

Los Angeles Auto Outlook



Comprehensive information on the LA County new vehicle market

FORECAST

County New Vehicle Market Predicted to Increase 8% in 2014

Improvement follows estimated 13.6% uptick in 2013

Information overload is hard to avoid these days. Here's our attempt to cut through the clutter. Below is a concise summary of key trends and developments in the Los Angeles County new vehicle market.

County market posts solid gains during first three quarters of 2013; increase is above Nation

County new retail registrations were up 14.3% for the first nine months of this year versus a year earlier, above the 8% uptick in the National market.

New vehicle market increases again in Third Quarter of this year

The Third Quarter increase was 12.1%, slightly above the increase in the Second Quarter (see page 2).

Fifth consecutive annual increase likely in 2014

County new retail light vehicle registrations are predicted to increase 8% from 2013 to 2014. This year's annual increase is pegged at 13.6%.

Forecast determinants point to slower growth in new vehicle sales during next several years

The likelihood of less than stellar economic growth, economically restrictive fiscal policy from Washington, and a slowing global economy are likely to put a mild damper on the rate of growth in new vehicle sales. Moderate pent up demand, an improving housing market, low interest rates, and gradually improving household debt levels should ensure sales will continue to head higher, but at a slightly slower pace.

Cars grab a larger share of county market

Car market share increased slightly from 67.0% during the first nine months of 2012 to 67.2% this year. Relatively strong sales of Full Size Pickups and Crossover prevented bigger gains for passenger cars.

Alternative powertrain vehicle sales are up sharply in 2013

County sales of hybrid and electric cars and trucks were up 39% so far this year. Market share approached 10%.

Toyota, Honda, Nissan, Ford, and Mercedes are leaders in Los Angeles County market

Toyota was the best selling brand during the first three quarters of this year, with a 19.2% share. Honda's share was 14.3%.

Subaru, Dodge, Ram, smart, and Lexus gain a lot of ground in 2013

New retail registrations for each of these five brands were up more than 29% so far in 2013.

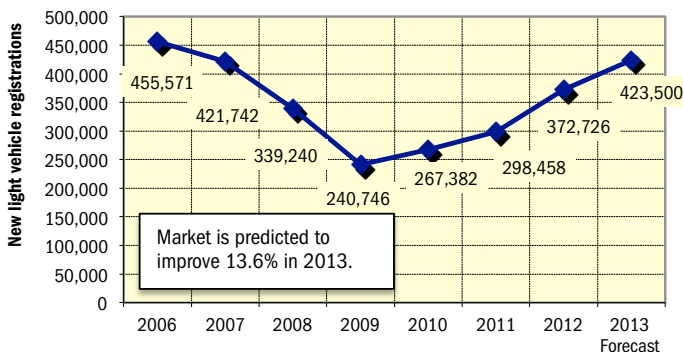
Honda Civic best-selling car in county market; Honda CRX is light truck leader

Toyota Prius and Honda Accord were ranked second and third behind Prius in the car market, while F-Series and Tacoma trailed the CRV.

Detroit Three gain ground in 2013, as Korean brands lose share

Detroit Three accounted for a larger chunk of the county market so far this year, with share increasing from 17.5% during the first nine months of 2012 to 18.5% in 2013.

Annual Trend in County Market



The graph above shows annual new retail light vehicle registrations in Los Angeles County from 2006 thru 2012, and Auto Outlook's projection for 2013. Historical data source: AutoCount data from Experian Automotive.

Market Summary

	YTD '12 thru Sept.	YTD '13 thru Sept.	% Chg. '12 to '13	Mkt. Share YTD '13
TOTAL	282,018	322,472	14.3%	
Car	188,992	216,634	14.6%	67.2%
Light Truck	93,026	105,838	13.8%	32.8%
Detroit Three	49,474	59,542	20.4%	18.5%
European	64,365	72,650	12.9%	22.5%
Japanese	144,112	163,946	13.8%	50.8%
Korean	24,067	26,334	9.4%	8.2%

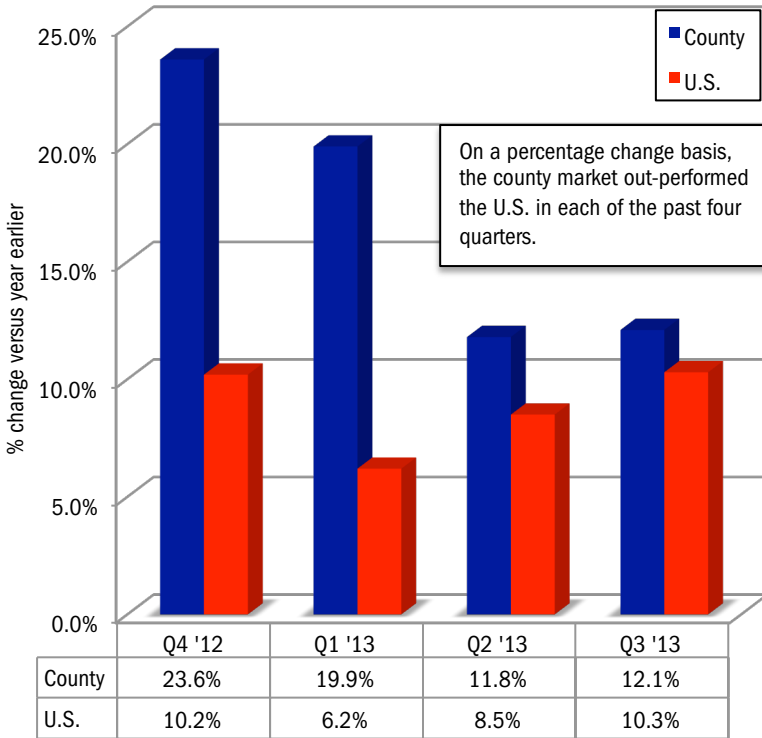
Detroit Three consists of vehicles sold by GM, Ford, and Chrysler. Data source: AutoCount data from Experian Automotive.

MARKET TRACKER: QUARTERLY RESULTS

County Market Up 12.1% in 3rd Quarter vs. 10.3% in U.S.

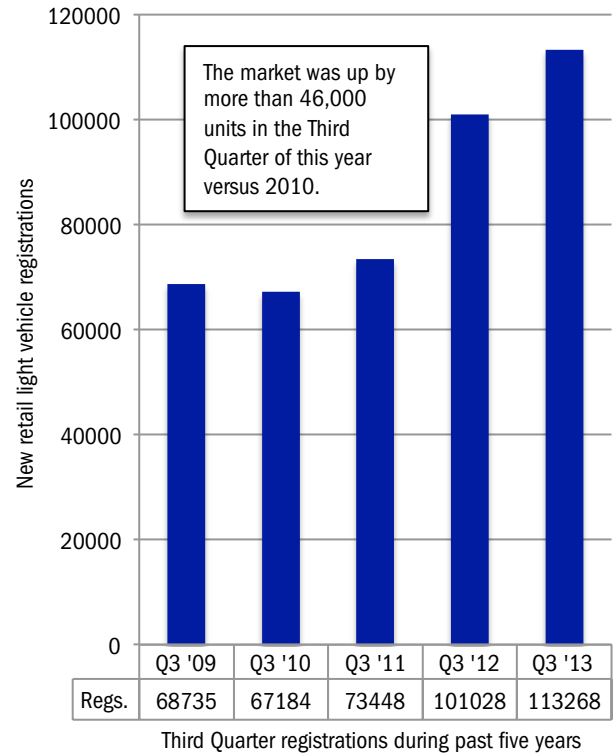
QUARTERLY TREND

Percent Change in New Vehicle Market County and U.S.



QUARTERLY PERSPECTIVE

Five Years of Third Quarter Results in County Market



Source for LA County registration data: AutoCount data from Experian Automotive. Source for U.S. data: Automotive News. (U.S. figures include fleets.)

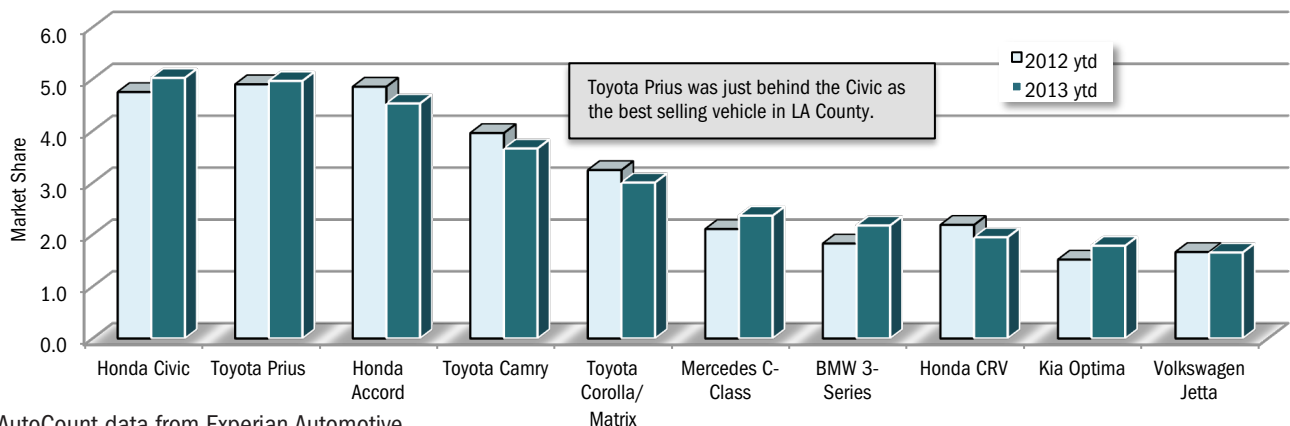
MODEL SCOREBOARD

Honda Civic and Toyota Prius are Top Sellers in LA County

Accord, Camry, and Corolla also rank high

The graph below shows market shares in the county market during the first nine months of 2012 and 2013. Includes the top ten selling models.

Change in Market Share for Top 10 Selling Models - YTD 2013 thru September vs. YTD 2012



Source: AutoCount data from Experian Automotive.

BRAND SCOREBOARD

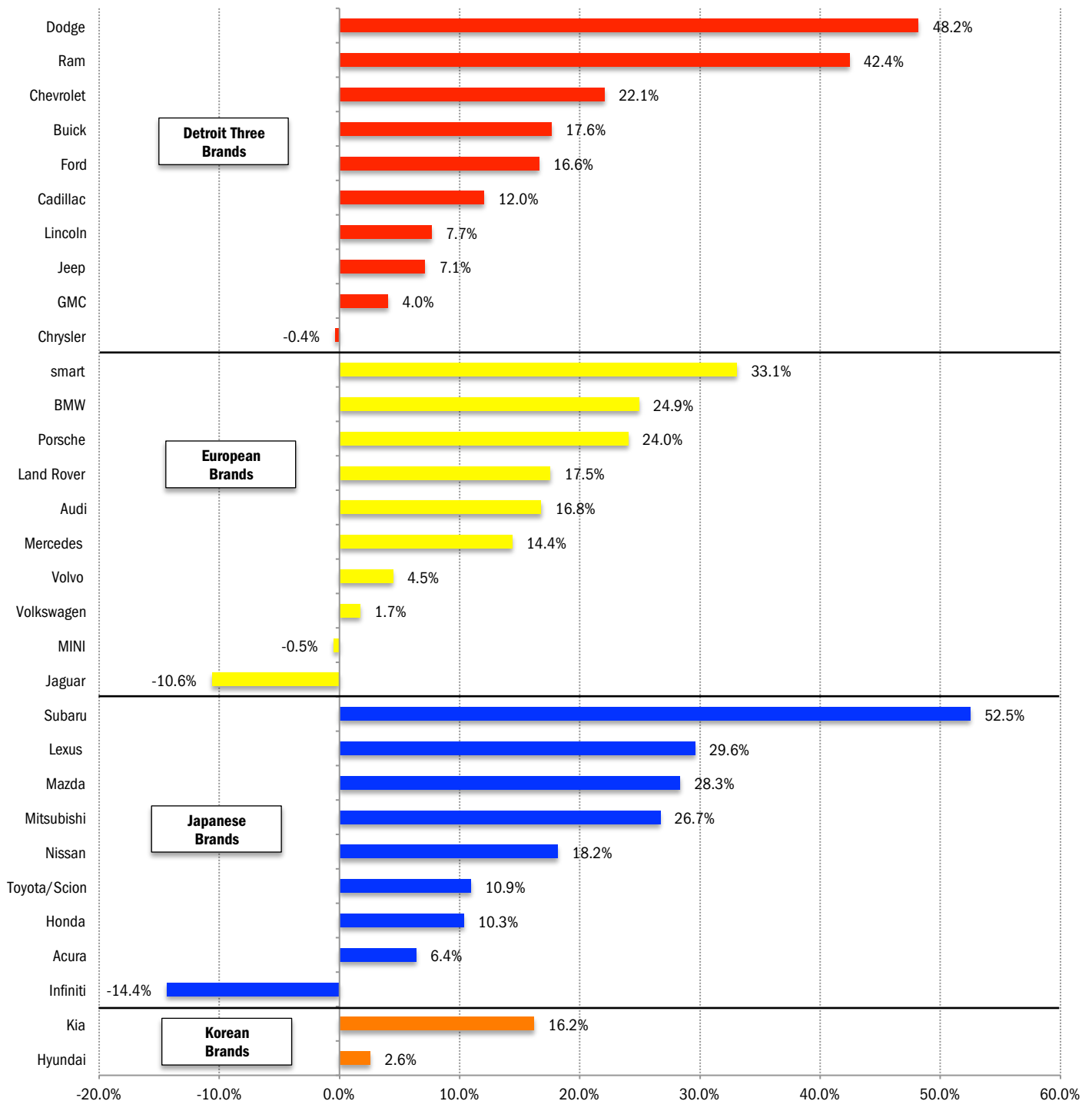
Subaru and Dodge Post Largest Gains So Far This Year

Ram, smart, and Lexus also have big gains

The graphs below provide a comparative evaluation of brand sales performance in the county market. It shows the year-to-date percent change in registrations for each brand, organized by category (i.e., Detroit Three, European, Japanese, and Korean).

Source: AutoCount data from Experian Automotive.

**Percent Change in County New Retail Light Vehicle Registrations
YTD 2013 thru September vs. YTD 2012**



Brand Registrations Report												
Los Angeles County New Retail Car and Light Truck Registrations												
	September						Year-to-date thru September					
	Registrations			Market Share (%)			Registrations			Market Share (%)		
	2012	2013	% change	2012	2013	Change	YTD '12	YTD '13	% change	YTD '12	YTD '13	Change
TOTAL	40,632	45,813	12.8				282,018	322,472	14.3			
Cars	27,515	31,129	13.1	67.7	67.9	0.2	188,992	216,634	14.6	67.0	67.2	0.2
Light Trucks	13,117	14,684	11.9	32.3	32.1	-0.2	93,026	105,838	13.8	33.0	32.8	-0.2
Domestic Brands	7,060	8,405	19.1	17.4	18.3	0.9	49,474	59,542	20.4	17.5	18.5	1.0
European Brands	8,886	9,655	8.7	21.9	21.1	-0.8	64,365	72,650	12.9	22.8	22.5	-0.3
Japanese Brands	21,092	24,270	15.1	51.9	53.0	1.1	144,112	163,946	13.8	51.1	50.8	-0.3
Korean Brands	3,594	3,483	-3.1	8.8	7.6	-1.2	24,067	26,334	9.4	8.5	8.2	-0.3
Acura	644	555	-13.8	1.6	1.2	-0.4	3,950	4,202	6.4	1.4	1.3	-0.1
Audi	1,021	1,048	2.6	2.5	2.3	-0.2	6,990	8,163	16.8	2.5	2.5	0.0
BMW	2,037	2,227	9.3	5.0	4.9	-0.1	13,920	17,390	24.9	4.9	5.4	0.5
Buick	133	169	27.1	0.3	0.4	0.1	975	1,147	17.6	0.3	0.4	0.1
Cadillac	392	361	-7.9	1.0	0.8	-0.2	2,593	2,905	12.0	0.9	0.9	0.0
Chevrolet	1,939	2,252	16.1	4.8	4.9	0.1	13,047	15,926	22.1	4.6	4.9	0.3
Chrysler	192	182	-5.2	0.5	0.4	-0.1	1,418	1,413	-0.4	0.5	0.4	-0.1
Dodge	454	644	41.9	1.1	1.4	0.3	3,313	4,909	48.2	1.2	1.5	0.3
Fiat	337	288	-14.5	0.8	0.6	-0.2	2,046	1,834	-10.4	0.7	0.6	-0.1
Ford	2,622	3,045	16.1	6.5	6.6	0.1	18,857	21,989	16.6	6.7	6.8	0.1
GMC	341	356	4.4	0.8	0.8	0.0	2,474	2,574	4.0	0.9	0.8	-0.1
Honda	6,163	6,684	8.5	15.2	14.6	-0.6	41,720	46,038	10.3	14.8	14.3	-0.5
Hyundai	1,665	1,580	-5.1	4.1	3.4	-0.7	11,970	12,279	2.6	4.2	3.8	-0.4
Infiniti	615	574	-6.7	1.5	1.3	-0.2	4,409	3,776	-14.4	1.6	1.2	-0.4
Jaguar	90	104	15.6	0.2	0.2	0.0	802	717	-10.6	0.3	0.2	-0.1
Jeep	697	810	16.2	1.7	1.8	0.1	4,815	5,158	7.1	1.7	1.6	-0.1
Kia	1,929	1,903	-1.3	4.7	4.2	-0.5	12,097	14,055	16.2	4.3	4.4	0.1
Land Rover	293	327	11.6	0.7	0.7	0.0	1,972	2,318	17.5	0.7	0.7	0.0
Lexus	1,543	2,277	47.6	3.8	5.0	1.2	10,600	13,737	29.6	3.8	4.3	0.5
Lincoln	122	138	13.1	0.3	0.3	0.0	797	858	7.7	0.3	0.3	0.0
Mazda	579	837	44.6	1.4	1.8	0.4	3,951	5,071	28.3	1.4	1.6	0.2
Mercedes	2,118	2,719	28.4	5.2	5.9	0.7	18,165	20,774	14.4	6.4	6.4	0.0
MINI	432	527	22.0	1.1	1.2	0.1	3,698	3,680	-0.5	1.3	1.1	-0.2
Mitsubishi	113	150	32.7	0.3	0.3	0.0	910	1,153	26.7	0.3	0.4	0.1
Nissan	2,788	3,134	12.4	6.9	6.8	-0.1	19,301	22,808	18.2	6.8	7.1	0.3
Porsche	325	320	-1.5	0.8	0.7	-0.1	2,105	2,611	24.0	0.7	0.8	0.1
Ram	168	245	45.8	0.4	0.5	0.1	1,183	1,685	42.4	0.4	0.5	0.1
smart	42	58	38.1	0.1	0.1	0.0	263	350	33.1	0.1	0.1	0.0
Subaru	426	698	63.8	1.0	1.5	0.5	3,411	5,202	52.5	1.2	1.6	0.4
Tesla	0	202					0	977		0.0	0.3	0.3
Toyota/Scion	8,221	9,361	13.9	20.2	20.4	0.2	55,844	61,956	10.9	19.8	19.2	-0.6
Volkswagen	1,953	1,813	-7.2	4.8	4.0	-0.8	12,427	12,643	1.7	4.4	3.9	-0.5
Volvo	173	142	-17.9	0.4	0.3	-0.1	1,414	1,477	4.5	0.5	0.5	0.0
Other	65	83	27.7	0.2	0.2	0.0	581	697	20.0	0.2	0.2	0.0

Source: AutoCount data from Experian Automotive

Top ten brands are shaded green.

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