US – Light Vehicle Outlook

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U.S. Economy
-Probability of a Recession is now 20%

(Percent unless otherwise noted / May 2012)

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Real GDP Growth</td>
<td>3.0</td>
<td>1.7</td>
<td>2.2</td>
<td>2.4</td>
</tr>
<tr>
<td>Employment Growth</td>
<td>-0.7</td>
<td>1.2</td>
<td>1.6</td>
<td>1.7</td>
</tr>
<tr>
<td>CPI Inflation</td>
<td>1.6</td>
<td>3.1</td>
<td>2.2</td>
<td>1.7</td>
</tr>
<tr>
<td>Oil Prices (WTI, US$/bbl)</td>
<td>79.4</td>
<td>95.1</td>
<td>103.9</td>
<td>114.8</td>
</tr>
<tr>
<td>Housing Starts - mm</td>
<td>0.59</td>
<td>0.61</td>
<td>0.74</td>
<td>1.01</td>
</tr>
<tr>
<td>Federal Funds Rate</td>
<td>0.2</td>
<td>0.1</td>
<td>0.1</td>
<td>0.1</td>
</tr>
<tr>
<td>Dollar (Major Trading 2005=1)</td>
<td>0.90</td>
<td>0.85</td>
<td>0.87</td>
<td>0.88</td>
</tr>
</tbody>
</table>
Real Gross Domestic Product (GDP) Growth

(Percent Change)
The Federal Reserve Will Keep Short Term Interest Rates Low Through 2014
Long Term a Massive Fiscal Adjustment is Needed
Housing Starts Will Not Rebound Until 2014

(Millions of units)

- Single-Family
- Multi-Family
Payroll Employment

(Millions)

(Percent Change)


Total Employment - L

Percent Change - R

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Rising Unemployment Puts Pressure on Consumers’ Balance Sheet

Bank Card Delinquency Rate (Left)  Unemployment Rate (Right)
Real Consumer Spending and Income Growth

New long–term trend for consumption is 2% not 3%

(Percent change)


Real Consumer Spending
Real Disposable Income
US - Auto Market Overview

• Pent – Up demand is driving the auto recovery
• The recent sales numbers have exceeded expectations, the first quarter (the high point for the year) was outstanding but unsustainable
• Retail, rather than fleet, remains the main driver, although February saw more fleet volume
• Sales have improved, as Japanese cars return to the showrooms, but there are still some issues of availability
• High gasoline prices actually helped sales (trade-in gas guzzlers)
• Incentive spending has risen modestly, as inventories rebuild, but there is more pricing discipline today
• Auto credit availability is improving
• Supply constraints are becoming a concern
• The used car and truck market remains very strong
• Cost pressures will return but industry profits are good

Bottom Line – A weak economy will hurt the release of pent up demand, slowing not derailing, the auto market recovery
Pure Raw Material Cost in a Car – Debt Crisis Lowers Input Costs

European Car @ 2700 Lbs in Euro

US Vehicle @ 3500 Lbs In $

Steel
Aluminium
Plastic Resins
Rubber
Glass
Iron

Latest Data Point
March 2012

Total Raw Material Cost in a Car

US Vehicle @ 3500 Lbs

European Car @ 2700 Lbs in Euro

(Excludes Fuel, Processing and Transportation costs)
New Auto Loans — Delinquency Rates

(% - Accounts past due 30 days or more)

Source: American Bankers Association
New Vehicle Buyers Average Credit Score

Source: CNW Marketing
New Auto Loan Application Approvals

Source: CNW Marketing
Median Age – New Vehicle Buyer

(Year)

1989 1991 1993 1995 1997 1999 2001 2003 2005 2007 2009 2011

Months

CNW Marketing
Incentives to MSRP
Residual Value Index

(Index = Lease contract residual value versus CNW estimate of residual at end of lease term)

Source: CNW Marketing
U.S. Light Vehicle Sales — Lease Penetration

Source: CNW Marketing
U.S. Light Vehicle Inventory — Units

(Units in thousands)

Months — Seasonally Adjusted

United States — Car & Truck Sales, SAAR

(Units in millions)

- Actual
- Forecast

Months
U.S. Light Vehicle Sales

(Units in millions)

- 1990: 13.2M units
- 1994: 10.4M units
- 1998: 11.6M units
- 2002: 12.7M units
- 2006: 14.3M units
- 2010: 14.9M units
- 2014: 15.7M units
- 2018: 16.2M units

May 2012 Forecast

July 2011 Forecast
U.S. Sales — Major Manufacturers Market Share

- GM
- FORD
- CHRYSLER/FIAT
- TOYOTA
- HONDA
- NISSAN
- HYUNDAI/KIA
U.S. Sales — European Manufacturers
Market Share

- BMW
- DAIMLER AG
- VW GROUP
- PORSCHE
U.S. Sales — By Car Segment (52.7%)
U.S. Sales — By Light Truck (47.3%)
Lost volume due to Japan & Thailand disasters tempered growth in 2011, made up in 2012

Demand strengthening

Inventory rebuilding

Production localization efforts bearing fruit, more NAFTA sourcing

NA becoming an export hub, greater use of global platforms allows for more “export ready” product

BMW, Hyundai, VW, Toyota & Honda drive additional capacity expansion

Ford tweaks sourcing – on GM’s heels; Chrysler/Fiat potential, yet hurdles remain
Autos - The Bottom Line

• The auto industry is in its best shape to withstand economic adversity
• Auto credit quality is outstanding, availability will improve this year
• Industry pricing power will continue to improve
• Leasing is on the way back
• Small cars will gain market share but crossovers will remain very popular
• Higher fuel economy standards are the next big challenge (opportunity)
• The industry has done a great job reducing capacity and cost, but we can’t rest on our laurels
• Initially replacement demand drives volume, longer term demographics sustain sales
• Eventually the economy will support volume levels that are more normal for the auto industry
• The industry has become more profitable and once volume returns, it will become even more so
Thank You for Your Participation!

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