

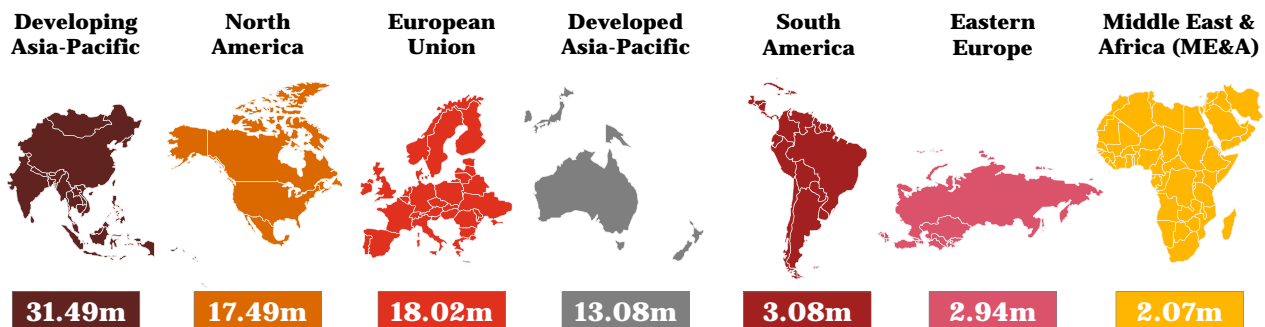
Global Market Update

A crisis of confidence

As emerging markets weather local turbulence and volatility, Europe and North America continue to surprise with strong growth in sales as China requires a re-adjustment of strategies. Meanwhile, the entire automotive industry seems to have fallen into a general crisis of trust and confidence.

Global: Regional Assembly Topline Outlook

2015 (millions)



Source: Autofacts 2015 Q4 Data Release

High drama, little effect

2015 has been a year riddled with dramatic headlines within the automotive industry. It started with the rapid decline of the Russian market, the ongoing contraction of the Brazilian automotive industry, and now concerns regarding the slowdown of the Chinese market have taken center stage. Meanwhile, the recent diesel scandal continues to unfold, resulting in changes in senior levels of management. These negative events, combined with recent delays in safety recalls and inflated MPG statements, have cast a shadow over automakers, calling into question the reliability and trustworthiness of the entire industry. The fourth quarter forecast release reflects each of these issues in turn, but the impact is nowhere near the cyclical fears stemming from the deep crisis of 2008. The global topline was taken down by approximately a half million units when compared to the third quarter release. Though accelerated growth was seen

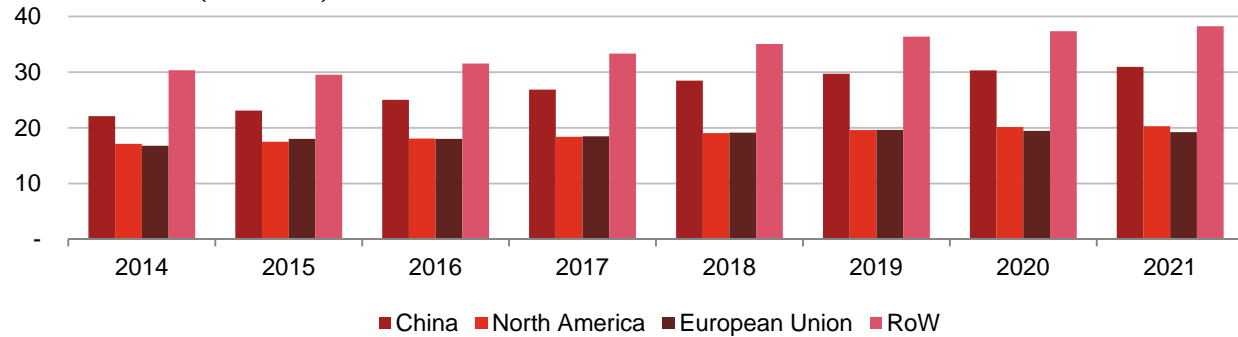
in North America and Europe, it was not enough to offset the deepening issues facing emerging markets

Global growth perspectives

The fourth quarter Autofacts forecast shows varying degrees of growth by region and market for the remainder of 2015. Production in China is forecast to grow a meek 4.6% for the full year as the economy remains on shaky ground. Europe and North America will continue to stand shoulder-to-shoulder with North America growing by 2.1%, while Europe is surging ahead with recovery growth of 7.0%. At the global level, growth is forecast at merely 2.1% in 2015, while 2016 and 2017 are expected to show a return to a healthier level of 5.1% and 4.7% respectively as crisis markets will stabilize. The highest growth, however, is expected in areas outside of the traditional regional blocks – which means that automakers will have to upgrade their strategy to stay mobile and agile enough to chase growth wherever it may appear.

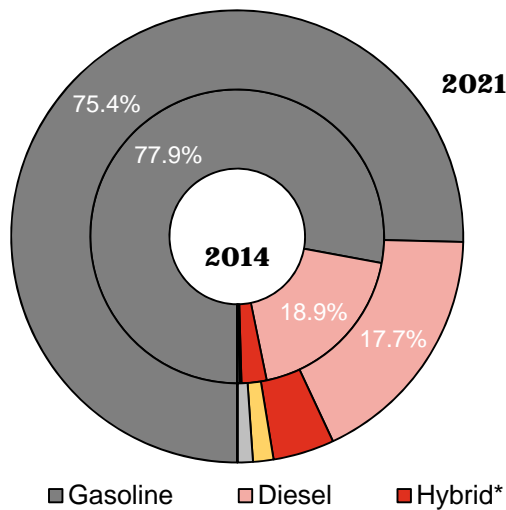
Major Production Areas

2014 – 2021 (millions)



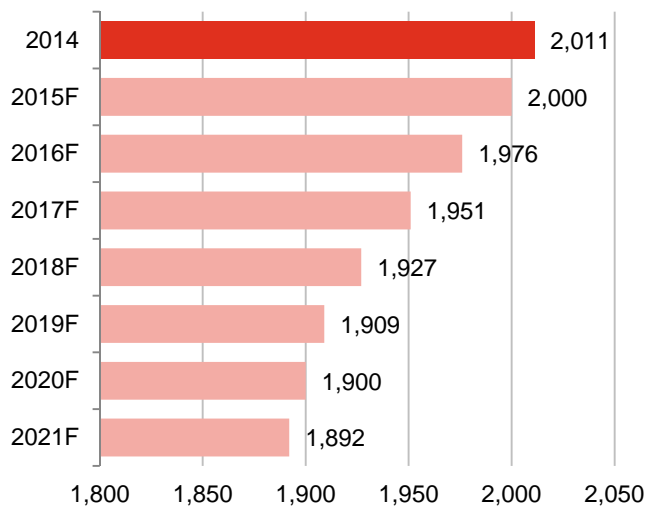
Vehicle Propulsion

2014 vs. 2021 (percentage share)



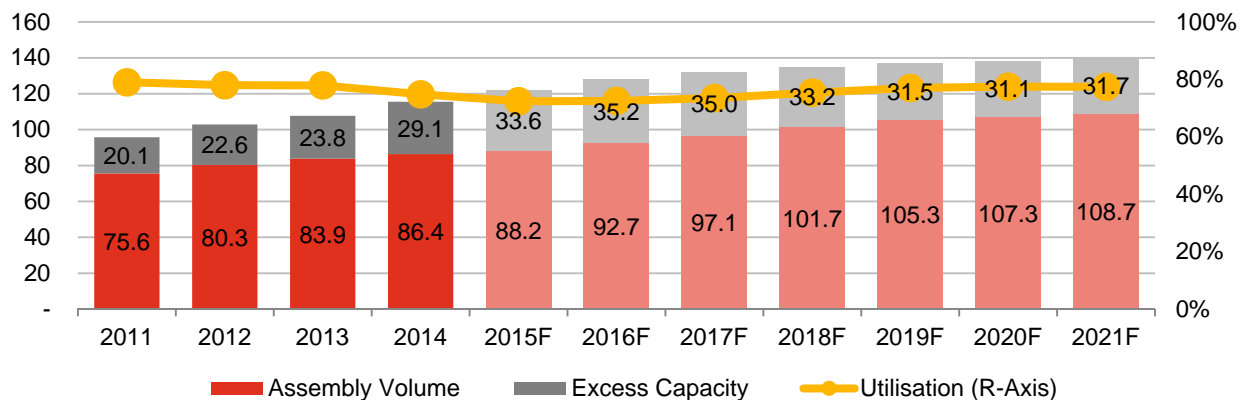
Average Engine Displacement

2014 – 2021 (cubic centimeters)



Light Vehicle Assembly

2011 – 2021 (millions)



Source: Autofacts 2015 Q4 Data Release

© 2015 PwC. All rights reserved. PwC refers to the PwC network and/or one or more of its member firms, each of which is a separate legal entity. Please see www.pwc.com/structure for further details. This content is for general information purposes only, and should not be used as a substitute for consultation with professional advisors. PwC helps organisations and individuals create the value they're looking for. We're a network of firms in 157 countries with more than 195,000 people who are committed to delivering quality in assurance, tax and advisory services. Find out more and tell us what matters to you by visiting us at www.pwc.com

For information regarding our products and services please visit us at www.autofacts.com