

California Auto Outlook™

Comprehensive information on the California vehicle market

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Covering Third Quarter 2017



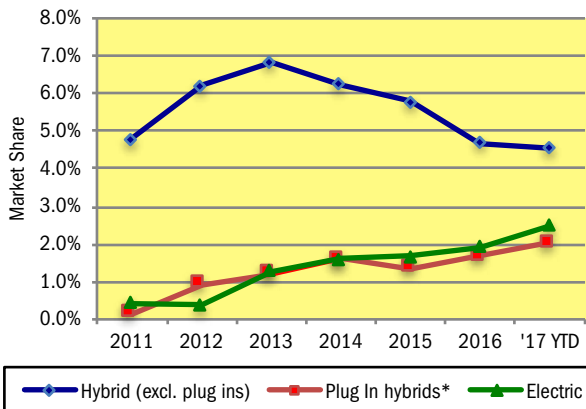
FORECAST AND ANALYSIS OF CALIFORNIA NEW LIGHT VEHICLE MARKET

2018 Should Be Another Good Year for California New Vehicle Market

New light vehicle registrations in the state fell in the Third Quarter of this year, the second consecutive decline. As depicted on the graph to the right, the market has plateaued during the past year. Although new vehicle sales are leveling off, they should remain at healthy levels for at least the next 15 months. Most economic indicators (GDP growth, employment, personal income, and household wealth) are very strong. It would be unprecedented for new vehicle sales to fall significantly in an environment with such strong core economic fundamentals. Annual new light vehicle registrations are predicted to remain around the 2 million unit level through 2018.

- Among the top 15 selling brands, Subaru, Chevrolet, Honda, Audi, and Toyota had increases during the first nine months of 2017 versus a year earlier (see page 3).
- New passenger car registrations in the state fell 10.7 percent through September of this year, while light trucks were up 7.7 percent.
- Electric and plug-in hybrid vehicle market share moved higher this year (see graph below).

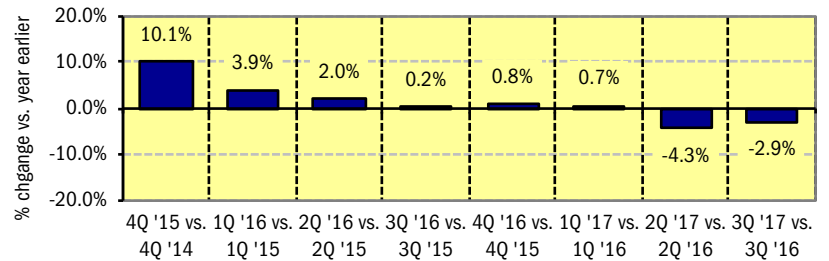
Hybrid and Electric Vehicle Market Share



Hybrid and Electric New Vehicle Registrations and Market Share					
	2013	2014	2015	2016	YTD 2017
Hybrid regs.(excl. plug ins)	116912	115544	118562	98083	70260
Hybrid share(excl. plug ins)	6.8%	6.3%	5.8%	4.7%	4.5%
Plug in hybrid regs.	20633	29949	27740	34727	31605
Plug in hybrid share	1.2%	1.6%	1.4%	1.7%	2.0%
Electric regs.	21912	29536	34477	40347	38428
Electric share	1.3%	1.6%	1.7%	1.9%	2.5%

Source: IHS Markit.

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



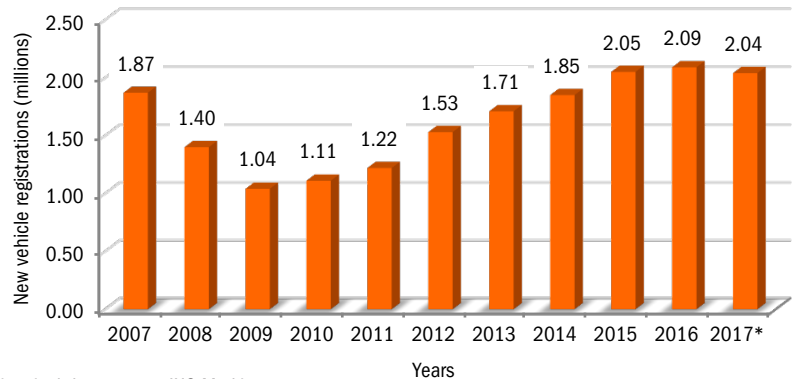
Source: IHS Markit

Year-to-Date Results in California and U.S. New Light Vehicle Markets

California and U.S. New Light Vehicle Registrations (includes retail and fleet transactions)						
YTD 2016 and 2017, thru September						
	California			U.S.		
	YTD '16	YTD '17	Change	YTD '16	YTD '17	Change
Registrations						
TOTAL	1,580,540	1,544,962	-2.3%	13,183,994	12,838,837	-2.6%
Car	856,010	764,831	-10.7%	5,321,710	4,699,698	-11.7%
Light Truck	724,530	780,131	7.7%	7,862,284	8,139,139	3.5%
Detroit Three	442,621	435,238	-1.7%	5,924,413	5,674,550	-4.2%
European	239,946	229,809	-4.2%	1,155,990	1,142,419	-1.2%
Japanese	775,330	767,048	-1.1%	5,027,879	5,045,299	0.3%
Korean	122,643	112,867	-8.0%	1,075,712	976,569	-9.2%
Market Share						
Car	54.2	49.5	-4.7	40.4	36.6	-3.8
Light Truck	45.8	50.5	4.7	59.6	63.4	3.8
Detroit Three	28.0	28.2	0.2	45.0	44.2	-0.8
European	15.2	14.9	-0.3	8.8	8.9	0.1
Japanese	49.1	49.5	0.4	38.1	39.3	1.2
Korean	7.8	7.3	-0.5	8.2	7.6	-0.6

Source: IHS Markit

California Annual New Light Vehicle Registrations - 2007 thru 2017



Historical data source: IHS Markit

*Forecast projections by Auto Outlook

MODEL SALES

Civic Stays on Top of California Car Market; F-Series and RAV4 are Light Truck Leaders

Top Selling Models in Each Segment - New Light Vehicle Registrations (YTD 2017 thru September)											
Cars											
Subcompact			Compact			Sports/Pony Cars			Mid Size		
Model	Regs.	Share	Model	Regs.	Share	Model	Regs.	Share	Model	Regs.	Share
Nissan Versa	9542	13.6	Honda Civic	71502	23.6	Ford Mustang	8295	28.2	Honda Accord	57014	29.2
Kia Soul	9430	13.5	Toyota Corolla	46229	15.3	Chevrolet Camaro	7550	25.7	Toyota Camry	46822	23.9
Chevrolet Bolt	8947	12.8	Toyota Prius	30515	10.1	Dodge Challenger	6725	22.9	Ford Fusion	19934	10.2
Toyota Yaris	8343	11.9	Nissan Sentra	26830	8.9	Mazda MX5	1709	5.8	Nissan Altima	18909	9.7
Honda Fit	7644	10.9	Hyundai Elantra	16828	5.6	Toyota 86	1706	5.8	Hyundai Sonata	15740	8.1
Large			Entry Luxury			Near Luxury			Luxury and High End Sports Cars		
Model	Regs.	Share	Model	Regs.	Share	Model	Regs.	Share	Model	Regs.	Share
Dodge Charger	6735	34.7	Audi A3	5565	29.7	Mercedes C-Class	14847	19.3	Mercedes E-Class	8791	16.7
Toyota Avalon	2920	15.1	Mercedes CLA-Class	3259	17.4	BMW 3-Series	11968	15.6	Tesla Model S	8634	16.4
Chrysler 300	2903	15.0	Lexus Ct200H	3156	16.8	Lexus ES	8332	10.8	BMW 5-Series	6352	12.1
Nissan Maxima	2711	14.0	BMW I3	2715	14.5	BMW 4-Series	6491	8.4	Mercedes S-Class	2770	5.3
Chevrolet Impala	1542	8.0	Acura ILX	1849	9.9	Lexus IS	6331	8.2	Audi A6	2287	4.3
Light Trucks											
Compact/Mid Size Pickup			Full Size Pickup			Mini Van			Large Van		
Model	Regs.	Share	Model	Regs.	Share	Model	Regs.	Share	Model	Regs.	Share
Toyota Tacoma	27867	57.9	Ford F Series	41581	34.3	Toyota Sienna	15775	41.6	Ford Transit Connect Van	11031	40.4
Chevrolet Colorado	8989	18.7	Chevrolet Silverado	31570	26.1	Honda Odyssey	10250	27.0	Mercedes Sprinter	3746	13.7
Nissan Frontier /Xe	5704	11.9	Ram Pickup	24483	20.2	Chrysler Pacifica	5732	15.1	Nissan NV	3636	13.3
Honda Ridgeline	2997	6.2	Toyota Tundra	10785	8.9	Dodge Caravan	3573	9.4	Chevrolet Express	3257	11.9
GMC Canyon	2367	4.9	GMC Sierra	10758	8.9	Kia Sedona	1975	5.2	Ram Promaster	2891	10.6
Subcompact SUV			Compact SUV			Mid Size SUV			Large SUV		
Model	Regs.	Share	Model	Regs.	Share	Model	Regs.	Share	Model	Regs.	Share
Honda HR-V	11611	34.2	Toyota RAV4	39832	19.2	Ford Explorer	19460	13.7	Chevrolet Tahoe	6151	29.8
Jeep Renegade	5741	16.9	Honda CR-V	31406	15.1	Toyota Highlander	18361	12.9	Chevrolet Suburban	2966	14.3
Kia Niro	3771	11.1	Nissan Rogue	27097	13.0	Subaru Outback	16537	11.6	Ford Expedition	2578	12.5
Buick Encore	3282	9.7	Mazda CX-5	15113	7.3	Jeep Grand Cherokee	12369	8.7	Ford Flex	2344	11.3
Chevrolet Trax	2831	8.3	Subaru Forester	13785	6.6	Honda Pilot	11074	7.8	GMC Yukon	2339	11.3
Luxury Subcompact SUV			Luxury Compact SUV			Luxury Mid Size SUV			Luxury Large SUV		
Model	Regs.	Share	Model	Regs.	Share	Model	Regs.	Share	Model	Regs.	Share
BMW X1	4127	33.9	Lexus NX	9821	19.2	Lexus RX	14775	22.8	Mercedes GLS/GL-Class	3841	29.1
Mercedes GLA-Class	3559	29.3	Audi Q5	7192	14.1	Mercedes GLE/M-Class	7213	11.1	Land Rover Range Rover	3479	26.3
Audi Q3	2681	22.0	Mercedes GLC/GLK-Class	6256	12.2	BMW X5	6546	10.1	Cadillac Escalade	3018	22.8
Infiniti QX30	1794	14.8	BMW X3	6226	12.2	Acura MDX	5847	9.0	Mercedes G-Class	904	6.8
			Acura RDX	5975	11.7	Tesla Model X	4866	7.5	Infiniti QX80/QX56	716	5.4

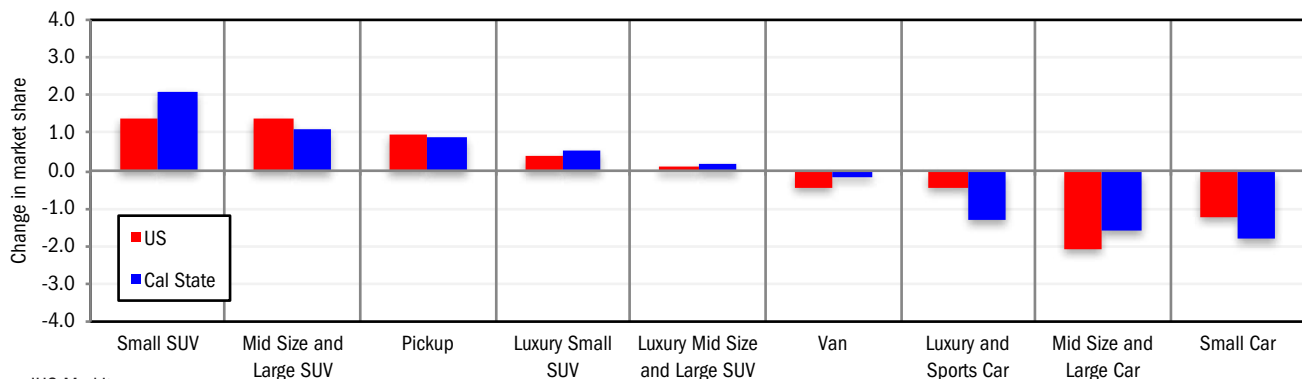
Note: Prius includes c, v, and plug in.

Source: IHS Markit.

SEGMENTS

SUVs Continue to Post Big Gains in California

Change in California and U.S. Segment Market Shares - YTD 2017 thru September vs. YTD 2016



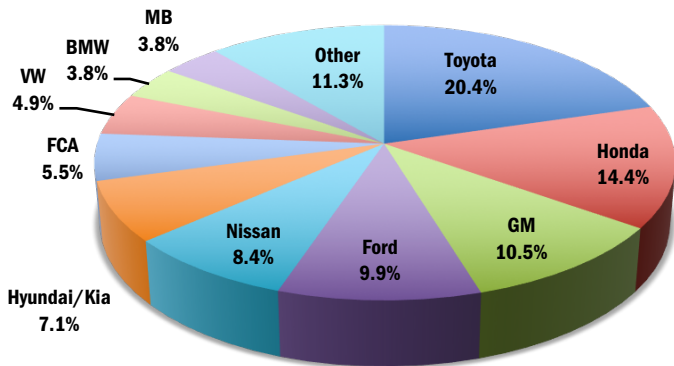
Source: IHS Markit

BRAND SCOREBOARD

Detailed Results for All Brands in California Market

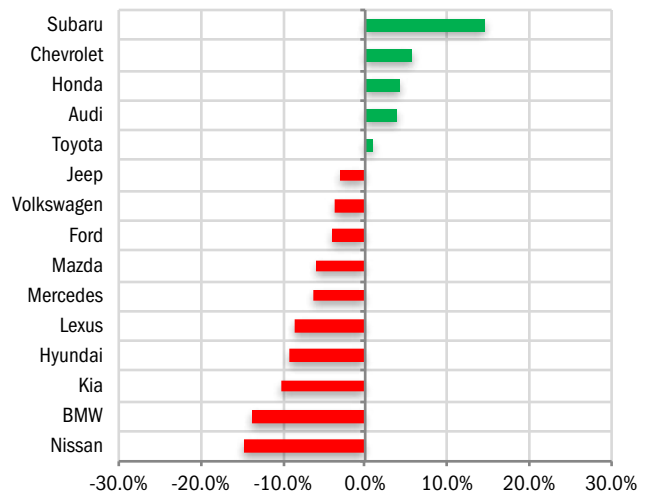
California New Car and Light Truck Registrations											
	Third Quarter 2016 and 2017				Year-to-date thru September				YTD Market Share		
	California			U.S.	California			U.S.	California		
	3Q '16	3Q '17	% chg.	% chg.	YTD '16	YTD '17	% chg.	% chg.	2016	2017	Chg.
Acura	6,495	6,371	-1.9%	-1.4%	18,854	17,939	-4.9%	-4.7%	1.2	1.2	0.0
Alfa Romeo	15	703	4586.7%	2925.7%	74	1,276	1624.3%	1464.4%	0.0	0.1	0.1
Audi	10,831	11,046	2.0%	2.7%	30,436	31,601	3.8%	4.4%	1.9	2.0	0.1
BMW	21,452	17,409	-18.8%	-14.6%	58,945	50,735	-13.9%	-9.5%	3.7	3.3	-0.4
Buick	2,383	2,036	-14.6%	-22.4%	8,476	6,374	-24.8%	-4.0%	0.5	0.4	-0.1
Cadillac	3,257	2,896	-11.1%	-10.2%	9,213	8,581	-6.9%	-4.3%	0.6	0.6	0.0
Chevrolet	38,390	42,290	10.2%	1.9%	113,739	120,231	5.7%	-1.4%	7.2	7.8	0.6
Chrysler	2,331	2,822	21.1%	-31.3%	9,233	9,887	7.1%	-24.4%	0.6	0.6	0.0
Dodge	8,801	7,495	-14.8%	-19.0%	30,862	25,810	-16.4%	-9.4%	2.0	1.7	-0.3
FIAT	2,730	1,625	-40.5%	-24.2%	7,407	6,790	-8.3%	-20.2%	0.5	0.4	-0.1
Ford	48,836	46,706	-4.4%	-4.4%	155,269	148,956	-4.1%	-3.9%	9.8	9.6	-0.2
Genesis	264	891	237.5%	312.5%	264	2,304	772.7%	1011.9%	0.0	0.1	0.1
GMC	9,638	8,937	-7.3%	0.5%	26,124	25,622	-1.9%	3.6%	1.7	1.7	0.0
Honda	69,052	73,019	5.7%	-0.7%	195,953	204,099	4.2%	1.2%	12.4	13.2	0.8
Hyundai	20,337	15,245	-25.0%	-23.3%	61,666	55,974	-9.2%	-12.9%	3.9	3.6	-0.3
Infiniti	5,298	4,978	-6.0%	5.3%	15,111	16,427	8.7%	14.8%	1.0	1.1	0.1
Jaguar	1,897	1,852	-2.4%	-2.0%	3,844	6,158	60.2%	49.8%	0.2	0.4	0.2
Jeep	14,307	13,974	-2.3%	-14.5%	44,656	43,272	-3.1%	-12.9%	2.8	2.8	0.0
Kia	19,721	18,122	-8.1%	-3.7%	60,713	54,589	-10.1%	-7.5%	3.8	3.5	-0.3
Land Rover	3,578	3,898	8.9%	2.0%	10,405	11,087	6.6%	-0.3%	0.7	0.7	0.0
Lexus	18,531	18,141	-2.1%	-1.5%	53,137	48,661	-8.4%	-7.5%	3.4	3.1	-0.3
Lincoln	1,776	1,562	-12.0%	-4.8%	5,554	5,281	-4.9%	3.3%	0.4	0.3	-0.1
Maserati	856	809	-5.5%	14.4%	2,320	2,453	5.7%	24.2%	0.1	0.2	0.1
Mazda	13,150	12,801	-2.7%	-1.4%	40,342	37,903	-6.0%	-2.1%	2.6	2.5	-0.1
Mercedes	22,106	19,097	-13.6%	-11.2%	62,009	58,147	-6.2%	-4.6%	3.9	3.8	-0.1
MINI	2,945	2,747	-6.7%	-11.7%	8,887	7,785	-12.4%	-13.1%	0.6	0.5	-0.1
Mitsubishi	1,874	1,669	-10.9%	0.9%	5,796	5,791	-0.1%	2.0%	0.4	0.4	0.0
Nissan	41,913	32,593	-22.2%	-8.2%	132,091	112,795	-14.6%	-2.5%	8.4	7.3	-1.1
Other	1,189	923	-22.4%	-28.2%	3,351	2,940	-12.3%	-11.4%	0.2	0.2	0.0
Porsche	3,048	3,192	4.7%	2.4%	9,468	9,745	2.9%	4.9%	0.6	0.6	0.0
Ram	9,598	9,473	-1.3%	-4.0%	25,924	27,374	5.6%	3.4%	1.6	1.8	0.2
Subaru	17,659	19,149	8.4%	0.0%	48,625	55,693	14.5%	6.9%	3.1	3.6	0.5
Tesla	5,299	4,562	-13.9%	-15.2%	13,203	13,595	3.0%	10.3%	0.8	0.9	0.1
Toyota	88,884	93,517	5.2%	6.9%	265,088	267,521	0.9%	0.8%	16.8	17.3	0.5
Volkswagen	12,276	12,760	3.9%	7.8%	36,663	35,290	-3.7%	5.2%	2.3	2.3	0.0
Volvo	2,434	2,561	5.2%	-8.0%	6,838	6,276	-8.2%	-8.1%	0.4	0.4	0.0

Manufacturer Share of California New Vehicle Market
YTD 2017 thru September



Source: IHS Markit

Percent Change in New Light Vehicle Registrations
YTD 2017 thru September vs. YTD 2016 (Top 15 selling brands)



Source: IHS Markit

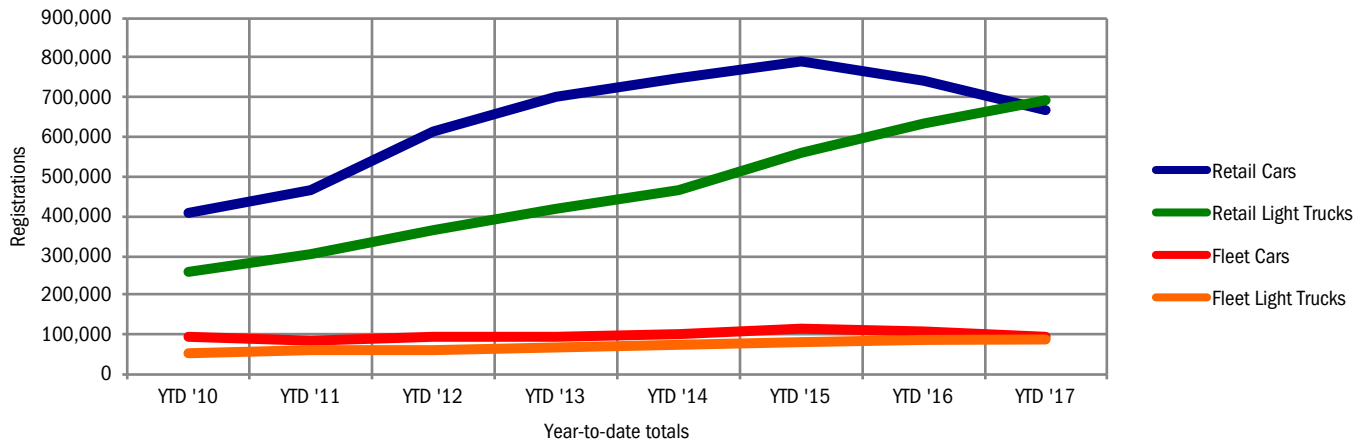
RETAIL MARKET RECAP

Retail Light Truck Registrations Surpass Passenger Cars During First Nine Months of 2017

New retail light vehicle registrations in California declined by less than two percent during the first nine months of this year versus a year earlier, while fleet registrations declined. New retail light truck registrations exceeded 693,000 units so far this year, about 25,000 higher than the total for cars. Light truck registrations trailed cars by more than 100,000 units during the same period in 2016.

The table below summarizes new retail light vehicle market results during the first nine months of 2016 and 2017. (Note: the information presented includes retail registrations only, and excludes fleet transactions.) The Southern California retail market declined, while Northern California was up 1.8 percent.

California New Car and Light Truck Retail and Fleet Registrations - YTD thru September, 2010 thru 2017



Source: IHS Markit

New Retail Light Vehicle Registrations (excluding fleets) - Year to date thru September							
	Northern and Southern California			Selected Regional Markets			
	YTD 2016	YTD 2017	Percent Change	YTD 2016	YTD 2017	Percent Change	
Statewide Total	1,382,351	1,361,967	-1.5%	San Francisco Bay	260,419	263,445	1.2%
Cars	745,311	668,585	-10.3%	Cars	136,061	128,175	-5.8%
Light Trucks	637,040	693,382	8.8%	Light Trucks	124,358	135,270	8.8%
Northern California	457,538	465,607	1.8%	LA and Orange Counties	557,357	533,745	-4.2%
Cars	226,432	212,625	-6.1%	Cars	324,131	282,535	-12.8%
Light Trucks	231,106	252,982	9.5%	Light Trucks	233,226	251,210	7.7%
Southern California	924,813	896,360	-3.1%	San Diego County	121,345	117,904	-2.8%
Cars	518,879	455,960	-12.1%	Cars	63,153	54,720	-13.4%
Light Trucks	405,934	440,400	8.5%	Light Trucks	58,192	63,184	8.6%

Source: IHS Markit

California Auto Outlook

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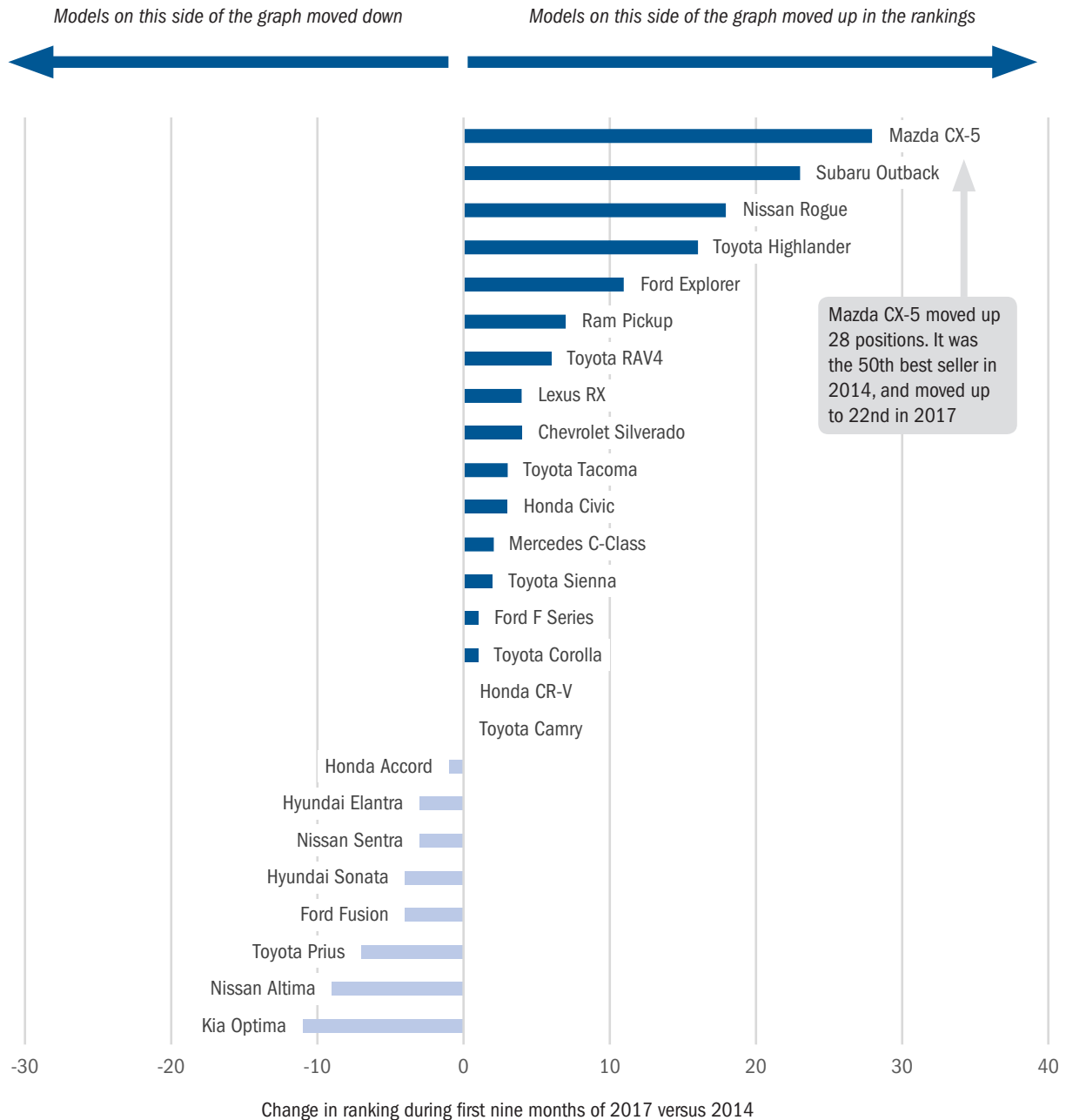
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MODEL RANKINGS

Mazda CX-5 Moves Up in State Market During Past 3 Years

The graph below shows the change in rankings during the first nine months of 2014 versus 2017 for the top 25 selling models in the California market. Models are positioned on the graph from top to bottom based on the change in rankings. The biggest gainer during the three year period was the Mazda CX-5, which moved up 28 positions during the three year period. CX-5 was the 22nd best seller in 2017 compared to 50th in 2014. Other big winners were Subaru Outback, Nissan Rogue, Toyota Highlander, and Ford Explorer.

Change in Rankings for Top 25 Selling Models - YTD 2017 thru September vs. YTD 2014

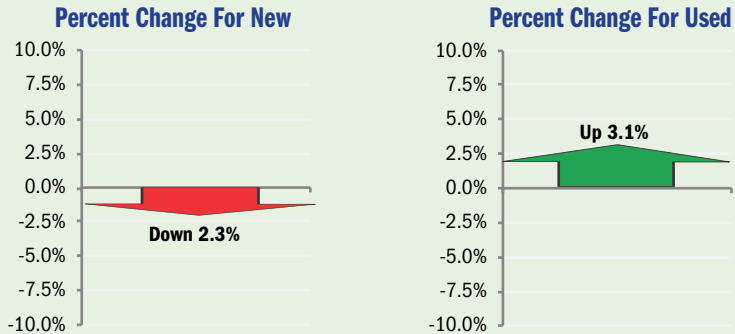


Source: IHS Markit.

TRACKING THE CALIFORNIA USED VEHICLE MARKET

Used Vehicle Market Heads Higher in 2017

Comparison of California New and Used Vehicle Markets
Percent change in registrations (YTD '17 thru September vs. YTD '16)

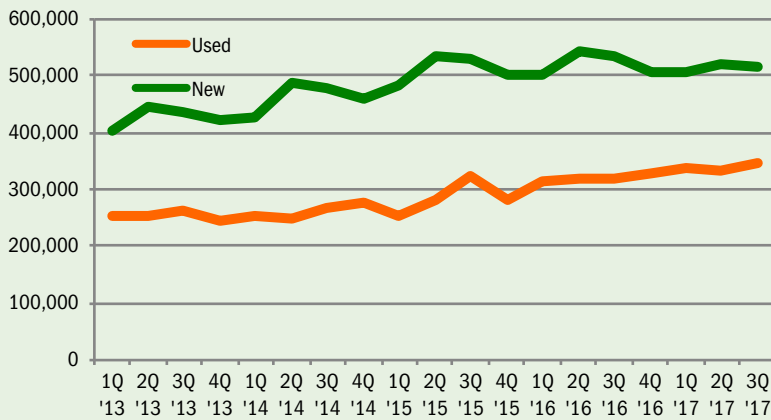


Source: IHS Markit

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

- ▶ The state's used market improved during the first nine months of this year, with used vehicle registrations increasing by 3.1 percent versus a year earlier.
- ▶ As shown on the graph below, the gap between the state's new and six year old used vehicle markets has narrowed somewhat during the past two years. Six year old or newer used vehicle registrations were up 6.9% so far this year, while new vehicle registrations declined 2.3 percent.
- ▶ Registrations for vehicles in the four to six year old category increased 18.4 percent so far this year.
- ▶ Used light truck registrations were up 5.8 percent.

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



Source: IHS Markit

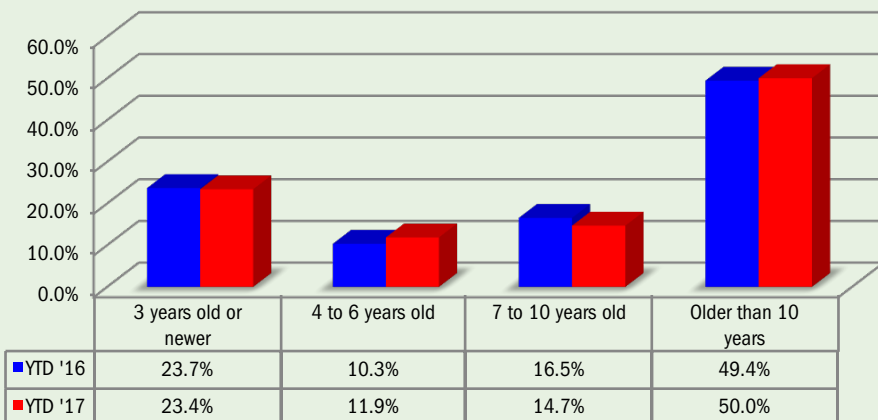
California Used Light Vehicle Registrations - YTD thru Sept.					
	Registrations		% Change '16 TO '17	Market Share	
	YTD '16	YTD '17		YTD '16	YTD '17
TOTAL	2,810,416	2,897,228	3.1%		
Cars	1,694,557	1,716,976	1.3%	60.3%	59.3%
Light Trucks	1,115,859	1,180,252	5.8%	39.7%	40.7%
Detroit Three	1,041,622	1,057,588	1.5%	37.1%	36.5%
European	381,575	387,966	1.7%	13.6%	13.4%
Japanese	1,266,678	1,321,393	4.3%	45.1%	45.6%
Korean	120,541	130,281	8.1%	4.3%	4.5%

Source: IHS Markit

ANALYSIS OF USED VEHICLE REGISTRATIONS BY VEHICLE AGE

4 to 6 Year Old Market Has Largest Percentage Increase

Used Vehicle Market Share by Age of Vehicle - YTD 2017 and YTD 2016, thru September



Source: IHS Markit

Registrations by Vehicle Age Year-to-date thru September			
	YTD 2016	YTD 2017	% ch. '16 to '17
INDUSTRY TOTAL	2,810,416	2,897,228	3.1%
3 years old or less	665,735	678,334	1.9%
4 to 6 years old	290,355	343,850	18.4%
7 to 10 years old	464,752	425,315	-8.5%
Older than 10 years	1,389,574	1,449,729	4.3%

Source: IHS Markit