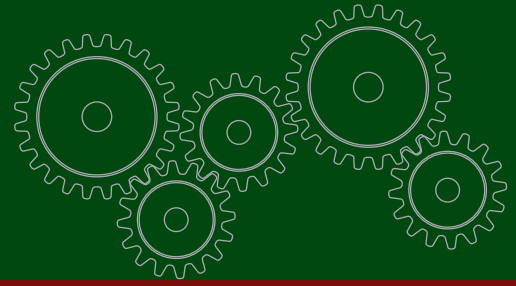




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Accelerate Your Business →

Auto Industry Factoids

March 2007

OVERALL INDUSTRY:

- Hybrids are losing traction-sales are soft-because the premium one has to pay-\$3,000 to \$4,000-just doesn't compute. For example, with gas at \$2.50 a gallon, it would take 10 years to recoup the extra \$3,000 cost of the Honda Accord hybrid.
- Projections are that crossover sales will hit three million by 2010, up from 500,000 in 2000.
- Domestic/import market share for just month of January: Domestic-50.6% (lowest ever-vs. 55.7% prior January); Imports-49.4%.
- "Japan Brands Again Sweep Consumer Reports Rankings:" April issue is their Annual Auto Issue; All Top 10 picks were Japanese/ Toyota had 4, Honda 3.
- 2008 Model Vehicles have new-and lower-EPA mileage figures. New EPA tests reflect more "real world" numbers-by factoring in higher speeds, use of air conditioning, etc.- reduce estimated city mpg by 12%, highway mpg by 8%. Hybrids drop even more, 30% for city/20% for highway.
- February new-car and light truck sales overall were down 0.5% compared to February 2006: GM up 3.7% (despite a decrease in fleet sales that applied to all of the Big Three) on the heels of an 11% increase in "retail sales;" Ford down 13.4%, DaimlerChrysler off 7.7%, Toyota up 12.2%.
- New vehicle sales per franchise for 2006: BMW-795; Dodge-379; Ford-637; Chevrolet-591; Honda-1,284; Toyota-1,459.

FORD:

- Ford selling 85% of its interest in Aston Martin for \$925 million. Merrill Lynch estimates of the value of its other import brands should they decide to sell them: Jaguar and Land Rover combined-\$1.5 billion; Volvo-\$8 billion; no figure cited for the 30% plus interest that they have in Mazda.





CHRYSLER:

- February 14 restructuring plan announced that will cut 13,000 jobs-11,000 blue-collar and 2,000 white collar-by 2009. Assembly plant capacity will be reduced by 400,000 units.
- Jeep's new 4-door Wrangler is a huge success-the March 5 issue of Automotive News said that dealers have a "0 days' supply," now accounts for 66% of Wrangler sales. Through February, Wrangler sales for the first two months of 2007 are up 63% over 2006. The two-door version had commonly been referred to as a "box on shocks."
- March 6 NY Times reported that the financing arm of the Chrysler Group could also be sold (much as GM sold GMAC, Ford has Ford Credit pledged against its huge borrowing).

TOYOTA:

- Health care costs alone add \$1,200 to the cost of each car GM builds in the U.S. (similar # applies to Ford and Chrysler); Toyota's health care costs are about \$200 per car. In total, Toyota has a stunning \$1,800 profit-per-car advantage over GM in the U.S.
- Toyota also has \$36 billion of cash on hand and a stock market value of more than \$200 billion (about 12 times the value of GM's shares).

BMW:

- BMW of North America recently announced that its captive finance company is launching a new business unit-Alpha Financial services-that will extend its services to BMW dealers' other vehicle lines. At least 90% of BMW's 339 U.S. dealerships sell other brands.

CAR RENTAL:

- "Car Rental Prices Can Change In A Heartbeat" (USA Today, March 13, 2007). Prices can change many times during the day, rising 50% or more, or dropping at least 20%, within 24 hours. WHY: customers' increased use of the Internet to monitor prices and make reservations has caused car rental companies to adjust their rates more frequently. Competitors' prices are more transparent and adjustments are needed to remain competitive. Prices for the cars in highest demand change most often.
- Dollar Thrifty Automotive Group is in merger talks with Vanguard Car Rental, owner of the National and Alamo chains; both are based in Tulsa. If completed, the deal would create the third largest rental company in the U.S. behind Enterprise and Hertz. The deal would most likely be a reverse takeover, so that Vanguard would be the controlling shareholder.

