

Orange County Auto Outlook™



Comprehensive information on the Orange County automotive market

FORECAST

County Market Posts Small Increase in First Quarter 2016

Annual total likely to exceed 196,000 units

Below is a list of four trends in the Orange County new vehicle market. Following each is Auto Outlook's prediction on whether the trend is likely to continue, or fade out.

Trend #1: New vehicle sales are increasing

County new retail registrations were up 1.3% in the First Quarter of this year. This followed the 8.7% increase from 2014 to 2015. Between 2009 (the low point in the downturn) and 2015, the county market improved by more than 100%.

Will this trend continue or fade out? We think it will fade out. Sales are likely reaching their peak. Further, significant improvement in sales seems unlikely. However, and importantly, we do not believe that a precipitous decline is in the cards. Strong consumer affordability, advanced age of cars on the road, and dramatic improvements in today's new vehicles should keep the market strong.

Trend #2: Truck sales are booming

Light truck market share in Orange County hit 45.2% in the First Quarter of this year, up from

41.3% a year earlier. And the truck trend is even more evident when looking back several years. Light truck market share has increased by more than eight points since 2012.

Will this trend continue or fade out? Barring a significant spike in gasoline prices, the trend should continue. Consumers have made it clear that if gas is affordable, light trucks (especially SUVs and pickups) are their vehicle of choice. There's obviously a limit to how high truck share can go, but we think it can still move higher.

Trend #3: Luxury car sales are falling

New luxury car registrations in the county declined 12% during the first three months of this year versus a year earlier, while the overall market was up.

Will this trend continue or fade out? It should continue. Obviously, consumer preferences for light trucks are hurting luxury car sales, but there is another force at work here: advanced safety features and connectivity options, once restricted to luxury cars, are now

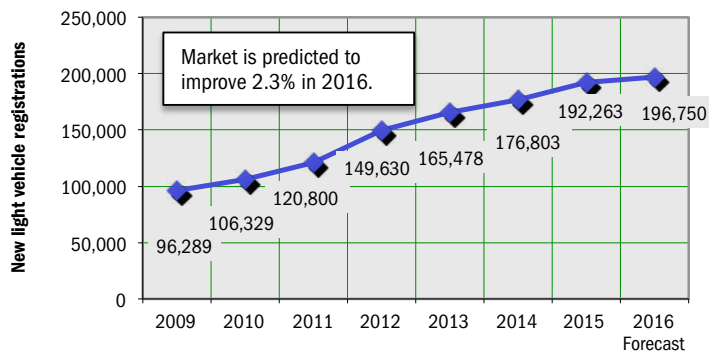
available on mainstream offerings. This "trickle down" of high tech features has negated some of the tangible benefit of purchasing a luxury car.

Trend #4: Consumer affordability is strong

Consumer affordability for new vehicles remains at very strong levels. The average monthly new vehicle payment as a percent of disposable personal income has been at very low levels for a long time, which has provided sustainable momentum for the new vehicle market.

Will this trend continue or fade out? It should continue. Although interest rates might move marginally higher during the next 12 months, personal incomes are improving. In addition, increasing incentives have kept a lid on vehicle prices which should combine to keep a new vehicle purchase within reach for a significant number of consumers.

Annual Trend in Orange County New Vehicle Market



Market Summary

	YTD '14 thru March	YTD '15 thru March	YTD '16 thru March	% ch. '15 to '16
TOTAL	42,733	46,721	47,323	1.3%
Car	25,917	27,428	25,950	-5.4%
Light Truck	16,816	19,293	21,373	10.8%
Detroit Three	8,978	9,821	10,558	7.5%
European	8,281	9,016	8,887	-1.4%
Japanese	21,458	23,274	23,460	0.8%
Korean	4,016	4,610	4,418	-4.2%

The graph above shows annual new retail light vehicle registrations in the county from 2009 thru 2015 and Auto Outlook's for projection 2016.

Detroit Three consists of vehicles sold by GM, Ford, and Chrysler. Data Source: AutoCount data from Experian Automotive.

MARKET TRACKER: MONTHLY MOVING AVERAGE

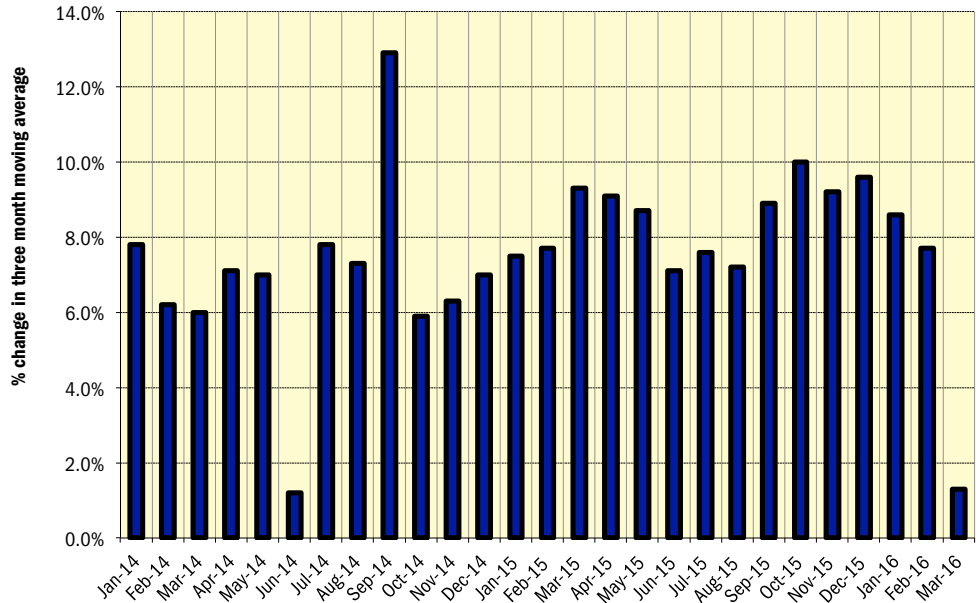
New Vehicle Market Continues to Move Higher

Three month moving average is up for 52 consecutive months; pace of improvement eased in March

The graph to the right provides a clear picture of the general trending direction of the Orange County new retail light vehicle market. And as highlighted in the graph, the trend over the past two years is decidedly positive. The graph shows the year-over-year percent change in the three month moving average of new retail light vehicle registrations. The three month moving average provides a clearer picture of the trending direction than individual monthly registrations, which can fluctuate due to such factors as the timing of manufacturer incentive programs, weather, and vehicle title processing delays by governmental agencies.

New vehicle registrations continued to post impressive gains, with the three month moving average increasing versus year earlier for 52 consecutive months.

Percent Change in Orange County New Retail Light Vehicle Registrations Three Month Moving Average versus Year Earlier

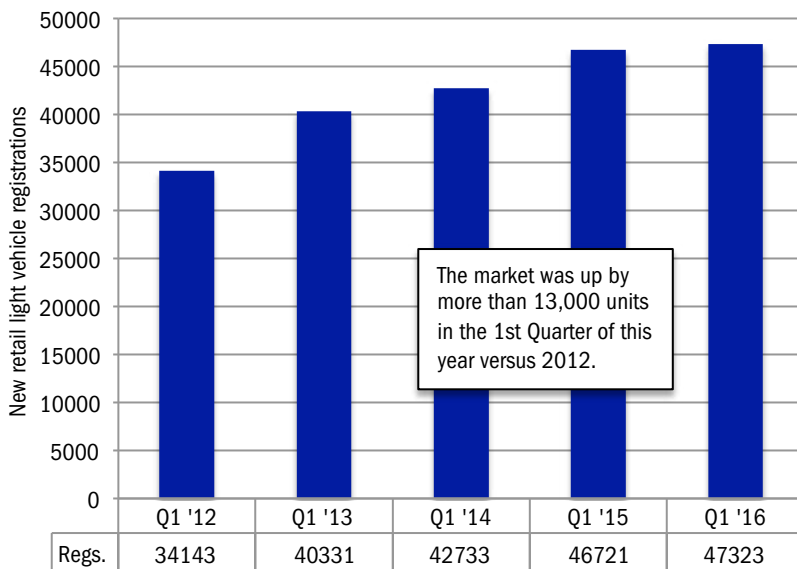


MARKET TRACKER: QUARTERLY PERSPECTIVE

1Q '16 Total Exceeds 47,000 Units

First Quarter total was up 39% from 2012

QUARTERLY PERSPECTIVE
Five Years of First Quarter Results in Orange County Market



The market was up by more than 13,000 units in the 1st Quarter of this year versus 2012.

First Quarter registrations during past five years

WHO ARE MY TOP COMPETITORS?
-BY MARKET AREA?

WHAT NEW AND USED CARS SELL WELL IN MY MARKETS?

ANSWERS DRIVE RESULTS.

You need insights into your marketplace to make the best decisions to maximize profits. The AutoCount® Dealer Report analyzes full details on new and used competitive dealer market share, down to specific areas you define. You bring the questions. We'll bring the answers.



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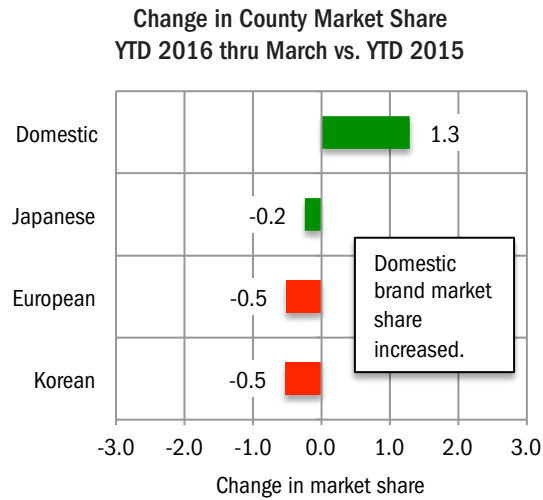
Details on Data

Data presented measures new vehicles registered to purchasers (or lessees) residing in Orange County. Monthly recording of registrations occurs when vehicle title is processed.

Data Source: AutoCount Data from Experian Automotive.

MARKET TRACKER: BRAND MARKET SHARE

Domestic Brands Gain

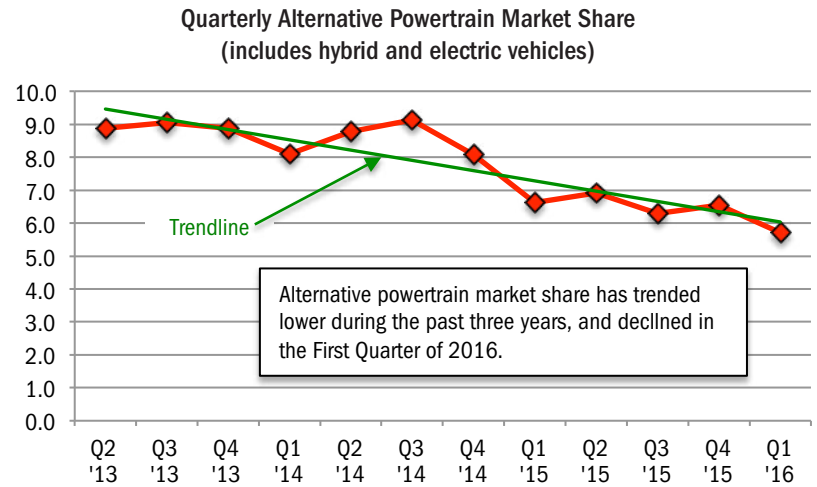


The graph above shows the change in market share for four primary brand segments.

Data Source: AutoCount data from Experian Automotive.

MARKET TRACKER: HYBRID AND ELECTRIC VEHICLES

Hybrids/Electric Share Declines



The graph above shows hybrid powertrain and electric vehicle quarterly market share in the county. The line shows market share trend over the past 12 quarters.

Data Source: AutoCount data from Experian Automotive.

MARKET TRACKER: SEGMENTS

Sub Compact Car Market Share Approaches 20%

Orange County Segment Market Share Review				
Segment	Market Share YTD '15 thru March	Market Share YTD '16 thru March	Change in share YTD '15 to '16	Best selling model in segment
Sub Compact Car	19.6	19.7	0.1	Honda Civic
Standard Mid Size Car	15.0	13.7	-1.3	Honda Accord
Compact SUV	10.4	11.7	1.3	Honda CR-V
Near Luxury Car	10.1	8.8	-1.3	Mercedes C-Class
Mid Size Luxury SUV	5.1	5.9	0.8	Lexus RX
Luxury Car	6.3	5.4	-0.9	Mercedes E-Class
Full Size Pickup	5.1	5.2	0.1	Ford F-Series
Compact Luxury SUV	3.1	4.3	1.2	Lexus NX
Mid Size Crossover SUV	3.5	3.5	0.0	Toyota Highlander
Mid Size SUV	2.9	3.2	0.3	Jeep Grand Cherokee
Entry Car	3.5	3.0	-0.5	Kia Soul
Mini Van	2.8	2.9	0.1	Toyota Sienna
Compact Pickup	2.3	2.5	0.2	Toyota Tacoma
Full Size Crossover SUV	2.6	2.3	-0.3	Ford Explorer
Sport Compact Car	2.1	1.9	-0.2	Ford Mustang
Full Size Van	1.4	1.5	0.1	Ford Transit Connect
Full Size Luxury SUV	1.4	1.2	-0.2	Cadillac Escalade
Full Size SUV	1.1	1.2	0.1	Chevrolet Tahoe
Large Mid Size Car	1.1	1.0	-0.1	Toyota Avalon
Sports Car	0.8	0.9	0.1	Chevrolet Corvette

The table above shows Orange county market share for 20 vehicle segments during the first three months of 2015 and 2016, and the change in market share over the period. The best selling model in each segment is also shown. Segments are ranked from top to bottom based on ytd 2016 share. Most popular segment in the county is Sub Compact Car, while Compact SUV had the largest increase. Source: AutoCount data from Experian Automotive.

BRAND SCOREBOARD - PART ONE

Chevrolet Registrations Increase by More Than 500 Units

Volvo had the largest percentage increase

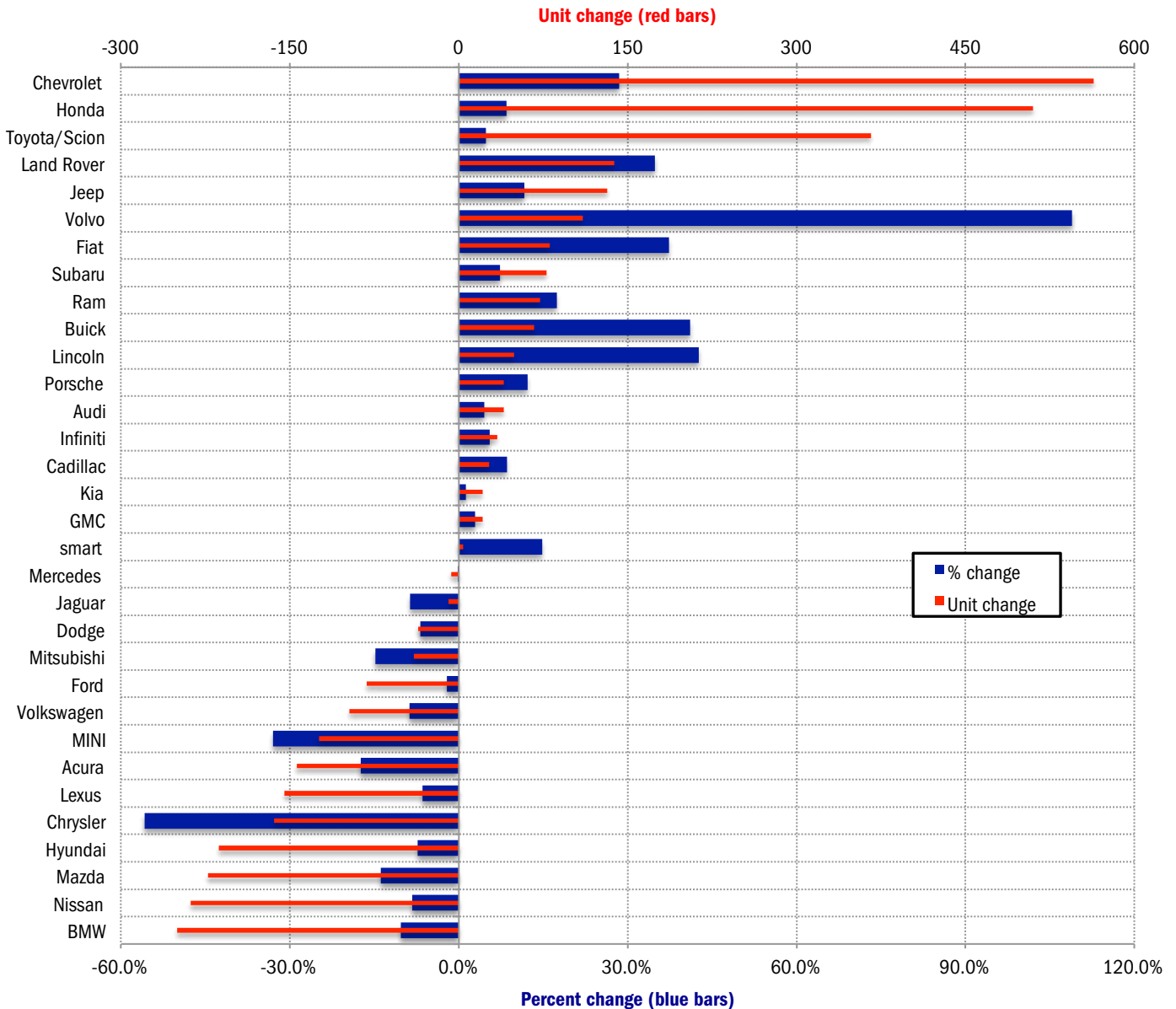
The graph below presents a comprehensive picture of brands that are gaining (or losing) ground in the county market. It shows both the unit AND percent change in registrations during the first three months of 2016 versus 2015. Viewing both measures on the same

graph provides a more clear-cut signal on how each brand is doing.

Here are a couple of examples: Volvo had a sizeable percentage increase (up 108.9%; shown by the thick blue bar on the graph), but it's not a top-selling brand. Volvo registrations

increased by just over 100 units. Honda's percentage increase was slightly above average (up 8.5%), but unit registrations were up by more than 500 units.

Change in New Retail Light Vehicle Registrations (YTD 2016 thru March vs. YTD 2015)



Source: AutoCount data from Experian Automotive.

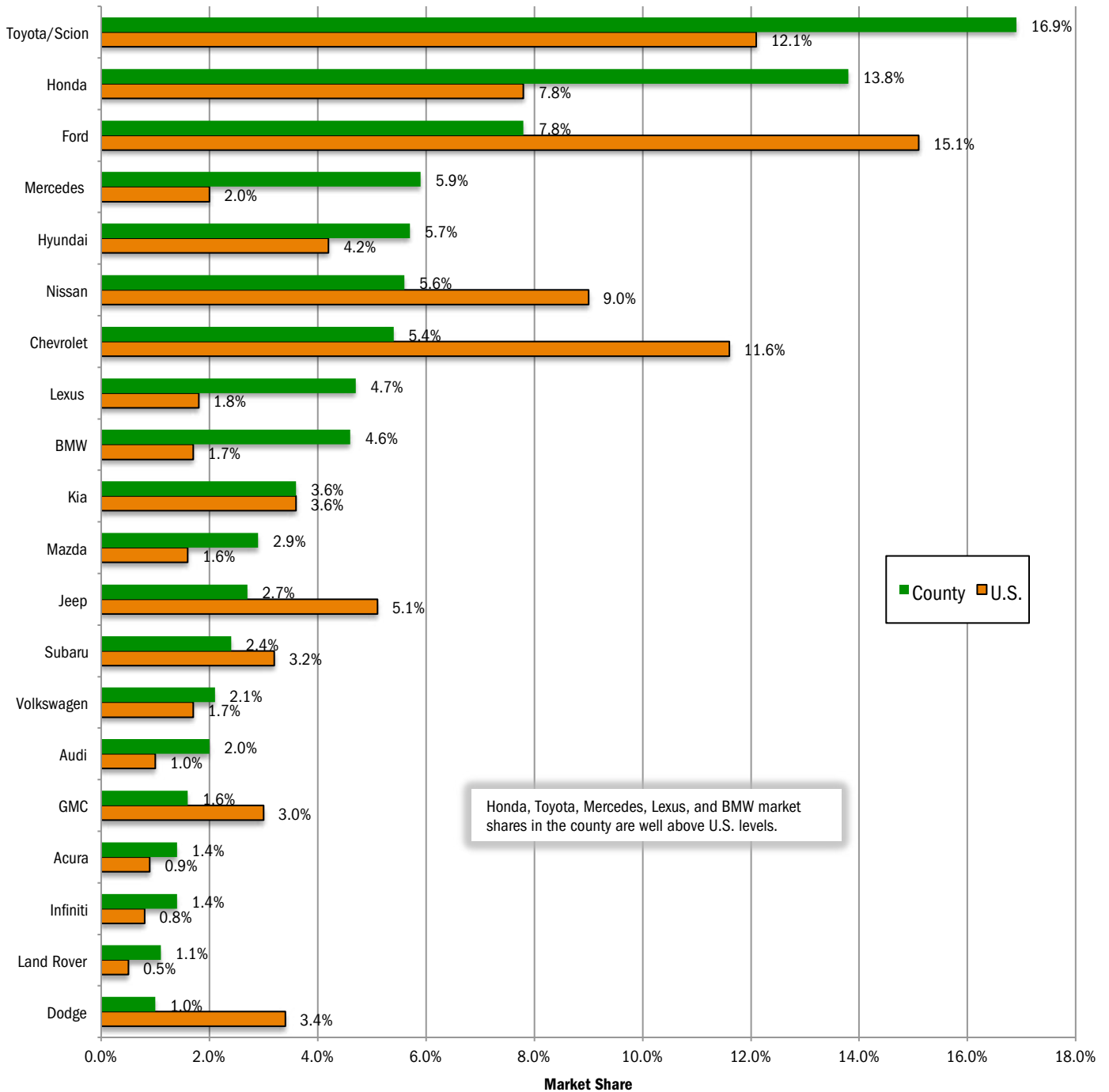
BRAND SCOREBOARD - PART TWO

Toyota and Honda are Leaders in Orange County Market

Honda's county market share is six points higher than in the Nation.

The graph below provides a comparison of Orange County and U.S. market share during the first three months of this year for the top 20 selling brands in the county. Brands are positioned on the graph from top to bottom based on county market share. Toyota was the county leader, accounting for 16.9% of the market, well above its 12.1% share in the Nation. Honda market share in the county was 13.8%, six points higher than its U.S. share. Source for Orange County registrations: AutoCount data from Experian Automotive. Source for U.S. sales: Automotive News.

County and U.S. Market Share - YTD 2016 thru March



MODEL SCOREBOARD

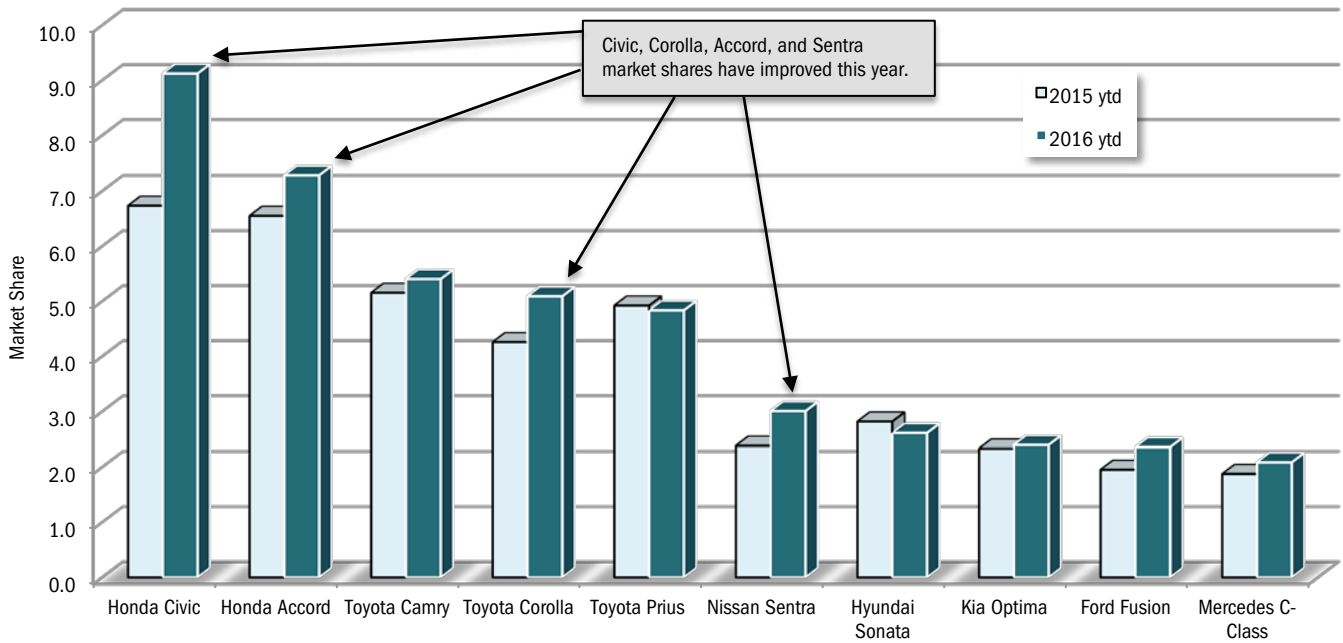
Honda Civic is Best-Seller in County Car Market

Civic, Corolla, Accord, and Sentra market shares increase

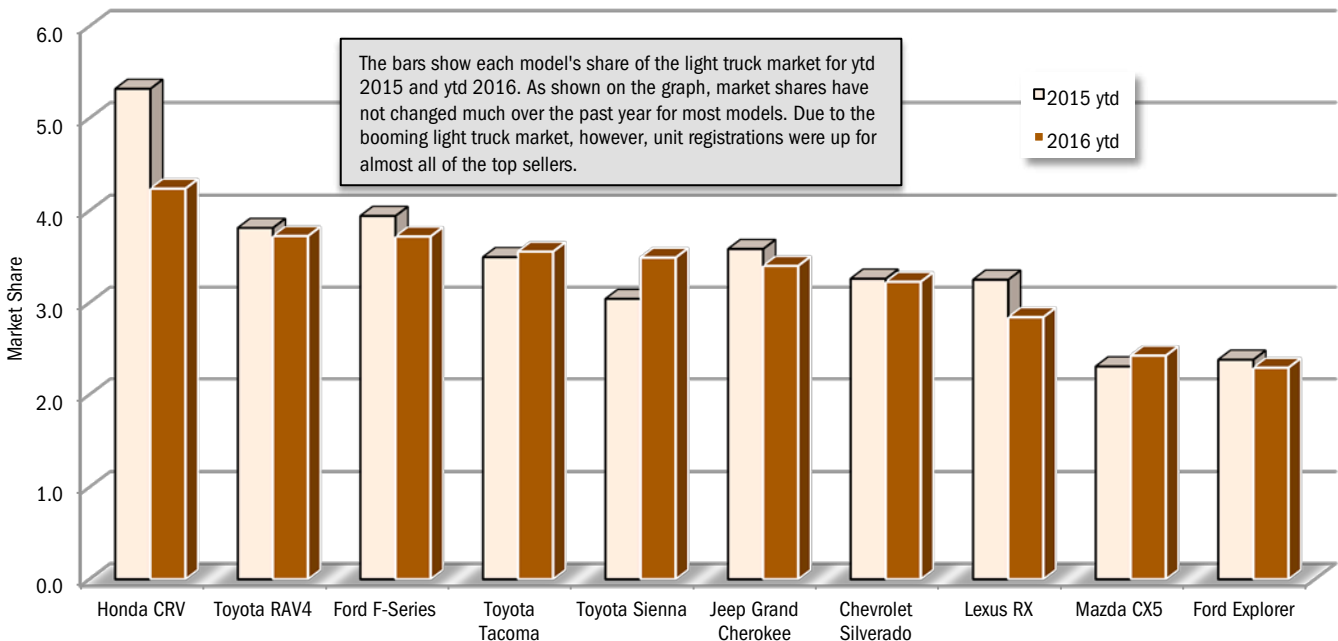
The two graphs below show market shares in the county car and light truck markets during the first three months of 2015 and 2016. Includes the top ten selling car and light truck models.

Data source: AutoCount data from Experian Automotive.

Change in Market Share for Top 10 Selling Cars - YTD 2016 thru March vs. YTD 2015



Change in Market Share for Top 10 Selling Light Trucks - YTD 2016 thru March vs. YTD 2015



COMPARISON OF ORANGE COUNTY AND U.S. MARKETS

Orange County Market Was Up 1.3% in First Quarter of 2016

U.S. market increased 3.3%

	Orange County Retail Market	U.S. Market (includes fleet)
Market Growth % change in registrations YTD 2016 thru March vs. YTD 2015	1.3%	3.3%
Car Market Share Car share of industry retail light vehicle YTD 2016 thru March	54.8%	41.6%
Domestic Brand Market Share Domestic brand share of industry retail light vehicle registrations - YTD 2016 thru March	22.3%	45.7%

Brand	New Retail Registrations - YTD 2016 thru March				Market Share (YTD 2016)	
	Orange County		U.S. (includes fleet)		Orange County	U.S.
	Regs.	% ch. from '15	Sales	% ch. from '15		
Acura	681	-17.5%	37,875	-4.5%	1.4	0.9
Audi	930	4.5%	41,960	4.6%	2.0	1.0
BMW	2,179	-10.3%	70,613	-10.0%	4.6	1.7
Buick	230	41.1%	54,287	7.5%	0.5	1.3
Cadillac	344	8.5%	35,633	-4.1%	0.7	0.9
Chevrolet	2,545	28.5%	472,730	-0.8%	5.4	11.6
Chry Dodge Jeep Ram	2,373	0.2%	541,925	9.6%	5.0	13.3
Chrysler	130	-55.8%	65,506	-20.0%	0.3	1.6
Dodge	487	-6.9%	140,509	13.8%	1.0	3.4
Jeep	1,270	11.6%	209,597	17.3%	2.7	5.1
Ram	486	17.4%	126,313	14.4%	1.0	3.1
Fiat	298	37.3%	9,009	-18.4%	0.6	0.2
Ford	3,703	-2.2%	616,682	8.1%	7.8	15.1
GMC	752	2.9%	121,048	1.0%	1.6	3.0
Honda	6,515	8.5%	319,828	8.7%	13.8	7.8
Hyundai	2,715	-7.3%	173,330	0.8%	5.7	4.2
Infiniti	651	5.5%	32,660	-3.5%	1.4	0.8
Jaguar	95	-8.7%	4,997	15.2%	0.2	0.1
Kia	1,703	1.2%	146,321	3.7%	3.6	3.6
Land Rover	534	34.8%	20,805	22.6%	1.1	0.5
Lexus	2,242	-6.5%	74,221	-3.8%	4.7	1.8
Lincoln	164	42.6%	24,905	16.0%	0.3	0.6
Mazda	1,388	-13.8%	64,643	-17.2%	2.9	1.6
Mercedes	2,802	-0.2%	83,009	-0.9%	5.9	2.0
MINI	252	-33.0%	10,839	-15.2%	0.5	0.3
Mitsubishi	229	-14.9%	25,212	6.0%	0.5	0.6
Nissan	2,639	-8.3%	367,544	10.1%	5.6	9.0
Porsche	367	12.2%	12,238	7.1%	0.8	0.3
smart	31	14.8%	1,300	-15.2%	0.1	0.0
Subaru	1,140	7.3%	132,397	0.9%	2.4	3.2
Toyota/Scion	7,975	4.8%	494,858	-0.7%	16.9	12.1
Volkswagen	1,014	-8.7%	69,314	-12.5%	2.1	1.7
Volvo	211	108.9%	16,361	19.2%	0.4	0.4
Other	621	5.1%	10,636	8.2%	1.3	0.3

The two tables above provide a comparison of the Orange County and U.S. new light vehicle markets.

Data Source for Orange County: AutoCount data from Experian Automotive. Source for U.S. figures: Automotive News.

Orange County New Retail Car and Light Truck Registrations									
	March			Year to date thru March			Year-to-date		
	Orange County			Orange County			Market Share (%)		
	2015	2016	% chg.	2015	2016	% chg.	2015	2016	Chg.
MARKET SUMMARY									
TOTAL	17,419	16,315	-6.3%	46,721	47,323	1.3%	0.0	0.0	0.0
Cars	10,369	8,868	-14.5%	27,428	25,950	-5.4%	58.7	54.8	-3.9
Light Trucks	7,050	7,447	5.6%	19,293	21,373	10.8%	41.3	45.2	3.9
Domestic	3,616	3,792	4.9%	9,821	10,558	7.5%	21.0	22.3	1.3
European	3,251	2,772	-14.7%	9,016	8,887	-1.4%	19.3	18.8	-0.5
Japanese	8,930	8,399	-5.9%	23,274	23,460	0.8%	49.8	49.6	-0.2
Korean	1,622	1,352	-16.6%	4,610	4,418	-4.2%	9.9	9.3	-0.5
BRAND REGISTRATIONS									
Acura	287	229	-20.2%	825	681	-17.5%	1.8	1.4	-0.4
Audi	297	324	9.1%	890	930	4.5%	1.9	2.0	0.1
BMW	808	633	-21.7%	2,429	2,179	-10.3%	5.2	4.6	-0.6
Buick	49	89	81.6%	163	230	41.1%	0.3	0.5	0.2
Cadillac	114	122	7.0%	317	344	8.5%	0.7	0.7	0.0
Chevrolet	743	849	14.3%	1,981	2,545	28.5%	4.2	5.4	1.2
C/D/J/R	807	797	-1.2%	2,369	2,373	0.2%	5.1	5.0	-0.1
Chrysler	87	43	-50.6%	294	130	-55.8%	0.6	0.3	-0.3
Dodge	185	174	-5.9%	523	487	-6.9%	1.1	1.0	-0.1
Jeep	384	422	9.9%	1,138	1,270	11.6%	2.4	2.7	0.3
Ram	151	158	4.6%	414	486	17.4%	0.9	1.0	0.1
Fiat	112	107	-4.5%	217	298	37.3%	0.5	0.6	0.1
Ford	1,484	1,520	2.4%	3,785	3,703	-2.2%	8.1	7.8	-0.3
GMC	283	240	-15.2%	731	752	2.9%	1.6	1.6	0.0
Honda	2,333	2,326	-0.3%	6,005	6,515	8.5%	12.9	13.8	0.9
Hyundai	1,027	760	-26.0%	2,928	2,715	-7.3%	6.3	5.7	-0.6
Infiniti	243	222	-8.6%	617	651	5.5%	1.3	1.4	0.1
Jaguar	38	40	5.3%	104	95	-8.7%	0.2	0.2	0.0
Kia	595	592	-0.5%	1,682	1,703	1.2%	3.6	3.6	0.0
Land Rover	145	184	26.9%	396	534	34.8%	0.8	1.1	0.3
Lexus	818	783	-4.3%	2,397	2,242	-6.5%	5.1	4.7	-0.4
Lincoln	43	64	48.8%	115	164	42.6%	0.2	0.3	0.1
Mazda	628	479	-23.7%	1,611	1,388	-13.8%	3.4	2.9	-0.5
Mercedes	1,049	781	-25.5%	2,809	2,802	-0.2%	6.0	5.9	-0.1
MINI	127	108	-15.0%	376	252	-33.0%	0.8	0.5	-0.3
Mitsubishi	114	108	-5.3%	269	229	-14.9%	0.6	0.5	-0.1
Nissan	1,049	943	-10.1%	2,877	2,639	-8.3%	6.2	5.6	-0.6
Porsche	116	126	8.6%	327	367	12.2%	0.7	0.8	0.1
smart	7	11	57.1%	27	31	14.8%	0.1	0.1	0.0
Subaru	409	393	-3.9%	1,062	1,140	7.3%	2.3	2.4	0.1
Toyota/Scion	3,049	2,916	-4.4%	7,609	7,975	4.8%	16.3	16.9	0.6
Volkswagen	426	338	-20.7%	1,111	1,014	-8.7%	2.4	2.1	-0.3
Volvo	32	72	125.0%	101	211	108.9%	0.2	0.4	0.2
Other	187	159	-15.0%	591	621	5.1%	1.3	1.3	0.0

Orange County Auto Outlook

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Explanation of Data

Data presented in Auto Outlook measures new vehicle registrations in Orange County. Monthly recording of registrations occurs when vehicle title information is processed.

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Data Source: AutoCount data from Experian Automotive.