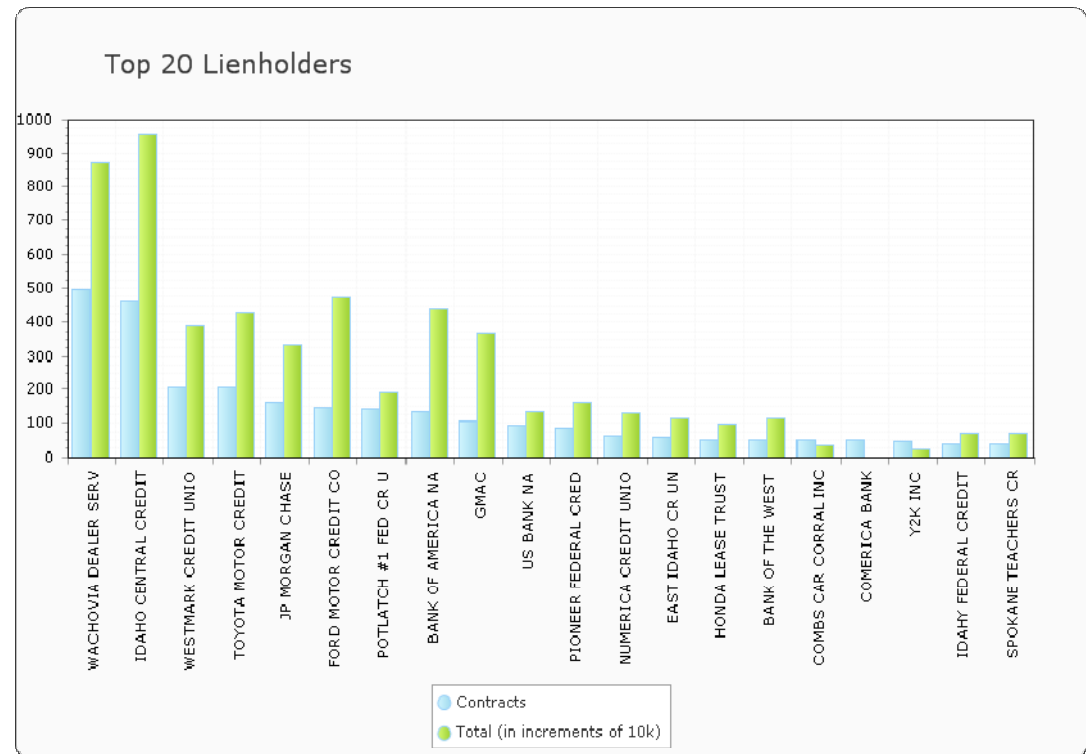
- **Household debt.** The average U.S. household is still carrying too much debt and not saving enough. Combined with rising unemployment, low home values, and declining wealth, consumers are maintaining their spending pullback.
- **Pent up demand.** New vehicle market conditions deteriorated significantly 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 2010.
- **Fear and uncertainty.** Job losses, manufacturer 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 **dealers.**



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Idaho's Top Financing Sources, November 2009

<u>Lienholder</u>	<u>Contracts</u>	<u>Total (x \$10K)</u>
WACHOVIA DEALER SERV	497	870
IDAHO CENTRAL CREDIT	464	954
WESTMARK CREDIT UNIO	204	389
TOYOTA MOTOR CREDIT	203	428
JP MORGAN CHASE	160	335
FORD MOTOR CREDIT CO	146	472
POTLATCH #1 FED CR U	141	192
BANK OF AMERICA NA	133	442
GMAC	104	371
US BANK NA	91	131
PIONEER FEDERAL CRED	86	159
NUMERICA CREDIT UNIO	60	128
EAST IDAHO CR UN	59	111
HONDA LEASE TRUST	51	95
BANK OF THE WEST	50	114
COMBS CAR CORRAL INC	49	33
COMERICA BANK	49	0
Y2K INC	46	23
IDAHY FEDERAL CREDIT	39	70
SPOKANE TEACHERS CR	39	70





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Market Highlights

- How has the state vehicle market held up during the recession?

U.S. 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.

- 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. The IADA predicts that state new retail light vehicle registrations will increase 13.6% next year.

- County markets ?

Of the ten largest county markets in the state, the smallest decline in new vehicle registrations so far this year was in Bonner County, down 13.3%.



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County Scoreboard

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

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



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Idaho Market Likely to Improve

New & Used Retail Light Vehicle Titles

Year	Registrations	% change from previous year
2009	112,172	-26%
2010	127,427	13.6%
2011	148,452	16.5%



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Idaho Market Likely to Improve

New & Used Retail Light Vehicles

Year	Sales Tax	% change from previous year
2009	\$84,870,873	-26%
2010	\$108,326,530	13.6%
2011	\$126,199,015	16.5%