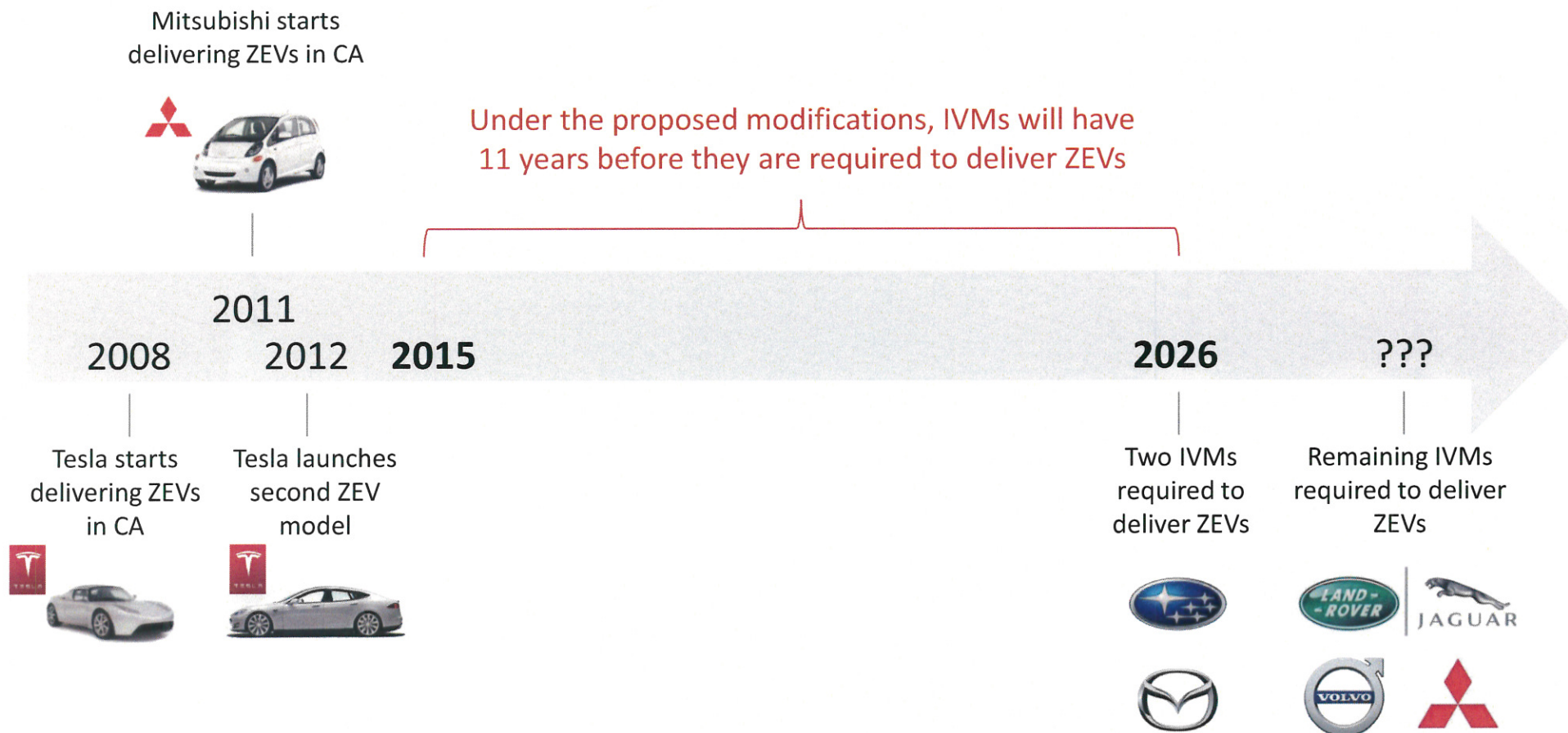


# Regulatory Change Analysis

May 2015

# Substantial Lead Time



# Financial Capacity to Meet LVM Standards

IVMs have more than enough financial capacity to launch ZEV programs

## Average IVM vs Tesla

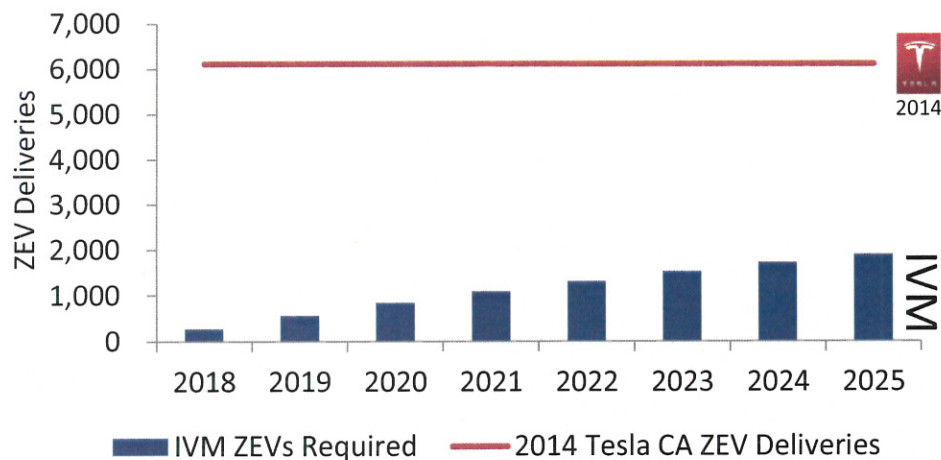
### 2015 Analyst Estimates

	Average IVM <sup>(1)</sup>	Tesla
Operating Profit	\$3.0 billion	\$0.1 billion
Cash	\$4.2 billion	\$0.9 billion
Global Deliveries <sup>(2)</sup>	1.1 million	55,000

IVM's have:

- Far more financial resources than Tesla
- Access to billions of dollars through public markets
- Established sales, service and manufacturing capabilities

## CA ZEVs Required if Treated as an LVM<sup>(3)</sup>



Tesla is delivering @ >3x the 2025 IVM requirement

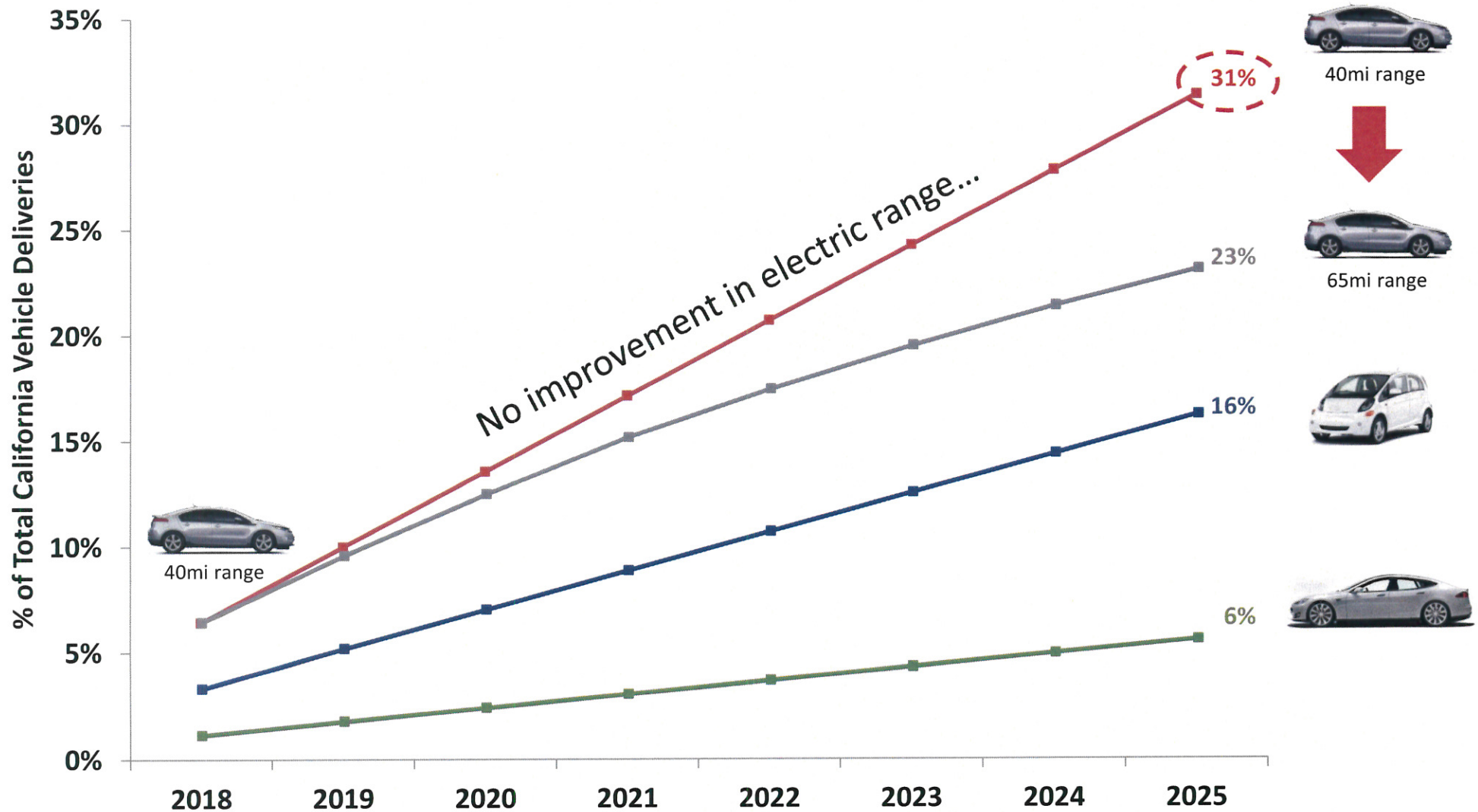
2018 average IVM requirement would be only 280 BEVs

2025 average IVM requirement would be only 1,900 BEVs

(1) FYE 3/16. Financial data for parent companies of IVM(4) brands. Volvo is excluded as Zhejiang Geely Holding Group financials are not publicly available.  
 (2) Source: IHS for IVM deliveries & company estimate for Tesla deliveries. IVM figure represents average global deliveries for the parent companies of the five IVM brands.  
 (3) Analysis assumes IVM(5) comply with 100 mile UDDS range BEV in 2018, with a range improvement of 5% each year. Delivery forecast based on IHS, Polk and ARB data.

# A Wide Range of Compliance Options

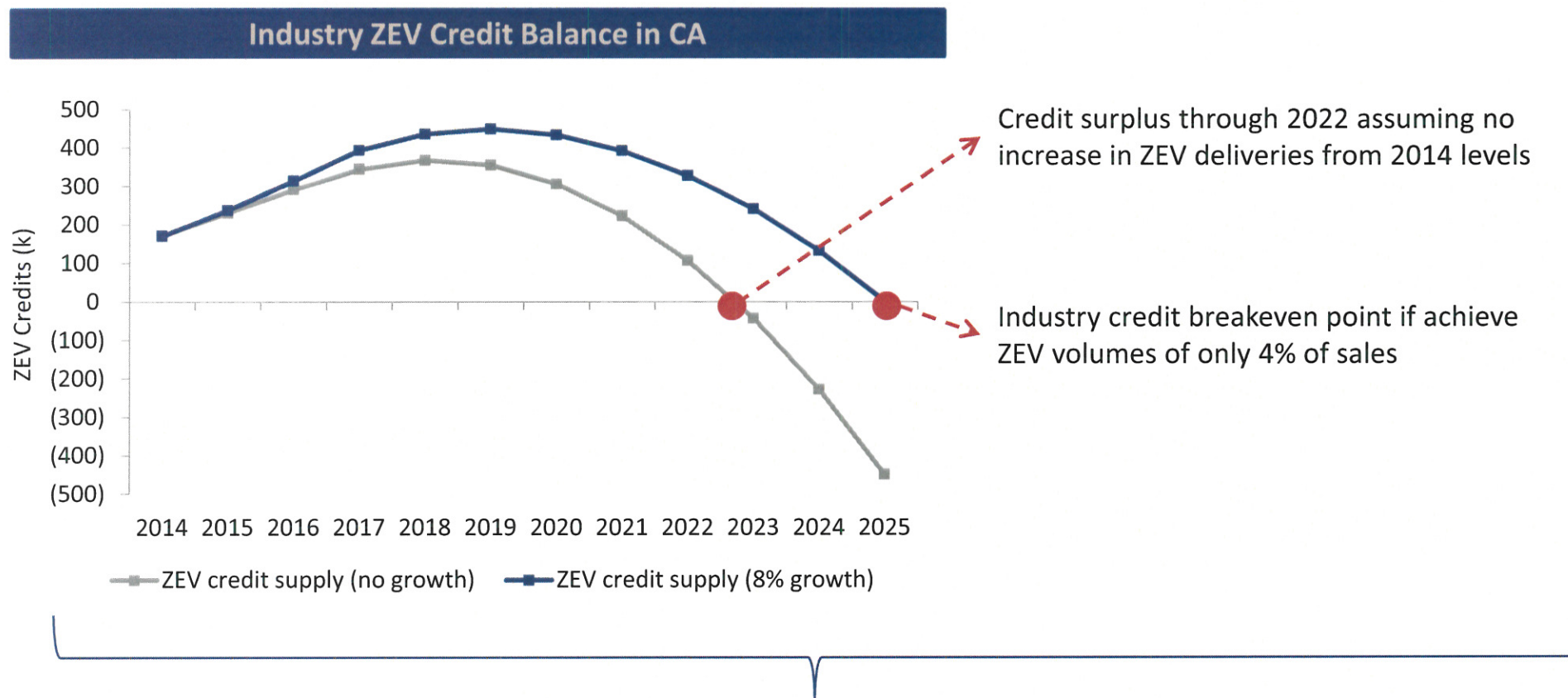
## IVM Requirement as a % of Total Vehicle Deliveries





# Significant Oversupply of CA ZEV Credits

The industry can comply through 2022 with no increase in California ZEV delivery rates



Industry only needs to reach 4% ZEV sales volume in 2025 to fully comply with the mandate  
ZEV mandate will only require 600k cumulative ZEV deliveries by 2025, versus Governor Brown's goal of 1.5M