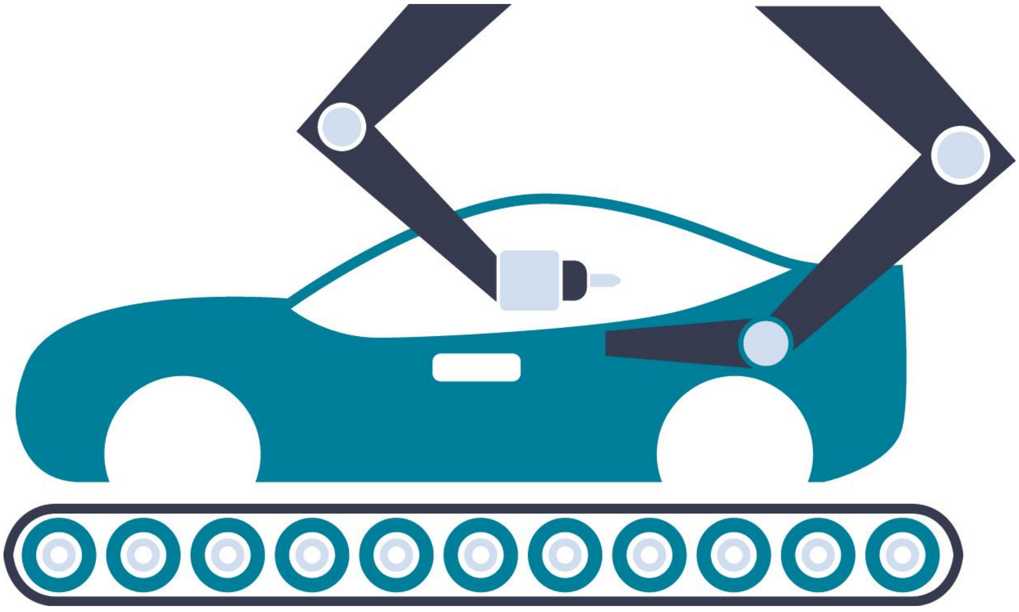
NORTH AMERICAN AUTOMOTIVE PRODUCTION FORECAST

MONTHLY COMMENTARY
JUNE 2015



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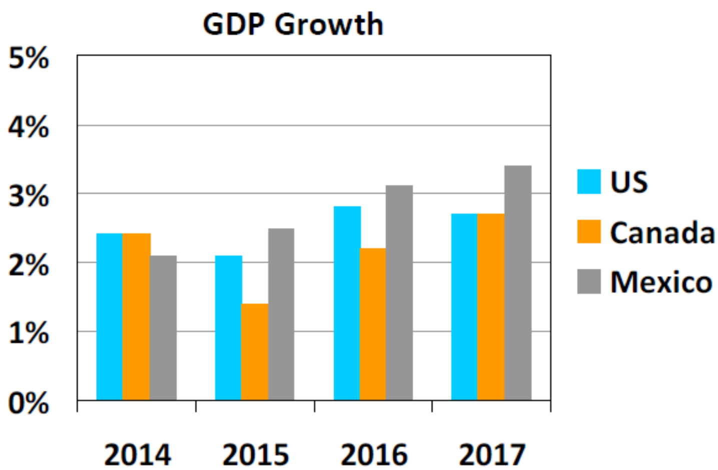
Automotive leadership defined

MONTHLY COMMENTARY

KEY ECONOMIC INDICATORS



Source: Oxford Economics

		2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
United States	GDP Growth	2.3%	2.2%	2.4%	2.1%	2.8%	2.7%	2.8%	2.8%	2.7%	2.5%	2.5%
	Consumer Spending Growth	1.8%	2.4%	2.5%	2.8%	2.8%	2.7%	2.7%	2.6%	2.5%	2.4%	2.4%
	Short-term Interest Rate	0.4%	0.3%	0.2%	0.4%	1.3%	2.3%	3.0%	3.6%	4.0%	4.0%	4.0%
	Unemployment Level	8.1%	7.4%	6.2%	5.3%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Canada	GDP Growth	1.9%	2.0%	2.4%	1.4%	2.2%	2.7%	2.7%	2.4%	2.2%	2.1%	2.1%
	Consumer Spending Growth	1.9%	2.5%	2.7%	1.9%	2.2%	2.2%	2.2%	2.2%	2.2%	2.1%	2.1%
Mexico	GDP Growth	3.8%	1.7%	2.1%	2.5%	3.1%	3.4%	3.5%	3.5%	3.4%	3.3%	3.3%
	Consumer Spending Growth	4.6%	2.5%	2.0%	2.4%	2.9%	3.4%	3.5%	3.5%	3.4%	3.4%	3.4%

NORTH AMERICAN ECONOMIC ANALYSIS

FORECAST CHANGES

- US: GDP growth and consumer spending growth were both revised downward in 2015. GDP is now expected to grow by only 2.1%, down from 2.3%. Consumer spending was revised downward by 0.3% to 2.8%.
- Canada: 2015 GDP growth was cut again as growth in Q1 came in even weaker. Growth is expected at just 1.4%, down by 0.6% from last month. 2017 and 2018 were revised upward by 0.2% to 2.7%, which is expected to be the peak.
- Mexico: GDP growth was also revised downward by 0.2% to 2.5% as the GDP proxy in March declined by 0.6%.

CURRENT SITUATION

- US GDP fell by 0.2% (SAAR) in Q1, according to the BEA's third estimate. This was down from 2.2% in the prior quarter, but did show some improvement from the second estimate of a 0.7% decline. Consumer spending and inventory investment added to growth; fixed investment, net exports and government spending were drags.

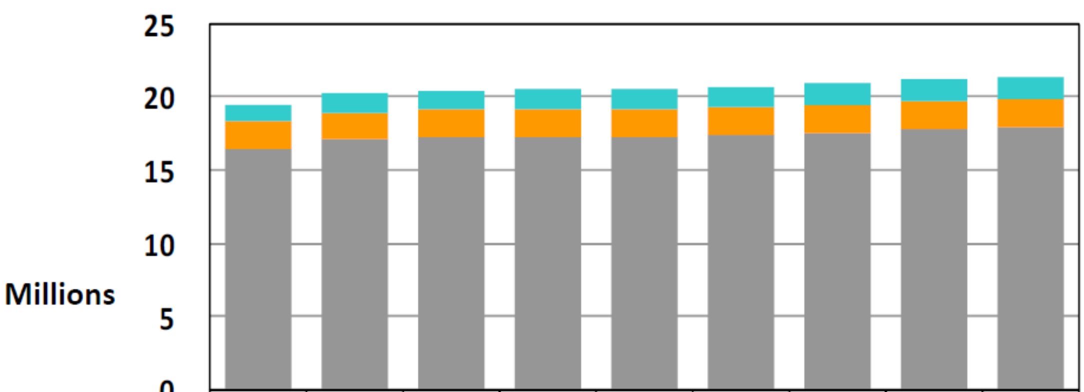
- Overall prices were little changed. Gains in real disposable income accelerated to 5.3%, driving the saving rate up to 5.4%. Profits fell by 5.2% (not annualized), after falling by 1.4% in Q1. Gross domestic income rose by an upwardly revised 1.9%, after rising by 3.7% in the fourth quarter. Revisions were driven by more exports, consumer spending, investment, and state and local government spending. Imports were revised higher.
- After consumer spending disappointed in April, May was stronger than expected, helping to stabilize the outlook for Q2 GDP, which is still expected to be negatively impacted by reduced oil and gas investment. Reduced investment is also expected to be lingering through the rest of the year, while the mining sector will continue to experience sizeable job losses.
- Nonfarm payrolls surged by 280,000 in May, while the 12-month rolling average was a very solid 255,000 jobs per month. As labor market slack dissipates further, firmer labor compensation is expected in the coming months.
- With consumer confidence still very strong and inflation subdued, consumer spending is expected to advance by 2.8% in 2015, with some upside possible given the performance in May. Durable goods spending is now expected to rise by 11% at an annual rate in Q2, stronger than the gain anticipated prior to May spending data. Nondurable spending is also coming in stronger and is faring better, but our view that services consumption is lagging was little changed.
- Activity in the housing sector remains hesitant, but the latest data were more encouraging with housing starts and permits reaching multi-year highs in April. Oxford Economics sees faster wage growth, low interest rates and moderate home price inflation supporting a gradual housing rebound.
- The strong US dollar and sluggish global growth continue to weigh on exports, while solid domestic activity maintains the pull on imports. Net trade may subtract 0.5 percentage points from 2015 growth.
- Headline inflation will soon accelerate towards 2% on rebounding gasoline prices, less of an impact from the stronger dollar and base effects. Meanwhile core inflation will also accelerate on strengthening activity.
- Oxford Economics has revised down the forecast for real GDP growth in 2015 to 2.1% (from 2.3%) on a slow start to the year, but maintains the forecast for 2.8% growth in 2016 as growth firms in H2 2015. As such, the Fed is still expected to proceed with the rate lift-off in September 2015.
- In Canada, GDP growth fell short of downbeat expectations in Q1, with the economy contracting by 0.6% on an annualized basis, the largest drop since 2009. The decline was largely driven by a 15.5% plunge in business investment as sharply lower oil prices led Canadian energy companies to cut back capital spending. However, weakness was evident outside of the energy sector, with consumer spending growing at a feeble 0.4% pace and non-energy exports falling. In light of the poor start to the year, the forecast for real GDP growth in 2015 has been downgraded to 1.4% from 1.9% previously.
- While the outlook has dimmed relative to last month, economic activity is still expected to slowly gain momentum over the coming quarters. Indeed, some of the latest data have been quite positive. Employment rebounded from its April fall, rising by 59,000 in May with the unemployment flat at 6.8%. And housing starts beat expectations in May.
- In Mexico, the outlook for GDP growth was again cut in 2015. The economy is now expected to expand by 2.5% this year, down from 2.7% previously. The finance ministry has recently reduced the official 2015 GDP growth forecast to a range of 2.2-3.2%, from 3.2-4.2%. Further out, we still expect real GDP growth to speed up to 3.1% in 2016.

- The revision follows a disappointing performance by the GDP proxy (IGAE index) in March, which fell by 0.6% on the month, reflecting sluggish activity in both industry and services and a marked decline in the primary sector. In Q1 as a whole, GDP grew by 0.4% on the quarter, less than the 0.7% expansion observed in Q4, and below our 0.5% forecast. The annual growth rate slowed to 2.5%.

MEDIUM AND LONG TERM OUTLOOK

- The outlook for the economies outside of the near term in North America remains mainly unchanged and continues to be positive, with growth in Mexico leading the way, averaging between 3-3.5% growth through the next seven years. Faster growth in Mexico in the medium term will require further major reform initiatives, but the political background is no longer as favorable as it was.
- Barring any shocks, the US and Canadian economies should also perform well, with growth stabilizing between 2-3% per year. In the US, this speeding-up in growth will partly reflect a closing of the output gap, currently estimated to be over 2% of GDP. Canada's growth will be dependent on gradual improvements in external demand. Specifically, the relatively solid outlook for the US economy should ensure reasonable growth in Canada's exports.

NORTH AMERICAN LIGHT VEHICLE SALES



	2014	2015	2016	2017	2018	2019	2020	2021	2022
Mexico	1.13	1.26	1.28	1.33	1.39	1.42	1.46	1.51	1.56
Canada	1.85	1.88	1.89	1.89	1.89	1.90	1.91	1.92	1.93
United States	16.49	17.06	17.23	17.28	17.30	17.36	17.52	17.73	17.91

NORTH AMERICAN LIGHT VEHICLE SALES ANALYSIS

FORECAST CHANGES

- US: The 2015 forecast is 17.06 mn units.
- Canada: The 2015 forecast is 1.88 mn units.
- Mexico: The 2015 forecast is 1.26 mn units.

CURRENT SITUATION

- May new Light Vehicle sales totaled 1,632,354 units, which represents an increase of 5.6% from a year ago and 12.4% versus last month's performance (all results are selling day adjusted). May sales translate to a total SAAR of 17.7 mn units, up by 1.0 mn from last year and 1.2 mn from last month.

- New vehicle negotiated price in May was up by 2.1% compared to a year ago and down by 1.2% from last month (not seasonally adjusted). The average cash rebate amount was down 0.6% versus a year ago, and up by 3.1% from last month. Retail lease sales penetration was up by 1.5 ppt, while cash sales penetration was down by 1.7 ppt versus last year. The average turn rate (days on lot) in May was 62 days, one day fewer than last year and two days fewer than last month.
- June new Light Vehicle sales are projected to total 1,479,200 units, which represents an increase of 0.1% from a year ago, but a decline of 5.8% versus last month's sales pace (all results are selling day adjusted). This June forecast translates to a SAAR of 17.2 mn units, up by 0.3 mn from last year, but down by 0.5 mn units from last month.
- Sales in Canada grew by 2.8% in May versus 2014, and increased by 4.7% compared to April 2015. Most sales groups saw a stronger performance, with notable strength among the German groups and Subaru. VW grew by nearly 24%, while BMW increased by 20% and Daimler improved by 15%. Ford's weak performance continued with a 6% volume decline. F-Series sales continue to come in low, and the high-volume Fusion also experienced a weak performance.
- Mexican sales were strong yet again, growing by 21% compared to May 2014. Most OEMs posted sales increases, with an exceptionally strong performance from Mazda, which grew by 53%. The only group to see sales decline was Tata, which fell by 9%.

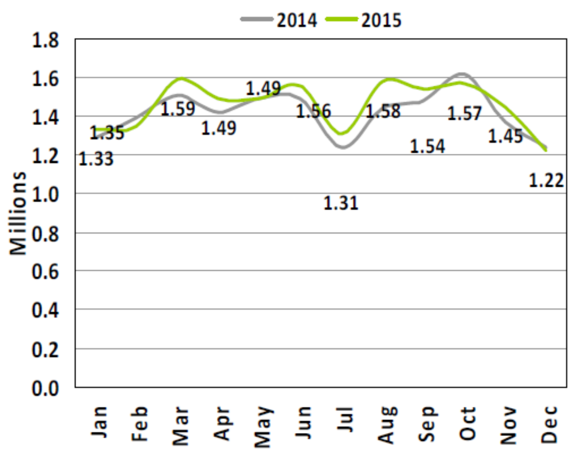
MEDIUM AND LONG TERM OUTLOOK

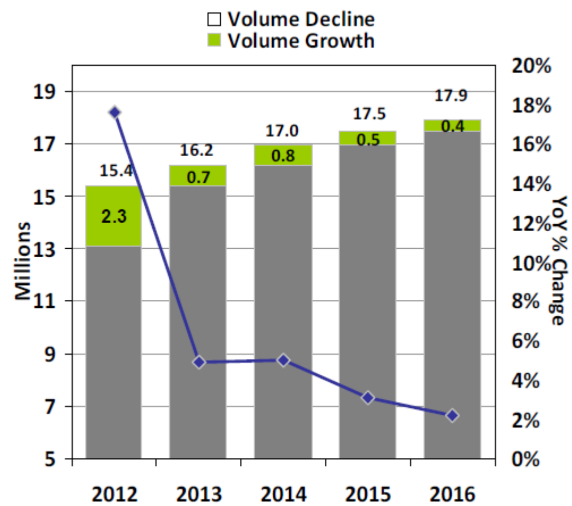
- 2016 US Light Vehicle sales are expected to rise by 1.0% from 2015 to 17.2 mn units. Light Vehicle sales in 2017 are expected to be 17.3 mn, which is a 0.3% increase from 2016.
- Continued growth in vehicle sales is being driven by many factors:
  - Our base case scenario assumes economic growth of around 3% throughout the forecast without a recession. Momentum is expected to continue as the economy moves towards equilibrium.
  - Fuel prices have fallen significantly from the record-high levels in the recent past. The US national average price for a gallon of unleaded regular gasoline is currently $2.78 per gallon. This has increased by around $0.04 since last month, but is still more than $1.00 lower than prices a year ago. We do not assume a substantial increase in the price of oil over the forecast horizon. This, combined with the improved fuel economy of newer vehicles, increases purchasers' power and could help offset a possible future increase in interest rates.
  - The average loan term is at 67 months YTD and not significantly higher than the 63 days seen five years ago. While the trend of longer loan terms may cause some concern, much of this risk can be offset by increased levels of leasing, which currently stand at 27%. Volume in the longer term is expected to continue on an upward trend. By 2022, sales are anticipated to reach record-high levels of 17.9 mn units.
  - The growth rate levels off past 2016 to a more conservative and stable 0.5%-1.0% range, fuelled by household creation, continuously improving economic conditions, delayed retirement and replacement demand.
  - The forecast has a potential upside of 18.3 mn in the long term. This could be driven by a stronger economy, greater advances in technology, falling fuel prices and stronger model activity.
  - On the downside, we could see sales stall at around 16.6 mn units long term. The US, along with the global economy, rising fuel costs, regulations and rising interest rates are some of the factors that pose risks to the forecast, but this is not at all our base assumption.

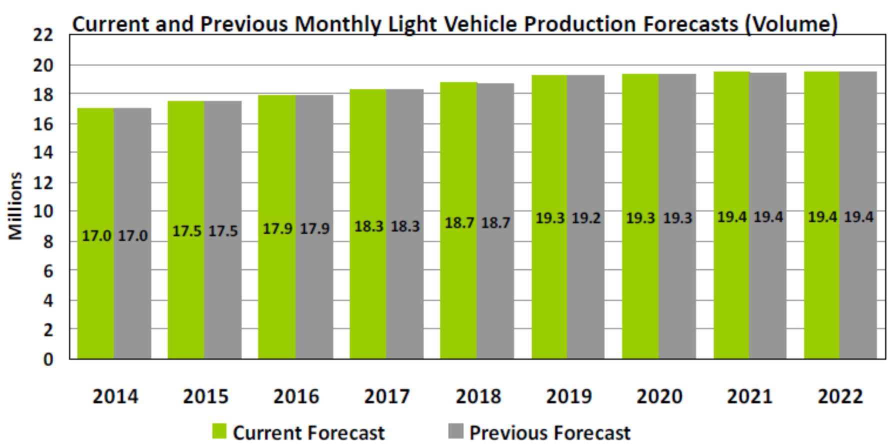
MARKET TRENDS

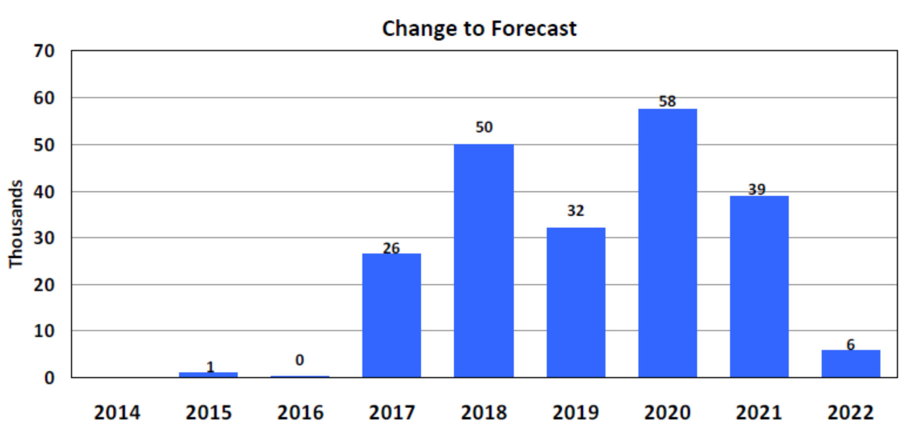
- Driven largely by CAFE, product activity will be concentrated in the Small and Compact segments over the forecast horizon. The combined market share of both the Small and Compact segments is projected to grow from 39% in 2011 to 46% by 2020.
- There is also a pronounced shift towards SUVs as more modern car-based models boast fuel economy performance, ride comfort and handling that is much improved from the body-on-frame models of the past. At the lower end, there are several B-sized SUVs slated to enter the market, which is previously untapped territory in the US. These small utilities will compete with models in several segments, notably Compact Car and SUV, as well as Small Car.
- CAFE is forcing automakers to adjust their product portfolios, and OEMs are concentrating on 7-seat Midsize SUVs as people-movers as opposed to the Large SUVs of the past. Some need for these models will always remain for consumers who require their unique capability that smaller unibody models cannot provide. Most SUV growth is expected in the smaller segments, but Large SUVs should hold a relatively steady share of the market over the horizon.
- Premium automakers are aggressively expanding their line-ups. Most of this activity is aimed at the lower end of the Premium market, with models such as the CLA, A3 and 2 Series. These lower price points at around $30,000 close the gap between Premium vehicles and many non-Premium models, creating a new dynamic that pressures the mainstream brands. Prestige, perceived quality and dealership experience are some of the factors that lead us to believe that Premium brands will win the “battle of the middle”. Premium share will grow to over 13% by the end of our forecast horizon, up from 11.9% in 2011.

NORTH AMERICAN LIGHT VEHICLE PRODUCTION: SHORT TERM









NORTH AMERICAN LIGHT VEHICLE PRODUCTION: SHORT TERM

Current and Previous Monthly Light Vehicle Production Forecasts (Millions)

	2014	2015	2016	2017	2018	2019	2020	2021	2022
Current Forecast	16.97	17.49	17.89	18.31	18.74	19.26	19.34	19.43	19.44
Previous Forecast	16.97	17.49	17.89	18.28	18.69	19.23	19.28	19.39	19.43
F/C Change (Millions)	0.00	0.04	-0.04	0.04	0.01	0.13	0.11	0.09	0.08
F/C Change (%)	0.0%	0.0%	0.0%	0.1%	0.3%	0.2%	0.3%	0.2%	0.0%

Current and Previous Monthly Light Vehicle Production Forecasts (Year-on-Year Change)

Year-on-year changes	2014	2015	2016	2017	2018	2019	2020	2021	2022
Current Forecast	5.0%	3.1%	2.2%	2.4%	2.4%	2.8%	0.4%	0.5%	0.0%
Previous Forecast	5.0%	3.1%	2.2%	2.2%	2.2%	2.9%	0.3%	0.6%	0.2%
Difference	0.0%	0.0%	0.0%	0.1%	0.1%	-0.1%	0.1%	-0.1%	-0.2%

NORTH AMERICAN LIGHT VEHICLE PRODUCTION: SHORT TERM ANALYSIS

FORECAST CHANGES

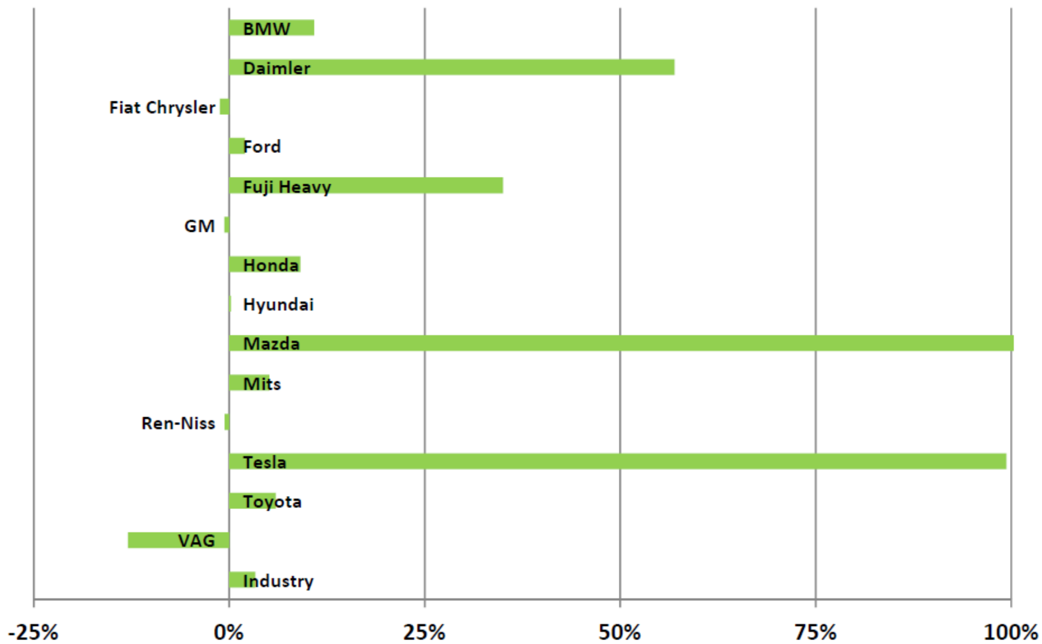
- Our forecast for 2015 remains at 17.5 mn vehicles for the year, which represents a 3.1% increase over 2014. However, we have made adjustments at the OEM level, most notably at Honda and Ford. Honda production volume was increased by 31k, primarily due to the continued strength of the Compact SUV segment in which the Honda CR-V (2WS) benefits. We initially expected more showroom interaction between the CR-V and the Honda HR-V (2XP) by the end of the first half of the year, but that has yet to be the case. Ford was raised by nearly 25k units, mainly on stronger expected output of the Ford F-150 (P552) as the automaker continues to try and build up sufficient inventory to meet the growing demand for redesigned model.
- Our 2016 forecast remains at 17.9 mn units for the year, which represents a 2.2% and 392k increase over 2015. Changes to the volume mix have occurred however between OEMs, most notably at Fiat Chrysler (FCA) and General Motors (GM). FCA was raised 165k units for the year and this is due to a couple of factors. First, is the extension of programs that were previously planned to drop during the year. These include the Jeep Patriot (MK74), which will now be extended through to December 2016 from the previous end date of March. The Dodge Caravan will now carry on through August 2017 from the previously planned drop in July 2016. The Caravan extension is mainly due to its lower price point compared to the new Chrysler Town & Country (RU), its popularity in Canada and its fleet demand. Another factor is that FCA is also planning to continue to push RAM 1500 (DS) output to meet demand and to help maintain share in the Large Pickup segment. GM on the other hand was reduced 160k due in part to lower expected Chevrolet Sonic (G1J/SC) output given increasingly slower demand for the model. Also, GM will drop Buick Verano (D1SB) production in North America in September and source the model from China going forward.
- Numerous new models were added to the forecast following the verification of production plan information for new plant investments in the region. Along with Kia Forte (YD/BD), Hyundai Group will produce the Kia Rio (SC) and the Hyundai Accent (NB) at its planned Monterrey plant. The Rio will begin production in June 2017 and the Accent will begin a year later. Along with the Volvo XC60 (N426), Geely Group will build the Volvo V60 (Y30) and the Volvo S60 (Y283(ng)) at its planned production facility in Ridgeville, South Carolina. Production is expected to begin with the XC60 in February 2019.

CURRENT SITUATION

- With partial actuals in for the month of May, production for the month was flat over last year at 1.49 mn units. Gaining for the month were Mazda, Tesla, Daimler, Fuji Heavy, BMW, Honda and Mitsubishi. The largest loss for the month was by Volkswagen (VW) which was down by nearly 8k units.
- Days' supply at the beginning of June was at 56 days, down from 65 days the previous month, as manufacturers cleared a significant amount of inventory in May as the total SAAR hit 17.7 mn units, up from 16.7 mn units a year ago. June's inventory is below the industry level at the same point last year, when days' supply was at 60 days.

NORTH AMERICAN PRODUCTION SHORT TERM GROUP SUMMARY

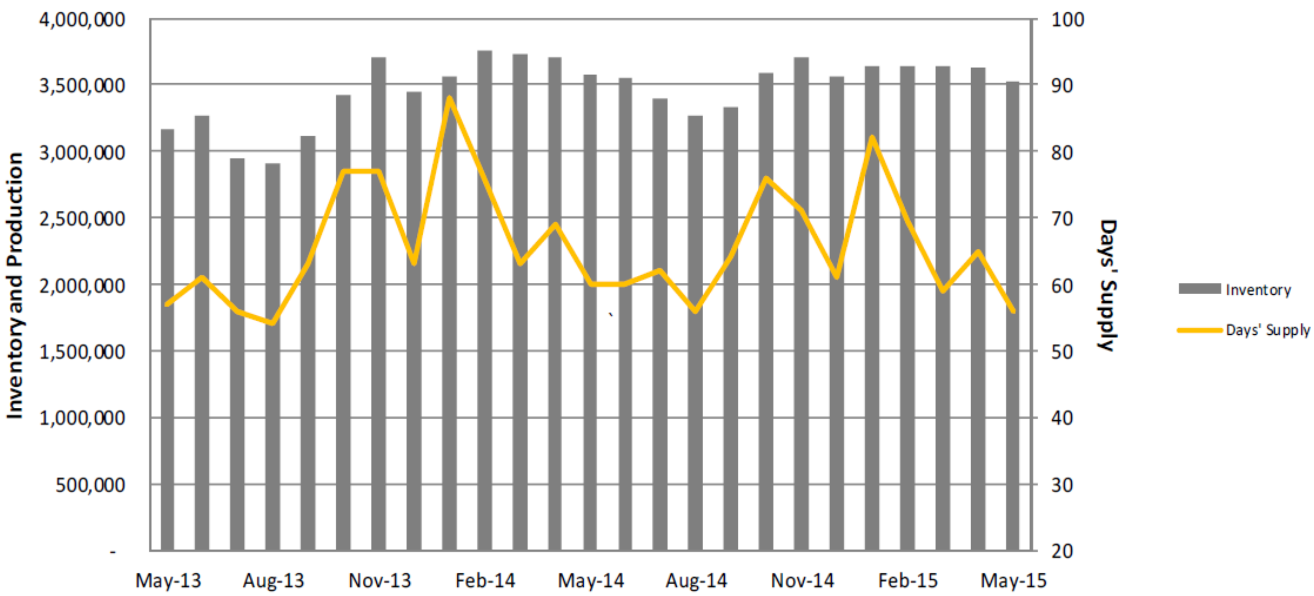
Q2 2015 Year-on-Year Change



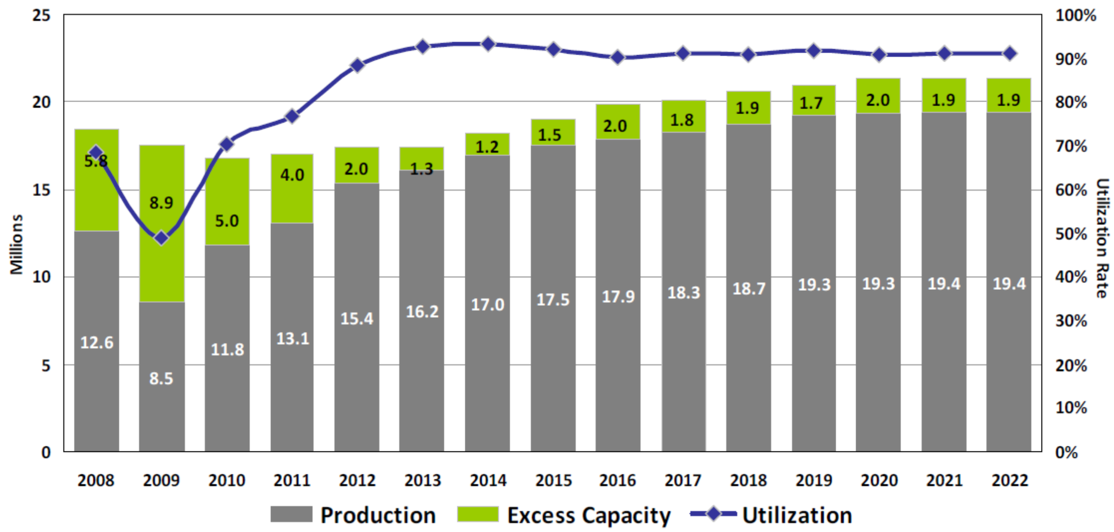
2015 Outlook, 000s

Group	2014	2015	%Δ	Δ Volume
BMW	350,754	381,638	8.8%	30,884
Daimler	244,601	311,646	27.4%	67,045
Fiat Chrysler	2,777,296	2,800,302	0.8%	23,006
Ford	2,929,101	3,091,478	5.5%	162,377
Fuji Heavy	188,921	230,944	22.2%	42,023
GM	3,377,972	3,371,531	-0.2%	-6,441
Honda	1,806,888	1,931,679	6.9%	124,791
Hyundai	766,632	763,773	-0.4%	-2,859
Mazda	99,033	172,571	74.3%	73,538
Mits	69,178	52,248	-24.5%	-16,930
Ren-Niss	1,742,958	1,692,951	-2.9%	-50,007
Tesla	34,708	58,608	68.9%	23,900
Toyota	1,985,932	2,041,137	2.8%	55,205
VAG	592,739	593,735	0.2%	996
Total	16,966,713	17,494,241	3.1%	527,528

NORTH AMERICAN STOCK/INVENTORY ANALYSIS



NORTH AMERICAN LIGHT VEHICLE PRODUCTION: LONG TERM



NORTH AMERICAN LIGHT VEHICLE PRODUCTION: LONG TERM ANALYSIS

MEDIUM AND LONG TERM OUTLOOK

- Given a stronger expected sales pace in the US in the mid-term, production volumes were increased by roughly 80k vehicles in 2017 and 2018 combined. Overall regional demand growth in the longer term remains unchanged, therefore North American production volume is still expected to grow to 19.4 mn units by 2021. Long-term growth is driven by additional plant investment and new localized entries coming into the region, particularly to Mexico.
- Looking at the mid-term more closely, the largest volume growth by 2018 when compared to 2014 is projected to come from VW, GM and Honda. We expect that VW will grow by 375k units over that timeframe due mainly to its new Audi plant in San José Chiapa and its new Midsize and Small SUV entries in Chattanooga and Puebla. GM is projected to increase by 250k with the help of the new Colorado/Canyon Midsize Pickup entries and also some key new entries including the Chevrolet Bolt, the Cadillac CT6 and the new GEM platform entries. Also aiding in GM's growth are redesigns to key volume vehicles in their portfolio, most notably the Chevrolet Equinox, GMC Terrain and the Chevrolet Malibu. Honda is projected to grow by nearly 260k vehicles over that timeframe. Helping Honda's growth is the addition of the Honda HR-V to its North American production portfolio. The HR-V is projected to add an incremental 130k units to the group over that timeframe. Also aiding their increase is the new production of the Honda FHEV hybrid. The compact FHEV will come in both sedan and hatchback form and is expected to add an extra 50k units of production to the region.
- Capacity utilization for 2015 is expected to remain in the low 90% range and stay on par with 2014. Despite the large capital investment in the region, we expect utilization to remain in the low 90% range throughout the forecast.
  - Capacity utilization by country breakdown:

	2010	2014	2015	2022
USA	66.4%	92.6%	93.8%	93.1%
Canada	74.5%	97.3%	92.3%	81.2%
Mexico	83.8%	93.2%	86.0%	90.7%
N. America	**70.4%**	**93.3%**	**92.0%**	**91.2%**

MODEL LINE FORECAST CHANGES, BY OEM

FIAT CHRYSLER AUTOMOBILES

- Chrysler 100 (PK) SOP has been moved out to September 2017 with a facelift of September 2020 and an end of production of August 2023. Chrysler 100 (PK(ng)) has been removed from the forecast.
- Production for the Dodge Caravan (RT) has been extended from July 2016 to August 2017.
- The Fiat 500 (FF) EOP has been moved out to November 2019. Fiat 500 (FF(ng)) has been added to the forecast to be produced at Toluca (Chrysler) starting December 2019.
- End of production timing for the Fiat Fremont (JF49) has been moved ahead to April 2016.
- Refresh timing for the Jeep Cherokee (KL) has been shifted to April 2017 from June 2016.
- Jeep Compass (MK49) EOP has been extended to June 2016 from March 2016.
- EOP for current-generation Jeep Grand Cherokee (WK74) has been extended to August 2018. SOP for Jeep Grand Cherokee (WL) has been moved to September 2018; in addition, facelift and EOP timings have been adjusted to March 2022 and August 2025, respectively.
- Production for the Jeep Patriot (MK74) has been moved out to December 2016 from March 2016.

FORD GROUP

- Production for the Ford Edge (CD539) has been moved ahead to September 2021 from December 2021. The program code for Ford Edge (CD539(ng)) has been updated to CDX706. In addition, production has been moved ahead to October 2021 from January 2022.
- Current-generation Ford Escape (C520)'s facelift timing has been moved to March 2016 from June 2015; production will end November 2018. Subsequently, timings for the Ford Escape (C482) have been adjusted at both Cuautitlán and Louisville Truck with SOP December 2018, a refresh for January 2022, and EOP for August 2024.
- EOP for Ford Explorer (U502) has been moved back to December 2018 from September 2018. This results in a timing shift for the Ford Explorer (U625 having an SOP in January 2019, a facelift for January 2022, and an EOP for December 2025).
- Rather than the next-generation Fiesta, the C484 program will be a Small Car to replace the Fiesta at Cuautitlán.
- The Ford Flex (D471) and Lincoln MKT (D472) EOPs have been moved out three years from December 2015 to December 2018.
- Program code for the next-generation Mustang (S550(ng)) has been changed to S650 and the SOP has been shifted back from January 2022 to May 2020. Subsequently, the EOP for the S550 has been moved to April 2020.
- The lifecycle for the Ford Taurus (D258) has been extended out beyond our forecast horizon to June 2023 from June 2017.
- EOP for the Lincoln Continental (D544) has been moved from March 2022 to May 2023 and therefore shifting the next-generation out of the forecast horizon.
- Added a Large Sedan to the forecast for Lincoln with a program code of CD714, SOP of July 2020, facelift of Jul-2023, and EOP of June 2026.
- Lincoln Midsize SUV (U611) SOP shifted from February 2019 to January 2019.

- The next-generation Lincoln MKX SOP was moved out from January 2021 to March 2022. The program code was also changed from U540(ng) to CDX707. The facelift for the CDX707 was changed as well from December 2023 to March 2025 and the EOP from December 2026 to February 2028. The U540 EOP was shifted as a result from December 2020 to February 2022 and the facelift from November 2017 to May 2018.
- The Lincoln MKZ (CD533) EOP was extended from July 2018 to June 2019. The next-generation MKZ (CD622) was moved from the Hermosillo plant to Flat Rock Assembly with an SOP of July 2019 (was August 2018), facelift of July 2022 (was July 2021), and EOP of June 2026 (was July 2024).

GEELY GROUP

- The XC90 build was removed from Ridgeville and replaced with the V60 (Y30) AND S60 (Y283(NG)). SOP FOR THE Y283(ng) at Ridgeville is April 2020 and the SOP for the Y30 program is July 2020.

GENERAL MOTORS

- Builds for the next generations of the Buick Verano (D2SB & D3SB) have been removed. The current-generation (D1SB) EOP is September 2016.
- Facelift for the Cadillac CTS (A1LL) was moved from September 2016 to June 2016.
- Cadillac Small Car (D2JL) had its model name changed to Cadillac CT2.
- Cadillac ATS (A2S/B/AL) had its model name changed to Cadillac CT3/CT4.
- Cadillac CTS (A2LL) had its model name changed to Cadillac CT5.
- The Cadillac XT1 (9BUL) has been added to the forecast and will be a Small Premium SUV on the 9BXX platform, which will begin production July 2019.
- Cadillac Compact SUV (C1YL) had its model name changed to Cadillac XT7.
- Production for the Chevrolet Captiva Sport (GMT311) at Ramos Arizpe has been extended one year from an EOP of December 2015 to December 2016.
- EOP for Chevrolet Equinox (GMT172) has been moved ahead to October 2015 at Spring Hill 2.
- Builds for the Chevrolet Onix and Prisma have been moved from San Luis Potosi (GM) to Ramos Arizpe.
- Mid-cycle refresh timing for the Chevrolet Silverado (K2XC) has been moved forward from January 2016 to October 2015.
- Production for the Chevrolet Impala (GMX211) has been extended to May 2016.
- EOP for the Chevrolet Sonic (G1J/SC) at Orion and Ramos Arizpe has been extended from March 2016 to September 2020 and there is no longer the G2J/SC generation. The next-generation Sonic will therefore be the 9BJ/SC.
- Chevrolet Trax (G1UC) EOP has been extended from March 2017 to February 2019. The G2UC build was removed and the next-generation Trax is therefore the 9BUC. The 9BUC SOP was moved from April 2022 to March 2019, the facelift from April 2025 to April 2022, and the EOP from March 2028 to June 2025.
- The current-generation GMC Acadia (GMT968) was extended from June 2016 to December 2016. Production of this generation will run concurrent for a short period with the next-generation, which will be produced at Spring Hill beginning in April 2016.
- Facelift timing for the GMC Sierra (K2XG) was moved from January 2016 to April 2016.
- Facelift timing for the Sierra HD (K2XGZ) was shifted out from April 2016 to October 2016.
- Build for the GMC Terrain (D2UG) at Ingersoll Car was moved to San Luis Potosi SOP June 2017.

HONDA GROUP

- EOP for the Honda Crosstour (2NX) was moved forward from December 2015 to August 2015.

HYUNDAI GROUP

- Hyundai Accent (NB) production was added to Monterrey. SOP is August 2018, facelift is May 2021, and EOP is July 2024.
- Kia Forte (YD) generation was added to Monterrey SOP June 2016 and EOP Jul-2019.
- Kia Forte (YD(ng)) program code was changed to BD. The SOP for the Forte BD was also shifted out from June 2016 to April 2018. Subsequently, facelift for the BD was shifted from June 2019 to November 2020 and the EOP was shifted from May 2022 to July 2023.
- Build for the Kia Rio (SC) was added to Monterrey SOP June 2017.
- Kia Sportage (SL(ng)) production was removed from Monterrey.

OTHER MANUFACTURERS

- Aston Martin plant in Alabama, called AM Alabama in our forecast, was added with capacity of 1,000 annually. The new plant will produce the AstonMartin DBX Super-Premium Compact SUV.

RENAULT-NISSAN GROUP

- Facelift for the current-generation Nissan LEAF (B12G) was removed.
- Mid-cycle refresh timing for the current-generation Nissan Pathfinder (P42K) was moved out one year from July 2015 to July 2016.
- Facelift timing for the Nissan Versa Note (E12) was shifted from October 2015 to November 2016.

TESLA MOTORS

- Tesla Model III SUV was added to Fremont (Tesla) plant with an SOP of November 2017.

VOLKSWAGEN GROUP

- Facelift was removed for the current-generation Volkswagen Beetle

NORTH AMERICAN PRODUCTION GROUP SUMMARY

Group/Marque	2014	2015	2016	2017	2018	2019	2020	2021	2022
BMW Group	**351**	**382**	**411**	**384**	**369**	**423**	**527**	**532**	**537**
Change	*18.1%*	*8.8%*	*7.8%*	*-6.8%*	*-3.7%*	*14.6%*	*24.4%*	*1.0%*	*0.9%*
Daimler Group	**245**	**312**	**339**	**331**	**355**	**410**	**413**	**410**	**412**
Change	*23.1%*	*27.4%*	*8.7%*	*-2.4%*	*7.4%*	*15.3%*	*0.8%*	*-0.6%*	*0.5%*
Mercedes-Benz	245	312	339	331	355	410	413	410	412
Fiat Chrysler Automobiles	**2,777**	**2,800**	**2,674**	**2,694**	**2,683**	**2,733**	**2,731**	**2,730**	**2,706**
Change	*11.4%*	*0.8%*	*-4.5%*	*0.8%*	*-0.4%*	*1.9%*	*-0.1%*	*0.0%*	*-0.9%*
Chrysler	382	397	496	577	612	655	674	671	666
Dodge	746	698	605	532	446	458	454	443	441
Fiat	71	65	61	65	63	61	65	65	63
Jeep	1,065	1,067	926	957	970	987	979	993	980
Ford Group	**2,929**	**3,091**	**3,048**	**3,006**	**2,989**	**3,102**	**3,177**	**3,142**	**3,189**
Change	*-4.7%*	*5.5%*	*-1.4%*	*-1.4%*	*-0.6%*	*3.8%*	*2.4%*	*-1.1%*	*1.5%*
Ford	2,798	2,982	2,912	2,874	2,858	2,955	3,024	2,987	3,027
Lincoln	131	110	136	131	131	148	153	155	162
Fuji Heavy	**189**	**231**	**233**	**349**	**373**	**429**	**415**	**400**	**391**
Change	*11.7%*	*22.2%*	*1.0%*	*49.5%*	*7.0%*	*14.9%*	*-3.3%*	*-3.4%*	*-2.4%*
Geely Group	-	-	-	-	-	**30**	**56**	**72**	**70**
Change	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*88.0%*	*27.9%*	*-2.6%*
General Motors Group	**3,378**	**3,372**	**3,421**	**3,558**	**3,629**	**3,663**	**3,638**	**3,673**	**3,658**
Change	*2.5%*	*-0.2%*	*1.5%*	*4.0%*	*2.0%*	*1.0%*	*-0.7%*	*1.0%*	*-0.4%*
Buick	186	159	132	126	122	118	113	118	114
Cadillac	221	202	200	230	296	319	338	336	322
Chevrolet	2,361	2,347	2,436	2,552	2,547	2,552	2,536	2,560	2,565
GMC	610	664	654	649	659	664	641	650	647
Honda Group	**1,807**	**1,932**	**2,007**	**2,014**	**2,062**	**2,038**	**2,064**	**2,078**	**2,085**
Change	*1.4%*	*6.9%*	*3.9%*	*0.3%*	*2.4%*	*-1.2%*	*1.3%*	*0.7%*	*0.3%*
Acura	193	201	197	198	200	210	233	227	234
Honda Group	1,807	1,932	2,007	2,014	2,062	2,038	2,064	2,078	2,085
Hyundai Group	**767**	**764**	**889**	**933**	**1,006**	**1,076**	**1,055**	**1,065**	**1,032**
Change	*-0.2%*	*-0.4%*	*16.3%*	*4.9%*	*7.9%*	*6.9%*	*-1.9%*	*1.0%*	*-3.1%*
Hyundai	507	503	549	527	554	628	615	618	595
Kia	259	260	340	406	452	448	440	447	437
Group/Marque	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**
Mazda	**99**	**173**	**170**	**158**	**148**	**167**	**158**	**153**	**150**
Change	-	*74.3%*	*-1.4%*	*-7.1%*	*-6.3%*	*12.6%*	*-5.2%*	*-3.4%*	*-2.0%*
Mitsubishi	**69**	**52**	**45**	**51**	**49**	**48**	**49**	**48**	**47**
Change	*2.7%*	*-24.5%*	*-13.1%*	*12.1%*	*-3.2%*	*-2.5%*	*2.3%*	*-2.1%*	*-2.6%*
Other	-	-	-	-		**1**	**1**	**1**	**1**
Change -	-	-	-	-		*2185.7%*	*1.0%*	*2.6%*	*6.2%*
Renault-Nissan Group	**1,743**	**1,693**	**1,748**	**1,758**	**1,829**	**1,805**	**1,783**	**1,801**	**1,817**
Change	*18.4%*	*-2.9%*	*3.3%*	*0.6%*	*4.0%*	*-1.3%*	*-1.2%*	*1.0%*	*0.9%*
Infiniti	48	46	47	54	104	101	101	101	98
Nissan	1,695	1,646	1,654	1,623	1,648	1,628	1,607	1,624	1,647
Toyota Group	**1,986**	**2,041**	**2,131**	**2,035**	**2,131**	**2,233**	**2,183**	**2,201**	**2,215**
Change	*6.9%*	*2.8%*	*4.4%*	*-4.5%*	*4.8%*	*4.8%*	*-2.3%*	*0.8%*	*0.6%*
Lexus	104	104	149	144	148	157	151	157	161
Toyota	1,882	1,935	1,962	1,872	1,966	2,057	2,014	2,026	2,037
Volkswagen Group	**593**	**594**	**677**	**918**	**968**	**944**	**926**	**952**	**943**
Change	*-9.7%*	*0.2%*	*14.0%*	*35.5%*	*5.4%*	*-2.4%*	*-1.9%*	*2.8%*	*-0.9%*
Audi	-	-	62	169	181	183	183	181	183
Volkswagen	593	594	615	748	787	761	743	771	759
Tesla Motors	**35**	**59**	**92**	**122**	**152**	**160**	**168**	**172**	**184**
Change	*-60.4%*	*68.9%*	*56.6%*	*33.1%*	*24.4%*	*5.5%*	*4.8%*	*2.6%*	*6.8%*
Total	**16,967**	**17,494**	**17,887**	**18,309**	**18,744**	**19,263**	**19,342**	**19,431**	**19,437**
Change	*5.0%*	*3.1%*	*2.2%*	*2.4%*	*2.4%*	*2.8%*	*0.4%*	*0.5%*	*0.0%*

ABOUT UHY LLP

THE NEXT LEVEL OF SERVICE

Our commitment to client service is personable, value-added and cost-effective. Our goal is to exceed our clients' expectations on every engagement. These fundamentals are the foundation of our practice:

- Established in 1968
- Hands-on partner involvement and more partner attention
- Up front discussion of issues to get it right the first time
- Economical fee structure
- Local professionals with an excellent understanding of your business
- National and global staff with locations and resources to meet your every need
- In-depth technical knowledge and industry-specific expertise
- Dedicated client-focused engagement teams
- Certified and experienced in most states to provide accounting services

THE RIGHT SIZE

We deliver solutions and bring unparalleled industry experience in all geographic markets.

Michigan. Our local practice is the 5th largest accounting firm in Southeast Michigan with over 300 employees in Detroit, Farmington Hills and Sterling Heights.

United States. Our national practice is one of the top professional services firms in the country. We have 12 offices across the US to serve you.

Worldwide. Urbach Hacker Young International Limited ("UHY International" or "UHYI") is the 16th largest international accounting and consultancy network, with over 7,600 professionals in nearly 300 cities in 89 countries.

GLOBAL REACH

As an independent member of Urbach Hacker Young International Limited ("UHYI"), we are able to call upon the resources of professional service firms throughout the world. Established in 1986 and based in London, UHYI is a cohesive network of independent accounting and consulting firms servicing clients with a variety of international and domestic needs.

Collectively, UHYI and its member firms offer:

- English-speaking professionals and personnel in every office
- Achievable economies and efficiencies by having people on the ground where our clients operate
- Innovative consulting services to help companies navigate the global business environment
- Expertise of member country's regulatory accounting standards and tax regulations
- Effective cross-border tax planning and compliance
- Consistency with financial reporting

UHY’S AUTOMOTIVE SUPPLIERS PRACTICE

In today’s ever-changing automotive landscape, the need for an accountant to be more than just a “number cruncher” is crucial for automotive suppliers to achieve their goals.

What separates our firm from its competitors? We combine financial expertise with a hands-on, “shop floor” approach to solving complex business decisions in the areas most relevant to the auto industry.

Automotive suppliers are very dynamic and always need to be ready to respond to rapid change. Our team is focused on financial, operational and supply chain issues facing the industry. With more than 200 automotive clients, our experience in the automotive space is deep.

SELECT INDUSTRY SEGMENTS WE SERVE

- Plastic and metal parts
- Components and systems
- Controls
- Tool and die
- Machine and equipment builders
- Prototype
- Engineering

CHALLENGES FACING THE INDUSTRY

- Liquidity
- Supply chain risk mitigation
- Globalization
- Unstable commodity prices
- Rising employee benefits
- Shifts in customer preferences
- Materials and technology changes
- Stricter government regulations
- Industry consolidation
- Capacity constraints

STRATEGIES FOR SUCCESS

- Strengthen balance sheet by focusing on ways to increase liquidity and reduce debt
- Assess technology-related risks and opportunities
- Place emphasis on diversification and flexibility
- Focus on expanding value chains
- Contemplate overseas acquisitions
- Seek corporate partnerships
- Implement daily and weekly cash flow reporting

- Improve production efficiencies with daily, weekly and monthly operating metrics
- Focus on individual product and customer profitability by preparing product line profit and costs analysis
- With continued consolidation risk, maximize leverage on fixed costs

SERVICE OFFERINGS

OPERATIONAL IMPROVEMENT

Is your company facing some of these challenges?

- Expedited freight
- Excessive overtime
- Breakdown in planning and scheduling
- Space constraints/constrained throughput

Our solution: A seasoned operational improvement team offers solutions that will get you results.

- Daily shop floor accountability scoreboard with OPMS™ (Optimal Performance Management System)
- Planning and scheduling process improvement
- Shop floor layout optimization
- APQP process consulting

STATE & LOCAL TAX INCENTIVES

Is your company planning some of these initiatives?

- Plant expansion
- Significant capital expenditures
- Headcount increases
- Analysis of real and personal property assessments

Our solution: Dedicated SALT professionals that have a deep understanding of the auto sector and will assist in maximizing ROI and preserve capital.

- Real and personal property tax abatements
- Job creation tax credits
- Training grants
- Sales/use tax analysis
- Property tax appeals

MERGER & ACQUISITIONS

Is your company looking to accelerate growth through an acquisition or planning an exit?

Our solution: An experienced transaction services team that has significant automotive knowledge and will guide you through an acquisition or sale process to maximize shareholder value.

- Sell side and buy side advisory
- Financial and operational due diligence
- Business valuation
- Quality of earnings assessments
- Introduction to sources of capital

- Post-merger integration
- Financial modeling

TAX PLANNING & COMPLIANCE

Is your company looking to preserve capital and improve cash flow?

Our solution: Seasoned tax professionals that not only prepare your federal and state tax returns, but also provide more tax savings ideas due to deep sector knowledge.

- Research and development credits
- DPAD (domestic production activities deduction)
- Propane credits
- Capital expenditure planning
- Cost segregation
- IC-DISC
- Prepaid election
- International tax planning

AUDIT & ASSURANCE

Today, creditability with lenders and third parties has become even more important to be recognized as a premier automotive supplier.

Our solution: Dedicated attest professionals that increase your company's credibility by being industry knowledge leaders.

- Significant knowledge of lender requirements
- Strong understanding of OEM tooling requirements and financial reporting
- Proper financial statement presentation for tooling and percentage of completion
- Inventory valuation, presentation and costing

Key service offerings:

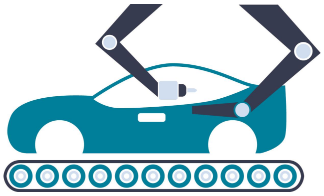
- Audits, reviews and compilations of financial statements
- Financial forecasts and budget planning
- Product line profitability costing analysis

Other advisory services:

- OEM contract negotiations
- Emerging market and foreign joint ventures
- Strategic supplier partnerships
- Financial health scorecard

ABOUT LMC AUTOMOTIVE

Known and respected worldwide for the quality of its global forecasting services and its highly responsive customer support, LMC Automotive is the premier supplier of automotive forecasts to an extensive client base of over four hundred car and truck makers, component manufacturers and suppliers, and financial and government institutions around the world.



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