Quarterly Report April 2008

Orange County Auto Outlook™

Comprehensive information on the Orange County County automotive market

Market Suffers Decline in First Quarter; Improvement Lies Ahead

Clearly, these are highly uncertain times for the Orange County new vehicle market. The economy has taken a turn for the worse, inflation is on the rise, gas prices are at all-time highs, credit markets remain highly unsettled, and household debt levels are reining in consumer spending. However, despite the relentless media coverage of these negative developments, there are some positive trends emerging for the county new vehicle market. Below are answers to core questions that provide a focus on the outlook for new vehicle sales.

How did the market do in the First Quarter of this year? Not good. New retail light vehicle registrations in the county declined 19.7% during the first three months of this year versus year earlier results.

How bad will things get? At this point, we believe that the market will reach its low point in the Second or Third Quarter of 2008. First Quarter registrations fell below 35,000 units. Although it's unlikely that the county market will fall much lower, it's possible that the total could decline by 1,000 units or so in each of the next two quarters.

What is the main ingredient that will lead to an improvement in economic conditions? The level of household debt needs to be reduced. The significant easing in retail spending that has occurred over the past several months, combined with lower interest rates go a long way toward easing the debt burden, but permanent repairs to household balance sheets will be a multi-year process.

When will the market start to improve and how good will it get? Auto Outlook believes that sales will improve (at least moderately) in 2009, with a significant, lasting recovery taking hold by 2010. As highlighted in the previous issue, an improving economy, the release of pent-up demand, and emerging powertrain technologies should give the market a powerful boost within two years.

Market Highlights

Outlook for the rest of 2008: New retail light vehicle registrations predicted to decline 3.1% during the second half of this year versus a year earlier. 9.8% drop expected for the entire year.

2009 forecast: Auto Outlook is projecting a 3.1% increase in the market during 2009, with a substantial increase possible in 2010.

Recent results: First Quarter 2008 new registrations were 34,871 units, a decline of 19.7% versus a year earlier.

Hot pockets in the market: Market share increased by one point or more so far this year for the Mid Size Crossover SUV, Sub Compact Car, and Standard Mid Size Car segments.

Strong selling brands: Toyota/Scion, Mercedes, and Lexus are relatively strong sellers in the county market.

Orange County County New Retail Light Vehicle Market - At a Glance

Top Ten Scoreboard

Leading brands during the Fourth Quarter of 2007 and First Quarter 2008

4th QUARTER, 2007			1st QUARTER, 2008			*Change in*
Rank	Make	Share	**Rank**	Make	Share	*mkt. Share*
1	Toyota/Scion	23.3%	**1**	Toyota/Scion	22.9%	*-0.4%*
2	Honda	12.0%	**2**	Honda	12.7%	*0.7%*
3	Ford	7.7%	**3**	Ford	7.7%	*0.0%*
4	Mercedes	6.6%	**4**	Mercedes	6.4%	*-0.2%*
5	Chevrolet	6.4%	**5**	Lexus	6.0%	*0.6%*
6	Lexus	5.4%	**6**	Nissan	5.4%	*0.4%*
7	BMW	5.1%	**7**	Chevrolet	5.3%	*-1.1%*
8	Nissan	5.0%	**8**	BMW	5.1%	*0.0%*
9	Mazda	2.3%	**9**	Hyundai	2.4%	*0.1%*
10	Hyundai	2.3%	**10**	Mazda	2.3%	*0.0%*

The table above shows the top ten selling brands in the Orange County market during the past two quarters, and the change in market share.

Industry Summary

New Retail Light Vehicle Registrations

	2006	2007	Forecast 2008	% ch. '07 to '08
TOTAL	182,650	165,919	149,611	-9.8%
Car	99,071	90,893	83,633	-8.0%
Light Truck	83,579	75,026	65,978	-12.1%
Big Three	49,358	41,518	34,956	-15.8%
Japanese	98,365	90,659	82,274	-9.2%
European	30,927	29,740	28,313	-4.8%
Korean	4,000	4,002	4,068	1.6%

Traditional Domestic consists of vehicles sold by General Motors, Ford and Chrysler, and excludes import nameplates.

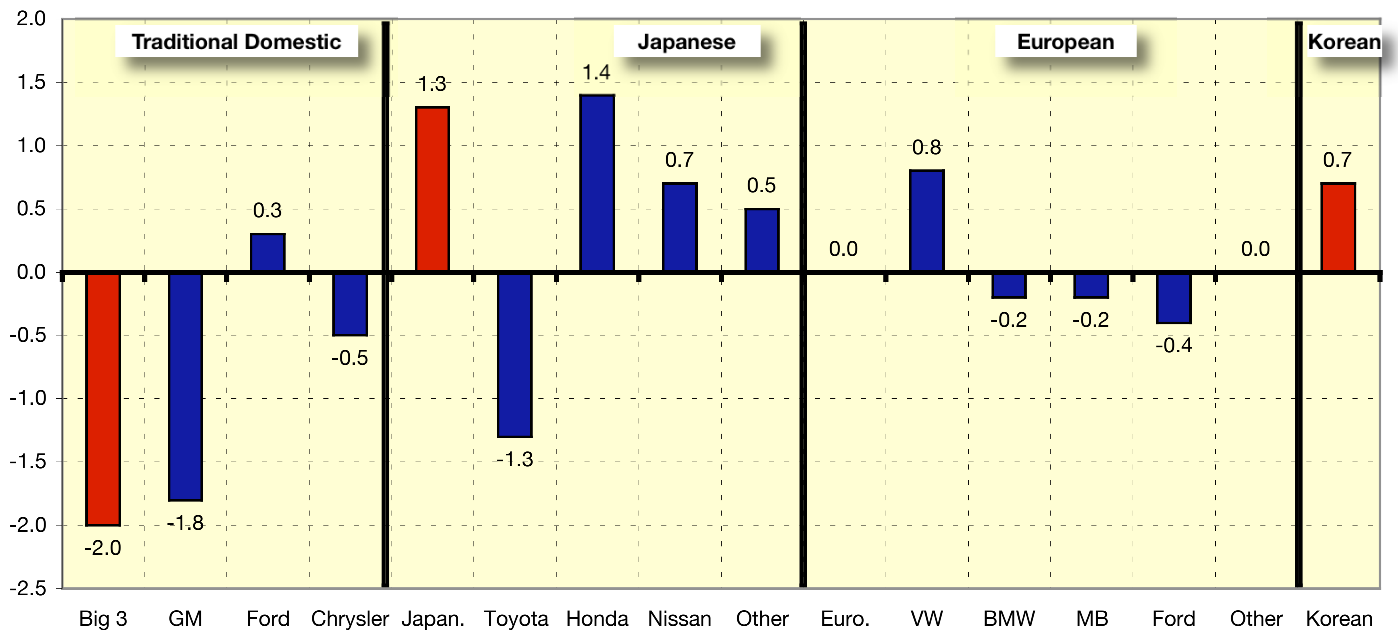
Source for historical data: AutoCount data from Experian Automotive.

Market Tracker

Japanese Brand Market Share Increased 1.3 Points in First Quarter of 2008

It would appear as though the prolonged, significant market share losses suffered by Traditional Domestic brands could ease in the near future. Production cutbacks, renewed emphasis on retail market results, and most importantly, a steady stream of critically acclaimed new products should go a long way toward bringing a halt to the market share erosion. However, as shown on the graph below, that moment has not yet arrived. Traditional Domestic brand market share in Orange County declined by two points in the First Quarter of this year versus a year earlier. Market share figures include import brands owned by GM and Ford. See note below graph. Among Japanese brands, Honda (including Acura) had the biggest market share increase, up 1.4 points. European brand share was unchanged, despite a 0.8 of a point increase for Volkswagen. Korean brand share increased 0.7 of a point.

Change in Market Share - YTD 2008 thru March vs. YTD 2007



Brands included above: Big 3: GM (Buick, Cadillac, Chevrolet, GMC, Hummer, and Pontiac, and Saturn), Ford (Ford, Lincoln, and Mercury), Chrysler (Chrysler, Dodge, and Jeep). Japanese: Toyota (Toyota, Lexus, and Scion), Honda (Honda and Acura), Nissan (Nissan and Infiniti), Other (Isuzu, Mazda, Mitsubishi, Subaru, and Suzuki). European: VW (Audi, Bentley, and Volkswagen), BMW (BMW, Rolls Royce, and Mini), MB (Mercedes Benz), Ford (Aston Martin, Jaguar, Land Rover, and Volvo), Other (Ferrari, Lotus, Maserati, and Saab). Korean: Hyundai and Kia.

Orange County Auto Outlook

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Data Source Information

Exclusive source for new vehicle registration data presented in Orange County Auto Outlook is AutoCount, an Experian Company. AutoCount specializes in providing detailed new and used vehicle sales and registration statistics. Data is available on a timely basis and is conveniently available directly over the Internet.

For more information on Auto Count, call 888-211-5809 or visit AutoCount’s web site: www.experianautomotive.com

AutoCount
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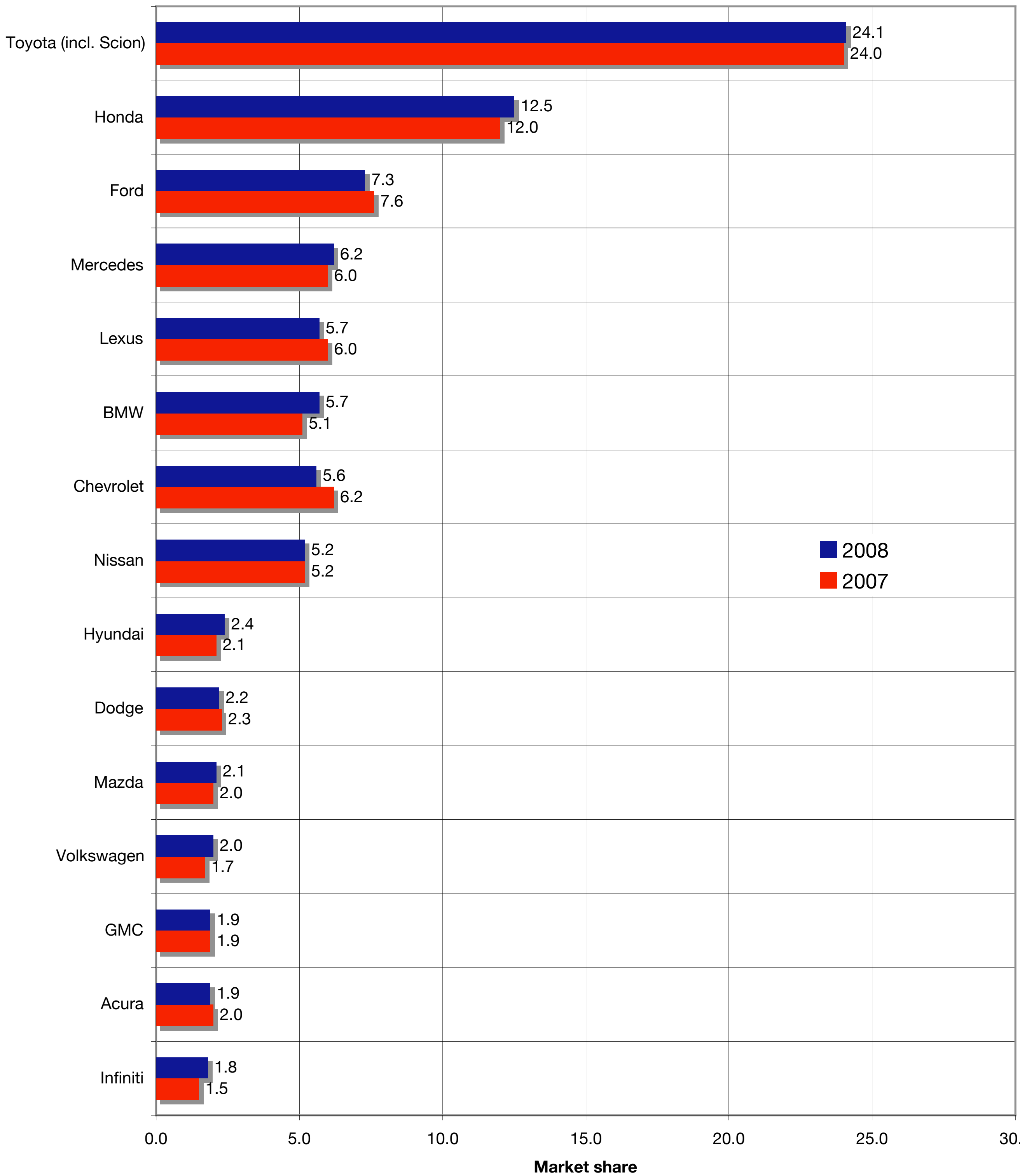
Market Share Forecast

2008 Market Share Forecast for Top 15 Selling Brands in County

As each year passes, it's hard to imagine that the new vehicle market can get more competitive; but it does. With seemingly every manufacturer introducing impressive new products, it's becoming increasingly difficult to separate the likely winners and losers. But nevertheless, we give it a shot, with the caveat that any brand sales projections are subject to uncertainty. The graph below shows market share during 2007, and Auto Outlook's projection for all of 2008 for the top 15 selling brands in the county market last year. Observations: Toyota (including Scion) and Honda ranked first and second, respectively, in the county market last year. And both brands are expected to post increased market share this year. Toyota's projected increase is 0.1 of a point, while Honda's is 0.5 of a point.

Orange County New Retail Light Vehicle Market Share for Top 15 Brands - 2007 Actual and 2008 Forecast



Segment Watch

Mid Size Crossover Segment Market Share Moves Higher This Year

Two primary factors are separating the winning segments from the losing ones so far this year: rising fuel prices and new products. With gas prices drifting uncomfortably close to the $4 per gallon level, new vehicle shoppers in Orange County are increasingly moving to smaller cars, with Sub Compact Car market share increasing 1.2 points during the first three months of this year versus a year earlier.

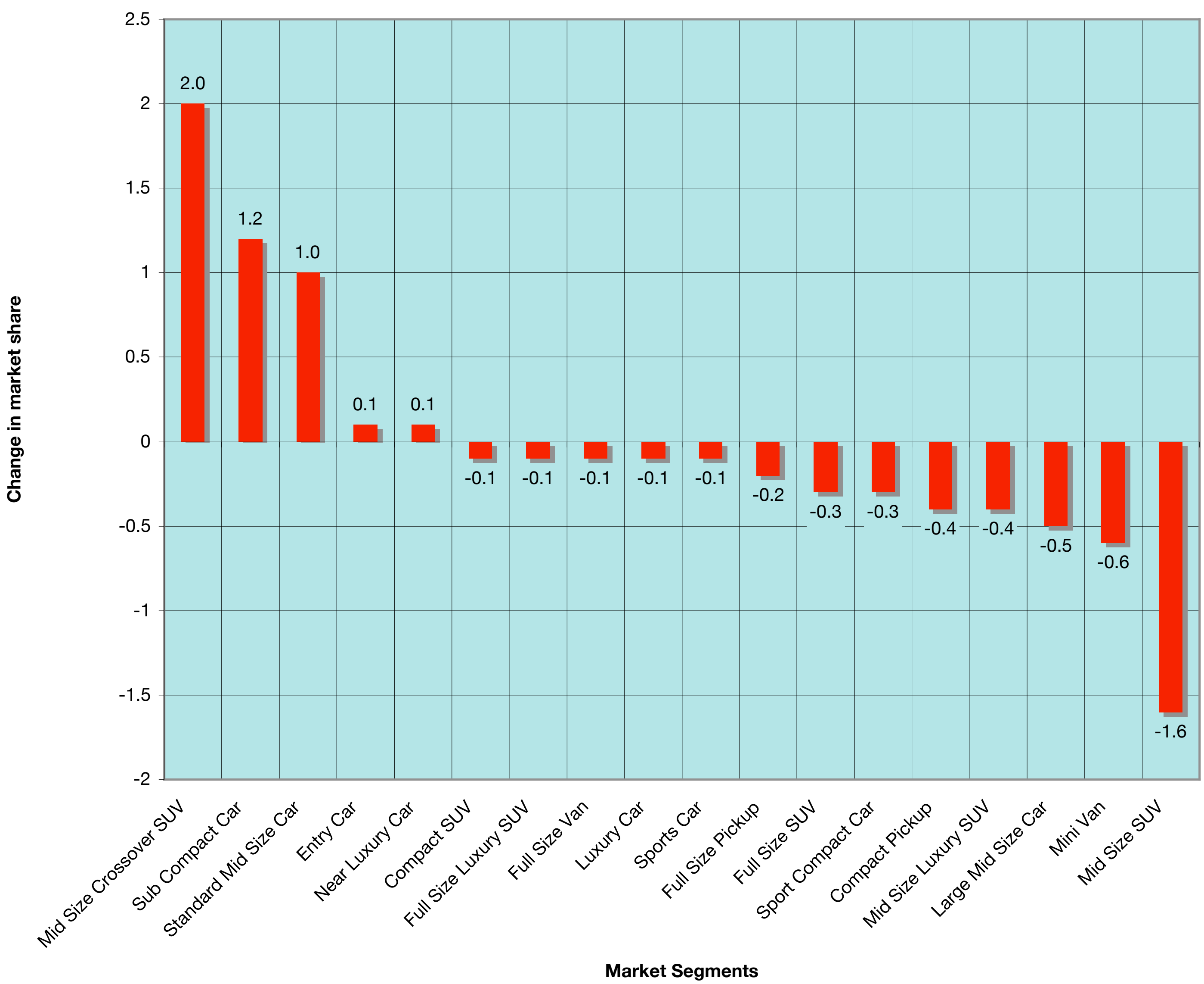
Higher fuel prices are also a primary factor in the shrinkage of several light truck segments. Mid Size SUV segment market share declined 1.6 share points during the First Quarter of this year versus a year earlier. The Full Size SUV and Full Size Pickup segments declined 0.3 and 0.2 of a point, respectively.

A steady stream of new and redesigned products (including the Ford Edge, GMC Acadia, Buick Enclave, Saturn Outlook, Toyota Highlander, Nissan Murano, and Mazda CX9 and CX7) and improved fuel economy (compared to truck based alternatives) have given a big boost to the Mid Size Crossover SUV segment. Market share for the segment was up two share points so far this year. Standard Mid Size Car market share increased one point.

The following page shows the actual market share for each segment last year, as well as the top selling models in each segment during the first three months of this year. Toyota Camry was the top selling Standard Mid Size Car, while BMW 3-Series was the Near Luxury leader.

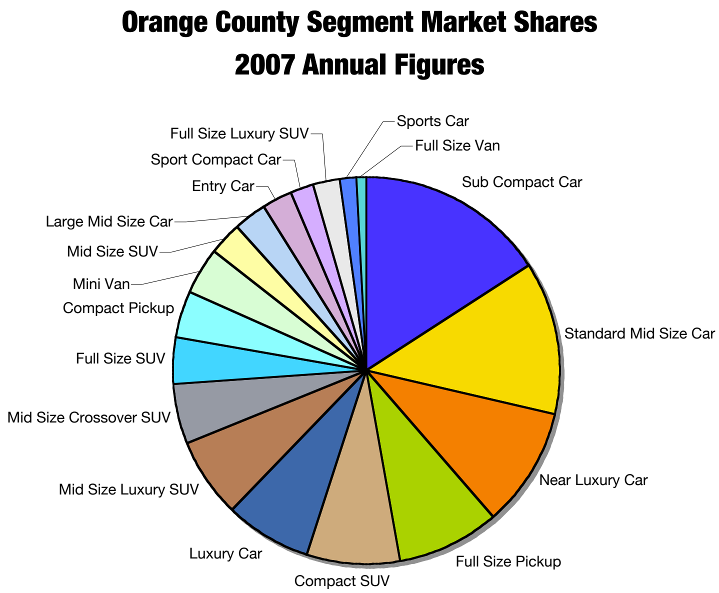
Source: AutoCount data from Experian Automotive.

Change in Segment Market Share - YTD 2008 thru March vs. YTD 2007



Segment Watch (continued)

Sub Compact Car Market Share Approaches 16%



Share of Orange County Market-2007	
Segment	Market Share
Sub Compact Car	15.9%
Standard Mid Size Car	12.7%
Near Luxury Car	10.1%
Full Size Pickup	8.4%
Compact SUV	7.9%
Luxury Car	7.3%
Mid Size Luxury SUV	6.6%
Mid Size Crossover SUV	5.1%
Full Size SUV	4.0%
Compact Pickup	3.9%
Mini Van	3.8%
Mid Size SUV	2.9%
Large Mid Size Car	2.8%
Entry Car	2.4%
Sport Compact Car	2.1%
Full Size Luxury SUV	2.1%
Sports Car	1.5%
Full Size Van	0.7%

Top Selling Models in Each Segment - Orange County
New Retail Registrations, YTD '08 thru March and Market Share of Segment

Cars											
Entry			Sub Compact			Sporty Compact			Standard Mid Size		
Model	Regs.	Share	Model	Regs.	Share	Model	Regs.	Share	Model	Regs.	Share
Toyota Yaris	499	40.4	Honda Civic	1462	20.8	Ford Mustang	315	47.4	Toyota Camry	2451	42.3
Honda Fit	268	21.7	Toyota Corolla/Matrix	1234	17.5	Scion TC	245	36.9	Honda Accord	1490	25.7
Nissan Versa	207	16.8	Toyota Prius	883	12.5	Mitsubishi Eclipse	75	11.3	Nissan Altima	789	13.6
Scion xD	91	7.4	Mazda 3	420	6.0	Hyundai Tiburon	28	4.2	Ford Fusion	188	3.2
Chevrolet Aveo	67	5.4	Mini Cooper	410	5.8				Chevrolet Malibu	148	2.6
Large Mid Size			Near Luxury			Luxury			Sports Car		
Model	Regs.	Share	Model	Regs.	Share	Model	Regs.	Share	Model	Regs.	Share
Chrysler 300	254	23.6	BMW 3-Series	1113	22.9	Mercedes E-Class	705	20.2	Chevrolet Corvette	140	24.2
Dodge Charger	209	19.4	Mercedes C-Class	873	18.0	BMW 5-Series	534	15.3	Nissan 350 Z	90	15.6
Toyota Avalon	134	12.4	Lexus IS	634	13.1	Mercedes S-Class	289	8.3	Porsche 911	72	12.5
Hyundai Azera	132	12.2	Lexus ES	569	11.7	Lexus LS	265	7.6	BMW Z4	62	10.7
Nissan Maxima	93	8.6	Infiniti G	507	10.4	Mercedes CLK-Class	254	7.3	Mazda MX5	43	7.4
Light Trucks											
Compact Pickup			Full Size Pick Up			Mini Van			Full Size Van		
Model	Regs.	Share	Model	Regs.	Share	Model	Regs.	Share	Model	Regs.	Share
Toyota Tacoma	883	52.7	Ford F-Series	981	30.1	Toyota Sienna	748	46.5	Ford E-Series	185	52.0
Ford Ranger	316	18.9	Toyota Tundra	731	22.4	Honda Odyssey	560	34.8	Chevrolet Express	126	35.4
Nissan Frontier	224	13.4	Chevrolet Silverado	679	20.8	Dodge Caravan	88	5.5	GMC Savana	30	8.4
Honda Ridgeline	88	5.3	Dodge Ram	345	10.6	Chrysler T & C	79	4.9	Dodge Sprinter	15	4.2
Chevrolet Colorado	86	5.1	GMC Sierra	253	7.8	Mazda 5	39	2.4			
Compact SUV			Mid Size SUV/Crossover SUV			Full Size SUV			Mid Size & Full Size Luxury SUV		
Model	Regs.	Share	Model	Regs.	Share	Model	Regs.	Share	Model	Regs.	Share
Honda CRV	784	24.4	Toyota Highlander	564	15.5	Chevrolet Tahoe	327	23.1	Lexus RX	734	17.7
Toyota RAV4	394	12.3	Ford Edge	466	12.8	Ford Expedition	216	15.2	Mercedes ML-Clas	418	10.1
Ford Escape	283	8.8	Honda Pilot	401	11.0	Chevrolet Suburban	207	14.6	Acura MDX	360	8.7
Toyota FJ	257	8.0	Toyota 4Runner	265	7.3	Toyota Sequoia	171	12.1	Land Rover Range	324	7.8
Jeep Wrangler	242	7.5	GMC Acadia	221	6.1	GMC Yukon	136	9.6	Mercedes GL-Clas	310	7.5

Brand Scoreboard

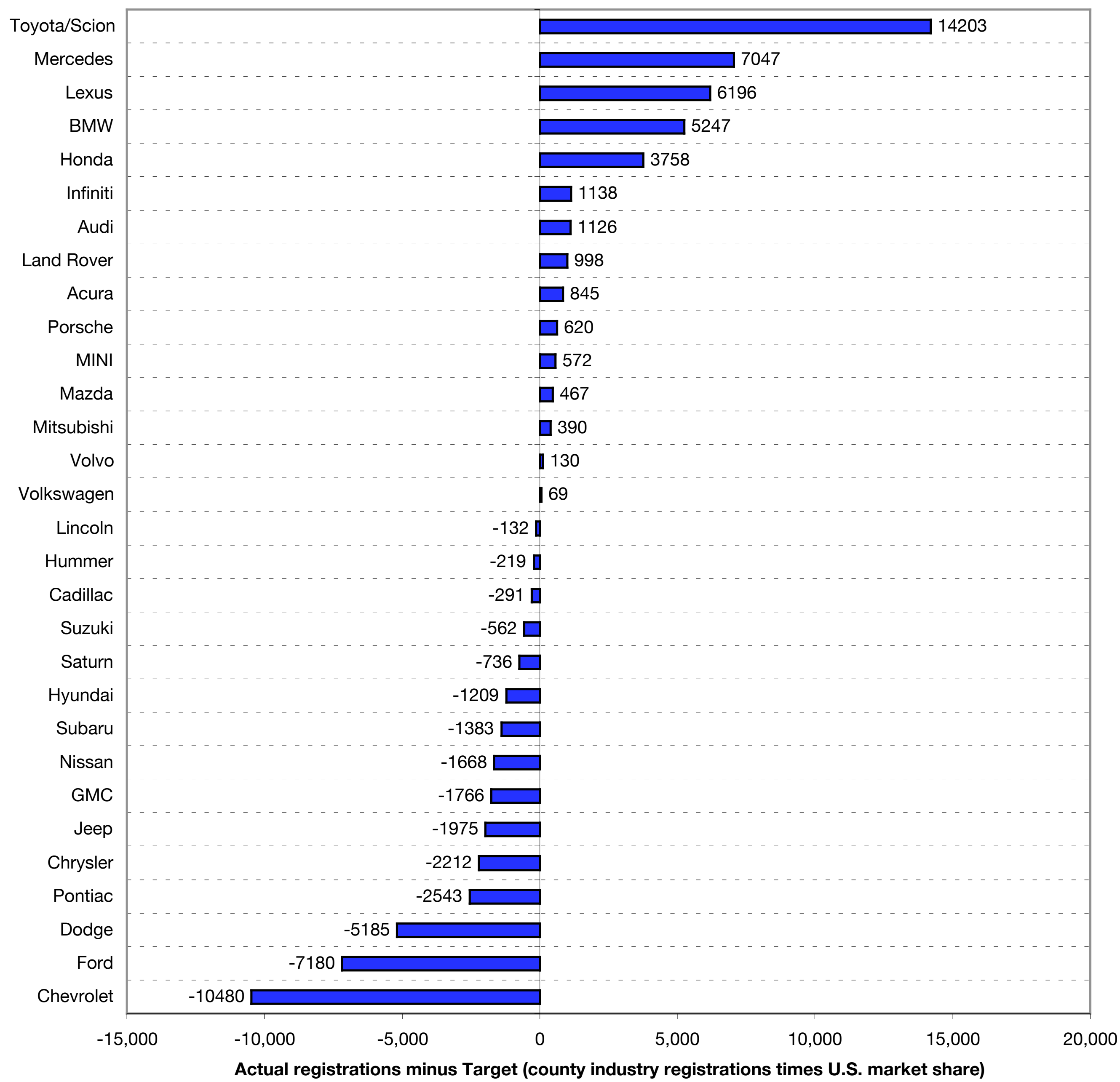
Toyota/Scion and Mercedes Relatively Strong Sellers in the County Market

The graph below provides an indicator of brands that are popular in Orange County (relative to the National standard), and those that are not. Here's how it works: For the top 30 selling brands in the county, each brand's share of the U.S. market is multiplied by retail registrations in the county during 2007. This yields a "target" for the Orange County market. Target registrations are subtracted from actual registrations to derive the measurement of sales performance.

Brands at the top of the graph (i.e., Toyota/Scion, Mercedes, and Lexus) are relatively strong sellers in Orange County, with actual registrations exceeding the calculated target by a large margin. For instance, Toyota/Scion registrations of 39,821 in the county during 2007 was 14,203 units over its target of 25,618.

Orange County Retail Market Performance based on registrations for 2007

Actual registrations minus target (county industry registrations times U.S. market share)



Comparison Of Orange County, Los Angeles County, And U.S. Markets

	Orange County	Los Angeles County	U.S. Market
Market Growth % change in registrations YTD '08 thru March vs. YTD '07	-19.7%	-16.3%	-7.6%
Car Market Share Car share of industry retail light vehicle YTD '08 thru March	55.9%	60.6%	50.3%
Domestic Brand Market Share Domestic brand share of industry retail light vehicle registrations - YTD '08 thru March	23.5%	21.3%	45.9%

	New Retail Registrations - YTD 2008 thru March						Market Share (YTD 2008)		
	Orange County		Los Angeles County		U.S.				
Brand	Regs.	% ch. from '07	Regs.	% ch. from '07	Regs.	% ch. from '07	Orange County	L.A. County	U.S.
Acura	659	-26.5%	1,781	-16.0%	37,540	-14.0%	1.9	2.0	1.0
Audi	464	-19.0%	1,886	-11.7%	20,557	-2.2%	1.3	2.1	0.6
BMW	1,791	-23.3%	5,503	-17.3%	70,090	5.1%	5.1	6.1	2.0
Buick	99	-2.0%	249	19.1%	37,834	-12.7%	0.3	0.3	1.1
Cadillac	446	-22.7%	1,103	-15.6%	46,665	-0.3%	1.3	1.2	1.3
Chevrolet	1,842	-36.3%	4,334	-32.3%	477,461	-12.4%	5.3	4.8	13.3
Chrysler	461	-26.1%	1,267	-20.2%	116,620	-16.4%	1.3	1.4	3.2
Dodge	757	-30.6%	1,765	-22.3%	231,931	-17.0%	2.2	2.0	6.5
Ford	2,708	-15.5%	5,552	-16.8%	481,863	-7.1%	7.8	6.1	13.4
GMC	617	-19.2%	1,311	-28.7%	101,402	-5.0%	1.8	1.5	2.8
Honda	4,414	-7.8%	11,712	-10.1%	315,102	1.5%	12.7	13.0	8.8
Hummer	99	-45.9%	221	-45.4%	9,863	-24.2%	0.3	0.2	0.3
Hyundai	823	3.5%	674	-19.8%	95,338	-8.5%	2.4	0.7	2.7
Infiniti	656	7.9%	1,740	-2.8%	32,533	0.0%	1.9	1.9	0.9
Isuzu	32	-15.8%	67	-46.8%	1,906	5.8%	0.1	0.1	0.1
Jaguar	63	-45.7%	262	-31.9%	3,479	-18.1%	0.2	0.3	0.1
Jeep	550	-22.1%	1,437	-9.0%	105,320	-11.1%	1.6	1.6	2.9
Kia	158	25.4%	787	-10.1%	68,214	-7.3%	0.5	0.9	1.9
Land Rover	294	-36.4%	838	-17.9%	8,732	-14.4%	0.8	0.9	0.2
Lexus	2,080	-26.4%	5,009	-16.6%	66,515	-9.5%	6.0	5.5	1.9
Lincoln	186	-27.1%	495	-33.0%	28,471	-18.9%	0.5	0.5	0.8
Mazda	810	7.3%	1,441	-7.0%	77,689	-1.8%	2.3	1.6	2.2
Mercedes	2,231	-22.4%	5,159	-21.5%	57,656	2.9%	6.4	5.7	1.6
Mercury	68	-34.0%	218	-19.6%	34,435	-21.5%	0.2	0.2	1.0
MINI	248	9.7%	710	18.9%	10,904	24.7%	0.7	0.8	0.3
Mitsubishi	313	-27.2%	323	-51.1%	27,082	-14.4%	0.9	0.4	0.8
Nissan	1,891	-18.4%	6,538	-11.0%	237,212	-3.7%	5.4	7.2	6.6
Pontiac	83	-46.1%	284	-41.7%	72,377	-8.5%	0.2	0.3	2.0
Porsche	181	-32.0%	565	-14.5%	6,777	-17.6%	0.5	0.6	0.2
Saab	52	-25.7%	138	-40.0%	6,468	-12.8%	0.1	0.2	0.2
Saturn	247	-46.1%	927	-31.3%	48,306	-15.3%	0.7	1.0	1.3
Subaru	233	0.4%	406	-13.2%	40,881	-4.9%	0.7	0.4	1.1
Suzuki	96	-44.8%	131	-33.8%	26,430	-4.9%	0.3	0.1	0.7
Toyota/Scion	7,996	-22.2%	22,222	-15.0%	505,232	-5.1%	22.9	24.6	14.1
Volkswagen	796	22.5%	2,109	1.7%	50,554	0.4%	2.3	2.3	1.4
Volvo	275	-27.8%	752	-29.0%	24,804	-7.9%	0.8	0.8	0.7
Other	152	46.2%	411	36.5%	8,659	192.6%	0.4	0.5	0.2

The two tables above provide a comparison of the Orange County, Los Angeles County, and U.S. new retail light vehicle markets. As shown on the top table, the Orange County market declined 19.7% during the First Quarter of this year versus a year earlier, while the Los Angeles County market fell 16.3%.   Source: AutoCount data from Experian Automotive.

Orange County New Retail Car and Light Truck Registrations - History and Forecast

	Registrations					Market Share				
	Units			Percent Change		Share (%)			Change	
	2006	2007	Forecast 2008	'06 to '07	Forecast '07 to '08	2006	2007	Forecast 2008	'06 to '07	Forecast '07 to '08
TOTAL	182,650	165,919	149,611	-9.2%	-9.8%					
Acura	3,971	3,279	2,796	-17.4%	-14.7%	2.2	2.0	1.9	-0.2	-0.1
Audi	1,919	2,106	1,957	9.7%	-7.1%	1.1	1.3	1.3	0.2	0.0
BMW	8,400	8,511	8,578	1.3%	0.8%	4.6	5.1	5.7	0.5	0.6
Buick	466	383	375	-17.8%	-2.1%	0.3	0.2	0.3	-0.1	0.1
Cadillac	2,397	2,093	1,892	-12.7%	-9.6%	1.3	1.3	1.3	0.0	0.0
Chevrolet	12,516	10,293	8,415	-17.8%	-18.2%	6.9	6.2	5.6	-0.7	-0.6
Chrysler	3,433	2,300	1,757	-33.0%	-23.6%	1.9	1.4	1.2	-0.5	-0.2
Dodge	4,779	3,828	3,278	-19.9%	-14.4%	2.6	2.3	2.2	-0.3	-0.1
Ford	14,848	12,680	10,847	-14.6%	-14.5%	8.1	7.6	7.3	-0.5	-0.3
GMC	3,697	3,177	2,898	-14.1%	-8.8%	2.0	1.9	1.9	-0.1	0.0
Honda	21,438	19,918	18,688	-7.1%	-6.2%	11.7	12.0	12.5	0.3	0.5
Hummer	884	587	453	-33.6%	-22.8%	0.5	0.4	0.3	-0.1	-0.1
Hyundai	3,514	3,561	3,546	1.3%	-0.4%	1.9	2.1	2.4	0.2	0.3
Infiniti	2,806	2,523	2,662	-10.1%	5.5%	1.5	1.5	1.8	0.0	0.3
Isuzu	130	127	112	-2.3%	-11.8%	0.1	0.1	0.1	0.0	0.0
Jaguar	455	348	350	-23.5%	0.6%	0.2	0.2	0.2	0.0	0.0
Jeep	2,456	2,685	2,296	9.3%	-14.5%	1.3	1.6	1.5	0.3	-0.1
Kia	486	441	522	-9.3%	18.4%	0.3	0.3	0.3	0.0	0.0
Land Rover	1,840	1,572	1,272	-14.6%	-19.1%	1.0	0.9	0.9	-0.1	0.0
Lexus	10,076	10,036	8,536	-0.4%	-14.9%	5.5	6.0	5.7	0.5	-0.3
Lincoln	1,141	1,054	908	-7.6%	-13.9%	0.6	0.6	0.6	0.0	0.0
Mazda	2,812	3,368	3,126	19.8%	-7.2%	1.5	2.0	2.1	0.5	0.1
Mercedes	10,670	9,970	9,294	-6.6%	-6.8%	5.8	6.0	6.2	0.2	0.2
Mercury	563	347	227	-38.4%	-34.6%	0.3	0.2	0.2	-0.1	0.0
MINI	914	1,035	1,108	13.2%	7.1%	0.5	0.6	0.7	0.1	0.1
Mitsubishi	1,702	1,587	1,330	-6.8%	-16.2%	0.9	1.0	0.9	0.1	-0.1
Nissan	9,735	8,610	7,822	-11.6%	-9.2%	5.3	5.2	5.2	-0.1	0.0
Pontiac	853	508	387	-40.4%	-23.8%	0.5	0.3	0.3	-0.2	0.0
Porsche	1,068	1,023	842	-4.2%	-17.7%	0.6	0.6	0.6	0.0	0.0
Saab	417	272	223	-34.8%	-18.0%	0.2	0.2	0.1	0.0	-0.1
Saturn	1,325	1,583	1,223	19.5%	-22.7%	0.7	1.0	0.8	0.3	-0.2
Subaru	1,048	861	714	-17.8%	-17.1%	0.6	0.5	0.5	-0.1	0.0
Suzuki	736	529	406	-28.1%	-23.3%	0.4	0.3	0.3	-0.1	0.0
Toyota (incl. Scion)	43,911	39,821	36,082	-9.3%	-9.4%	24.0	24.0	24.1	0.0	0.1
Volkswagen	2,985	2,845	2,931	-4.7%	3.0%	1.6	1.7	2.0	0.1	0.3
Volvo	1,686	1,437	1,211	-14.8%	-15.7%	0.9	0.9	0.8	0.0	-0.1
Others	573	621	547	8.4%	-11.9%	0.3	0.4	0.4	0.1	0.0

Historical Data Source: AutoCount data from Experian Automotive

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