

San Diego Auto Outlook

Comprehensive information on the San Diego County new vehicle market



FORECAST

Market Should Post Fourth Consecutive Annual Increase in '13

New retail light vehicle registrations predicted to exceed 2009 total by nearly 60,000 units!

Below is a list of 10 key trends and developments in the San Diego County new vehicle market:

1. San Diego County new retail light vehicle registrations increased 10% in the First Quarter of this year versus a year earlier, higher than the 8.2% improvement in the Nation. (Note: March figures were estimated.)
2. Auto Outlook's annual forecast for 2013 new retail light vehicle registrations: 136,750 units, up 8% from 2012.
3. Light truck market share increased from 37.9% in the First Quarter of 2012 to 38.9% this year.
4. Registrations for Detroit Three brands were up 16.8% so far this year, above the 10% industry increase.
5. The new vehicle market has come a long way from the depths of the 2008/2009 recession. Registrations in the First Quarter of this year were an estimated 31,754 units, up more than 13,000 units compared to the First Quarter of 2009.
6. Alternative powertrain (hybrid and electric) market share was 8% thru February of this year, the same as last year.
7. Three biggest segments in the county are Sub Compact Car, Standard Mid Size Car, and Compact SUV.
8. Brands with the largest percentage increases in registrations during the first three months of this year: Buick, Cadillac, Subaru, Dodge, and Land Rover. Top five in market share were Toyota, Ford, Honda, Nissan, and Chevrolet.
9. Key factors providing a boost to new vehicle market: pent up demand, low interest rates, availability of credit, and high trade in values. Factors holding the market back: slowly recovering labor market, restrictive fiscal policy, and below average consumer sentiment.
10. Top five selling cars in county market: Toyota Prius, Toyota Corolla, Honda Civic, Toyota Camry, and Honda Accord. Top five light trucks: Toyota Tacoma, Ford F-Series, Honda CRV, Toyota RAV4, and Ford Escape.

Change in Data Source

Effective with this release, the data source for Auto Outlook is R.L. Polk and Company. This change was made to improve the accuracy and reliability of the data presented. Historical figures will change slightly from those presented in previous issues. If you have any questions, please contact Auto Outlook. Thank you!

Annual Trend in County Market



Market Summary

	YTD '12 thru Mar.	YTD '13 thru Mar.*	% Chg. '12 to '13	Mkt. Share YTD '13
TOTAL	28,856	31,754	10.0%	
Car	17,916	19,412	8.4%	61.1%
Light Truck	10,940	12,342	12.8%	38.9%
Detroit Three	6,944	8,109	16.8%	25.5%
European	4,609	5,087	10.4%	16.0%
Japanese	14,308	15,716	9.8%	49.5%
Korean	2,995	2,841	-5.1%	8.9%

The graph above shows annual new retail light vehicle registrations in the county from 2008 thru 2012, and Auto Outlook's projection for 2013.

Historical data source: Polk.

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

*Figures for March, 2013 were estimated by Auto Outlook.

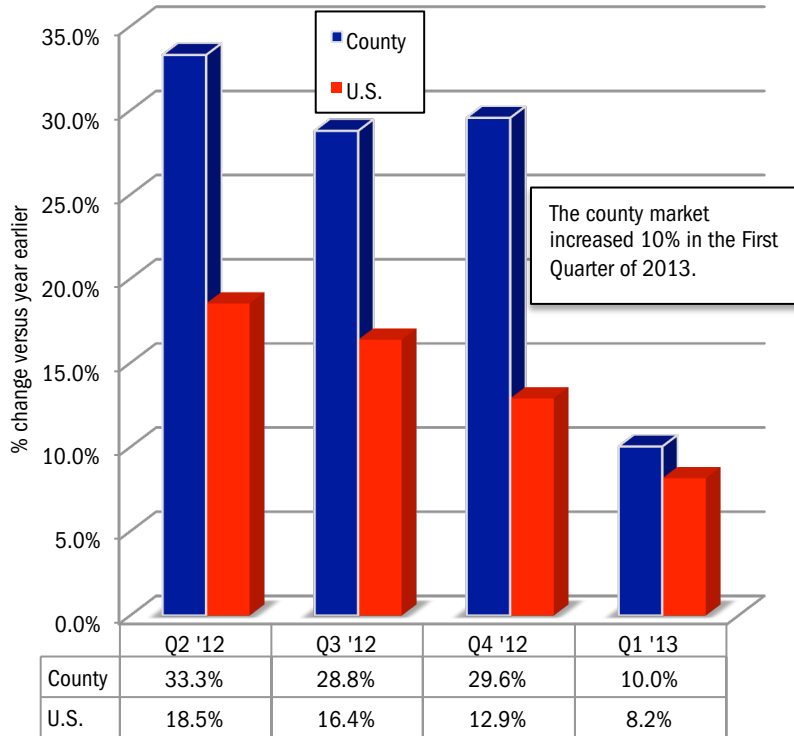
Source: Polk.

MARKET TRACKER: QUARTERLY RESULTS

County Market Up an Estimated 10% in 1st Quarter vs. 8.2% in U.S.

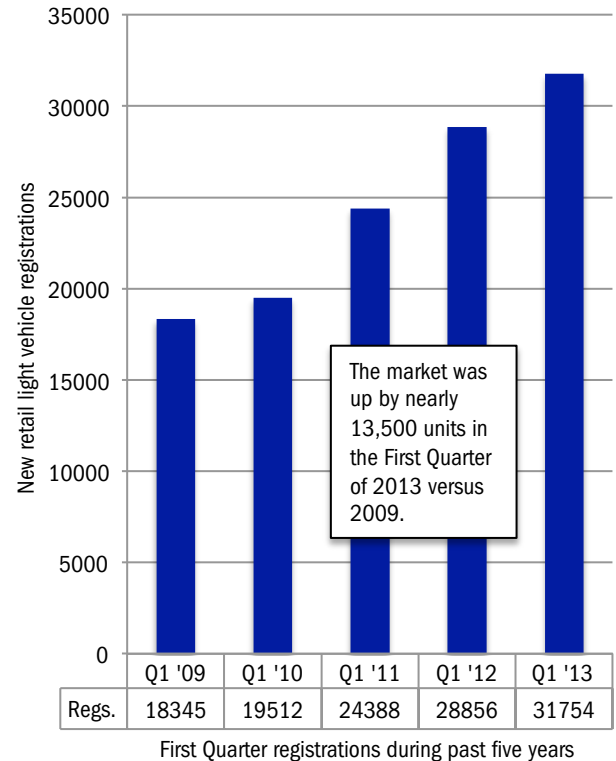
QUARTERLY TREND

Percent Change in New Vehicle Market
County and U.S.



QUARTERLY PERSPECTIVE

Five Years of First Quarter Results
in County Market



Note: Figures for First Quarter 2013 are estimated by Auto Outlook based on data for January and February.

Data Source: Polk.

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Data Source: Polk.

San Diego Auto Outlook

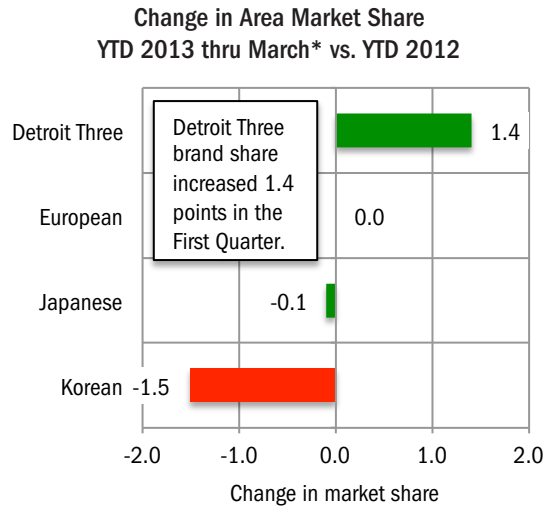
Covering First Quarter 2013

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MARKET TRACKER: BRAND MARKET SHARE

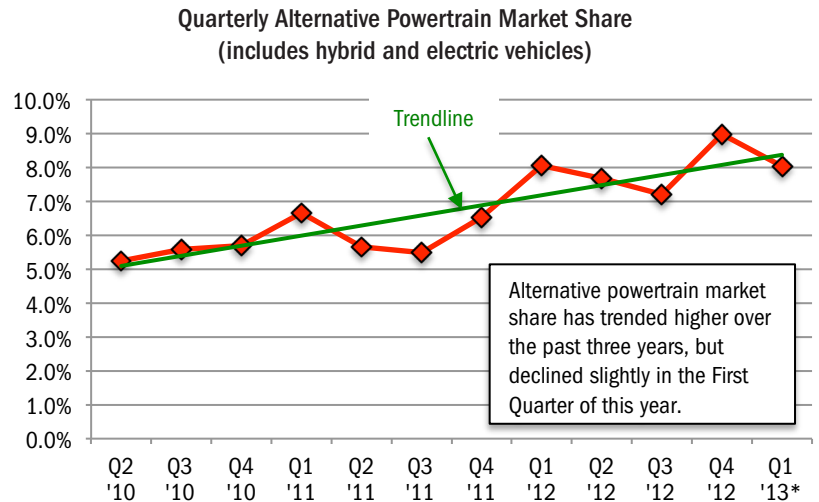
Detroit 3 Move Higher



The graph above shows the change in year-to-date market share for four primary brand segments. *Figures for March, 2013 were estimated by Auto Outlook. Data Source: Polk.

MARKET TRACKER: HYBRID AND ELECTRIC VEHICLES

Hybrid & Electric Share is 8%



The graph above shows hybrid powertrain and electric vehicle quarterly market share in the county. The line shows market share trend over the past 12 quarters. *First Quarter 2013 includes January and February. Source: Polk.

MARKET TRACKER: SEGMENTS

Sub Compact Car Segment Leads County Market

San Diego County Segment Market Share Review				
Segment	Market Share YTD '12 thru February	Market Share YTD '13 thru February	Change in share YTD '12 to '13	Best selling model in segment
Sub Compact Car	25.6	25.3	-0.3	Toyota Prius
Standard Mid Size Car	14.5	16.1	1.6	Toyota Camry
Compact SUV	10.7	10.9	0.2	Honda CRV
Entry Car	6.2	6.0	-0.2	Nissan Versa
Mid Size SUV	6.3	6.0	-0.3	Ford Edge
Near Luxury Car	6.2	6.0	-0.2	BMW 3-Series
Full Size Pickup	5.3	5.5	0.2	Ford F-Series
Full Size SUV	3.7	4.1	0.4	Ford Explorer
Luxury and Sports Cars	3.8	4.0	0.2	BMW 5-Series
Mid Size Luxury SUV	3.5	3.1	-0.4	Lexus RX
Compact Pickup	4.0	3.0	-1.0	Toyota Tacoma
Mini Van	2.8	2.4	-0.4	Toyota Sienna
Compact Luxury SUV	1.3	2.2	0.9	BMW X3
Sport Compact Car	2.2	1.6	-0.6	Ford Mustang
Large Mid Size Car	1.4	1.2	-0.2	Toyota Avalon
Entry Luxury Car	1.4	0.9	-0.5	Lexus Ct200h
Full Size Luxury SUV	0.6	0.9	0.3	Range Rover
Full Size Van	0.6	0.8	0.2	Sprinter

The table above shows San Diego County market share for 18 vehicle segments during the first two months of 2012 and 2013, and the change in market share over the period. The best selling model in each segment is also shown. Segments are ranked from top to bottom based on 2013 share. Most popular segment in the county was Sub Compact Car. Standard Mid Size Car had the largest market share gain. Data Source: Polk.

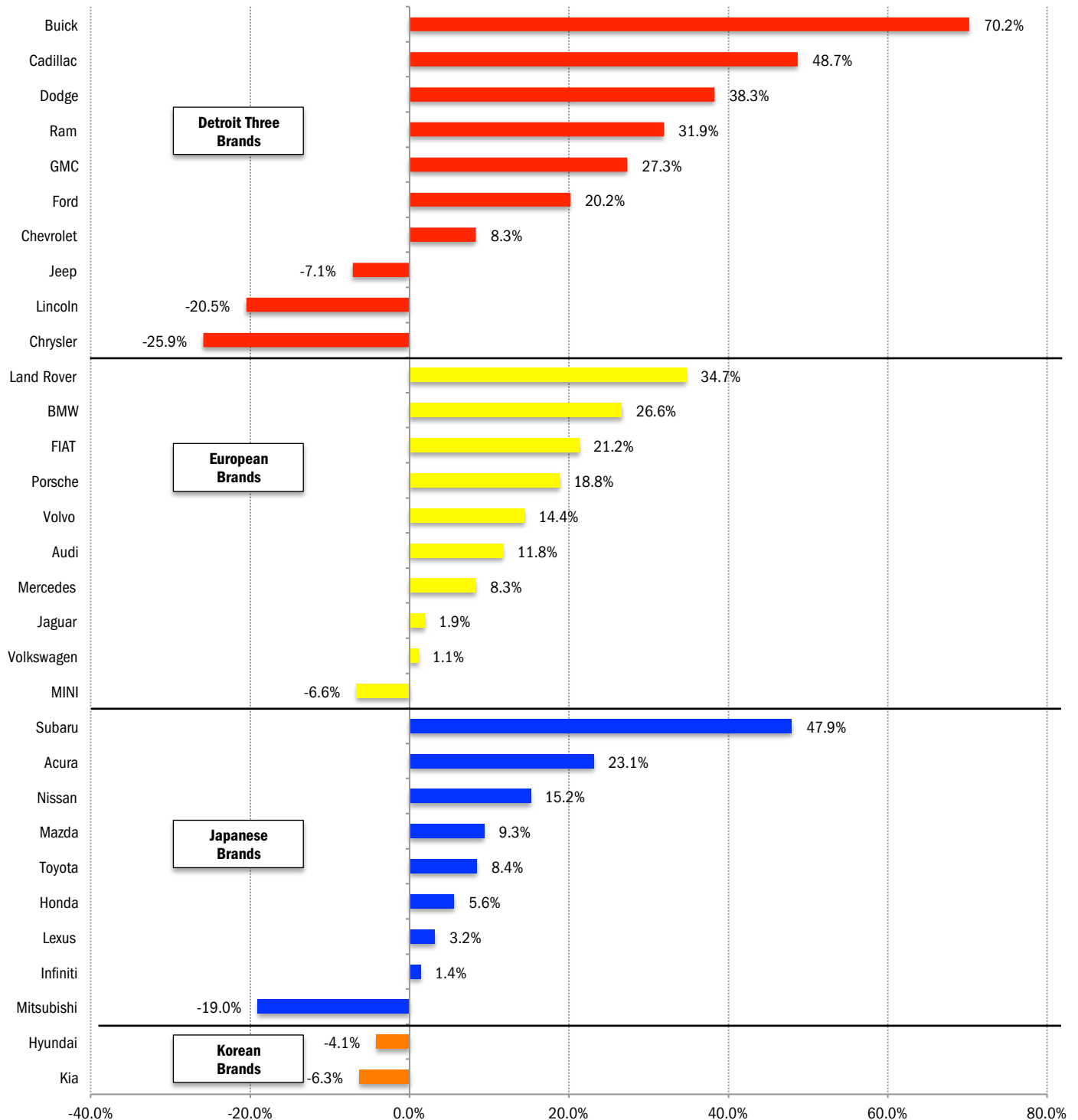
BRAND SCOREBOARD - PART ONE

Buick and Cadillac Post Large Percentage Gains

Subaru, Dodge, and Land Rover are also up sharply

The graphs below provide a comparative evaluation of brand sales performance in the county market. They show the year-to-date percent change in registrations for each brand, organized by category (i.e., Detroit Three, European, Japanese, and Korean).

**Percent Change in San Diego County New Retail Light Vehicle Registrations
YTD 2013 thru March* vs. YTD 2012**



*Figures for March, 2013 were estimated by Auto Outlook.

Source: Polk.

BRAND SCOREBOARD - PART TWO

Toyota is Non-Luxury Brand Leader; BMW Leads for Luxuries

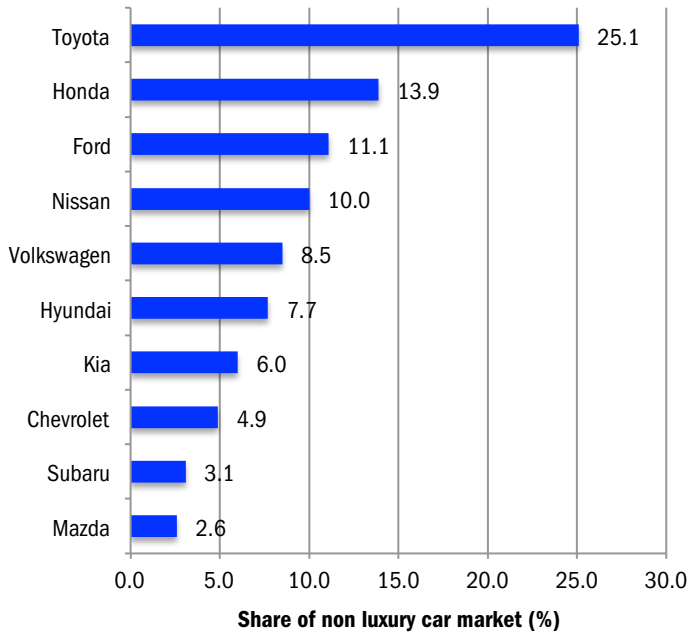
Honda and Lexus are strong number twos

The four graphs below show market share leaders in San Diego County during the past six months for four primary segments. (Note: figures for March of this year were estimated.) Toyota/Scion was the best-selling Non Luxury Car brand, with a big 11.2 point lead over second place

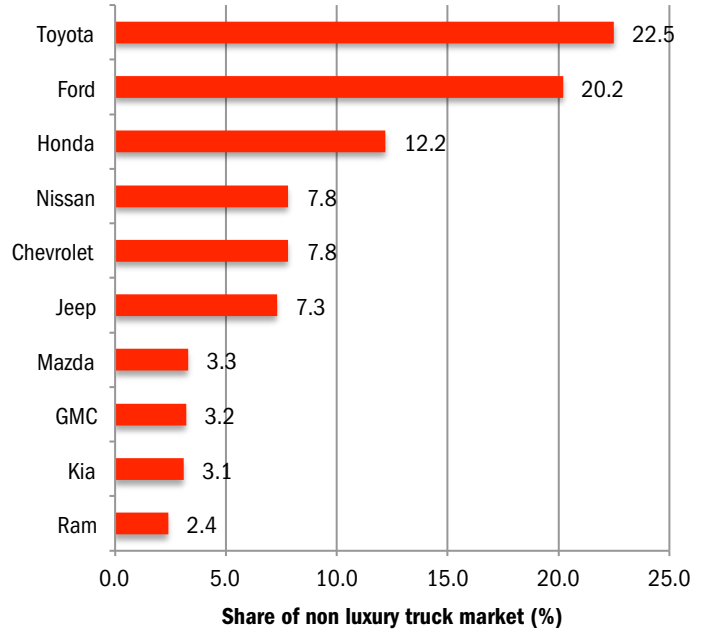
Honda. Toyota was also the top ranked Non Luxury Light Truck brand, ahead of Ford. BMW was the best-selling Luxury Car and Light Truck brand, while Lexus was in second place for both categories.

Data Source: Polk.

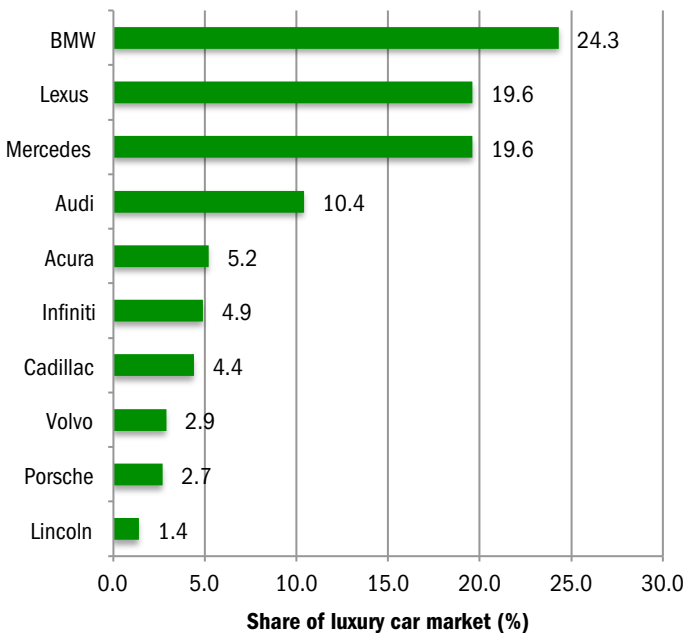
Top 10 Non Luxury Car Brands in County Market Previous Six Months (Oct '12 thru March '13)



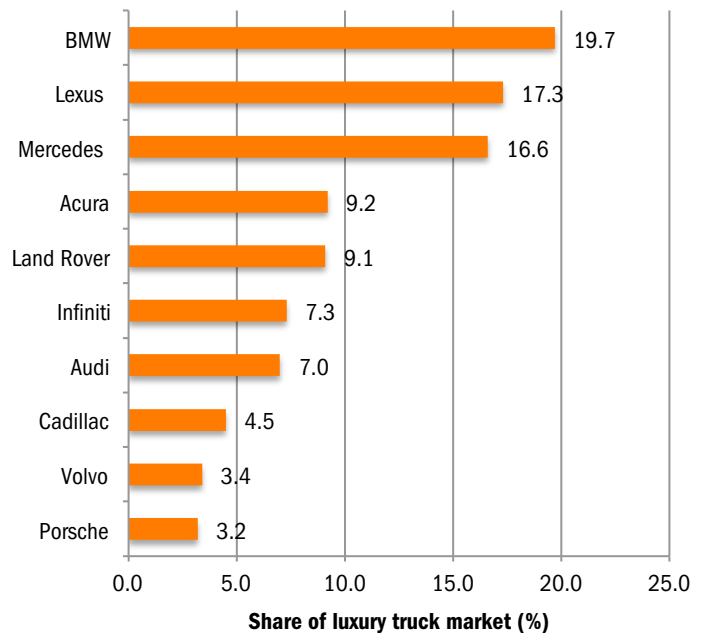
Top 10 Non Luxury Light Truck Brands Previous Six Months (Oct '12 thru March '13)



Top 10 Luxury Car Brands in County Market Previous Six Months (Oct '12 thru March '13)



Top 10 Luxury Light Truck Brands in County Market Previous Six Months (Oct '12 thru March '13)



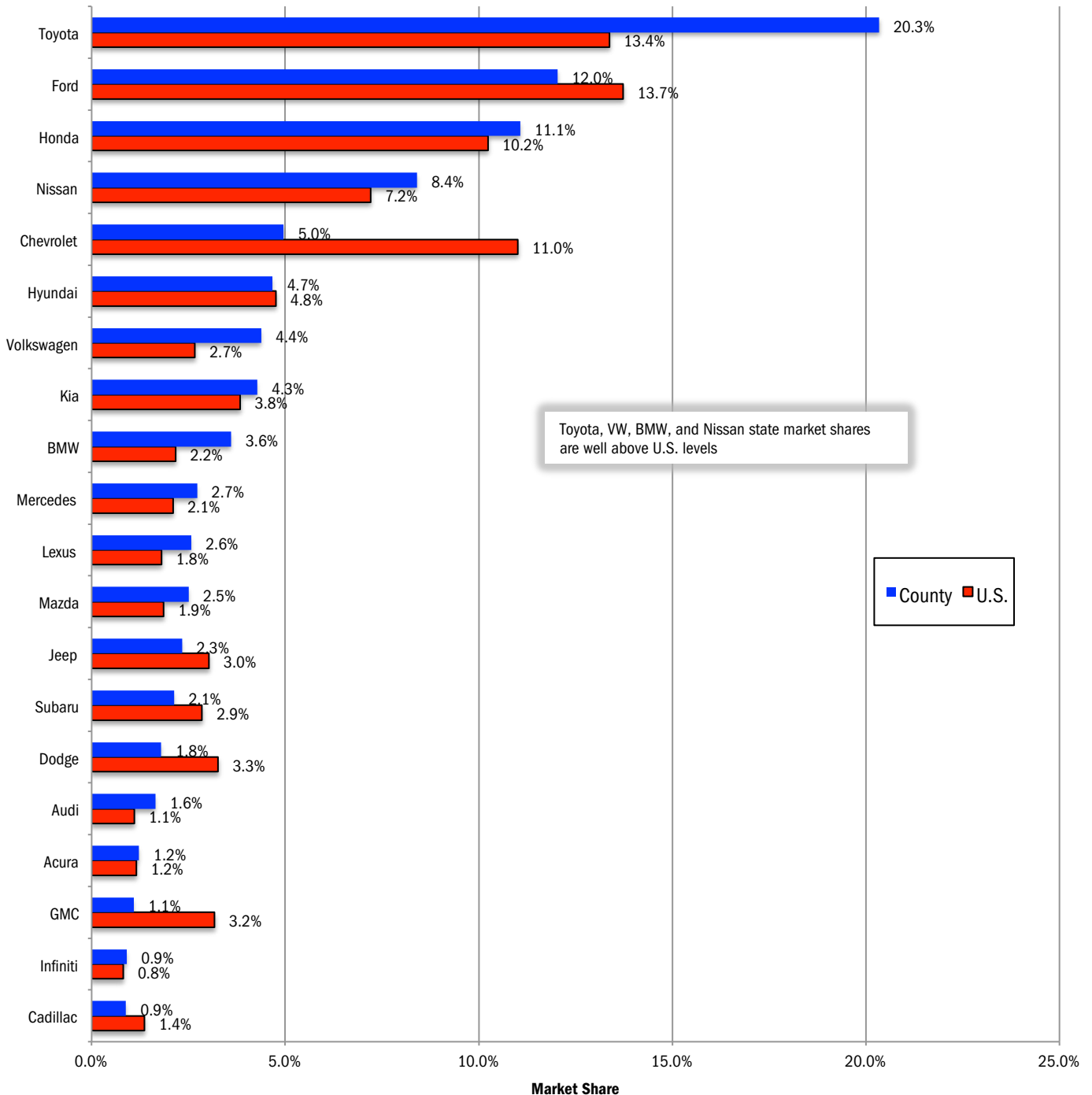
BRAND SCOREBOARD - PART THREE

Toyota is Easily the Top Selling Brand in County Market

Toyota's share of county market exceeds U.S. by 6.9 points

The graph below provides a comparison of San Diego County and U.S. new retail market share during the first three months of this year for the top 20 selling brands in the county. Brands are positioned on the graph from top to bottom based on county market share. Toyota was the county leader, accounting for a commanding 20.3% of the market, well above its 13.4% share in the Nation.

County and U.S. Market Share - YTD 2013 thru March*



*Figures for March, 2013 were estimated.

Source: Polk.

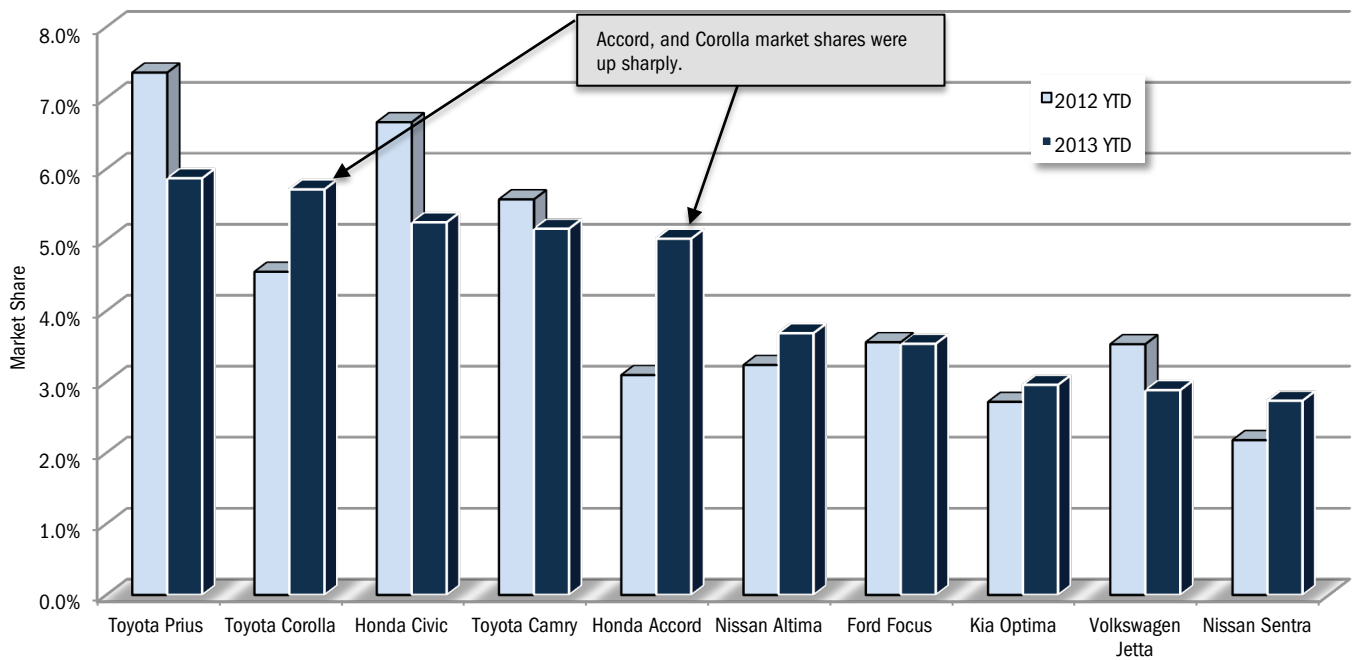
MODEL SCOREBOARD

Accord and Escape Post Big Market Share Gains

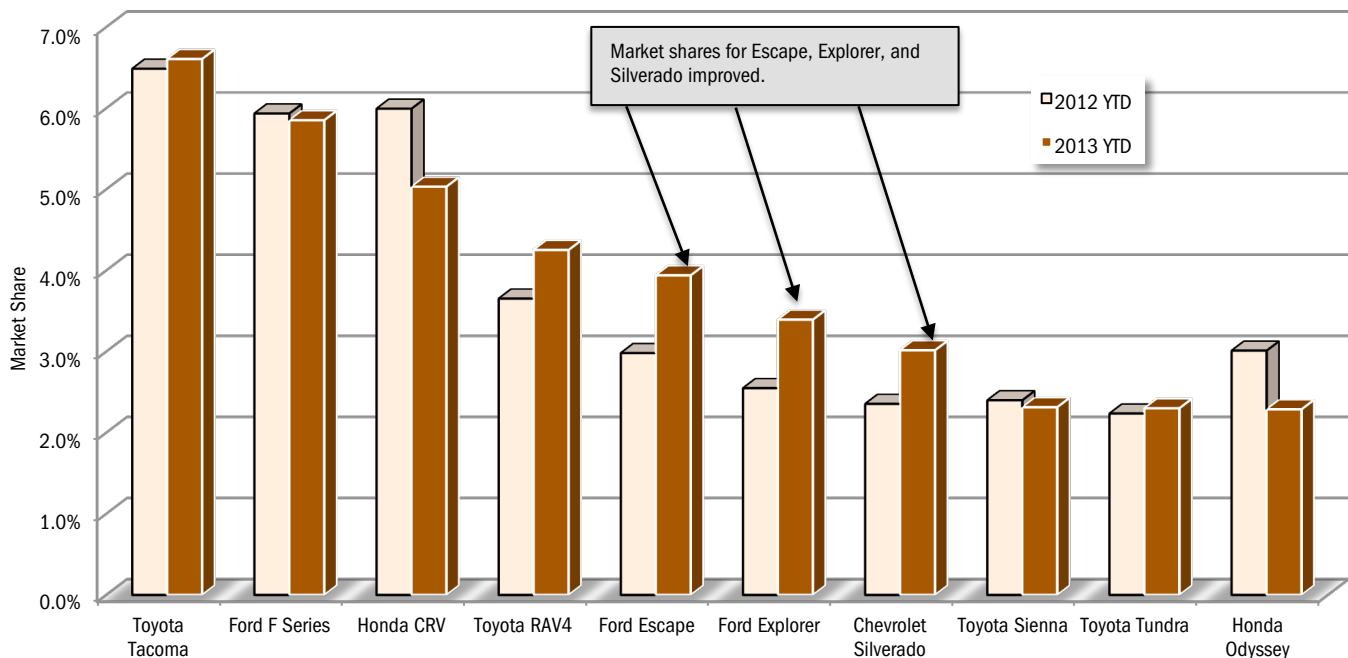
Tacoma is top-selling light truck

The two graphs below show market shares in the county car and light truck markets during the first two months of 2012 and 2013. Includes the top ten selling models for cars and light trucks.

Change in Market Share for Top 10 Selling Cars - YTD 2013 thru February vs. YTD 2012



Change in Market Share for Top 10 Selling Light Trucks - YTD 2013 thru February vs. YTD 2012



Source: Polk.

Brand Registrations Report
San Diego County New Retail Car and Light Truck Registrations

	First Quarter*						Annual Totals					
	Registrations			Market Share (%)			Registrations			Market Share (%)		
	1Q 2012	1Q 2013	% change	1Q 2012	1Q 2013	Change	2011	2012	% change	2011	2012	Change
TOTAL	28,856	31,754	10.0				99,255	126,570	27.5			
Cars	17,916	19,412	8.4	62.1	61.1	-1.0	59,380	78,922	32.9	59.8	62.4	2.6
Light Trucks	10,940	12,342	12.8	37.9	38.9	1.0	39,875	47,648	19.5	40.2	37.6	-2.6
Domestic Brands	6,944	8,109	16.8	24.1	25.5	1.4	23,808	29,798	25.2	24.0	23.5	-0.5
European Brands	4,609	5,087	10.4	16.0	16.0	0.0	17,072	21,636	26.7	17.2	17.1	-0.1
Japanese Brands	14,308	15,717	9.8	49.6	49.5	-0.1	49,103	62,888	28.1	49.5	49.7	0.2
Korean Brands	2,995	2,841	-5.1	10.4	8.9	-1.5	9,272	12,248	32.1	9.3	9.7	0.4
Acura	316	389	23.1	1.1	1.2	0.1	1,281	1,581	23.4	1.3	1.2	-0.1
Audi	468	523	11.8	1.6	1.6	0.0	1,596	2,015	26.3	1.6	1.6	0.0
BMW	903	1,143	26.6	3.1	3.6	0.5	3,968	4,551	14.7	4.0	3.6	-0.4
Buick	104	177	70.2	0.4	0.6	0.2	404	560	38.6	0.4	0.4	0.0
Cadillac	189	281	48.7	0.7	0.9	0.2	719	825	14.7	0.7	0.7	0.0
Chevrolet	1,453	1,574	8.3	5.0	5.0	0.0	5,134	6,414	24.9	5.2	5.1	-0.1
Chrysler	201	149	-25.9	0.7	0.5	-0.2	569	756	32.9	0.6	0.6	0.0
Dodge	413	571	38.3	1.4	1.8	0.4	1,169	1,661	42.1	1.2	1.3	0.1
FIAT	193	234	21.2	0.7	0.7	0.0	238	1,041	337.4	0.2	0.8	0.6
Ford	3,179	3,820	20.2	11.0	12.0	1.0	11,005	13,579	23.4	11.1	10.7	-0.4
GMC	271	345	27.3	0.9	1.1	0.2	1,114	1,178	5.7	1.1	0.9	-0.2
Honda	3,329	3,514	5.6	11.5	11.1	-0.4	11,346	14,070	24.0	11.4	11.1	-0.3
Hyundai	1,547	1,483	-4.1	5.4	4.7	-0.7	5,059	6,444	27.4	5.1	5.1	0.0
Infiniti	284	288	1.4	1.0	0.9	-0.1	1,418	1,408	-0.7	1.4	1.1	-0.3
Jaguar	53	54	1.9	0.2	0.2	0.0	175	170	-2.9	0.2	0.1	-0.1
Jeep	798	741	-7.1	2.8	2.3	-0.5	2,568	3,391	32.0	2.6	2.7	0.1
Kia	1,448	1,357	-6.3	5.0	4.3	-0.7	4,213	5,804	37.8	4.2	4.6	0.4
Land Rover	173	233	34.7	0.6	0.7	0.1	387	662	71.1	0.4	0.5	0.1
Lexus	791	816	3.2	2.7	2.6	-0.1	3,141	4,222	34.4	3.2	3.3	0.1
Lincoln	122	97	-20.5	0.4	0.3	-0.1	442	462	4.5	0.4	0.4	0.0
MINI	286	267	-6.6	1.0	0.8	-0.2	1,166	1,247	6.9	1.2	1.0	-0.2
Mazda	728	796	9.3	2.5	2.5	0.0	2,679	3,122	16.5	2.7	2.5	-0.2
Mercedes	799	865	8.3	2.8	2.7	-0.1	3,313	3,861	16.5	3.3	3.1	-0.2
Mitsubishi	126	102	-19.0	0.4	0.3	-0.1	429	526	22.6	0.4	0.4	0.0
Nissan	2,315	2,667	15.2	8.0	8.4	0.4	8,231	9,820	19.3	8.3	7.8	-0.5
Other	119	177	48.7	0.4	0.6	0.2	335	531	58.5	0.3	0.4	0.1
Porsche	117	139	18.8	0.4	0.4	0.0	501	586	17.0	0.5	0.5	0.0
Ram	210	277	31.9	0.7	0.9	0.2	646	878	35.9	0.7	0.7	0.0
Subaru	457	676	47.9	1.6	2.1	0.5	1,515	2,247	48.3	1.5	1.8	0.3
Toyota/Scion	5,957	6,458	8.4	20.6	20.3	-0.3	19,024	25,876	36.0	19.2	20.4	1.2
Volkswagen	1,375	1,390	1.1	4.8	4.4	-0.4	4,797	6,367	32.7	4.8	5.0	0.2
Volvo	132	151	14.4	0.5	0.5	0.0	673	715	6.2	0.7	0.6	-0.1

*First Quarter figures are based on actual results for January and February, and an estimate for March.

Source: Polk

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USED VEHICLE MARKET REPORT

County Retail Used Registrations Slip in Early 2013

Used vehicle market declines while new vehicle market increases

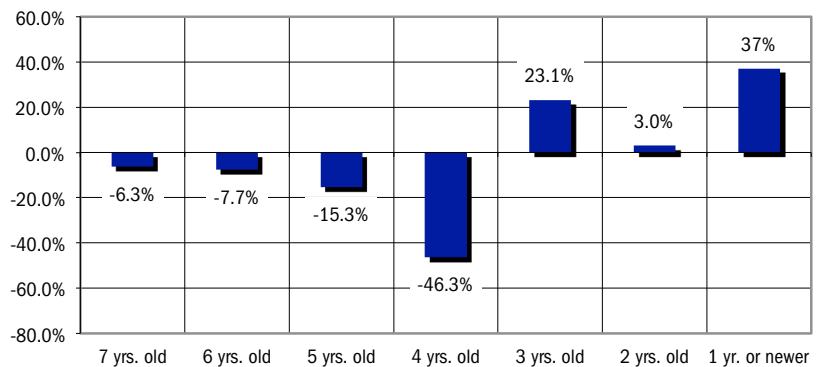
Below is a list of key trends in the San Diego County retail used vehicle market:

- Retail used registrations in the county declined 5.5% during the first two months of this year versus a year earlier
- As shown on the graph below, the county new vehicle market has been growing at a faster pace than the used market for the past four years. New vehicle registrations increased 27.5% in 2012, while used were up just 2.8%.
- The sharp decline in new vehicle sales for 2009 has led to short supplies of four year old vehicles, leading to the 46.3% drop in four year vehicle registrations.
- Used light truck registrations fell 5.9%, while cars were off 5.2%.
- Korean brand registrations increased 8.3%. Detroit Three, Japanese, and European brands declined.
- Toyota Corolla was the best-selling model in the county for vehicles three and four years old.
- Used registrations for Hyundai, Lexus, and Volkswagen increased during the first two months of this year.

San Diego County Retail Used Light Vehicle Registrations YTD thru February					
	Registrations		% Change '12 TO '13	Market Share	
	YTD '12	YTD '13		YTD '12	YTD '13
TOTAL	55,273	52,235	-5.5%		
Cars	33,031	31,306	-5.2%	59.8%	59.9%
Light Trucks	22,242	20,929	-5.9%	40.2%	40.1%
Detroit Three	22,178	19,871	-10.4%	40.1%	38.0%
European	8,096	8,057	-0.5%	14.6%	15.4%
Japanese	23,086	22,236	-3.7%	41.8%	42.6%
Korean	1,913	2,071	8.3%	3.5%	4.0%

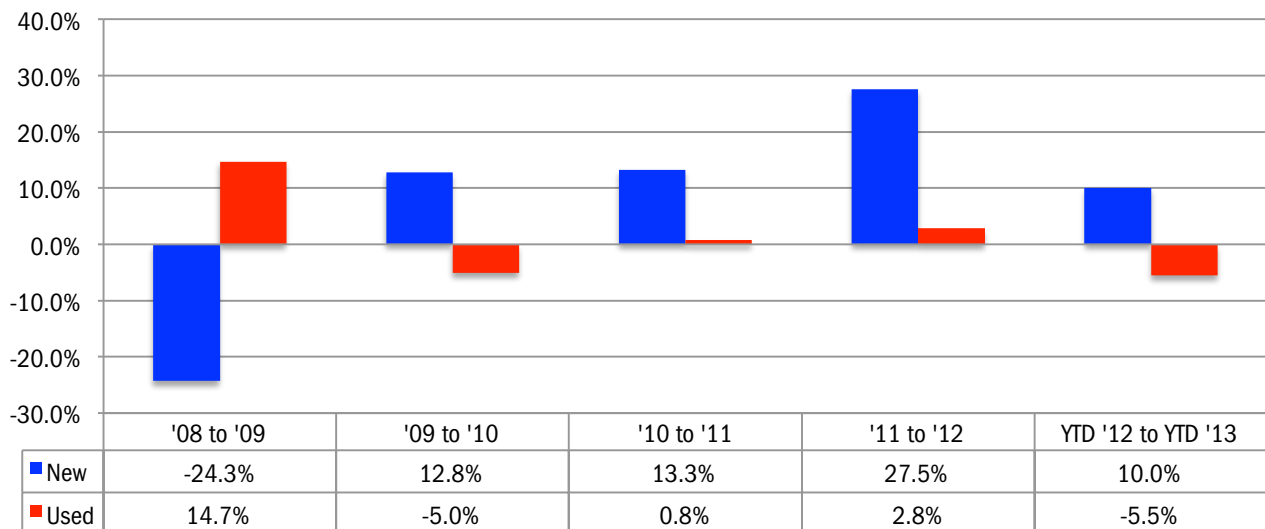
Source: Polk.

Percent Change in County Retail Used Registrations by Vehicle Age, YTD 2013 thru February vs. YTD 2012



Source: Polk.

Percent Change in San Diego County New and Used Retail Registrations



YTD used registrations are thru February. YTD new registrations are thru March. (March was estimated.)

Source: Polk.

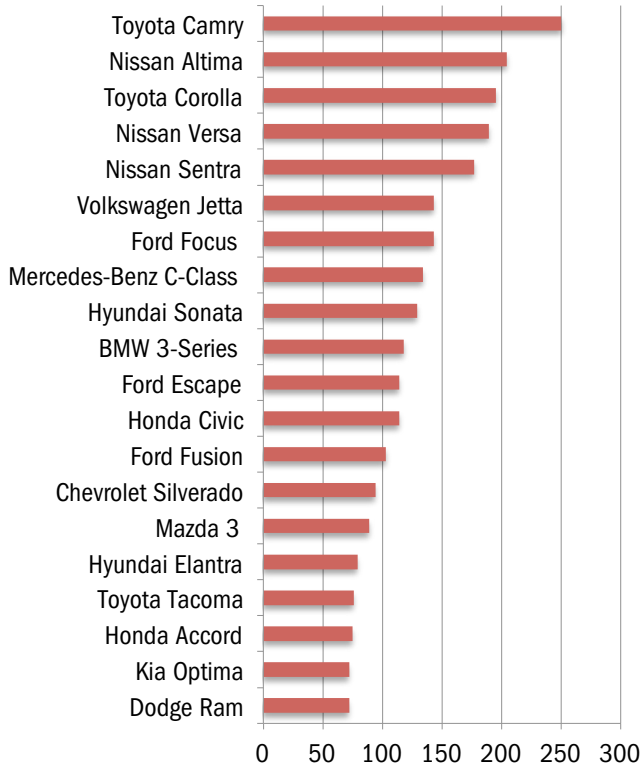
TOP SELLING MODELS

Camry and Corolla Are Leaders in Nearly New Market

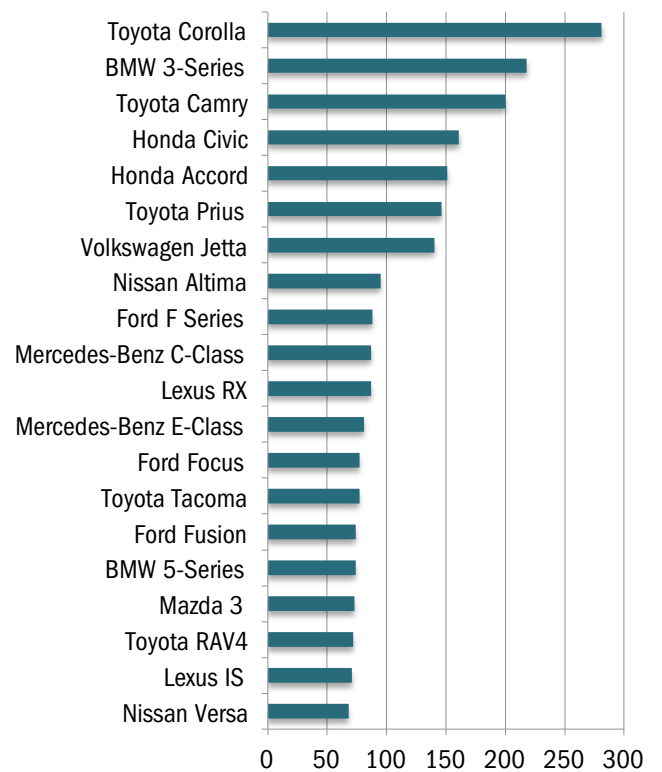
Nissan Altima is in second place for 2 year old or newer vehicles

The graphs below show top selling models in two age categories: vehicles two years old or newer, and three and four year old vehicles.
Source: Polk.

Top 20 Selling Models (Two years old or newer)
Used retail registrations, YTD '13 thru February



Top 20 Selling Models (3 and 4 years old)
Used retail registrations, YTD '13 thru February



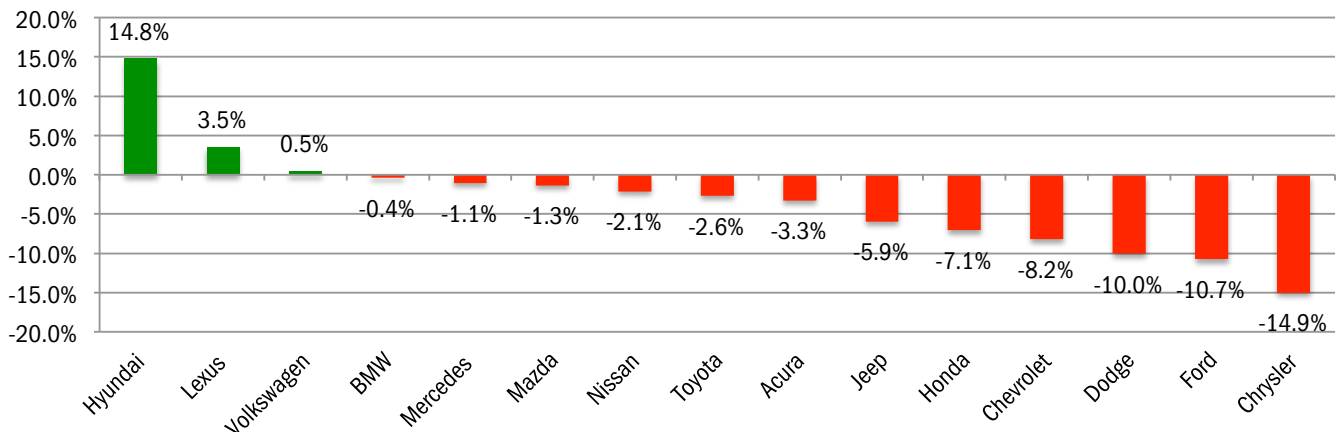
USED VEHICLE BRAND SCOREBOARD

Hyundai has Biggest Increase in Used Vehicle Market

Lexus and Volkswagen also have gains

The graph below shows the percent change in used registrations for the top 15 selling makes during the first two months of this year vs. year earlier.

Percent Change in Used Registrations (top 15 brands in county) - YTD '13 thru February vs. YTD '12



Source: Polk.