

TrueCar.com Evaluates First Half of 2011; Projects Second Half of 2011

SANTA MONICA, Calif. (July 19, 2011) – Light vehicles sales during the first half of 2011 totaled 6.32 million cars sold, up 12.7 percent from the first half of 2010. TrueCar.com had estimated that light vehicle sales for 2011 would equal 12.8 million units.

TrueCar.com, the authority on new car pricing and trends also found the following trends during the first half of 2011 vs. first half of 2010:

Sales Up For All Manufacturers But Toyota:

“The first half of the year was promising until the earthquake in Japan impacted sales of new cars to the Japanese automakers as supply was constrained,” said Jesse Toprak, Vice President of Industry Trends and Analysis at Truecar.com.

- Most automakers saw double-digit growth compared to the first half of last year. Only Honda (2.3 percent), Mazda (5.8 percent), Subaru (4.8 percent) and Toyota (-4.0 percent) saw either limited growth or a decline in sales from last year.
- Domestic automakers saw significant growth from the first half of 2010 with the Chrysler Group leading the charge with an increase of 20.4 percent. General Motors increased sales by 17.4 percent while Ford had an increase of 12.2 percent.
- Hyundai and Kia continued their phenomenal growth with sales increases of 26.2 percent (Hyundai) and 44.1 percent (Kia) respectively.

Manufacturer Sales (January – June)			
Manufacturer	Sales 2010 (January – June)	Sales 2011 (January – June)	Change 2011 vs. 2010
Chrysler Group	527,219	634,988	20.4%
Ford	953,146	1,069,736	12.2%
GM	1,076,993	1,261,610	17.1%
Honda	593,909	607,442	2.3%
Hyundai	255,782	322,797	26.2%
Kia	170,070	245,104	44.1%
Nissan	440,332	504,973	14.7%
Toyota	846,542	812,788	-4.0%
Industry	5,611,420	6,324,597	12.7%

Incentives Decline Sharply During First Half of 2011:

“With supply problems during the first half, automakers were able to tighten the amount of incentives they put on the hood of vehicles, leading to stronger profit margins for the manufacturers,” continued Toprak.

- The industry average for incentives for the first half of 2011 was \$2,432, down 9.4% percent from \$2,684 in the first half of 2010.
- Of the major manufacturers, every automaker but Honda decreased their incentive spend compared to the first half of 2010. Honda’s incentives increased from \$1,979 to \$1,996 per unit sold in the first half of 2011, or up 0.9 percent.
- Kia (down 40.9 percent), Nissan (23.5 percent) and Hyundai (32.1 percent) saw the largest decline in incentives of the major automakers but the domestics also helped their bottom line with the Chrysler group down 16.1 percent while Ford was down 13.8 percent and GM down 4.9 percent.

Incentives Per Unit (January – June)			
Manufacturer	Incentives 2010 (January – June)	Incentives 2011 (January – June)	Change 2011 vs. 2010
Chrysler Group	\$3,616	\$3,033	-16.1%
Ford	\$2,961	\$2,531	-13.8%
GM	\$3,452	\$3,284	-4.9%
Honda	\$1,979	\$1,996	0.9%
Hyundai	\$1,689	\$1,146	-32.1%
Kia	\$2,725	\$1,612	-40.9%
Nissan	\$3,103	\$2,373	-23.5%
Toyota	\$1,959	\$1,866	-4.7%
Industry	\$2,684	\$2,432	-9.4%

Average Transaction Prices Rise Sharply To Record High

“Transaction prices rose to the highest ever during a six-month period as incentives decreased and a lack of inventory in specific vehicles due to the Japanese earthquake,” continued Toprak.

- The industry average for average transaction price for the first half of 2011 was \$29,482, up 0.7 percent from \$29,289 in the first half of 2010.

Average Transaction Per Unit (January – June)			
Manufacturer	Average Transaction Price 2010 (January – June)	Average Transaction Price 2011 (January – June)	Change 2011 vs. 2010
Chrysler Group	\$ 28,080	\$ 28,122	0.2%
Ford	\$ 34,826	\$ 34,452	-1.1%
GM	\$ 35,371	\$ 33,197	-6.2%
Honda	\$ 24,730	\$ 26,081	5.5%
Hyundai	\$ 22,209	\$ 22,936	3.3%
Kia	\$ 20,221	\$ 21,207	4.9%
Nissan	\$ 28,113	\$ 27,384	-2.6%
Toyota	\$ 26,332	\$ 28,343	7.6%
Industry	\$ 29,289	\$ 29,482	0.7%

Fuel-Efficient Segments Lead Gains So Far: Subcompact Car, Small SUVs Biggest Gainers

“Large SUV and truck sales were lower than the industry average during the first half of the year as high gas prices impacted what consumers purchased from January through June,” continued Toprak.

Segment Sales/Average Transaction Price (January – June)						
Segment	Segment Sales 2010 (January – June)	Segment Sales 2011 (January – June)	Change 2011 vs. 2010	Average Transaction Price 2010 (January – June)	Average Transaction Price 2011 (January – June)	Change 2011 vs. 2010
Subcompact	172,196	239,278	39.0%	\$16,304	\$16,644	2.1%
Small SUV	286,330	377,473	31.8%	\$23,947	\$24,111	0.7%
Sport Car	169,098	218,789	29.4%	\$29,597	\$29,772	0.6%
Midsized SUV	815,893	967,596	18.6%	\$28,089	\$29,707	5.8%
Small Car	928,916	1,073,852	15.6%	\$18,958	\$19,536	3.0%
Large Truck	621,734	688,989	10.8%	\$32,795	\$34,499	5.2%
Large SUV	217,772	239,168	9.8%	\$40,404	\$40,086	-0.8%
Midsized Car	985,141	1,075,530	9.2%	\$24,342	\$24,232	-0.5%
Large Car	287,998	289,937	0.7%	\$30,267	\$30,170	-0.3%

Projections for the Second Half of 2011

- Sales of new vehicles during the second half of 2011 will be slightly better than the first half of 2011 with projected sales of 6.5 million units.

- Incentives are projected to rise about five percent to about \$2,550 per unit.
- Japanese manufacturers will reclaim some lost market share in the second half of the year, especially Toyota with the launch of the new Toyota Camry and Toyota Prius V but inventory levels for Japanese manufacturers will not return to normal until late in the year.
- Hyundai/Kia will continue to have growth but the rate of growth will not be as strong as the past year.
- Volkswagen will continue its momentum of growth for the second half of 2011 due to the success of new models such as the Volkswagen Jetta and Volkswagen Passat along with the upcoming launch of the new Volkswagen New Beetle.
- Large truck and SUV sales will see improvement due to seasonality and the decline in gas prices.
- Auto financing will ease in the second half of 2011 allowing more subprime buyers into the market.
- Leasing should rise to 25 percent by the fourth quarter of 2011.

About TrueCar, Inc.

TrueCar Inc. is an automotive solutions provider focused on changing how cars are sold by providing a significantly better customer experience while helping qualified dealer partners to gain incremental market share and reduce costs. TrueCar.com is a transparent, visual publisher of new car transaction data. TrueCar.com price reports help both dealers and consumers to agree on the parameters of a fair deal by providing an accurate, comprehensive and simple understanding of what others actually paid for the identically equipped new car over the last 30 days both locally and nationally. TrueCar, Inc. works with a national network of nearly 5,000 Certified Dealers that provide up-front, no-haggle, competitive pricing to assist some of the nation's largest and most well respected membership and service organizations to meet the auto buying needs of their members and customers. These partnerships include American Express, AAA, USAA and more than 60 others. Collectively these audiences represent over 1M in-market customers each month. TrueCar, Inc. is headquartered in Santa Monica, CA and has offices in San Francisco. The company was founded in 2005 and has been profitable since 2009. With nearly 200 percent year-over-year growth TrueCar has driven over 300,000 sales and is developing a suite of transaction oriented products and services centered on transparency and radical clarity as a result of comprehensively analyzing market data and information.

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About TrueCar Data

TrueCar obtains data directly from numerous sources including automotive dealers, technology companies, data aggregators, and analytics companies within the automotive space. We also acquire vehicle configuration data, customer and dealer incentives data, financing and loan data, vehicle registration and insurance data, and much, much more. TrueCar is insatiable about data with our goal to find 100% of all purchase transactions, even if that means finding the same transaction multiple times from multiple sources within the car-buying ecosystem. Our data is among the most timely and comprehensive in the industry, as we are able to process most car sales within a week of the actual

sales date, and have a substantial fraction on the site within 48 hours of the actual sale. TrueCar believes the greater our informational accuracy, the greater benefit we provide to both dealers and consumers.

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