

AUTOMOBILE INDUSTRY OVERVIEW

Information in this automobile industry overview was gleaned from the most current market information published by Ward's Motor Vehicle Facts & Figures.

Vehicle Sales Trends

Year-to-date vehicle sales data (through March 2011) summarized in the table below indicate that total light vehicle sales were 178,346 units or 16.8% ahead of the same period in 2010. Ward's reported that 3.048 million units were sold during the first three months of 2011 as compared to 2.538 million units during the first three months of 2010. Domestic cars reported a 17% increase in sale figures in 2011 while imported cars reported an 18.1% increase in sales figures. Domestic light trucks reported a 22.4% increase in sale figures in 2011 while imported light trucks reported a 25.3% increase in sales figures. Overall domestic light vehicles sales increased 19.9% while import light vehicles sales increased by 20.6%.

WARD'S U.S. Light Vehicle Sales Summary								
	Month					Calendar Year-to-Date		
	March		% Share		DSR.	January - March		Vol.
	2011	2010	Current	Year-Ago	% Chg.	2011	2010	% Chg.
Domestic Cars	446,046	375,138	35.9	35.3	14.5	1,038,982	887,800	17.0
Import Cars	196,301	158,285	15.8	14.9	19.4	466,461	394,871	18.1
Total Cars	642,347	533,423	51.7	50.2	16.0	1,505,443	1,282,671	17.4
Domestic Light Trucks	499,563	442,044	40.2	41.6	8.8	1,291,201	1,054,855	22.4
Import Light Trucks	100,041	88,138	8.1	8.3	9.3	251,988	201,058	25.3
Total Light Trucks	599,604	530,182	48.3	49.8	8.9	1,543,189	1,255,913	22.9
Domestic Light Vehicles	945,609	817,182	76.1	76.8	11.4	2,330,183	1,942,655	19.9
Import Light Vehicles	296,342	246,423	23.9	23.2	15.8	718,449	595,929	20.6
Total Light Vehicles	1,241,951	1,063,605	100.0	100.0	12.4	3,048,632	2,538,584	20.1

Source is country of manufacture. Domestic are from U.S., Canada, Mexico. Imports are from overseas.
 Light vehicles are cars and light trucks (GVW Classes 1-3, under 14,001 lbs.). DSR is daily sales rate.
 Source: Ward's AutoInfoBank

Year-to-date vehicle sales, categorized by manufacturer and geographic region, are summarized in the table below. Domestic sales by the Big 3 were higher by 233,655 units or 20.7% in 2011. Ford (+15.2%), GM (+24.7%), Chrysler (+22.4%) reported increased sales figures during January-March 2011. GM had the largest increase in terms of units (117,226) and in terms of percentage. Asian sales were 242,234 units or 20.3% higher during the same period while European sales were 34,159 units or 15.8% higher. The strong performance by Asian companies was fueled by the following companies: Kia (+28,078 units, up 36.6%) and Mitsubishi (+6,544 units, up 48%). The strongest improvement in the European segment was achieved by Saab (+1,293 units, up 174.5%).

WARD'S U.S. Light Vehicle Sales by Company								
	Month					Calendar Year-to-Date		
	March		% Share		DSR.	January - March		Vol.
	2011	2010	Current	Year-Ago	% Chg.	2011	2010	% Chg.
Chrysler	121,015	92,423	9.7	8.7	26.1	285,319	233,103	22.4
Ford	208,714	175,933	16.8	16.5	14.2	486,886	422,609	15.2
GM	206,621	188,034	16.6	17.7	5.8	592,546	475,320	24.7
International (Navistar)	9	77	0.0	0.0	-88.7	19	83	-77.1
North America Total	536,359	456,467	43.2	42.9	13.2	1,364,770	1,131,115	20.7
Honda	133,650	108,262	10.8	10.2	18.9	307,978	256,412	20.1
Hyundai	61,873	47,002	5.0	4.4	26.8	142,620	111,509	27.9
Isuzu	179	205	0.0	0.0	-15.9	401	455	-11.9
Kia	44,179	30,522	3.6	2.9	39.4	104,774	76,696	36.6
Mazda	30,905	23,193	2.5	2.2	28.3	64,559	55,941	15.4
Mitsubishi	7,560	5,434	0.6	0.5	34.0	20,167	13,623	48.0
Nissan	121,141	95,468	9.8	9.0	22.2	285,358	228,229	25.0
Subaru	26,916	23,785	2.2	2.2	9.0	67,457	57,494	17.3
Suzuki	2,497	2,246	0.2	0.2	7.1	6,702	5,661	18.4
Toyota	176,222	186,863	14.2	17.6	-9.2	433,924	385,686	12.5
Asia/Pacific Total	605,122	522,980	48.7	49.2	11.4	1,433,940	1,191,706	20.3
Audi	9,818	8,589	0.8	0.8	10.1	25,383	21,315	19.1
BMW	26,382	21,670	2.1	2.0	17.2	64,957	55,051	18.0
Daimler	22,992	20,767	1.9	2.0	6.6	57,295	52,054	10.1
Jaguar Land Rover	4,315	3,709	0.3	0.3	12.0	10,768	9,091	18.4
Porsche	2,588	1,905	0.2	0.2	30.8	7,007	5,222	34.2
Saab	830	133	0.1	0.0	500.9	2,034	741	174.5
Volkswagen	27,176	22,148	2.2	2.1	18.2	67,038	58,283	15.0
Volvo	6,369	5,237	0.5	0.5	17.1	15,440	14,006	10.2
Europe Total	100,470	84,158	8.1	7.9	15.0	249,922	215,763	15.8
Total Light Vehicles	1,241,951	1,063,605	100.0	100.0	12.4	3,048,632	2,538,584	20.1

Light vehicles are cars and light trucks (GVW Classes 1-3, under 14,001 lbs.). DSR is daily sales rate.
Source: Ward's AutoInfoBank

The best selling cars and trucks during the first three months of 2011 are summarized in the table below.

WARD'S 10 Best Selling U.S. Cars and Trucks			
3 Months 2011			
	Cars	Trucks	
1	Camry	76,821 F-Series	126,627
2	Corolla/Matrix	76,675 Silverado	92,455
3	Altima	69,551 CR-V	57,433
4	Accord	66,195 Escape	55,953
5	Fusion	65,023 Ram Pickup	52,739
6	Civic	64,968 Equinox	43,230
7	Sonata	51,878 RAV4	39,840
8	Cruze	50,205 Rogue	35,024
9	Impala	49,541 Sierra	33,945
10	Malibu	48,745 Edge	31,444

Source: Ward's AutoInfoBank

Vehicle Production Trends

North American vehicle production figures for the first three months of 2010 and 2011 are summarized in the table below. The Big 3 production for 2011 was 312,020 units more or a 19.5% change over the same period in 2010. Other manufacturers' production for 2011 was 484,043 units more or a 16.5% change over the same period in 2010.

WARD'S North America Vehicle Production by Manufacturer										
	Month					Calendar Year-to-Date				
	March 2011	March 2010	% Share Current	% Share Year-Ago	Vol. % Chg.	January - March 2011	January - March 2010	% Share Current	% Share Year-Ago	Vol. % Chg.
Chrysler	202,060	148,838	15.3	13.4	35.8	487,789	377,333	14.2	12.8	29.3
Ford	262,633	206,146	19.9	18.5	27.4	640,182	557,080	18.7	18.9	14.9
GM	311,050	253,441	23.6	22.8	22.7	786,061	667,599	22.9	22.7	17.7
Big 3 Total	775,743	608,425	58.9	54.6	27.5	1,914,032	1,602,012	55.9	54.4	19.5
AutoAlliance	9,991	9,012	0.8	0.8	10.9	26,518	26,259	0.8	0.9	1.0
BMW	23,534	9,544	1.8	0.9	146.6	61,059	30,909	1.8	1.1	97.5
Honda	113,060	126,270	8.6	11.3	-10.5	334,353	330,586	9.8	11.2	1.1
Hyundai	31,730	28,350	2.4	2.5	11.9	86,276	68,820	2.5	2.3	25.4
Kia	23,833	10,831	1.8	1.0	120.0	64,387	27,115	1.9	0.9	137.5
Mercedes	12,512	12,811	0.9	1.2	-2.3	33,424	27,242	1.0	0.9	22.7
Mitsubishi	4,266	2,924	0.3	0.3	45.9	11,911	8,431	0.3	0.3	41.3
Nissan	109,859	87,278	8.3	7.8	25.9	295,975	242,998	8.6	8.3	21.8
NUMMI	0	31,848	0.0	2.9	--	0	90,636	0.0	3.1	--
Subaru	23,569	22,616	1.8	2.0	4.2	68,034	59,394	2.0	2.0	14.5
Toyota	122,309	109,482	9.3	9.8	11.7	345,142	286,004	10.1	9.7	20.7
Volkswagen	45,000	37,088	3.4	3.3	21.3	122,073	93,784	3.6	3.2	30.2
Others	22,079	17,439	1.7	1.6	26.6	63,114	48,065	1.8	1.6	31.3
Total	1,317,485	1,113,918	100.0	100.0	18.3	3,426,298	2,942,255	100.0	100.0	16.5

Note: Current month includes some estimated Mexico production. All Mexico production actual for prior months.
Source: Ward's AutoInfoBank

The 2011 statistics indicate that the auto industry is slowly strengthening recently as evidenced by higher unit sales in most components of the industry.

The next chart illustrates the US total vehicle sales market share by company, 2000-2010 and was taken from a much more comprehensive chart showing sales from 1961-2010.

U.S. Total Vehicle Sales Market Share by Company, 1961-2010

Company	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
American Motors	--	--	--	--	--	--	--	--	--	--	--
Bering	--	--	--	--	--	--	--	--	--	--	0.01
BMW	2.26	2.28	2.25	2.04	1.84	1.76	1.71	1.63	1.50	1.22	1.06
British Leyland	--	--	--	--	--	--	--	--	--	--	--
Chrysler	9.22	8.79	10.77	12.62	12.57	13.21	12.75	12.54	12.87	13.01	14.16
Daimler	2.48	2.43	2.41	2.14	2.37	2.16	2.04	1.90	1.79	1.76	1.89
Diamond REO	--	--	--	--	--	--	--	--	--	--	--
Fiat	--	--	--	--	--	--	--	--	--	--	--
Ford	16.44	15.29	14.19	14.59	16.04	17.01	17.99	19.19	19.90	21.60	22.58
GM	18.81	19.58	21.93	23.24	23.89	25.59	26.90	27.67	28.27	28.04	27.97
Honda	10.45	10.86	10.59	9.43	8.85	8.38	8.06	7.96	7.28	6.91	6.51
Hyundai	4.57	4.10	2.98	2.84	2.67	2.61	2.42	2.36	2.19	1.98	1.37
International	0.50	0.50	0.50	0.42	0.68	0.58	0.52	0.41	0.40	0.43	0.57
Isuzu	0.07	0.05	0.10	0.13	0.14	0.16	0.25	0.26	0.39	0.56	0.66
Jaguar	0.11	0.11	0.11	0.10	0.12	0.17	0.27	0.32	0.36	0.25	0.25
Kia	3.03	2.83	2.03	1.86	1.73	1.58	1.56	1.40	1.38	1.28	0.90
Land Rover	0.27	0.25	0.22	0.30	0.28	0.26	0.21	0.23	0.24	0.16	0.15
Mazda	1.95	1.96	1.96	1.80	1.58	1.48	1.53	1.53	1.51	1.54	1.43
MG	--	--	--	--	--	--	--	--	--	--	--
Mitsubishi	0.47	0.51	0.72	0.78	0.70	0.71	0.93	1.51	2.01	1.85	1.77
Nissan	7.72	7.26	7.05	6.49	5.98	6.17	5.70	4.68	4.31	4.03	4.22
Opel	--	--	--	--	--	--	--	--	--	--	--
PACCAR	0.25	0.28	0.30	0.29	0.48	0.38	0.34	0.23	0.23	0.18	0.28
Peugeot	--	--	--	--	--	--	--	--	--	--	--
Porsche	0.22	0.19	0.19	0.21	0.20	0.18	0.18	0.17	0.12	0.13	0.13
Renault	--	--	--	--	--	--	--	--	--	--	--
Saab	0.05	0.08	0.16	0.20	0.21	0.22	0.22	0.28	0.22	0.21	0.22
Scania	--	--	--	--	--	--	--	--	--	--	--
Studebaker	--	--	--	--	--	--	--	--	--	--	--
Subaru	2.24	2.04	1.39	1.14	1.18	1.12	1.08	1.10	1.05	1.06	0.97
Suzuki	0.20	0.36	0.63	0.62	0.59	0.47	0.43	0.34	0.40	0.37	0.34
Toyota	15.01	16.73	16.47	15.96	14.95	12.98	11.92	11.01	10.26	9.97	9.10
Triumph	--	--	--	--	--	--	--	--	--	--	--
Volkswagen	3.04	2.79	2.30	1.97	1.91	1.76	1.93	2.29	2.47	2.51	2.45
Volvo	0.46	0.58	0.54	0.65	0.68	0.71	0.80	0.79	0.65	0.72	0.69
Volvo Truck	0.17	0.15	0.19	0.19	0.37	0.32	0.25	0.19	0.19	0.21	0.31
White	--	--	--	--	--	--	--	--	--	--	--
Yugo	--	--	--	--	--	--	--	--	--	--	--
Other	--	--	--	0.01	0.01	--	--	--	--	--	0.01
Total Vehicles	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

Source: WardsAuto.com

A current article from the St. Petersburg Times dated March 20, 2011 entitled "Bay Area Auto Dealers Finally Gain Traction After Long Slump" by Robert Trigaux.

Auto sales are off and running this year as if powered by a V8 engine. One beneficiary is Ford Motor, alone among the big domestic automakers for not seeking a recent federal bailout. Ford's Tampa Bay area dealers are reporting big surges in vehicle sales. • "Everything across the board seems to be selling well," says Wayne Hammond, general manager and a partner in Brandon Ford. The No. 1 Ford dealership in Florida every year since 2007 saw new auto sales jump to 420 vehicles, up 175 percent in the first two months of this year compared with sales in the same period last year.

"We're up 46 percent so far this year," adds Elder Automotive Group president Robert Elder, whose Elder Ford of Tampa is Ford's newest dealership in the city. "We can't get enough Ford Explorers," he says, with the next 15 on order already sold.

The past few years have been very dark for the auto industry. Annual sales, which routinely topped 17 million new vehicles for most of the past decade, dropped by nearly 7 million in both 2008 and 2009. While domestic giants General Motors and Chrysler chose bankruptcy and government bailouts to survive — both are now out of Chapter 11 — Ford managed to persevere on its own.

That difference, suggests Rick Brisson, Ford's regional sales manager for central and northern Florida, also helps in the showrooms. "I hear it from customers," he says. "They say they are considering Ford because we did not seek assistance in the downturn."

Other factors also are at play in Ford's favor. While the F-150 pick-up remains Ford's top seller nationwide, the company insists its future growth depends on the introduction of smaller, fuel-efficient cars. Beyond their appeal to buyers sensitive to rising gas prices, these cars are Ford's missing product link — lower-priced vehicles for perhaps the most important segment of auto shoppers: young and first-timers who have no brand allegiance yet.

"It's all about creating loyalty," says George Pipas, the veteran U.S. sales analyst at Ford Motor. Ford's U.S. market share plummeted from 25 percent in 1995 to 14 percent in 2009, he says, because Ford lacked the quality smaller vehicles many first-time buyers want. Ford's trio of "F" cars — the Fiesta, Fusion and Focus — are considered game changers for the domestic automaker. But Ford is hardly the only winner so far this year.

Across seven counties that broadly make up the Tampa Bay market, industrywide sales of new vehicles rose a dramatic 66 percent in the first two months of 2011. It's a testament to an improving economy. It's a sign of more available credit. It reflects the pent-up demand of consumers who held on to aging vehicles longer than usual. And it's a byproduct of more automakers making more vehicles with features that consumers want, including better fuel efficiency, hybrid engines, advanced electronics and entertainment options, and improving reliability.

Last week, Ford luxury brand Lincoln even took the top spot for the first time in a closely watched survey of long-term vehicle quality. Lincoln ranked No. 1 in J.D. Power's annual vehicle dependability survey for 2011, ahead of Lexus, Jaguar, Porsche and Toyota.

J.D. Power says that, overall, domestic U.S. car brands are narrowing the gap in initial quality with imported autos, but lag in long-term dependability.

General Motors is getting back on its feet again. It ranked as the top seller of vehicles in the United States in 2010. Locally, GM dealers like Tampa's Gordon Chevrolet (sales up 158 percent in the first two months of 2011), Pasco County's Castriota Chevrolet in Hudson (up 50 percent) and St. Petersburg's Maher Chevrolet (up 114 percent) all started this year with good momentum.

The Hyundai brand also continues its meteoric rise. In sales muscle, Hyundai of New Port Richey dominates all area dealerships of any make or model. The dealer doubled to 847 its new vehicle sales in the first two months of 2011 from 421 vehicles sold in the same period last year. Brandon Hyundai/Mitsubishi also reported a big leap in sales so far this year.

Area Ford dealers say they are starting to see more customers sensitive to rising gas prices. But so far, it is not translating into any dramatic shifts in buying habits to smaller vehicles. Many newer Ford models of all sizes now boast improved gas mileage. People with families still like big vehicles with seating for seven. And people who rely on trucks for work will still buy pickups.

At Brandon Ford, general manager Hammond credits the rebound in Ford products to a shift away from the company's practice of producing lots of vehicles. Ford used to "shove" them at their dealers and make them take more than they thought they could sell. "Now Ford is market-driven," Hammond says. The automaker makes fewer vehicles so a high-volume dealership like Hammond's always feels like it has fewer vehicles in stock than it wants.

Can the uptick in auto sales be sustained, especially in Tampa Bay and Florida, where the broader economy still struggles? Ford regional manager Brisson ticks off some of his concerns. He calls them his "worry beads."

Central Florida unemployment is around 12 percent and, he says, probably closer to 20 percent when underemployed people are included. Florida's housing market remains dominated by short sales and foreclosures. Brisson sees improvement, but it is slow. On the other hand, counters the 26-year Ford Motor veteran: Never underestimate the bond between consumers and their autos.

"America loves its wheels," Brisson says. "People will only downsize for so long before they feel they need a new vehicle."

If true, that consumer momentum should continue to boost automakers this year. Potential bumps in the road include unforeseen dips in the economic recovery and more spikes in gas prices. Broader consequences of the ongoing disaster in Japan are also a wild card.

That's a lot of maybes. But Ford's feeling pretty confident that it's poised to be one of the auto industry's winners.

Tampa Bay's top 5 selling auto dealers (included in article)

Based on new vehicles sales in first two months of 2011.

Hyundai of New Port Richey	847
AutoWay Toyota/Scion	469
Brandon Ford	420
SunToyota/Scion	375
Toyota/Scion of Tampa Bay	372

Tampa Bay's top 5 dealers by increased sales

*Based on new vehicle sales in first two months of 2011 vs. 2010.**

Brandon Hyundai/Mitsubishi	478%
Bert Smith Elite Performance Motorcars	361%
Village Cadillac/Toyota	210%
Lokey Nissan	202%
Hyundai of Wesley Chapel	194%
Brandon Ford	175%

Source: AutoCount

**Includes only dealers selling more than 100 vehicles.*

The top-selling auto companies in America

1. GM:	2.2 million units
2. Ford:	1.9 million units
3. Toyota/Lexus:	1.8 million units
4. Honda:	1.2 million units
5. Chrysler:	1.1 million units
6. Nissan:	900,000 units

Source: Industry sources.

2010 numbers, excludes fleet sales.