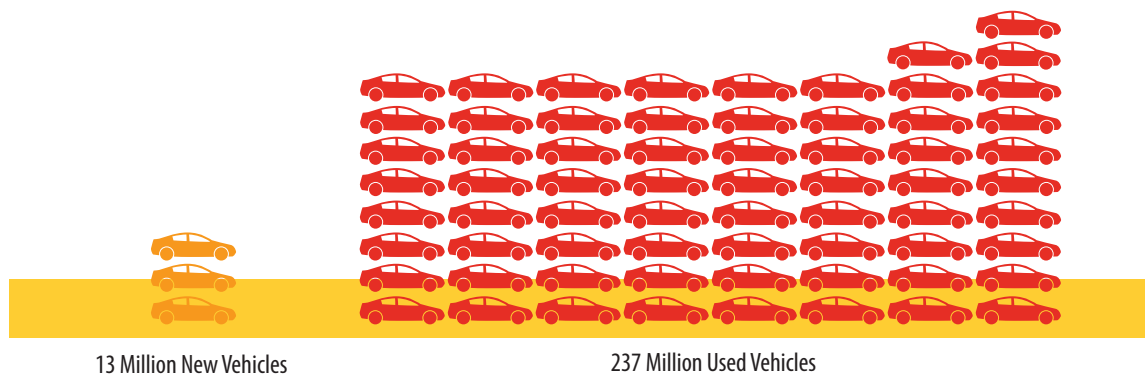


The Auto Industry

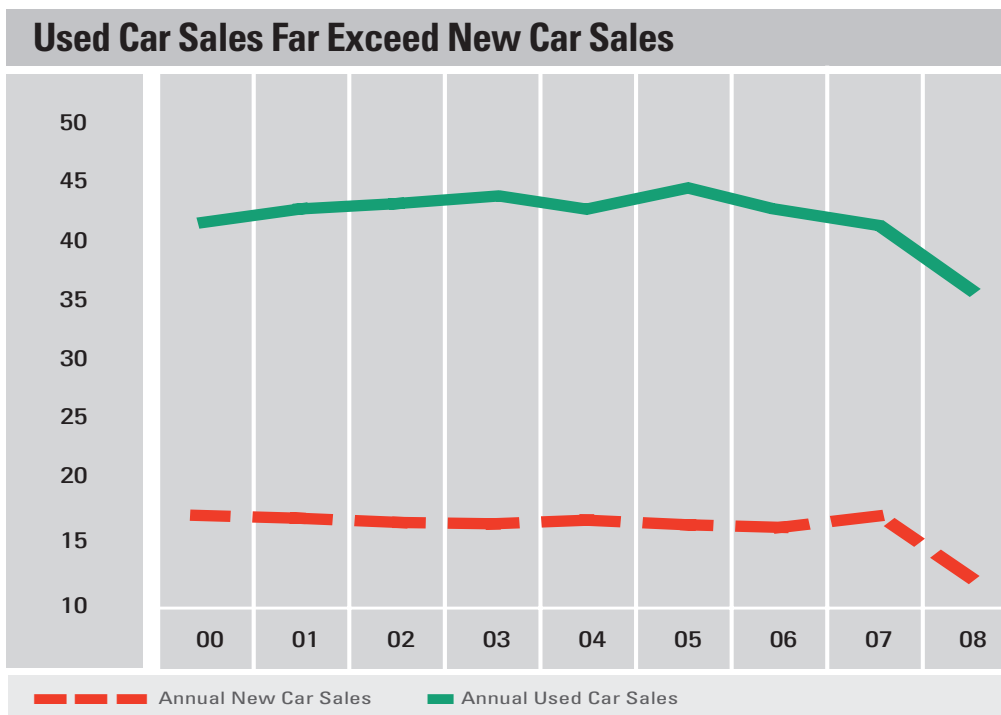
The Vital Importance of Used Cars

All cars on the road are used. At the moment a vehicle is driven off a dealer's lot by a proud new owner, that vehicle becomes a used car. This document illustrates some key facts about the size, scope and economic impact of the used car industry in this country.

There are 250 million vehicles on U.S. roads, and every one of them is used. But even if one were to consider the 13 million new vehicles retailed in 2008 as still "new," the number of used vehicles on the road today still dwarfs the number of new.

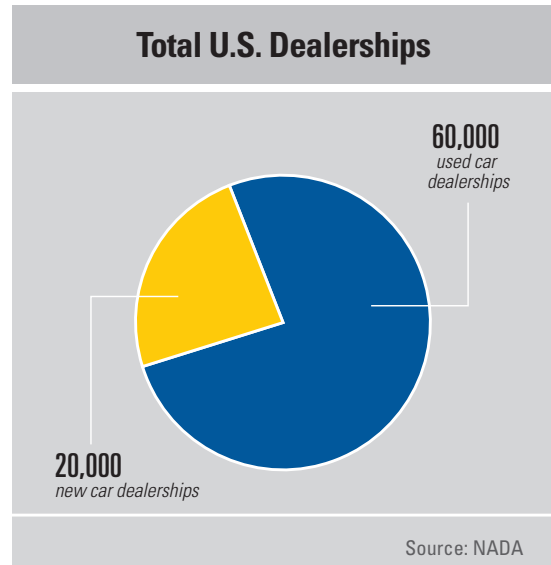


Each year, consumers buy close to 40 million used vehicles, three times the number of new cars sold. In 2008, for example, there were 36.5 million used vehicle sales and 13.2 million new vehicle sales. Given the higher average price of new vehicles (\$26,477) vs. used (\$7,986), the total value of these transactions was relatively close: \$351 billion for new vehicle sales, \$292 billion for used.

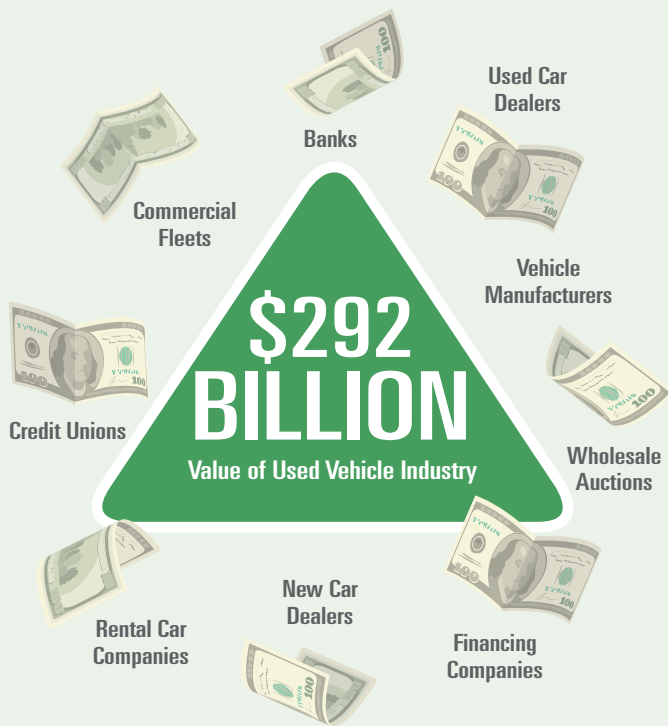


Dealerships Active on Both Sides of Industry

There are currently around 80,000 auto dealerships in the U.S., including both new car dealerships (those affiliated with an auto manufacturer) and independent used car dealerships (ranging from small mom-and-pop lots to megadealers such as CarMax). Almost all new car dealers sell both new and used vehicles, while independent used car dealers sell only used. **There are approximately 60,000 independent used car dealerships and 20,000 new car dealerships in the United States.**



Businesses that Rely on the Used Vehicle Industry



A wide range of employers are actively engaged in the used car industry, including independent used car dealers, new car dealers, wholesale auctions, rental car companies, vehicle manufacturers, banks, credit unions, financing companies, commercial fleets and many others. **Nearly 100,000 businesses participate in the used vehicle industry.**

Used Cars More Profitable for New Car Dealers

For new car dealers who sell both new and used vehicles, used cars are a much more reliable source of profits than new. In each of the past three years, in fact, dealers have achieved a net profit on each used vehicle sold but have taken a loss on each new vehicle sold.

