

California Auto Outlook™

Comprehensive information on the California vehicle market

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Covering Fourth Quarter 2014



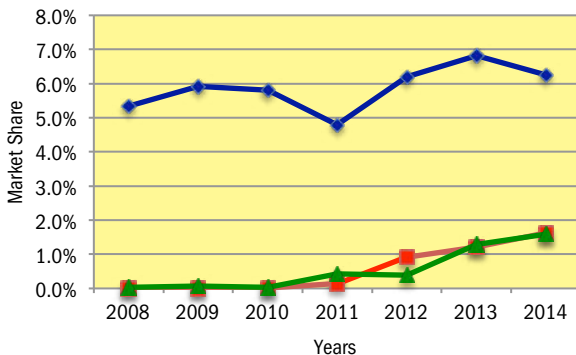
FORECAST AND ANALYSIS OF CALIFORNIA NEW LIGHT VEHICLE MARKET

New Light Vehicle Registrations Likely to Exceed 1.9 million units in 2015

The California new vehicle market remained on its steady upward path in the Fourth Quarter of 2014, and the positive trend is likely to continue in 2015 as well. New light vehicle registrations in the state were up 8.5 percent in the Fourth Quarter of last year, the third consecutive increase of greater than 8 percent. As shown on the graph below, the market has fully recovered from the recessionary low point in 2009. New light vehicle registrations in '09 were just above 1 million units. This year's predicted total of 1.91 million is 84 percent higher than the '09 total. Other key trends in the state market:

- Among the top 15 selling brands, Jeep, Lexus, Subaru, Mazda, and BMW had the biggest percentage increases in 2014. New registrations for each of the five brands increased by more than 15 percent (see page 2).
- Japanese brand registrations increased 9.5 percent last year and market share was up 0.7 points. Detroit Three market share declined, while Korean brands were up slightly.
- Used vehicle registrations increased 4.6 percent. Three year old or newer vehicles were up 13.7 percent, as supply shortages are easing.

Hybrid and Electric Vehicle Market Share

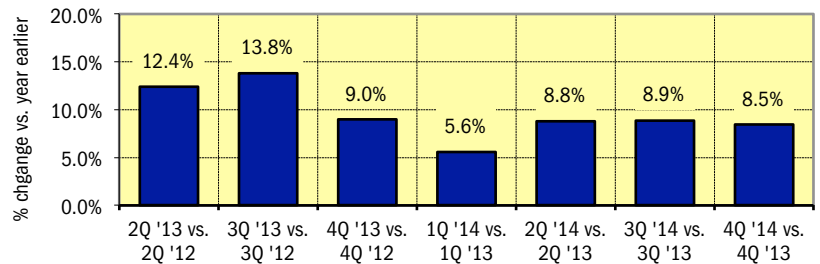


Legend: Hybrid (excl. plug ins) (blue line), Plug In hybrids* (red line), Electric (green line)

Hybrid and Electric New Vehicle Registrations and Market Share					
	2010	2011	2012	2013	2014
Hybrid regs.(excl. plug ins)	64211	58563	94878	116912	115543
Hybrid share(excl. plug ins)	5.8%	4.8%	6.2%	6.8%	6.3%
Plug in hybrid regs.*	97	1662	14103	20633	29935
Plug in hybrid share	0.0%	0.1%	0.9%	1.2%	1.6%
Electric regs.	300	5302	5990	21912	29536
Electric share	0.0%	0.4%	0.4%	1.3%	1.6%

Source: IHS Automotive.

California Quarterly New Light Vehicle Registrations: Percent Change vs. Year Earlier



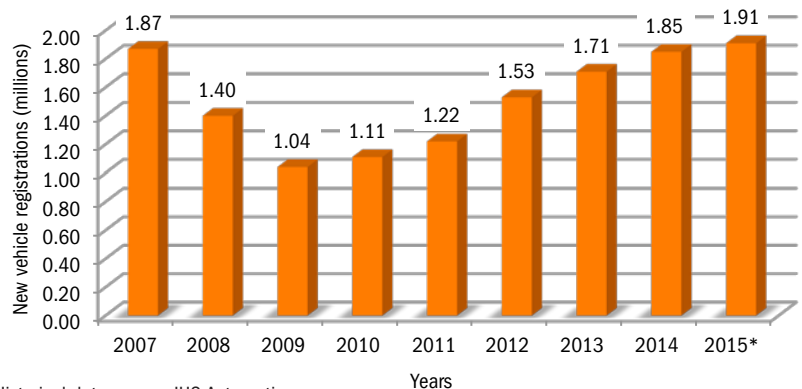
Source: IHS Automotive

Annual Results in California and U.S. New Light Vehicle Markets

California and U.S. New Light Vehicle Registrations (includes retail and fleet transactions)						
2013 and 2014 Annual Totals						
	California			U.S.		
	2013	2014	Change	2013	2014	Change
Registrations						
TOTAL	1,711,796	1,848,254	8.0%	15,343,073	16,335,305	6.5%
Car	1,062,628	1,135,679	6.9%	7,681,272	7,864,229	2.4%
Light Truck	649,168	712,575	9.8%	7,661,801	8,471,076	10.6%
Detroit Three	470,111	495,678	5.4%	6,891,166	7,321,846	6.2%
European	282,714	302,648	7.1%	1,474,897	1,524,310	3.4%
Japanese	833,791	913,126	9.5%	5,744,525	6,193,000	7.8%
Korean	125,180	136,802	9.3%	1,232,485	1,296,149	5.2%
Market Share						
Car	62.1	61.4	-0.7	50.1	48.1	-2.0
Light Truck	37.9	38.6	0.7	49.9	51.9	2.0
Detroit Three	27.5	26.8	-0.7	44.9	44.8	-0.1
European	16.5	16.4	-0.1	9.6	9.3	-0.3
Japanese	48.7	49.4	0.7	37.4	37.9	0.5
Korean	7.3	7.4	0.1	8.0	7.9	-0.1

Source: IHS Automotive

California Annual Light Vehicle Registrations - 2007 thru 2015



Historical data source: IHS Automotive

*Forecast projections by Auto Outlook

MODEL SALES

Honda Accord is Best-Selling Model in California During 2014

Top Selling Models in Each Segment - New Car and Light Truck Registrations, 2014 Annual Totals

Cars											
Entry			Sub Compact			Sporty Compact			Standard Mid Size		
Model	Regs.	Share	Model	Regs.	Share	Model	Regs.	Share	Model	Regs.	Share
Nissan Versa	21921	21.9	Toyota Prius	71210	17.0	Chevrolet Camaro	10335	32.0	Honda Accord	73246	23.9
Kia Soul	14841	14.9	Honda Civic	67295	16.1	Ford Mustang	9422	29.2	Toyota Camry	66960	21.9
Honda Fit	11795	11.8	Toyota Corolla	57728	13.8	Dodge Challenger	6935	21.5	Nissan Altima	33403	10.9
Fiat 500	11076	11.1	Nissan Sentra	32067	7.7	Hyundai Veloster	3270	10.1	Ford Fusion	28859	9.4
Ford Fiesta	9134	9.1	Volkswagen Jetta	23597	5.6	Subaru BRZ	1607	5.0	Kia Optima	25443	8.3
Large Mid Size			Entry Luxury			Near Luxury			Luxury and Sports		
Model	Regs.	Share	Model	Regs.	Share	Model	Regs.	Share	Model	Regs.	Share
Chevrolet Impala	9335	24.7	Lexus Ct200H	8288	29.8	BMW 3-Series	24628	20.1	Mercedes E-Class	16716	18.4
Dodge Charger	8000	21.1	Mercedes CLA-Class	6026	21.7	Mercedes C-Class	20046	16.4	BMW 5-Series	13232	14.5
Toyota Avalon	6714	17.7	Audi A3	4042	14.5	Lexus ES	14550	11.9	Lexus GS	6376	7.0
Chrysler 300	4306	11.4	Acura ILX	3602	13.0	Lexus IS	14153	11.6	Tesla Model S	6110	6.7
Ford Taurus	2664	7.0	BMW I3	1942	7.0	BMW 4-Series	10715	8.8	Mercedes S-Class	5233	5.7
Light Trucks											
Compact Pickup			Full Size Pickup			Van			Compact SUV		
Model	Regs.	Share	Model	Regs.	Share	Model	Regs.	Share	Model	Regs.	Share
Toyota Tacoma	27477	72.2	Ford F Series	40016	32.8	Toyota Sienna	18905	24.5	Honda CR-V	34980	17.2
Nissan Frontier /Xe	8432	22.2	Chevrolet Silverado	31160	25.6	Honda Odyssey	15689	20.4	Toyota RAV4	28659	14.1
Honda Ridgeline	959	2.5	Ram	22750	18.7	Dodge Caravan	8234	10.7	Ford Escape	17869	8.8
			Toyota Tundra	13889	11.4	Ford Transit Connect Van	5532	7.2	Nissan Rogue	15966	7.8
			GMC Sierra	13308	10.9	Ford Econoline	5488	7.1	Subaru Forester	14508	7.1
Mid Size SUV (2 rows)			Mid Size SUVs (3 rows)			Full Size SUV			Luxury SUV		
Model	Regs.	Share	Model	Regs.	Share	Model	Regs.	Share	Model	Regs.	Share
Jeep Grand Cherokee	12916	32.2	Ford Explorer	18320	20.9	Chevrolet Tahoe	5399	23.7	Lexus RX	18337	15.1
Ford Edge	10396	25.9	Toyota Highlander	16082	18.4	GMC Yukon	4785	21.0	Acura MDX	9424	7.8
Toyota 4 Runner	6314	15.8	Honda Pilot	12159	13.9	Ford Flex	4759	20.9	BMW X5	8387	6.9
Hyundai Santa Fe Sport	5326	13.3	Kia Sorento	7779	8.9	Chevrolet Suburban	3005	13.2	Audi Q5	7598	6.3
Nissan Murano	2321	5.8	Nissan Pathfinder	6578	7.5	Ford Expedition	2413	10.6	Mercedes M-Class	7141	5.9

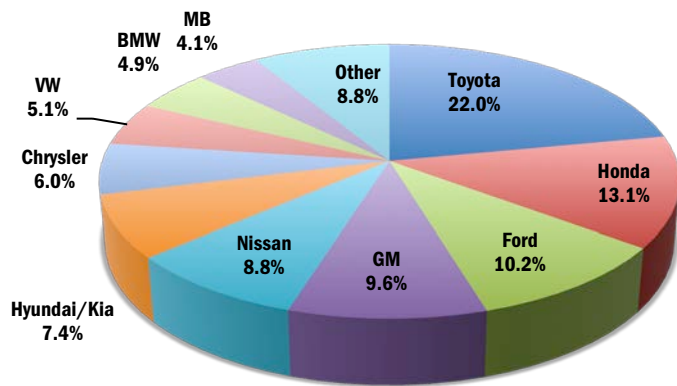
Note: Prius includes c, v, and plug in.

Source: IHS Automotive.

BRAND RESULTS

Toyota Motor Market Share is 8.9 Points Higher than American Honda; Jeep Registrations Up Sharply

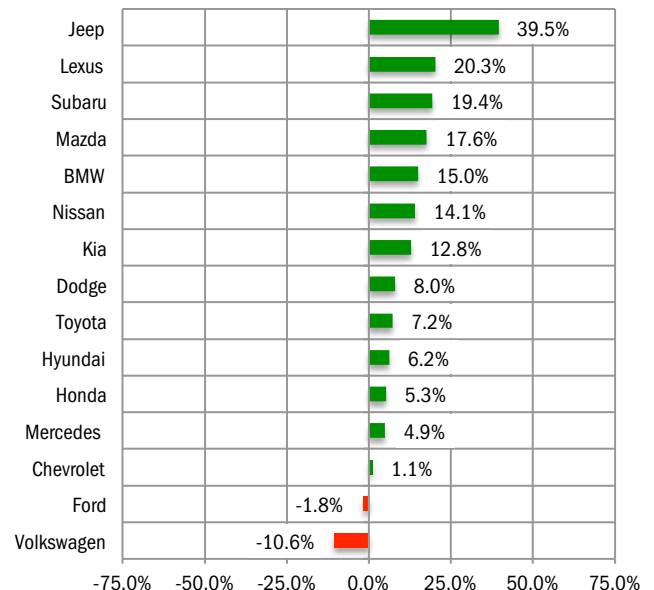
Manufacturer Share of California New Vehicle Market 2014



Source: IHS Automotive

Brands included: Toyota (Toyota, Lexus, and Scion), Honda (Honda and Acura), Ford (Ford and Lincoln), GM (Buick, Cadillac, Chevrolet, and GMC), Nissan (Nissan and Infiniti), Chrysler (Chrysler, Dodge, Fiat, Jeep, and Ram), VW (Audi, Bentley, Volkswagen, and Porsche), BMW (BMW, Rolls Royce, and MINI), MB (Mercedes Benz and smart), Other (all other brands).

Percent Change in New Light Vehicle Registrations 2014 vs. 2013 (Top 15 selling brands)



Source: IHS Automotive

BRAND SCOREBOARD

Detailed Results for All Brands in California Market

The table shows new light vehicle registrations in California, including retail and fleet transactions. Please keep in mind that monthly registration figures can occasionally be subject to fluctuations, resulting in over or under estimation of actual results. This usually occurs due to processing delays by governmental agencies. For this reason, the year-to-date figures will typically be more reflective of market results. The top 10 ranked brands in each percent change category are shaded green.

California New Car and Light Truck Registrations												
	Fourth Quarter 2013 and 2014				Annual Totals				Market Share			
	California			U.S.	California			U.S.	California			
	2013	2014	% chg.	% chg.	2013	2014	% chg.	% chg.	2013	2014	Chg.	
MARKET SUMMARY												
TOTAL	422,325	458,032	8.5%	8.1%	1,711,796	1,848,254	8.0%	6.5%				
Cars	256,162	274,527	7.2%	4.6%	1,062,628	1,135,679	6.9%	2.4%	62.1	61.4	-0.7	
Light Trucks	166,163	183,505	10.4%	11.3%	649,168	712,575	9.8%	10.6%	37.9	38.6	0.7	
Domestic	111,129	123,766	11.4%	9.7%	470,111	495,678	5.4%	6.2%	27.5	26.8	-0.7	
European	80,099	85,352	6.6%	6.3%	282,714	302,648	7.1%	3.4%	16.5	16.4	-0.1	
Japanese	203,690	219,135	7.6%	7.6%	833,791	913,126	9.5%	7.8%	48.7	49.4	0.7	
Korean	27,407	29,779	8.7%	4.6%	125,180	136,802	9.3%	5.2%	7.3	7.4	0.1	
BRAND REGISTRATIONS												
Acura	6,570	6,945	5.7%	4.6%	24,004	24,494	2.0%	0.7%	1.4	1.3	-0.1	
Audi	8,151	9,733	19.4%	19.9%	28,954	34,000	17.4%	16.8%	1.7	1.8	0.1	
BMW	19,342	23,345	20.7%	15.5%	67,880	78,067	15.0%	11.9%	4.0	4.2	0.2	
Buick	2,049	2,641	28.9%	22.7%	9,029	9,259	2.5%	10.2%	0.5	0.5	0.0	
Cadillac	3,534	3,077	-12.9%	-9.6%	13,962	13,238	-5.2%	-3.9%	0.8	0.7	-0.1	
Chevrolet	28,877	32,217	11.6%	9.0%	126,328	127,767	1.1%	4.1%	7.4	6.9	-0.5	
Chrysler	1,998	5,384	169.5%	40.9%	10,377	13,409	29.2%	4.4%	0.6	0.7	0.1	
Dodge	7,394	9,110	23.2%	-2.3%	37,227	40,217	8.0%	-3.0%	2.2	2.2	0.0	
FIAT	2,640	2,897	9.7%	4.9%	8,988	13,310	48.1%	11.7%	0.5	0.7	0.2	
Ford	43,840	41,645	-5.0%	-0.7%	185,541	182,274	-1.8%	-0.8%	10.8	9.9	-0.9	
GMC	6,271	8,024	28.0%	15.6%	23,907	27,428	14.7%	10.9%	1.4	1.5	0.1	
Honda	50,002	54,509	9.0%	4.4%	206,786	217,764	5.3%	1.4%	12.1	11.8	-0.3	
Hyundai	15,056	14,670	-2.6%	1.2%	67,068	71,225	6.2%	3.2%	3.9	3.9	0.0	
Infiniti	4,693	4,400	-6.2%	-8.6%	15,995	16,909	5.7%	0.7%	0.9	0.9	0.0	
Jaguar	776	731	-5.8%	-11.0%	2,792	2,879	3.1%	-4.3%	0.2	0.2	0.0	
Jeep	8,897	10,892	22.4%	30.3%	32,385	45,187	39.5%	42.0%	1.9	2.4	0.5	
Kia	12,351	15,109	22.3%	9.3%	58,112	65,577	12.8%	7.7%	3.4	3.5	0.1	
Land Rover	2,197	2,024	-7.9%	-7.9%	8,382	8,716	4.0%	3.4%	0.5	0.5	0.0	
Lexus	16,634	18,470	11.0%	10.9%	55,339	66,556	20.3%	15.0%	3.2	3.6	0.4	
Lincoln	1,387	1,687	21.6%	22.0%	4,715	5,638	19.6%	15.4%	0.3	0.3	0.0	
Mazda	9,151	9,550	4.4%	2.2%	37,986	44,685	17.6%	8.2%	2.2	2.4	0.2	
Mercedes	23,505	22,502	-4.3%	0.0%	72,472	76,052	4.9%	7.4%	4.2	4.1	-0.1	
MINI	3,361	3,604	7.2%	5.8%	14,549	13,579	-6.7%	-6.8%	0.8	0.7	-0.1	
Mitsubishi	1,846	1,254	-32.1%	12.7%	6,213	6,092	-1.9%	26.1%	0.4	0.3	-0.1	
Nissan	30,287	32,257	6.5%	6.8%	127,648	145,686	14.1%	11.9%	7.5	7.9	0.4	
Other	1,734	2,862	65.1%	16.6%	5,931	9,720	63.9%	6.3%	0.3	0.5	0.2	
Porsche	2,641	2,709	2.6%	14.2%	9,482	10,154	7.1%	12.3%	0.6	0.5	-0.1	
Ram	4,947	6,538	32.2%	33.2%	17,774	24,488	37.8%	28.2%	1.0	1.3	0.3	
Subaru	11,363	13,609	19.8%	24.2%	42,526	50,767	19.4%	26.3%	2.5	2.7	0.2	
Tesla	1,793	2,384	33.0%	27.8%	8,347	6,110	-26.8%	-20.0%	0.5	0.3	-0.2	
Toyota	73,059	78,036	6.8%	7.8%	316,860	339,806	7.2%	5.6%	18.5	18.4	-0.1	
Volkswagen	14,395	13,839	-3.9%	2.3%	58,154	52,011	-10.6%	-10.8%	3.4	2.8	-0.6	
Volvo	1,584	1,378	-13.0%	-10.1%	6,083	5,190	-14.7%	-10.2%	0.4	0.3	-0.1	

Source: IHS Automotive

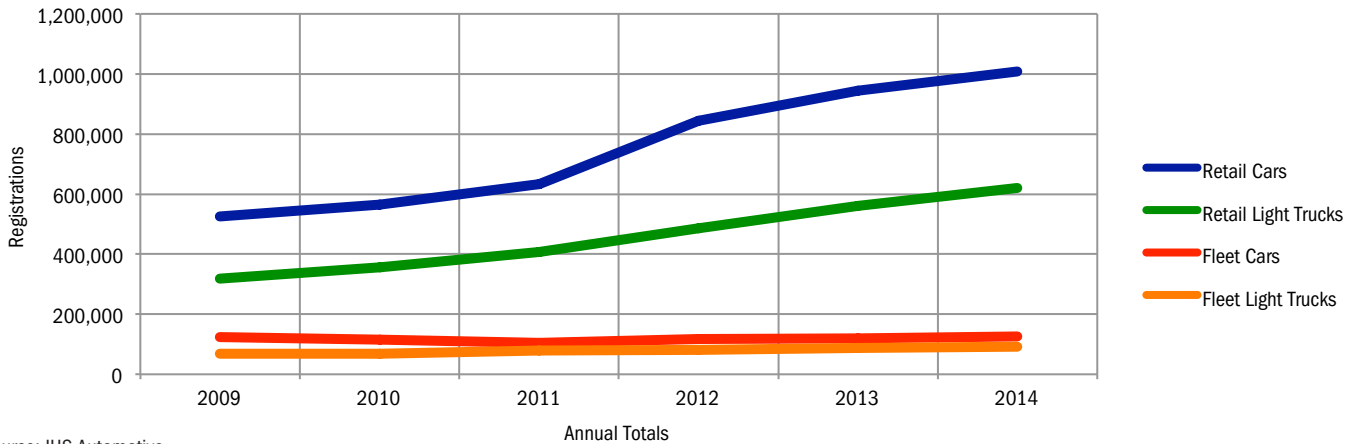
RETAIL MARKET RECAP

New Retail Car Registrations in California Exceed 1 million Units in 2014

As shown on the graph below, retail sales have been the engine driving the state's automotive market during the past five years. New retail car and light truck registrations in California increased 93 percent last year from 2009 levels. Fleet registrations were up by just 14 percent during the same period.

The table below summarizes new retail light vehicle market results during 2013 and 2014. (Note: the information presented includes retail registrations only, and excludes fleet transactions.) The Southern California retail market increased 8.4 percent, while Northern California was up 8.0 percent.

California New Car and Light Truck Retail and Fleet Registrations - 2009 thru 2014



Source: IHS Automotive

New Retail Light Vehicle Registrations (excluding fleets) - Annual Totals							
Northern and Southern California				Selected Regional Markets			
	2013	2014	Percent Change		2013	2014	Percent Change
Statewide Total	1,504,821	1,628,887	8.2%	San Francisco Bay	294,417	317,541	7.9%
Cars	943,871	1,009,062	6.9%	Cars	183,215	196,087	7.0%
Light Trucks	560,950	619,825	10.5%	Light Trucks	111,202	121,454	9.2%
Northern California	503,992	544,412	8.0%	LA and Orange Counties	594,682	647,709	8.9%
Cars	298,252	319,191	7.0%	Cars	394,894	425,017	7.6%
Light Trucks	205,740	225,221	9.5%	Light Trucks	199,788	222,692	11.5%
Southern California	1,000,829	1,084,475	8.4%	San Diego County	139,370	146,999	5.5%
Cars	645,619	689,871	6.9%	Cars	85,502	88,110	3.1%
Light Trucks	355,210	394,604	11.1%	Light Trucks	53,868	58,889	9.3%

Source: IHS Automotive

California Auto Outlook

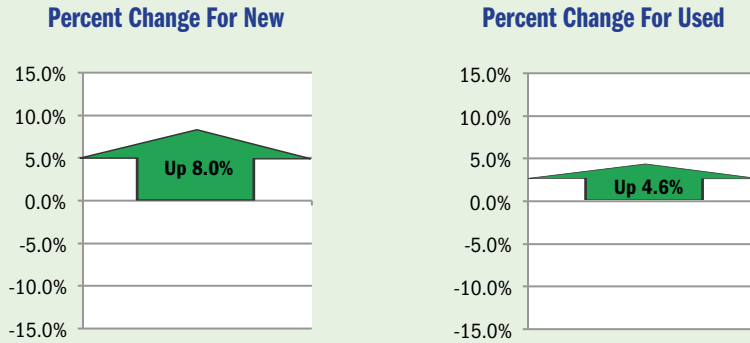
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TRACKING THE CALIFORNIA USED VEHICLE MARKET

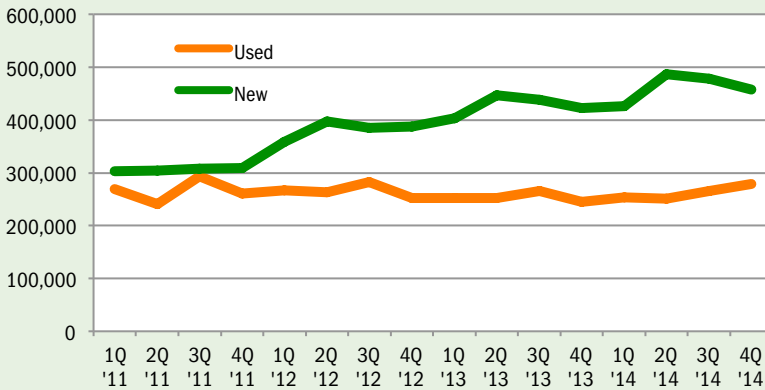
Used Vehicle Market Starts to Recover; Market Increased 4.6 Percent in 2014

Comparison of California New and Used Vehicle Markets
Percent change in registrations (2014 vs. 2013)



Source: IHS Automotive

California Quarterly New and Used Retail Registrations
(used only includes vehicles 6 years old or newer)



Source: IHS Automotive

Below is a list of key trends in the California used vehicle market:

- ▶ Used registrations in the state increased 4.6 percent from 2013 to 2014.
- ▶ The California new vehicle market continued to post larger percentage gains. New registrations increased 8 percent in 2014. As shown on the graph below left, new vehicle registrations decreased slightly from the Third to the Fourth Quarter of last year (a typical seasonal event), while six year old or newer used registrations increased slightly.
- ▶ Used car registrations were up 4.7 percent last year, while light trucks increased 4.5 percent. Korean brand used registrations improved 21.8 percent.
- ▶ Toyota Camry narrowly beat Honda Civic as the best-selling model in the state for vehicles six years old or newer. Toyota Corolla, Honda Accord, and Nissan Altima followed Civic (see page 6).

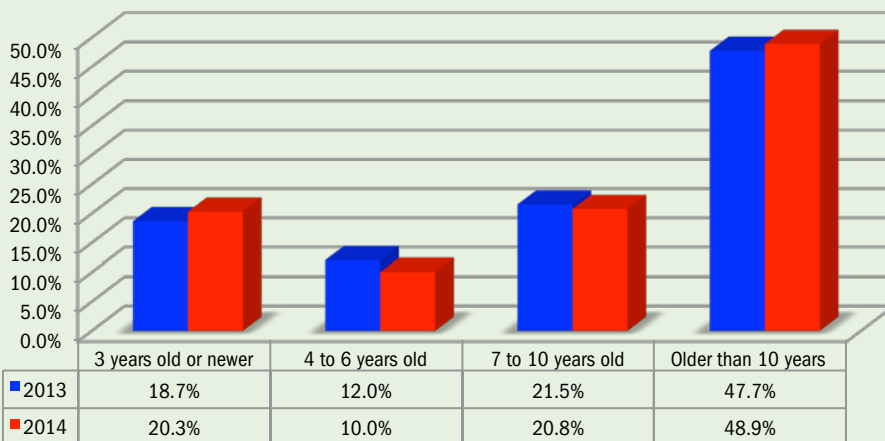
California Used Light Vehicle Registrations - Annual Totals					
	Registrations		% Change '13 TO '14	Market Share	
	2013	2014		2013	2014
TOTAL	3,303,424	3,455,943	4.6%		
Cars	1,995,385	2,089,318	4.7%	60.4%	60.5%
Light Trucks	1,308,039	1,366,625	4.5%	39.6%	39.5%
Detroit Three	1,307,270	1,340,821	2.6%	39.6%	38.8%
European	442,090	477,714	8.1%	13.4%	13.8%
Japanese	1,457,964	1,520,406	4.3%	44.1%	44.0%
Korean	96,100	117,002	21.8%	2.9%	3.4%

Source: IHS Automotive

ANALYSIS OF USED VEHICLE REGISTRATIONS BY VEHICLE AGE

Registrations for Vehicles Three Years Old or Newer Increased 13.7 Percent in 2014

Used Vehicle Market Share by Age of Vehicle - 2013 and 2014



Source: IHS Automotive

Registrations by Vehicle Age Annual Totals			
	2013	2014	% ch. '13 to '14
INDUSTRY TOTAL	3,303,424	3,455,943	4.6%
3 years old or less	617,358	701,641	13.7%
4 to 6 years old	397,660	346,689	-12.8%
7 to 10 years old	711,817	717,222	0.8%
Older than 10 years	1,576,589	1,690,391	7.2%

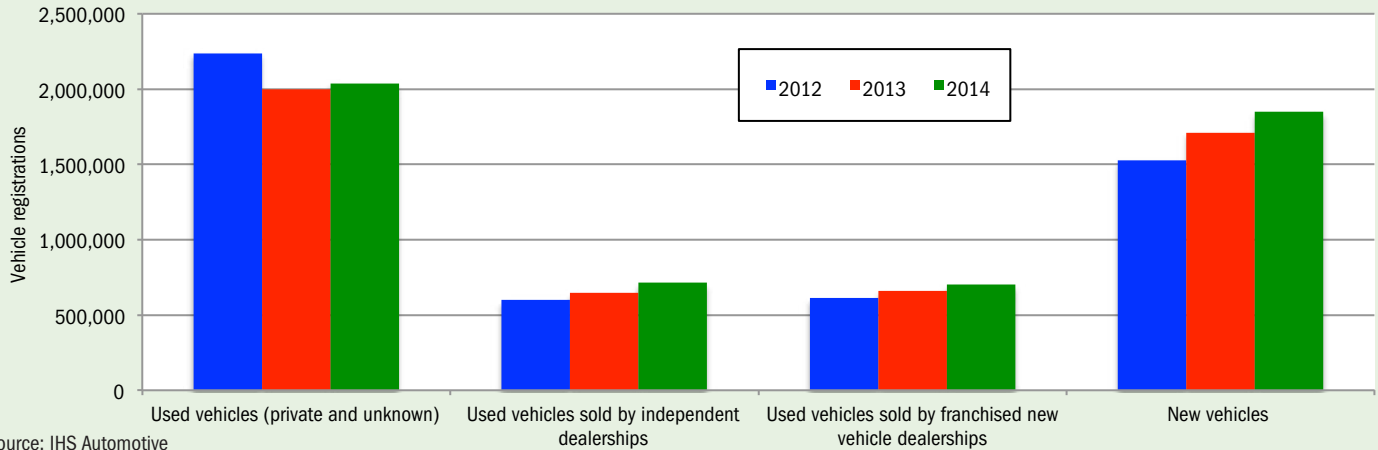
Source: IHS Automotive

TRACKING THE CALIFORNIA USED VEHICLE MARKET

Franchised Dealership Share of State Used Vehicle Market Exceeded 20% in 2014

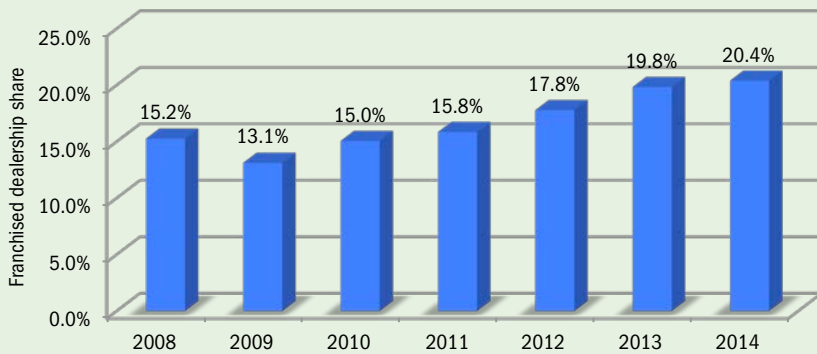
The first graph below shows vehicle registrations in the state during 2012, 2013, and 2014 for four categories: 1. Used vehicles involving private party transactions (or unknown selling dealership); 2. Used vehicles sold by independent dealerships; 3. Used vehicles sold by franchised new vehicle dealerships; and 4. New vehicles.

Used and New Vehicle Registrations in California - 2012 thru 2014



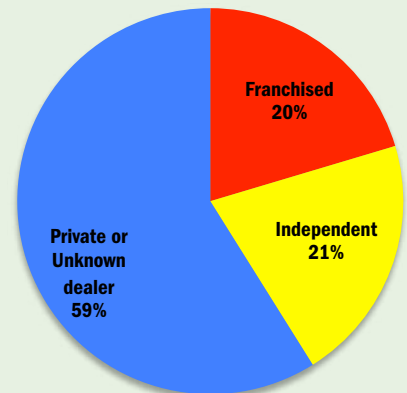
Source: IHS Automotive

Franchised New Vehicle Dealership Share of California Used Vehicle Market



Source: IHS Automotive

Share of State Used Vehicle Market (2014)



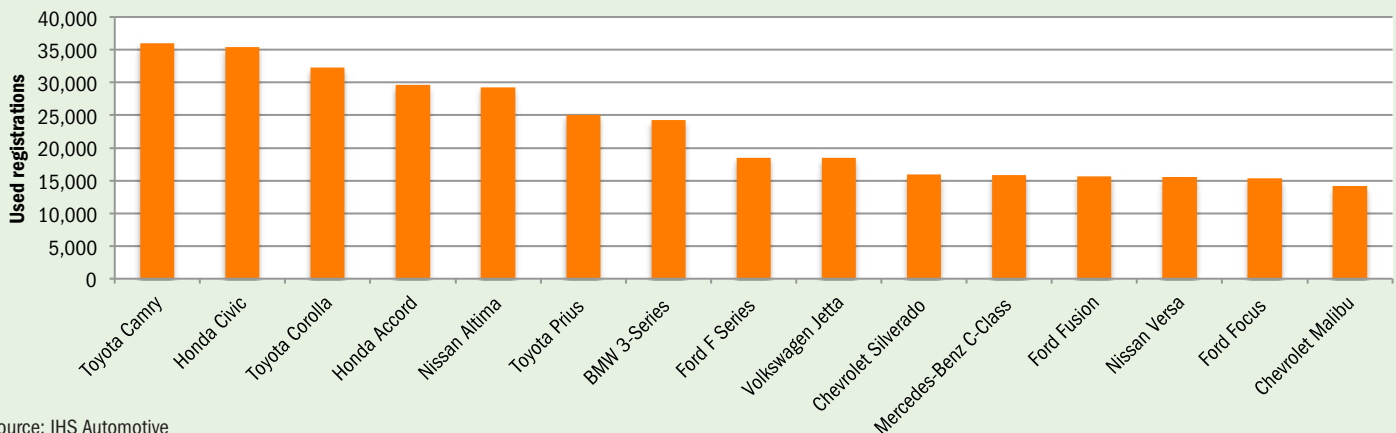
Source: IHS Automotive

BEST SELLING USED VEHICLES IN THE STATE

Camry and Civic are Top Sellers in State Used Vehicle Market

The graph below shows used vehicle registrations for the top 15 selling models in the state for vehicles six years old or newer.

Top 15 Selling Used Vehicles By All Sources in California (vehicles six years old or newer) - 2014



Source: IHS Automotive