

# Hawaii Auto Outlook™

## Comprehensive Information on the Hawaii Automotive Market

Second Quarter, 2006, Volume 5, Number 2

### 2% Decline Predicted for Hawaii New Retail Light Vehicle Market in 2006

It's definitely important to keep abreast of developments in the U.S. market, but in many cases, National trends are not reflective of what's occurring in the Hawaii market. That's where Auto Outlook comes in. On a quarterly basis, we keep you informed of current events, and forecast projections for the Hawaii new vehicle market. Following is a comprehensive characterization and evaluation of the state market.

**Predicted decline in Hawaii new retail light vehicle market this year** to mirror U.S. Auto Outlook is predicting that new retail light vehicle registrations in the state will decline 2% this year versus 2005, slightly better than our 2.8% projected drop in National registrations. We think total statewide registrations will exceed 68,800 units this year.

**No surprises for Hawaii market during First Quarter of this year.**

Hawaii new retail vehicle registrations during the First Quarter of this year totaled 16,979 units, very much in line with Auto Outlook's projection of 17,458. The market fell 4.8% in the First Quarter of this year versus a year earlier.

**Light truck share declines in both the Hawaii and U.S. markets during First Quarter.** The light truck share of the state car and light truck retail market declined 0.4 market share points during the First Quarter of this year, less than the 1.7 point decline in the U.S. Light truck market share in the state exceeded National levels (56.5% vs. 51.6%).

**Domestic brand market share declined during the First Quarter in both the Hawaii and U.S. markets.** Big Three market share in the state fell 2.2 points from the First Quarter of 2005 to the First Quarter of this year, to just 27.4%. Domestic brands had a 48.6%

share in the Nation, which was down two points versus a year earlier. Auto Outlook is predicting a 1.4 point drop for domestic brand share in the Hawaii market this year.

**Compact Pickup and Sub Compact Car Segments relatively popular in Hawaii market.** The Compact Pickup segment accounted for 8.2% of the Hawaii retail market in the First Quarter of this year, higher than its 4% share in the U.S. Sub Compact Car share was 18.2% in the state versus 15.1% in the Nation.

**Honda CRV best selling Compact SUV in Hawaii; Toyota Camry leads among Standard Mid Size Cars.** Curious about other leaders? Contact Auto Outlook (see page 4).

## The Hawaii New Retail Light Vehicle Market — At a Glance

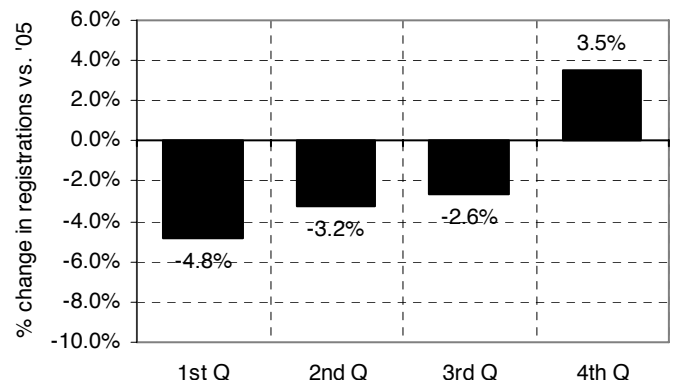
**Summary 1. Top Ten Scoreboard**

FOURTH QUARTER, 2005			FIRST QUARTER, 2006			Change in mkt. share
Rank	Make	Market Share	Rank	Make	Market Share	
1	Toyota	24.8%	1	Toyota	24.9%	0.1%
2	Honda	11.9%	2	Nissan	12.1%	2.1%
3	Nissan	10.0%	3	Honda	11.3%	-0.6%
4	Ford	9.5%	4	Ford	9.4%	-0.1%
5	Chevrolet	6.4%	5	Chevrolet	5.3%	-1.1%
6	Dodge	5.4%	6	Dodge	4.8%	-0.6%
7	Mazda	3.9%	7	Mazda	4.2%	0.3%
8	Mercedes	2.8%	8	Lexus	2.8%	0.1%
9	Lexus	2.7%	9	Hyundai	2.2%	0.2%
10	Hyundai	2.0%	10	BMW	2.1%	0.2%

The three summaries provide an overview of the Hawaii new retail light vehicle market. The table above shows the Top Ten sellers in the state during the Fourth Quarter of last year and the First Quarter of this year, and the change in market share. Quarterly Review presents the change in registrations during each quarter of this year versus 2005. The Annual Review table on the right shows our forecast for 2006, and actual figures for 2004 and 2005. Detailed forecasts for all brands are on page 4.

Source for historical data: AutoCount, an Experian Company. Forecast % ch.

**Summary 2. Quarterly Review**



**Summary 3. Annual Review and Forecast**

	Forecast			% ch. '05 to '06
	2004	2005	2006	
TOTAL	70,457	70,268	68,855	-2.0%
Car	30,437	31,258	30,296	-3.1%
Light Truck	40,020	39,474	38,559	-2.3%
Big Three	22,123	20,742	19,718	-4.9%
Japanese	39,738	40,790	40,659	-0.3%
European	6,271	5,834	5,612	-3.8%
Korean	2,255	2,902	2,866	-1.2%

## Head-to-Head

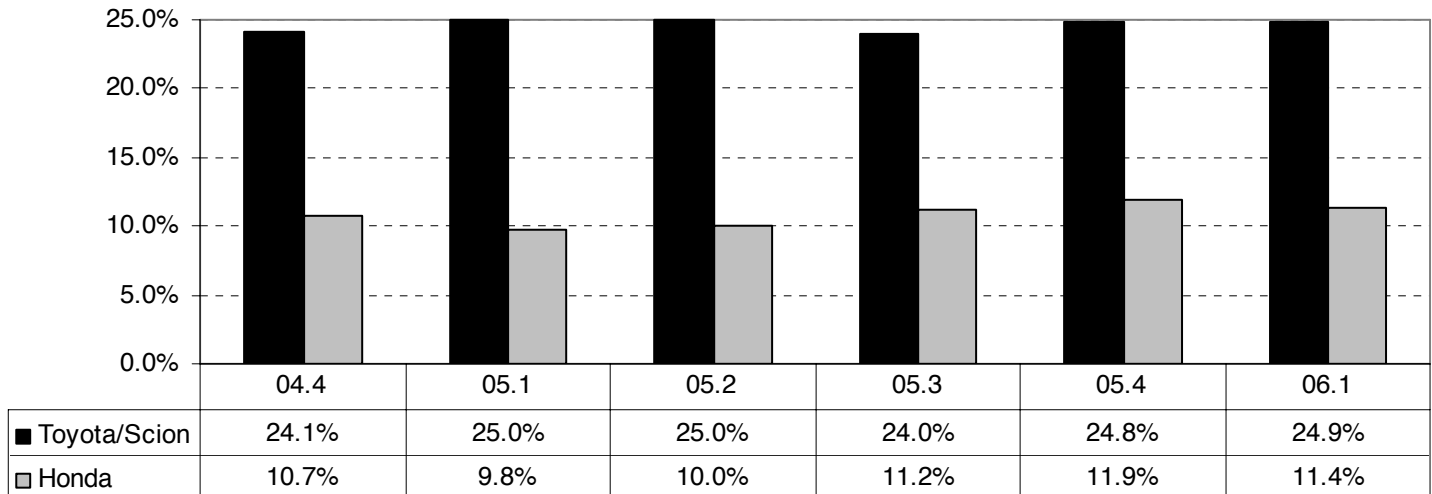
# Toyota Maintains Comfortable Lead Over Honda in Hawaii Market

The automotive market is a competitive boiling pot where, increasingly, brands find themselves up against unfamiliar foes (Hyundai Azera and Lexus E330, for example.) But there are still traditional, head-to-head battles that take place: two brands that have competing products in many segments, and where success or failure can be measured against each other. In the Hawaii market, one such battle is Toyota versus Honda. The graph below com-

pare Toyota and Honda market share from the Fourth Quarter of 2004 through the First Quarter of this year. Toyota's market share easily exceeded Honda in each of the six quarters. The table on the right provides a glimpse of market performance for key models. Shown is each model's share of segment registrations in both the state and U.S., and the state share as a percent of U.S.

First Quarter 2006 Segment Market Shares - State vs. U.S.			
	State mkt. share	U.S. mkt. share	State as a % of U.S.
<b>Sub Compact Car</b>			
Civic	18.3%	23.0%	79.6%
Corolla (incl. Matrix)	18.0%	13.1%	137.4%
<b>Standard Mid Size Car</b>			
Accord	15.5%	14.3%	108.4%
Camry	31.1%	25.9%	120.1%
<b>Mid Size Crossover SUV</b>			
Pilot	32.4%	31.8%	101.9%
Highlander	30.6%	17.8%	171.9%
<b>Mini Van</b>			
Odyssey	29.5%	25.2%	117.1%
Sienna	30.8%	20.8%	148.1%

## Toyota and Honda Quarterly New Retail Light Vehicle Market Share in Hawaii



## Market Comparison—Hawaii vs. U.S.

	Hawaii		U.S. Market	
<b>Market Growth</b>				
% change in registrations YTD '06 vs. '05 (thru March)	-4.8%		-2.9%	
<b>Car market share-YTD '06 (thru March)</b>	43.5%		48.4%	
<b>Domestic brand market share YTD '06 (thru March)</b>	27.4%		48.6%	
<b>Top Selling Retail Brands-1Q '06</b>				
First	Toyota/Scion	24.9%	Toyota/Scion	13.8%
Second	Nissan	12.1%	Ford	13.1%
Third	Honda	11.3%	Chevrolet	12.5%
Fourth	Ford	9.4%	Honda	9.6%
Fifth	Chevrolet	5.3%	Nissan	6.0%
Sixth	Dodge	4.8%	Dodge	5.4%
Seventh	Mazda	4.2%	GMC	3.2%
Eighth	Lexus	2.8%	Chrysler	3.1%
Ninth	Hyundai	2.2%	Jeep	2.8%
Tenth	BMW	2.1%	Hyundai	2.6%

### Data Source Information

Exclusive source for new vehicle registration data presented in *Hawaii Auto Outlook* is AutoCount, an Experian Company. AutoCount specializes in providing detailed new and used vehicle sales and registration statistics. Consider AutoCount as a source for sales data covering your local market.

For more information on Auto Count, call 407.770.5900 or visit AutoCount's web site: [www.autocount.com](http://www.autocount.com)

**AutoCount**  
AN EXPERIAN COMPANY

## County Close-Up

### All Four New Vehicle Markets Post Declines in First Quarter of 2006

The table on the right provides a summary of each of Hawaii's four retail light vehicle markets. This unique localized information provides a valuable perspective on market performance, and a barometer to evaluate the performance of your dealership. The table is divided into four parts.

The first, Market Summary, shows total new retail light vehicle registrations during the First Quarters of 2005 and 2006, and percent change. The second and third parts show market share for light trucks and the Big Three. The fourth part shows market share figures for the top 10 selling light vehicle brands in the state during the First Quarter. The top rated county is shaded. Observations: Registrations declined in each of the four markets, with the smallest decline in Oahu (down 2.2%). Light truck market share increased 1.5% share points in Maui, but declined in the other three markets. Big Three market share increased 0.5 of a point in Oahu, but stood at just 26.2%

New Vehicle Markets Summary					
	Local Markets				Statewide
	Hawaii	Kauai	Maui	Oahu	Total
<b>Market Summary</b>					
First Quarter, '05	2,366	924	2,208	12,344	17,842
First Quarter, '06	2,243	743	1,917	12,076	16,979
Percent change	-5.2%	-19.6%	-13.2%	-2.2%	-4.8%
<b>Light Truck Market Share</b>					
First Quarter, '05	65.9%	72.0%	62.8%	53.4%	56.6%
First Quarter, '06	65.1%	71.3%	64.3%	52.7%	56.5%
Change (share points)	-0.8	-0.7	1.5	-0.7	-0.1
<b>Big Three Market Share</b>					
First Quarter, '05	30.0%	38.0%	35.9%	25.7%	29.6%
First Quarter, '06	26.1%	37.7%	32.0%	26.2%	27.4%
Change (share points)	-3.9	-0.3	-3.9	0.5	-2.2
<b>Market Share for Top 10 Selling Brands in State (First Quarter 2006)</b>					
Toyota/Scion	25.5%	26.1%	26.0%	24.6%	24.9%
Nissan	8.9%	14.1%	13.4%	12.3%	12.1%
Honda	19.2%	11.8%	11.8%	9.8%	11.4%
Ford	8.8%	12.0%	18.3%	8.0%	9.4%
Chevrolet	4.0%	7.8%	2.9%	5.8%	5.3%
Dodge	8.0%	7.5%	4.5%	4.1%	4.8%
Mazda	9.0%	3.8%	3.0%	3.5%	4.2%
Lexus	0.2%	0.1%	2.9%	3.4%	2.8%
Hyundai	1.1%	3.5%	1.4%	2.5%	2.2%
BMW	0.2%	0.1%	2.0%	2.5%	2.1%

Source: AutoCount, an Experian Company.

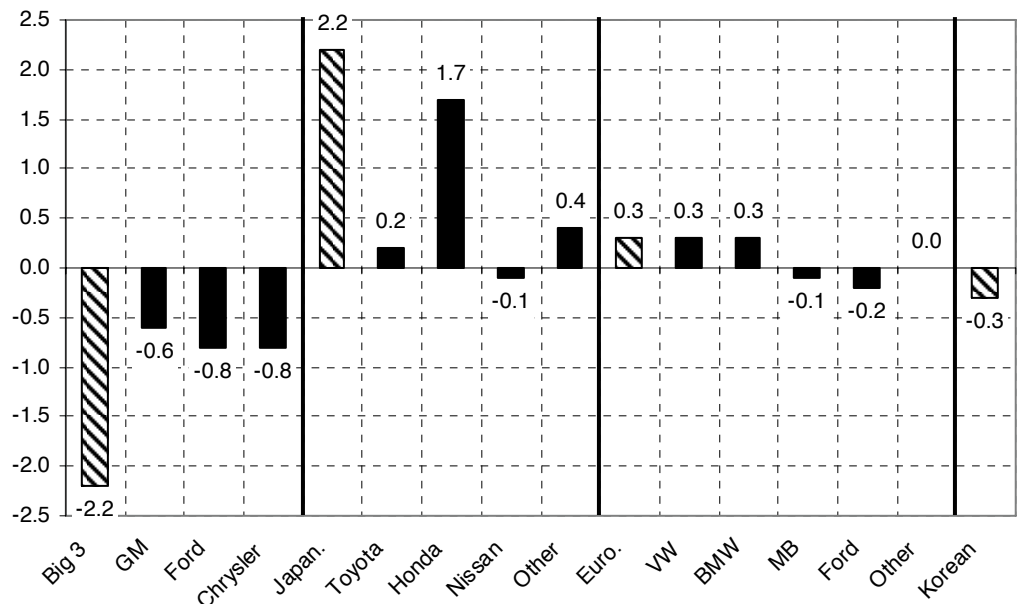
## Market Tracker

### Japanese Brands Gain 2.2 Market Share Points in First Quarter

The graph on the right tracks the changing composition of the state's market. As shown on the graph, the Big Three (consisting of "traditional domestic" brands) lost 2.2 market share points from the First Quarter of 2005 to the First Quarter of this year. (Big Three does not include import brands owned by GM and Ford, such as Volvo and Saab.) Japanese brand market share increased 2.2 points, with Honda (including Acura) increasing 1.7 points. European brand share was up 0.3 of a point, while Korean brand share was down slightly.

Source: AutoCount, an Experian Company.

Change in New Retail Light Vehicle Market Share  
First Quarter 2006 vs. First Quarter 2005



Brands included above: Big 3: GM (Buick, Cadillac, Chevrolet, GMC, Hummer, Oldsmobile, 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, and Maserati). Korean: Hyundai and Kia.

## Hawaii New Retail Car and Light Truck Registrations - History and Forecast

	Registrations			Market Share (%)		
	Forecast		% change	Forecast		Change
	2005	2006	'05 to '06	2005	2006	'05 to '06
TOTAL	70,268	68,855	-2.0%			
Acura	886	859	-3.0%	1.3	1.2	-0.1
Audi	350	387	10.6%	0.5	0.6	0.1
BMW	1,323	1,274	-3.7%	1.9	1.9	0.0
Buick	192	169	-12.0%	0.3	0.2	-0.1
Cadillac	334	393	17.7%	0.5	0.6	0.1
Chevrolet	4,604	4,199	-8.8%	6.6	6.1	-0.5
Chrysler	828	785	-5.2%	1.2	1.1	-0.1
Dodge	3,711	3,603	-2.9%	5.3	5.2	-0.1
Ford	7,051	6,562	-6.9%	10.0	9.5	-0.5
GMC	1,133	987	-12.9%	1.6	1.4	-0.2
Honda	7,512	7,548	0.5%	10.7	11.0	0.3
Hummer	189	223	18.0%	0.3	0.3	0.0
Hyundai	1,607	1,636	1.8%	2.3	2.4	0.1
Infiniti	685	615	-10.2%	1.0	0.9	-0.1
Isuzu	207	164	-20.8%	0.3	0.2	-0.1
Jaguar	228	138	-39.5%	0.3	0.2	-0.1
Jeep	977	1,053	7.8%	1.4	1.5	0.1
Kia	1,295	1,230	-5.0%	1.8	1.8	0.0
Land Rover	152	154	1.3%	0.2	0.2	0.0
Lexus	1,806	1,914	6.0%	2.6	2.8	0.2
Lincoln	298	320	7.4%	0.4	0.5	0.1
Mazda	2,898	2,937	1.3%	4.1	4.3	0.2
Mercedes	1,548	1,508	-2.6%	2.2	2.2	0.0
Mercury	208	177	-14.9%	0.3	0.3	0.0
Mini	407	377	-7.4%	0.6	0.5	-0.1
Mitsubishi	549	427	-22.2%	0.8	0.6	-0.2
Nissan	7,689	7,168	-6.8%	10.9	10.4	-0.5
Pontiac	456	430	-5.7%	0.6	0.6	0.0
Porsche	186	185	-0.5%	0.3	0.3	0.0
Saab	115	135	17.4%	0.2	0.2	0.0
Saturn	761	817	7.4%	1.1	1.2	0.1
Subaru	676	606	-10.4%	1.0	0.9	-0.1
Suzuki	542	674	24.4%	0.8	1.0	0.2
Toyota/Scion	17,340	17,747	2.3%	24.7	25.8	1.1
Volkswagen	942	990	5.1%	1.3	1.4	0.1
Volvo	479	385	-19.6%	0.7	0.6	-0.1
Others	104	79	-24.0%	0.1	0.1	0.0

Historical Data Source: AutoCount, an Experian Company. Forecast: Auto Outlook.

## Hawaii Auto Outlook

Published by:  
Auto Outlook, Inc.  
5 Great Valley Parkway  
Suite 234  
Malvern, PA 19355  
Phone: 800-206-0102  
Email: jfoltz@autooutlook.com  
Editor: Jeffrey A. Foltz

Reproduction, including photocopying of this publication in whole or in part, is prohibited without the express permission of Auto Outlook, Inc. Any material quoted must be attributed to Hawaii Auto Outlook, published by Auto Outlook, Inc. on behalf of HADA. Unforeseen events may affect the forecast projections presented in Hawaii Auto Outlook. Consequently, Auto Outlook, Inc. is not responsible for management decisions based on the content of Hawaii Auto Outlook.

Copyright Auto Outlook, Inc.  
May, 2006

Hawaii Auto Outlook is distributed free of charge to all members of the Hawaii Automobile Dealers Association. The publication is sponsored and supported by the Association.

Hawaii Auto Outlook is published and edited by Auto Outlook, Inc., an independent automotive market research firm. Opinions expressed in Hawaii Auto Outlook are solely those of Auto Outlook, Inc., and are not necessarily shared by the Hawaii Automobile Dealers Association.

Hawaii Automobile  
Dealers Association  
1100 Alakea Street, Suite 2601  
Honolulu, HI 96813  
808-593-0031

CU HAWAII  
FEDERAL CREDIT UNION

HAWAII CENTRAL  
CREDIT UNION

HAWAII STATE  
FEDERAL CREDIT UNION

HICKAM  
FEDERAL CREDIT UNION

KAUAI COMMUNITY  
FEDERAL CREDIT UNION

MAUI COUNTY EMPLOYEES  
FEDERAL CREDIT UNION

OPERATING ENGINEERS #3  
FEDERAL CREDIT UNION

PEARL HARBOR  
FEDERAL CREDIT UNION

THE QUEEN'S  
FEDERAL CREDIT UNION

UNIVERSITY OF HAWAII  
FEDERAL CREDIT UNION

USA  
FEDERAL CREDIT UNION

CREDIT  
UNION  
DIRECT  
LENDING  
www.cudirect.com

© 2006 CU Direct Corporation. All Rights Reserved.

## When your Dealership partners with Credit Union Direct Lending

you give your credit union customers the auto financing tool they need to HELE on down the road quickly with a lot more ALOHA!

Credit Union Direct Lending (CUDL) provides your dealership with the ability to offer competitive credit union financing, right at the dealership. Dealerships will gain the strength and support of a network of local credit unions offering the most aggressive rates and terms in the State of Hawaii. Participating CUDL dealerships enjoy the benefits of:

- Quick and consistent loan decisions even when the credit unions are closed.
- Protection and increase of backend products sold to credit union members.
- Expedited ACH funding, with customizable reporting to help track payments.
- Flat fee income on low interest rate loans with no chargeback.
- An easy to use, fully functional website to submit credit applications.
- Potential referral business from credit unions through [www.cudirect.com](http://www.cudirect.com) and sales.

For more information about the CUDL program, call **James Moniz** at **808.782.4960** or visit our website at [www.cudirect.net](http://www.cudirect.net).