

GUIDELINES

NADA Used Car Guide Industry Update

March 2015

- Wholesale Prices Grow by 0.8% in February
February's performance was nearly a full percentage point lower than the average recorded for the month from 1996 to 2014
- NADA's Used Vehicle Price Index Declines
Index decreases by 1.8 percentage points to 123.5
- New Vehicle Sales Increase by 5.4%; SAAR Settles at 16.16M Units
SAAR declines from January, but was 830,000 units higher than a year ago
- Incentive Growth Ends at 24 Months
Average spending per unit falls to \$2,682, down 0.7% from last year



TABLE OF CONTENTS

New & Used Market Trends	2
NADA Official Used Car Guide Value Trends	9
At NADA Used Car Guide	10

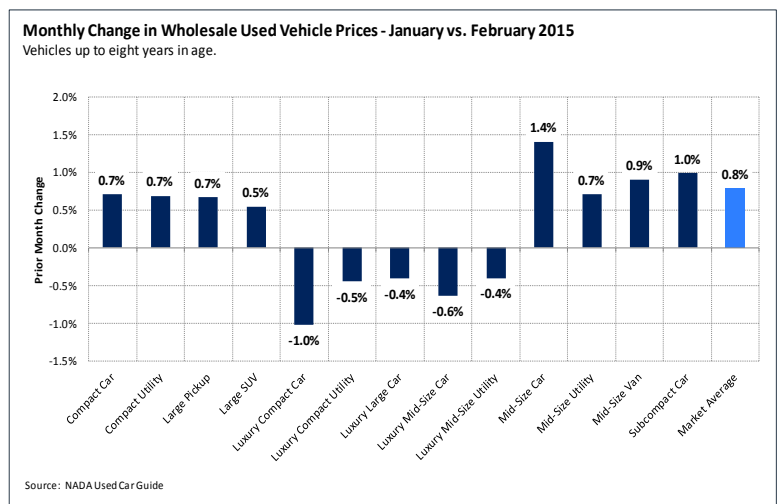
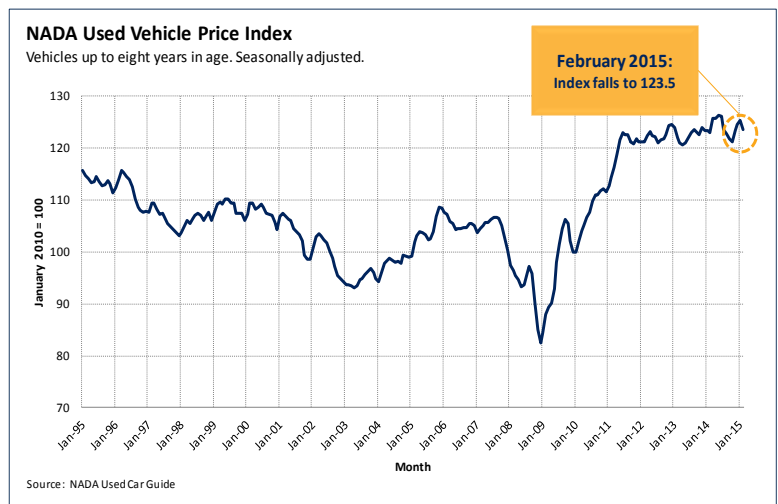
NEW & USED MARKET TRENDS

USED MARKET UPDATE

The extreme winter weather that repeatedly ravaged states east of the Mississippi in February also dampened used vehicle price growth during the month. Wholesale prices of vehicles up to eight years in age grew by 0.8% over January levels last month, slightly below NADA’s forecasted range of 1% to 1.5%. From a historical standpoint, February’s performance was nearly a full percentage point lower than the roughly 1.7% average recorded for the month from 1996 to 2014 (excluding 2009’s abnormal 6.3% increase).

February’s comparatively tepid result led to a 1.8 percentage point drop in NADA’s seasonally adjusted used vehicle price index, which fell from 125.3 in January to 123.5 last month.

Mainstream segment price growth was fairly consistent, with prices growing between a tight range of 0.5% to 1.4%. In fact, prices for half of the eight non-luxury segments tracked—including compact cars, compact utilities, large pickups and mid-size utilities—rose by an identical 0.7% in February. At 1.4%, mid-size car price growth was nearly double the overall market average despite an 8% rise in late-model (2012-2014) auction volume. Low gasoline prices and a 6% rise in late-model supply didn’t

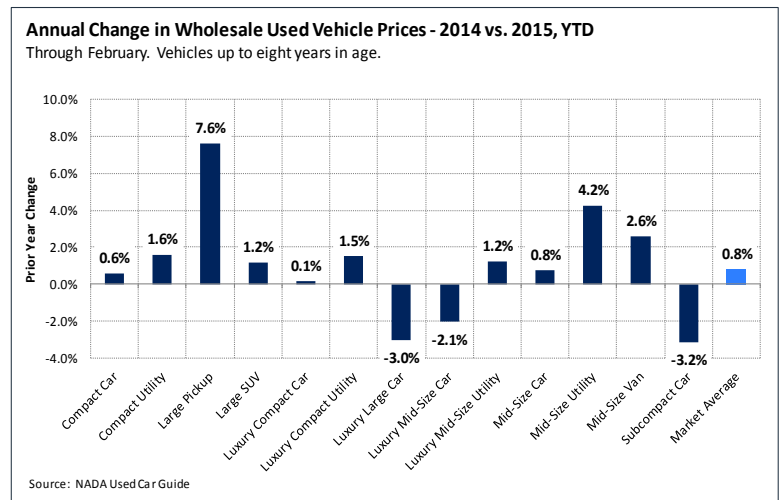


[NEW & USED MARKET TRENDS *continued*]

prevent subcompact car prices from improving by 1% last month, while mid-size van prices rose by a similar 0.9% in spite of a significant 20% increase in late-model volume.

As they're historically prone to do, prices for luxury segments moved in the opposite direction of their mainstream counterparts in February, with prices for luxury cars and trucks alike declining across the board. Falling by 1%, luxury compact car prices gave up the most ground last month, while prices for remaining luxury segments fell by a lessor average of 0.5%.

On an annual basis, wholesale prices ended the month 0.8% higher than they were in February 2014. Large pickups continue to perform very well. As a result, prices for the segment were 7.6% higher in February than they were last year—the most of any other segment. Two more strong performers were mid-size utilities and mid-size vans, whose prices were 4.2% and 2.6% higher than the same period last year, respectively. Subcompact, luxury large and luxury mid-size car prices have performed subpar this year. Prices for the trio were, on average, 2.8% lower relative to last year.



As far as supply through the lanes was concerned, volume for one- to eight-year old models reached nearly 323,000 units in February, essentially unchanged from January's level. Across model years, 2014 model volume—comprised mainly of off-rental vehicles—fell for the first time in more than six months, dropping by 2% to a total just north of 65,000. However, volume for the more off-lease laden 2012 and 2013 model years increased by an average of 7% to 62,000 and 51,300, respectively.

Conversely, waning off-lease supply led to a 9% drop in 2011 model year volume, while the number of remaining model year units fell by an average of 4%. Although auction supply fell relative to January, the month finished with volume almost 5% higher than it was last February, thereby pushing the year-to-date change in volume up to 6.6%

MARCH USED VEHICLE PRICE FORECAST

In February's edition of Guidelines, we shared the expectation that used vehicle prices would improve by up to 1% in March before beginning their annual descent in April.

[NEW & USED MARKET TRENDS *continued*]

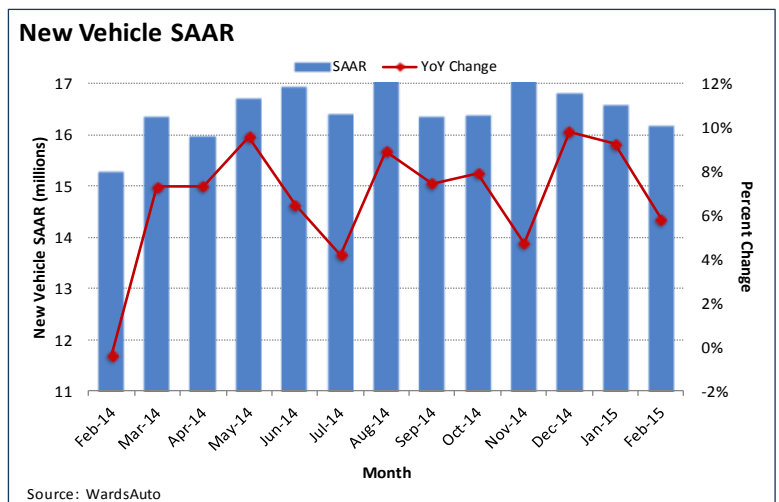
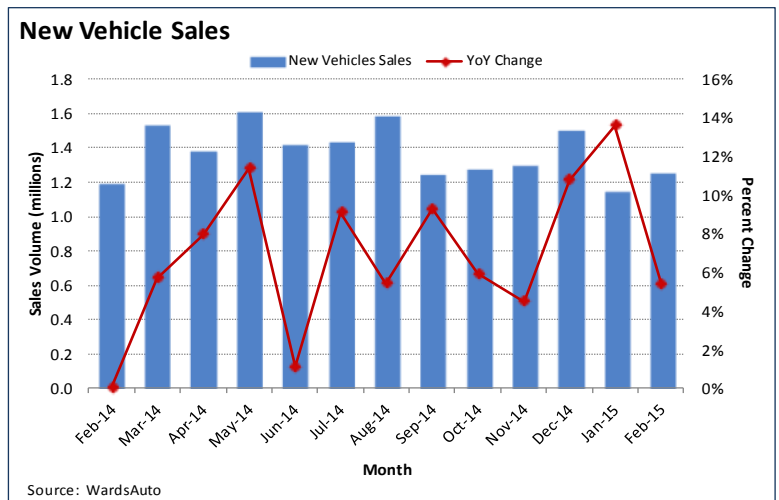
Given February’s weather-afflicted performance, however, it’s now likely seasonal demand will be stronger over the period than anticipated last month.

Early 2014 provided a historical basis for this outlook. Similarly frigid temperatures and wide -reaching winter precipitation over the first two months of the year disrupted used vehicle purchases for both dealers and consumers. Come March, however, better weather brought with it a concentrated burst of pent-up demand. In turn, used vehicle prices jumped by a whopping 4%—the highest increase ever recorded for the month.

While we don’t foresee a similar outcome this year, it wouldn’t be surprising to see appreciation in March exceed the 1% high-end of our forecast. As for April, we still expect to see a drop in prices over the month. The drop will be at a less substantial rate of 0.5% to 1%, rather than the 2% or higher rate forecasted in February.

MARCH OFFICIAL USED CAR GUIDE VALUE MOVEMENT

Trade-in values in March’s edition of the NADA Official Used Car Guide increased by 0.7% relative to February. Car values were increased by a combined average of 0.3%, which underperformed the truck segment’s combined average of 1.3%. Overall for the month of March, luxury vehicle values decreased by an average of 0.5%. Mainstream vehicle values increased 0.9%, making this the second month in row mainstream vehicles performed better than luxury vehicles.



[NEW & USED MARKET TRENDS *continued*]

NEW VEHICLE DELIVERIES RISE BY 5%, SAAR SETTLES AT 16.16M UNITS

New automobile sales were up 5.4% in February year-over-year despite many markets around the country having faced extreme weather conditions throughout the month. The seasonally-adjusted annual rate of 16.16 million units, which represents a decline from January, is 830,000 units higher than a year ago.

DOMESTIC SALES PACE LAGS BEHIND REST OF INDUSTRY

The U.S. Big Three saw its deliveries increase by only 2.6%. The only automaker to crack 5% growth was Fiat Chrysler (FCA).

With sales up 5.6% versus last February, Fiat Chrysler led its domestic peers in growth rate after falling to the end of the pack in January. Instrumental in the company's progress were the Jeep, Chrysler and Ram brands, which were up a respective 21%, 13% and 11%. However, the automaker may be beginning to slow down as its sales pace has fallen in 2015 and its incentive spending continues to rise.

Just behind FCA was General Motors, which posted a 4.2% gain in spite of declining sales from its premium brands Cadillac and Buick. GMC realized 19% higher sales, while Chevrolet was up 3.8% with SUVs proving to be big winners for the two brands.

Ford Motor Company brought up the rear with its 2% decrease in deliveries. In an effort to boost profit margins the automaker cut back its average spending per unit. Lincoln was down 7.5%, while Ford sales dipped by 1.8%. Only the Blue Oval's largest utilities—including the Explorer, Expedition, Transit and Transit Connect—were able to find success.

Mainstream Brand Performance (Units Sold)					
	Feb-15	Jan-15	Feb-14	Change From	
				Month Ago	Year Ago
Buick	17,418	12,553	19,192	● 39%	● -9.2%
Chevrolet	159,788	142,882	153,913	● 12%	● 3.8%
Chrysler	28,502	23,393	25,230	● 22%	● 13%
Dodge	42,115	35,347	49,744	● 19%	● -15%
Fiat	3,289	3,255	3,465	● 1.0%	● -5.1%
Ford	169,866	167,236	172,958	● 1.6%	● -1.8%
GMC	42,433	35,671	35,562	● 19%	● 19%
Honda	92,474	90,202	88,860	● 2.5%	● 4.1%
Hyundai	52,505	44,505	49,003	● 18%	● 7.1%
Jeep	55,642	51,523	45,946	● 8.0%	● 21%
Kia	44,030	38,299	41,218	● 15%	● 6.8%
Mazda	25,650	20,271	24,341	● 27%	● 5.4%
Mini	3,720	3,228	2,459	● 15%	● 51%
Mitsubishi	7,533	6,493	5,977	● 16%	● 26%
Nissan	106,777	94,449	105,631	● 13%	● 1.1%
Ram	33,338	30,520	29,972	● 9.2%	● 11%
Scion	3,864	3,690	4,529	● 4.7%	● -15%
Smart	458	492	941	● -6.9%	● -51%
Subaru	41,358	40,812	34,909	● 1.3%	● 18%
Toyota	153,608	142,373	135,900	● 7.9%	● 13%
Volkswagen	25,710	23,504	27,112	● 9.4%	● -5.2%

Source: WardsAuto

Luxury Brand Performance (Units Sold)					
	Feb-15	Jan-15	Feb-14	Change From	
				Month Ago	Year Ago
Alfa Romeo	47	97	0	● -52%	● -
Acura	12,992	11,982	11,545	● 8.4%	● 13%
Audi	11,455	11,541	10,881	● -0.7%	● 5.3%
BMW	25,201	18,981	22,017	● 33%	● 14%
Cadillac	11,739	11,680	13,437	● 0.5%	● -13%
Infiniti	11,659	9,658	9,729	● 21%	● 20%
Jaguar	1,410	1,266	1,552	● 11%	● -9.1%
Land Rover	4,917	5,281	4,006	● -6.9%	● 23%
Lexus	22,995	23,131	18,855	● -0.6%	● 22%
Lincoln	6,164	6,619	6,661	● -6.9%	● -7.5%
Mercedes-Benz	25,291	26,124	24,030	● -3.2%	● 5.2%
Porsche	3,202	3,937	3,232	● -19%	● -0.9%
Volvo	4,012	3,794	3,991	● 5.7%	● 0.5%

Source: WardsAuto

[NEW & USED MARKET TRENDS *continued*]

IMPORTS JUMP AHEAD, LED BY ASIAN AUTOMAKERS

Import makes leapfrogged domestics with deliveries up 7.9%, particularly due to the success of Asian brands, which saw sales climb by 8.4%.

Japanese brands performed particularly well with sales increasing by 8.7%, while Korean makes improved by 7%. The Japanese Big Three realized 7.8% growth, while Subaru and Mitsubishi continued to rise with sales gains of 19% and 26%, respectively.

Toyota Motor Sales remained hot this year with its 13% jump in deliveries in February. Lexus sales improved by 22% as its new RC sports coupe and NX luxury crossover provided an additional 3,650 sales combined for the brand. With much of its lineup posting impressive results, Toyota's deliveries climbed by 13%. Major nameplates, like Camry, Corolla and RAV4, contributed to the success.

With deliveries up for both of its brands, American Honda Motor Co. was able to achieve 5% sales growth. Acura deliveries rose by 13% solely due to TLX sedan sales, while Honda brand sales climbed by 4.1% thanks to its Pilot and Fit models.

Compared to results throughout 2014, Nissan North America's 2.7% sales gain for the month was fairly low, however, both its Infiniti and Nissan brands moved in a positive direction. Many of Infiniti's models sold well, which was reflected by the brand's 20% improvement, while the Rogue, Sentra and Versa helped Nissan achieve a 1.1% increase year-over-year.

European sales were up 5.2% as sales of German makes increased by 4.8%. The increase is not what it seems, as Volkswagen realized 5.2% fewer deliveries compared to last February when it saw sales fall by 14%. Excluding the VW brand, German sales climbed by a relatively high 9.1%. BMW's 15% sales leap led all Europeans as its 4-Series and X5 models were popular, while its MINI brand's 51% sales improvement was made possible by briskly selling MINI Cooper models.

INCENTIVE SPENDING FALLS FOR FIRST TIME IN TWO YEARS

After incentives trended upward for 24 consecutive months, average spending for the industry finally dipped year-over-year, albeit by the slightest of margins. Average spending per unit was \$2,682 in February, which reflected a 0.7% decrease, per Autodata.

As has been the case in recent months, Fiat Chrysler continued its upward sales push by opening up its wallet, as the rest of the industry has scaled back incentives. While total

[NEW & USED MARKET TRENDS *continued*]

spending for domestics was down 5.8%—with both Fiat and General Motors cutting back—Fiat Chrysler’s incentives were up 8.4%. Excluding Alfa Romeo, Dodge was the only brand to trim its promotions, while leading brand Jeep surprisingly spent 36% more per unit year-over-year.

The only General Motors brand to increase its spending was Buick, where incentives grew by almost 7%. Ford Motor Company was particularly frugal and spent 15% less in February across both its brands, which far outweighed the company’s drop in sales.

American Honda Motor Co. was conscientious of its spending, which fell by 1.3% as its Honda brand scaled back incentives by a significant 11%. Taking a different approach, Toyota Motor Sales and Nissan North American both spent over 17% more year-over-year, although it’s notable that the highest volume Toyota brand did lower its incentives use by 1.3%.

Mercedes-Benz’ spending grew considerably once again, up 41%. Compared to last month, the brand’s sales growth was fairly mild. On the other hand, BMW saw sales improve by 15%, with a relatively small 8% incentive spending increase. Audi ended up between its two German rivals as its spending rose by 12%.

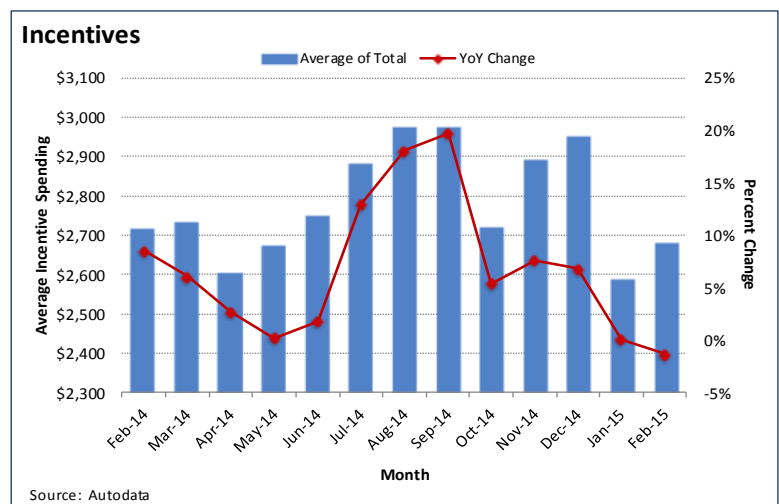
Land Rover’s average spending of \$476 per unit was 40% less than a year ago and was the biggest decline of all brands industry-wide. Most frugal of all mainstream brands was Subaru, as the Japanese automaker’s incentives were down 7.6%, falling to \$798 per unit.

INVENTORY DECLINES BY 12 DAYS

Days’ supply in February decreased by 12 days month-over-month to 69 days which was six days less than a year ago.

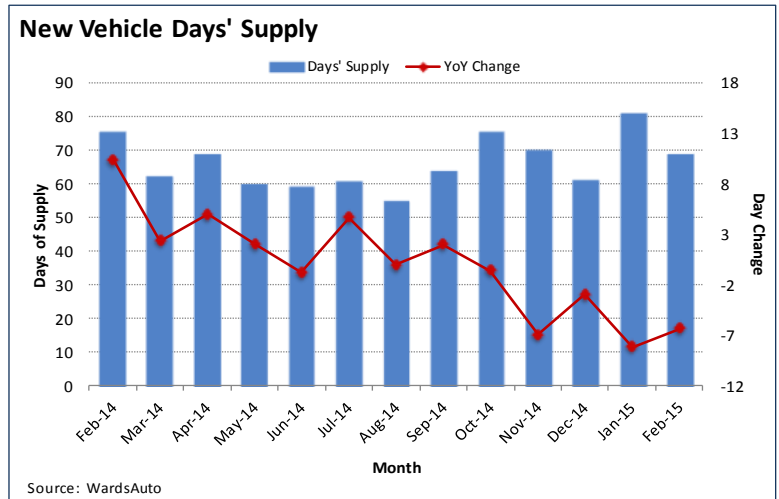
At 85 days, Fiat Chrysler had greater inventory than Ford Motor Company and General Motors for the third consecutive month as the latter two had supply of 80 and 76 days, respectively. Following its successful sales month, Toyota Motor Sales ended February with only 53 days’ worth of supply, while Nissan North America and American Honda Motor Co. finished February with respective inventory levels of 63 and 70 days.

Similar to the incentives landscape, Subaru and Jaguar Land Rover had the lowest days’ supply of all automakers at 25 and 28 days, respectively. Mazda had the biggest drop in



[NEW & USED MARKET TRENDS *continued*]

inventory with its 26 day decrease in supply versus last month. Meanwhile, Volkswagen saw its days' supply grow by nine days, which was the highest increase in the industry. The rise brought the automaker's inventory up to a lofty 86 days, behind only Lincoln, Fiat and Cadillac. Among German luxury makes, BMW's supply of 40 days was lowest and was 20 days less than a month ago.



[NADA OFFICIAL USED CAR GUIDE® TRENDS]

Monthly Change in NADA Used Car Guide Value

February 2015 v. March 2015

NADA Segment	2008MY	2009MY	2010MY	2011MY	2012MY	2013MY	2014MY*
Compact Car	→ -0.3%	→ 0.4%	→ -0.5%	↗ 1.3%	↗ 1.1%	↗ 1.1%	↗ 0.7%
Compact Utility	↗ 0.6%	→ 0.2%	↗ 1.1%	↗ 1.1%	↗ 2.3%	↗ 3.3%	↗ 3.3%
Large Pickup	↗ 1.8%	↗ 1.3%	↗ 1.0%	↗ 1.3%	↗ 0.7%	↗ 1.3%	→ -0.2%
Large SUV	↗ 1.0%	→ -0.4%	→ 0.3%	→ 0.4%	↗ 2.2%	↗ 3.6%	↗ 2.0%
Luxury Compact Car	↘ -1.4%	→ -0.5%	↗ 1.1%	↘ -1.9%	→ -0.3%	↘ -2.4%	↘ -0.9%
Luxury Compact Utility	↗ 1.2%	↗ 1.2%	↗ 0.7%	→ 0.4%	↗ 0.7%	→ 0.2%	↘ -1.5%
Luxury Mid-Size Car	↘ -1.1%	→ 0.3%	↗ 0.6%	→ -0.4%	↗ 1.3%	→ -0.2%	↘ -1.0%
Luxury Mid-Size Utility	→ 0.2%	↗ 0.5%	→ 0.3%	→ 0.1%	→ 0.5%	↘ -0.9%	→ -0.3%
Mid-Size Car	→ 0.1%	→ 0.4%	↘ -0.5%	↗ 0.8%	↗ 1.4%	↗ 1.1%	↗ 0.9%
Mid-Size Utility	→ -0.1%	↗ 0.6%	↗ 0.9%	↗ 1.5%	↗ 2.2%	↗ 2.8%	↗ 0.6%
Mid-Size Van	→ -0.2%	↗ 2.5%	→ 0.2%	↗ 2.1%	↗ 4.5%	↗ 3.4%	↗ 0.7%
Premium Luxury Large Car	→ -0.3%	↗ 0.8%	↗ 1.4%	↗ 1.3%	→ 0.4%	↘ -0.8%	→ 0.0%
Subcompact Car	↗ 3.4%	↗ 0.9%	↗ 1.1%	↗ 0.5%	↗ 1.2%	↗ 1.2%	↗ 1.4%

*Value movement can be influenced by newly valued vehicles.

Annual Change in NADA Used Car Guide Value

March, 2014 v. 2015

NADA Segment*	7YR	6YR	5YR	4YR	3YR	2YR	1YR
Compact Car	-0.8%	-5.6%	0.3%	-6.6%	-3.7%	-1.0%	-7.9%
Compact Utility	-2.8%	0.4%	6.4%	3.6%	3.8%	3.7%	-4.6%
Large Pickup	15.5%	7.2%	6.3%	9.2%	8.3%	0.0%	9.1%
Large SUV	5.8%	3.4%	-1.4%	5.3%	-2.5%	1.2%	3.6%
Luxury Compact Car	6.2%	1.1%	-0.5%	-1.1%	-5.9%	3.4%	-1.3%
Luxury Compact Utility	-4.9%	9.2%	8.5%	5.9%	3.6%	-5.7%	0.6%
Luxury Mid-Size Car	3.0%	-2.0%	3.7%	0.2%	-1.8%	5.0%	10.5%
Luxury Mid-Size Utility	0.0%	4.4%	0.7%	2.1%	3.4%	2.3%	3.5%
Mid-Size Car	-4.2%	-1.3%	-5.5%	-2.3%	-5.3%	3.7%	-0.7%
Mid-Size Utility	11.8%	-3.4%	5.1%	10.2%	0.7%	6.6%	4.4%
Mid-Size Van	13.4%	-0.2%	2.0%	15.5%	-11.8%	0.0%	-1.1%
Premium Luxury Large Car	-5.2%	6.8%	-2.4%	-8.1%	-8.0%	-3.8%	5.8%
Subcompact Car	2.9%	-9.5%	-3.6%	-9.6%	-10.6%	-1.3%	-8.3%

*Value differences can be the result of changes in segment mix (i.e. models entering/leaving), model redesigns, and overall market performance.

YTD Change in NADA Used Car Guide Value

January — March 2015

NADA Segment	2008MY	2009MY	2010MY	2011MY	2012MY	2013MY	2014MY*
Compact Car	2.2%	1.3%	0.9%	2.9%	2.6%	2.2%	3.4%
Compact Utility	2.0%	3.3%	2.7%	2.5%	3.9%	3.9%	4.0%
Large Pickup	3.1%	3.1%	3.1%	3.1%	3.8%	5.0%	3.8%
Large SUV	3.8%	1.7%	4.0%	3.3%	4.7%	3.7%	4.7%
Luxury Compact Car	1.9%	0.0%	1.4%	2.7%	3.2%	1.9%	-1.2%
Luxury Compact Utility	1.7%	2.8%	2.3%	3.9%	3.9%	4.1%	2.7%
Luxury Mid-Size Car	1.6%	2.2%	1.4%	1.8%	4.7%	2.3%	0.3%
Luxury Mid-Size Utility	1.5%	2.7%	3.5%	3.3%	3.5%	3.2%	2.5%
Mid-Size Car	2.9%	2.2%	2.3%	2.1%	4.2%	3.1%	3.4%
Mid-Size Utility	2.8%	2.8%	3.5%	3.7%	4.4%	3.4%	4.0%
Mid-Size Van	2.5%	3.0%	2.7%	1.4%	5.4%	4.3%	4.3%
Premium Luxury Large Car	1.3%	2.9%	4.4%	4.0%	2.3%	1.8%	-0.2%
Subcompact Car	-0.9%	1.0%	-1.1%	-0.1%	1.1%	1.5%	1.6%

*Value movement can be influenced by newly valued vehicles.

AT NADA USED CAR GUIDE

What's New

The NADA Appraisal Suite is launched! Tired of the back and forth? Turn your entire appraisal process into something your customers can truly understand. Select NADA Appraisal, starting at \$99/month with an annual subscription, or upgrade to NADA AppraisalPRO to include additional market data from trusted industry sources. Both provide you with an official appraisal document, backed by NADA, which gives customers the confidence to sign. Learn more at nada.com/appraisal or call 866.974.6232.



On the Road

March Events:

The Conference of Auto Remarketing runs from March 18 – 19 in Las Vegas. Larry Dixon will participate in the *Forecast of Residual Values for 2015 – 2016* panel March 19.

Jonathan Banks and Steve Stafford are attending the Consumer Bankers Association Conference—CBA Live 2015—in Orlando, March 23 – 25.

Mike Stanton, Jonathan Banks, John Beckman and NADA Used Car Guide staff will participate in the Automotive Forum hosted by J.D. Power and the National Automobile Dealers Association in New York, March 31.

April Events:

NADA Used Car Guide staff will attend the New York International Auto Show, April 1 – 2.

About NADA Used Car Guide

Since 1933, NADA Used Car Guide has earned its reputation as the leading provider of vehicle valuation products, services and information to businesses throughout the United States and worldwide. NADA's team collects and analyzes over one million combined automotive and truck wholesale and retail transactions per month. Its guidebooks, auction data, analysis and data solutions offer automotive/truck, finance, insurance and government professionals, the timely information and reliable solutions they need to make better business decisions. Visit nada.com/b2b to learn more about solutions for your business and nada.com/usedcar to stay abreast of the latest used and new vehicle market trends.

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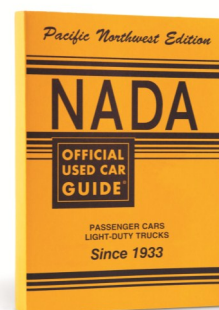
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NADA CONSULTING SERVICES

NADA's market intelligence team leverages a database of nearly 200 million automotive transactions and more than 100 economic and automotive market-related series to describe the factors driving current trends to help industry stakeholders make more informed decisions. Analyzing data at both wholesale and retail levels, the team continuously provides content that is both useful and usable to the automotive industry, financial institutions, businesses and consumers.

Complemented by NADA's analytics team, which maintains and advances NADA's internal forecasting models and develops customized forecasting solutions for automotive clients, the market intelligence team is responsible for publishing white papers, special reports and the Used Car & Truck Blog. Throughout every piece of content, the team strives to go beyond what is happening in the automotive industry to confidently answer why it is happening and how it will impact the market in the future.

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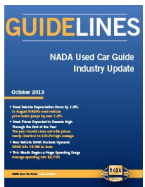
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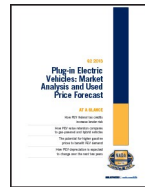
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ADDITIONAL RESOURCES



Guidelines

Updated monthly with a robust data set from various industry sources and NADA's own proprietary analytical tool, *Guidelines* provides the insight needed to make decisions in today's market.



White Papers

NADA's white papers and special reports aim to inform industry stakeholders on current and expected used vehicle price movement to better maximize today's opportunities and manage tomorrow's risk.



NADA Perspective

Leveraging data from various industry sources and NADA's analysts, *NADA Perspective* takes a deep dive into a range of industry trends to determine why they are happening and what to expect in the future.



Used Car & Truck Blog

Written and managed by the Market Intelligence team, the Used Car & Truck Blog analyzes market data, lends insight into industry trends and highlights relevant events.

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