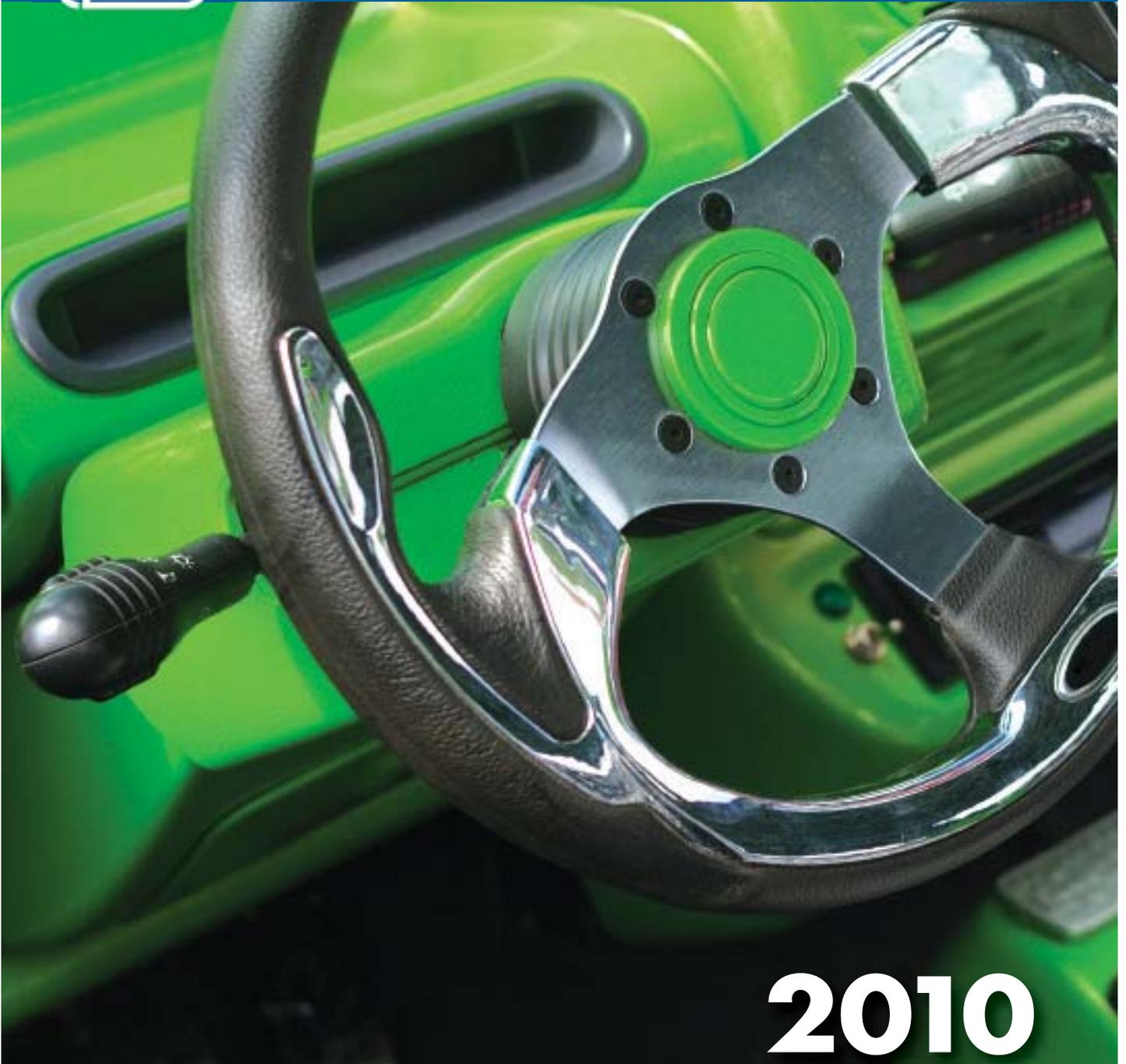


NIADA'S **Used Car** **Industry** Report



A PUBLICATION OF THE NATIONAL INDEPENDENT AUTOMOBILE DEALERS ASSOCIATION



2010

FACTS AND STATISTICS
ON THE USED MOTOR
VEHICLE INDUSTRY

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General Sales Manager
Gator Ford
Seffner, FL



Watch as Pat shares his secret to success in our video series featuring true stories from actual dealers. Pat uses Cars.com's UsedCarSpecials to help his inventory and dealership stand out online by cross-selling vehicles. UsedCarSpecials automatically pulls vehicles from his inventory that match shoppers' search criteria, driving more clicks to his website and helping him turn his used-car inventory faster.

► To see how Pat makes his inventory shine online, watch his video at

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introduction

BY MICHAEL R. LINN, PRESIDENT, NIADA SERVICES, INC.



The past eighteen months are among the most volatile ever experienced in the automotive industry. The 12th edition of NIADA's Used Car Industry Report brings you a snapshot of the turmoil, activity, successes and hardships that independent dealers went through in 2009 and early 2010. We hope you find the report invaluable to you as a resource.

In this edition, you will find familiar categories of statistics from previous years. You will also find a few new categories which may shed light on opportunity that lies ahead of us – or has already passed us by.

The Used Car Industry Report is divided into six sections.

Section One is traditionally a survey of NIADA members. It may appear to be basic demographics, but you will find some new questions concerning computer and Internet usage. Your answers allowed us to take data which leads to new programs, services and benefits – and it ensures we're providing the right kind of service to our members.

Another familiar standard in Section Two is the work of Art Spinella of CNW Marketing Research in Oregon. His name is synonymous with comprehensive, in-depth statistical data about the used motor vehicle industry. Somehow, he understands one of the most sophisticated industries with complex operations which survives within an environment of economic chaos. Having his materials in our report each year is a little like working alongside the guru of statistical research. Not only are we impressed, we are also honored. Art's work appeared in the very first Used Car Industry Report and has been included in every edition since.

Section Three features Buy Here-Pay Here Benchmarks provided by Ken Shilson of Sub-Prime Analytics and the National Alliance of Buy Here-Pay Here Dealers along with NCM Associates. Although this segment of the used car industry has been growing for some time, Buy Here-Pay Here took on special interest during the past several months as dealers started re-examining their operations and reviewing opportunities during the recession. Prospective and current BHPH business owners can use these benchmarks to determine where they should be in comparison to others and how they can more successfully build their operations.

Two giants in the automotive industry, Cars.com and CARFAX, shared some of

their own research which we've included in the 2010 report.

Section Four of our report is the Cars.com Merchandising Survey Analysis. The data analyzes the importance of photos, videos, and prices within an online listing, and the impact they all have on increases in dealer page views and actual dealer contacts.

Section Five is furnished by CARFAX and focuses mainly on regional inventory turns comparing dealers and specifically NIADA members who use and don't use CARFAX reports. CARFAX has also furnished in this section a special "Daily Inventory Cost per Day" calculator so that you can determine and analyze a cost per day of the inventory on your lot.

Section Six is familiar and highly valuable as a high-level picture of our industry. It includes overviews provided by highly-respected automotive economists Tom Kontos of ADESA and Tom Webb of Manheim. As economists, they both understand the synergy between independent dealers and the auctions they represent. They analyze past activities which impacted the used motor vehicle marketplace. Then they draw in economic factors, try to see into the future, and share their economic insight with us. Their commentary can be the tie that brings all of the sections into a coherent pattern.

The final portion of the Used Car Industry Report is the NIADA member survey for next year. It is a keystone in our communications with dealers. NIADA is an organization dedicated to improving the used motor vehicle industry. To meet that goal, we must know about our constituents, their dealerships, their needs and their wants. Once you tell us, we can respond with new programs, legislative direction and the services which help you to become a more successful dealer. Please take a few moments to start the crucial communication process designed to help us fulfill your needs.

The Used Car Industry Report was among the first analytical study of its kind and remains a viable research tool for dealers, vendors, industry experts and communicators. NIADA finds it to be one of our most frequently used tools as we deal with those businesses and individuals who are involved in the automotive industry. We hope that you will find the statistics and narrative just as valuable for your own needs.

5

INTRODUCTION

By Michael R. Linn, President, NIADA Services

6

SECTION ONE

NIADA Membership Data

16

SECTION TWO

Used Car Industry Data from CNW Marketing Research

26

SECTION THREE

Buy Here-Pay Here Industry Benchmarks

30

SECTION FOUR

Cars.com Online Merchandising Study

32

SECTION FIVE

CARFAX Independent Dealer Market & Online Inventory Turn Analysis

34

SECTION SIX

Auction/Remarketing Commentary by Tom Webb of Manheim and Tom Kontos of ADESA

36

SECTION SEVEN

NIADA Membership Survey

A PUBLICATION OF THE NATIONAL INDEPENDENT AUTOMOBILE DEALERS ASSOCIATION AND USED CAR DEALER MAGAZINE

Used Car Dealer (ISSN 0279425X) is published monthly with one additional special issue, Used Car Industry Report, that is published in May by the National Independent Automobile Dealers Association Services Corporation, 2521 Brown Blvd., Arlington, TX 76006-5203; phone (817) 640-3838. Annual subscription rates for NIADA members: \$8 per year. Non-member subscriptions \$80 per year. Periodicals postage paid at Arlington, TX, and at additional offices. POSTMASTER: Send address changes to Used Car Dealer, 2521 Brown Blvd., Arlington, TX 76006-5203. The statements and opinions expressed herein are those of the individual authors and do not necessarily represent the views of Used Car Dealer or the National Independent Automobile Dealers Association. Likewise, the appearance of advertisers, or their identification as member of NIADA, does not constitute an endorsement of the products or services featured. Copyright© 2010 by NIADA Services, Inc. All rights reserved.

NIADA'S
**Used Car
Industry Report**

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section one

NIADA MEMBERSHIP DATA

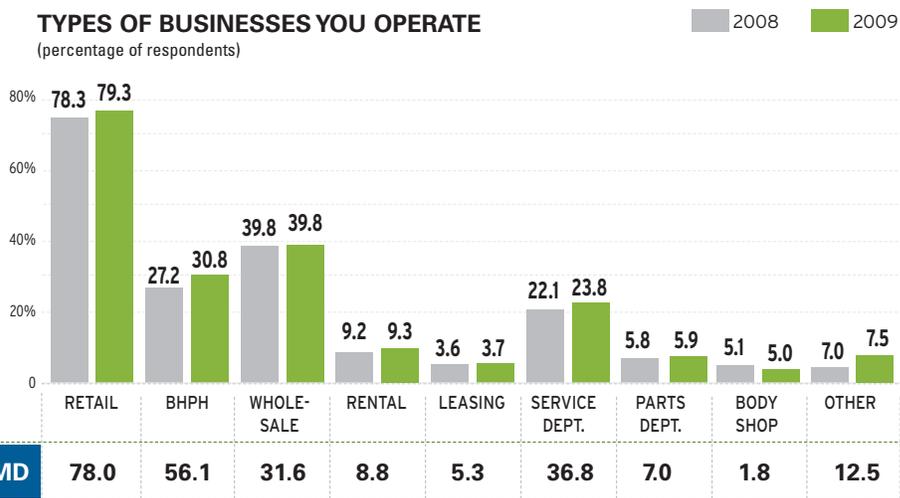
One of the best ways to gauge the success of your dealership and its operations is to compare your situation and your dealer data to those of other NIADA members around the country. Each year NIADA surveys a variety of topics which cover demographic and business data. This section provides a two year history of every question on our member survey.

For the first time, this year's NIADA Member Data section also includes a third reference for each question from the surveys collected of our NIADA Certified Master Dealers (CMD). In many instances, there is a vast difference in the analysis from a regular NIADA Dealer Member compared to our members who have completed and passed the NIADA Certified Master Dealer course. This added reference for each question proves without a doubt the true value in the Certified Master Dealer Course. For a list of upcoming CMD classes, go to www.niada.com/education/cmd

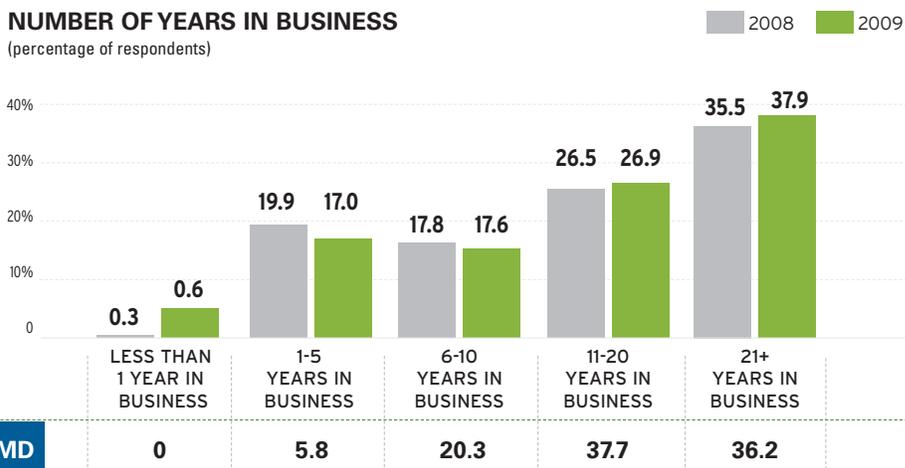
Among the many member survey results, a few specific differences in data between 2008 and 2009 really stood out above the rest. Survey results indicate that in 2009 81.2% of dealer members now had their own dealership web site, compared to only 57.8% having dealer web sites in 2008. Keeping with this online theme, 68.6% of members now report advertising their vehicles online, a large increase compared to 2008 figures of 47.9%.

Our survey is included in Section 7 of this report. Surveys are also included in your new and renewing member packets as well as in a few issues of Used Car Dealer Magazine shortly. Please take a moment to complete and mail back your updated surveys so that we may continue to provide you with this very valuable report and reference source.

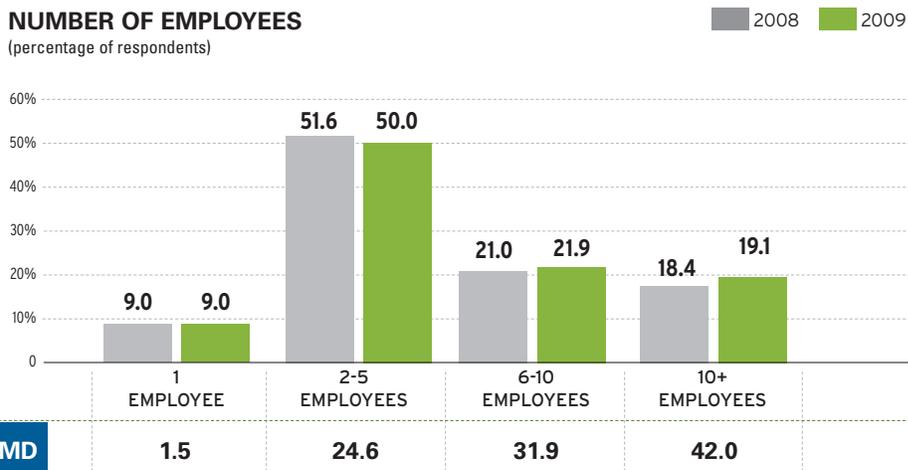
TYPES OF BUSINESSES YOU OPERATE
(percentage of respondents)



NUMBER OF YEARS IN BUSINESS
(percentage of respondents)

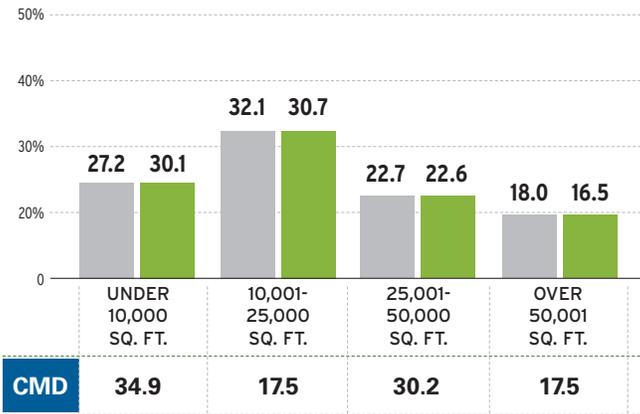


NUMBER OF EMPLOYEES
(percentage of respondents)



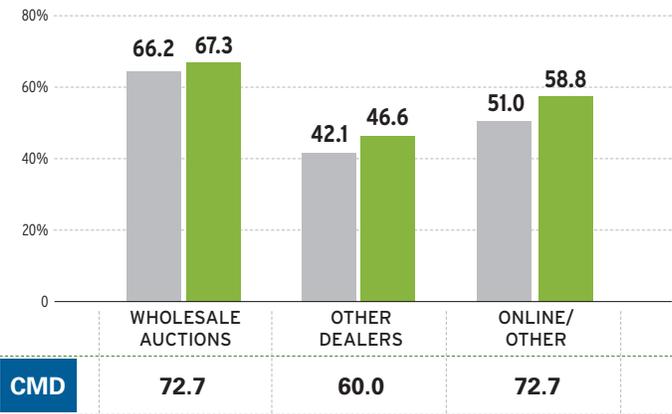
DEALERSHIP LOT SIZE (percentage of respondents)

2008 2009



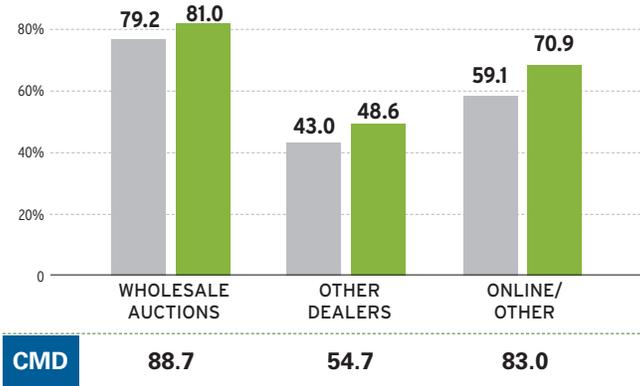
WHERE YOU SELL YOUR CARS - WHOLESALE (percentage of respondents)

2008 2009



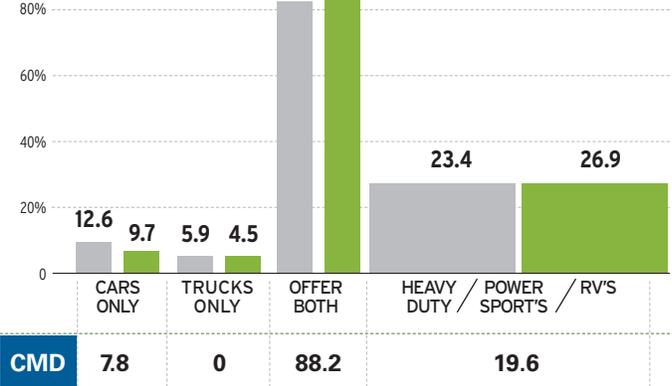
WHERE YOU BUY YOUR CARS - WHOLESALE (percentage of respondents)

2008 2009



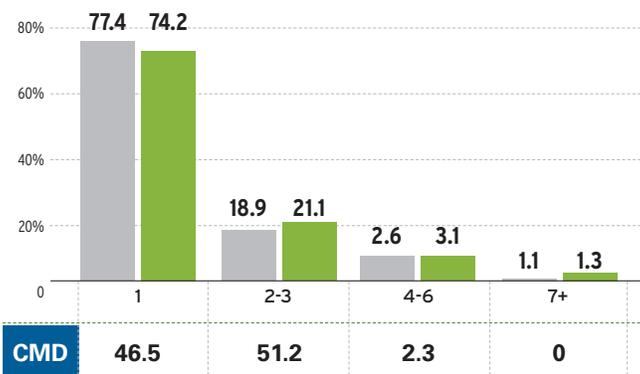
SPECIALIZE IN (percentage of respondents)

2008 2009



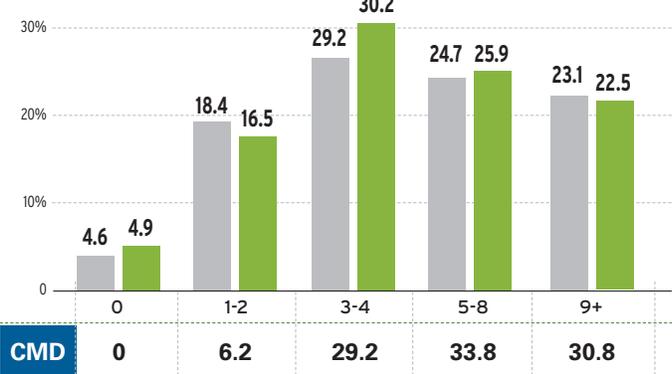
NUMBER OF LOCATIONS (percentage of respondents)

2008 2009



AUCTIONS ATTENDED PER MONTH (percentage of respondents)

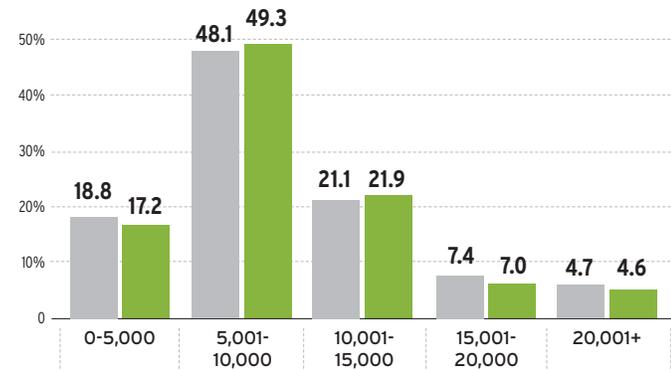
2008 2009



AVERAGE RETAIL PRICE

(percentage of respondents)

2008 2009

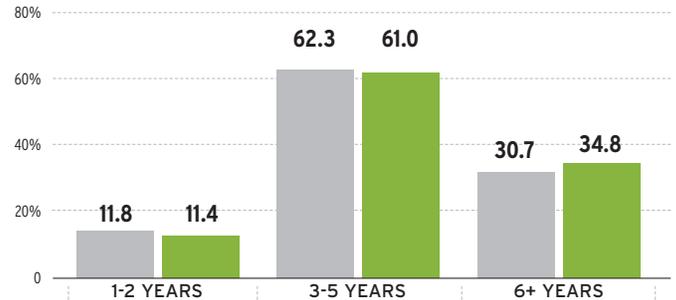


CMD	5.7	47.2	41.4	5.7	0
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AGE OF VEHICLES SOLD

(percentage of respondents)

2008 2009

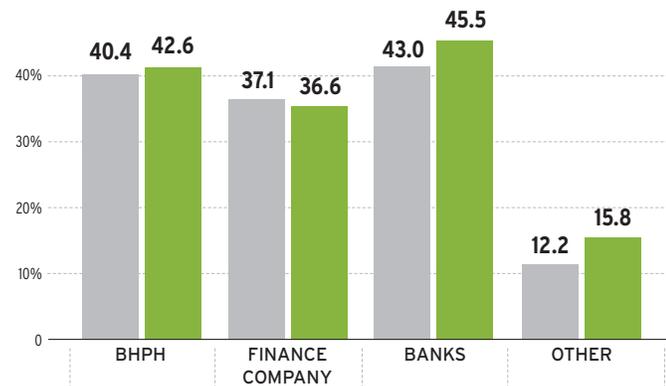


CMD	5.6	72.2	22.2
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HOW YOU FINANCE CUSTOMERS

(percentage of respondents)

2008 2009



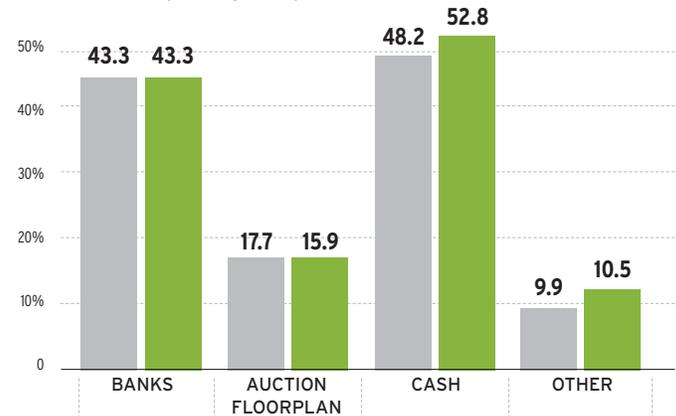
CMD	57.4	44.4	46.3	14.8
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NOTE: Numbers won't necessarily add to 100% because dealers finance multiple ways

HOW YOU FINANCE FLOORPLAN INVENTORY

(percentage of respondents)

2008 2009



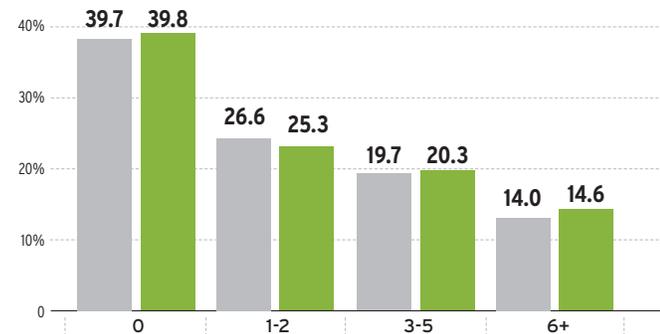
CMD	43.4	30.2	54.7	11.3
------------	------	------	------	------

NOTE: Numbers won't necessarily add to 100% because dealers finance multiple ways

NUMBER OF SERVICE BAYS

(percentage of respondents)

2008 2009

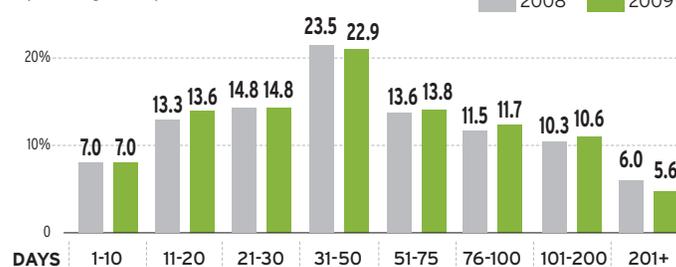


CMD	37.3	8.5	32.2	22.0
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AVERAGE MONTHLY INVENTORY

(percentage of respondents)

2008 2009

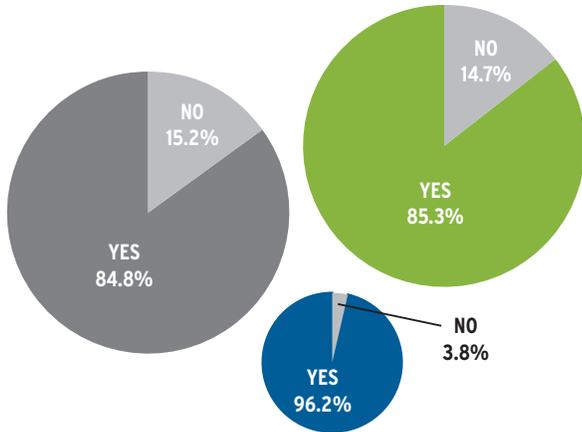


CMD	36.9	7.7	4.6	26.2	20.0	15.4	20.0	4.6
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PAVED LOT

(percentage of respondents)

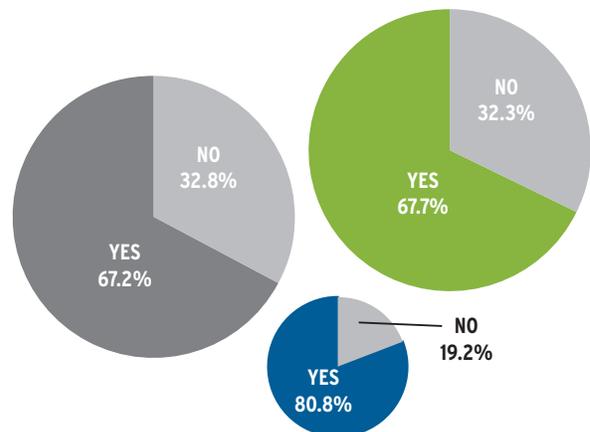
CMD 2008 2009



HAVE WORKERS COMP

(percentage of respondents)

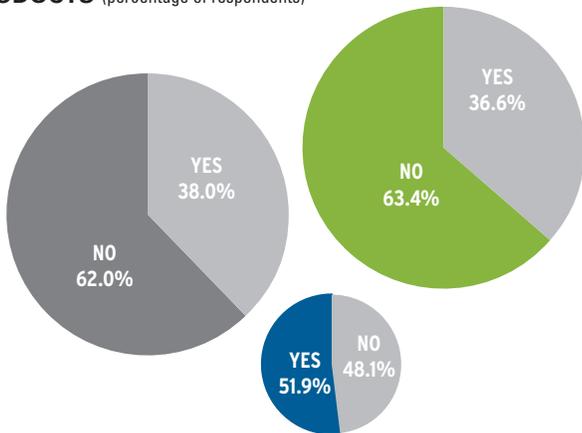
CMD 2008 2009



SELL AFTERMARKET PRODUCTS

(percentage of respondents)

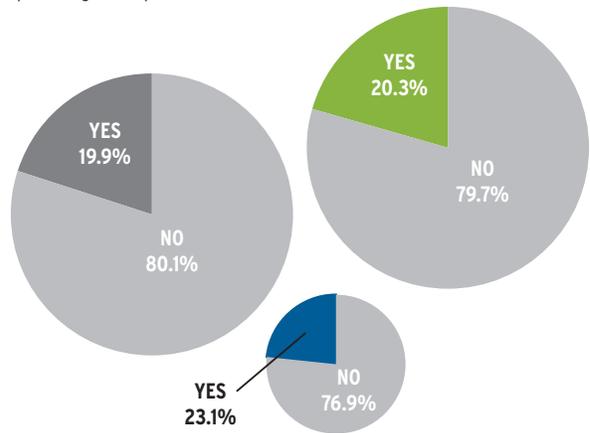
CMD 2008 2009



INDOOR SHOWROOM

(percentage of respondents)

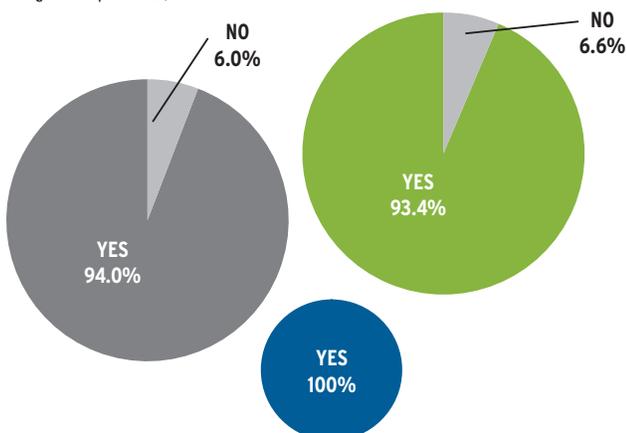
CMD 2008 2009



OUTSIDE LIGHTING

(percentage of respondents)

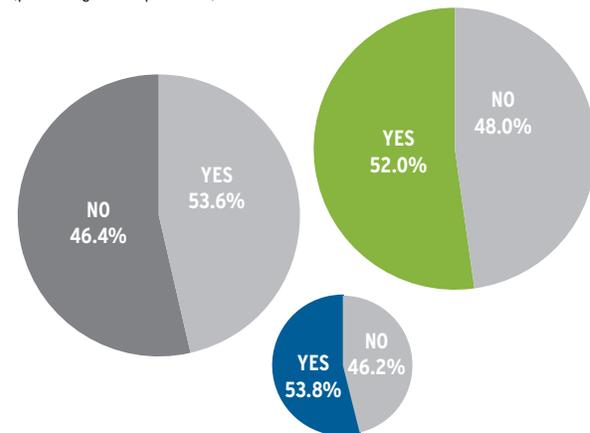
CMD 2008 2009



FENCING ON PROPERTY

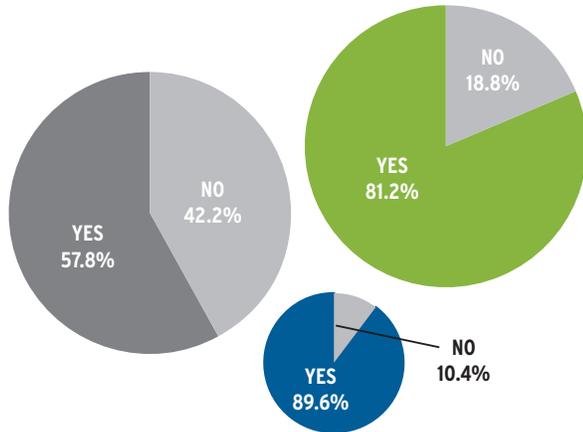
(percentage of respondents)

CMD 2008 2009



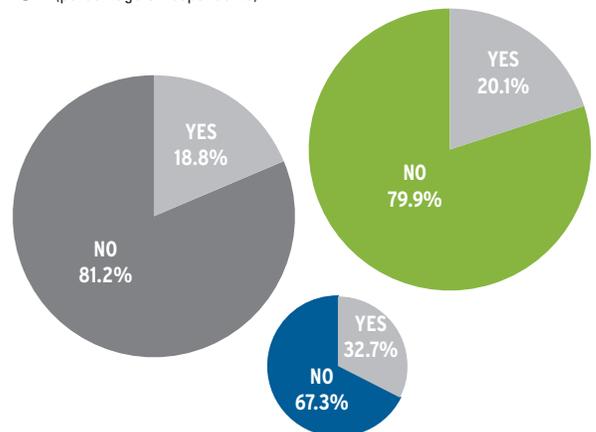
DEALERSHIP WEB SITE (percentage of respondents)

CMD 2008 2009



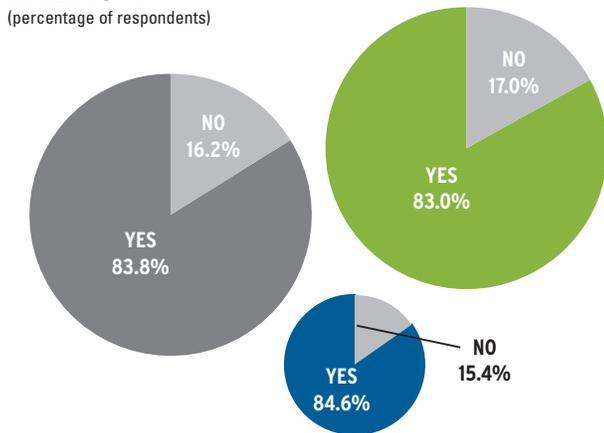
USE PAYMENT PROTECTION DEVICE (percentage of respondents)

CMD 2008 2009



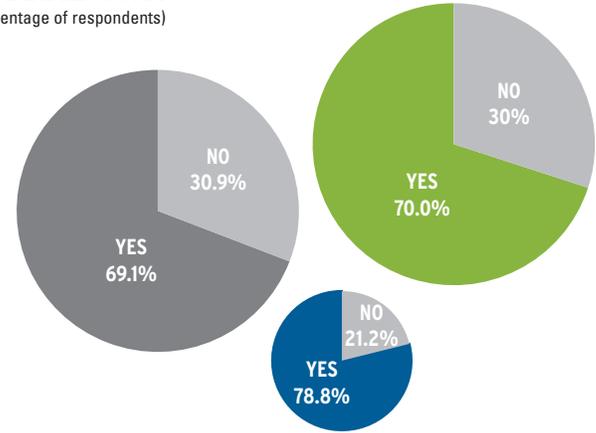
FULLY INSURED INVENTORY (percentage of respondents)

CMD 2008 2009



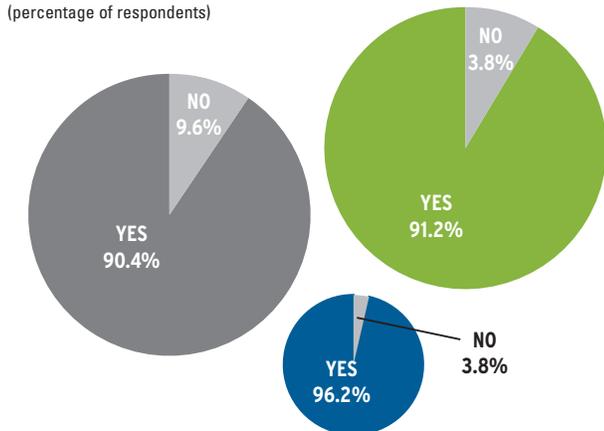
DO RECONDITIONING OR DETAIL WORK (percentage of respondents)

CMD 2008 2009



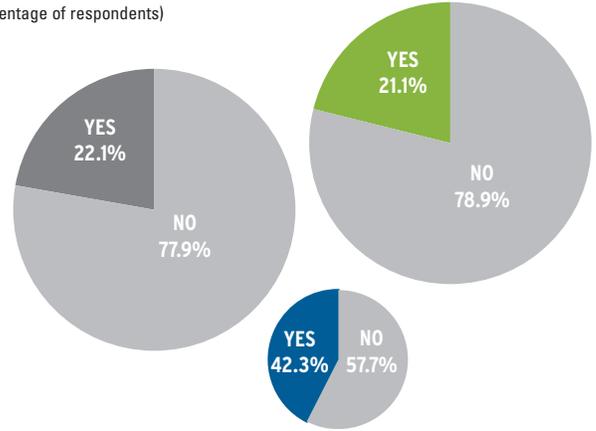
HAVE COMMERCIAL INSURANCE (percentage of respondents)

CMD 2008 2009



SEPARATE F&I DEPARTMENT (percentage of respondents)

CMD 2008 2009





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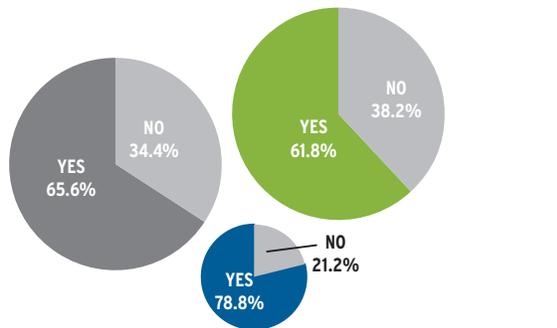


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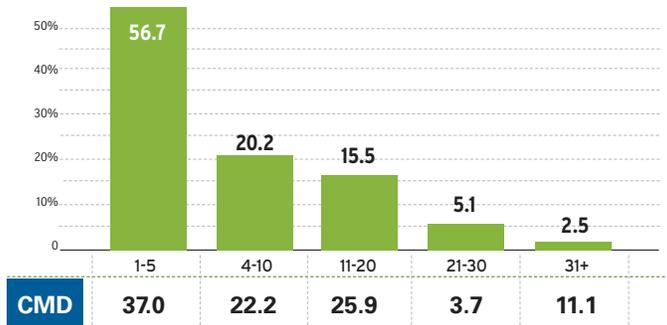
section one

NIADA MEMBERSHIP DATA

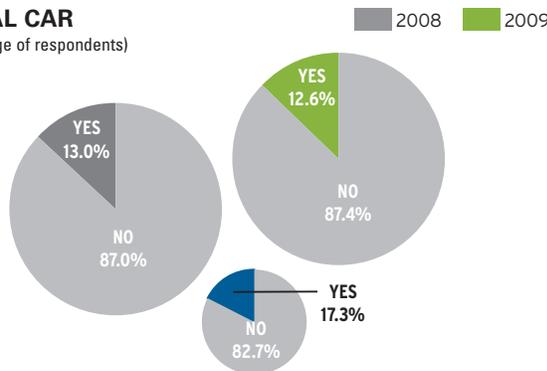
SELL WARRANTIES OR SERVICE CONTRACTS (percentage of respondents)



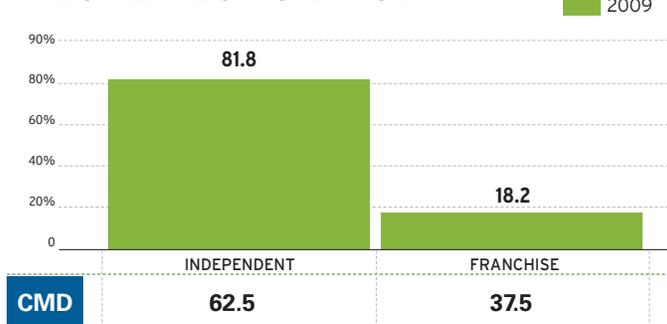
WARRANTY/SERVICE CONTRACTS SOLD PER MONTH (percentage of respondents)



RENTAL CAR (percentage of respondents)



TYPE OF RENTAL CAR OPERATION *



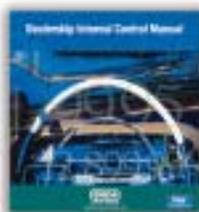
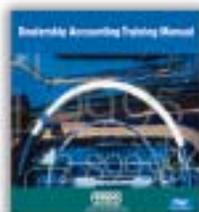
* Annual Comparative Data Not Available

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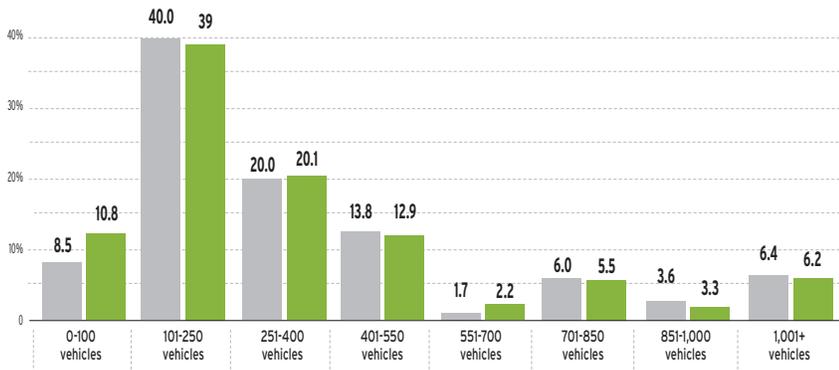
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ANNUAL RETAIL SALES (percentage of respondents)

2008 2009

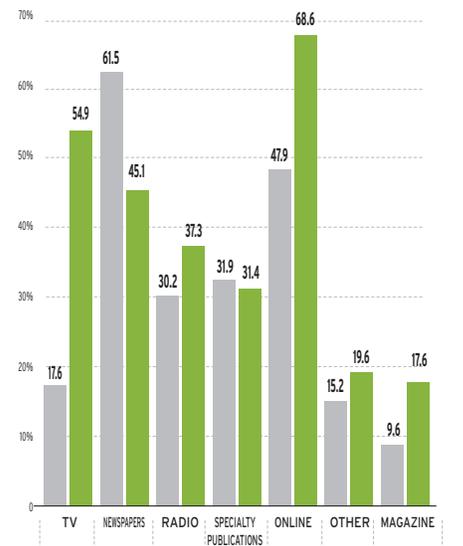


CMD	6.0	22.4	22.4	16.4	9.0	10.4	6.0	7.5
-----	-----	------	------	------	-----	------	-----	-----

81.2% of dealer members now had their own dealership web site, compared to only 57.8% having dealer web sites in 2008. Keeping with this online theme, 68.6% of members now report advertising their vehicles online, A LARGE INCREASE COMPARED TO 2008 FIGURES OF 47.9%.

ADVERTISING MEDIA USED (percentage of respondents)

2008 2009

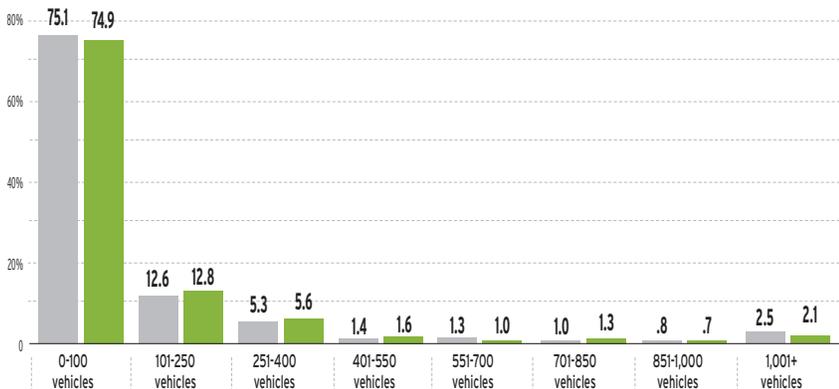


CMD	16.5	54.7	28.4	29.5	51.0	16.6	10.6
-----	------	------	------	------	------	------	------

NOTE: Numbers won't necessarily add to 100% because dealers advertise multiple ways

ANNUAL WHOLESALE SALES (percentage of respondents)

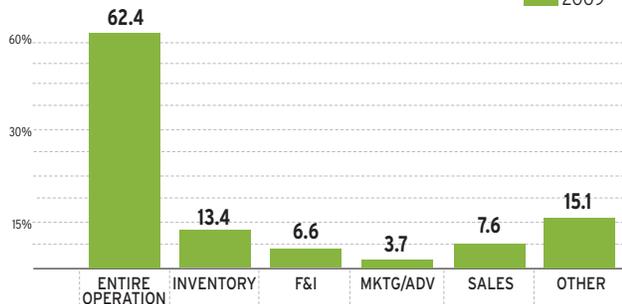
2008 2009



CMD	74.9	12.8	5.6	1.6	1.0	1.3	.7	2.1
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WHAT COMPUTER IS USED FOR *

2009

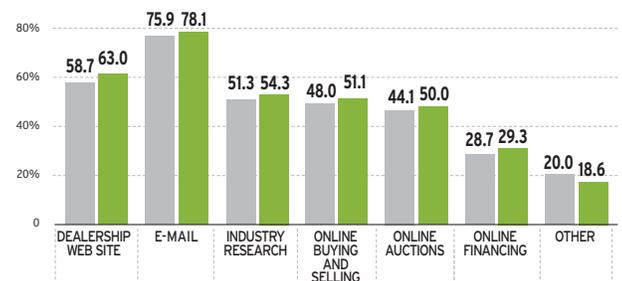


CMD	73.2	14.6	7.3	7.3	9.8	12.2
-----	------	------	-----	-----	-----	------

* Annual Comparative Data Not Available

HOW DO YOU USE THE INTERNET AT YOUR BUSINESS

2008 2009



CMD	90.5	88.1	81.0	54.8	59.5	42.9	38.1
-----	------	------	------	------	------	------	------

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USED CAR INDUSTRY DATA FROM CNW MARKETING RESEARCH

The 2010 used car market is already looking brighter than the mind-numbing 2009. On track to nearly 40 million units, primarily due to pent-up demand, the only downside is the lack of desirable inventory.

Overall, CNW estimates that in 2009 more than 2 million units of sales were lost to the lack of inventory and a continued concern about taxes and other home-centric factors ranging from food prices to federal and local taxes.

While the latter concerns remain, the inventory picture is somewhat better as franchised dealers begin to see an increase in trade-ins.

For 2010, expect a full-year count of around 39 million sales with independent dealers collecting around one third of the total. That figure is up from 2009 by roughly a half percentage point.

But the 2010 forecast may be low. During the first quarter of 2010, independents have already been responsible for 34.3 percent of sales.

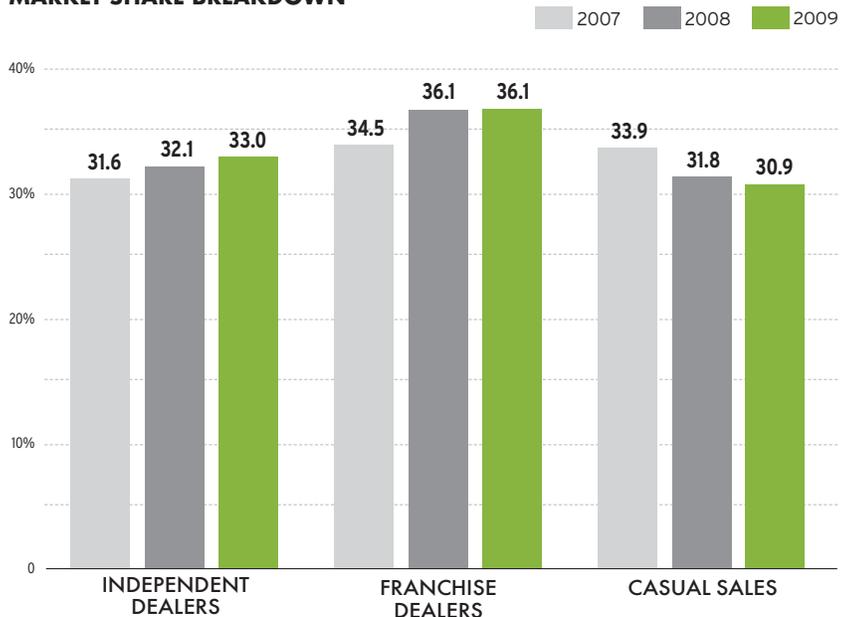
Equally important, used-vehicle shoppers are spending barely two weeks from first thought of buying a car or truck until actual acquisition. That's down from better than three months last year.

Prices are also rising and will likely continue to do so for the rest of the year because demand is outstripping supply for many of the most popular vehicles including SUVs and other trucks. So far this year, average prices have risen more than four percent with hot segments up from 11 to 16 percent.

Overall: After coming off of two disappointing years, 2010 should look heaven sent. While still not as good as 2006 when 42.6 million used vehicles were sold, tighter cost controls with an increase in consumer interest should put many more dealers in the black.

NIADA members can obtain a free issue of Retail Automotive Summary, which includes used vehicle forecasts, e-mail CNW at mailroom@cnwmr.com.

MARKET SHARE BREAKDOWN

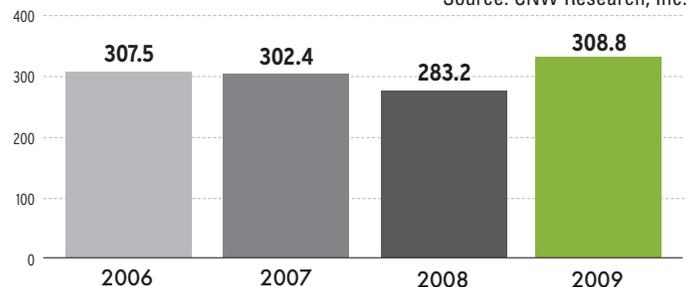


NUMBER OF VEHICLES SOLD

(Average per year per independent dealer)

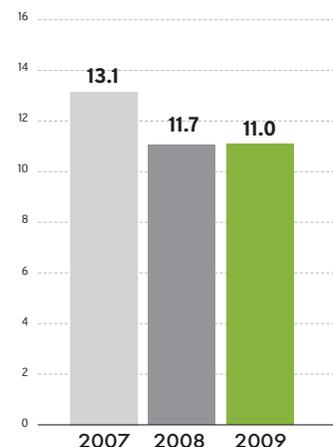
Source: CNW Research, Inc.

This profile includes all active dealerships with an actual place of business and multiple sales of the same vehicle (post repossession, etc.)

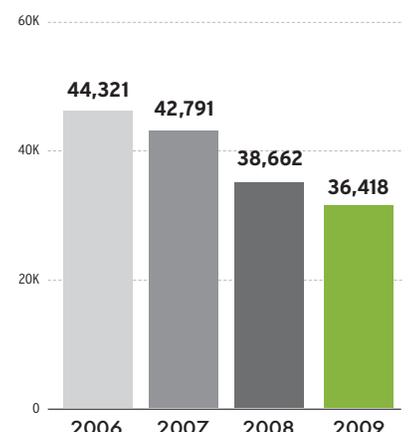


SALES VOLUME BY INDEPENDENT DEALERS

(in millions)



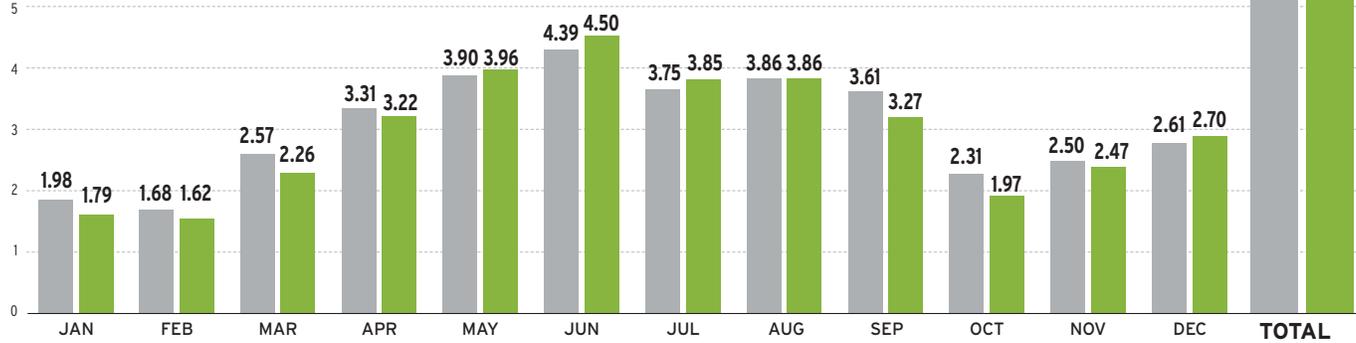
NUMBER OF INDEPENDENT DEALERS IN THE U.S.



TOTAL USED VEHICLE SALES PER MONTH
(IN MILLIONS, INDEPENDENT AND FRANCHISE DEALERS)

2008 2009

TOTAL SALES 2008: 36.5
TOTAL SALES 2009: 35.5



NEW AND USED SHARE OF TOTAL NEW AND USED SALES	NEW		USED	
	NEW	NEW SHR	USED	USED SHR
TOTAL BUDGET CAR	211,234	2.02%	784,621	2.21%
TOTAL ECONOMY CAR	1,293,152	12.40%	4,562,261	12.85%
TOTAL ENTRY-LEVEL SUV	250,269	2.40%	826,371	2.33%
TOTAL ENTRY-LEVEL CUV	955,616	9.16%	3,051,347	8.60%
TOTAL FULL SIZE PICKUP	1,117,706	10.71%	3,995,586	11.26%
TOTAL FULL SIZE VAN	159,355	1.53%	571,967	1.61%
TOTAL HYBRID VEHICLES	166,953	1.60%	410,247	1.16%
TOTAL LUXURY CAR	170,859	1.64%	599,886	1.69%
TOTAL LOWER MID RANGE	1,191,302	11.42%	4,353,421	12.27%
TOTAL LOWER MID RANGE SUV	219,535	2.10%	786,367	2.22%
TOTAL LARGE SUV	234,928	2.25%	709,919	2.00%
TOTAL MID RANGE CUV	740,775	7.10%	2,220,346	6.26%
TOTAL MINIVAN	433,661	4.16%	1,675,468	4.72%
TOTAL NEAR LUXURY CAR	454,751	4.36%	1,247,277	3.51%
TOTAL PREMIUM CAR	26,851	0.26%	84,346	0.24%
TOTAL PREMIUM MID RANGE CAR	392,116	3.76%	1,469,528	4.14%
TOTAL PREMIUM SPORTY CAR	44,677	0.43%	142,007	0.40%
TOTAL PREMIUM SUV	81,377	0.78%	256,874	0.72%
TOTAL PREMIUM CUV	274,469	2.63%	903,843	2.55%
TOTAL STANDARD MID RANGE	1,339,307	12.84%	4,516,384	12.73%
TOTAL SMALL PICKUP	279,255	2.68%	982,152	2.77%
TOTAL SPORT UTILITY PICKUP	19,002	0.18%	65,652	0.18%
TOTAL TOURING CAR	261,955	2.51%	898,266	2.53%
TOTAL TRADITIONAL CAR	58,038	0.56%	204,652	0.58%
TOTAL ULTRA UPSCALE CAR	1,727	0.02%	4,874	0.01%
TOTAL ULTRA LUXURY SPORTY CAR	4,324	0.04%	12,715	0.04%
TOTAL UPPER MID RANGE SUV	27,610	0.26%	90,939	0.26%
TOTAL UPPER PREMIUM SPORTY CAR	20,705	0.20%	64,446	0.18%
TOTAL U.S. LIGHT VEHICLE	10,431,509	100.00%	35,491,762	100.00%

While the number of independent dealers decreased again in 2009, independent DEALER MARKET SHARE INCREASED and sales volume held steady at 11 million units.

CNW
MARKETING
RESEARCH

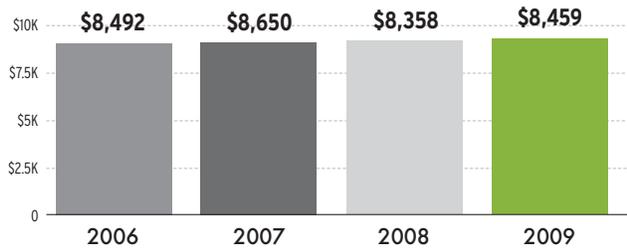
CNW MARKETING RESEARCH

USED VEHICLE ADVERTISING DISTRIBUTION - INDEPENDENT DEALERS WHO ADVERTISE

(Listed by percentage of money used for particular type of advertising; note that many dealers advertised more than one way, so percentages won't necessarily add to 100)

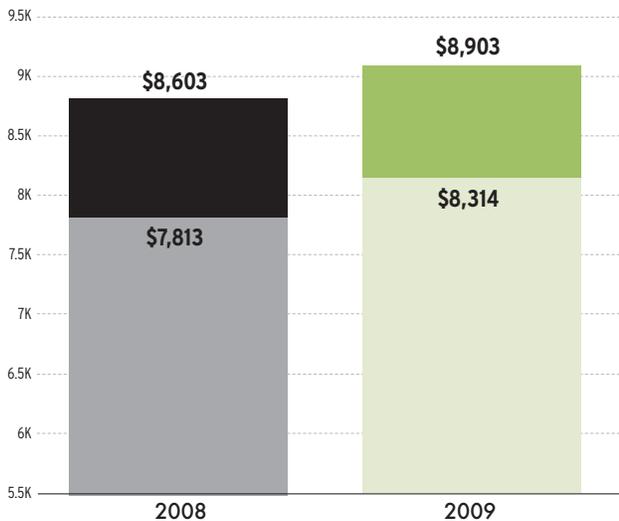
CATEGORY	2006	2007	2008	2009
Classified Ads	90.6	89.6	89.1	88.4
Radio	1.3	1.2	1.1	1.1
Television	0.6	.8	0.6	0.1
Internet	20.8	22.1	23.4	24.8

AVERAGE PRICE OF USED VEHICLES SOLD BY INDEPENDENT DEALERS



AVERAGE INDEPENDENT DEALERS ASKING PRICE VS. TRANSACTION PRICE

ASKING PRICE TRANSACTION PRICE



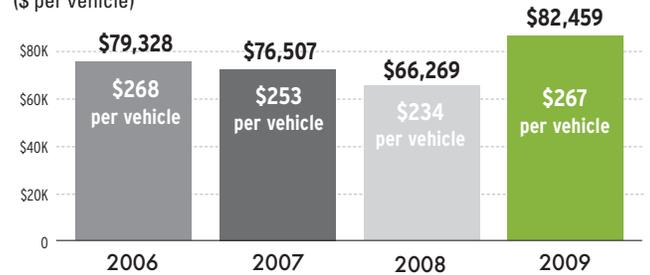
NEW AND USED VEHICLE SALES

(in millions)

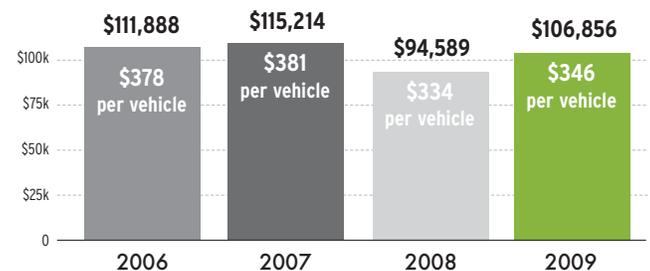
	NEW VEHICLES	USED VEHICLES	TOTAL SALES
2005	17.00	44.14	61.13
2006	16.54	42.56	59.11
2007	16.22	41.75	57.80
2008	13.30	36.50	49.80
2009	10.44	35.49	45.93

ADVERTISING EXPENSES

(\$ per vehicle)

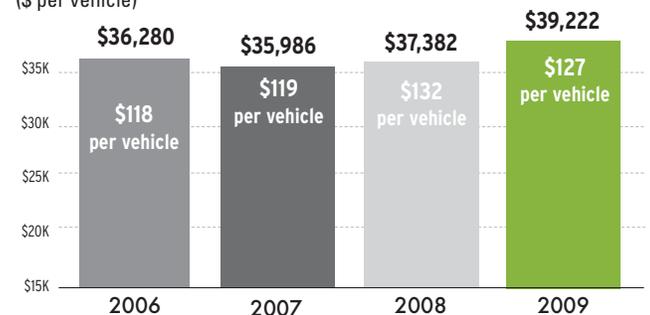


RENT AND EQUIVALENT (\$ per vehicle)



FLOOR PLAN INTEREST

(\$ per vehicle)



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- Manage sales and work deals
- Upload inventory to AutoTrader.com[®] and Cars.com[™]
- Customize business reports
- Get instant loan approvals with Westlake Financial Buy Program[™]
- Manage in-house financing with the Buy Here Pay Here module
- Add and structure deals with insurance binders
- Get AutoCheck[®] vehicle history reports
- Print plain paper contracts & forms from Bankers Systems by Wolters Kluwer



Receive a 30-day free trial of DealerCenter by visiting:
www.DealerCenter.net

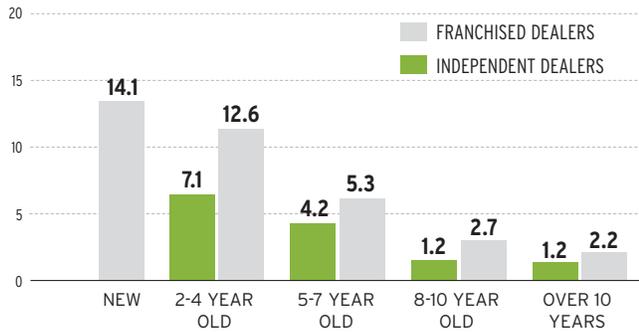
For immediate assistance, please contact sales at:
sales@Nowcom.com

1-866-696-0296



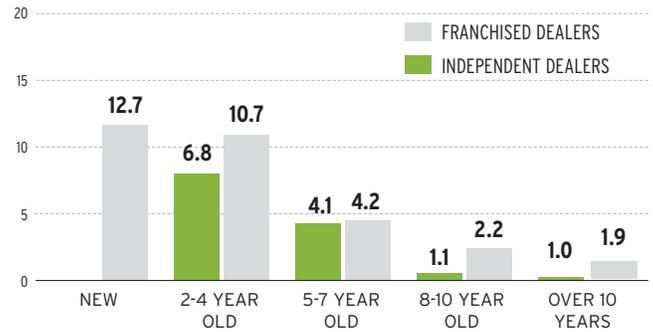
PURCHASE OF EXTENDED WARRANTIES FOR USED CARS - 2008

(percentage of respondents)



PURCHASE OF EXTENDED WARRANTIES FOR USED CARS - 2009

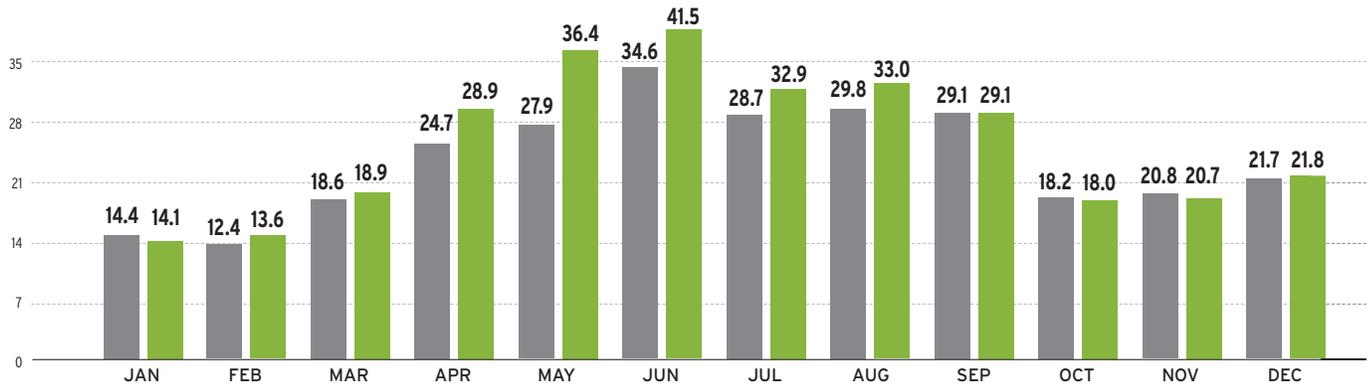
(percentage of respondents)



USED VEHICLE SALES PER MONTH, PER OUTLET - INDEPENDENT DEALERS (in millions)

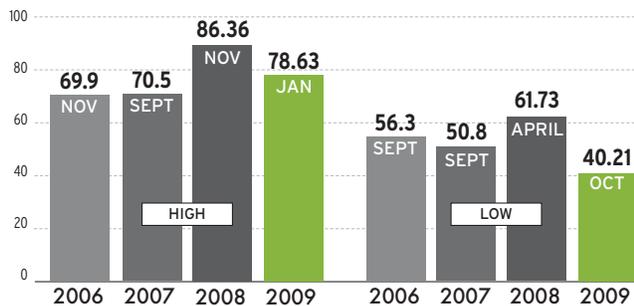
For example, in January 2009, independent dealers sold 537,132 vehicles from 38,125 locations. That results in 14.1 units per outlet.

■ 2008 ■ 2009



USED VEHICLE INVENTORY DAYS' SUPPLY

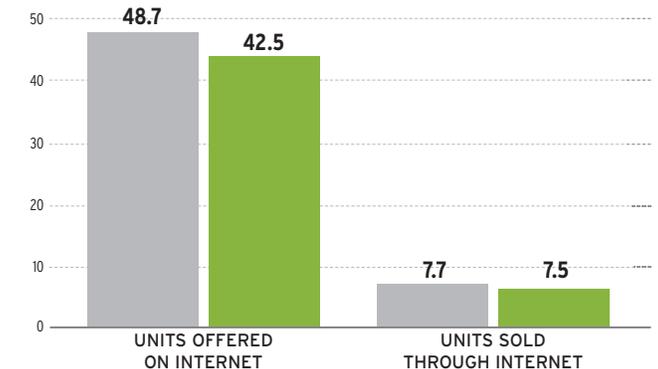
(In days)



INTERNET USED VEHICLE SALES

(in millions)

■ 2008 ■ 2009



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VIEW MANY OF THE EDUCATIONAL
SESSIONS FROM THE RECENT NIADA
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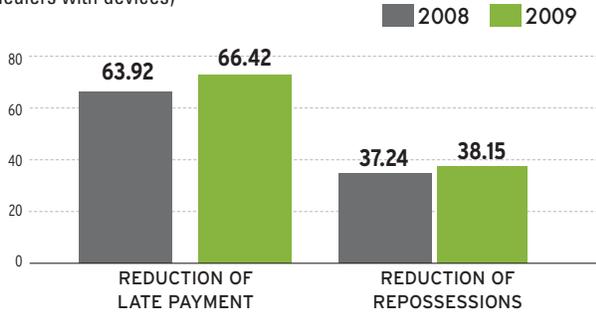


WWW.NIADA.TV



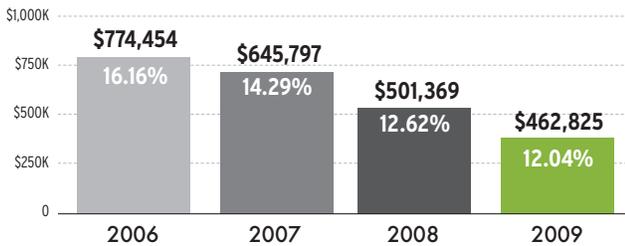
PAYMENT PROTECTION DEVICES - REDUCING LATE PAYMENT AND REPOSSESSIONS

(dealers with devices)



TOTAL GROSS

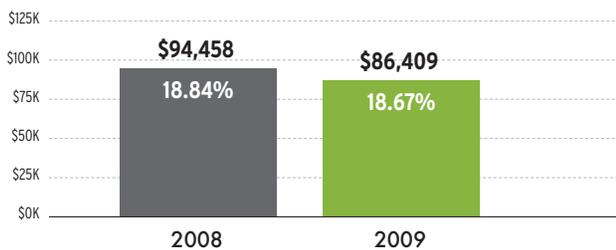
(As percent of total sales per independent dealer)



This profile includes all active dealerships with an actual place of business and multiple sales of the same vehicle (post repossession, etc.)

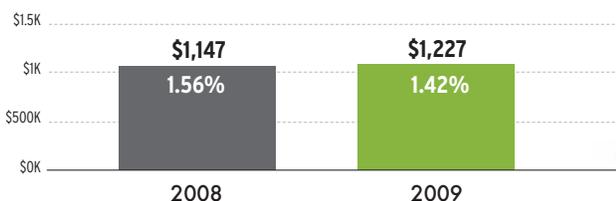
TOTAL EXPENSES

(As percent of total sales per independent dealer)



NET PROFIT BEFORE TAXES

(As percent of total sales per independent dealer)

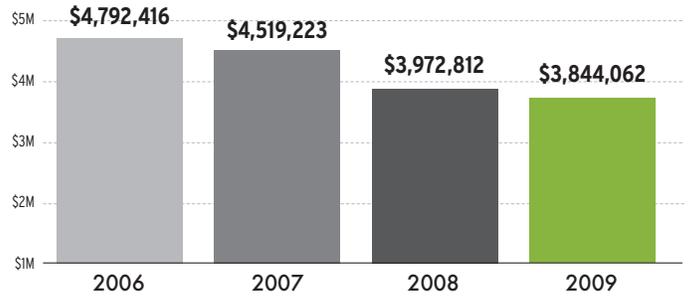


INDEPENDENT USED VEHICLE DEALER PROFILE

(Averages per independent dealer)

TOTAL SALES

(All departments)



2009 PROVED TO BE A GOOD YEAR for independent dealers STILL IN BUSINESS, as the average number of vehicles sold per dealership INCREASED TREMENDOUSLY.

CNW MARKETING RESEARCH



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Thrifty Car Sales

To learn more about this Franchise opportunity, call toll free:

1-877-289-2583

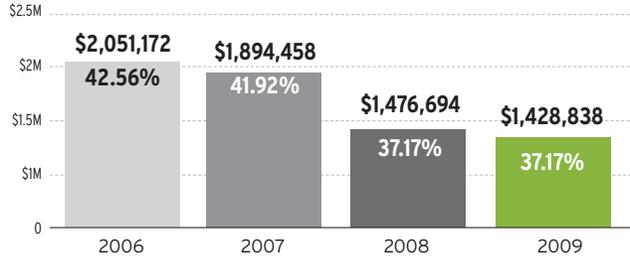
www.ThriftyCarSales.com/franchise

section two

USED CAR INDUSTRY DATA FROM CNW MARKETING RESEARCH

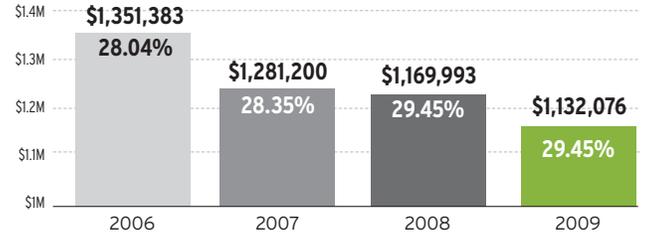
USED VEHICLE SALES

(As percent of total sales)



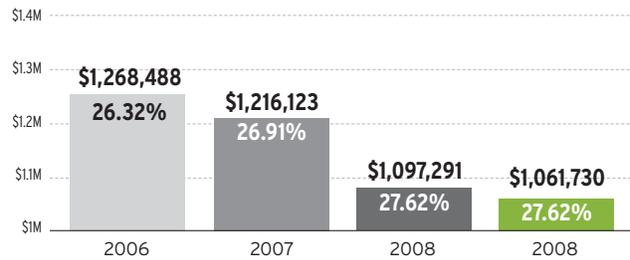
SERVICE AND PARTS

(As percent of total sales)



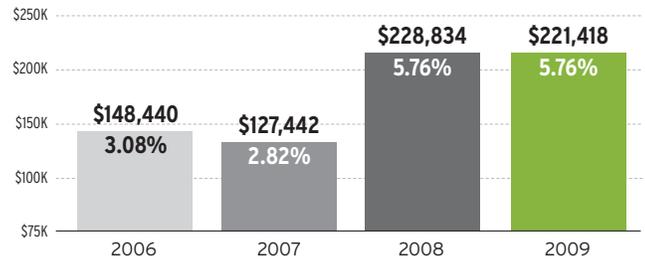
F&I INCOME

(As percent of total sales)



OTHER INCOME

(As percent of total sales)

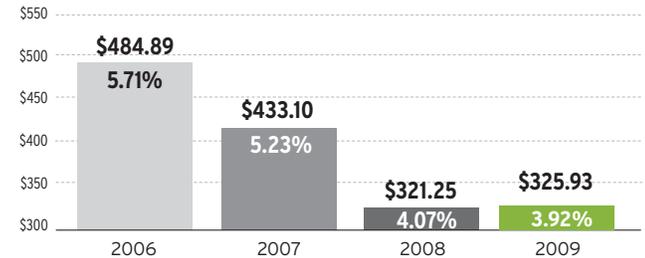


OVERALL:
AFTER COMING OFF OF TWO
DISAPPOINTING YEARS, 2010
SHOULD LOOK HEAVEN SENT.

CNW MARKETING RESEARCH

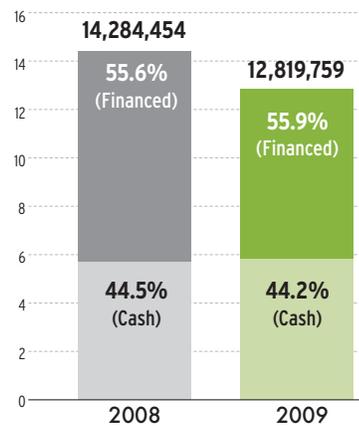
RETAIL GROSS PROFIT

(Percent of retail selling price)



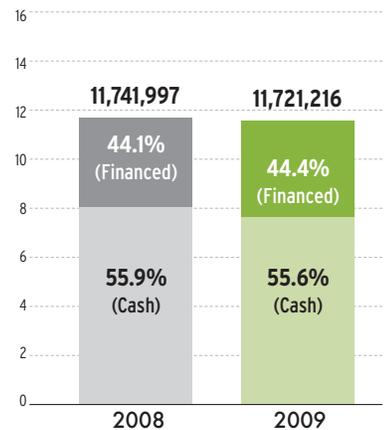
USED VEHICLE SALES - FINANCED VS. CASH

(Franchised Dealers)



USED VEHICLE SALES - FINANCED VS. CASH

(Independent Dealers)



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section three

BUY HERE-PAY HERE INDUSTRY BENCHMARKS

Annually, NABD, with the help of Shilson, Goldberg & Cheung CPAs, compiles Buy Here-Pay Here financial benchmarks from a database of more than 500 operations nationwide. NABD benchmarks also include operating information on sales, collections and recoveries, and inventory management which were developed and supplied by NCM Twenty Groups, based upon a composite of all of their BHPH 20 group members. The attached NABD benchmarks also include portfolio performance metrics which were compiled electronically by Subprime Analytics, which to date, has analyzed more than \$5 billion (more than 600,000 individual accounts) of subprime, BHPH installment loans to identify loss rates, patterns and trends. In the aggregate, these statistics provide a comprehensive look at the financial and operating performance of the BHPH industry for the last three years and some interesting trend information for earlier periods.

The automotive industry has had a difficult period of time. Major economic factors combined to create some unprecedented challenges for the entire automotive industry.



BUY HERE-PAY HERE INDUSTRY BENCHMARKS / TRENDS 2009

The table below compares the resultant changes in gross profit from 2007 – 2009. These numbers are compiled from our best performing dealers and are not industry averages.

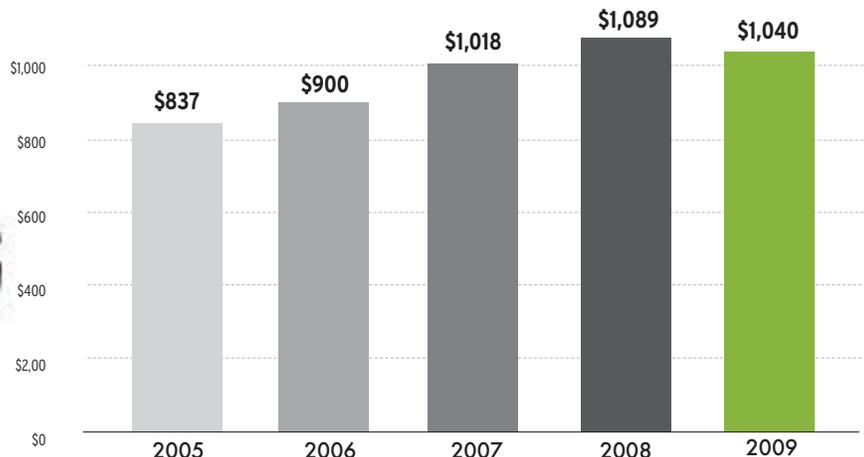
Note: All percentages are expressed as a percentage of total revenues.

- Many operators experienced lower unit sales in 2009. This was particularly true for operators who did not expand their operations or add sales lots. Despite these lower sales volumes, profitability remained stable and in some cases, increased.
- Operators again struggled to “cover” bad debt losses with finance income (where interest income equals or exceeds bad debt expense). This was, in part, the result of reduced interest income as the average age of receivable portfolios increased due to lower originations. Interest revenue declined as the average portfolio age increased. Further, bad debt defaults increased in 2009 as more consumers surrendered their vehicles “voluntarily” due to reductions in overtime, layoffs and other pay reductions.

GROSS PROFIT COMPARISON: 2007 – 2009

	2009	2008	2007
SALES	100%	100%	100%
COST OF VEHICLE SALES	(59%)	(60%)	(63%)
SUBTOTAL	41%	40%	37%
FINANCING INCOME	16%	18%	16%
BAD DEBTS	(20%)	(21%)	(19%)
GROSS PROFIT	37%	37%	34%

AVERAGE CUSTOMER DOWN PAYMENT: 2005 – 2009



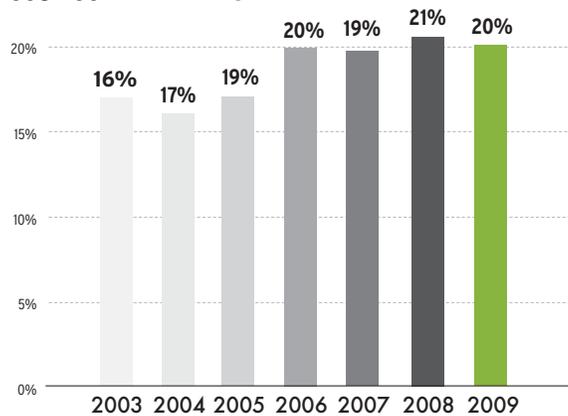
Source: NABD / Subprime Analytics

**COST OF GOODS SOLD AND OPERATING EXPENSE DETAIL
BUY HERE-PAY HERE INDUSTRY BENCHMARKS PREPARED FOR
NABD BY SHILSON, GOLDBERG, CHEUNG AND ASSOCIATES. LLP**

According to the research, Buy Here-Pay Here dealers spent more money in 2009 on reconditioning vehicles and spent more for the vehicles themselves than they did in 2008.

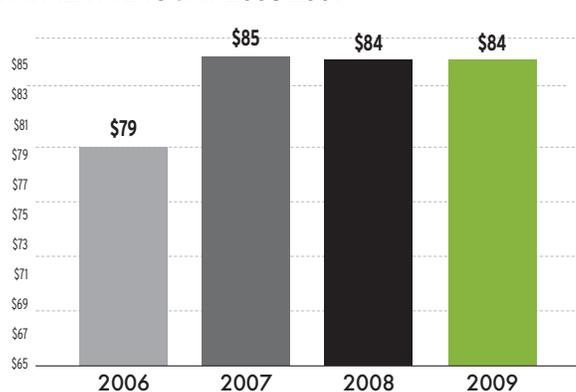
	2009 % OF VEHICLE SALES	2008 % OF VEHICLE SALES	2007 % OF VEHICLE SALES
COST OF VEHICLE SALES			
COST OF VEHICLES	49.03%	51.03%	54.34%
RECONDITIONING COSTS	6.68%	4.12%	4.97%
OTHER	2.85%	4.52%	3.28%
TOTAL COST OF VEHICLE SALES	58.56%	59.67%	62.59%
COST OF VEHICLE SALES			
ADVERTISING	2.20%	1.55%	1.21%
BANK CHARGES	0.21%	0.24%	0.07%
CONTRIBUTIONS	0.01%	0.01%	0.03%
DEPRECIATION	0.40%	0.54%	0.82%
DUES AND SUBSCRIPTIONS	0.08%	0.02%	0.02%
INSURANCE	0.45%	0.99%	0.23%
LEGAL AND ACCOUNTING	0.51%	0.50%	0.71%
OUTSIDE SERVICES	0.13%	0.30%	0.07%
OFFICE EXPENSE	0.58%	1.31%	0.89%
RENT	2.18%	1.62%	1.13%
REPAIRS AND MAINTENANCE	0.22%	0.27%	0.44%
SALARIES (NON-OWNERS)	10.59%	10.81%	9.97%
TAXES - GENERAL	0.26%	0.30%	0.26%
OTHER OPERATING EXPENSE	0.94%	0.60%	0.83%
TAXES - PAYROLL	0.77%	1.11%	0.83%
UTILITIES AND TELEPHONE	0.70%	0.79%	0.64%
TRAVEL / TRAINING	0.27%	0.38%	0.47%
TOTAL OPERATING EXPENSE	20.50%	21.35%	18.62%

**BHPH FINANCIAL TRENDS
2003-2009 BAD DEBTS** □ % OF SALES



Source: NABD

**BHPH FINANCIAL TRENDS AVERAGE WEEKLY
PAYMENT AMOUNT 2006-2009**



Source: NCM (for 2006)

LOSS STATISTICS - 2009

(Statistics supplied by Subprime Analytics)

	2008 SUBPRIME ANALYTICS BENCHMARKS	2009 SUBPRIME ANALYTICS BENCHMARKS
AVERAGE GROSS DOLLAR LOSS (BEFORE RECOVERIES)	\$6,887	\$7,049
AVERAGE NET DOLLAR LOSS (AFTER RECOVERIES)	\$5,157	\$5,090
AVERAGE DEFAULT RATE (% OF LOANS WRITTEN OFF)	28.43%	30.11%
AVERAGE GROSS DOLLAR LOSS RATE (% OF PRINCIPAL)	35.54%	37.51%
AVERAGE NET DOLLAR LOSS RATE (% OF PRINCIPAL)	24.76%	26.06%
AVERAGE RECOVERY (% OF PRINCIPAL CHARGED OFF)	28.00%	29.80%
HIGHEST CUMULATIVE DEFAULT MONTH AFTER ORIGINATION	19TH MONTH	21ST MONTH
HIGHEST FREQUENCY OF DEFAULT (MONTH AFTER ORIGINATION)	4TH MONTH	4TH MONTH
WORST PERIODIC LOSS MONTH AFTER ORIGINATION	FEBRUARY	FEBRUARY

THE ABOVE REFERENCED LOSS DATA WAS DETERMINED BY ELECTRONICALLY ANALYZING APPROXIMATELY 613,000 LOANS, AGGREGATING APPROXIMATELY \$5.3 BILLION TO IDENTIFY LOSS RATES AND TO UNDERSTAND WHY THEY OCCURRED.

section three

BUY HERE-PAY HERE INDUSTRY BENCHMARKS

While retail dealers had increases in the amount of vehicles sold in 2009, BUY HERE-PAY HERE DEALERS reported less units sold in 2009 compared to 2008, as well as a large decrease in BUY HERE-PAY HERE inventory.



2009 DEALER OPERATING INFORMATION. STATISTICS SUPPLIED BY NCM ASSOCIATES, INC. ASSOCIATES. LLP

SALES

	2008 NCM BENCHMARKS	2009 NCM BENCHMARKS
AVERAGE UNITS SOLD PER DEALER (BHPH DEALS ONLY)	743	728
AVERAGE CASH IN DEAL PER VEHICLE SOLD	\$4,696	\$4,865
AVERAGE ACV PER VEHICLE SOLD (INCLUDES RECON)	\$5,284	\$5,534
AVERAGE RECONDITIONING COST PER VEHICLE SOLD	\$499	\$556
AVERAGE GROSS PER VEHICLE SOLD	\$4,239	\$4,149
AVERAGE CASH DOWN PAYMENT	\$1,185	\$1,272
AVERAGE AMOUNT FINANCED	\$9,195	\$9,274
AVERAGE TERM OF LOAN (IN WEEKS)	129	132

COLLECTIONS / RECOVERIES

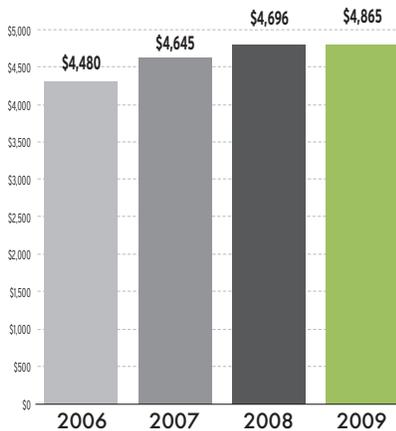
	2008 NCM BENCHMARKS	2009 NCM BENCHMARKS	
AVERAGE WEEKLY PAYMENT AMOUNT	\$84	\$84	
AVERAGE # OF ACCOUNTS PAST DUE	350	366	
AVERAGE # OF PAST DUE ACCOUNTS PER COLLECTOR	101	86	
AVERAGE LOSS PER CHARGE OFF	\$5,264	\$4,360	
AVERAGE PORTFOLIO DELINQUENCY			
	CURRENT	69.85%	74.40%
	0-10 DAYS	11.75%	10.30%
	11-29 DAYS	10.20%	7.80%
	30-59 DAYS	4.60%	3.60%
	60-89 DAYS	1.50%	1.70%
	90+ DAYS	2.10%	2.20%
		100.00%	100.00%

INVENTORY MANAGEMENT

	2008 NCM BENCHMARKS	2009 NCM BENCHMARKS	
AVERAGE NUMBER OF UNITS IN STOCK	169	145	
AVERAGE INVENTORY AGING			
	0-30 DAYS	32.10%	40.80%
	31-60 DAYS	22.40%	19.30%
	61-90 DAYS	17.10%	12.80%
	91+ DAYS	28.40%	27.10%
		100.00%	100.00%

BHPH FINANCIAL TRENDS AVERAGE "CASH IN DEAL" 2006-2009

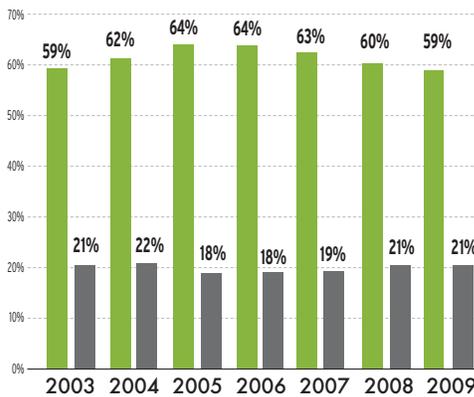
Average cash in deal per unit sold



Source: NABD/NCM

BHPH FINANCIAL TRENDS 2003-2009 COSTS/EXPENSES

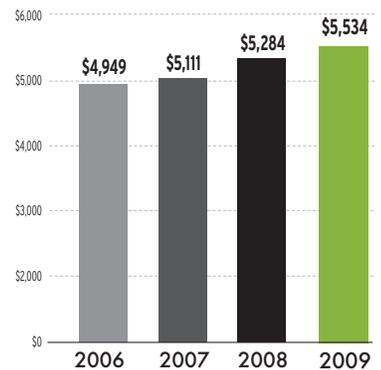
■ COST OF VEHICLES ■ OPERATING EXPENSES



Source: Shilson, Goldberg, Cheung & Associates, LLP

AVERAGE TOTAL ACTUAL COST PER VEHICLE SOLD 2006-2009

Average total avg per vehicle sold (including recon)



Source: NABD/NCM

**RATIO COMPARISONS
BUY HERE-PAY HERE
INDUSTRY
BENCHMARKS
PREPARED FOR NABD
BY SHILSON,
GOLDBERG, CHEUNG
AND ASSOCIATES, LLP**



The NABD results - combined dealer and finance affiliate numbers - break down balance sheets and income statements into 16 categories. It also compares 2009 to the past two years so dealers can examine industry trends.

RATIO COMPARISONS, COMBINED BUY-HERE, PAY-HERE

COMBINED BUY HERE-PAY HERE

BALANCE SHEET

	2009 AVG.	2008 AVG.	2007 AVG.
(INVENTORY X DAYS) / COST OF VEHICLE SALES	64.11 DAYS	68.57 DAYS	56.21 DAYS
COST OF VEHICLE SALES / AVERAGE INVENTORY DOLLARS	5.98 X	5.96 X	8.51 X
VEHICLE SALES / AVERAGE INVENTORY DOLLARS	11.16 X	9.98 X	13.59 X
VEHICLE SALES / TOTAL ASSETS	0.95 X	0.96 X	1.27 X
TOTAL ASSETS / TOTAL LIABILITIES	1.82 X	1.61 X	1.82 X
ALLOWANCE FOR BAD DEBTS / FINANCE RECEIVABLES*	21%	18%	14%
FINANCE RECEIVABLES* / TOTAL ASSETS	93%	89%	85%
TOTAL DEBT / TOTAL ASSETS	55%	62%	55%

* FINANCE RECEIVABLES ARE NET OF UNEARNED FINANCE CHARGES

COMBINED BUY HERE-PAY HERE

INCOME STATEMENT

BAD DEBTS / VEHICLE SALES	20%	21%	19%
COST OF VEHICLE SALES / VEHICLE SALES	59%	60%	63%
GROSS PROFIT*** / VEHICLE SALES	37%	37%	34%
OPERATING EXPENSE / VEHICLE SALES	21%	21%	19%
INTEREST EXPENSE / FINANCING INCOME	18%	23%	20%
OPERATING INCOME / VEHICLE SALES	16%	16%	15%
FINANCING INCOME / VEHICLE SALES	16%	18%	16%
COMPENSATION** / VEHICLE SALES	11%	11%	10%
RECONDITIONING COST / VEHICLE SALES	7%	4%	5%

NOTES TO RATIO COMPARISONS:

** Compensation excludes those of the owners ***Gross Profit is net of bad debts and financing income x = times

Have you given **YOUR** warranty company a checkup lately?
Don't worry, **NIADA** has done it for you!



Offer better vehicles and enjoy higher profits with NIADA's exciting CPO Program! Now, independent dealers of ALL sizes can offer high-quality certified vehicles, get higher resale value, raise their profits and finally compete with factory certification programs!

- ✓ Quality **customer service**
- ✓ 25 years of **experience**
- ✓ **Fully insured** administration
- ✓ **Comprehensive** coverage
- ✓ **NO RISK** to dealership

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details or to
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section four

CARS.COM MERCHANDISING SURVEY ANALYSIS

Balloons. Shiny cars front and center. Signs and banners. And a giant, inflatable gorilla.

All these merchandising tactics work. On the lot. But how do you grab shoppers' attention online and drive interest in your cars?

Online merchandising gets your inventory noticed and opens the door for you to sell more cars. Make a good impression with proven methods that make shoppers not only notice but also want your cars.

Selling cars online can feel like a fight for survival. With 92 percent of car shoppers turning online, how can you stand out? You've got to do more than stock in-demand cars. After all, competition is fierce, and your closest competitor is just a click away. On Cars.com, for example, shoppers have access to more than 2 million cars from more than 16,000 dealers. An April 2010 search for a used Honda Accord within 30 miles of downtown Chicago, for example, netted more than 750 results.

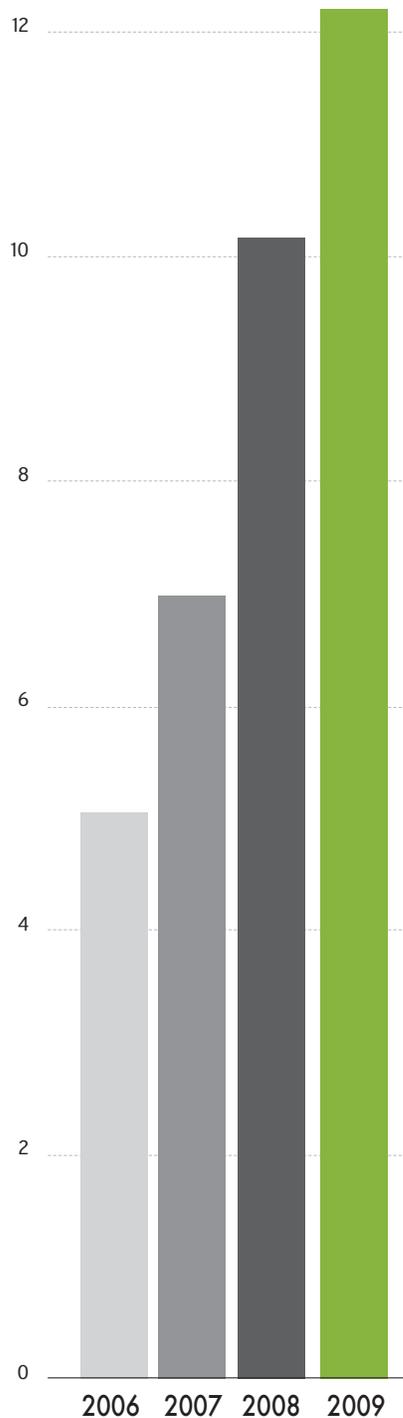
So how can you make your inventory and your dealership get noticed? We analyzed more than 200,000 listings on Cars.com to find out what clicks with car shoppers. What is it that grabs the attention of a car shopper online the way a large, inflatable gorilla can on a dealership's lot? For the first time ever, we determined the impact of various online merchandising elements. The effect was huge — even larger than an oversized, inflatable gorilla on your lot.

Call it animal attraction. Consumers simply can't resist your inventory and the lure of effective online marketing. Together, these merchandising tactics drive traffic and help you sell more cars:

- Competitive pricing shows consumers they'll get a fair deal.
- Multiple photos and video invite a closer look.
- Engaging sell copy promotes the car and the value of buying from your store sets you apart from the herd.

Capgemini Cars Online 08/09 study. Includes U.S. shoppers with internet access only.

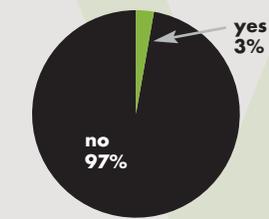
AVERAGE NUMBER OF PHOTOS PER LISTING CONTINUES TO INCREASE



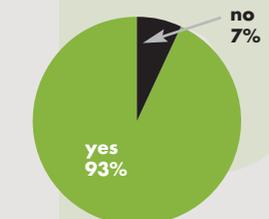
ONLINE LISTINGS THAT INCLUDE PHOTOS



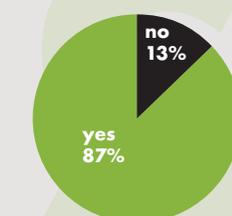
ONLINE LISTINGS THAT INCLUDE VIDEO



ONLINE LISTINGS THAT INCLUDE PRICE



ONLINE LISTINGS THAT INCLUDE SELL COPY



IMPACT OF PHOTOS

MOVING FROM ZERO PHOTOS TO AT MOST TEN PHOTOS

INCREASES
VEHICLE DETAIL
PAGE VIEWS

142%

INCREASES
DEALER
CONTACTS

117%

IMPACT OF PHOTOS

MOVING FROM ZERO PHOTOS TO ELEVEN PHOTOS OR MORE

INCREASES
VEHICLE DETAIL
PAGE VIEWS

175%

INCREASES
DEALER
CONTACTS

127%

IMPACT OF VIDEO

INCLUDING VIDEO IN LISTINGS

INCREASES
VEHICLE DETAIL
PAGE VIEWS

5%

INCREASES
DEALER
CONTACTS

13%

...how do you **GRAB** shoppers' attention **ONLINE** and drive **INTEREST** in your cars?

IMPACT OF FAIR MARKET PRICE

VS' ABOVE AVERAGE PRICE

INCREASES
VEHICLE DETAIL
PAGE VIEWS

79%

INCREASES
DEALER
CONTACTS

136%



IMPACT OF SELL COPY

SELL COPY INCREASES DEALER CONTACTS

INVENTORY COPY

10%

1 INCLUDING
DEALERSHIP
COPY

13%

1 INCLUDING
BOTH

17%

section five

CARFAX®

INDEPENDENT DEALER MARKET & ONLINE INVENTORY TURN ANALYSIS

One of the key elements to selling success is building customer confidence in your dealership. Customers are more likely to buy from someone they trust. Independent studies prove that vehicle history reports have a significant impact on buyer confidence and ultimately, inventory turn.

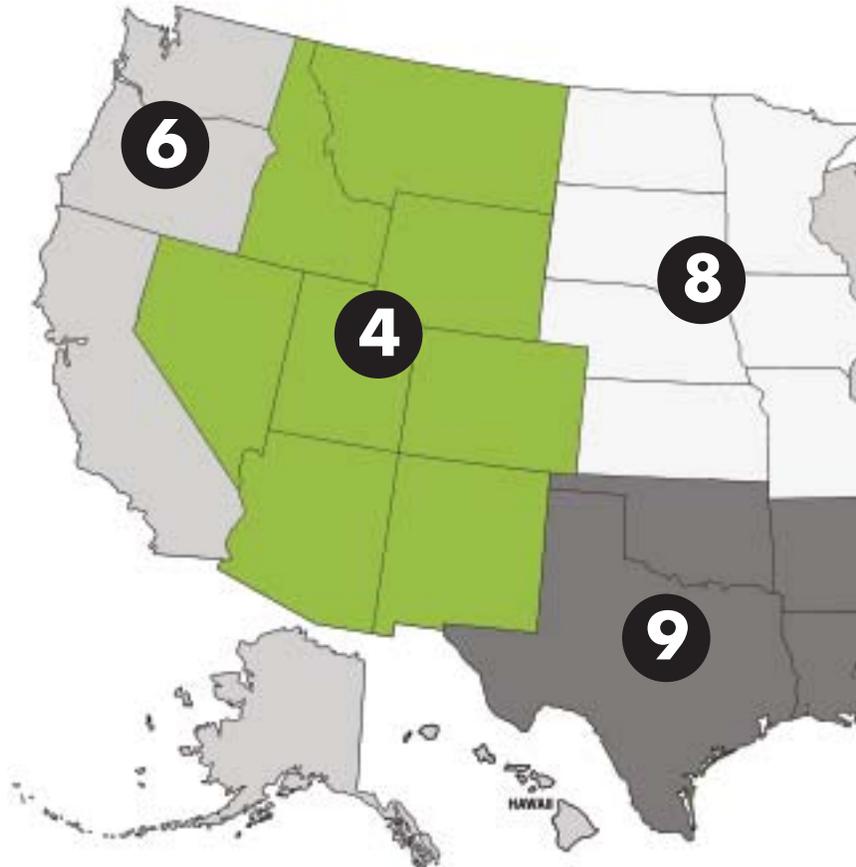
According to recent research from Carfax, NIADA members that give buyers a vehicle history report up front have better inventory turn than non-NIADA members. On average, NIADA members turn their inventory two days faster.

This research is centered on the independent dealer market and current sales trends. It clearly indicates that dealers greatly benefit by being an NIADA member and using vehicle history to build consumer confidence.

It's also important to understand how the number of vehicles listed online directly relates to inventory turn. Knowing the average time that cars listed by competing dealerships stay posted online is crucial in today's market. Aggressive pricing and utilizing resources that help your cars sell faster to online shoppers help you get a leg up on the competition, whether it be from independent or franchise dealers.

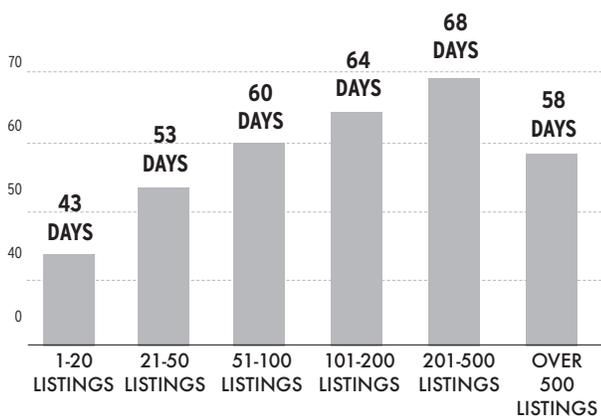
Independent dealers can take advantage of these benefits as NIADA members. When you give customers what they want, research shows they'll buy faster.

Use the Inventory Cost Calculator located on the next page (sample data is provided as a guide) to figure out your approximate inventory costs and better understand how tools such as Carfax Vehicle History Reports can help lower those costs.



ONLINE LISTING VIN COUNTS VS AVERAGE DAYS ONLINE

MONTHLY ONLINE LISTINGS BY ACTIVE USED CAR DEALERS



DEALER DISTRIBUTION BY INVENTORY SIZE

ONLINE LISTINGS FROM ACTIVE USED CAR DEALERS (MONTHLY)	# OF DEALERS	AVERAGE ONLINE SALES PER MONTH	TOTAL RETAIL SALES BY DEALER SIZE (6 MONTH AVG.)
20 OR FEWER LISTINGS	19,775	6	109,154
21-50 LISTINGS	10,032	19	185,675
51-100 LISTINGS	4,930	36	179,734
101-200 LISTINGS	1,976	64	126,988
201-500 LISTINGS	620	140	86,787
501 OR MORE LISTINGS	160	459	73,428
			761,765*

* AVG. MONTHLY RETAIL SALES FROM INDEPENDENT DEALERS (SEPTEMBER 2009 - FEBRUARY 2010) CNW RESEARCH

AGGRESSIVE pricing and utilizing resources that help your cars sell faster to online shoppers helps you GET A LEG UP on the competition...



← SEE REGIONAL MAP

REGIONAL INVENTORY TURNS WITH & WITHOUT CARFAX REPORTS

REGION	NIADA MEMBER WITH CARFAX	NON MEMBER INDEPENDENT WITH CARFAX	REGIONAL AVERAGE FRANCHISE & INDEPENDENT WITH CARFAX	REGIONAL AVERAGE FRANCHISE & INDEPENDENT WITHOUT CARFAX
1	46 DAYS	49	52	82
2	42 DAYS	44	46	81
3	47 DAYS	50	52	83
4	45 DAYS	44	46	78
5	56 DAYS	51	53	85
6	48 DAYS	49	51	83
7	48 DAYS	49	50	79
8	46 DAYS	45	49	79
9	45 DAYS	45	46	72
NATIONAL AVERAGE	46 DAYS	48 DAYS	50 DAYS	80 DAYS

DAILY INVENTORY COST PER DAY CALCULATOR

The calculator below will help determine the approximate daily carrying costs of your inventory. Write your dealership's numbers in the empty column (sample data is provided as a guide) to see how much you could save per day by selling cars faster.

SAMPLE DEALER YOU

(I) AVERAGE # OF CARS ON YOUR LOT	30		
AVERAGE COST PER CAR	\$6,000		
(T) TOTAL INVESTMENT	\$180,000		CARS ON LOT x AVG. COST PER VEHICLE
(R) HOW MUCH DO YOU WANT TO MAKE PER CAR (PERCENTAGE)	10%		PLACE YOUR PERCENTAGE HERE
(O) OPPORTUNITY COST OF CAPITAL	\$18,000		T x R
(D) DAILY TARGET RATE OF RETURN PER VEHICLE	\$1.65		(O/365)/I
(P) AVERAGE GROSS PROFIT	\$1,500		HOW MUCH DO YOU PROFIT PER VEHICLE?
(V) AVERAGE DAYS TO SELL	45		WHAT IS YOUR AVERAGE INVENTORY TURN?
(M) INVENTORY TURNOVER	8.111		365/V
(S) ANNUAL GROSS PROFIT PER SPACE	\$12,167		P x M
(A) DAILY OPPORTUNITY COST PER SPACE	\$33.33		S/365
COST OF INVENTORY PER DAY	\$34.98		A + D

YOUR WORKSHEET

AUCTION/REMARKETING COMMENTARY BY TOM WEBB OF MANHEIM AND TOM KONTOS OF ADESA



AS ECONOMY REGAINS BALANCE, DEALERS WILL CONTINUE TO TURN ONLINE FOR INVENTORY



There is a consensus that a low point in both the economy and the automotive industry was reached in 2009, and that a recovery is under way. There is great disagreement, however, as to the nature of that recovery. While it is safe to assert that the economic recovery continued to progress and solidify itself in the first quarter of 2010, there are still significant hurdles ahead, and it is our expectation that longer-term growth will be muted and uneven.

Forecasting is fraught with peril and, at best, can only place probabilities around possibilities. So, rather than speculating on near-term scenarios, it is better to look for long-term structural shifts that this recession may have produced. It is from that perspective that we analyze the trends in the remarketing industry.

The total number of vehicles sold at NAAA-member auctions declined by 5.9 percent in 2009, and, of course, there were larger shifts in several segments. For example, both off-rental and dealer consignment volumes were down sharply, but off-lease and repossession volumes continued to rise.

With auction volumes falling to their lowest level in more than a decade and low new vehicle sales promising to reduce potential wholesale supplies in the future, it is fair for independent dealers to ask whether the auction industry has undergone a structural shift that will result in permanently lower volumes. We think not. In fact, we expect auction volumes to return to a more normal level before new and used vehicle sales get back to their previous strength.

Our reasoning is based on the increased need that buyers and sellers have for auction services.

Dealers recognize the importance of having an inventory mix that matches the needs of their customers. When an immediate gap exists in fulfilling a specific customer's desires, dealers appreciate the ability to rely on the virtual inventory available in online auction channels.

In fact, online purchases continued their pronounced upward trajectory, accounting for 14 percent of all sales by National Auto Auction Association member auctions in 2009, up from 7 percent in 2007 and 3 percent in 2004.

Many of the forces that shaped the auction industry in 2009 will remain in force for years to come. For example, in 2009, the contraction in wholesale supply altered dealer acquisition strategies. No longer could a dealer fill inventory needs simply by attending the local auction on sale day. As a result, there was an accelerated movement toward online transactions, broadening a dealers' inventory reach. Additionally, with capital constrained and floorplan lines limited, dealers were less likely to take a chance on purchasing a vehicle just because it was priced right. Instead, dealers bought vehicles on a need only basis, filling specific inventory gaps.

Those trends will continue. Although we forecast that total auction volumes will rise steadily in the years ahead, there will be major swings in certain segments. For example, off-lease volumes will drop sharply in 2011 and 2012. As such, there will always be various shortages depending on vehicle segment, market classes, price points or vehicle condition. Meanwhile, more dealers are fully utilizing used vehicle inventory management systems, and the related technology is becoming more powerful. This increases the dealer's desire to find inventory that closely fits very specific criteria.

The combination of these two forces will drive more dealers to online channels. Already more than 37 percent of dealers who purchased from Manheim in 2009 bought at least one vehicle online, up from 24 percent in 2007. As increased usage develops familiarity and illustrates efficiencies, online transactions will accelerate further.

Tom Webb is chief economist for Manheim Consulting. For more in-depth and ongoing industry updates, visit the Manheim Consulting blog at www.manheimconsulting.typepad.com or follow Tom Webb on Twitter at www.twitter.com/TomWebb_Manheim.



BY TOM KONTOS EXECUTIVE VICE PRESIDENT, CUSTOMER STRATEGIES AND ANALYTICS, ADESA



As anticipated, the recession that began in December 2007 unofficially ended during the second half of 2009 as GDP growth rates rose significantly. The unemployment rate, which is typically a lagging economic indicator, reached what may turn out to be a peak in October, and the rate of jobs losses slowed considerably. Nevertheless, the labor market remained weak, which, along with limited credit availability, kept consumer spending soft.

The ISM Manufacturing Index is now well above 50, indicating expansion in the manufacturing sector. Business investment, though off-bottom, remains weak. Consumers have been tightening their belts willingly or unwillingly in light of limited credit, applying money that might have been spent on big ticket purchases to paying down debt. At the same time, home sales have improved as a result of lower interest rates and tax credits from fiscal stimulus. Leading indicators point to continuation of the economic recovery in 2010, though the strength of the recovery absent government stimulus remains to be seen.

Franchised dealers sold more used vehicles than new in 2009, and independents had a flat sales year after several years of declines. Cash for Clunkers generally had positive impacts on new vehicle sales and negative impacts on used vehicle sales, but these impacts were limited primarily to the early Fall. Even without C4C, new vehicle affordability remains near record levels. At the same time, demand for used vehicles is solid, as used vehicle prices, though rising, remain at a significant discount to new. As in the last economic recovery, leasing should rebound as sales improve and interest rates rise. Over-extended rental and commercial fleets should also ramp-up purchases and churn gradually with the economy.

Wholesale used vehicle prices rebounded throughout 2009 and ended the year nearly three percent higher than in 2008, as tight supply and solid demand caused dealers to bid aggressively in-lane and online for needed units. The wholesale market is likely to continue to see firming prices, with seasonal fluctuations, in 2010.

The Canadian economy, like the United States, began a recovery in the second half of 2009. Canada's positive economic outlook for 2010 is tempered by concerns that Canadian consumers may be overleveraged and the housing market may soften. Wholesale used vehicle prices reported by ADESA Canada showed some softness at year-end, as off-lease supply grew without a corresponding increase in used vehicle demand.

Class 8 heavy truck sales were the worst since 1983 and sales of Classes 3-7 were down 20-45% year-over-year depending on weight class. A continued recovery in truck cargo shipments with an improving economy will be necessary for an uptick in new and used medium/heavy truck sales in 2010.

Total losses as a percent of insurance claims continued their ten-year growth trend in 2009. However, with wholesale used vehicle prices, and hence ACVs, going up at a faster rate than repair costs, this trend may plateau. At the same time, the increase in miles driven that began with the economic recovery may offset this potential decline in total loss units. At any rate, if wholesale used vehicle prices continue to firm, insurance companies may achieve respectable recovery rates in 2010.

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 DEALER AVENUE



section seven

NIADA MEMBERSHIP SURVEY

- **NIADA needs your data!!! So help us help you!!! You've now reached the back of this report, meaning you just can't get enough data.** If you are like most of our dealer members, this data is extremely important in comparing your dealership to nationwide industry standards. Please assist us in providing the most comprehensive and accurate dealership statistics by taking just five minutes to complete and fax back this NIADA Membership Survey to 817-649-5866.
- **Free NADA Guidebook Subscription or NIADA Accounting Manuals**
The NIADA membership data is based on results from this survey. Your dealership demographic is important to us. We use the results from this survey to gather statistics for the NIADA Used Car Industry Report. The results will allow us to show trends in the industry over the past few years.

YOUR EFFORTS WILL NOT GO UNNOTICED.

By completing this survey, your name will be entered into a drawing to receive one of these items for free!

- • NADA Guidebook Subscription (1 year, \$90 value)

OR

- • NIADA Standardized Accounting Manuals on CD (\$125 value)

Please assist us in providing the most comprehensive and accurate dealership statistics by taking just five minutes to complete and **fax back this NIADA Membership Survey to 817-649-5866.**

All surveys must be completed and mailed or faxed back to us by December 31, 2010 to be eligible for the drawing. The survey can also be filled out online at www.niada.com.

BY COMPLETING THIS SURVEY, YOU ALSO AUTOMATICALLY QUALIFY FOR A DRAWING FOR TWO COMPLIMENTARY REGISTRATIONS TO THE 2011 NIADA CONVENTION & EXPO, TO BE HELD AT THE CAESARS PALACE IN LAS VEGAS, NV ON JUNE 20-23, 2011.



DEALER MEMBER QUESTIONNAIRE 2011

This survey is being used to gather statistical information from NIADA dealers for our 2011 Annual Used Car Industry Report. Please take a moment to complete the information in this questionnaire and fax to us at 817-649-5866. This information is proprietary and will not be seen by anyone outside of NIADA. Thank You.

Dealer name _____ Company name _____

E-mail address* _____ City & state _____

* Certain NIADA Member Benefits are delivered via email and by providing your email address, you are consenting to and giving NIADA, it's subsidiaries and affiliates, your permission to contact you at this address.

- What is the nature of your business? (check all that apply)
 - Retail BHPH Wholesale Rental Leasing
 - Service Dept Parts Dept Body Shop
 - Other _____
- How long has your business been in operation? _____
- How many vehicles do you sell per year?

Retail: _____ Wholesale: _____
- What is the monthly average total number of vehicles in your inventory? _____
- What type of vehicles do you sell? (check all that apply)
 - Cars Trucks Heavy-duty vehicles
 - Power Sports vehicles RV's
- What is the average retail price of most of the vehicles you sell? _____
- How many employees do you have (including yourself)? _____
- Which of the following mediums, do you spend your advertising dollars? (check all that apply)
 - TV Newspaper
 - Radio Magazines Specialty pubs Online
 - Other _____
- What percentage of your retail sales are to women buyers? _____
- Do you have a website for your dealership? Yes No
- How do you use internet access at your dealership? (check all that apply)
 - Dealership Website E-mail/Communication
 - Industry Research NIADA.TV Online Buying/Selling
 - Online Auctions Online Financing Other _____
- How do you finance/floorplan your inventory?
 - Banks
 - Auction floorplanning Cash Other _____
- How do you finance vehicles for your customers?
 - BH-PH
 - Finance companies Banks Other _____
- How old are most of the vehicles you sell?
 - 1-2 yrs old
 - 3-5 yrs old More than 6yrs old
- Where do you buy your vehicles? (check all that apply)
 - Wholesale auctions Other dealers Online
 - Other _____

- How do you wholesale your vehicles?
 - Wholesale auctions
 - Other dealers Online Other _____
- How often does your dealership attend auctions per month?
 - None 1-4 times per 5-7 times 8 or more times
- Do you have multiple locations? Yes No

If yes, how many locations? _____
- If you have a body shop, parts and/or service dept. on site, how many service bays do you operate? _____
- Do you have a rental car operation? Yes No

If yes, please check: Franchise or Independent
- What is the square footage of your dealership?
 - Up to 10,000
 - 10,001 - 25,000 25,001 - 50,000 50,001+
- Do you sell warranties and/or service contracts? Yes No

If yes, how many on average do you sell per month? _____
- Do you have outside lighting? Yes No
- Do you have outside fencing? Yes No
- Do you have a paved lot? Yes No
- Is 100% of your inventory insured? Yes No
- Do you have an indoor showroom? Yes No
- Do you use payment protection devices? Yes No
- Do you have a separate F&I department? Yes No
- Do you sell aftermarket products to customers? Yes No
- Do you do your own reconditioning and detailing work? Yes No
- Do you carry workers compensation? Yes No
- Do you carry commercial insurance on your building? Yes No

THANK YOU!

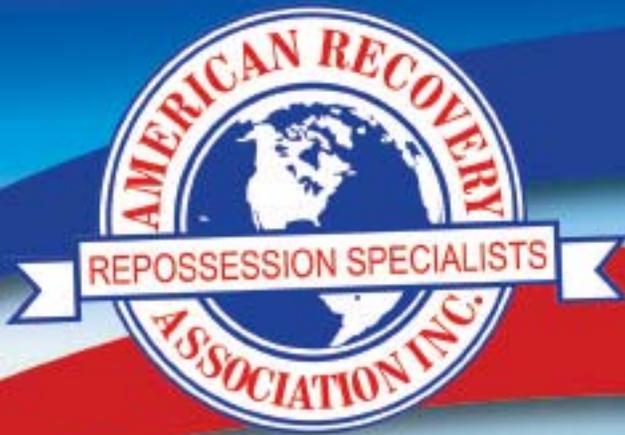
uod

Your efforts will not go unnoticed... By filling out this survey and returning it to us by February 28, 2011, your name will be entered into a drawing to receive one of these items, FREE!

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(\$125.00 value)

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Fax to: 817-649-5866



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*William Demboski
Dealer Account Manager - FL*

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THE MORE THEY ADVERTISE, THE MORE I WIN.”**

Joel DeHooyer
Owner—DeHooyer Chevrolet
Albany, NY



Stephen Behrmaster
Advertising Consultant
AutoTrader.com

WE **WORK** FOR YOU

“My sales are going to be up thirty-three percent this year. AutoTrader.com’s marketing plan has really made a huge difference for us. They have the most recognition and their

marketing definitely brings in quality traffic. And their advertising draws people from all markets.” To hear the rest of Joel’s story and other dealers’, visit WeWorkForYou.com.

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