

NADA DATA

STATE-OF-THE-INDUSTRY REPORT 2012



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NADA DATA

NEW LIGHT-VEHICLE SALES INCREASED IN 2011 to 12.7 million units from the previous year's 11.55 million units. Sales should improve by about 10 percent in 2012. Typical dealerships saw sales increases in all departments for the year, led by new-vehicle sales, and costs moderated in relation to new-vehicle sales volume. Real GDP grew moderately, by 1.7 percent, in 2011. Unemployment was 8.5 percent at the end of 2011, dropping to 8.2 percent in March 2012. Consumer confidence generally trended upward in 2011 and early 2012.

In many states, residential housing price depreciation and financing difficulties continue, even as availability of financing for new-vehicle purchases has improved. The tragic Japan tsunami and flooding in Thailand contributed to a shortage of new light vehicles from overseas. Overall, many brands saw a lack of new cars developed, after strong selling rates in the first quarter of 2012. New-vehicle sales are soft in states with falling residential real estate values. The cost of borrowing for cars and homes remained moderate for 2011 and early 2012, as the Federal Reserve maintained very low short-term interest rates.

In 2011, vehicle sales continued to increase, driven by the need to replace a record-aged group of vehicles in service. Less-generous incentives, such as cash rebates, value pricing and subvented rate financing, were a feature of the market during the first quarter of 2012. Cars sold by subvented leases were increased by manufacturers worried about the supply of used vehicles for certified pre-owned programs. Used-car values continued to rise, according to *NADA Guides*, helping trade-in values for new-car customers. New light-duty sales of 12.7 million units in 2011 were 10.2 percent higher than in 2010. Rising gasoline prices pushed the mix of new-vehicle sales toward a greater percentage of cars in late 2011 and early 2012. New-vehicle sales should rise by more than 10 percent during 2012, as vehicle supply increases.

Total dealership dollar sales in 2011 exceeded \$609 billion, up modestly from 2010. Typical dealers added three employees in 2011, pushing total employment to 934,000, as few dealerships closed on a net basis. With many of these expenditures made locally, dealerships provided vital support to the economic well-being of their communities. Franchised dealers were also major payers and generators of federal, state and local tax revenue, as well as major contributors of both time and money to local and regional charities.

Note: The *NADA Industry Analysis Division* (Paul Taylor, chief economist) prepares NADA Data. Contact NADA Industry Analysis, 8400 Westpark Drive, McLean, VA 22102, call 800.252.NADA, or e-mail industryrelations@nada.org.

About this special section

On the following pages, you will find the results of NADA's yearlong analysis of the U.S. car and truck industry, with emphasis on the retail side of the business.

The key segments covered are:

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Average Dealership Profile

SALES FOR THE NATION'S NEW-VEHICLE dealers reached 12.72 million units in 2011. Modest economic expansion and higher energy prices resulted in modest sales growth for the nation's new-car and -truck dealers. Total dealership revenue topped \$609 billion, growing by 10.2 percent in 2011. Sales in the new-car department (up 15.6 percent) surpassed the 9.8 percent revenue growth in used cars. Net pretax profit posted strong gains, with the typical store generating \$785,855 in 2011.

TOTAL GROSS AND EXPENSE

Total dealership gross margins moderated slightly in 2011 to 14.4 percent of total dealership sales from 14.5 percent in 2010. With economic recovery continuing at a slow pace, the 2011 operating profit increased to 1.2 percent of sales from 1.0 percent. Total expenses reflected ongoing growth in the overall U.S. economy, up 8.9 percent, but declined as a percentage of sales to 12.1 percent from

12.5 percent in 2010. Advertising expenses increased on higher unit sales, but fell on a per-vehicle basis to \$628. Floor-plan expenses were a negative \$48 per new vehicle sold, reflecting floor-plan assistance and low interest rates.

Some major expenses for the average dealership in 2011:

Payroll	\$2,610,000
Advertising.....	\$363,168
Rent and equivalent.....	\$403,990

TOTAL DEALERSHIP PROFITS

In 2011, total dealership net profit before tax as a percent of sales was 2.3 percent, up from 2.1 percent in 2010. Dollar profits gained 24 percent. New-vehicle department operating profit increased at the typical dealership. Used vehicles contributed one-quarter of operating profit in 2011, down from one-third of operating profit in 2010, as higher used-car values relative to new-car costs reduced consumer interest.

Average dealership profile

	2006	2007	2008	2009	2010	2011	% change 2011-2010
Total dealership sales	\$31,855,768	\$33,379,501	\$28,517,867	\$26,645,303	\$30,941,801	\$34,744,897	12.3%
Total dealership gross	\$4,338,448	\$4,546,212	\$4,077,497	\$4,060,649	\$4,498,949	\$4,992,196	11.0%
As % of total sales	13.6%	13.6%	14.3%	15.2%	14.5%	14.4%	
Total dealership expense	\$3,848,964	\$4,038,084	\$3,800,451	\$3,658,560	\$3,863,023	\$4,206,341	8.9%
As % of total sales	12.1%	12.1%	13.3%	13.7%	12.5%	12.1%	
Net profit before taxes	\$489,484	\$508,127	\$277,045	\$402,090	\$635,926	\$785,855	23.6%
As % of total sales	1.5%	1.5%	1.0%	1.5%	2.1%	2.3%	
(Net pretax profit in constant 1982 dollars)	\$242,799	\$245,117	\$128,679	\$187,454	\$291,575	\$349,424	19.8%
New-vehicle department sales	\$18,795,482	\$19,545,287	\$16,302,280	\$13,937,579	\$16,352,208	\$18,905,615	15.6%
As % of total sales	59.0%	58.6%	57.2%	52.3%	52.8%	54.4%	
Used-vehicle department sales	\$9,265,366	\$9,821,093	\$8,164,415	\$8,537,426	\$10,244,937	\$11,245,377	9.8%
As % of total sales	29.1%	29.4%	28.6%	32.0%	33.1%	32.4%	
Service and parts sales	\$3,794,920	\$4,013,121	\$4,051,172	\$4,170,298	\$4,344,656	\$4,593,905	5.7%
As % of total sales	11.9%	12.0%	14.2%	15.7%	14.0%	13.2%	
New-vehicle average selling price	\$28,451	\$28,797	\$28,350	\$28,966	\$29,793	\$30,659	2.9%
Used-vehicle average selling price	\$15,518	\$15,714	\$15,200	\$14,976	\$16,474	\$17,267	4.8%
Average net worth (as of 12/31)	\$2,160,181	\$2,306,742	\$2,251,583	\$2,235,369	\$2,563,220	\$2,807,638	9.5%
Net profit as % of net worth	22.7%	22.0%	12.4%	18.0%	24.8%	28.0%	

Source: NADA Industry Analysis Division

NADA Optimism Index

OUR SPRING SURVEY PUT THE NADA Dealer Optimism Index at 167, slightly above the 166 seen in spring 2011. For the end of 2011, the index was 174, not far off the 179 posted at the end of 2010.

Low inflation, historically low interest rates and modest growth continue to support light-vehicle sales. Recently, growth in Europe and China slowed as the United States grew modestly.

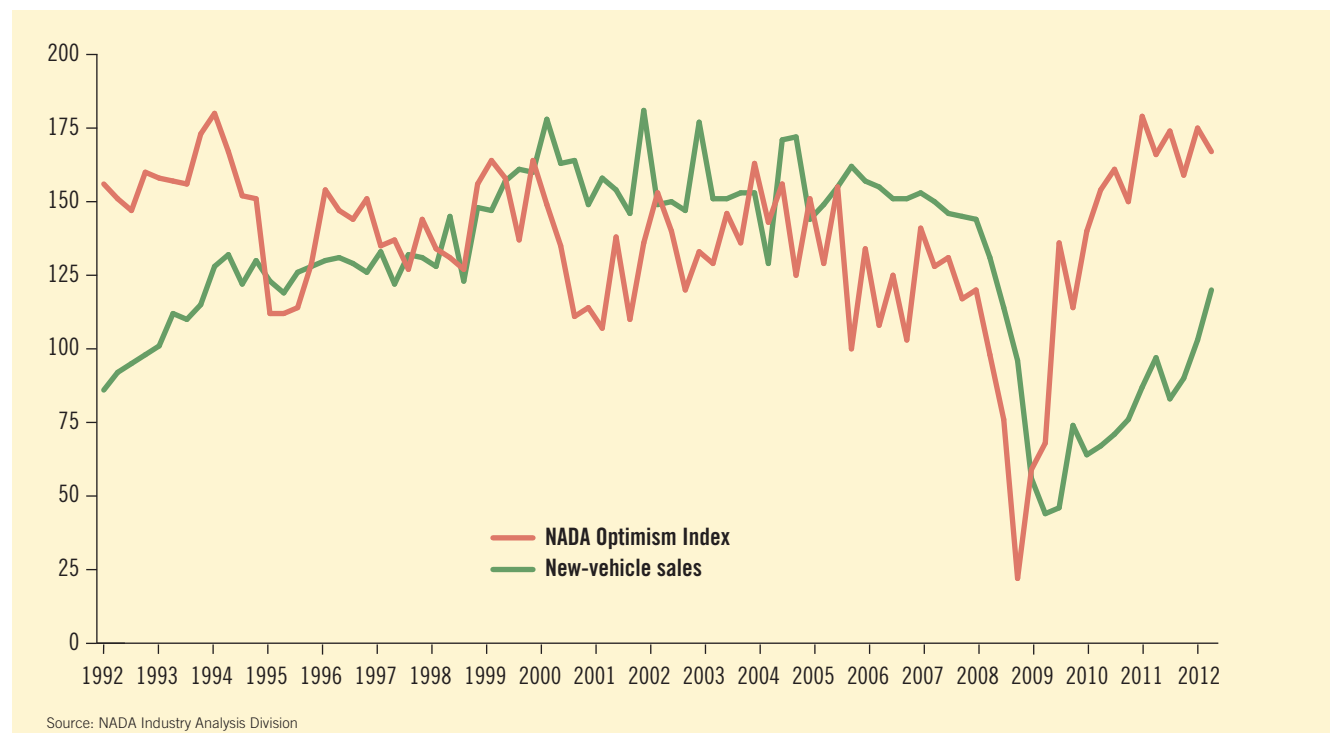
In 2011, relatively stable new-vehicle incentive policies helped return the NADA index to its traditional role as a leading indicator of U.S. new-vehicle sales improvements, similar to the index performance in recovery from the 1980-82 and 1990-92 U.S. recessions. That upward trend, combined with improved U.S. consumer confidence measures, portend continued improvement in U.S. new light-vehicle sales and profits in 2012.

Expectations for dealership profits

Percent of dealers expecting profits to:				Value index
Increase	No change	Decline		
April 1999	56.5	37.8	5.8	164
April 2000	49.0	39.9	11.1	149
April 2001	31.5	40.7	27.8	107
March 2002	53.2	36.7	10.1	153
March 2003	40.2	42.6	17.2	129
March 2004	47.1	40.9	12.0	143
March 2005	41.6	38.7	19.7	129
March 2006	32.9	41.1	26.0	108
March 2007	40.7	42.6	16.7	128
March 2008	28.0	44.2	27.8	98
March 2009	18.6	39.9	41.5	68
March 2010	54.0	35.7	10.3	154
March 2011	57.4	35.8	6.7	166
March 2012	58.3	33.5	8.2	167

Source: NADA Industry Analysis Division

Optimism index vs. new-vehicle sales



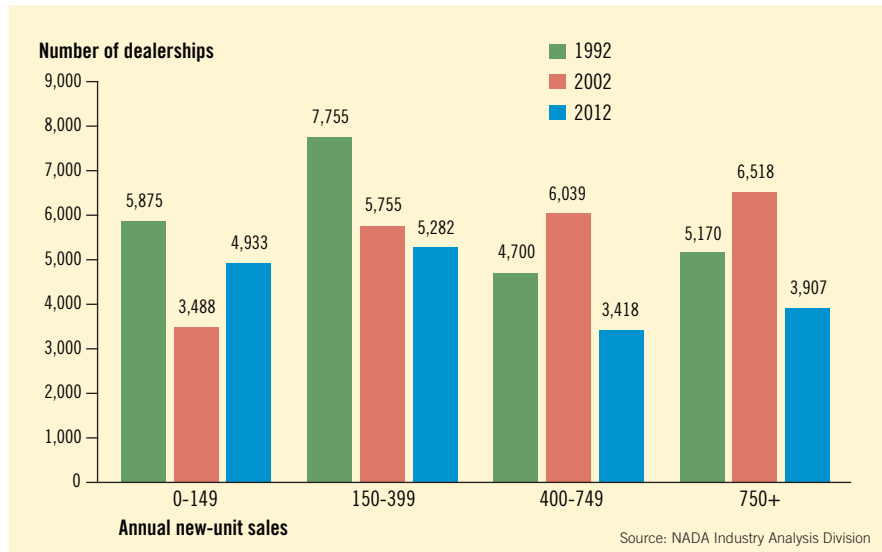
New-Car Dealerships

CONSOLIDATION IN THE number of franchised dealerships has slowed after the large net losses of 1,550 in 2009, 760 in 2010, and 160 in 2011. In the first quarter of 2012, the market gained dealerships on a net basis. Dealership groups shopped for acquisitions during 2011, and manufacturers restored some dealerships and inaugurated others as new brands opened for U.S. business.

As new brands enter the U.S. market, the net dealership count may increase in future years of strong economic growth. In the most recent recession, real estate and banking problems have persisted despite historically low interest rates, but new-car sales increased during the 2010-2011 period and are headed upward for 2012. For first-quarter 2012, the net dealership count is up by 66 dealerships. And interest rates remain low for new-car loans, boosting sales.

The recession caused some dealerships to drop into a lower sales category. The number of dealerships with sales of more than 750 new light vehicles per year fell to 3,907 at the beginning of 2012; in comparison, 6,518 stores sold at that rate in 2002, a high-volume sales year. All sales categories are likely to grow in upcoming years of economic growth as brands new to the U.S. market will add dealerships. New brands and new dealerships are a sign of even more vigorous competition ahead in the U.S. vehicle marketplace.

Number of dealerships, by volume of new-unit sales



New-car dealerships

As of January 1, 2012	
1991	24,200
1992	23,500
1993	22,950
1994	22,850
1995	22,800
1996	22,750
1997	22,700
1998	22,600
1999	22,400
2000	22,250
2001	22,150
2002	21,800
2003	21,725
2004	21,650
2005	21,640
2006	21,495
2007	21,200
2008	20,770
2009	20,010
2010	18,460
2011	17,700
2012	17,540

Source: NADA Industry Analysis Division

New-car dealerships, by state

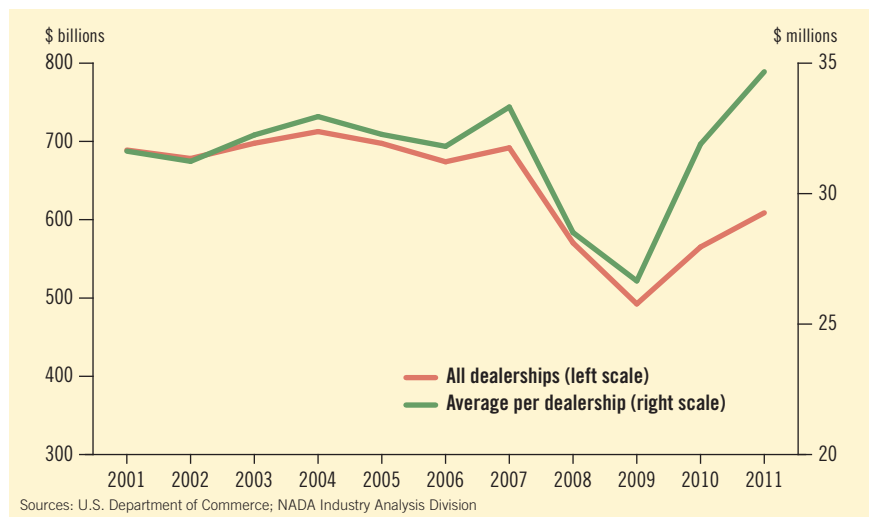
As of January 1, 2012	
Alabama	297
Alaska	32
Arizona	235
Arkansas	218
California	1,307
Colorado	260
Connecticut	263
Delaware	53
D.C.	1
Florida	842
Georgia	510
Hawaii	66
Idaho	109
Illinois	769
Indiana	429
Iowa	319
Kansas	231
Kentucky	260
Louisiana	292
Maine	128
Maryland	301
Massachusetts	411
Michigan	643
Minnesota	364
Mississippi	196
Missouri	414
Montana	115
Nebraska	181
Nevada	99
New Hampshire	140
New Jersey	463
New Mexico	114
New York	886
North Carolina	587
North Dakota	87
Ohio	756
Oklahoma	277
Oregon	236
Pennsylvania	943
Rhode Island	50
South Carolina	258
South Dakota	99
Tennessee	349
Texas	1,178
Utah	141
Vermont	86
Virginia	489
Washington	334
West Virginia	143
Wisconsin	514
Wyoming	65
Total U.S.	17,540

Source: NADA Industry Analysis Division

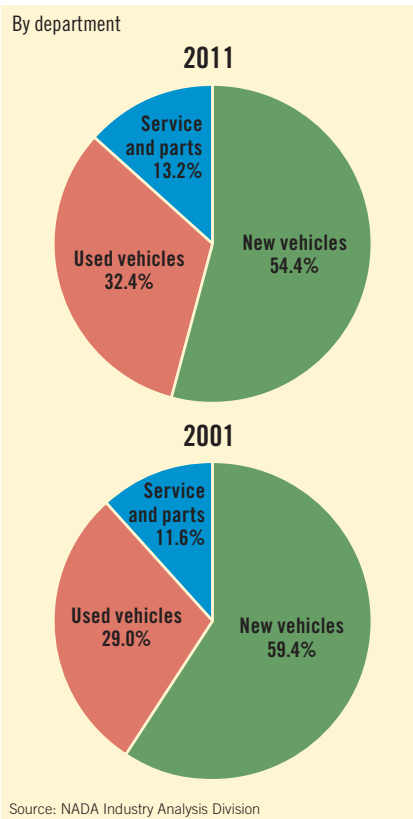
Total Dealership Sales Dollars

TOTAL DOLLAR SALES at the nation's new-car dealerships increased by more than 12 percent in 2011, the second full year of post-recession growth. Used-car department sales also improved in 2011, with a nearly 10 percent increase in revenue, 5 percent increase in transaction prices and a 12.5 percent gross margin on retail used selling prices. Higher used-car prices increased the trade-in equity for new-car customers. Only four states had average dealership sales lower than \$20 million; 25 had sales exceeding \$30 million.

Total sales of new-car dealerships



Share of total dealership sales dollars



2011 total sales, by state

State	All dealerships (millions)	Average per dealership (thousands)	State	All dealerships (millions)	Average per dealership (thousands)
Alabama	\$8,924	\$30,046	Montana	\$2,272	\$19,759
Alaska	\$1,249	\$39,042	Nebraska	\$4,655	\$25,720
Arizona	\$12,753	\$54,268	Nevada	\$4,044	\$40,853
Arkansas	\$5,360	\$24,589	New Hampshire	\$4,097	\$29,268
California	\$63,510	\$48,592	New Jersey	\$21,929	\$47,362
Colorado	\$10,605	\$40,789	New Mexico	\$3,101	\$27,200
Connecticut	\$8,488	\$32,276	New York	\$36,743	\$41,471
Delaware	\$2,337	\$44,087	North Carolina	\$17,733	\$30,209
Florida	\$42,092	\$49,990	North Dakota	\$2,666	\$30,642
Georgia	\$19,090	\$37,432	Ohio	\$24,104	\$31,883
Hawaii	\$1,664	\$25,211	Oklahoma	\$18,211	\$65,743
Idaho	\$2,452	\$22,499	Oregon	\$5,981	\$25,342
Illinois	\$25,894	\$33,673	Pennsylvania	\$26,322	\$27,913
Indiana	\$11,843	\$27,606	Rhode Island	\$1,831	\$36,612
Iowa	\$7,184	\$22,521	South Carolina	\$7,499	\$29,067
Kansas	\$5,380	\$23,289	South Dakota	\$2,425	\$24,490
Kentucky	\$6,626	\$25,484	Tennessee	\$12,430	\$35,617
Louisiana	\$8,530	\$29,212	Texas	\$52,090	\$44,219
Maine	\$2,806	\$21,924	Utah	\$5,270	\$37,375
Maryland	\$12,489	\$41,493	Vermont	\$1,560	\$18,140
Massachusetts	\$14,774	\$35,948	Virginia	\$16,879	\$34,518
Michigan	\$12,783	\$19,880	Washington	\$10,398	\$31,132
Minnesota	\$7,869	\$21,619	West Virginia	\$3,677	\$25,715
Mississippi	\$4,389	\$22,391	Wisconsin	\$10,905	\$21,216
Missouri	\$12,147	\$29,341	Wyoming	\$1,293	\$19,892
Total U.S.	\$609,356	\$34,743			

Source: NADA Industry Analysis Division

Relationship of new-car dealerships to total retail trade in 2011, by state (estimated)

	Number of dealers as % of total retail establishments in the state	Dealer sales as % of total retail sales in the state	Dealer payroll as % of total retail payroll in the state	Dealer employees as % of total retail employment in the state
Alabama	1.6%	14.7%	11.2%	5.9%
Alaska	1.4%	10.4%	9.8%	6.4%
Arizona	1.5%	16.3%	11.4%	6.6%
Arkansas	2.3%	14.2%	12.0%	6.1%
California	2.0%	15.5%	10.7%	6.3%
Colorado	1.4%	15.8%	12.1%	6.3%
Connecticut	2.3%	15.3%	12.8%	7.1%
Delaware	1.8%	14.0%	14.7%	7.6%
Florida	1.7%	16.5%	12.2%	6.6%
Georgia	1.6%	15.0%	11.8%	6.2%
Hawaii	1.3%	12.3%	12.2%	5.6%
Idaho	1.9%	14.2%	10.6%	6.1%
Illinois	2.5%	13.6%	12.4%	6.6%
Indiana	2.2%	13.5%	11.7%	6.4%
Iowa	2.8%	13.3%	12.7%	6.5%
Kansas	2.4%	13.6%	12.7%	6.6%
Kentucky	2.0%	11.8%	10.8%	5.6%
Louisiana	1.9%	15.7%	12.7%	6.6%
Maine	1.9%	11.3%	11.3%	6.1%
Maryland	1.9%	15.6%	14.0%	7.6%
Massachusetts	1.9%	14.1%	12.5%	6.0%
Michigan	2.3%	12.3%	13.9%	6.9%
Minnesota	1.8%	11.8%	11.0%	6.0%
Mississippi	1.7%	12.7%	9.8%	5.0%
Missouri	2.1%	13.8%	12.4%	6.4%
Montana	2.5%	12.7%	11.2%	6.4%
Nebraska	2.7%	13.2%	12.8%	6.5%
Nevada	1.3%	15.4%	10.3%	5.3%
New Hampshire	2.5%	13.9%	13.0%	6.5%
New Jersey	1.9%	16.1%	13.1%	6.5%
New Mexico	2.3%	14.5%	11.5%	6.6%
New York	1.5%	12.7%	9.4%	5.0%
North Carolina	2.1%	15.1%	12.1%	6.4%
North Dakota	2.5%	14.0%	14.0%	7.4%
Ohio	2.2%	14.2%	12.2%	6.7%
Oklahoma	2.6%	16.7%	13.7%	7.1%
Oregon	1.8%	12.8%	10.2%	5.9%
Pennsylvania	2.3%	13.9%	13.1%	7.0%
Rhode Island	1.7%	13.9%	11.3%	5.8%
South Carolina	1.8%	13.5%	10.6%	5.7%
South Dakota	2.7%	14.3%	14.5%	7.0%
Tennessee	2.2%	13.8%	10.7%	5.9%
Texas	2.0%	16.5%	13.3%	6.8%
Utah	1.9%	13.9%	9.4%	5.5%
Vermont	2.6%	14.0%	12.3%	7.0%
Virginia	1.9%	14.5%	13.7%	7.0%
Washington	1.9%	12.1%	10.1%	6.2%
West Virginia	2.3%	13.5%	11.7%	6.5%
Wisconsin	2.8%	13.2%	12.2%	7.0%
Wyoming	2.6%	12.8%	12.5%	7.0%
Total U.S.	2.0%	14.5%	11.7%	6.4%

Source: NADA Industry Analysis Division

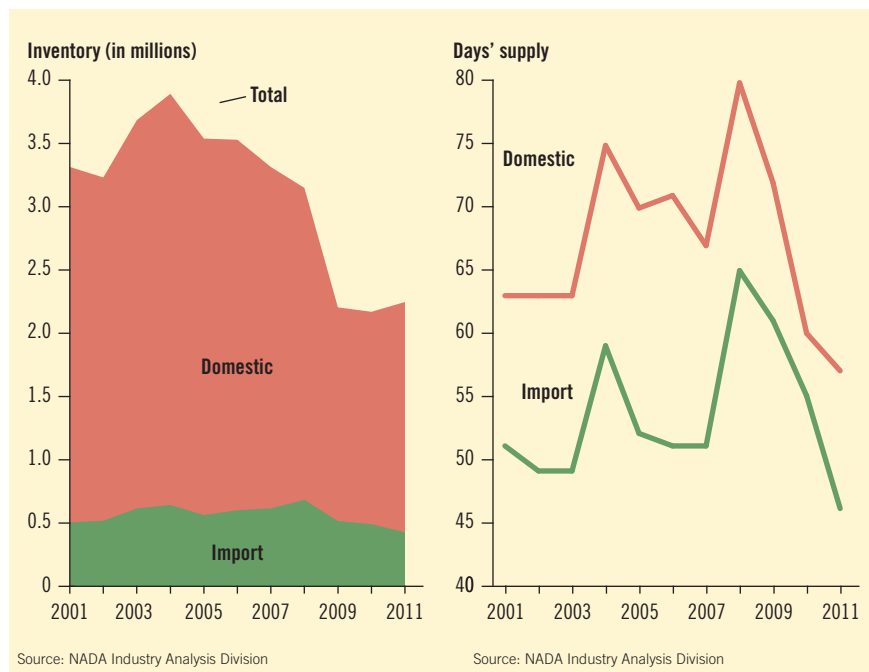
The New-Vehicle Department

NEW-VEHICLE SALES—12.7 million units in 2011—remained far lower than the average 16 million-plus units in the 2000-2007 era. On a seasonally adjusted annual rate (SAAR) basis, sales volume was at or above 14 million units during the first four months of 2012, helped by warm weather. Production shortages for some brands of sedans posed a concern as spring selling was under way. In early 2012, total automaker inventory of cars was just 45 days of supply, below the desired 60 days. Aided by a 67 days' supply of light trucks, all light vehicles were at 55 days' supply during early April 2012, and some brands of light vehicles from Japan fell well below 40 days' supply.

In 2011, the average selling price of a new vehicle, including accessories and options (next page, upper right), rose by 2.9 percent from 2010.

New-vehicle sales by manufacturer (bottom of the next page) show GM, Ford and Chrysler market shares rising in 2011. Of the three major Japanese brands—Toyota, Honda and Nissan—2011 market share rose only for Nissan and fell for the other two. Hyundai and Kia market shares increased despite limited factory capacity for their popular new sedans in 2011 and early 2012. Infiniti, Mitsubishi, BMW, Mercedes and Volkswagen managed market share increases in a year of overall tight sedan supply.

New-vehicle inventories and days' supply



New-vehicle sales, by month

	2011 Actual	2011 SAAR* (in millions)	2010 Actual	2010 SAAR* (in millions)	% change 2010 to 2011
January	816,831	12.6	696,546	10.7	17.3%
February	989,883	13.4	778,433	10.5	27.2%
March	1,242,276	13.1	1,063,605	11.7	16.8%
April	1,154,216	13.1	980,399	11.3	17.7%
May	1,058,262	11.8	1,100,729	11.6	-3.9%
June	1,048,943	11.5	981,263	11.1	6.9%
July	1,056,475	12.2	1,046,980	11.5	0.9%
August	1,069,005	12.1	994,298	11.5	7.5%
September	1,050,336	13.1	955,919	11.8	9.9%
October	1,017,933	13.2	946,586	12.1	7.5%
November	991,257	13.6	869,654	12.2	14.0%
December	1,238,755	13.5	1,140,106	12.4	8.7%
Full Year	12,734,172	12.7	11,554,518	11.6	10.2%

*Seasonally adjusted annual rate
Source: NADA Industry Analysis Division

Total new light-vehicle sales rose by 10.2 percent in 2011, and by a more moderate 10 percent during the fourth quarter.

New light-duty vehicle sales, by year

Year	New cars	Light-duty trucks	Total light-duty vehicles	Light-duty trucks as % of total
2001	8,422,600	8,699,300	17,121,900	50.8%
2002	8,103,200	8,714,300	16,817,500	51.8%
2003	7,609,800	9,024,900	16,634,700	54.3%
2004	7,505,900	9,360,600	16,866,500	55.5%
2005	7,666,700	9,278,300	16,945,000	54.8%
2006	7,780,800	8,721,000	16,502,700	52.8%
2007	7,618,400	8,470,900	16,089,300	52.6%
2008	6,813,550	6,381,050	13,194,600	48.4%
2009	5,456,300	4,945,400	10,401,700	47.5%
2010	5,635,400	5,919,100	11,554,500	51.2%
2011	6,089,300	6,644,900	12,734,200	52.2%
Average 2001-11	7,154,723	7,832,705	14,987,509	52.0%

Source: NADA Industry Analysis Division

Number of new vehicles sold and selling price

Year	New vehicles sold per dealership	Average retail selling price
2001	785	25,800
2002	774	26,150
2003	769	27,550
2004	779	28,050
2005	788	28,400
2006	778	28,450
2007	775	28,800
2008	659	28,350
2009	563	28,966
2010	653	29,793
2011	726	30,659

Source: NADA Industry Analysis Division

New-vehicle sales and market share, by manufacturer

Year	Chrysler	Ford	General Motors	Toyota	Honda	Nissan	Volkswagen	Other imports	Total
2001	2,273,200	3,915,500	4,852,500	1,741,300	1,207,600	703,700	438,900	1,989,200	17,121,900
	13.28%	22.87%	28.34%	10.17%	7.05%	4.11%	2.56%	11.62%	
2002	2,205,450	3,576,250	4,815,150	1,756,150	1,247,850	739,850	423,850	2,052,950	16,817,500
	13.11%	21.27%	28.63%	10.44%	7.42%	4.40%	2.52%	12.21%	
2003	2,127,450	3,437,700	4,716,050	1,866,300	1,349,850	794,800	389,100	1,953,450	16,634,700
	12.79%	20.67%	28.35%	11.22%	8.11%	4.78%	2.34%	11.74%	
2004	2,206,000	3,271,100	4,657,400	2,060,050	1,394,400	855,000	334,050	2,088,500	16,866,500
	13.08%	19.39%	27.61%	12.21%	8.27%	5.07%	1.98%	12.38%	
2005	2,304,900	3,106,900	4,456,800	2,260,300	1,462,500	1,076,900	307,250	1,969,450	16,945,000
	13.60%	18.34%	26.30%	13.34%	8.63%	6.36%	1.81%	11.62%	
2006	2,142,500	2,848,100	4,067,600	2,542,500	1,509,400	1,019,500	325,300	2,047,900	16,502,700
	12.98%	17.26%	24.65%	15.41%	9.15%	6.18%	1.97%	12.41%	
2007	2,076,100	2,502,000	3,824,550	2,620,800	1,551,550	1,068,500	324,050	2,121,750	16,089,300
	12.90%	15.55%	23.77%	16.29%	9.64%	6.64%	2.01%	13.19%	
2008	1,447,750	1,942,050	2,955,900	2,217,700	1,428,800	951,450	310,900	1,940,050	13,194,600
	10.97%	14.72%	22.40%	16.81%	10.83%	7.21%	2.36%	14.70%	
2009	927,200	1,656,100	2,072,200	1,770,200	1,150,800	770,100	296,200	1,758,900	10,401,700
	8.91%	15.92%	19.92%	17.02%	11.06%	7.40%	2.85%	16.91%	
2010	1,079,700	1,905,400	2,211,300	1,763,600	1,230,500	908,600	358,500	2,096,500	11,554,100
	9.34%	16.49%	19.14%	15.26%	10.65%	7.86%	3.10%	18.15%	
2011	1,361,600	2,110,800	2,503,800	1,644,700	1,147,300	1,042,500	442,000	2,481,500	12,734,200
	10.69%	16.58%	19.66%	12.92%	9.01%	8.19%	3.47%	19.49%	
Average 2001-2011	1,831,986	2,751,991	3,739,386	2,022,145	1,334,595	902,809	359,100	2,045,468	14,987,473
	12.22%	18.36%	24.95%	13.49%	8.90%	6.02%	2.40%	13.65%	

Source: NADA Industry Analysis Division

F&I, Service Contracts

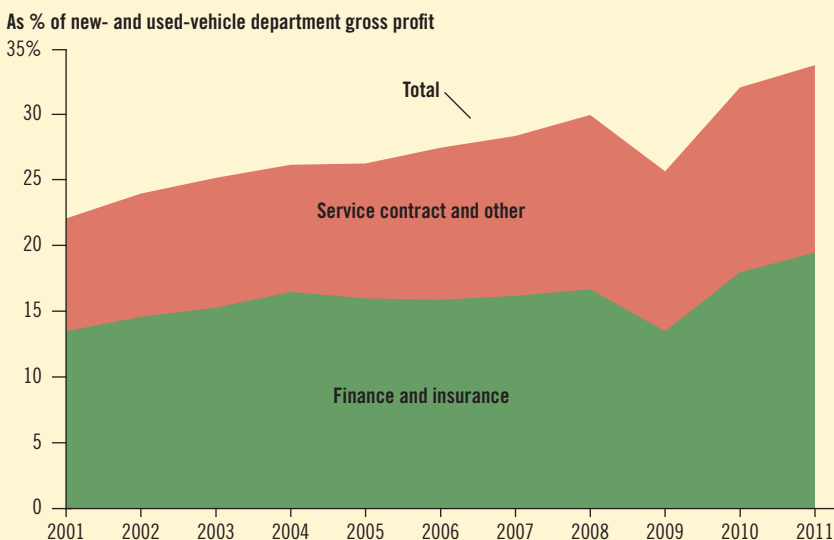
ECONOMIC RECOVERY AND stronger new-vehicle sales in 2011 helped the gross margin on the sale of new cars and trucks increase to 4.57 percent in 2011 from 4.49 percent in 2010. Rising fuel prices during much of 2011 left dealers with too few mid-size and smaller cars in the new and used inventories. Increased profits from finance, insurance and service contracts were welcome.

Aftermarket income rose in 2011 because of increasing F&I and service contract dollars. Better ability to obtain customer financing helped. The F&I penetration rate rose to 77 percent for new cars. A greater emphasis on customer understanding and satisfaction in F&I yielded better business performance in 2011.

Improvement in new-vehicle sales, aided by a stronger economy, boosted new-vehicle service contract penetra-

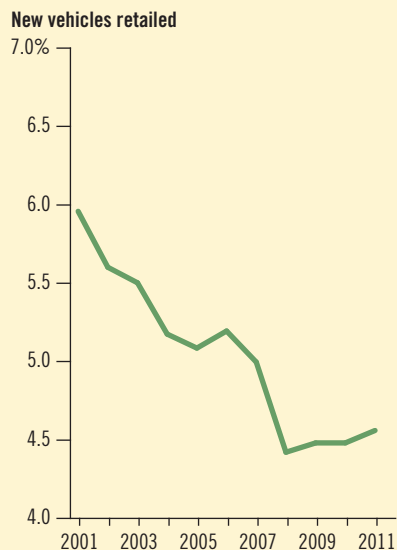
tion rates by 0.7 percent and used-car service contract penetration rates by nearly 3 percent.

Aftermarket income



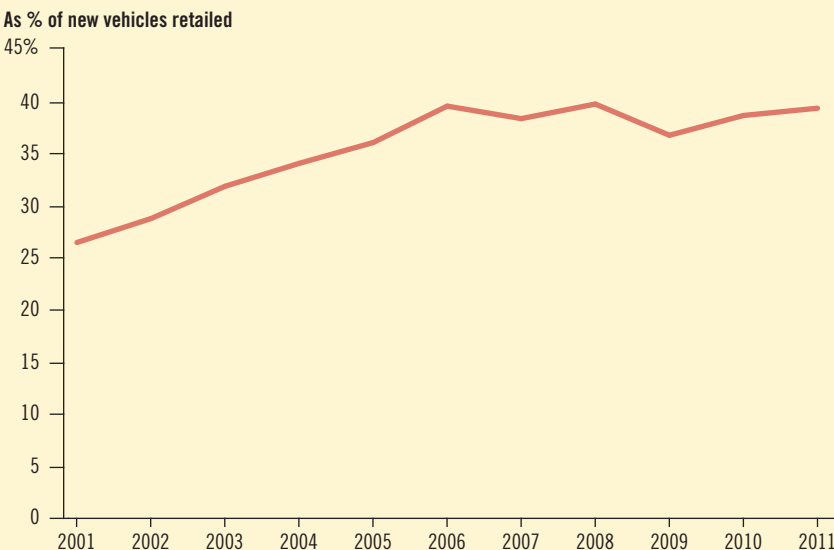
Source: NADA Industry Analysis Division

Gross as percentage of selling price



Source: NADA Industry Analysis Division

Service contract penetration rates



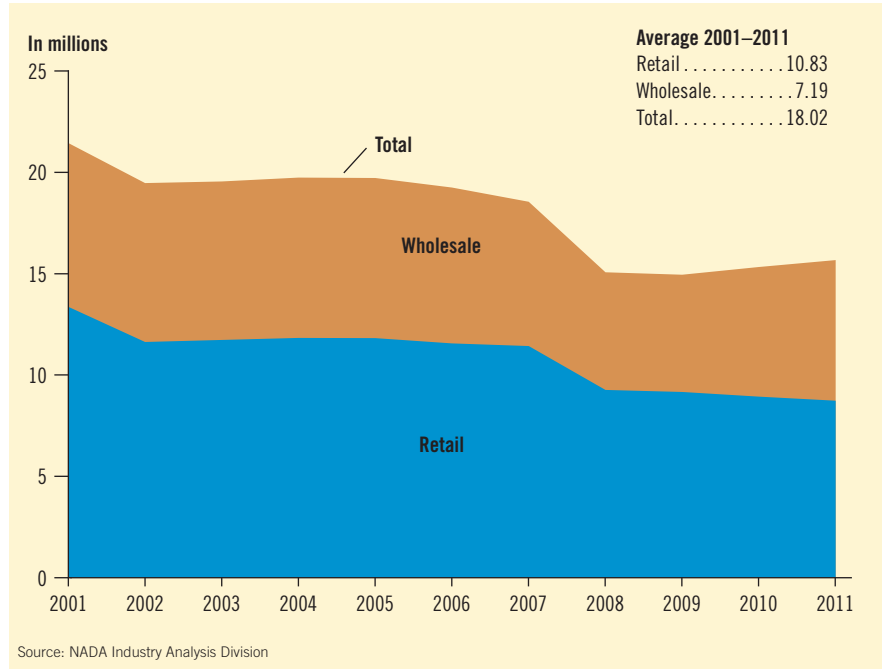
Source: NADA Industry Analysis Division, revised data series 2010.

The Used-Vehicle Department

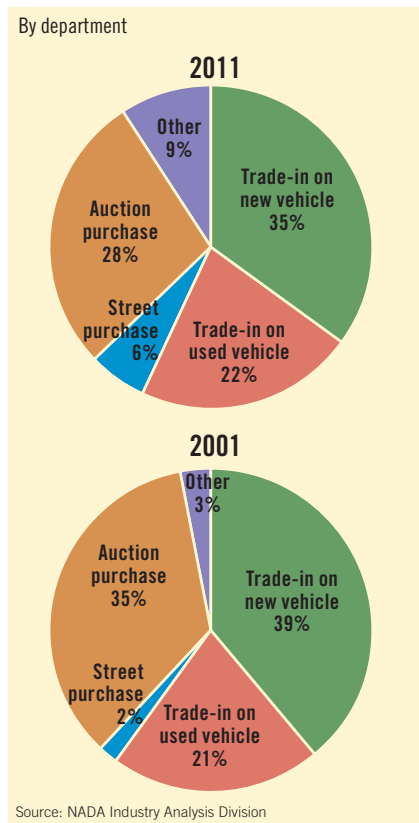
NEW-VEHICLE DEALERS sold more than 15.6 million used cars last year. Of these, 8.7 million were retailed and 6.9 million wholesaled. The average 2011 used retail selling price was \$17,267, up 4.8 percent from \$16,474 in 2010.

New-vehicle dealers acquired 57 percent of the used units they retailed from trade-ins, 28 percent from auctions and the remaining 15 percent from street purchases or other sources. Auctions made the biggest inroads as a used-car source during strong economic growth—from less than 10 percent of inventory in the early 1980s to 35 percent in 2001 and then to 28 percent in 2011.

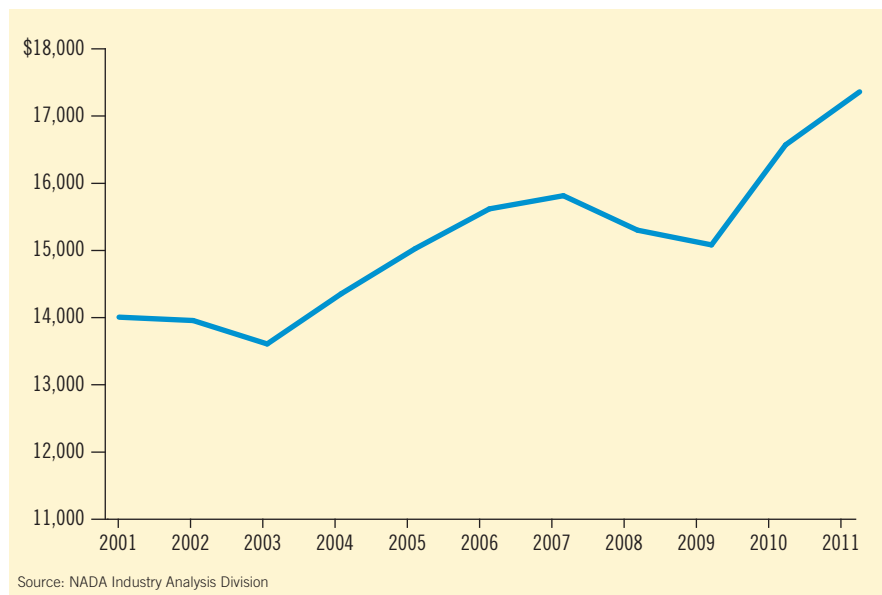
Used-vehicle sales by new-car dealerships



Sources of used vehicles retailed by dealerships



Average retail selling price of used vehicles retailed by new-car dealerships



Service, Parts and Body Shop

TOTAL FRANCHISED DEALERSHIP service, parts and body shop sales topped \$80 billion in 2011, and sales by the typical dealer were up by 4.7 percent, as many consumers drove their vehicles longer. Dealerships faced stronger competition from independent service centers and quick-lube centers, but dealers continue to attract customers with competitive pricing and upgraded facilities. Last year's service sales were powered by stronger light-vehicle sales but generally reduced recall activity. Service demand was driven by the needs of aging vehicles.

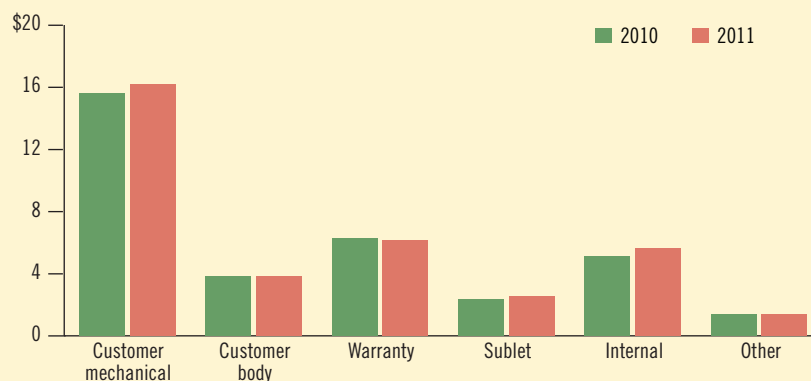
New-vehicle dealers have made a major investment in service and parts to increase sales and customer satisfaction. To boost customer convenience and make full use of their facilities, 88 percent of dealers offer evening service hours, weekend hours or both. The average dealership service department is open for business 56 hours per week.

In recent years, the general trend has been dealerships opting out of the body shop business. But the loss of dealerships from the industry actually increased the percentage of dealerships with on-site body shops to 37 percent from 33 percent in 2010. Total auto bodywork performed by all new-vehicle dealerships fell to \$6.78 billion in 2011 from \$6.85 billion in 2010.

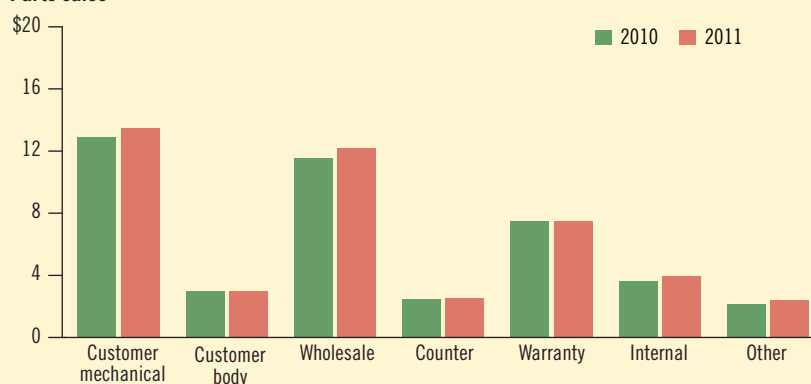
Dealerships' total service and parts sales

In billions of dollars

Service labor sales



Parts sales



Source: NADA Industry Analysis Division

Profile of dealerships' service and parts operations, 2011

	Average dealership	All dealers
Total service and parts sales	\$4,593,905	\$80.10 billion
Total gross profit as percent of service and parts sales	46.09%	
Total net profit as percent of service and parts sales	7.07%	
Total number of repair orders written	14,140	248 million
Total service and parts sales per customer repair order	\$241	
Total service and parts sales per warranty repair order	\$250	
Number of technicians (including body)	15	252,400
Number of service bays (excluding body)	19	333,260
Total parts inventory	\$294,214	\$5.16 billion
Average customer mechanical labor rate	\$95	

Source: NADA Industry Analysis Division

Total franchised dealership service, parts and body shop sales topped \$80 billion in 2011, and sales by the typical dealer were up by 4.7 percent.

Dealerships' total service and parts sales

In billions of dollars

	Amount	% change
1999	\$67.66	6.5%
2000	\$73.83	9.1%
2001	\$80.10	8.5%
2002	\$83.11	3.8%
2003	\$85.35	2.7%
2004	\$85.48	0.2%
2005	\$85.16	-0.4%
2006	\$80.45	-5.5%
2007	\$83.35	3.6%
2008	\$81.84	-1.8%
2009	\$76.21	-6.9%
2010	\$77.63	1.9%
2011	\$80.57	3.8%

Source: NADA Industry Analysis Division

Dealerships' service and parts sales

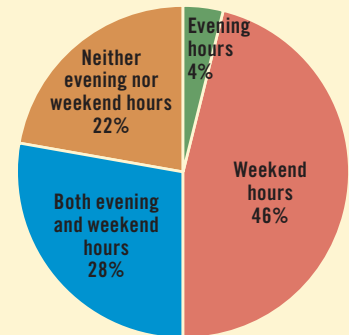
In billions of dollars

	2010	2011	% change
Service labor sales			
Customer mechanical	\$15.59	\$16.16	3.6%
Customer body	3.85	3.81	-1.1
Warranty	6.29	6.17	-1.9
Sublet	2.34	2.54	8.4
Internal	5.10	5.60	9.7
Other	1.37	1.40	1.7
Total service labor	\$34.55	\$35.67	3.2%
Parts sales			
Customer mechanical	\$12.87	\$13.45	4.5%
Customer body	3.00	2.97	-1.0
Wholesale	11.51	12.15	5.6
Counter	2.49	2.50	0.1
Warranty	7.45	7.50	0.7
Internal	3.60	3.92	8.9
Other	2.16	2.40	11.3
Total parts	\$43.08	\$44.90	4.2%
Total service and parts	\$77.63	\$80.57	3.8%

Source: NADA Industry Analysis Division

Service department hours of operation, 2011

Percent of dealership service departments with:

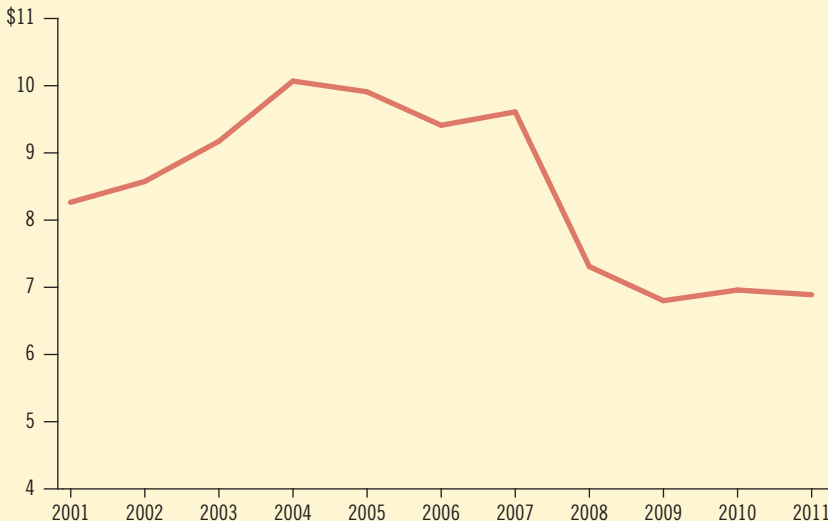


Average hours open per week: 56

Source: NADA Industry Analysis Division

Total dealership body shop sales

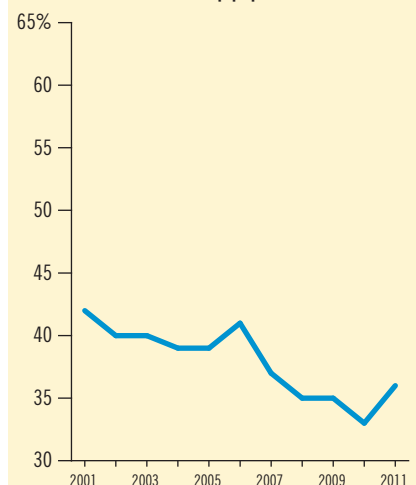
In billions of dollars



Source: NADA Industry Analysis Division

Dealerships operating on-site body shops

Percent of total dealership population



Source: NADA Industry Analysis Division

Employment and Payroll

FRANCHISED DEALERS ARE major employers as well as significant contributors to their communities' economies, tax bases, and civic and charitable organizations. In the past seven years, total dealership employment plateaued at 1.1 million before falling below 1 million in 2009 as the recession commenced.

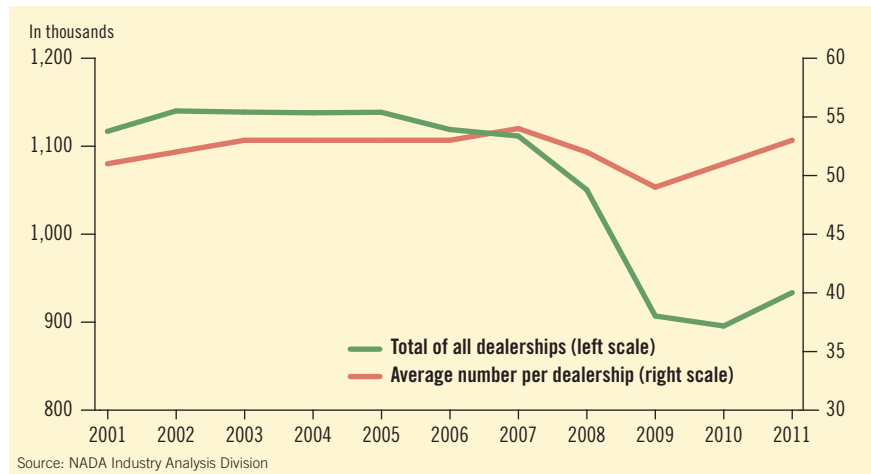
In 2011, the average dealership in operation employed 53 people; despite dealership closings driven by bankruptcies, economic recession and automaker demands, total dealership employment increased to an estimated 933,500 employees from 892,300 employees in 2010.

The number and type of employees vary significantly among dealerships, depending on store characteristics such as size, location, makes handled and distribution of sales among departments. The makeup of total dealership employment in 2011 was:

New- and used-vehicle salespeople.....	180,800
Technicians.....	252,400
Service and parts workers (other than technicians)....	282,500
Supervisors, general office workers and others.....	217,800
Total	933,500

The average dealership in 2011 had an annual payroll of \$2.6 million. The payroll for all dealerships was \$45.8 billion. Dealerships provided, on average, 14.5 percent of total retail payroll in their states.

Estimated number of employees in new-car dealerships

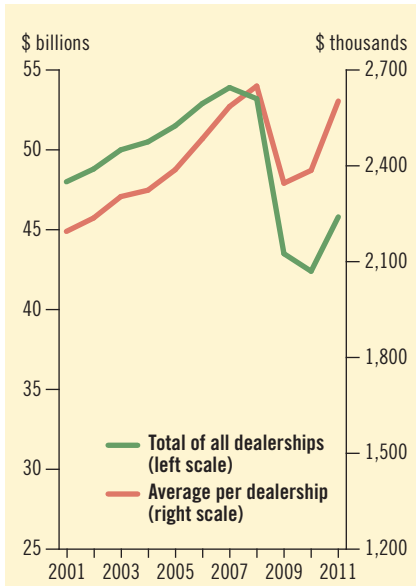


Estimated number of new-car dealership employees in 2011, by state

State	Total number all dealers	Average number per dealership	State	Total number all dealers	Average number per dealership
Alabama	14,048	47	Montana	3,659	32
Alaska	2,055	64	Nebraska	6,946	38
Arizona	20,503	87	Nevada	6,827	69
Arkansas	7,842	36	New Hampshire	5,828	42
California	95,187	73	New Jersey	26,771	58
Colorado	14,560	56	New Mexico	5,746	50
Connecticut	12,401	47	New York	42,586	48
Delaware	4,072	77	North Carolina	27,800	47
Florida	61,270	73	North Dakota	3,897	45
Georgia	28,555	56	Ohio	38,775	51
Hawaii	3,113	47	Oklahoma	16,054	58
Idaho	4,621	42	Oregon	10,930	46
Illinois	39,682	52	Pennsylvania	44,158	47
Indiana	19,653	46	Rhode Island	2,690	54
Iowa	11,710	37	South Carolina	13,223	51
Kansas	9,011	39	South Dakota	3,857	39
Kentucky	11,328	44	Tennessee	20,559	59
Louisiana	14,081	48	Texas	76,674	65
Maine	4,541	35	Utah	8,153	58
Maryland	20,541	68	Vermont	2,621	30
Massachusetts	19,880	48	Virginia	28,857	59
Michigan	28,285	44	Washington	18,685	56
Minnesota	15,660	43	West Virginia	6,136	43
Mississippi	7,176	37	Wisconsin	20,753	40
Missouri	19,301	47	Wyoming	2,242	34
Total U.S.	933,500	53			

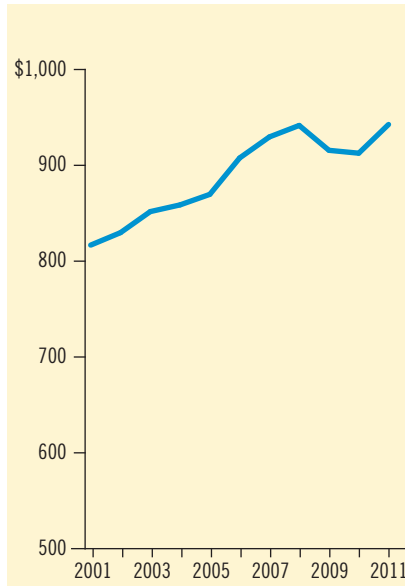
Source: NADA Industry Analysis Division

Annual payroll of new-car dealerships



Source: NADA Industry Analysis Division

Average weekly earnings of dealership employees



Source: NADA Industry Analysis Division

2011 annual payroll of new-car dealerships, by state

State	Total all dealerships (\$ billions)	Average per dealership (\$ millions)
Alabama	\$0.63	\$2.13
Alaska	\$0.10	\$3.17
Arizona	\$1.02	\$4.34
Arkansas	\$0.35	\$1.61
California	\$5.07	\$3.88
Colorado	\$0.75	\$2.90
Connecticut	\$0.70	\$2.66
Delaware	\$0.20	\$3.75
Florida	\$3.02	\$3.58
Georgia	\$1.39	\$2.73
Hawaii	\$0.17	\$2.54
Idaho	\$0.20	\$1.85
Illinois	\$1.95	\$2.54
Indiana	\$0.84	\$1.95
Iowa	\$0.51	\$1.60
Kansas	\$0.41	\$1.76
Kentucky	\$0.50	\$1.92
Louisiana	\$0.66	\$2.26
Maine	\$0.20	\$1.58
Maryland	\$1.04	\$3.46
Massachusetts	\$1.14	\$2.77
Michigan	\$1.42	\$2.20
Minnesota	\$0.70	\$1.92
Mississippi	\$0.31	\$1.57
Missouri	\$0.90	\$2.18
Montana	\$0.15	\$1.30
Nebraska	\$0.31	\$1.69
Nevada	\$0.38	\$3.79
New Hampshire	\$0.31	\$2.20
New Jersey	\$1.61	\$3.48
New Mexico	\$0.26	\$2.24
New York	\$2.35	\$2.66
North Carolina	\$1.26	\$2.15
North Dakota	\$0.17	\$1.97
Ohio	\$1.69	\$2.23
Oklahoma	\$0.74	\$2.69
Oregon	\$0.49	\$2.10
Pennsylvania	\$2.01	\$2.13
Rhode Island	\$0.13	\$2.67
South Carolina	\$0.59	\$2.28
South Dakota	\$0.17	\$1.74
Tennessee	\$0.97	\$2.78
Texas	\$4.05	\$3.44
Utah	\$0.37	\$2.65
Vermont	\$0.12	\$1.39
Virginia	\$1.41	\$2.89
Washington	\$0.92	\$2.76
West Virginia	\$0.24	\$1.67
Wisconsin	\$0.81	\$1.58
Wyoming	\$0.10	\$1.57
Total U.S.	\$45.79	\$2.61

Source: NADA Industry Analysis Division

Average weekly earnings of new-car dealership employees in 2011, by state

Alabama	\$870
Alaska	\$953
Arizona	\$962
Arkansas	\$863
California	\$1,029
Colorado	\$999
Connecticut	\$1,088
Delaware	\$943
Florida	\$951
Georgia	\$943
Hawaii	\$1,039
Idaho	\$841
Illinois	\$950
Indiana	\$821
Iowa	\$841
Kansas	\$874
Kentucky	\$849
Louisiana	\$906
Maine	\$859
Maryland	\$980
Massachusetts	\$1,105
Michigan	\$968
Minnesota	\$860
Mississippi	\$827
Missouri	\$903
Montana	\$787
Nebraska	\$853
Nevada	\$1,063
New Hampshire	\$1,022
New Jersey	\$1,163
New Mexico	\$859
New York	\$1,067
North Carolina	\$877
North Dakota	\$848
Ohio	\$842
Oklahoma	\$896
Oregon	\$874
Pennsylvania	\$879
Rhode Island	\$960
South Carolina	\$859
South Dakota	\$861
Tennessee	\$911
Texas	\$1,020
Utah	\$886
Vermont	\$883
Virginia	\$945
Washington	\$953
West Virginia	\$754
Wisconsin	\$758
Wyoming	\$878
Total U.S.	\$943

Source: NADA Industry Analysis Division

Vehicles in Operation and Scrappage

AT THE END OF 2011, 240.6 million light vehicles and 249 million total vehicles were in operation. The total light-vehicle fleet had increased, on average, by 4 percent per year, 1996-2006. Vehicles on the road fell in 2009 through 2010 and grew a slight 0.4 percent in 2011. The 2011 median age for cars was 11.1 years and for light trucks, 10.4 years, yielding an average of 10.8 years.

Net scrappage—the difference between sales and the growth of the light-vehicle population—produced a gain of 939,850 units added to an estimated 11.5 million in 2011, yielding an increase of nearly a mil-

lion vehicles on the road in 2011. Combined with stronger new-car sales and continued economic

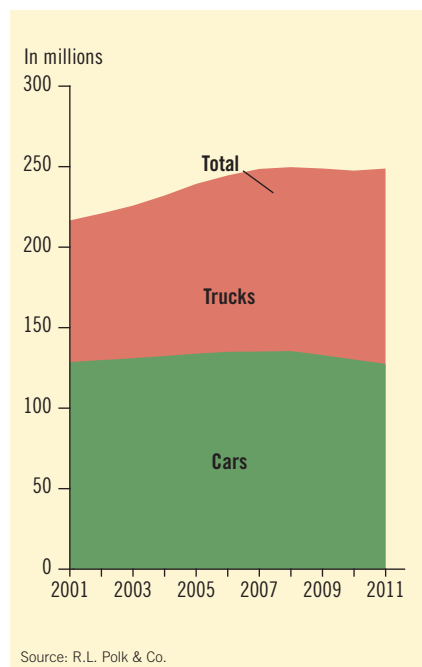
growth, this boosted the average age of cars and trucks in use, increasing new-vehicle sales in 2011 and beyond.

Vehicles in operation—scrappage, by year

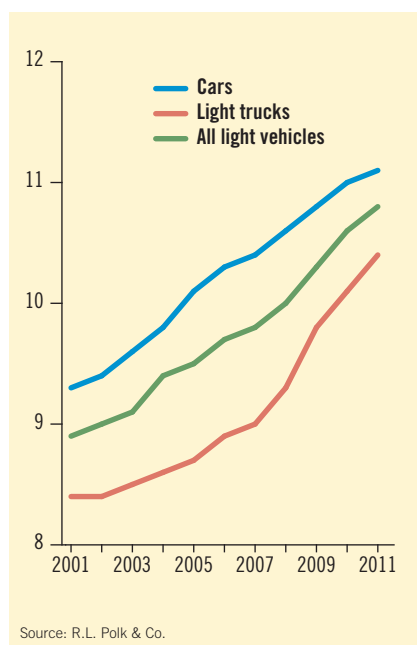
	Total vehicles in use	New vehicle registrations	Scrappage	Scrappage as % of registrations
2001	216,682,936	17,505,343	14,121,720	80.7%
2002	221,027,121	17,639,934	13,295,749	75.4%
2003	225,882,103	16,939,662	12,084,680	71.3%
2004	232,167,136	17,419,471	11,134,438	63.9%
2005	239,384,168	17,287,680	10,070,648	58.3%
2006	244,642,610	17,332,357	12,073,915	69.7%
2007	248,700,997	16,765,603	12,707,216	75.8%
2008	249,812,723	15,127,946	14,016,220	92.7%
2009	248,972,046	9,589,747	10,430,424	108.8%
2010*	248,231,351	10,570,877	10,628,811	100.5%
2011*	248,931,633	12,698,406	11,998,124	94.5%

Source: R.L. Polk & Co. *As of December 31.

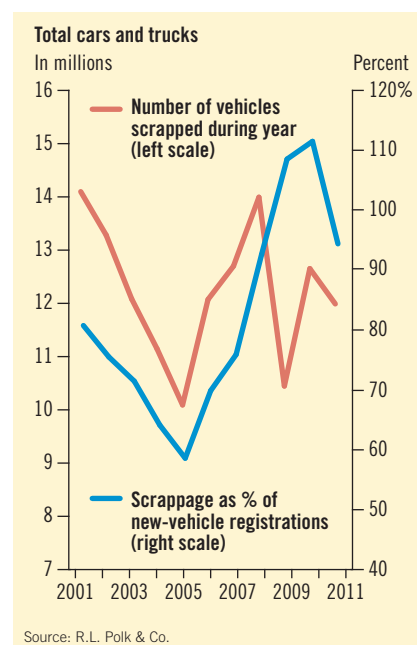
Total vehicles in operation, by year



Average age of passenger cars, trucks, and light trucks, by year



Estimated vehicle scrappage



Total light vehicles in operation in 2011, by state

State	Passenger cars	Light Trucks GVW 1-3	Total vehicles
Alabama	2,049,578	2,125,766	4,175,344
Alaska	186,995	424,776	611,771
Arizona	1,987,803	1,892,609	3,880,412
Arkansas	1,015,614	1,239,794	2,255,408
California	16,086,894	14,407,616	30,494,510
Colorado	1,846,109	2,378,481	4,224,590
Connecticut	1,913,779	1,090,021	3,003,800
Delaware	423,079	333,103	756,182
D.C.	209,905	56,488	266,393
Florida	7,950,510	6,563,197	14,513,707
Georgia	3,540,677	3,850,876	7,391,553
Hawaii	508,277	546,150	1,054,427
Idaho	485,238	675,446	1,160,684
Illinois	6,230,455	4,783,268	11,013,723
Indiana	2,835,781	2,564,414	5,400,195
Iowa	1,428,109	1,292,479	2,720,588
Kansas	1,159,902	1,275,868	2,435,770
Kentucky	1,839,355	1,542,132	3,381,487
Louisiana	1,737,956	2,049,854	3,787,810
Maine	560,362	607,451	1,167,813
Maryland	2,508,983	1,910,907	4,419,890
Massachusetts	3,148,809	2,262,735	5,411,544
Michigan	4,802,894	4,031,665	8,834,559
Minnesota	2,189,279	2,171,236	4,360,515
Mississippi	1,028,723	828,218	1,856,941
Missouri	2,514,492	2,459,364	4,973,856

Source: R.L. Polk & Co. as of January 1, 2012.

State	Passenger cars	Light Trucks GVW 1-3	Total vehicles
Montana	369,187	540,767	909,954
Nebraska	722,055	928,661	1,650,716
Nevada	874,875	772,626	1,647,501
New Hampshire	611,706	596,961	1,208,667
New Jersey	4,391,605	2,999,216	7,390,821
New Mexico	703,135	932,956	1,636,091
New York	7,425,727	5,140,340	12,566,067
North Carolina	3,711,871	2,925,807	6,637,678
North Dakota	299,051	313,659	612,710
Ohio	5,697,010	4,434,864	10,131,874
Oklahoma	1,409,488	1,543,387	2,952,875
Oregon	1,409,856	1,390,944	2,800,800
Pennsylvania	5,786,231	4,344,419	10,130,650
Rhode Island	518,345	340,924	859,269
South Carolina	1,708,853	1,407,353	3,116,206
South Dakota	369,668	498,286	867,954
Tennessee	2,544,129	2,372,788	4,916,917
Texas	8,126,714	8,761,691	16,888,405
Utah	904,218	924,201	1,828,419
Vermont	307,616	291,465	599,081
Virginia	3,597,269	2,643,946	6,241,215
Washington	2,513,038	1,987,495	4,500,533
West Virginia	723,706	777,288	1,500,994
Wisconsin	2,481,197	2,423,516	4,904,713
Wyoming	180,562	352,423	532,985
Total	127,576,670	113,009,897	240,586,567

Total new-vehicle registrations in 2011, by state

State	2011	2010	2009	2008
Alabama	171,657	147,371	130,316	182,697
Alaska	29,137	28,910	23,135	30,890
Arizona	247,441	211,904	190,311	286,873
Arkansas	106,914	95,005	89,729	113,935
California	1,222,935	1,105,848	1,035,823	1,401,305
Colorado	189,215	177,017	155,825	215,712
Connecticut	149,091	137,849	126,601	157,375
Delaware	42,651	38,297	28,449	40,106
D.C.	14,757	16,486	19,692	16,148
Florida	879,792	810,462	701,488	950,695
Georgia	367,292	327,726	265,567	366,012
Hawaii	54,161	54,532	58,669	72,335
Idaho	36,442	32,183	31,005	43,939
Illinois	546,345	491,448	457,072	560,424
Indiana	203,275	177,344	174,871	226,921
Iowa	117,425	102,477	94,921	109,005
Kansas	94,387	86,808	84,456	100,982
Kentucky	123,969	112,212	105,370	124,430
Louisiana	184,072	165,082	160,623	217,459
Maine	46,674	45,952	45,253	51,019
Maryland	277,859	259,375	240,834	284,436
Massachusetts	287,755	269,011	249,513	289,280
Michigan	447,489	429,382	415,951	570,907
Minnesota	185,104	179,473	152,559	220,239
Mississippi	86,535	72,014	67,895	93,700
Missouri	234,691	208,281	201,868	238,975

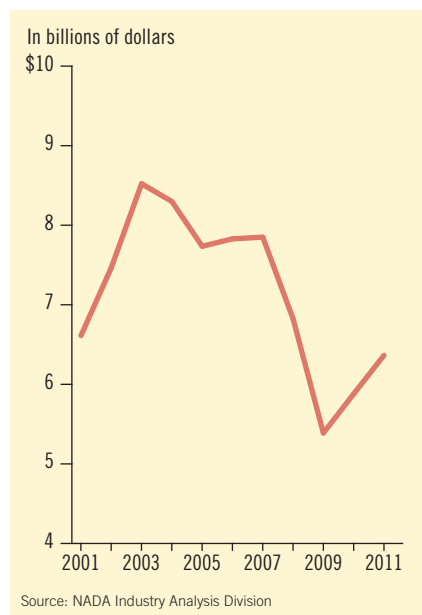
Source: R.L. Polk & Co.

State	2011	2010	2009	2008
Montana	44,345	40,118	33,738	41,300
Nebraska	73,141	64,655	58,551	68,105
Nevada	90,632	80,846	75,559	123,354
New Hampshire	71,367	67,790	60,548	76,447
New Jersey	484,178	462,123	430,278	532,241
New Mexico	68,166	61,890	61,168	87,172
New York	795,878	751,087	684,528	798,624
North Carolina	324,732	302,354	261,759	345,428
North Dakota	35,627	27,819	22,866	26,343
Ohio	500,824	434,997	397,180	487,357
Oklahoma	667,400	651,851	358,127	322,361
Oregon	110,075	98,819	89,858	124,860
Pennsylvania	563,445	503,990	477,031	557,525
Rhode Island	41,412	38,724	37,144	43,564
South Carolina	155,156	134,991	120,104	168,687
South Dakota	32,983	26,952	24,499	28,319
Tennessee	234,351	192,114	159,102	227,556
Texas	1,024,434	913,883	858,973	1,192,701
Utah	92,469	77,973	72,703	98,467
Vermont	33,085	30,387	28,148	33,260
Virginia	343,704	302,727	280,333	337,651
Washington	192,524	173,748	166,976	225,226
West Virginia	77,296	65,498	57,512	71,318
Wisconsin	193,710	172,501	165,241	199,855
Wyoming	24,655	20,141	18,961	26,057
Total U.S.	12,622,654	11,480,427	10,308,683	13,209,577

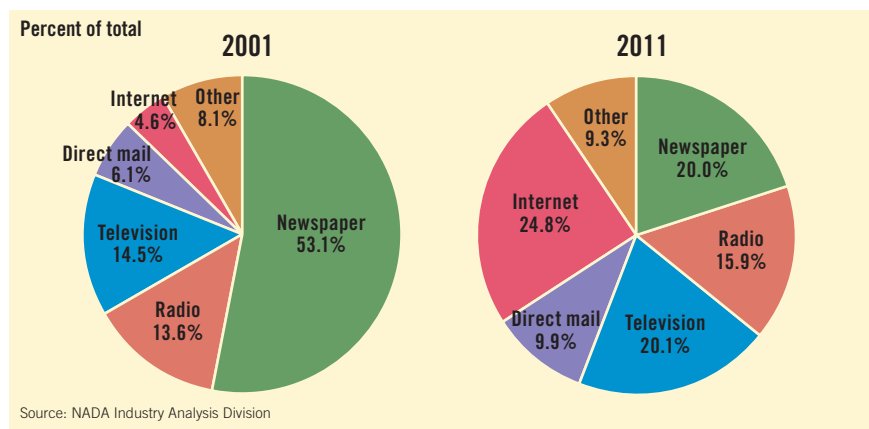
Advertising and the Dealership

NEW-VEHICLE FRANCHISED dealers spent nearly \$6.37 billion on advertising in 2011, up from \$5.88 billion in 2010. In 2011, average ad expense per new vehicle sold fell to \$628, down 3.9 percent from 2010. In 2011, average ad expense per new vehicle sold fell to \$628, down 3.9 percent from 2010. In the past 10 years, dealer budgets for newspapers dropped by more than 30 percentage points even though many newspapers provide associated Internet advertising. In 2011, the typical dealership spent 24.8 percent of advertising dollars on Internet ads, up from 23.7 percent in 2010 and 4.6 percent in 2001. Television held share, but radio lost 0.4 percent of share in 2011 from 2010.

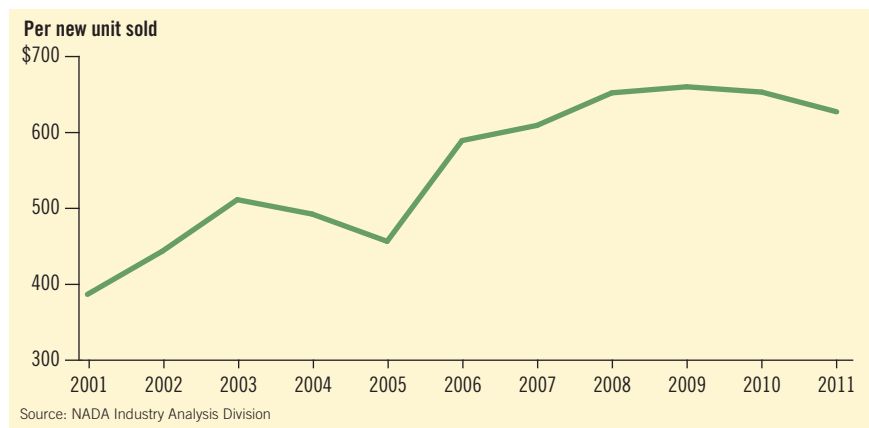
Total dealership advertising expenditures



Advertising expenditures, by medium



Total dealership advertising



Estimated advertising expenses per dealership in 2011

By number of new units sold					
By media used	Average of all dealerships	1-149	150-399	400-749	750 or more
Newspapers	\$72,599	\$29,232	\$38,622	\$61,989	\$102,932
Radio	\$57,670	\$21,051	\$24,990	\$52,133	\$116,362
TV	\$72,974	\$ 7,572	\$34,875	\$81,747	\$167,307
Direct mail	\$36,042	\$ 7,646	\$17,171	\$38,824	\$ 75,586
Internet	\$90,106	\$23,430	\$45,105	\$96,826	\$164,377
Other	\$33,775	\$ 8,618	\$16,139	\$31,774	\$ 72,989
Total	\$363,168	\$97,548	\$176,902	\$363,292	\$699,553
Total advertising as a % of total sales	1.05%	1.07%	1.04%	1.00%	0.95%
Total advertising per new vehicle sold	\$628	\$788	\$608	\$505	\$418

Source: NADA Industry Analysis Division

Consumer Credit

IN 2011, AVERAGE new-vehicle loan rates at finance companies increased to 4.73 percent from 4.26 percent, as captives eased financing incentives. New-vehicle bank rates fell to 5.75 percent in 2011 from 6.21 percent in 2010. Low rates continue to support stronger vehicle sales in 2012.

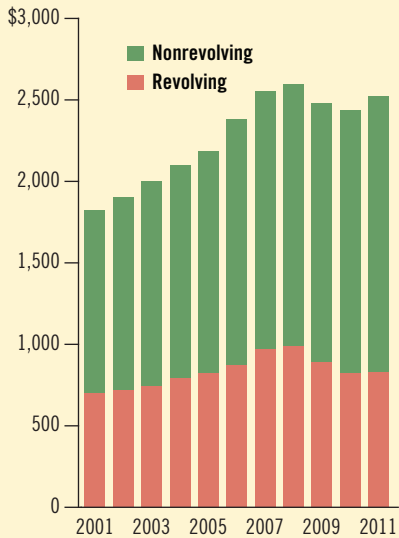
Average maturity of new-car loans at finance companies

2004	60.5 months
2005	60.0 months
2006	62.3 months
2007	61.0 months
2008	63.4 months
2009	62.0 months
2010	63.0 months
2011	62.3 months

Source: Federal Reserve Board

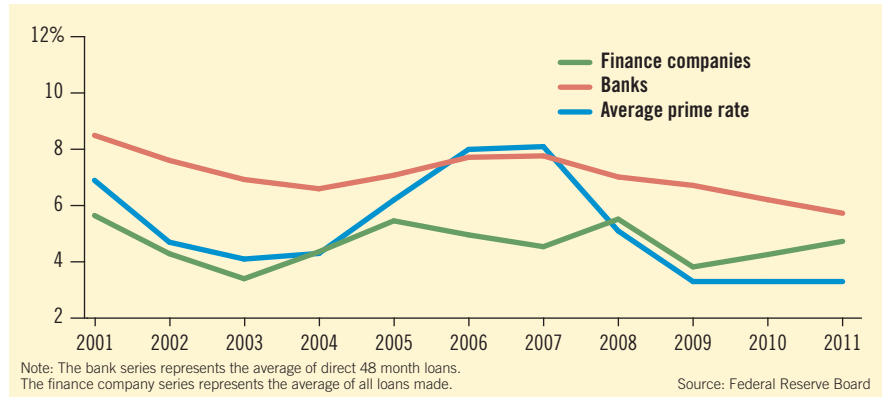
Consumer credit outstanding

End of year, seasonally adjusted
In millions of dollars



Source: Federal Reserve Board

Average finance rate on new-car loans



New-vehicle affordability measure

	Avg. finance rate	Avg. length loan	Avg. consumer expenditure*	Avg. weeks of median family income to buy car*
2006Q1	6.09%	61.9 months	\$24,649	26.0
2006Q2	5.63%	61.8 months	\$24,673	25.6
2006Q3	3.03%	65.4 months	\$24,833	24.2
2006Q4	5.23%	63.0 months	\$25,559	26.0
2007Q1	4.98%	61.3 months	\$25,106	24.9
2007Q2	5.08%	61.7 months	\$25,133	24.7
2007Q3	4.85%	62.1 months	\$25,665	24.8
2007Q4	4.55%	62.9 months	\$25,239	24.1
2008Q1	4.85%	62.6 months	\$23,112	22.7
2008Q2	5.28%	63.5 months	\$22,801	22.5
2008Q3	4.87%	65.4 months	\$23,410	22.9
2008Q4	7.09%	62.3 months	\$22,855	23.4
2009Q1	4.71%	59.3 months	\$22,910	22.3
2009Q2	3.45%	62.1 months	\$23,611	22.7
2009Q3	3.66%	62.7 months	\$22,821	22.2
2009Q4	3.47%	63.9 months	\$24,079	23.7
2010Q1	4.31%	62.9 months	\$24,590	24.1
2010Q2	4.09%	62.9 months	\$24,792	24.1
2020Q3	4.08%	63.8 months	\$24,599	23.9
2010Q4	4.57%	62.5 months	\$24,120	23.7
2011Q1	4.73%	62.3 months	\$24,464	23.6
2011Q2	4.31%	62.9 months	\$25,439	24.1
2011Q3	3.60%	63.8 months	\$26,062	24.2
2011Q4	3.40%	62.5 months	\$25,104	23.1
2012Q1	3.35%	62.3 months	\$25,405	23.2

*With possible rebate

Sources: Comerica Bank; Federal Reserve

New-Truck Dealerships

SALES OF MEDIUM- and heavy-duty trucks (Classes 4–8) rose to 306,189 units in 2011, a 40.6 percent gain from 217,702 units in 2010.

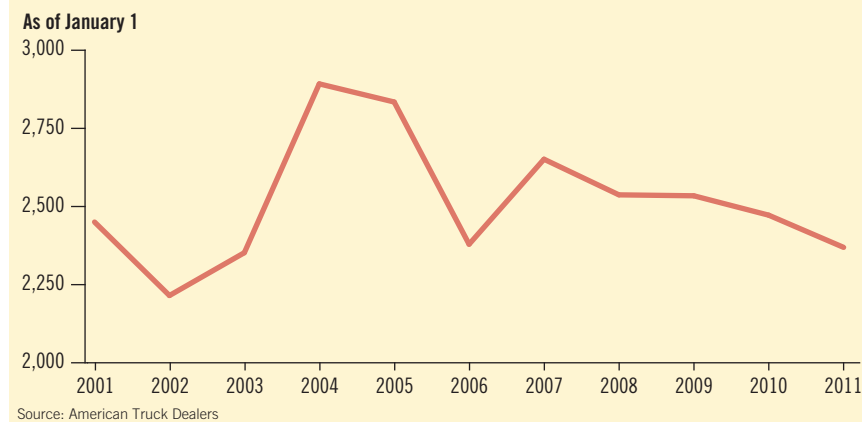
For all classes combined, the top two companies in market share exchanged places, with Freightliner moving ahead of International to command 26.9 percent of the total market, and International dropping to 23.5 percent for 2011. Ford held the third spot, with 12.4 percent of the combined market in 2011, down from 13.9 percent in 2010. For a second consecutive year, Ford sold no Class 8 trucks. Paccar brands captured fourth and fifth places, with Peterbilt at 9.1 percent and Kenworth at 8.5 percent of the combined market. Stablenmates Volvo Truck and Mack took sixth and seventh place, respectively, with 6.8 percent and 4.2 percent of the combined Classes 4-8 market.

Truck categories

Trucks are classified by gross vehicle weight

Class 1	0 – 6,000 lb.
Class 2	6,001 – 10,000 lb.
Class 3	10,001 – 14,000 lb.
Class 4	14,001 – 16,000 lb.
Class 5	16,001 – 19,500 lb.
Class 6	19,501 – 26,000 lb.
Class 7	26,001 – 33,000 lb.
Class 8	33,001 and over lb.

Number of medium- and heavy-duty truck dealerships



U.S. retail sales and market share—calendar year 2011

Truck classes 4–8							Percent of market
Class	4	5	6	7	8	Total	
Freightliner	1,319	224	13,757	14,928	52,276	82,504	26.9%
International	594	3,831	16,201	15,537	35,928	72,091	23.5%
Ford	1,784	27,310	5,176	3,705	0	37,975	12.4%
Peterbilt	0	32	168	2,945	24,583	27,728	9.1%
Kenworth	0	18	850	2,666	22,577	26,111	8.5%
Volvo Truck	0	0	0	0	20,955	20,955	6.8%
Mack	0	0	0	0	12,928	12,928	4.2%
Isuzu	5,238	2,989	0	7	0	8,234	2.7%
Dodge/Ram	0	7,527	0	0	0	7,527	2.5%
Hino	1	14	3,952	1,111	0	5,078	1.7%
Mitsubishi Fuso	1,500	439	138	23	0	2,100	0.7%
Western Star	0	0	0	0	2,090	2,090	0.7%
UD Trucks	13	92	428	286	0	819	0.3%
Other	0	0	0	0	20	20	0.0%
GMC	1	4	7	1	0	13	0.0%
Chevrolet	9	1	0	0	0	10	0.0%
Sterling	0	2	0	3	1	6	0.0%
Total	10,459	42,483	40,677	41,212	171,358	306,189	100.0%

Source: © 2011 Ward's Communications

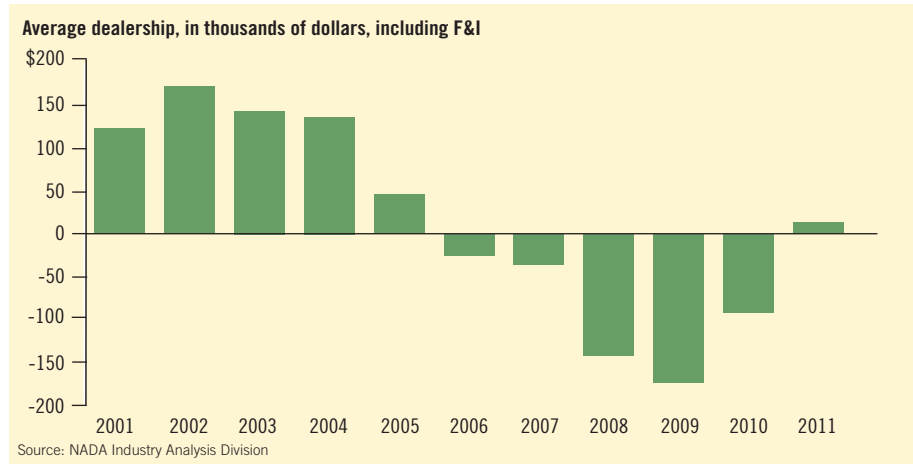
Dealership Financial Trends

AS ECONOMIC GROWTH continued at a slow pace during 2011, new-vehicle net profit broke into the positive. Reduced floor-plan costs stemming from low interest rates, combined with higher new-vehicle sales, helped support new-vehicle profits in 2011.

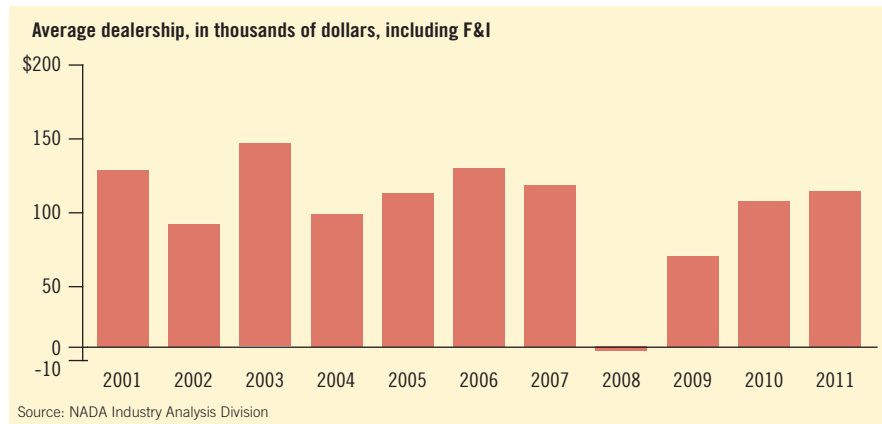
Net used-car profits improved further in 2011. Dealerships dealt with a shortage of trade-ins caused by lower sales in the recession and recovery years, which increased used-car and used-truck prices. Financial institutions offered more attractive rates for used-car purchases because they recognized that used values would remain at higher levels for several years. Also, new- and used-vehicle loans are performing relatively well compared with other lending areas, particularly residential real estate. The result: many promotions of attractive financing rates and loan features, as well as attractive lease terms by financial institutions. High used-car prices provide more trade equity for new-vehicle customers.

Total service and parts profits remained strong in 2011, near the solid level of 2010, as some consumers drove their vehicles greater distances. For the typical dealer, dealership revenue grew by 12.3 percent and new-vehicle revenue increased by 15.6 percent in 2011. Dealers continue to compete with independent service outlets for the less-frequent periodic service and repairs required on newer, more sophisticated vehicles.

New-vehicle department net profit



Used-vehicle department net profit



Service and parts department net profit

