



Maryland Auto Outlook™

Sponsored by: Maryland Automobile Dealers Association

FORECAST

Maryland Market Shows Signs of Rebound in First Quarter

7.1% increase predicted for all of 2010

Following a dismal 2009, the Maryland new retail light vehicle market seemed to turn the corner during the First Quarter of this year. New retail light vehicle registrations in the state declined 6.7% in the First Quarter of this year versus a year earlier, but that decline was attributable to the winter storms in February. March registrations increased by a healthy 8% compared to 2009.

The key question on dealers' minds is: Will this momentum continue for the remainder of the year? Or, is it a brief period of elevated sales that will be followed by another slump? Auto Outlook is confident that the First Quarter sales gains are indeed a sign of better times to come. Many key forecast determinants point to a sustained recovery in Maryland new vehicle sales. Following are three main reasons why the market is likely to trend higher for the foreseeable future:

1. Pent up demand is at record high levels. Indicators of pent up demand (vehicle purchases that were postponed during the recession) have reached record-high levels. Low sales for the past

two years are unsustainable. Replacement demand alone practically guarantees that the market will head higher.

2. The economy is improving. Just about all economists expect the economy to expand for at least the next 12 to 18 months. And some are predicting strong growth, with consequential improvements in the labor market (i.e, increasing payrolls and declining unemployment).

3. New vehicle affordability is strong. Low interest rates, aggressive incentives, and respectable household income levels have contributed to make a new vehicle purchase very affordable for many shoppers.

These primary indicators point squarely to improving sales. But given high unemployment rates, shaky consumer confidence, and still-high household debt levels, the sales recovery is likely to be gradual, with sales remaining below historically average levels for quite some time.

Market Trends

State new retail registrations predicted to approach 174,000 units in '10

The total represents a 7.1% increase from '09, but is over 88,000 units below the 2005 figure.

Subaru, Ford, Hyundai, and Kia post consistent gains in Maryland market

Each of the brands had big sales gains in the First Quarter of 2010 (see page 4).

Compact SUV segment gains market share

Market share for the segment increased two share points in the First Quarter of this year versus a year earlier.

Annual Trend in Maryland New Vehicle Market



The graph above shows annual new retail light vehicle registrations in Maryland from 2005 thru 2009, and Auto Outlook's projection for 2010.

Data Source: AutoCount data from Experian Automotive.

Market Summary

	2009	Forecast 2010	% Chg. '09 to '10	Mkt. Share 2010
TOTAL	162,283	173,728	7.1%	0.0%
Car	95,568	100,936	5.6%	58.1%
Light Truck	66,715	72,792	9.1%	41.9%
Detroit Three	46,952	49,680	5.8%	28.6%
Japanese	89,722	94,393	5.2%	54.3%
European	14,268	15,910	11.5%	9.2%
Korean	11,341	13,745	21.2%	7.9%

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

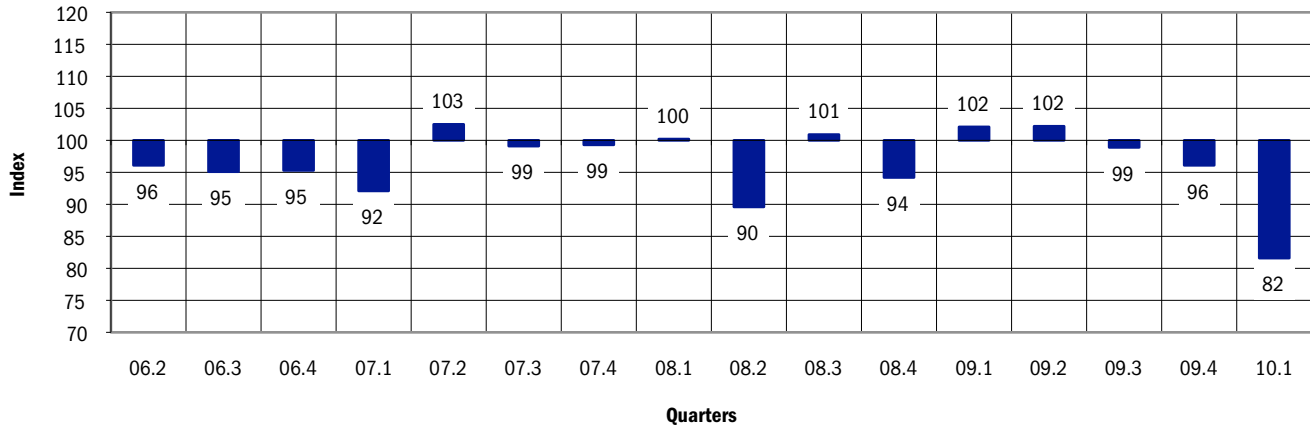
Historical data Source: AutoCount data from Experian Automotive.

QUARTERLY INDUSTRY RESULTS AND FORECASTS

State Market Predicted to Improve 12% in Second Half

Quarterly Market Performance Index fell to 82 in First Quarter as poor weather restricted sales

Quarterly Market Performance Index



The graph above shows the Maryland Quarterly Market Performance Index. The Index tracks the performance of the state's new retail light vehicle market relative to the U.S. market. When the Index is above 100, the state market had a better quarter than the U.S. But when the Index is below 100, the Maryland market was weaker.

Summary Table	08.1	08.2	08.3	08.4	09.1	09.2	09.3	09.4	10.1	10.2	10.3	10.4
Actual registrations	54,968	50,882	56,268	34,521	36,131	39,492	49,585	37,075	33,728	44,000	53,500	42,500
% change from year earlier	0.2%	-23.1%	-17.0%	-38.1%	-34.3%	-22.4%	-11.9%	7.4%	-6.7%	11.4%	7.9%	14.6%

The barrage of winter storms in February made it nearly impossible for the Maryland new vehicle market to move higher in the First Quarter of this year. New retail light vehicle registrations in the state declined 6.7% during the first three months of this year versus a year earlier, and the Quarterly Market Performance Index slipped to 82. The market improved in March, however, and is expected to trend higher for the remainder of the year. Shaded areas in the table represent forecast projections.

Maryland Auto Outlook

Covering First Quarter 2010

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WHO ARE MY TOP COMPETITORS?
-BY MARKET AREA?

WHAT NEW AND USED CARS SELL WELL IN MY MARKETS?

ANSWERS DRIVE RESULTS.

You need insights into your marketplace to make the best decisions to maximize profits. The AutoCount® Dealer Report analyzes full details on new and used competitive dealer market share, down to specific areas you define. You bring the questions. We'll bring the answers.



www.experianautomotive.com 888 211 5809

Experian Automotive is the data provider for Auto Outlook.

Explanation of Data

Data presented in Auto Outlook measures new vehicle registrations in Maryland. Monthly recording of registrations occurs when the data is processed.

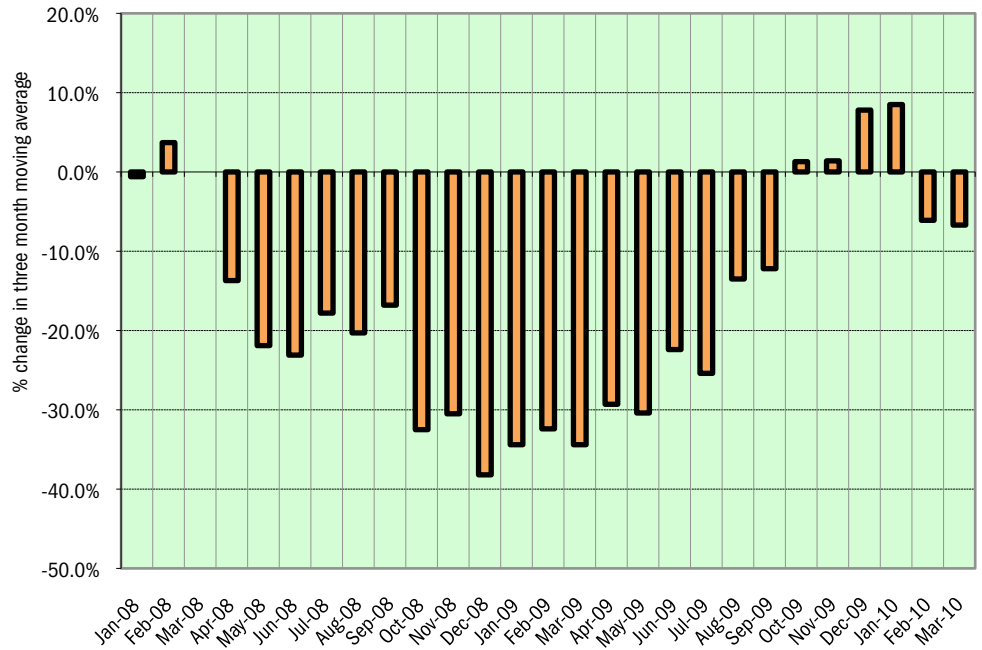
MARKET TRACKER

Market Sends Signal that Recovery is Underway

Percent change in three month moving average of new vehicle registrations turns the corner

The graph to the right provides a clear picture of the general trending direction of the state new retail light vehicle market. And as depicted on the graph, the trend is improving. The graph shows the year-over-year percent change in the three month moving average of new retail light vehicle registrations. The three month moving average provides a clearer picture of the trending direction than individual monthly registrations, which can fluctuate due to such factors as the timing of manufacturer incentive programs, weather, and vehicle title processing delays by governmental agencies. After declining by more than 10% from April of 2008 thru September of last year (and in some cases a lot more than 10%), the three month moving average increased from October of 2009 thru January of this year. Poor weather led to small declines in February and March.

Percent Change in Maryland New Retail Light Vehicle Registrations Three Month Moving Average versus Year Earlier



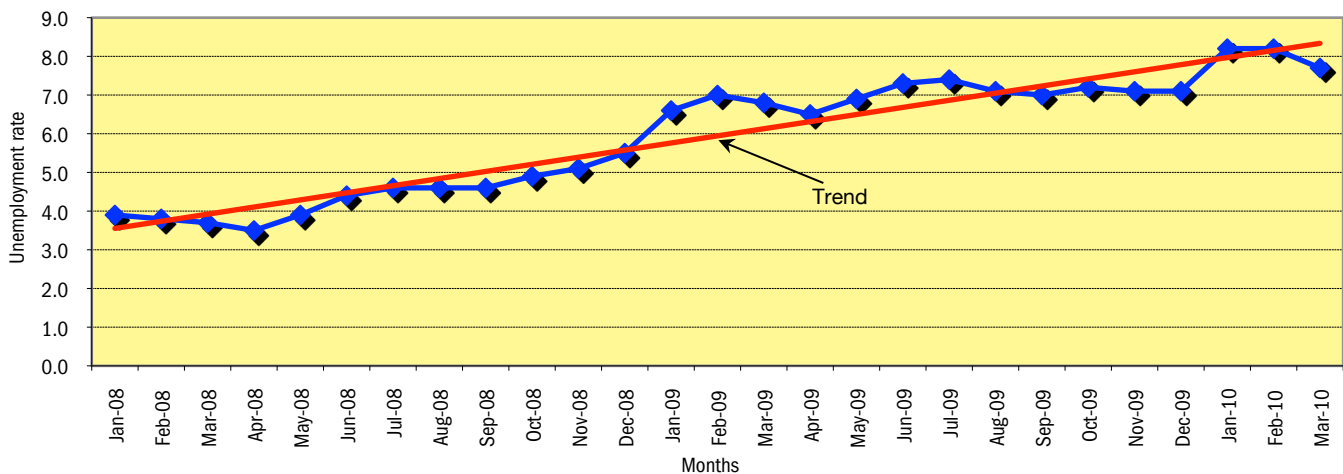
ECONOMIC UPDATE

Maryland Unemployment Rate is Well Below U.S.

State rate was 7.7% in March, two points below the Nation

As shown on the graph below, the Maryland labor market felt the negative impact from the severe economic recession that took hold in 2009. During a 26 month span, the state's unemployment rate increased from 3.9% in January of 2008, to 7.7% in March of this year. However, the rate has declined from 8.2% in January and February and was two points lower than in the Nation. Look for the unemployment rate to slide lower for the remainder of this year. Source: Bureau of Labor Statistics.

Maryland Unemployment Rate - January 2008 thru March 2010



BRAND SCOREBOARD PART 1

Subaru, Ford, Hyundai, and Kia Post Consistent Gains

GMC, Buick, Audi, Volvo and Land Rover also rank high

The table below presents a well-rounded picture of brand sales performance. Two primary measures are displayed and rated. The first, entitled "Longer Term Results," represents the percent change in new retail light vehicle registrations during the past six months (October 2009 thru March of 2010) versus the same period a year earlier. Brands are then rated (from highest to lowest), using a 1 to 5 scale.

Brands having the highest increases in registrations receive a 5 rating, and those with the largest declines get a rating of 1.

The second measure, "Shorter Term Results," represents the percent change in registrations from the Fourth Quarter of 2009 to the First Quarter of this year. Brands are also ranked on the same 1 to 5 scale.

The last column in the table is the sum of the ratings for Longer Term and Shorter Term sales growth. Brands at the top of the table had relatively large year-over-year sales gains (or smaller declines), and gained some momentum during the past two quarters.

Subaru was the only brand to receive the highest combined rating of 10.

Maryland New Retail Light Vehicle Registrations and Market Results									
Brand	Longer Term Results Oct '09 thru Mar '10 vs. Year Earlier				Shorter Term Results 4Q '09 vs. 1Q '10				Combined Rating (10 is high)
	10/08 to 3/09	10/09 to 3/10	% Change	Rating (5 is high)	4Q '09 regs.	1Q '10 regs.	% Change	Rating (5 is high)	
Subaru	1,424	2,117	48.7%	5	992	1,125	13.4%	5	10
Ford	6,173	7,383	19.6%	5	3,684	3,699	0.4%	4	9
Hyundai	2,987	3,603	20.6%	5	1,752	1,851	5.7%	4	9
Kia	1,061	1,225	15.5%	4	566	659	16.4%	5	9
GMC	1,170	1,185	1.3%	3	551	634	15.1%	5	8
Buick	513	599	16.8%	4	286	313	9.4%	4	8
Audi	484	569	17.6%	4	271	298	10.0%	4	8
Volvo	369	473	28.2%	5	237	236	-0.4%	3	8
Land Rover	168	198	17.9%	5	99	99	0.0%	3	8
Chevrolet	6,007	6,227	3.7%	3	3,061	3,166	3.4%	4	7
Nissan	4,301	5,537	28.7%	5	2,913	2,624	-9.9%	2	7
Volkswagen	1,638	1,804	10.1%	4	949	855	-9.9%	3	7
Jeep	1,502	1,135	-24.4%	2	457	678	48.4%	5	7
Lexus	2,039	2,167	6.3%	4	1,163	1,004	-13.7%	2	6
Dodge	2,393	1,401	-41.5%	1	667	734	10.0%	5	6
Infiniti	706	740	4.8%	3	374	366	-2.1%	3	6
Mitsubishi	473	348	-26.4%	1	157	191	21.7%	5	6
Honda	10,855	11,258	3.7%	3	6,116	5,142	-15.9%	2	5
Mercedes	1,429	1,682	17.7%	4	936	746	-20.3%	1	5
Cadillac	697	549	-21.2%	2	279	270	-3.2%	3	5
Mercury	415	283	-31.8%	1	136	147	8.1%	4	5
Porsche	81	79	-2.5%	3	43	36	-16.3%	2	5
Mazda	1,918	1,687	-12.0%	2	892	795	-10.9%	2	4
BMW	1,243	1,190	-4.3%	3	662	528	-20.2%	1	4
Chrysler	1,043	409	-60.8%	1	205	204	-0.5%	3	4
Lincoln	389	362	-6.9%	2	193	169	-12.4%	2	4
Toyota/Scion	15,141	14,312	-5.5%	2	8,055	6,257	-22.3%	1	3
Acura	1,512	1,380	-8.7%	2	778	602	-22.6%	1	3
MINI	441	264	-40.1%	1	161	103	-36.0%	1	2
Pontiac	708	172	-75.7%	1	130	42	-67.7%	1	2

BRAND SCOREBOARD PART 2

Toyota and Honda are Relatively Strong Performers in State

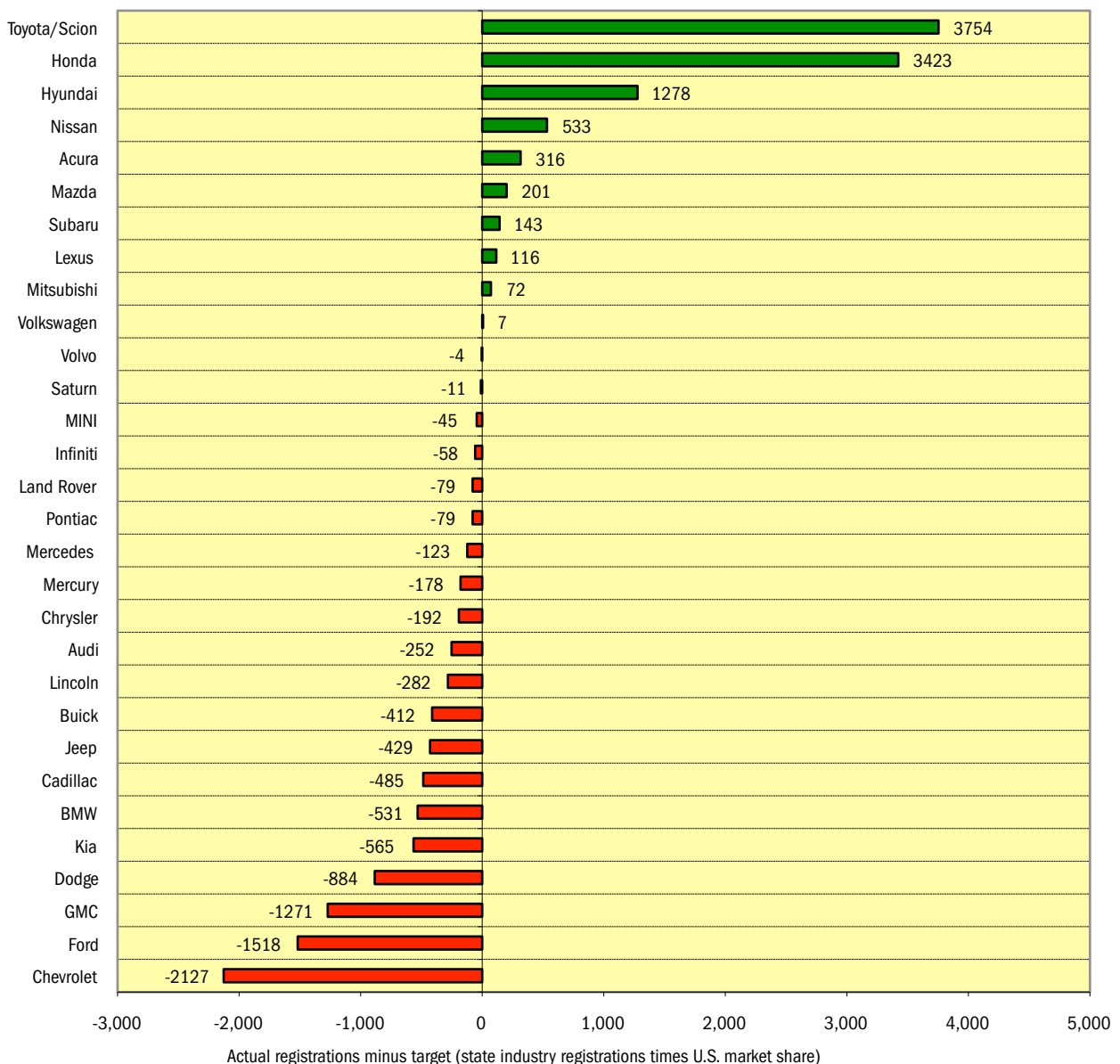
Chevrolet and Ford market share well below National

The graph below provides an indicator of brands that are popular in Maryland (relative to the National standard), and those that are not. Here's how it works: For the top 30 selling brands in the state, each brand's share of the U.S. market is multiplied by retail registrations in the state during the past six months

(October 2009 thru March of this year). This yields a "target" for the state market. Target registrations are subtracted from actual registrations to derive the measurement of sales performance.

Brands at the top of the graph (i.e., Toyota/Scion, Honda, and Hyundai) are relatively strong sellers in the state, with actual registrations exceeding the calculated target by a large margin. For instance, Toyota/Scion registrations exceeded the calculated target by 3,754 units.

Maryland Retail Market Performance based on registrations for Oct 2009 thru March 2010
Actual registrations minus target (state industry registrations times U.S. market share)



SEGMENT WATCH

Compact SUV Market Share Moves Higher

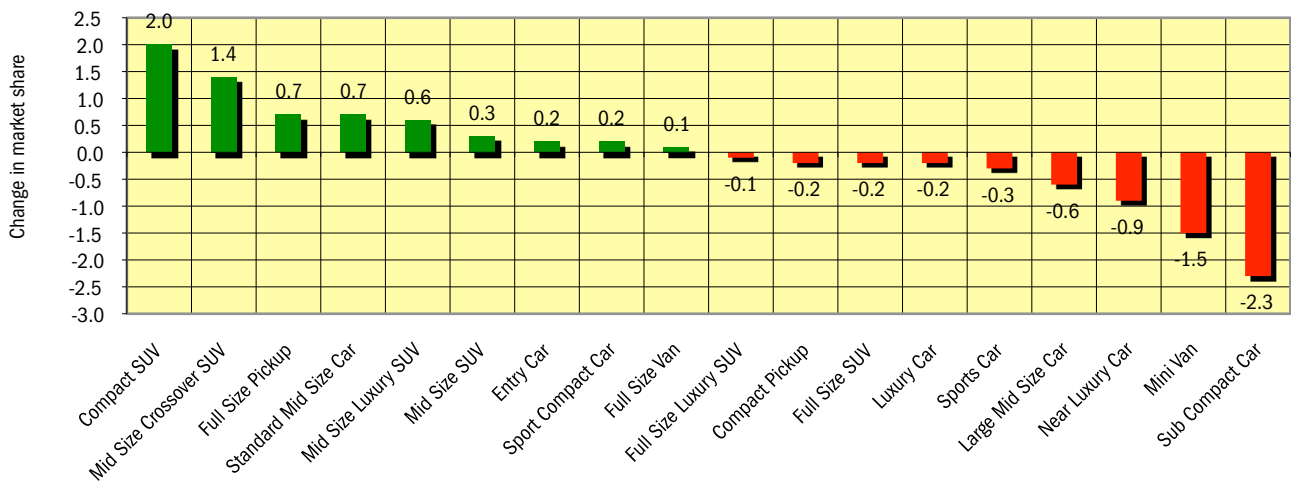
Mid Size Crossover SUV segment also has large increase

The graph below shows the change in market share for 18 primary segments during the first three months of this year versus the same period a year earlier. The segment gaining

the most ground in Maryland so far this year was Compact SUV, with market share increasing from 10.9% in the First Quarter of 2009 to 12.9% this year, an increase of two share

points. Other segments posting relatively large increases were Mid Size Crossover SUV, Full Size Pickup, Standard Mid Size Car, and Mid Size Luxury SUV.

Change in Maryland Segment Market Share - YTD 2010 thru March vs. YTD 2009



BEST SELLERS

Honda Accord Best Selling Car in State Market

Ford F-Series best selling light truck

The table on the right shows the top 15 selling car and light trucks in the Maryland market during the First Quarter of this year. The best-selling car was Honda Accord, followed by Toyota Camry, Toyota Corolla/Matrix, Honda Civic, and Nissan Altima. The top six selling cars were import brand models.

Ford F-Series was the best-selling light truck, followed by Honda CRV, Toyota RAV4, Chevrolet Silverado, Honda Pilot, and Honda Odyssey.

Source: AutoCount data from Experian Automotive.

Top 15 Selling Car and Light Trucks in Maryland					
YTD 2010 thru March					
Cars			Light Trucks		
Rank	Model	Registrations	Rank	Model	Registrations
1	Honda Accord	1456	1	Ford F-Series	1144
2	Toyota Camry	1243	2	Honda CRV	1001
3	Toyota Corolla/Matrix	1130	3	Toyota RAV4	736
4	Honda Civic	1107	4	Chevrolet Silverado	556
5	Nissan Altima	662	5	Honda Pilot	536
6	Subaru Legacy	573	6	Honda Odyssey	527
7	Chevrolet Malibu	561	7	Ford Escape	494
8	Hyundai Sonata	549	8	Toyota Highlander	486
9	Ford Fusion	513	9	Hyundai Santa Fe	456
10	Toyota Prius	467	10	Lexus RX	447
11	Mazda 3	422	11	Chevrolet Equinox	432
12	Hyundai Elantra	403	12	Toyota Tacoma	424
13	Ford Focus	392	13	Toyota Sienna	378
14	Nissan Versa	384	14	Subaru Forester	372
15	Volkswagen Jetta	348	15	Chevrolet Traverse	354

COUNTY SCOREBOARD

Most County Markets Decline in First Quarter of 2010

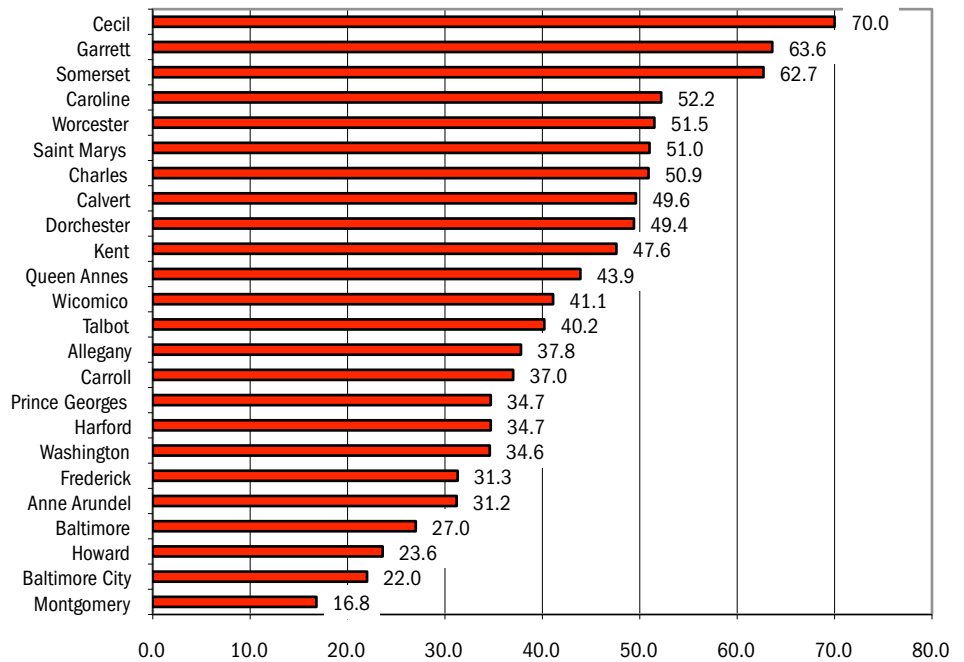
Detroit Three market share highest in Cecil County

The table below and graph to the right provide a thorough summary of each of Maryland's 24 county new retail light vehicle markets. This county-level information provides a valuable perspective on local market performance, and a barometer to evaluate the sales performance of your dealership.

The table below shows new retail light vehicle registrations during the first three months of this year, as well as light truck market share in each county. The graph shows Detroit Three market share in each county.

Conclusions: Registrations increased in just three counties - Worcester, Garrett, and Carroll. Detroit Three market was highest in Cecil County and lowest in Montgomery.

Detroit Three Market Share: YTD 2010 thru March



Source: AutoCount data from Experian Automotive.

COUNTY MARKET REVIEW								
	Registrations (YTD thru March)		Percent Change		Unit Change		Light Truck Market Share (%)	
	YTD 2009	YTD 2010	YTD 2009 to YTD 2010	YTD 2009 to YTD 2010	YTD 2009	YTD 2010	Change '09 to '10	
Allegany	279	275	-1.4%	-4	54.1	57.5	3.4	
Anne Arundel	4,180	4,013	-4.0%	-167	48.3	51.4	3.1	
Baltimore	5,623	5,406	-3.9%	-217	42.5	46.6	4.1	
Baltimore City	2,274	1,405	-38.2%	-869	34.9	38.1	3.2	
Calvert	819	675	-17.6%	-144	50.1	56.0	5.9	
Caroline	170	157	-7.6%	-13	60.0	59.2	-0.8	
Carroll	1,226	1,238	1.0%	12	50.1	54.5	4.4	
Cecil	357	327	-8.4%	-30	50.4	55.0	4.6	
Charles	952	814	-14.5%	-138	49.5	51.2	1.7	
Dorchester	182	154	-15.4%	-28	60.4	58.4	-2.0	
Frederick	1,661	1,595	-4.0%	-66	48.7	53.0	4.3	
Garrett	127	129	1.6%	2	79.5	71.3	-8.2	
Harford	2,046	1,987	-2.9%	-59	46.5	48.8	2.3	
Howard	2,419	2,330	-3.7%	-89	42.3	45.0	2.7	
Kent	86	82	-4.7%	-4	59.3	54.9	-4.4	
Montgomery	7,158	6,659	-7.0%	-499	40.5	43.9	3.4	
Prince Georges	3,567	3,008	-15.7%	-559	40.6	45.1	4.5	
Queen Annes	305	296	-3.0%	-9	54.8	57.4	2.6	
Saint Marys	750	669	-10.8%	-81	53.7	59.8	6.1	
Somerset	73	59	-19.2%	-14	60.3	54.2	-6.1	
Talbot	280	241	-13.9%	-39	57.9	56.4	-1.5	
Washington	743	636	-14.4%	-107	50.7	47.3	-3.4	
Wicomico	515	406	-21.2%	-109	51.1	54.9	3.8	
Worcester	336	363	8.0%	27	55.7	48.2	-7.5	

Maryland New Retail Car and Light Truck Registrations - History and Forecast										
	Registrations					Market Share				
	Units			Percent Change		Share (%)			Change	
	2008	2009	Forecast 2010	'08 to '09	'09 to '10	2008	2009	Forecast 2010	'08 to '09	Forecast '09 to '10
TOTAL	196,639	162,283	173,728	-17.5%	7.1%					
Acura	3,840	3,030	2,829	-21.1%	-6.6%	2.0	1.9	1.6	-0.1	-0.3
Audi	1,095	1,132	1,596	3.4%	41.0%	0.6	0.7	0.9	0.1	0.2
BMW	3,791	2,723	2,750	-28.2%	1.0%	1.9	1.7	1.6	-0.2	-0.1
Buick	1,493	1,026	1,426	-31.3%	39.0%	0.8	0.6	0.8	-0.2	0.2
Cadillac	2,050	1,176	1,231	-42.6%	4.7%	1.0	0.7	0.7	-0.3	0.0
Chevrolet	17,413	14,067	15,888	-19.2%	12.9%	8.9	8.7	9.1	-0.2	0.4
Chrysler	3,374	1,820	1,278	-46.1%	-29.8%	1.7	1.1	0.7	-0.6	-0.4
Dodge	6,184	4,574	3,619	-26.0%	-20.9%	3.1	2.8	2.1	-0.3	-0.7
Ford	15,958	14,939	19,223	-6.4%	28.7%	8.1	9.2	11.1	1.1	1.9
GMC	3,298	2,109	2,643	-36.1%	25.3%	1.7	1.3	1.5	-0.4	0.2
Honda	30,595	26,766	28,666	-12.5%	7.1%	15.6	16.5	16.5	0.9	0.0
Hummer	215	60	10	-72.1%	-83.3%	0.1	0.0	0.0	-0.1	0.0
Hyundai	8,390	8,675	10,501	3.4%	21.0%	4.3	5.3	6.0	1.0	0.7
Infiniti	2,007	1,341	1,685	-33.2%	25.7%	1.0	0.8	1.0	-0.2	0.2
Isuzu	117	27	12	-76.9%	-55.6%	0.1	0.0	0.0	-0.1	0.0
Jaguar	257	177	170	-31.1%	-4.0%	0.1	0.1	0.1	0.0	0.0
Jeep	4,069	2,805	2,662	-31.1%	-5.1%	2.1	1.7	1.5	-0.4	-0.2
Kia	2,550	2,666	3,244	4.5%	21.7%	1.3	1.6	1.9	0.3	0.3
Land Rover	419	377	392	-10.0%	4.0%	0.2	0.2	0.2	0.0	0.0
Lexus	4,779	4,261	4,233	-10.8%	-0.7%	2.4	2.6	2.4	0.2	-0.2
Lincoln	866	787	777	-9.1%	-1.3%	0.4	0.5	0.4	0.1	-0.1
Mazda	5,188	4,211	4,203	-18.8%	-0.2%	2.6	2.6	2.4	0.0	-0.2
Mercedes	4,035	3,410	3,810	-15.5%	11.7%	2.1	2.1	2.2	0.0	0.1
Mercury	1,071	901	775	-15.9%	-14.0%	0.5	0.6	0.4	0.1	-0.2
MINI	1,072	805	708	-24.9%	-12.0%	0.5	0.5	0.4	0.0	-0.1
Mitsubishi	1,327	954	880	-28.1%	-7.8%	0.7	0.6	0.5	-0.1	-0.1
Nissan	14,850	11,676	13,950	-21.4%	19.5%	7.6	7.2	8.0	-0.4	0.8
Pontiac	2,261	1,512	79	-33.1%	-94.8%	1.1	0.9	0.0	-0.2	-0.9
Porsche	239	182	195	-23.8%	7.1%	0.1	0.1	0.1	0.0	0.0
Saab	209	89	59	-57.4%	-33.7%	0.1	0.1	0.0	0.0	-0.1
Saturn	2,392	1,176	69	-50.8%	-94.1%	1.2	0.7	0.0	-0.5	-0.7
smart	431	315	114	-26.9%	-63.8%	0.2	0.2	0.1	0.0	-0.1
Subaru	3,350	3,892	4,826	16.2%	24.0%	1.7	2.4	2.8	0.7	0.4
Suzuki	346	317	177	-8.4%	-44.2%	0.2	0.2	0.1	0.0	-0.1
Toyota/Scion	41,644	33,247	32,932	-20.2%	-0.9%	21.2	20.5	19.0	-0.7	-1.5
Volkswagen	4,101	4,042	4,846	-1.4%	19.9%	2.1	2.5	2.8	0.4	0.3
Volvo	1,189	958	1,208	-19.4%	26.1%	0.6	0.6	0.7	0.0	0.1
Others	174	58	62	-66.7%	6.9%	0.1	0.0	0.0	-0.1	0.0

Historical Data Source: AutoCount, an Experian Company

Maryland Auto Outlook

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