NADA DATA 2011

STATE OF THE INDUSTRY REPORT

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NADA DATA

New light-vehicle sales increased in 2010 to 11.55 million units from the previous year's 10.4 million units. Sales should improve by about 11 percent in 2011. Typical dealerships saw sales increases in all departments for the year and costs moderated in relation to new-vehicle sales volume. Real GDP grew moderately, by 2.9 percent, in 2010, then slowed to about 2 percent growth in the first quarter of 2011. The unemployment rate averaged 8.8 percent at the end of 2010, down only slightly from 2009. In 2011 the unemployment rate stands stubbornly high at 8.8 percent. Consumer confidence has remained uneven so far in 2011, falling slightly in May.

Difficulties in residential housing sales remain, even as finance availability for new-vehicle customers and for new-vehicle dealers has improved. Japan's tsunami has hurt international new-vehicle sales and economic growth, as the world continues to lack an adequate supply of cars and trucks. Falling residential real estate values are also holding back the recovery of new-vehicle sales in the United States. Fortunately, for consumers and dealers, the cost of borrowing remained moderate for 2010 and so far in 2011, as the Federal Reserve left target short-term interest rates at a modest rate. Short-term rates should start to increase during 2012.

In 2010 vehicle sales continued to be driven by somewhat-generous incentives, such as cash rebates, value pricing, and subvented rate financing and subvented leases. New light-duty sales of 11.55 million units in 2010 were 11 percent higher than in 2009. In the last quarter of 2010, the economy grew despite modest declines in the residential housing values and rising gasoline prices; the latter helped change the mix of new-vehicle sales to a greater percentage of small cars, a trend that accelerated in the first quarter of 2011. New-vehicle dealers should be able to sustain sales that may end up nearly 11 percent higher during full-year 2011, as supply increases in the second half.

Total dealership dollar sales in 2010 exceeded $564 billion, up about 17 percent from 2009. Dealers maintained a payroll employment of less than 900,000 as dealerships continued to close, but the average dealership hired one person in 2010. 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: *NADA's 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 11.55 million units in 2010. Even as modest economic growth occurred, higher energy prices and instances of political instability around the globe hindered sales growth for the nation's new-car and -truck dealers in 2011. Total dealership revenue topped $512 billion, growing by 2.3 percent in 2010, and sales in the used-car department saw the largest increase (21 percent) for the typical dealer. New-vehicle sales revenue was higher than in 2009; the average dealership saw gains of almost 19 percent. Net profit levels posted strong gains from 2009, with the typical store generating more than $642,000 in annual net pretax profit for 2010.

TOTAL GROSS AND EXPENSE

Total dealership gross margins moderated in 2010 to 14.5 percent of total dealership sales. With economic recovery, the 2010 operating profit doubled to one percent of sales. Total expense increased by 6.6 percent, but declined as percentage of sales fell to 12.5 percent. As dealers sold more new vehicles, advertising expense increased, but fell one percent to $654 on a basis of new vehicles sold. Floor-plan expense saw a negative measure of minus $39 per new vehicle sold, reflecting assistance on floor plan for 2010. Some major expenses for the average dealership in 2010:

Payroll $2,394,000
Advertising $335,600
Rent and equivalent $389,400

TOTAL DEALERSHIP PROFITS

In 2010 total dealership net profit before tax as a percent of sales was 2.1 percent, up from 1.5 percent in 2009. Dollar profits gained 60 percent. New-vehicle department operating profit at the average dealership continued to decline and was below breakeven in 2010. Used vehicles contributed one-third of operating profit in 2010.

Average dealership profile

	2005	2006	2007	2008	2009	2010	% change 2009 to 2010
Total dealership sales	$32,318,461	$31,855,768	$33,379,501	$28,517,867	$26,645,303	$31,240,140	17.2%
Total dealership gross	$ 4,307,479	$ 4,338,448	$ 4,546,212	$ 4,077,497	$ 4,060,649	$ 4,542,327	11.9%
As % of total sales	13.3%	13.6%	13.6%	14.3%	15.2%	14.5%	
Total dealership expense	$ 3,776,446	$ 3,848,964	$ 4,038,084	$ 3,800,451	$ 3,658,560	$ 3,900,270	6.6%
As % of total sales	11.7%	12.1%	12.1%	13.3%	13.7%	12.5%	
Net profit before taxes	$ 531,033	$ 489,484	$ 508,127	$ 277,045	$ 402,090	$ 642,057	59.7%
As % of total sales	1.6%	1.5%	1.5%	1.0%	1.5%	2.1%	
(Net pretax profit in constant 1982 dollars)	$ 271,906	$ 242,799	$ 245,117	$ 128,679	$ 187,454	$ 294,387	57.0%
New-vehicle department sales	$19,469,000	$18,795,482	$19,545,287	$16,302,280	$13,937,579	$16,509,875	18.5%
As % of total sales	60.2%	59.0%	58.6%	57.2%	52.3%	52.8%	
Used-vehicle department sales	$ 9,067,128	$ 9,265,366	$ 9,821,093	$ 8,164,415	$ 8,537,426	$10,343,718	21.2%
As % of total sales	28.1%	29.1%	29.4%	28.6%	32.0%	33.1%	
Service and parts sales	$ 3,782,334	$ 3,794,920	$ 4,013,121	$ 4,051,172	$ 4,170,298	$ 4,386,547	5.2%
As % of total sales	11.7%	11.9%	12.0%	14.2%	15.7%	14.0%	
New-vehicle average selling price	$ 28,381	$ 28,451	$ 28,797	$ 28,350	$ 28,966	$ 29,793	2.9%
Used-vehicle average selling price	$ 14,923	$ 15,518	$ 15,714	$ 15,200	$ 14,976	$ 16,474	10.0%
Average net worth (as of 12/31)	$ 2,258,753	$ 2,160,181	$ 2,306,742	$ 2,251,583	$ 2,235,369	$ 2,587,934	15.8%
Net profit as % of net worth	23.5%	22.7%	22.0%	12.4%	18.0%	24.8%	

Source: NADA Industry Analysis Division

NADA Optimism Index

THE YEAR ENDED with the NADA Dealer Optimism Index at 179, improved from 140 at the end of 2009. The economy still features low inflation and historically low interest rates, with growth in gross domestic product (GDP) of 2.9 percent for 2010, compared with a decline in GDP for all of 2009. In 2010 consumer confidence improved from the low levels experienced during the recession. The Consumer Confidence Index exhibited a moderate upward trend in the first quarter of 2011. The consumer outlook also improved during 2010, but has been erratic year-to-date, falling somewhat in May. Although NADA's dealer optimism index slipped to 166 in first-quarter 2011, dealer confidence levels suggest that 2011 will see continued improvement in light-vehicle sales and profits.

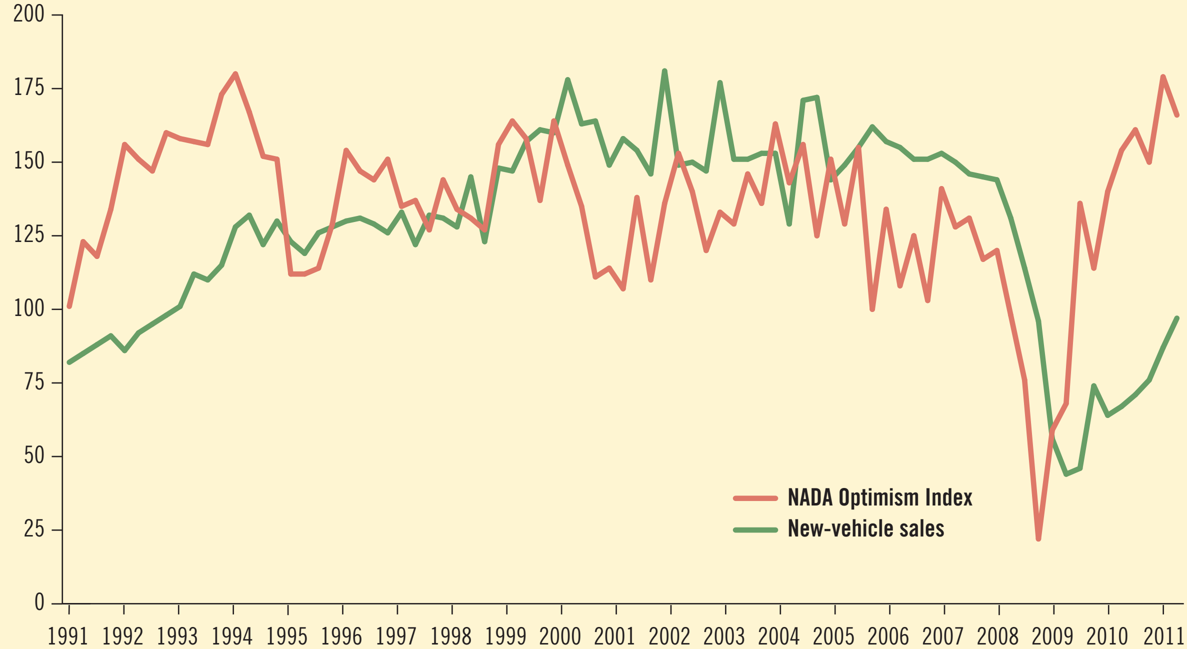
Expectations for dealership profits

Percent of dealers expecting profits to:

	Increase	Not change	Decline	Value index
April 1998	41.9	43.3	14.8	134
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

Source: NADA Industry Analysis Division

Optimism index vs. new-vehicle sales



Source: NADA Industry Analysis Division

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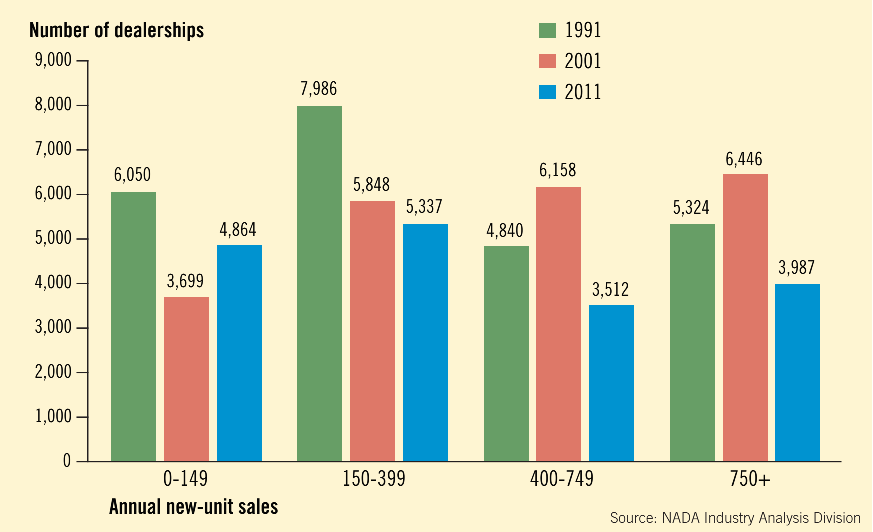
New-Car Dealerships

Consolidation in the number of franchised dealerships is expected to moderate after a large net loss of 1,550 in 2009 and 760 in 2010. Dealership groups are looking for acquisitions during 2011, according to published reports, and manufacturers' efforts to reduce the number of dealership points in 2009 and 2010 resulted in a drop of more than 4 percent in the number of dealership rooftops for 2010.

The net dealership count decline in 2009 was as bad as that of the worst year for dealership losses, 1980, during the 1980-82 recession, a time when extremely high interest rates greatly reduced new-car sales. In the recent recession, real estate and banking problems persisted despite historically low interest rates; the net result was the drop in new-car sales.

The bar graph at right shows that the loss of dealerships over the past 20 years has been largely concentrated in relatively smaller-volume new-car dealerships. In 2011 there were 4,864 dealerships with sales levels of less than 150 new vehicles per year, as sales remained low and inflated the count in that grouping. Today, dealerships with sales of more than 750 new light vehicles per year fell to 3,987, whereas in 2001, a high-volume sales year, 6,446 stores sold at that rate. That 750-plus sales category will grow in future years as sales return to levels above 15 million new-car sales annually.

Number of dealerships, by volume of new-unit sales



Source: NADA Industry Analysis Division

New-car dealerships

As of January 1, 2011	
1990	24,825
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

Source: NADA Industry Analysis Division

New-car dealerships, by state

As of January 1, 2011			
Alabama	304	Montana	118
Alaska	32	Nebraska	186
Arizona	233	Nevada	97
Arkansas	227	New Hampshire	143
California	1,303	New Jersey	474
Colorado	253	New Mexico	115
Connecticut	264	New York	918
Delaware	55	North Carolina	586
D.C.	1	North Dakota	89
Florida	842	Ohio	763
Georgia	511	Oklahoma	280
Hawaii	63	Oregon	240
Idaho	108	Pennsylvania	956
Illinois	774	Rhode Island	51
Indiana	438	South Carolina	266
Iowa	325	South Dakota	100
Kansas	236	Tennessee	348
Kentucky	259	Texas	1,197
Louisiana	296	Utah	141
Maine	131	Vermont	85
Maryland	302	Virginia	493
Massachusetts	404	Washington	335
Michigan	656	West Virginia	141
Minnesota	371	Wisconsin	508
Mississippi	200	Wyoming	65
Missouri	417	**Total U.S.**	**17,700**

Source: NADA Industry Analysis Division

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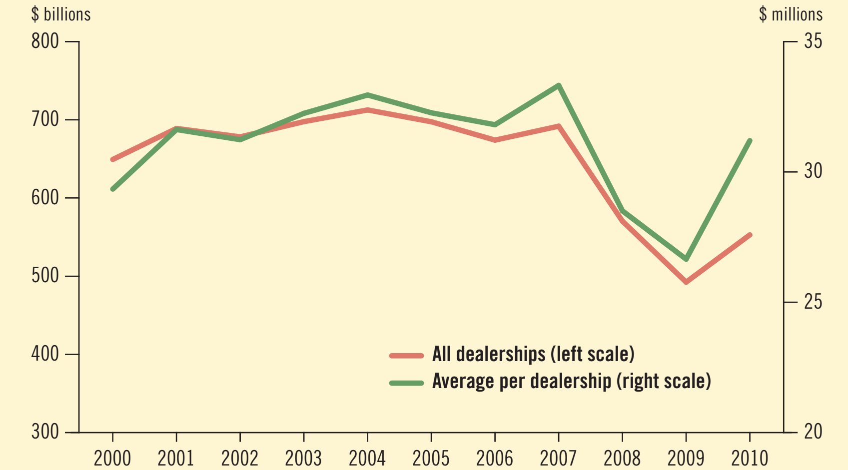
Total Dealership Sales Dollars

Total dollar sales at the nation's new-car dealerships increased 17 percent in 2010, the first full year of post-recession growth. Used-car department sales improved in 2010, with a 10 percent increase in transaction prices and a 13.4 percent gross margin on retail used selling prices after years of soft sales caused by oversupply and high new-vehicle incentives and then recession. Higher used-car prices increased the trade-in equity for customers. Nine states had average dealership sales lower than $20 million; 18 had sales exceeding $30 million.

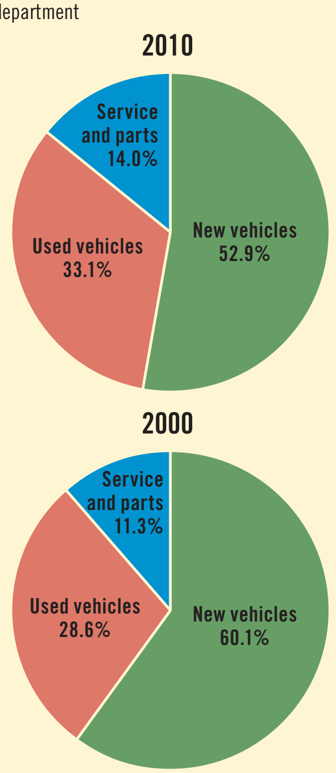
Total sales of new-car dealerships



Sources: U.S. Department of Commerce; NADA Industry Analysis Division

Share of total dealership sales dollars

By department



Source: NADA Industry Analysis Division

2010 total sales, by state

State	All dealerships (millions)	Average per dealership (thousands)
Alabama	$7,678	$25,257
Alaska	$1,245	$38,891
Arizona	$10,965	$47,060
Arkansas	$4,781	$21,062
California	$57,659	$44,251
Colorado	$9,961	$39,371
Connecticut	$7,875	$29,828
Delaware	$1,957	$35,583
Florida	$38,928	$46,233
Georgia	$17,101	$33,466
Hawaii	$1,682	$26,699
Idaho	$2,174	$20,134
Illinois	$23,385	$30,213
Indiana	$10,372	$23,681
Iowa	$6,294	$19,368
Kansas	$4,967	$21,047
Kentucky	$6,022	$23,249
Louisiana	$7,680	$25,947
Maine	$2,772	$21,162
Maryland	$11,705	$38,757
Massachusetts	$13,862	$34,312
Michigan	$12,314	$18,771
Minnesota	$6,839	$18,435
Mississippi	$3,667	$18,334
Missouri	$10,823	$25,954

State	All dealerships (millions)	Average per dealership (thousands)
Montana	$2,064	$17,490
Nebraska	$4,130	$22,207
Nevada	$3,622	$37,341
New Hampshire	$3,908	$27,326
New Jersey	$21,006	$44,317
New Mexico	$2,826	$24,578
New York	$34,813	$37,923
North Carolina	$16,576	$28,287
North Dakota	$2,090	$23,479
Ohio	$21,019	$27,548
Oklahoma	$17,746	$63,379
Oregon	$5,390	$22,459
Pennsylvania	$23,638	$24,726
Rhode Island	$1,719	$33,698
South Carolina	$6,551	$24,626
South Dakota	$1,988	$19,885
Tennessee	$10,231	$29,399
Texas	$46,677	$38,995
Utah	$4,462	$31,642
Vermont	$1,438	$16,923
Virginia	$14,925	$30,275
Washington	$9,421	$28,123
West Virginia	$3,128	$22,187
Wisconsin	$9,749	$19,191
Wyoming	$1,060	$16,312
Total U.S.	**$552,888**	**$31,240**

Source: NADA Industry Analysis Division

Relationship of new-car dealerships to total retail trade in 2010, 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	1.7%	14.3%	10.0%	5.6%
Alaska	1.5%	10.1%	9.4%	5.5%
Arizona	1.6%	15.8%	10.6%	6.4%
Arkansas	2.3%	13.8%	10.7%	5.6%
California	2.0%	15.1%	10.3%	6.1%
Colorado	1.5%	15.3%	11.2%	6.1%
Connecticut	2.4%	14.8%	11.9%	6.8%
Delaware	1.8%	13.6%	13.6%	7.3%
Florida	1.7%	16.0%	11.1%	6.3%
Georgia	1.7%	14.5%	10.7%	5.9%
Hawaii	1.4%	11.9%	11.7%	5.3%
Idaho	2.0%	13.8%	10.0%	5.9%
Illinois	2.6%	13.2%	11.8%	6.4%
Indiana	2.2%	13.1%	10.8%	6.1%
Iowa	2.9%	12.9%	11.5%	6.1%
Kansas	2.5%	13.2%	11.6%	6.2%
Kentucky	2.0%	11.5%	9.6%	5.3%
Louisiana	2.0%	15.2%	11.7%	6.4%
Maine	1.9%	11.0%	10.7%	5.8%
Maryland	2.0%	15.1%	12.8%	7.2%
Massachusetts	2.0%	13.6%	11.6%	5.8%
Michigan	2.4%	11.9%	12.9%	6.8%
Minnesota	1.9%	11.5%	10.2%	5.7%
Mississippi	1.8%	12.3%	8.8%	4.9%
Missouri	2.1%	13.4%	11.4%	6.1%
Montana	2.6%	12.3%	9.9%	6.1%
Nebraska	2.8%	12.8%	11.6%	6.0%
Nevada	1.3%	14.9%	10.0%	5.4%
New Hampshire	2.6%	13.5%	12.2%	6.3%
New Jersey	1.9%	15.6%	11.9%	6.1%
New Mexico	2.4%	14.1%	10.6%	6.3%
New York	1.6%	12.3%	8.8%	4.9%
North Carolina	2.2%	14.6%	10.9%	6.1%
North Dakota	2.6%	13.5%	12.8%	7.1%
Ohio	2.3%	13.8%	11.1%	6.3%
Oklahoma	2.6%	16.2%	12.6%	6.8%
Oregon	1.8%	12.4%	9.7%	5.8%
Pennsylvania	2.4%	13.5%	11.9%	6.6%
Rhode Island	1.8%	13.4%	10.8%	6.0%
South Carolina	1.9%	13.1%	9.5%	5.4%
South Dakota	2.7%	13.9%	12.6%	6.5%
Tennessee	2.2%	13.4%	9.7%	5.7%
Texas	2.0%	16.0%	12.2%	6.5%
Utah	1.9%	13.4%	9.0%	5.3%
Vermont	2.7%	13.5%	11.2%	6.5%
Virginia	1.9%	14.0%	12.6%	6.6%
Washington	1.9%	11.7%	9.8%	6.1%
West Virginia	2.4%	13.1%	10.2%	6.2%
Wisconsin	2.8%	12.8%	11.3%	6.7%
Wyoming	2.6%	12.4%	11.3%	6.7%
Total U.S.	**2.1%**	**14.1%**	**10.3%**	**6.2%**

Source: NADA Industry Analysis Division

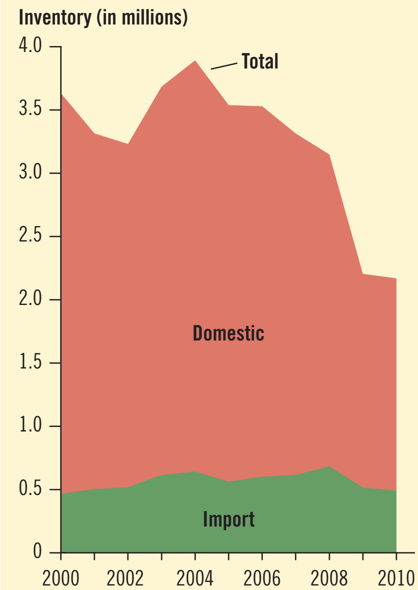
The New-Vehicle Department

New-vehicle sales—11.55 million units in 2010—were 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 13 million units during the first four months of 2011. Sales may drop off through June, because of production shortages for some Japan-based manufacturers resulting from the tsunami, then recover in the fall. In early 2011, total automaker inventory remained below the desired 60 days of supply. Days' supply of domestic vehicles decreased to 54 days' supply at the end of April 2011, as some of the faster-selling imported vehicles from Japan fell well below 35 days' supply.

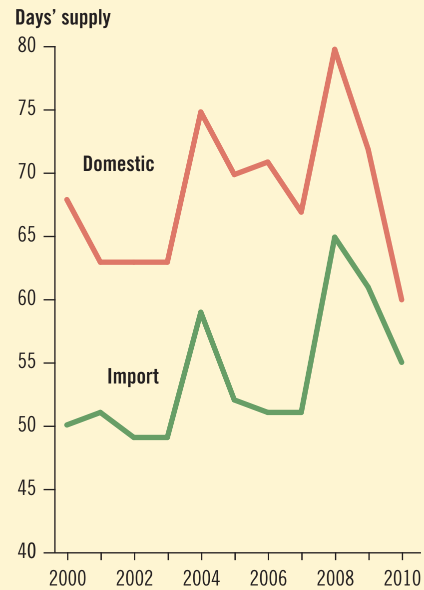
In 2010 the average selling price of a new vehicle, including accessories and options (next page, upper right), rose by 2.9 percent from 2009.

New-vehicle sales by manufacturer (bottom of the next page) show Ford and Chrysler market share rising in 2010. Of the three major Japanese brands—Toyota Honda, and Nissan—market share rose only for Nissan and fell for the other two. Hyundai and Kia sales combined rose to a 7.7 percent share in 2010 from 7.1 percent in 2009. Acura, Infiniti, Subaru, Audi, and Volkswagen enjoyed market-share increases in 2010.

New-vehicle inventories and days' supply



Source: NADA Industry Analysis Division



Source: NADA Industry Analysis Division

New-vehicle sales, by month

	2010 Actual	2010 SAAR* (in millions)	2009 Actual	2009 SAAR* (in millions)	% change 2009 to 2010
January	695,707	10.8	654,802	9.6	6.2%
February	778,189	10.3	687,076	9.1	13.3%
March	1,063,872	11.8	855,167	9.8	24.4%
April	979,576	11.2	817,302	9.3	19.9%
May	1,101,017	11.6	923,830	9.9	19.2%
June	981,258	11.1	857,410	9.7	14.4%
July	1,046,557	11.5	995,667	11.2	5.1%
August	994,585	11.4	1,259,996	14.1	-21.1%
September	956,248	11.7	744,165	9.2	28.5%
October	947,119	12.2	835,672	10.4	13.3%
November	869,828	12.2	744,349	10.9	16.9%
December	1,140,165	12.5	1,026,246	11.2	11.1%
Full Year	**11,554,121**	**11.6**	**10,401,682**	**10.4**	**11.1%**

*Seasonally adjusted annual rate

Source: NADA Industry Analysis Division

Total new light-vehicle sales increased 11 percent in 2010, and jumped 15 percent in 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
2000	8,846,900	8,502,800	17,349,700	49.0%
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	5,654,700	5,899,400	11,554,100	51.1%
Average 2000–2010	**7,407,168**	**7,999,814**	**15,407,064**	**51.7%**

Source: NADA Industry Analysis Division

Number of new vehicles sold and selling price

Year	New vehicles sold per dealership	Average retail selling price
2000	783	$24,900
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

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
2000	2,522,700	4,147,700	4,911,700	1,619,200	1,158,900	752,800	435,900	1,800,800	17,349,700
	14.54%	23.91%	28.31%	9.33%	6.68%	4.34%	2.51%	10.38%	
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%	
Average 2000–2010	**1,937,541**	**2,937,164**	**3,958,286**	**2,019,827**	**1,335,650**	**876,473**	**358,545**	**1,983,586**	**15,407,064**
	12.58%	**19.06%**	**25.69%**	**13.11%**	**8.67%**	**5.69%**	**2.33%**	**12.87%**	

Source: NADA Industry Analysis Division

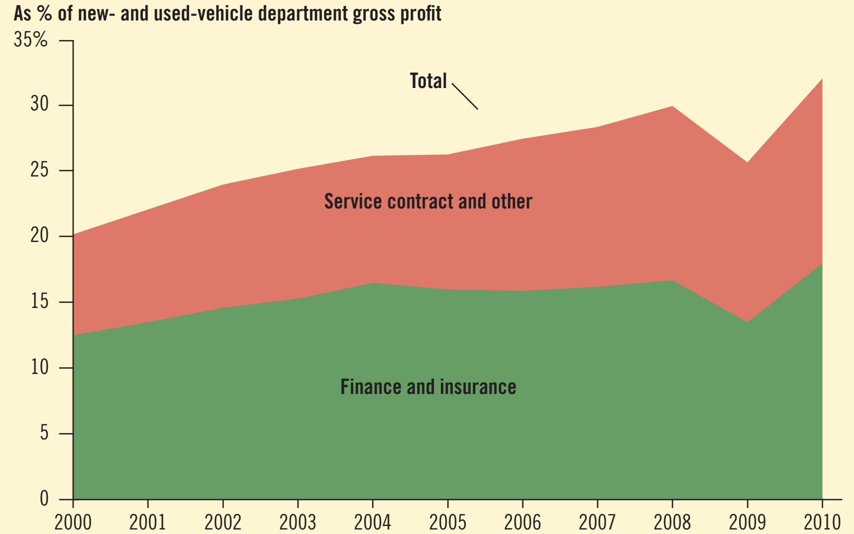
F&I, Service Contracts

DESPITE ECONOMIC RECOVERY and stronger new-vehicle sales, gross margin on the sale of new cars and trucks held steady at 4.49 percent in 2010. In this tough market, fuel price changes can leave dealers with the wrong new and used inventory, which makes profits from finance, insurance, and service contracts increasingly important to the new-vehicle department.

Aftermarket income rose in 2010, with a 15 percent lift in F&I dollars and a 7 percent increase in service contract dollars from 2009. The ability to obtain finance for customers improved, too. A renewed focus on F&I, resulting in higher finance penetration rates for both new and used units, and a greater emphasis on customer understanding and satisfaction in F&I yielded better performance.

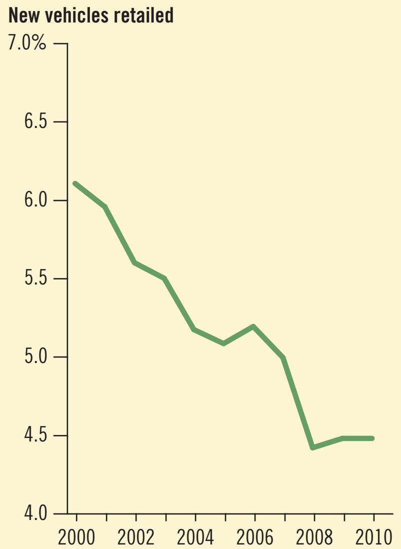
Improvement in new-vehicle sales and a stronger economy helped boost the new-vehicle service contract penetration rate. Used-car service contract penetration rose as well.

Aftermarket income



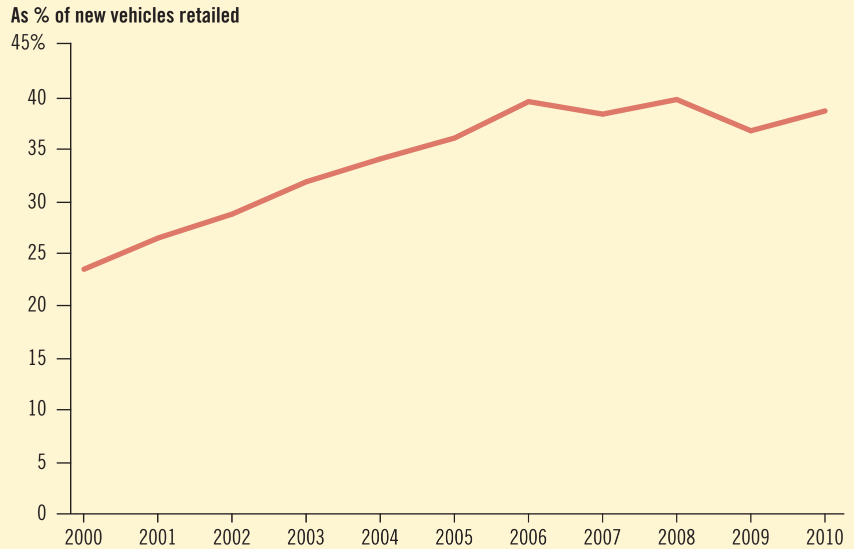
Source: NADA Industry Analysis Division

Gross as percentage of selling price



Source: NADA Industry Analysis Division

Service contract penetration rates



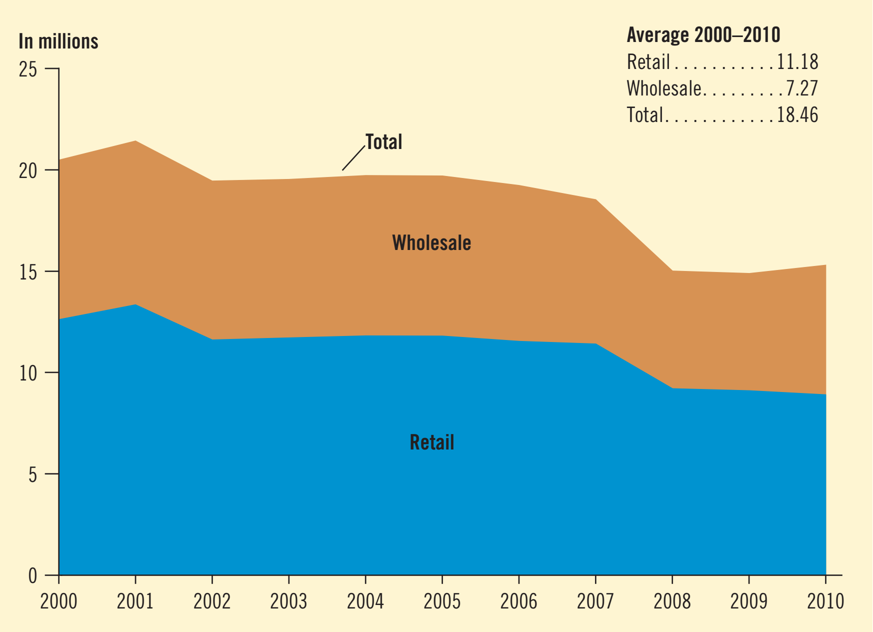
Source: NADA Industry Analysis Division, revised data series 2010.

The Used-Vehicle Department

New-vehicle dealers sold more than 18 million used cars last year. Of these, 11.2 million were retailed and 7.3 million were wholesaled. The average selling price of a used unit retailed in 2010 was $16,474, up 10 percent from $14,976 in 2009.

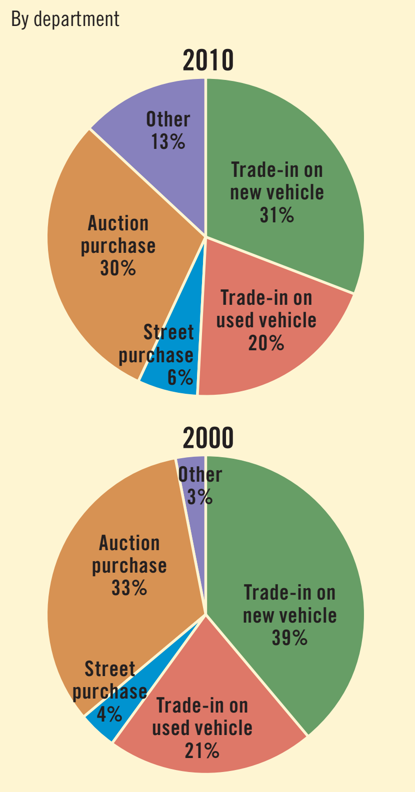
New-vehicle dealers acquired 51 percent of the used units they retailed from trade-ins, 30 percent from auctions, and the remaining 19 percent from street purchases or other sources. As a source of used cars, auctions made the biggest inroads in the past decade—from less than 10 percent of inventory in the early 1980s to 51 percent in 2010.

Used-vehicle sales by new-car dealerships



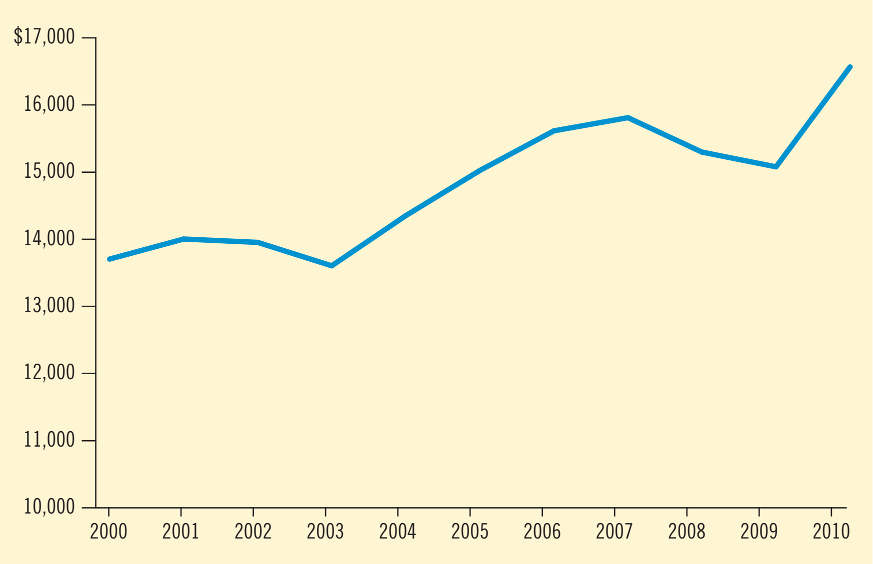
Source: NADA Industry Analysis Division

Sources of used vehicles retailed by dealerships



Source: NADA Industry Analysis Division

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



Source: NADA Industry Analysis Division

Service, Parts, and Body Shop

Total franchised dealership service, parts, and body shop sales reached nearly $78 billion in 2010, and sales by the typical dealer were up by 5.2 percent, as many car owners drove their cars and trucks longer. Dealerships faced increasing 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 in addition to continued recall activity for some makes and service needed for the aging vehicles.

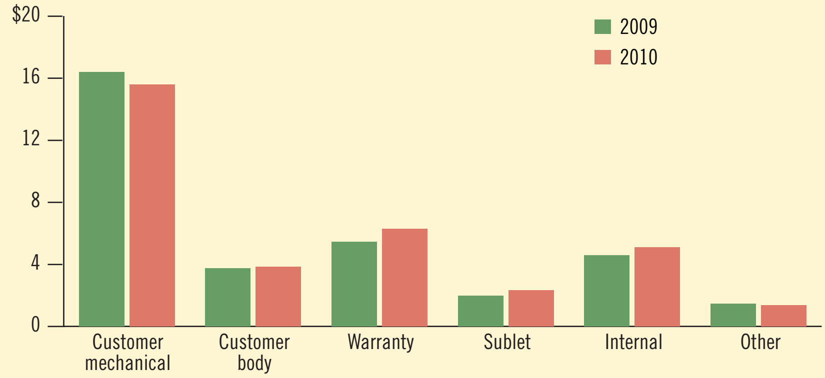
New-vehicle dealers have made a major investment in service and parts to increase sales and customer satisfaction. To boost customer convenience and make full use of their facilities, 78 percent of dealers offer evening service hours, weekend hours, or both. The average dealership service department is open for business 56 hours per week.

In recent years, more dealerships have opted to remain out of the body shop business. NADA Industry Analysis estimates that just 33 percent of new-vehicle dealerships had body shops in 2010, down from 2009. Auto bodywork performed by all new-vehicle dealerships remained at just over $6.4 billion in 2010, down from about $6.6 billion in 2009.

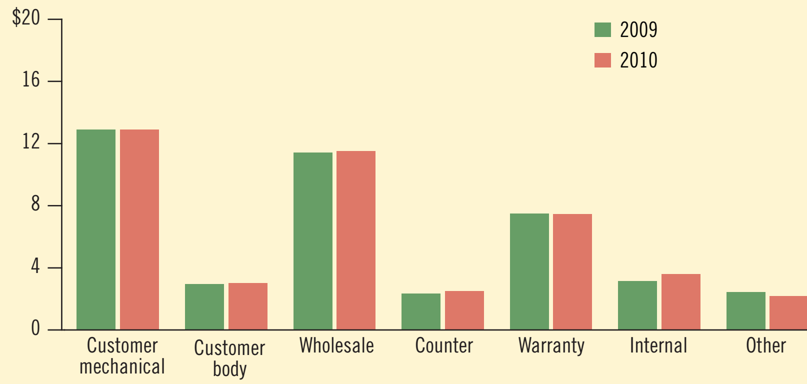
Dealerships' total service and parts sales

In billions of dollars

Service labor sales



Parts sales



Source: NADA Industry Analysis Division

Profile of dealerships' service and parts operations, 2010

	Average dealership	All dealers
Total service and parts sales	$4,386,547	$77.63 billion
Total gross profit as percent of service and parts sales	46.48%	
Total net profit as percent of service and parts sales	7.93%	
Total number of repair orders written	13,818	245 million
Total service and parts sales per customer repair order	$228	
Total service and parts sales per warranty repair order	$258	
Number of technicians (including body)	14	248,100
Number of service bays (excluding body)	18	309,750
Total parts inventory	$275,370	4.87 billion
Average customer mechanical labor rate	$93	

Source: NADA Industry Analysis Division

Total new-vehicle dealership service, parts, and body shop sales reached nearly $78 billion in 2010, with the average dealer's sales up 5.2 percent.

Dealerships' total service and parts sales

In billions of dollars

	Amount	% change
1998	$63.56	1.0%
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%

Source: NADA Industry Analysis Division

Dealerships' service and parts sales

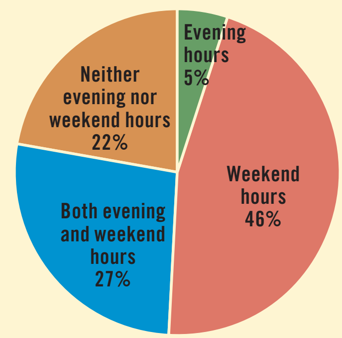
In billions of dollars

	2009	2010	% change
Service labor sales			
Customer mechanical	$16.38	$15.59	-4.8%
Customer body	3.75	3.85	2.8
Warranty	5.44	6.29	15.7
Sublet	1.98	2.34	18.1
Internal	4.58	5.10	11.5
Other	1.46	1.37	-5.6
Total service labor	**$33.58**	**$34.55**	**2.9%**
Parts sales			
Customer mechanical	$12.87	$12.87	0.0%
Customer body	2.95	3.00	1.9
Wholesale	11.39	11.51	1.0
Counter	2.34	2.49	6.5
Warranty	7.49	7.45	-0.5
Internal	3.15	3.60	14.2
Other	2.44	2.16	-11.4
Total parts	**$42.63**	**$43.08**	**1.1%**
Total service and parts	**$76.21**	**$77.63**	**1.9%**

Source: NADA Industry Analysis Division

Service department hours of operation

Percent of dealership service departments with:

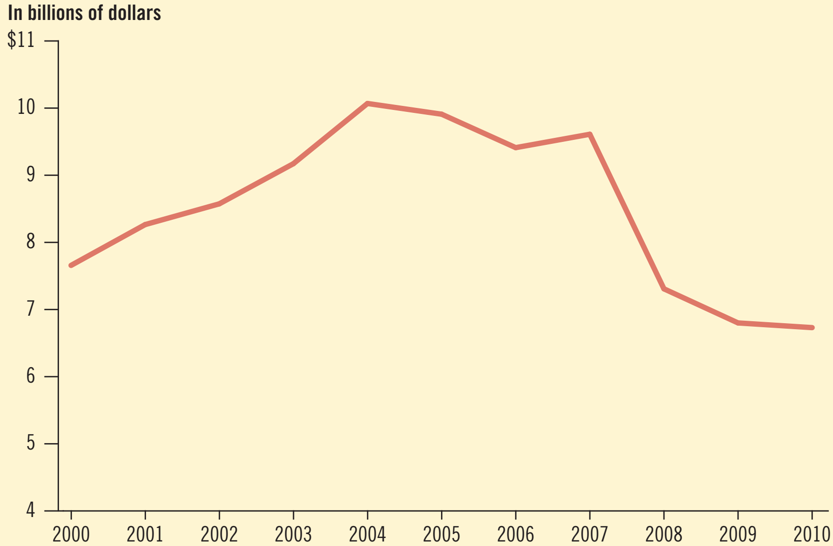


Average hours open per week: 56

Source: NADA Industry Analysis Division

Total dealership body shop sales

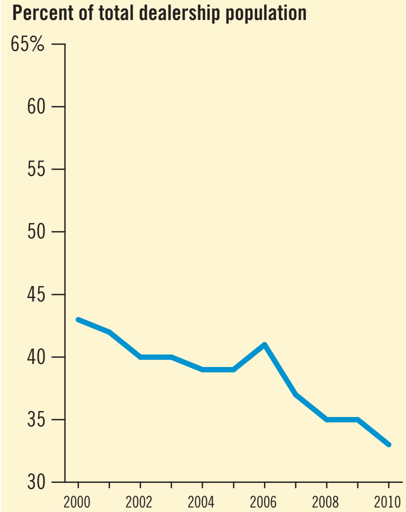
In billions of dollars



Source: NADA Industry Analysis Division

Dealerships operating on-site body shops

Percent of total dealership population



Source: NADA Industry Analysis Division

NADA DATA

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 to less than one million in 2009 and dropping further in 2010.

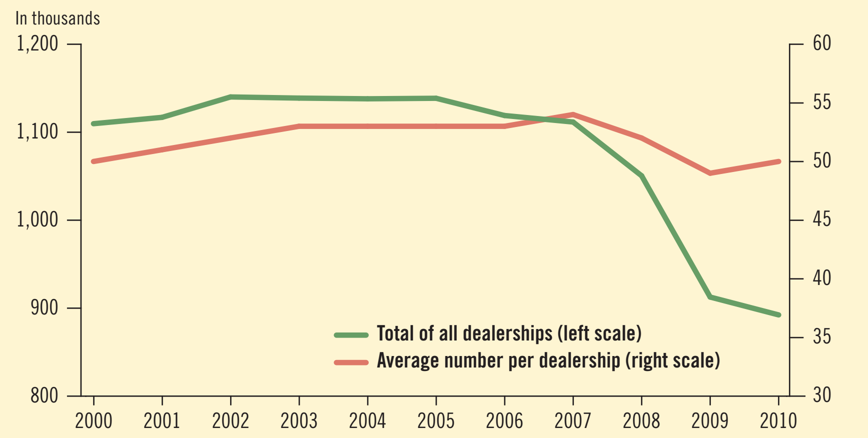
In 2010, the average dealership hired one additional worker, but because of dealership closings caused by bankruptcies, the recession, and vehicle manufacturer demands, total dealership employment in 2010 fell to an estimated 892,300 employees from 912,600.

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. Total dealership employment count in 2010 was estimated as follows:

New- and used-vehicle salespeople........................ 172,300
Technicians...........................248,200
Service and parts workers (other than technicians) 273,900
Supervisors, general office workers, and others 197,900
Total 892,300

The average dealership in 2010 employed 50 persons and had an annual payroll of $2,594,000. The payroll for all dealerships was $42.4 billion. Dealerships provided on average 10.3 percent of total retail payroll in their states.

Estimated number of employees of new-car dealerships



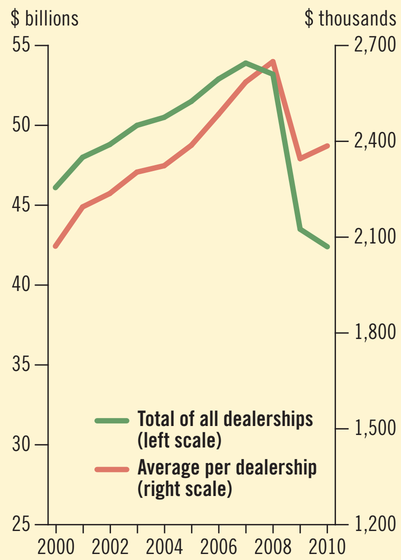
Source: NADA Industry Analysis Division

Estimated number of new-car dealership employees in 2010, by state

State	Total number all dealers	Average number per dealership	State	Total number all dealers	Average number per dealership
Alabama	12,925	43	Montana	3,691	31
Alaska	2,245	70	Nebraska	6,557	35
Arizona	18,641	80	Nevada	6,236	64
Arkansas	7,166	32	New Hampshire	6,089	43
California	90,616	70	New Jersey	26,815	57
Colorado	14,553	58	New Mexico	5,218	45
Connecticut	12,093	46	New York	44,246	48
Delaware	3,948	72	North Carolina	28,082	48
Florida	61,116	73	North Dakota	3,502	39
Georgia	28,601	56	Ohio	36,522	48
Hawaii	3,094	49	Oklahoma	15,967	57
Idaho	4,065	38	Oregon	10,377	43
Illinois	38,366	50	Pennsylvania	41,476	43
Indiana	17,649	40	Rhode Island	2,736	54
Iowa	11,073	34	South Carolina	12,176	46
Kansas	8,580	36	South Dakota	3,311	33
Kentucky	10,749	42	Tennessee	18,759	54
Louisiana	12,714	43	Texas	70,419	59
Maine	4,765	36	Utah	7,121	51
Maryland	20,262	67	Vermont	2,531	30
Massachusetts	19,892	49	Virginia	26,570	54
Michigan	28,095	43	Washington	17,180	51
Minnesota	14,460	39	West Virginia	5,673	40
Mississippi	6,252	31	Wisconsin	19,259	38
Missouri	17,955	43	Wyoming	1,912	29
			Total U.S.	**892,300**	**50**

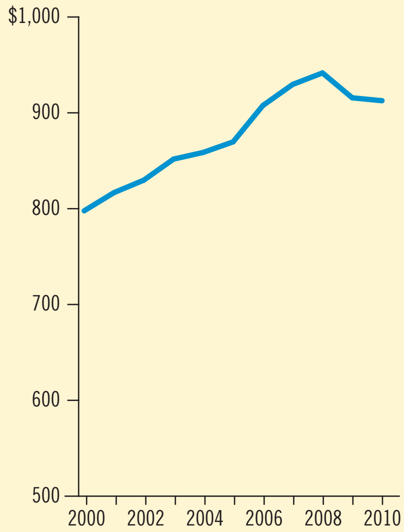
Source: NADA Industry Analysis Division

Annual payroll of new-car dealerships



Source: NADA Industry Analysis Division

Average weekly earnings of dealership employees



Source: NADA Industry Analysis Division

2010 annual payroll of new-car dealerships, by state

State	Total all dealerships ($ billions)	Average per dealership ($ millions)
Alabama	$0.56	$1.85
Alaska	$0.11	$3.37
Arizona	$0.90	$3.85
Arkansas	$0.31	$1.35
California	$4.67	$3.59
Colorado	$0.73	$2.88
Connecticut	$0.66	$2.50
Delaware	$0.19	$3.43
Florida	$2.92	$3.47
Georgia	$1.35	$2.64
Hawaii	$0.16	$2.57
Idaho	$0.17	$1.60
Illinois	$1.83	$2.36
Indiana	$0.72	$1.65
Iowa	$0.46	$1.42
Kansas	$0.37	$1.58
Kentucky	$0.45	$1.76
Louisiana	$0.57	$1.94
Maine	$0.21	$1.58
Maryland	$1.00	$3.31
Massachusetts	$1.10	$2.73
Michigan	$1.35	$2.05
Minnesota	$0.63	$1.69
Mississippi	$0.26	$1.28
Missouri	$0.81	$1.95
Montana	$0.14	$1.23
Nebraska	$0.28	$1.50
Nevada	$0.33	$3.41
New Hampshire	$0.31	$2.18
New Jersey	$1.56	$3.30
New Mexico	$0.22	$1.94
New York	$2.36	$2.57
North Carolina	$1.23	$2.10
North Dakota	$0.15	$1.65
Ohio	$1.52	$2.00
Oklahoma	$0.71	$2.53
Oregon	$0.46	$1.90
Pennsylvania	$1.83	$1.91
Rhode Island	$0.13	$2.59
South Carolina	$0.52	$1.97
South Dakota	$0.14	$1.41
Tennessee	$0.85	$2.46
Texas	$3.56	$2.98
Utah	$0.32	$2.25
Vermont	$0.11	$1.31
Virginia	$1.27	$2.57
Washington	$0.83	$2.47
West Virginia	$0.21	$1.50
Wisconsin	$0.73	$1.44
Wyoming	$0.08	$1.26
Total U.S.	**$42.36**	**$2.39**

Source: NADA Industry Analysis Division

Average weekly earnings of new-car dealership employees in 2010, by state

Alabama	$835
Alaska	$923
Arizona	$924
Arkansas	$824
California	$991
Colorado	$962
Connecticut	$1,049
Delaware	$919
Florida	$919
Georgia	$908
Hawaii	$1,005
Idaho	$818
Illinois	$914
Indiana	$789
Iowa	$803
Kansas	$834
Kentucky	$813
Louisiana	$869
Maine	$832
Maryland	$947
Massachusetts	$1,064
Michigan	$920
Minnesota	$832
Mississippi	$787
Missouri	$869
Montana	$753
Nebraska	$818
Nevada	$1,020
New Hampshire	$982
New Jersey	$1,121
New Mexico	$822
New York	$1,025
North Carolina	$841
North Dakota	$805
Ohio	$802
Oklahoma	$853
Oregon	$846
Pennsylvania	$846
Rhode Island	$929
South Carolina	$826
South Dakota	$820
Tennessee	$875
Texas	$972
Utah	$856
Vermont	$845
Virginia	$915
Washington	$924
West Virginia	$716
Wisconsin	$729
Wyoming	$825
Total U.S.	**$913**

Source: NADA Industry Analysis Division

Vehicles in Operation and Scrappage

At the end of 2010, there were about 240 million light vehicles and 248 million total vehicles in operation. In the 10 years before 2007, the total light-vehicle fleet had increased by an average of 4 percent per year but was negative in 2009 and 2010. NADA estimates that the 2010 median age for cars was 10.9 years and for light trucks, 10 years, while the average light-vehicle age, higher than the median, was 10.6 years.

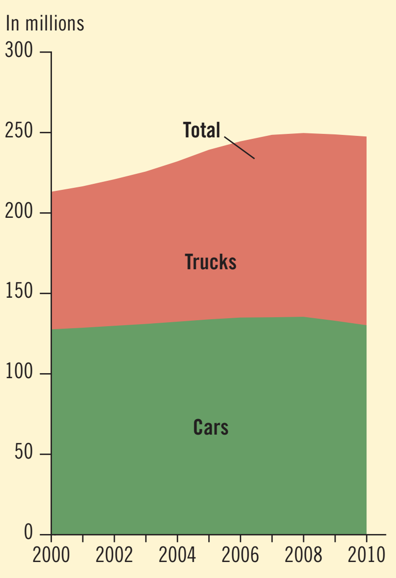
Scrappage—the difference between sales and the growth of the light-vehicle population—was an estimated 22 thousand units in 2010, leaving the vehicle population essentially unchanged. Slight improvements in new-car sales, modest recovery in the economy, and slight net scrappage boosted the average age of cars and trucks in use during the year, contributing to demand for new vehicles in 2011.

Vehicles in operation—scrappage, by year

	Total vehicles in use	New vehicle registrations	Scrappage	Scrappage as % of registrations
2000	213,299,313	18,088,911	14,298,759	79.0%
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%

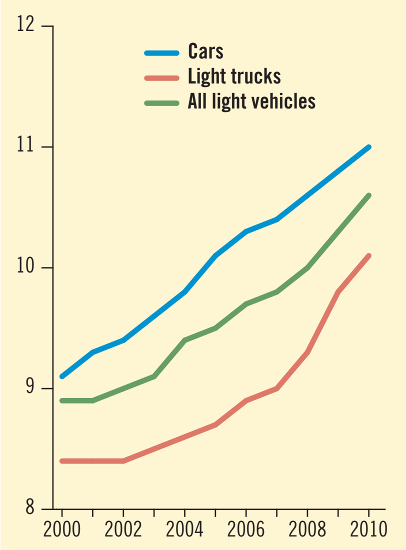
Source: R.L. Polk & Co. *As of December 31, 2010

Total vehicles in operation, by year



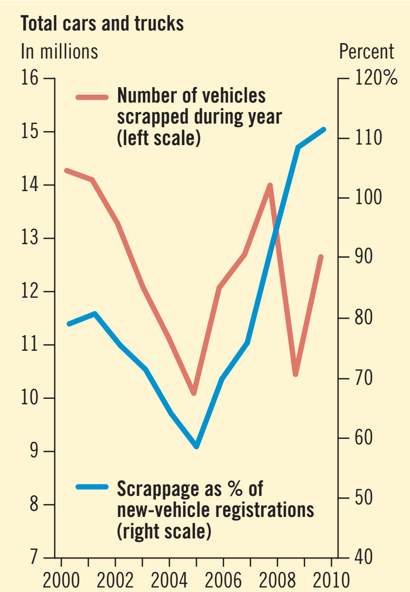
Source: R.L. Polk & Co.

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



Source: R.L. Polk & Co.

Estimated vehicle scrappage



Source: R.L. Polk & Co.

Total light vehicles in operation in 2010, by state

State	Passenger cars	Light Trucks GVW 1–3	Total vehicles
Alabama	2,185,400	2,109,879	4,295,279
Alaska	185,506	406,102	591,608
Arizona	2,056,596	1,950,883	4,007,479
Arkansas	1,025,787	1,238,276	2,264,063
California	15,818,947	14,284,532	30,103,479
Colorado	1,869,083	2,006,512	3,875,595
Connecticut	1,946,771	1,026,802	2,973,573
Delaware	414,488	316,451	730,939
D.C.	217,076	54,621	271,697
Florida	8,067,952	6,507,813	14,575,765
Georgia	3,646,720	3,824,313	7,471,033
Hawaii	511,929	523,376	1,035,305
Idaho	499,878	666,175	1,166,053
Illinois	6,241,993	4,621,079	10,863,072
Indiana	2,815,718	2,526,691	5,342,409
Iowa	1,410,659	1,257,004	2,667,663
Kansas	1,177,060	1,135,806	2,312,866
Kentucky	1,845,169	1,508,699	3,353,868
Louisiana	1,761,732	2,020,083	3,781,815
Maine	590,967	605,129	1,196,096
Maryland	2,624,579	1,980,104	4,604,683
Massachusetts	3,213,722	2,233,158	5,446,880
Michigan	4,879,192	3,984,703	8,863,895
Minnesota	2,215,620	2,100,534	4,316,154
Mississippi	1,041,331	824,124	1,865,455
Missouri	2,505,855	2,399,466	4,905,321
Montana	387,248	541,013	928,261
Nebraska	734,096	899,049	1,633,145
Nevada	860,591	763,343	1,623,934
New Hampshire	629,323	595,430	1,224,753
New Jersey	4,463,957	2,945,236	7,409,193
New Mexico	721,731	869,292	1,591,023
New York	7,793,968	5,137,915	12,931,883
North Carolina	3,751,660	2,851,158	6,602,818
North Dakota	318,770	321,270	640,040
Ohio	5,787,607	4,434,601	10,222,208
Oklahoma	1,455,926	1,509,200	2,965,126
Oregon	1,525,423	1,377,502	2,902,925
Pennsylvania	5,827,998	4,224,572	10,052,570
Rhode Island	530,918	340,806	871,724
South Carolina	1,734,079	1,379,613	3,113,692
South Dakota	376,086	437,284	813,370
Tennessee	2,569,724	2,089,289	4,659,013
Texas	8,068,323	8,537,303	16,605,626
Utah	890,078	896,745	1,786,823
Vermont	310,889	288,169	599,058
Virginia	3,594,665	2,597,048	6,191,713
Washington	2,528,121	1,952,521	4,480,642
West Virginia	736,647	760,828	1,497,475
Wisconsin	2,513,930	2,389,846	4,903,776
Wyoming	171,181	342,700	513,881
Total	**129,052,669**	**110,594,048**	**239,646,717**

Source: R.L. Polk & Co. as of January 1, 2011.

Total new-vehicle registrations in 2010, by state

State	2010	2009	2008	2007
Alabama	147,109	130,316	182,697	223,480
Alaska	28,909	23,135	30,890	31,017
Arizona	211,904	190,311	286,873	377,997
Arkansas	94,981	89,729	113,935	131,402
California	1,105,842	1,035,823	1,401,305	1,871,138
Colorado	177,012	155,825	215,712	255,469
Connecticut	137,759	126,601	157,375	192,059
Delaware	35,581	28,449	40,106	49,922
D.C.	16,486	19,692	16,148	20,995
Florida	810,442	701,488	950,695	1,241,455
Georgia	327,713	265,567	366,012	466,299
Hawaii	54,532	58,669	72,335	96,917
Idaho	32,183	31,005	43,939	59,739
Illinois	491,438	457,072	560,424	654,401
Indiana	177,321	174,871	226,921	251,152
Iowa	102,474	94,921	109,005	117,487
Kansas	86,798	84,456	100,982	113,370
Kentucky	112,214	105,370	124,430	153,547
Louisiana	165,081	160,623	217,459	262,688
Maine	45,926	45,253	51,019	52,872
Maryland	259,365	240,834	284,436	360,198
Massachusetts	268,909	249,513	289,280	332,092
Michigan	429,357	415,951	570,907	646,495
Minnesota	160,233	152,559	220,239	273,365
Mississippi	72,014	67,895	93,700	116,226
Missouri	208,272	201,868	238,975	280,500
Montana	40,118	33,738	41,300	49,965
Nebraska	64,638	58,551	68,105	75,382
Nevada	80,844	75,559	123,354	177,227
New Hampshire	67,790	60,548	76,447	84,304
New Jersey	461,971	430,278	532,241	611,580
New Mexico	61,889	61,168	87,172	107,505
New York	751,083	684,528	798,624	870,323
North Carolina	302,355	261,759	345,428	434,165
North Dakota	27,816	22,866	26,343	27,023
Ohio	434,990	397,180	487,357	563,471
Oklahoma	647,782	358,127	322,361	362,885
Oregon	98,812	89,858	124,860	162,753
Pennsylvania	503,988	477,031	557,525	682,697
Rhode Island	38,723	37,144	43,564	52,974
South Carolina	134,991	120,104	168,687	209,066
South Dakota	26,943	24,499	28,319	32,862
Tennessee	192,121	159,102	227,556	277,903
Texas	914,330	858,973	1,192,701	1,390,748
Utah	77,973	72,703	98,467	122,332
Vermont	30,386	28,148	33,260	37,936
Virginia	302,707	280,333	337,651	427,456
Washington	173,747	166,976	225,226	285,385
West Virginia	65,497	57,512	71,318	80,352
Wisconsin	172,489	165,241	199,855	232,244
Wyoming	20,138	18,961	26,057	30,138
Total U.S.	**11,453,976**	**10,308,683**	**13,209,577**	**16,020,958**

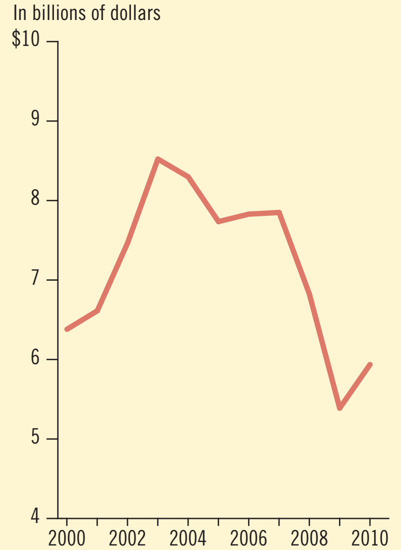
Source: R.L. Polk & Co.

NADA DATA

Advertising and the Dealership

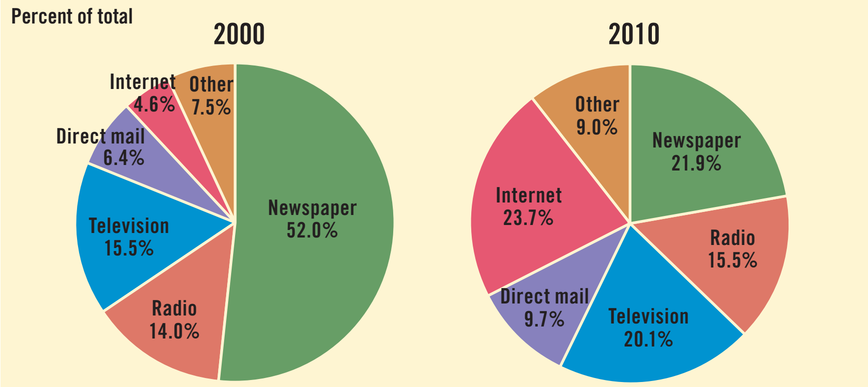
Franchised dealers spent more than $5.94 billion on advertising in 2010, up from $5.39 billion in 2009. In 2010 average ad expense per new vehicle sold fell to $654, down 1.1 percent from 2009. In the past 10 years, the allocation for newspapers dropped by 30 percentage points, though many newspapers provide associated Internet advertising. In 2010 the typical dealership spent 23.7 percent of advertising dollars on Internet ads, up from 22.2 percent in 2009 and 4.6 percent in 2000. Television held its share, and radio gained 0.06 percent in 2010 from 2009.

Total dealership advertising expenditures



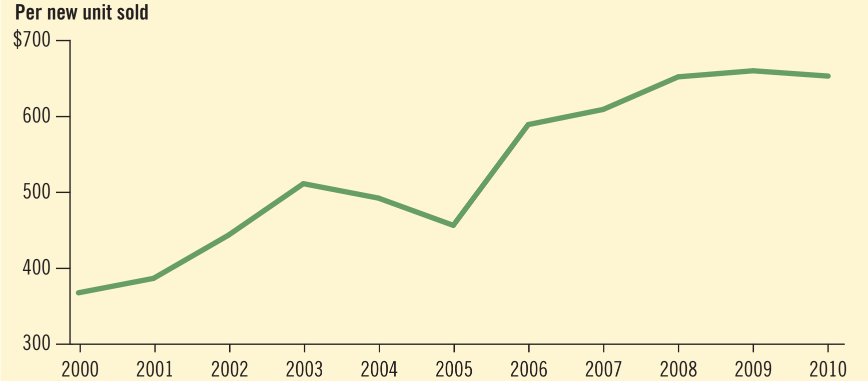
Source: NADA Industry Analysis Division

Advertising expenditures, by medium



Source: NADA Industry Analysis Division

Total dealership advertising



Source: NADA Industry Analysis Division

Estimated advertising expenses per dealership in 2010

By number of new units sold

By media used	Average of all dealerships	1–149	150–399	400–749	750 or more
Newspapers	$73,651	$29,522	$38,671	$71,487	$149,105
Radio	$52,030	$17,813	$29,005	$56,573	$101,512
TV	$67,551	$ 9,962	$35,788	$86,633	$195,334
Direct mail	$32,690	$ 9,041	$18,223	$42,337	$ 64,781
Internet	$79,632	$29,154	$44,715	$81,472	$156,808
Other	$30,044	$ 9,110	$15,067	$40,116	$ 64,881
Total	**$335,598**	**$104,602**	**$181,468**	**$378,618**	**$732,421**
Total advertising as a % of total sales	1.07%	1.21%	1.05%	1.03%	0.94%
Total advertising per new vehicle sold	$654	$874	$599	$504	$403

Source: NADA Industry Analysis Division

NADA DATA

Consumer Credit

In 2010 average new-vehicle loan rates at finance companies increased to 4.26 percent, up from 3.82 percent in 2009, partly because captives eased financing incentives. New-vehicle loan rates at banks decreased to an average of 6.21 percent for 2010.

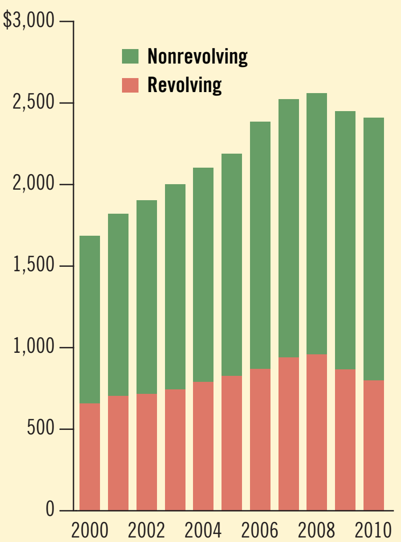
Average maturity of new-car loans at finance companies

2003	61.4 months
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

Source: Federal Reserve Board

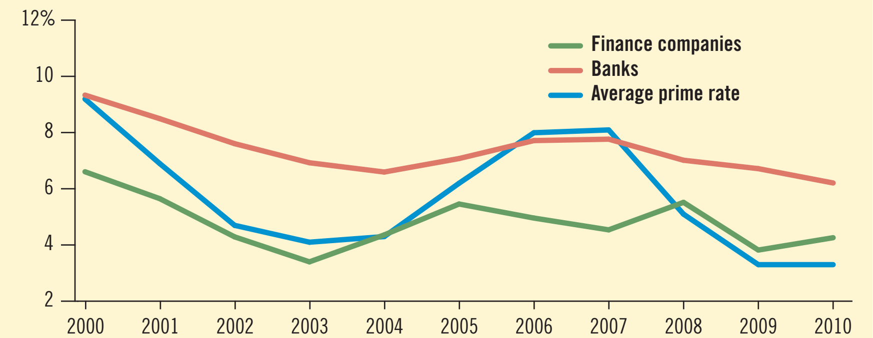
Consumer credit outstanding

End of year, seasonally adjusted
In millions of dollars



Source: Federal Reserve Board

Average finance rate on new-car loans



Note: The bank series represents the average of direct 48 month loans.
The finance company series represents the average of all loans made.

Source: Federal Reserve Board

New-vehicle affordability measure

	Avg. finance rate	Avg. length loan	Avg. consumer expenditure*	Avg. weeks of median family income to buy car*
2005Q1	5.29%	59.5 months	$23,558	25.3
2005Q2	5.59%	59.2 months	$23,836	25.4
2005Q3	6.31%	60.4 months	$24,312	26.2
2005Q4	6.91%	61.1 months	$24,956	27.0
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	$24,359	24.1
2010Q2	4.09%	62.9 months	$24,764	24.0
2010Q3	4.08%	63.8 months	$24,386	23.7
2010Q4	4.57%	62.5 months	$23,709	23.2
2011Q1	4.73%	62.3 months	$24,120	23.2

*With possible rebate

Sources: Comerica Bank; Federal Reserve

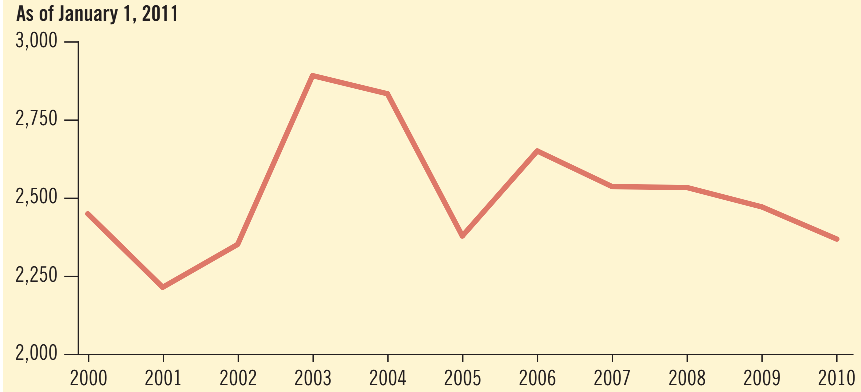
NADA DATA

New-Truck Dealerships

Sales of medium- and heavy-duty trucks (Classes 4–8) increased to 217,702 units in 2010, a 9 percent gain from 2009's 199,686 units.

Market shares for all classes combined remained unchanged at the top, with International gaining 0.3 of a percentage point to command 26.8 percent of the market, and Freightliner picking up 3.8 percentage points to retain second place at 25.9 percent. Ford held third spot, with 13.9 percent of the combined market in 2010 compared with 13.3 percent in 2009. In doing so, Ford sold no Class 8 trucks. Paccar brands captured fourth and fifth, with Peterbilt at 7 percent and Kenworth at 6.6 percent of the combined marketplace. Stablemates Volvo Truck and Mack took sixth and seventh place, respectively, with 4.6 and 4.2 of the combined Class 4-8 market.

Number of medium- and heavy-duty truck dealerships



Source: American Truck Dealers

U.S. retail sales and market share—calendar year 2010

Truck classes 4–8

Class	4	5	6	7	8	Total	Percent of market
International	1,529	1,512	12,966	15,333	26,939	58,279	26.8%
Freightliner	994	362	6,108	14,262	34,708	56,434	25.9%
Ford	3,412	18,295	5,781	2,664	0	30,152	13.9%
Peterbilt	0	25	160	1,989	12,980	15,154	7.0%
Kenworth	0	34	542	2,134	11,621	14,331	6.6%
Volvo Truck	0	0	0	0	10,036	10,036	4.6%
Mack	0	0	0	0	9,209	9,209	4.2%
Isuzu	3,769	2,648	62	49	0	6,528	3.0%
Dodge/Ram	0	5,477	0	0	0	5,477	2.5%
Hino	47	165	2,325	885	0	3,422	1.6%
Mitsubishi Fuso	1,163	624	427	61	0	2,275	1.0%
GMC	458	750	96	384	0	1,688	0.8%
Chevrolet	591	818	86	174	0	1,669	0.8%
Western Star	0	0	0	0	1,171	1,171	0.5%
UD Trucks	114	225	445	311	0	1,095	0.5%
Sterling	4	41	145	104	466	760	0.3%
Other	0	0	0	0	22	22	0.0%
Total	**12,081**	**30,976**	**29,143**	**38,350**	**107,152**	**217,702**	**100.0%**

Source: © 2011 Ward's Communications

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.

Dealership Financial Trends

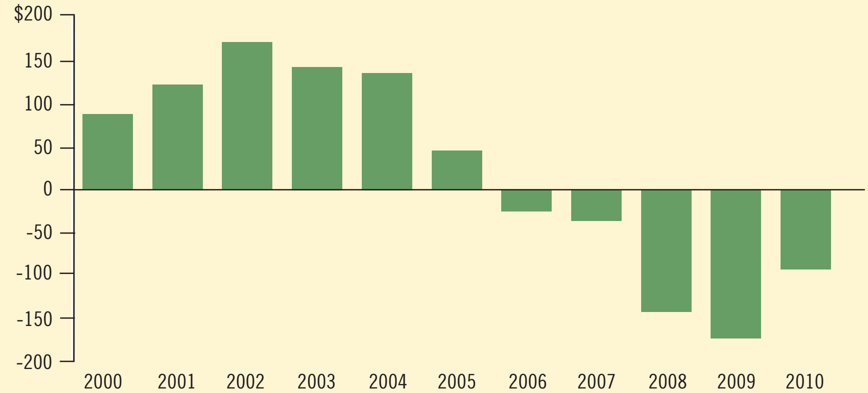
As recovery from recession continued at a very modest pace, new-vehicle net profit remained negative in 2010, but more than halved the losses of 2009. Lower floor-plan costs from low interest rates helped soften the decline of new-vehicle profits in 2010.

Net used-car profits improved further in 2010. Dealerships dealt with a shortage of trade-ins caused by the recession, which increased used-car and -truck prices. Financial institutions are offering more attractive rates for used-car purchases because they recognize that used values will remain at higher levels for several years. Also, new- and used-vehicle loans are performing relatively well compared with other lending areas. 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 2010, near the level of 2009, as consumers drove current vehicles greater distances and significant recall activity continued. Total dealership revenue grew 17 percent and new-vehicle revenue grew 18.5 percent in 2010 for the average dealer. 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

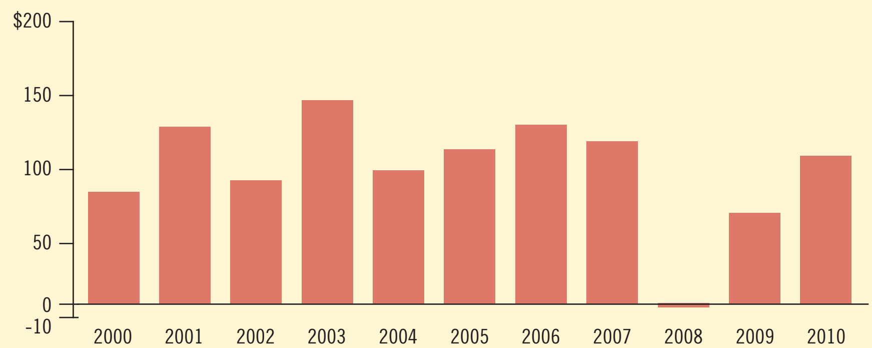
Average dealership, in thousands of dollars, including F&I



Source: NADA Industry Analysis Division

Used-vehicle department net profit

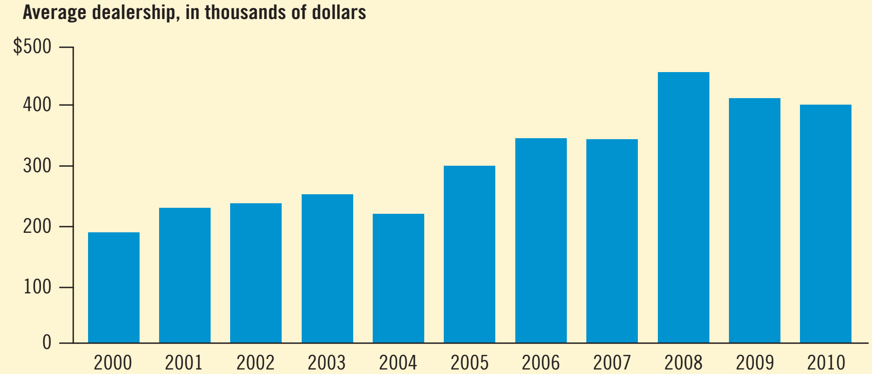
Average dealership, in thousands of dollars, including F&I



Source: NADA Industry Analysis Division

Service and parts department net profit

Average dealership, in thousands of dollars



Source: NADA Industry Analysis Division