

Hawaii Auto Outlook™

Comprehensive information on the Hawaii automotive market

FORECAST

Auto Outlook Predicts a 9.7% Increase for New Vehicle Market in 2010

Prediction is higher than the 3% increase projected by HADA

With 2009 thankfully in the books, all attention is now focused on where the Hawaii new vehicle market is headed in 2010. And it's a fairly safe bet that the market is headed up. Below are the details on Auto Outlook's market forecast for 2010, and a review of the major factors influencing new vehicle sales over the next 12 months.

2010 Market Forecast

Auto Outlook predicts that new retail light vehicle registrations in Hawaii during 2010 will be 36,900 units. Compared to the 70,268 total for 2005, that figure looks bleak. But versus the 2009 total of 33,639, it looks pretty good. And that perspective provides a perfect synopsis of the 2010 forecast: the market will improve from 2009 (by a projected 9.7%), but compared to historical standards, the level of sales will be low. HADA predicts that new vehicle sales in the state this year will increase by 3%.

Taking a closer look at the year ahead, the market should have little trouble showing rela-

tively big gains in the first half of the year versus depressed sales a year earlier. New retail registrations during the first six months of 2010 are projected to increase 14.5% compared to the first half of 2009. An increase is also expected in the second half, but it should be smaller (5.1%).

Key Forecast Determinants

Pent up demand for new vehicles is at record-high levels, economic growth rebounded during the second half of 2009, and new vehicle affordability is strong. All are positive developments for the Hawaii new vehicle market. But the news is not all good. Excessive household debt is still constricting spending and many new vehicle shoppers are rightly anxious about job security. From the depths that the market fell to in 2009, a sales recovery is practically guaranteed. But sizable roadblocks will almost certainly prevent a rapid return to the elevated sales levels of several years ago.

Market Trends

Detroit Three share predicted to decline in '10

Market share for the Detroit Three is predicted to decline 0.8 share points in 2010.

Several brands post increases in 2nd half of '09

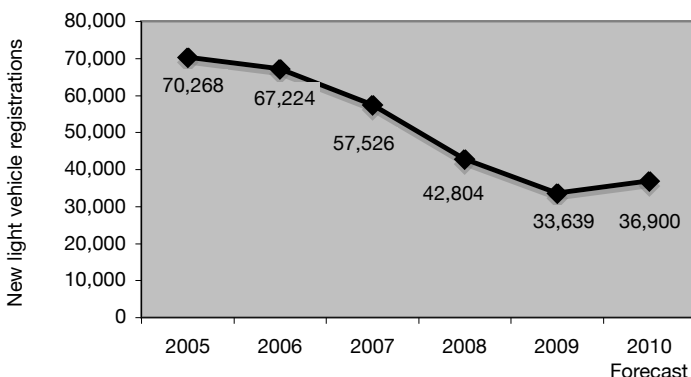
New vehicle registrations for Subaru, Kia, Lexus, and VW increased by more than 10% during the second half 2009 versus 2008.

Decline in state market last year in line with U.S.

Hawaii new retail market off 21.4% last year, almost equal to the 21.5% drop in the U.S.

Annual Trend in Hawaii New Vehicle Market

State New Retail Light Vehicle Registrations-2005 thru 2010



The graph above shows annual new retail light vehicle registrations in the state from 2005 thru 2009, and Auto Outlook's projection for 2010.

Market Summary

New Retail Light Vehicle Registrations 2008 History and 2009 Forecast

	2009	Forecast 2010	% ch. '09 to '10	Mkt. Share 2009
TOTAL	33,639	36,900	9.7%	
Car	16,442	18,450	12.2%	50.0%
Light Truck	17,197	18,450	7.3%	50.0%
Detroit Three	6,712	7,091	5.6%	19.2%
Japanese	21,964	24,108	9.8%	65.3%
European	3,652	4,081	11.7%	11.1%
Korean	1,311	1,620	23.6%	4.4%

Detroit Three consists of vehicles sold by GM, Ford and Chrysler, and excludes import nameplates.

Source for historical data: AutoCount, an Experian Company.

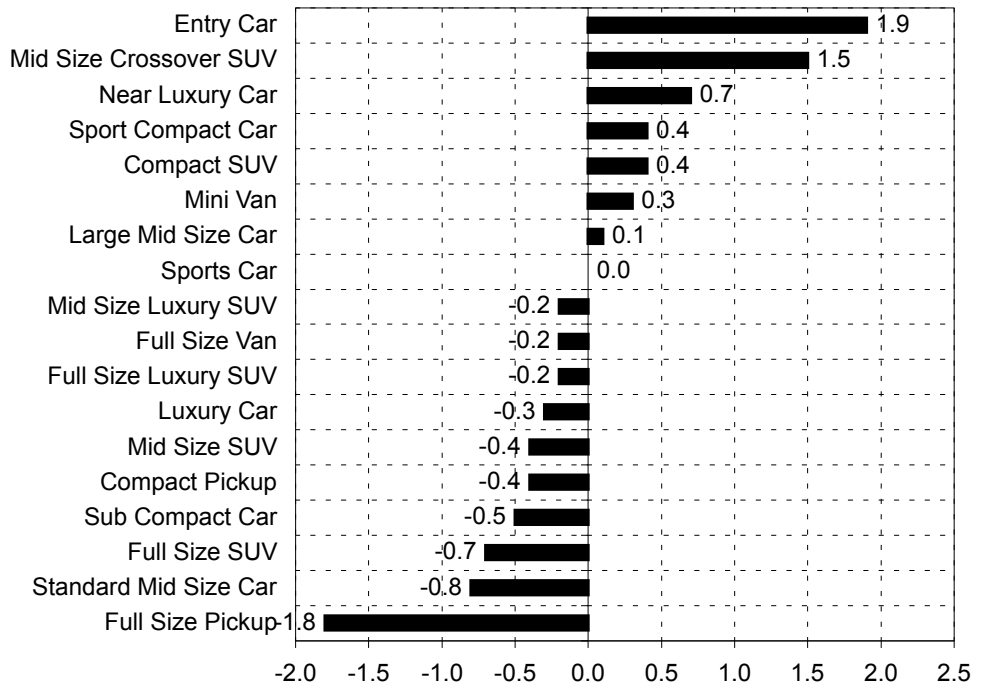
SEGMENT WATCH

Entry Car Segment Gained the Most Market Share in 2009

Full Size Pickup share declined 1.8 points

The graph on the right answers a fundamental question: What types of vehicles are Hawaii new vehicle shoppers finding increasingly desirable? It shows the change in market share for 18 segments from 2008 to 2009. During the past several years, two primary factors have determined which segments have gained and lost market share: fuel prices and new products. Higher fuel prices ignite sales of smaller vehicles, while key new product introductions can increase sales in specific segments. Enhanced consumer attention on fuel efficiency gave a lift to Entry Car sales, as market share for the segment increased 1.9 points last year. Mid Size Crossover market share was boosted by several new products. As for 2010, the expectation of slightly higher gas prices and a slew of new products (i.e., Ford Fiesta and Chevrolet Cruze) should lead the Sub Compact Car Segment to market share gains.

Change in Hawaii Segment Market Share - 2009 vs. 2008



HAWAII MARKET VERSUS U.S.

Decline in State Market About Equal to U.S.

Toyota/Scion market share in Hawaii approaches 28%

	Hawaii	U.S. Market
Market Growth		
% change in registrations 2009 vs. 2008	-21.4%	-21.5%
Car market share-2009	48.9%	54.4%
Domestic brand market share 2009	20.0%	39.1%
Top Selling Retail Brands-2009		
First	Toyota/Scion 27.6%	Toyota/Scion 15.9%
Second	Honda 15.5%	Honda 12.2%
Third	Nissan 11.2%	Ford 11.4%
Fourth	Ford 7.2%	Chevrolet 10.9%
Fifth	Chevrolet 4.2%	Nissan 7.0%
Sixth	Dodge 3.5%	Dodge 4.3%
Seventh	Lexus 3.5%	Hyundai 4.2%
Eighth	Mazda 3.0%	Kia 2.6%
Ninth	BMW 3.0%	GMC 2.5%
Tenth	Mercedes 2.4%	Jeep 2.4%

Change in market share

WHO ARE MY TOP COMPETITORS?
-BY MARKET AREA?

WHAT NEW AND USED CARS SELL WELL IN MY MARKETS?

ANSWERS DRIVE RESULTS.

You need insights into your marketplace to make the best decisions to maximize profits. The AutoCount® Dealer Report analyzes full details on new and used competitive dealer market share, down to specific areas you define. You bring the questions. We'll bring the answers.



www.experianautomotive.com 888 211 5809

Experian Automotive is the data provider for Auto Outlook.

Explanation of Data

Data presented in Auto Outlook measures new vehicle registrations in Hawaii. Monthly recording of registrations occurs when vehicle title information is processed.

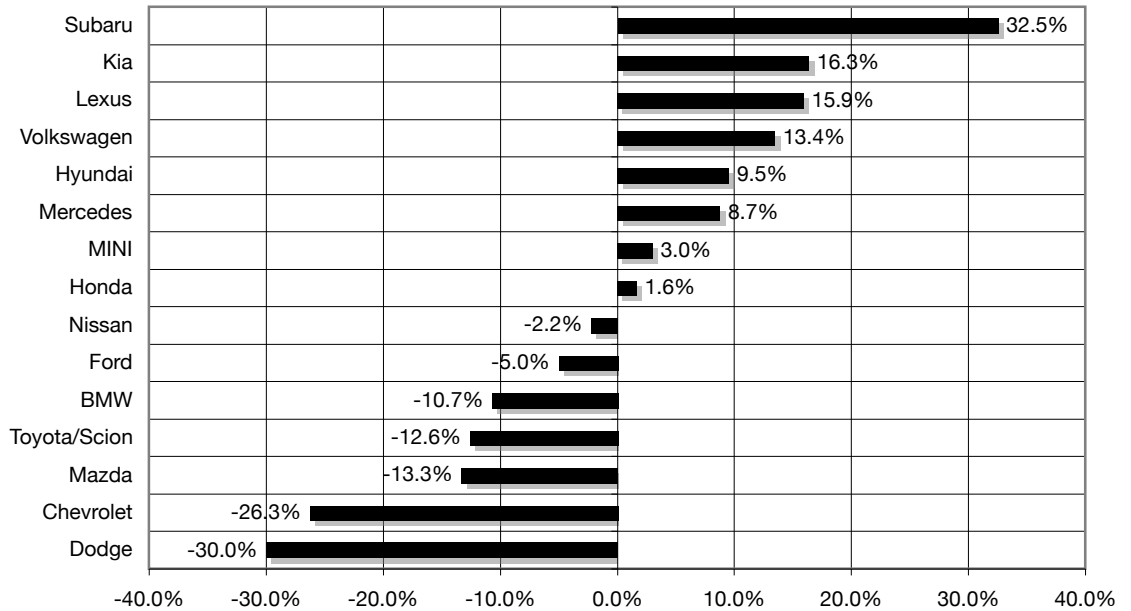
BRAND SCOREBOARD

Subaru Posts Big Gains in Second Half of 2009

Dodge and Chevrolet suffered declines

The graph on the right shows the percent change in new retail light vehicle registrations during the second half of 2009 versus the same period a year earlier. (Includes the top 15 selling brands only.) Given the tumultuous nature of the market last year, focusing on second half results provides a clearer indicator of brands that are carrying positive sales momentum into 2010. Subaru, Kia, Lexus, and Volkswagen had gains greater than 10%.

**Percent Change in Hawaii New Retail Light Vehicle Registrations
Second Half of 2009 (July thru December) vs. Same Period Year Earlier**



Source: AutoCount data from Experian Automotive.

COUNTY CLOSE-UP

Oahu Market Had Smallest Decline in 2009

State market declined 21.4% during 2009

The table on the right provides a summary of each of Hawaii's four retail light vehicle markets. The table is divided into four sections. Market Summary shows total new retail light vehicle registrations during 2008 and 2009 and the percent change. The second and third sections show Light Truck and Detroit Three market share. The fourth section shows market share figures for the top 10 selling light vehicle brands in the state last year. The top rated county in each category is shaded. The Oahu market had the smallest decline, off 16.8%.

Source: AutoCount data from Experian Automotive.

New Vehicle Markets Summary					
	Local Markets				Statewide
	Hawaii	Kauai	Maui	Oahu	Total
Market Summary					
2008 Annual Total	5,287	1,942	4,728	30,847	42,804
2009 Annual Total	3,531	1,451	3,006	25,651	33,639
Percent change	-33.2%	-25.3%	-36.4%	-16.8%	-21.4%
Light Truck Market Share					
2008 Annual Total	59.2%	66.0%	64.4%	49.2%	52.9%
2009 Annual Total	59.0%	68.8%	60.7%	47.9%	51.1%
Change (share points)	-0.2	2.8	-3.7	-1.3	-1.8
Detroit Three Market Share					
2008 Annual Total	22.1%	28.1%	26.2%	20.7%	21.8%
2009 Annual Total	19.7%	29.9%	23.2%	19.1%	20.0%
Change (share points)	-2.4	1.8	-3.0	-1.6	-1.8
Market Share for Top 10 Selling Brands in State - 2009 Annual Total					
Toyota/Scion	32.4%	27.6%	29.0%	26.8%	27.6%
Honda	17.0%	15.6%	16.7%	15.2%	15.5%
Nissan	12.0%	14.7%	11.1%	10.9%	11.2%
Ford	7.3%	8.3%	12.2%	6.6%	7.2%
Chevrolet	2.1%	8.6%	4.2%	4.3%	4.2%
Dodge	5.8%	7.5%	2.4%	3.1%	3.5%
Lexus	0.5%	0.8%	2.9%	4.1%	3.5%
Mazda	5.6%	4.3%	1.8%	2.8%	3.0%
BMW	2.0%	0.4%	2.1%	3.4%	3.0%
Mercedes	0.5%	0.6%	2.3%	2.8%	2.4%

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

	Registrations			Market Share (%)		
	Forecast		% change	Forecast		% change
	2009	2010	'09 to '10	2009	2010	'09 to '10
TOTAL	33,639	36,900	9.7%			
Audi	203	240	18.2%	0.6	0.7	0.1
BMW	1,014	1,088	7.3%	3.0	2.9	-0.1
Buick	51	65	27.5%	0.2	0.2	0.0
Cadillac	80	93	16.3%	0.2	0.3	0.1
Chevrolet	1,427	1,596	11.8%	4.2	4.3	0.1
Chrysler	220	197	-10.5%	0.7	0.5	-0.2
Dodge	1,192	1,115	-6.5%	3.5	3.0	-0.5
Ford	2,430	2,890	18.9%	7.2	7.8	0.6
GMC	285	312	9.5%	0.8	0.8	0.0
Honda	5,229	5,813	11.2%	15.5	15.8	0.3
Hummer	29	27	-6.9%	0.1	0.1	0.0
Hyundai	763	955	25.2%	2.3	2.6	0.3
Infiniti	260	299	15.0%	0.8	0.8	0.0
Isuzu	21	23	9.5%	0.1	0.1	0.0
Jaguar	63	74	17.5%	0.2	0.2	0.0
Jeep	513	534	4.1%	1.5	1.4	-0.1
Kia	548	665	21.4%	1.6	1.8	0.2
Land Rover	70	75	7.1%	0.2	0.2	0.0
Lexus	1,175	1,253	6.6%	3.5	3.4	-0.1
Lincoln	76	77	1.3%	0.2	0.2	0.0
Mazda	1,025	1,154	12.6%	3.0	3.1	0.1
Mercedes	811	874	7.8%	2.4	2.4	0.0
Mercury	73	72	-1.4%	0.2	0.2	0.0
MINI	436	500	14.7%	1.3	1.4	0.1
Mitsubishi	165	156	-5.5%	0.5	0.4	-0.1
Nissan	3,757	4,069	8.3%	11.2	11.0	-0.2
Pontiac	122	49	-59.8%	0.4	0.1	-0.3
Porsche	112	135	20.5%	0.3	0.4	0.1
Saab	19	10	-47.4%	0.1	0.0	-0.1
Saturn	214	64	-70.1%	0.6	0.2	-0.4
smart	34	34	0.0%	0.1	0.1	0.0
Subaru	448	522	16.5%	1.3	1.4	0.1
Suzuki	172	213	23.8%	0.5	0.6	0.1
Toyota/Scion	9,280	10,169	9.6%	27.6	27.6	0.0
Volkswagen	589	708	20.2%	1.8	1.9	0.1
Volvo	257	295	14.8%	0.8	0.8	0.0
Others	44	48	9.1%	0.1	0.1	0.0

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

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