GUIDELINES

Commercial Truck Guide Industry Update

March 2016

- Auction volume back up to typical levels, but pricing is stable
- Retail pricing dips mildly on stable volume
- Medium duty cabovers looking stronger

NADA Used Car Guide, a division of J.D. Power | nada.com/b2b

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COMMERCIAL TRUCK MARKET TRENDS

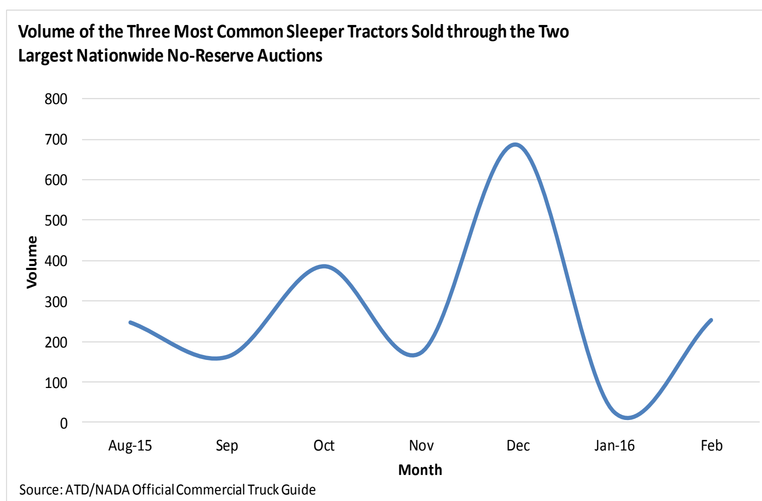
Volume and Pricing Less Volatile in First Quarter

As of this writing in early March, preliminary February retail sales data points to stable to downward pricing and volume. February auction volume was on par with the second half of 2015, and pricing was steady. Looking ahead to March data, retail results should be similar to slightly higher in volume, with pricing mildly lower. Auction volume and pricing should be similar to February.

Sleeper Tractors – Auction/Wholesale

We will continue to focus heavily on the auction channel since that is where market activity has been since mid-2015. Our ongoing volume comparisons are based on a benchmark group of the three highest-volume sleeper tractors sold at the nation's two largest nationwide no-reserve auction companies. Model years included are 2011 – 2013. Our pricing comparisons are based on one of those three models that has a good reputation for reliability and until recently brought strong pricing.

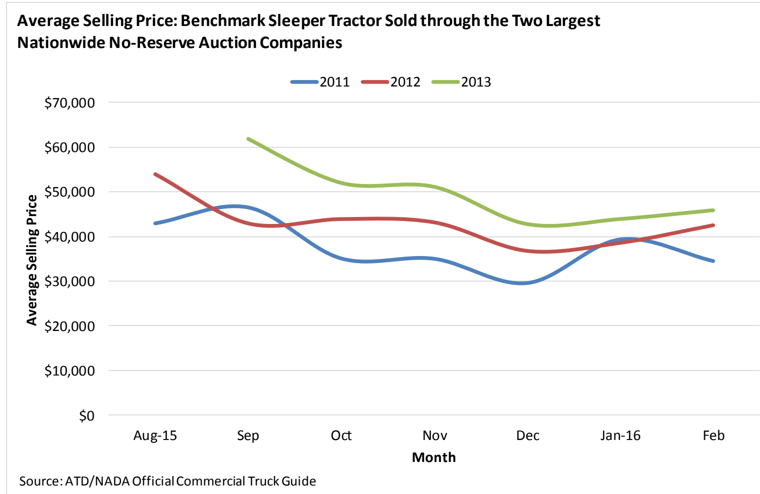
The winter of 2015 – 2016 was extremely volatile for auction volume. December 2015 saw the highest number of our benchmark trucks sold for the year, at 514. January plummeted to a mere 25, then February was back up to a more typical 253 trucks sold.



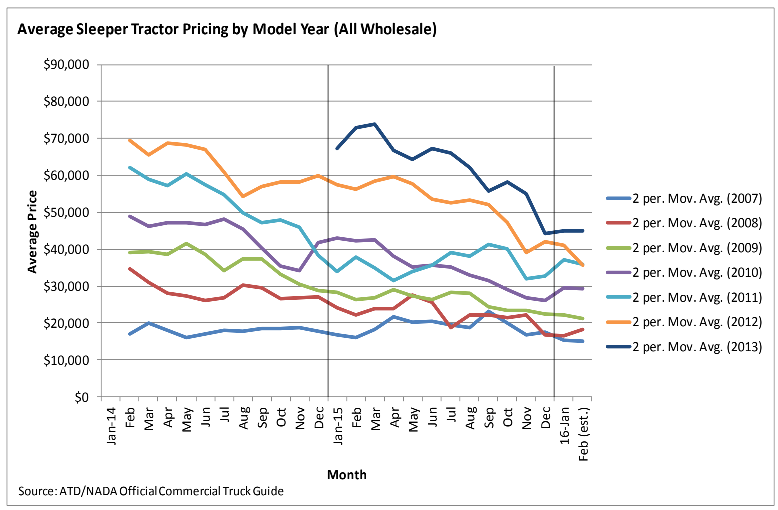
[COMMERCIAL TRUCK MARKET TRENDS *continued*]

Volume was lopsided in February, with one of the two auction houses responsible for all but 26 of our benchmark trucks sold. See "Volume of the Three Most Common Sleeper Tractors…" graph for detail.

Pricing was stable in February through these two auction houses, with our benchmark truck actually ticking upwards 10% for model year 2012 and 4% for model year 2013. Trucks of model year 2011 dipped 12%. These movements average out to less than a 1% change from January to February for the three model years. Since February was a higher-volume month, the price stability is encouraging. See "Average Selling Price: Benchmark Sleeper Tractor…" graph for detail.



Looking at the larger wholesale market overall (all sleeper tractors with dealer-to-dealer sales included), the environment was more negative. Pricing for all trucks of model years 2011 – 2013 dropped 11% from December to January, but we predict February's results will show little movement. If this prediction holds true, the first two months of 2016 are running about 9% behind the fourth quarter of 2015 — on par with our prediction of roughly 4% depreciation per month. See "Average Sleeper Tractor Pricing by Model Year (All Wholesale)" graph for detail.

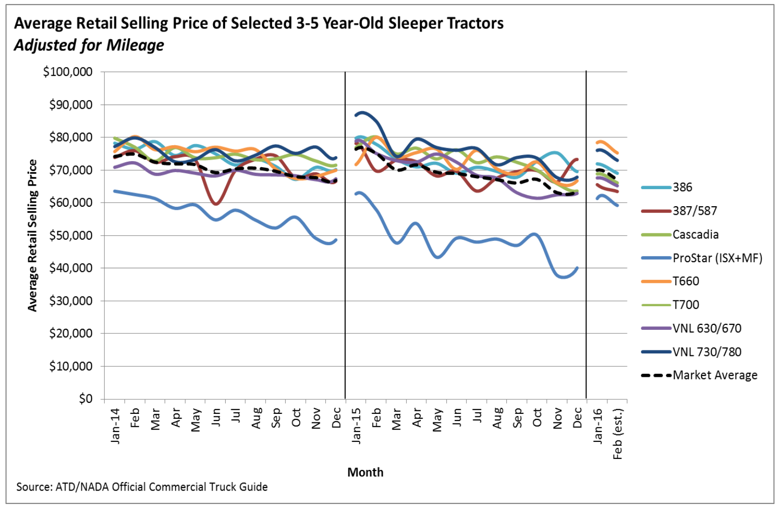


Sleeper Tractors – Retail

Trucks sold retail continue to perform stronger than those sold wholesale, although there was a dip in January. Sleeper tractors of model years 2011 – 2013 lost 5% of their retail value from December to January. Preliminary February data points to another 4% loss month-over-month.

[COMMERCIAL TRUCK MARKET TRENDS *continued*]

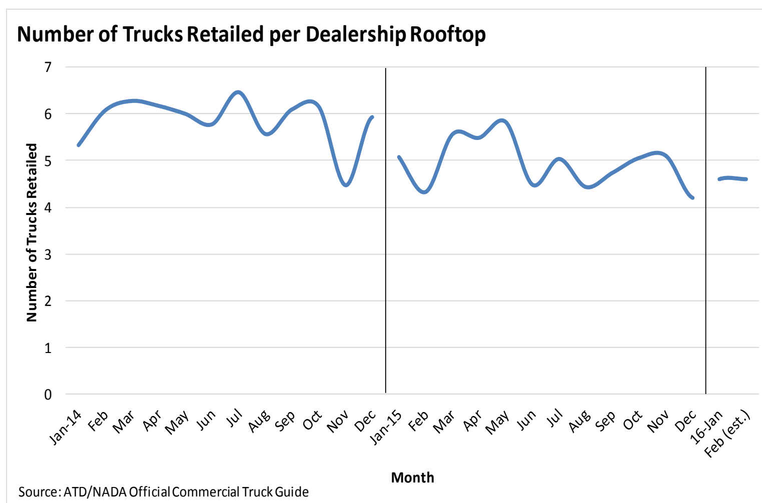
Year-over-year comparisons are negative, but not severely so. Three to five year-old sleepers retailed for 8% less money in January 2016 compared to January 2015. February's year-over-year comparison should look similar.



On a model-by-model basis, the Kenworth T660 started out 2016 in the lead, followed closely by the Volvo VNL 730/780. These models, along with the Peterbilt 386, have generally been at the top of the aerodynamic sleeper market in terms of pricing. It is no coincidence that these are generally the lowest-volume sleepers sold in a given month. See "Average Retail Selling Price of Selected 3-5 Year-Old Sleeper Tractors" graph for detail.

An honorable mention must be given to the International ProStar, which has seen strong pricing for ISX-equipped 2014 models. Pricing for this year and configuration of ProStar appears to be on par with competing models, and was enough to substantially improve the ProStar's 3-5 year-old average. Other model years and configurations of the ProStar continue to perform similarly to previous months.

In terms of retail sales volume, February should come in at approximately 4.6 trucks sold per rooftop, identical to January. This result would be 0.3 truck higher than last February, but 0.6 truck off the 2015 average. Low trade-in values are keeping many buyers out of the market, and dealers are reluctant to chop pricing substantially to get these buyers off the fence. The market remains in a transition period, with buyers and sellers adjusting to new price levels. See "Number of Trucks Retailed per Dealership Rooftop" graph for detail.



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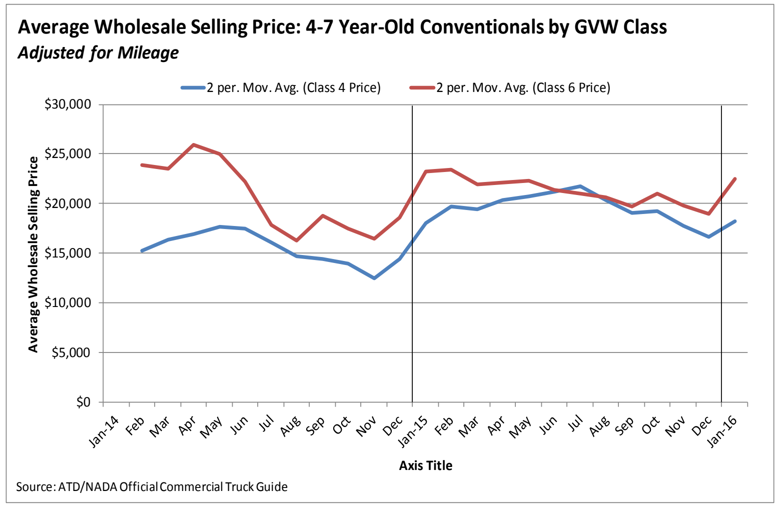
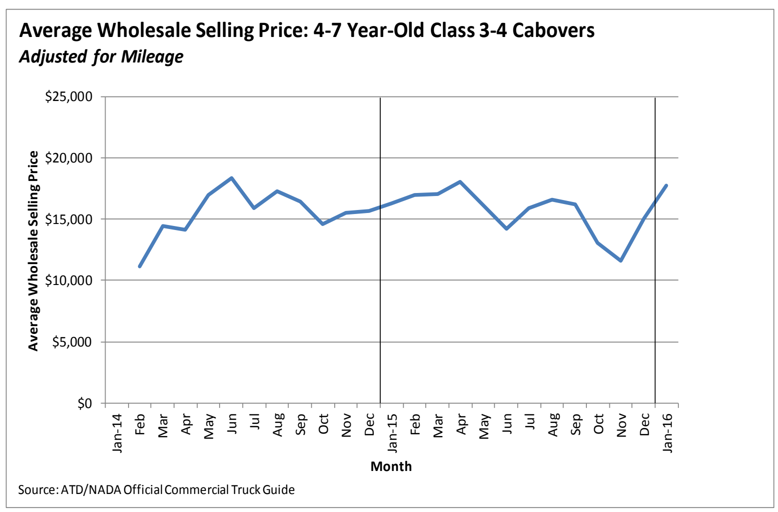
Medium Duty Trucks



Class 4 conventionals began 2016 just under 6% lower than where they began 2015. On a mileage-adjusted basis, the average 4 – 7 year-old Class 4 conventional brought a wholesale price of $18,861 in January, compared to $20,012 a year prior. Sales volume was higher, with our definition of "4 – 7 Year-Old" now including only one recession year (2010).

Class 6 conventionals fared better, with the average wholesale price of a 4 – 7 year-old Class 6 conventional at $25,881 — 3% lower than January 2015. Sales volume was higher for this GVW class as well. See "Average Wholesale Selling Price: 4 – 7 Year-Old Conventionals…" graph for detail.

The healthiest segment of medium duty truck looks to be cabovers. Our benchmark group of 4 – 7 year-old Class 3 and 4 cabovers brought an average of $18,698 in January 2016, compared to $17,087 in January of 2015. This 9% increase in pricing is largely due to a substantial 34% difference in average mileage. We adjust our price averages for mileage, but a difference this large may not be fully accounted for in our adjustments. At the same time, a notable increase in the number of trucks sold in January 2016 suggests the healthier pricing may be due to increased demand. See "Average Wholesale Selling Price: 4 – 7 Year-Old Class 3 – 4 Cabovers" graph for detail.



Forecast

February's pricing was moderately encouraging. The flat month-over-month auction pricing was at least partially due to mild pent-up demand following a completely dead January, but buyers appeared comfortable with the price levels established in

[COMMERCIAL TRUCK MARKET TRENDS *continued*]

December. It is likely the heaviest auction depreciation is behind us, although there is still more downward pressure than upward. The retail channel still has some pent-up depreciation to cycle through, and we're sticking with our estimate of roughly 4% depreciation per month into the second quarter.

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Fundamental economic measures are mixed, with the manufacturing sector pausing, but most other segments stable to mildly upwards. Most economists see 2016 unfolding similarly to 2015, with a possible minor decrease in the rate of recovery when all is said and done. The US remains the healthiest economy in the world in most respects, which means sectors geared towards domestic consumption should look healthy, while sectors geared toward export should remain flat to mildly upward.

[ATD/NADA OFFICIAL COMMERCIAL TRUCK GUIDE TRENDS]

Monthly Change in ATD/NADA Commercial Truck Guide Value

March 2016 v. February 2016

Used Car Guide Segment	2010MY	2011MY	2012MY	2013MY	2014MY*
Commercial Van	1.2%	2.3%	2.8%	1.3%	5.3%
Extended Hood	-2.2%	0.0%	0.0%	0.0%	0.0%
Highway Aerodynamic	-1.2%	-1.9%	-2.2%	-3.2%	-1.8%
Highway Traditional	-2.0%	0.0%	0.0%	0.0%	0.0%
Local/Delivery Daycab	-1.8%	-1.2%	-1.5%	-0.4%	-0.5%
Medium Duty Cabover	-5.1%	-6.0%	0.8%	-0.4%	N/A
Medium Duty Conventional	-3.5%	-1.9%	-2.2%	-2.8%	-1.5%
Vocational/Construction	0.0%	-1.1%	-1.1%	0.0%	0.0%

**Value movement can be influenced by newly valued vehicles.*

Annual Change in ATD/NADA Commercial Truck Guide Value

March, 2015 v. 2016

Used Car Guide Segment	5YR	4YR	3YR	2YR	Segment Change
Commercial Van	8.0%	-4.6%	-0.7%	13.0%	1.3%
Extended Hood	-13.8%	-11.0%	-10.8%	-1.7%	-16.2%
Highway Aerodynamic	-19.7%	-13.4%	-6.2%	1.5%	-20.2%
Highway Traditional	-11.7%	-8.2%	-12.0%	NA	-21.6%
Local/Delivery Daycab	-13.6%	5.0%	-6.8%	-11.0%	-14.0%
Medium Duty Cabover	-12.5%	8.1%	NA	NA	-12.6%
Medium Duty Conventional	-3.5%	7.7%	-13.6%	-16.6%	-9.3%
Vocational/Construction	-18.0%	-21.7%	-4.6%	3.8%	-24.4%

**Calculations are based on vehicle age, i.e. values for 1-year-old vehicles in CY2016 are compared against values for 1-year-old vehicles in CY2015.*

YTD Change in ATD/NADA Commercial Truck Guide Value

January — March 2016

Used Car Guide Segment	2010MY	2011MY	2012MY	2013MY	2014MY*	Segment
Commercial Van	-1.8%	-0.4%	-2.1%	-4.5%	-1.2%	-1.9%
Extended Hood	-9.3%	-6.8%	-7.9%	-7.8%	-6.4%	-7.7%
Highway Aerodynamic	-10.0%	-9.9%	-11.5%	-11.3%	-8.2%	-10.2%
Highway Traditional	-9.3%	-7.1%	-7.6%	-7.4%	-6.5%	-7.6%
Local/Delivery Daycab	-9.7%	-8.7%	-9.3%	-7.1%	-6.2%	-7.7%
Medium Duty Cabover	-7.9%	-8.5%	-3.6%	-4.8%	N/A	-6.9%
Medium Duty Conventional	-5.4%	-4.1%	-5.5%	-6.5%	-5.6%	-5.3%
Vocational/Construction	-5.6%	-5.7%	-6.3%	-5.1%	-4.0%	-5.6%

AT NADA USED CAR GUIDE

What's New

The new NADA Values Online introduces New Vehicle Values, a range of values that provide new vehicle pricing guidance based on actual market transactions and market influencers. It also includes inventory valuation, vehicle valuation trends and a custom reporting tool to help you see vehicle values from every angle.

With NADA Values Online, you have the data and insight you need to make better business decisions and see better outcomes.
See how we can help your business >> Go to nada.com/valuesonline**.**

On the Road

Learn how vehicle residual values are expected to perform from Jonathan Banks at the Conference of Automotive Remarketing in Las Vegas on March 17.

Mike Stanton and NADA Used Car Guide staff will attend the 2016 Automotive Forum in New York City on March 22.

Learn from Jonathan Banks at the AFSA 20th Vehicle Finance Conference and Expo in Las Vegas, March 29.

Meet up with Chris Visser in Las Vegas to discuss commercial truck values at NADA Used Car Guide Booth #915C during the 2016 NADA Convention and Expo.

About NADA Used Car Guide, a division of J.D. Power and Associates

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 Used Car Guide'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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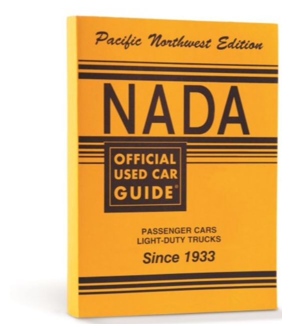

NADA USED CAR GUIDE CONSULTING SERVICES

NADA Used Car Guide's market intelligence team leverages a database of nearly 200 million transactions and more than 100 economic and 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 dealers, financial institutions, businesses and consumers.

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

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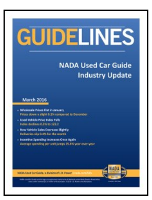
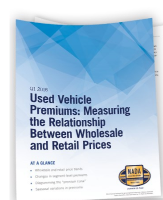
ADDITIONAL RESOURCES



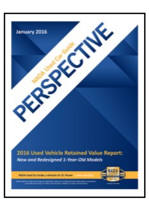
Guidelines

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



White Papers

NADA Used Car Guide'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.



Perspective

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

Commercial Vehicle Blog

Written and managed by Senior Analyst Chris Visser, the Commercial Vehicle Blog analyzes market data, lends insight into industry trends and highlights relevant events.

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