

WANADA AREA SALES REPORT

New Vehicle Sales Figures Document Decline in 1st Quarter *Metro Area Down -16.5% , U.S. Down -12.0%*

As the price at the gas pump ticked ever upward through the winter, and the economy, like the winter weather, was chilled, new vehicle sales in the 1st quarter, here and nationwide, were down: -16.5% and -12%, respectively, from the same period last year.

No surprise that light trucks led the decline, being off in the composite -20%; but new car sales were off too, by -13.5%. And while domestic brands were down more sharply than imports, all segments were off into the double digits.

Car sales increased their lead over light trucks during the 1st quarter here, but only by 2% over last year, rising to 56.6% of market share. Import car share rose to 77.5% for the quarter, with import trucks making up 54.5% of all light truck sales, bringing imports in the composite of all new vehicle sales to 67.5%.

As opposed to Metro Washington, the national picture of import vs. domestic brands is pretty much even-up, 50-50, and 2008 sales haven't changed that. On the other hand, light truck sales, which historically have out performed car sales nationally, are realigning significantly with the unprecedented spikes in gas prices that have occurred subsequent to the 1st quarter which is likely to cause U.S. sales to look more like those from here.

March was the best month of the three in all respects with 20,023 new vehicle sales and a decline of -13.7%.

The complete WANADA Area Report on new vehicle sales for the Metro Washington market is enclosed.

WANADA Area Sales Report 1st Quarter 2008 vs. 2007		
Vehicles	'07 Sales	'08 Sales
Domestic Cars	8,540	6,934 (-18.8%)
Import Cars	27,147	23,951 (-11.8%)
Total Cars	35,687	30,885 (-13.5%)
Imports as a % of All Cars	76.1%	77.5%
Domestic Trucks	14,217	10,774 (-24.2%)
Import Trucks	15,464	12,902 (-16.6%)
Imports as a % of All Trucks	52.1%	54.5%
Trucks as a % of All Vehicles	45.4%	43.4%
Total Trucks	29,681	23,676 (-20.2%)
Total Cars & Trucks	65,368	54,561 (-16.5%)

Source: R.L. Polk Company, by contract with WANADA

Tech Trainees Available, Dealers Wanted

WANADA has screened numerous high school auto tech students who are graduating soon and are qualified for our ADEI technician training program.

These budding techs have promising potential and are ready *now* for placement in dealerships this summer. This is an excellent opportunity for dealers to step up and take advantage of this unique training program, designed by and for dealers, with a long standing record of success. For more information, contact WANADA's ADEI staff at (202) 237-7200.

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KINDRED KORNER**ADESA Used Vehicle Market Outlook***By Tom Kontos, Chief Economist*

The softness in wholesale used vehicle prices continued in April, although it diminished somewhat in severity. A surge in manufacturer sales, along with continued high repo and off-lease volumes, put downward pressure on prices that was left un-dissipated, as the traditional "Spring Market" remained largely under wraps. Retail used vehicle sales by franchised dealers fell on a year-over-year basis by double digits for the first time in over a year, and independent dealers continued to struggle to generate sales.

Nevertheless, the diminished rate of reduction in wholesale prices may signal that wholesale prices and used vehicle sales are nearing the turning point we predicted for the second half of 2008. The cumulative impact of over six months of decreases in interest rates by the Federal Reserve Board, combined with the issuance of tax rebate checks from the government, promise to improve the retail and wholesale used vehicle sales environments as we approach mid-year.

In the meantime, two segments of the used vehicle market -- at opposite extremes -- stand a good chance of holding up well in the tough economic environment. Certified pre-owned sales continue to be strong, as shoppers seek to maximize value in their vehicle purchasing decisions. On the

*(Continued on page 3)***ADESA: Full Service Auction**

ADESA offers a full range of auction, reconditioning, logistical and other vehicle-related services to meet the remarketing needs of both its dealer and institutional customers. With 60 auction locations in the United States, Canada and Mexico, strategically located near metropolitan areas with a large concentration of vehicle dealers, the company is well positioned to host both physical and Internet auctions.

Through its related subsidiaries of AutoVIN and PAR North America, it is also able to provide additional services including inspections, inventory audits and remarketing outsourcing solutions including a network of repossession agents, titling and auction sale representation.

The Washington/Baltimore metropolitan area is serviced by ADESA Washington DC, conveniently located in Dulles, VA under the direction of Jon Perhach, general manager. The Dealer Consignment Sales Manager is Bryan Dougherty. ADESA can be reached at 703-996-1100.

Wholesale Used Vehicle Price Trends

	Average Prices (\$/Unit)			Latest Month Versus:	
	Apr-08	Mar-08	Apr-07	Prior Month	Prior Year
Total All Vehicles	\$9,985	\$10,002	\$10,138	-0.2%	-1.5%
Total Cars	\$9,373	\$9,167	\$9,078	2.2%	3.2%
Compact Car	\$6,874	\$6,691	\$6,414	2.7%	7.2%
Midsize Car	\$7,473	\$7,312	\$7,512	2.2%	-0.5%
Fullsize Car	\$11,026	\$10,409	\$10,492	5.9%	5.1%
Luxury Car	\$13,931	\$13,660	\$13,910	2.0%	0.2%
Sporty Car	\$12,330	\$12,355	\$12,912	-0.2%	-4.5%
Total Trucks	\$10,583	\$10,850	\$11,285	-2.5%	-6.2%
Mini Van	\$8,171	\$8,285	\$8,535	-1.4%	-4.3%
Fullsize Van	\$7,681	\$8,067	\$7,932	-4.8%	-3.2%
Mini SUV	\$10,172	\$10,378	\$10,549	-2.0%	-3.6%
Midsize SUV	\$10,384	\$10,693	\$10,945	-2.9%	-5.1%
Fullsize SUV	\$12,383	\$12,664	\$14,045	-2.2%	-11.8%
Luxury SUV	\$19,027	\$19,579	\$21,393	-2.8%	-11.1%
Compact Pickup	\$7,563	\$7,529	\$7,746	0.5%	-2.4%
Fullsize Pickup	\$10,397	\$10,829	\$12,227	-4.0%	-15.0%

Source: ADESA Analytical Services.

NADA MONTHLY DEALER OPERATIONS COMMENTARY

Targeting Qualified Job-Seekers

With more than 100,000 jobs available at new car and truck dealerships today, it is more important than ever for dealers to reach an audience of qualified automotive professionals.

Now NADA's Automotive Careers Online provides employers with a quick and cost-effective way to post job opportunities. The dedicated job board is specifically designed for the retail automotive industry—and it's the newest benefit of NADA membership.

"With a focus on dealership careers, the website offers both job candidates and employers an easy way to connect online," says NADA Chairman Annette Sykora.

Automotive Careers Online is more than a way for employers to easily manage job postings on the web. They gain access to a searchable resume database, job activity reports, and automatic notifications of resumes that match their criteria. Each of the site's job-posting packages costs a fraction of what commercial job boards and newspapers charge—and they are specific to the retail automotive industry. Jobs advertised on Automotive Careers Online are also listed on several other career sites, including Indeed.com, Googlebase.com, and SimplyHired.com, giving them more visibility across the web.

The resource is also free to job-seekers. Automotive professionals can post resumes confidentially and receive automatic notifications of new jobs matching their criteria. Since the job board is a dedicated service, candidates are looking specifically for dealership jobs and are likely to be highly qualified.

Automotive Careers Online was developed with one goal in mind—to bring dealers and the finest automotive professionals together more quickly and efficiently than any other available job board. John Lyboldt, NADA vice president of Dealership Operations, says building a talented staff is one of the most important things a dealer can do for his or her bottom line.

"Having the right people in the right positions makes the difference," says Lyboldt. "A presence on the web allows people to look at our industry and say, 'What career opportunities are out there?'"

Job posting packages start as low as \$200 for a 30-day listing, and several packages are available. To search listings, post jobs, or learn more about Automotive Careers Online, visit www.automotivecareersonline.com.

ADESA Current Used Vehicle Market Outlook

(Continued from page 2)

other end of the spectrum, buy-here-pay-here dealers may be enjoying increased traffic from car shoppers who have been turned away from other financing sources. Supplies may be harder to come by for both these segments, as late-model program car volumes have fallen and as dealer consignment of older units at auction has diminished with franchised dealers holding onto more of their trades. On the other hand, rental risk, off-lease, commercial fleet and repossessed units are available in good quantities to fill the gap. With a little effort, dealers in both these segments should be able to find the inventory they need at reasonable prices.

Wholesale used vehicle prices in April averaged \$9,985, compared to \$10,002 in March (down just \$17, or 0.2%) and \$10,138 in April 2007 (down \$153 or 1.5%), according to ADESA Analytical Services' monthly analysis of [Wholesale Used Vehicle Prices by Vehicle Model Class](#). Once again, compact cars showed the strongest year-on-year price growth (up 7.2%), while full-size pickups (down 15.0%) and SUVs (down 11.8%) had the most dramatic year-on-year price declines, as rising gas prices continued to determine dealer inventory preferences in the auction lanes and online.

COMING UP SOON

Get on Board Now for This Premier Summer Event

The Bobby Mitchell Hall of Fame Classic, July 12 & 13

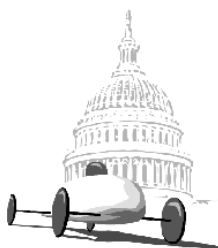
Sponsorship Opportunities Still Available, Auction Items Needed

The Bobby Mitchell/Toyota Hall of Fame Classic sponsored by Washington Area Auto Dealers, at the Lansdowne Resort, July 12 & 13, is *the big summer event* for the area dealer community. Last year over 40 sports legends drew more than 600 participants and raised over \$700,000 for the Leukemia & Lymphoma Society. The goal is even higher this year, and is going to take greater commitment for the worthy cause of blood cancer research.

For more information on participation and sponsorship opportunities for this year's Hall of Fame Classic, see the enclosure with this WANADA Bulletin. And please make your commitment today!



Capitol Hill Soap Box Derby Changes Date to Sunday, June 22



Due to a large political demonstration scheduled for June 21st, the U.S. Capitol Police have required this year's Greater Washington Soap Box Derby to move the race to the next day, Sunday, June 22, 2008. Derby officials apologize for any inconvenience.

As the proud *lead* sponsor of this all-American event for the past 27 years, WANADA encourages its members and friends to join the patrons and participants in cheering on these enterprising young go-cart competitors, 8 to 17 years old, as they silently roll down a quarter mile course on Constitution Avenue in their motor-less, hand-built, wildly decorated racers. It's family fun for all in the ultimate great American tradition. Please mark your calendars, and see you on Sunday the 22nd for the 67th running of our home town Soap Box Derby.

For more information go to <http://www.dcssoapboxderby.org>, or contact John O'Donnell jod@wanada.org, (202) 237-7200.

POSITION WANTED: Service Manager

An experienced service manger with University of Toyota training and certification as a Master Certified Toyota Service Manager, Master Certified Customer Relations Manager, Certified Vehicle Delivery Quality Manager and Scion Service Manager is seeking a similar position in the Metropolitan Washington area. For more information and a resume, contact John O'Donnell at WANADA, (202) 237-7200 or jod@wanada.org.

Staying Ahead...

Baseball is 90% mental, The other half is physical.

-- Yogi Berra

Enclosures:

- Washington Area New Vehicle Sales Report, March 31, 2008 YTD
- Bobby Mitchell Hall of Fame Classic Information Sheet and RSVP