DEALERSHIP FINANCIAL SUMMARY - 2016

Average dealership sales: $67,200,000
Average dealership contributions to charitable causes: $28,900
Average dealership advertising expenses: $808,000
Average number of vehicles serviced per dealership: 21,900

DEALERSHIP VEHICLE SALES SUMMARY - 2016

Average dealership retail new vehicle sales: 1,065 units
Average dealership retail used vehicle sales: 720 units

Shown above is a summary of average dealership financial statistics and vehicle sales results during 2016.

REPORT SUMMARY

This report provides a summary of the significant impact that new franchised automobile dealers have on the New Jersey economy. As clearly illustrated, the automotive retailing industry is critically important to the health of the State’s economy.

The report includes estimates of direct and indirect employment, personal income, and tax collections during 2016. Indirect impact accounts for the residual contribution resulting from dealership operations (frequently referred to as the “multiplier effect”). This report was prepared by Auto Outlook, Inc., an independent automotive market analysis firm, and is sponsored by the New Jersey Coalition of Automotive Retailers.

Contact information is on the back page.
A MESSAGE FROM THE NJ CAR PRESIDENT

Last year was the second year in a row that the retail automotive industry set a record for new vehicle sales. This incredible growth was fueled by increased consumer confidence, the low cost of credit and pent-up demand for new cars, as the average age of vehicles on the road has reached 11.5 years.

Analysts are hopeful that 2017 will be another strong year, but it seems unlikely the industry will reach a third straight record-setting year of sales. New car sales volume (both in New Jersey and nationally) is expected to flatten out over the next few years. Already, we are hearing about larger-than-usual inventory backing up on dealer lots as it takes longer to sell the new vehicles arriving from the factory. Manufacturer incentive dollars are also steadily increasing, which makes it a great time for consumers to buy a new car or truck. But all of this could be a sign that another downturn in auto sales is just around the corner.

The auto retail industry is still the strongest and most productive part of the national and New Jersey retail economy. New Jersey dealerships sold more than 530,000 vehicles in 2016. Total new car sales were up 2.5% in New Jersey, and total sales at new car dealerships in New Jersey topped $34.2 BILLION. The industry contributed an astounding $1.68 Billion in State and local taxes to the New Jersey economy and directly employs nearly 37,000 residents (while supporting an additional 30,000 auto retail-related jobs throughout the State).

If interest rates remain low, personal income continues to grow, access to credit remains easy and consumer confidence stays high, car sales may level off, but the rate of sales will continue to boost the economy here in New Jersey.

Beyond 2017, new forms of mobility, such as car-sharing or ride-sharing programs, autonomous vehicles and more will continue to be rolled out to consumers. These new options, in addition to an ever-increasing number of vehicle choices, including advanced technology “clean” vehicles such as electric (EV) and fuel cell vehicles, suggests the retail automotive sector will continue to experience significant change and significant growth in the years ahead.

These mobility trends and technology advancements present both challenges and opportunities for auto retailers and the New Jersey economy as a whole. New car dealers will continue to play a crucial role in meeting the personal mobility needs of consumers, even as the business continues to change from year to year.

James B. Appleton
President
New Jersey Coalition of Automotive Retailers

2016 HIGHLIGHTS

• During 2016, franchised new vehicle dealerships in the State generated a total of nearly 67,000 jobs. Employment at dealerships increased 16% between 2009 and 2015, but was up by less than 2% in 2016 versus a year earlier.
• New Jersey residents earned more than $3.5 billion as a result of automotive dealership operations in 2016. Dealership compensation to employees increased 4.3% last year.
• Average dealership payroll was $5.19 million in 2016, up significantly from just $3.12 million in 2009, but up by less than 5% from 2015.
• Dealerships collected or paid a total of more than $1.68 billion in state and local taxes in 2016, up slightly from 2015.
• Automobile dealerships spent a total of over $412 million on advertising during 2016.
• Franchised new vehicle dealerships in the state had total sales of $34.2 billion in 2016, an increase of more than $13 billion from the 2009 total, but up by less than $1 billion from 2015.
• Average dealership sales were $67.2 million in 2016, up slightly from $65.5 million in 2015.
• Collectively, automobile dealers contributed over $14.7 million to charitable organizations in 2016.
EMPLOYMENT

Automobile dealerships in New Jersey employed a total of 36,720 individuals in 2016, with an additional 30,110 positions resulting from indirect economic impact. This total represented 14.5% of total retail employment in the State. Dealership employment (direct only) increased 16% from 2009 to 2015, but was up by just 1.4% from 2015 to 2016. Average dealership employment was 72 individuals.

### DIRECT EMPLOYMENT AT NEW JERSEY FRANCHISED NEW VEHICLE DEALERSHIPS 2009, 2015, AND 2016

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2015</th>
<th>2016</th>
<th>% change ‘15 to ‘16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Employment Resulting from Auto Dealerships</td>
<td>48,065</td>
<td>64,816</td>
<td>66,830</td>
<td>3.1%</td>
</tr>
<tr>
<td>Total Retail Employment in the State</td>
<td>436,100</td>
<td>460,800</td>
<td>461,500</td>
<td>0.2%</td>
</tr>
<tr>
<td>DEALERSHIP % OF RETAIL STATEWIDE TOTAL</td>
<td>11.0%</td>
<td>14.1%</td>
<td>14.5%</td>
<td></td>
</tr>
</tbody>
</table>

### AVERAGE NUMBER OF DEALERSHIP EMPLOYEES BY DEPARTMENT • 2016

<table>
<thead>
<tr>
<th>Department</th>
<th># of Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service</td>
<td>30</td>
</tr>
<tr>
<td>Vehicle Sales</td>
<td>25</td>
</tr>
<tr>
<td>Admin &amp; Other</td>
<td>20</td>
</tr>
<tr>
<td>Parts &amp; Accessories</td>
<td>15</td>
</tr>
<tr>
<td>Body Shop</td>
<td>5</td>
</tr>
</tbody>
</table>

### DIRECT EMPLOYMENT AT NEW JERSEY FRANCHISED NEW VEHICLE DEALERSHIPS 2009, 2015 AND 2016

Total employment at franchised automobile dealerships increased slightly from 2015 to 2016.
PAYROLL

The average automobile dealership in New Jersey had payroll of $5.19 million in 2016, up by more than 60% from 2009, but an increase of less than $220,000 from 2015. Payroll for the new vehicle retailing industry was more than $2.6 billion, with the total (including indirect impact) exceeding $3.5 billion.
TAX REVENUE

Automobile dealerships collected or paid a total of more than $1.68 billion in State and local taxes during 2016, up slightly from 2015. State sales tax revenue exceeded $1.43 billion. Federal tax revenue generated by dealerships was nearly $800 million.

STATE AND LOCAL TAXES COLLECTED AND/OR PAID BY FRANCHISED NEW VEHICLE DEALERSHIPS • 2016

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2015</th>
<th>2016</th>
<th>% change '15 to '16</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>State Sales Tax</strong></td>
<td>$925,750,000</td>
<td>$1,415,250,000</td>
<td>$1,438,200,000</td>
<td>1.6%</td>
</tr>
<tr>
<td><strong>State and Local Payroll Taxes</strong></td>
<td>$99,981,000</td>
<td>$145,350,000</td>
<td>$150,450,000</td>
<td>3.5%</td>
</tr>
<tr>
<td><strong>Real Estate and Other Local Taxes</strong></td>
<td>$55,016,000</td>
<td>$89,250,000</td>
<td>$93,330,000</td>
<td>4.6%</td>
</tr>
<tr>
<td><strong>TOTAL DEALERSHIP STATE AND LOCAL TAX REVENUE</strong></td>
<td>$1,080,747,000</td>
<td>$1,649,850,000</td>
<td>$1,681,980,000</td>
<td>1.9%</td>
</tr>
</tbody>
</table>

FEDERAL TAX SUMMARY FOR ALL FRANCHISED NEW VEHICLE DEALERSHIPS • 2009, 2015 AND 2016

<table>
<thead>
<tr>
<th></th>
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<th>2016</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Federal Payroll Taxes</td>
<td>$471,868,000</td>
<td>$719,100,000</td>
<td>$744,600,000</td>
<td>3.5%</td>
</tr>
<tr>
<td>Federal Business Income Taxes</td>
<td>$38,617,000</td>
<td>$52,530,000</td>
<td>$54,570,000</td>
<td>3.9%</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>$510,485,000</td>
<td>$771,630,000</td>
<td>$799,170,000</td>
<td>3.6%</td>
</tr>
</tbody>
</table>
ADVERTISING

New franchised automobile dealerships spent a total of over $412 million on advertising during 2016, up from $301 million in 2009. Internet advertising accounted for the largest percentage of dealership advertising (45%).

NEW VEHICLE MARKET REVIEW

New retail registrations of cars and light trucks in New Jersey fell to below 360,000 units in 2009. The market increased to more than 530,000 units in 2016. Sales are plateauing, however, with further increases unlikely over the next several years.

NEW RETAIL LIGHT VEHICLE REGISTRATIONS IN NEW JERSEY • 2007-2016
DEALERSHIP SALES

New franchised automobile dealerships in New Jersey had total sales exceeding $34.2 billion during 2016. Average dealership sales were $67.2 million last year, up by more than $27 million from 2009, but just $1.7 million higher than in 2015.

FRANCHISED NEW VEHICLE DEALERSHIP SALES SUMMARY • 2009, 2015 AND 2016

<table>
<thead>
<tr>
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<th>2016</th>
<th>% change ‘15 to ‘16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average Franchised New Vehicle Dealership Sales</td>
<td>$40,100,000</td>
<td>$65,500,000</td>
<td>$67,200,000</td>
<td>2.6%</td>
</tr>
<tr>
<td>TOTAL AUTOMOTIVE RETAILING SALES IN NJ</td>
<td>$21,212,900,000</td>
<td>$33,405,000,000</td>
<td>$34,272,000,000</td>
<td>2.6%</td>
</tr>
</tbody>
</table>
METHODOLOGY

Dealership financial data *(and other information cited in this report)* was collected from information reported by New Jersey franchised automotive retailers in 2016. The information was sufficiently detailed to allow the formation of a statistically reliable database for financial and operational indicators.

The economic impact of the industry is separated into two main categories: direct and indirect. Direct impact comprises economic activity at automotive dealerships themselves. Indirect impact occurs away from the dealership proper, and takes into account the extended contribution dealerships make to the state’s economy.

The indirect economic impact of automotive retailers was estimated by Auto Outlook, Inc. Estimates were based on previous impact studies that relied upon regional economic computer models. Indirect estimates in this report are intentionally conservative, and therefore, may underestimate the overall contribution automotive retailers make to the New Jersey economy.

Auto Outlook, Inc. is a regional automotive market analysis firm providing market research services to automotive dealers.
NJ CAR MEMBER LIST

DISTRICT 1
Action Auto Group-Millville
Avalon Honda
Burke Motors, Inc.
Gentilini Chevrolet
Gentilini Ford, Inc.
Kindle Ford Lincoln Isuzu
Lilliston Chrysler Dodge Jeep
Lilliston Ford, Inc.
Ocean City Chevrolet
RK Chevrolet Subaru Kia
Rossi Honda
Team Nissan
Toyota of Vineland
Vann Dodge Chrysler Jeep

DISTRICT 2
Atlantic Chrysler Jeep
Volkswagen
Bennett Chevrolet, Inc.
BMW of Atlantic City
Boardwalk Acura
Boardwalk Honda
Bergey's Truck Center-
Alpha Romeo & Fiat of
Toyota of Runnemede
Performance Dodge Ram
Ace Ford
Turnersville Kia
Turnersville Chrysler Jeep
Nissan of Turnersville
Honda of Turnersville
Holman Ford Lincoln-
Audi Turnersville
Acura Turnersville
Volkswagen of Salem County

DISTRICT 3
Bayshore Ford of
Pennsville, Inc.
Bob Novick Auto Mall
Freightliner of Bridgeport
Liberty Kenworth of
South Jersey
Matt Blatt Glassboro
Mitsubishi
Pellegrino Chrysler Jeep
Pointe Buick GMC
Spirit Chrysler Dodge Jeep
Volkswagen of Salem County

DISTRICT 4
Acura Turnersville
Audi Turnersville
BMW of Turnersville
Holman Ford Lincoln-
Turnersville
Honda of Turnersville
Nissan of Turnersville
Pellegrino Buick GMC
Prestige Volkswagen Subaru
Toyota of Turnersville
Turnersville Auto Mall
Turnersville Chrysler Jeep
Turnersville Kia

DISTRICT 5
Ace Ford
Barlow Buick GMC-Woodbury
Mount Ephraim Chrysler
Dodge Ram
Pellegrino Chevrolet
Performance Dodge Ram
Toyota of Runneme
Woodbury Nissan, Inc.

DISTRICT 6
Alpha Romeo & Fiat of
Maple Shade
Bergey's Truck Center-
Pennsauken
Cherry Hill Classic Cars
Cherry Hill Dodge Chrysler Jeep
Cherry Hill Imports
Cherry Hill Kia
Cherry Hill Mitsubishi
Cherry Hill Nissan
Cherry Hill Volvo Cars
Echelon Ford, Inc.
Elite Acura
Holman Ford Lincoln-
Maple Shade
Holman Infiniti
Land Rover Cherry Hill
Mall Chevrolet, Inc.
Maple Shade Mazda
Mercedes-Benz of Cherry Hill
Subaru of Cherry Hill
Winner Ford

DISTRICT 7
Barlow Chevrolet
BMW of Mount Laurel
Burlington Chevrolet, Inc.
Burlington Kia
Burlington Volkswagen
Davis Honda
Dodge Chrysler City
F. C. Kerbeck & Sons
Holman Cadillac
Holman Toyota
Lexus of Cherry Hill
Liberty Toyota
Lucas Ford
Mini of Mount Laurel

DISTRICT 8
Arenda Buick GMC
Burns Buick GMC Hyundai
Burns Honda
Elkins Chevrolet
Hainesport Auto & Truck Center
Lucas Chevrolet
Lucas Chrysler Jeep Dodge
Medford Ford
Miller Ford Lincoln Subaru
Mount Holly Nissan

DISTRICT 9
Barlow Buick GMC-
Manahawkin
Causeway Ford Lincoln
Causeway Honda
Causeway Nissan
Manahawkin Chrysler Dodge
Manahawkin Kia

DISTRICT 10
All American Mazda in Brick
Audi Toms River
Circle Dodge, Inc.
Downs Ford
Gateway Toyota
Honda of Toms River
Lester Glenn Buick GMC
Lester Glenn Chevrolet
Lester Glenn Chrysler Jeep
Dodge Ram
Lester Glenn Hyundai-
Toms River
Lester Glenn Mazda
Lester Glenn Subaru
Pine Belt Cadillac of Toms River
Pine Belt Nissan of Toms River
Porsche Toms River
Toms River Kia
Toms River Mitsubishi Motors
Toms River Volkswagen

DISTRICT 11
Acura of Ocean
Audi Eatontown
Audi Freehold
Buherf Ford
Buherf Mitsubishi
Causeway Hyundai
Circle BMW
Circle Chevrolet Company
Circle Infiniti
Cost Cities Truck Sales, Inc.
DCH BMW of Freehold
DCH Freehold Nissan
DCH Freehold Toyota
DCH Kay Honda
DCH Volkswagen of Freehold
Freehold Buick GMC
Freehold Chrysler Jeep
Freehold Dodge, Inc.
Freehold Ford
Freehold Hyundai
Freehold Kia
Freehold Subaru
Galaxy Toyota
George Wall Ford Lincoln
Gold Coast Cadillac
Honda of Freehold
Irwin Lincoln Mazda
Jaguar Land Rover Monmouth
Lester Glenn Ford
Maurice Schwartz & Sons, Inc.
Mini of Monmouth
Nissan of World of Red Bank
Porsche Monmouth
Ray Catena Lexus of Freehold
Ray Catena Lexus of Monmouth
Ray Catena Maserati
Ray Catena Mercedes-Benz
Freehold
Red Bank Volvo, Inc.
Route 9 Mitsubishi
Sanssone Jr's 66 Auto Mall
Sea Coast Chevrolet
Sea View Auto Corp.
Shrewsbury Motors
World Chrysler Dodge Jeep Ram
World Subaru
World Volkswagen

DISTRICT 12
All American Ford Subaru of
Old Bridge
DCH Academy Honda
Hunter Jersey Peterbilt-
Clarksburg
Oasis Chevrolet

DISTRICT 13
All American Chevrolet, Inc.
Buher Chrysler Jeep Dodge
Contemporary Motor Cars, Inc.
Pine Belt of Keyport
Staub Motors, Inc.
Tom's Ford

DISTRICT 14
Bergey's Truck Center-
Hamilton
Haldeman Ford of Hightstown
Hamilton Mazda
Volksavagen, Inc.
Perrine Buick GMC
Princeton BMW
Route 33 Nissan
Windsor Nissan

DISTRICT 15
Coleman Auto Group, Inc.
Coleman Buick GMC Cadillac
Davis Hyundai
Haldeman Ford

DISTRICT 16
Acme Nissan
Action Auto Group-Flemington
Action Hyundai of Flemington
Audi Princeton
Baker Chrysler Jeep Dodge, Inc.
Bridgewater Nissan
Dayton Toyota
DCN Hyundai
Ditzschen Fleming Ford
Lincoln
Fiat of Somerville
Flemington BMW
Flemington Buick Chevrolet
GM Cadillac
Flemington Dodge Chrysler Jeep
Flemington Infiniti
Flemington Porsche Audi VW
Flemington Subaru
Fred Beans Kia of Flemington
Fred Beans Toyota of
Flemington
Flemington Fullerton Automotive Group
Fullerton Ford
Gabrielli Kenworth of NJ
Honda of Princeton
Land Rover Princeton
Mercedes-Benz of Flemington
Princeton Mini
Volkswagen Princeton
Volvo Cars Bridgewater

DISTRICT 17
DCH Brunswick Toyota
Gateway Kia of North Brunswick
Malouf Buick-GMC, Inc.
Malouf Chevrolet-Cadillac, Inc.
Malouf Ford-Lincoln, Inc.
Victory Subaru LLC

DISTRICT 18
Bell Audi
Bentley Edison
Cambria Mack
Campbell Freightliners
Edison Nissan
Ferrari Maserati of Central NJ
Lexus of Edison
Mini of Edison
Open Road Acura of East Brunswick
Open Road BMW of Edison
Open Road Dodge
Open Road Mazda
Ray Catena Infiniti
Ray Catena Jaguar of Edison
Ray Catena Motor Car
Reydel Volkswagen, Inc.
Route 18 Chrysler Jeep
Dodge Ram
Volvo Cars Edison

DISTRICT 19
Bell Ford
McGuire Cadillac
Miller Buick GMC Corp.