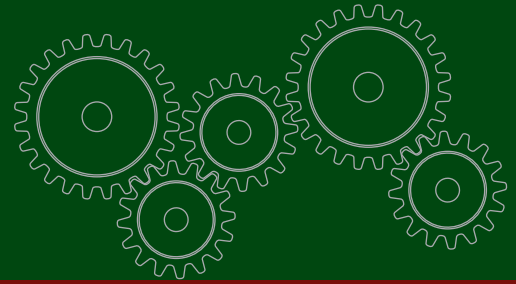




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*Accelerate Your Business* →

### May 2007

#### OVERALL INDUSTRY:

- For the first quarter of 2007 worldwide, Toyota outsold General Motors for the first time ever (by 90,000 vehicles: 2.35 million to 2.26).
- April U.S. auto industry sales, compared to April 2006, were down 7.6% with almost everyone down. GM down 9.5%, Ford down 12.9%, DC up 1.2% (heavily discounted minivans in the heart of minivan season-pre vacation planning-with Jeep Wrangler and Compass also selling very well), Toyota down 4.3%, Honda down 9.1%, Nissan down 18%, BMW flat.
- Major factors in the sales decline: gas prices (jumped 29 cents a gallon in April alone) housing (falling home values for home equity loans and mortgage rate resets on variable rates leading to higher monthly payments) and no pent up demand (in the last six full calendar years, 102 million new cars and light trucks have been sold in the U.S.-and the highest quality ever-so demand, rather than being pent up, is "spent up").
- 10 of the 11 "fastest selling" new vehicles (based on the fewest days to turn on the dealers' lots) for March (April chart next week) were imports. The one domestic was the Chrysler Crossfire (which is on a Mercedes platform). Five fastest sellers: Honda CR-V, Honda Fit, Mercedes-Benz G-Class, BMW X3 and BMW X5. 4 of the remaining 6 were Toyota/Lexus models.
- Fleet share as % of total vehicle sales by manufacturer (shows heavy dependence of the Detroit Three on fleet-car rental and government/business sales). For the period September 2006 through February 2007: GM-26.6%; Ford-32.8%; Chrysler Group-34.3% (Chrysler, Dodge and Jeep; Chrysler just by itself = 48.5%); Toyota-9.9%; Honda-1.9% and Nissan 15.1%. Total industry = 21.6%.

#### GENERAL MOTORS:

- The brand new 2008 Buick Enclave crossover SUV-which just went into production the week of April 16 and is just starting to reach dealerships-already has a \$1,000 rebate. That is how competitive the new vehicle market is.



# Auto Industry Factoids

## DAIMLER CHRYSLER:

- On April 3, DC told its dealers that those who fail to meet 50% of their monthly sales quota for new vehicles will be banned from Chrysler's factory auctions. Currently, 13% of Chrysler group dealers are failing to meet their minimum monthly new vehicle sales targets. This program is effective starting July 1.
- "Buyer Beware At Chrysler," April 23, 2007 issue of Business Week. Sub-head: "Whoever buys the carmaker Daimler is ditching won't get a stand-alone company." Couple of examples: future tech: Daimler currently handles most advanced R&D, leaving an independent Chrysler short on new technology; know-how: Under Daimler, Chrysler outsourced the core engineering work for compacts and family cars to Mitsubishi; critical mass: by itself, Chrysler sales are too small to compete with the economies of scale enjoyed by GM and Toyota.