

HYBRID, CLEAN DIESEL CAR SALES NOW GROWING NEARLY THREE TIMES AS FAST AS REST OF AUTO MARKET

Small, Efficient Cars Now Neck and Neck With "True SUVs" at 7 Percent Each; Surging Gas Prices and Growing Strength of Economy Fuel Hybrids, Other High-MPG Vehicles.

WEST BLOOMFIELD, MI – April 25, 2011 – High gas prices and a recovering economy led to a 46 percent increase in hybrid and clean diesel sales in March 2011 compared to March 2010, a jump that was about three times higher than the increase in the overall car market last month, according to auto analyst firm Baum and Associates.

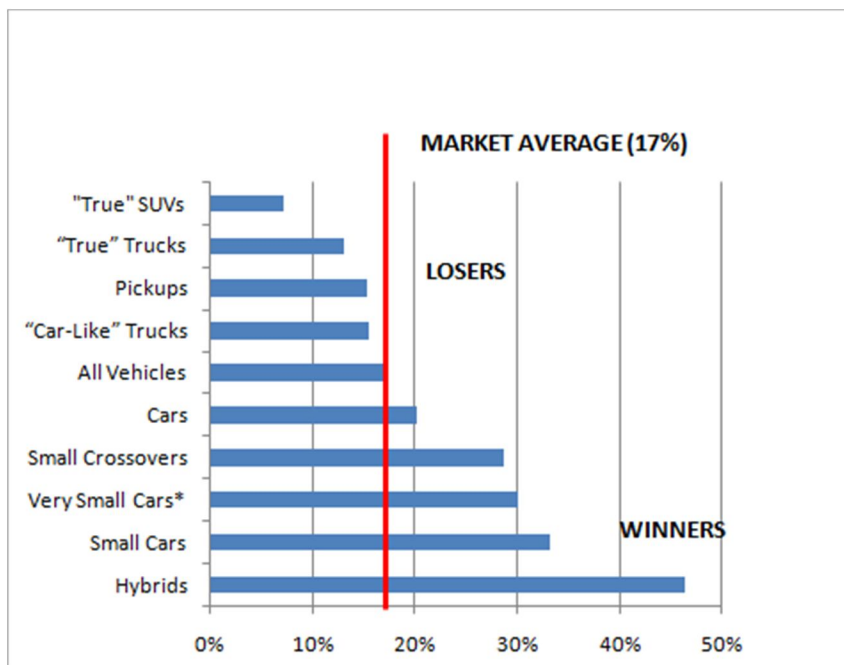
The change in the vehicle marketplace is now so dramatic that small, highly efficient cars now account for about the same market share at 7 percent as "true SUVs." (See discussion below.)

The used vehicle market, which represents a real time snapshot of market preference, shows the greatest increase in value for the Toyota Prius and other fuel-efficient cars with the Ford Explorer and other "true SUVs" losing substantial value.

Alan L. Baum, principal, Baum & Associates, said: **"The trends are clear: vehicle sales are strong, and consumers want hybrids, small cars and crossovers, and are shying away from pickups and truck-based SUVs even as business fleets continue to support these products in line with an overall economic recovery."**

For more information, see the full Baum data online at <http://baum-assoc.com/Documents/commentary%20on%20vehicle%20sales%20data%20apr11.pdf>.

The following chart comparing March 2010-March 2011 auto sales is online at <http://216.250.243.12/Baum042111.html>:



*Very small cars include products such as the Ford Fiesta, Nissan Versa, and Honda Fit.

Highlights of the Baum data include the following:

- 1. Growth in highly fuel-efficient vehicles (hybrids, clean diesels and very small cars) far outpaced the rest of the market.**
 - In March, hybrids and clean diesels rose at almost three times the rate of the overall market compared to March of last year, 46 percent compared to 17 percent.
 - Very small cars (such as the Ford Fiesta and Honda Fit) grew at almost twice the rate of the overall market, 30 percent compared to 17 percent.
- 2. In March, car market share expanded as consumers chose the most fuel efficient options.**
 - Car sales grew a third faster than either "car-like" or "true" light trucks.
- 3. Small cars and small crossovers are the hottest market segments, growing at twice the rate of the overall market compared to March of last year.**
 - Growth in the market for what some people call "SUVs" was actually driven by small, fuel efficient crossovers.
 - In contrast, "true" SUVs built on truck frames continued to lose market share which now stands at less than 7 percent of the market, the same market share as the most efficient part of the market (hybrids, clean diesels, and very small cars).
- 4. Small cars and hybrids are the most in demand in the used car market.**
 - The increase in the value of a three-year-old Toyota Prius from January to April 2011 exceeds all other vehicles, making clear the demand for this model in both the new and used vehicle market.
 - Small vehicles such as three-year-old versions of the Toyota Corolla, Chevy Cobalt, Ford Focus, Honda Civic, and Nissan Versa exhibit strong gains in value, as compared to the overall used vehicle market.
 - The three-year-old Ford Explorer brings up the rear, and this of course refers to the previous version of the Ford Explorer which is a traditional "truck-based" SUV.

"The bottom line is that automakers and consumers will move forward on all fronts based on corporate and consumer needs. Hybrid and electric vehicles are a part of the solution, as are more efficient powertrains throughout the vehicle fleet. A wholesale change in the amount of vehicles produced in each segment is not required but some shift may occur based on the will of automakers and consumers, as illustrated by Ford's shift to smaller vehicles and consumer acceptance in doing so," Baum said.

ABOUT BAUM AND ASSOCIATES

Alan Baum formed Baum and Associates in August 2009. Mr. Baum has produced an automotive forecast since 1990. He provides long-range analysis of the automotive and medium- and heavy-duty truck markets and has worked with clients on a variety of analytical issues. Baum has worked extensively in the area of crossover vehicles, the impact of rising fuel prices, and the role of hybrid, electric, and advanced diesel vehicles. He also works in the area of customer-supplier relationships and in identifying major trends affecting automotive vehicle and component manufacturers. Much of Baum's work has centered on the domestic and global market, including segmentation and sub-segmentation analysis. He also has worked with suppliers evaluating new products and segments that offer the most promise as they seek to grow and target their business.

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