

BLUE BOOK



Market Report

EPTEMBER 2013

Automotive Insights from Kelley Blue Book

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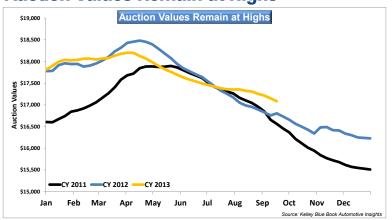
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USED-CAR MARKET ANALYSIS:

Auction Values Remain at Highs



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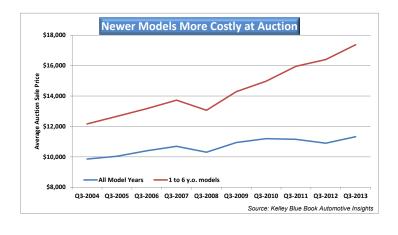
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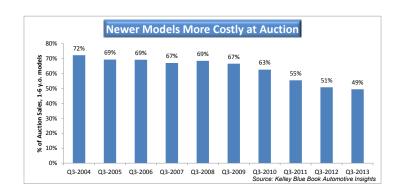
HOT USED-CAR REPORT

Used-Car Shopper Interests Shifts Towards Full-Size

- Auction values for 1-3 year old models at the end of Q3 2013 remain at a 3-year high at an average of \$17,085, or \$280 above the 2012 average.
- Since the start of the year, auction values have declined an average of \$731 or 4.3 percent. In 2012, average auction values declined by \$974 or 5.8 percent by the end of Q3 2012.
- Kelley Blue Book expects values to continue on their downward trajectory throughout the remainder of the year, while continuing to best previous
 year auction values.

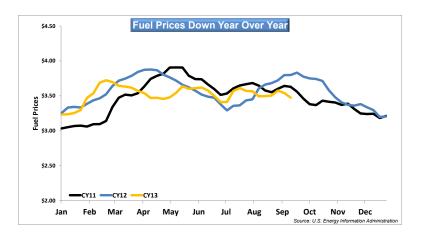
Newer Models Cost More at Auction





- According to Kelley Blue Book's auction data, the average sale price of a vehicle at auction was \$11,322 in Q3 2013, up 3.9 percent from Q3 2012.
- The average sale price of 1-6 year old models was \$17,375 in Q3 2013, up 6 percent from Q3 2012.
- The increase in sale prices of late-model vehicles corresponds with a drop in the number of these models being sold. In 2007, more than two-thirds of auction sales were within the latest 6 model years. However, in Q3 2013, that number has dropped to less than half of all auction sales.

Fuel Prices Down Year Over Year



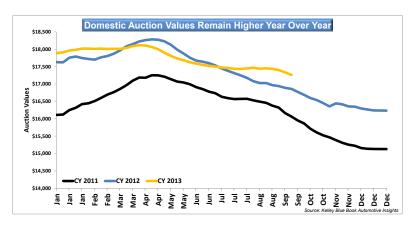
- Fuel prices dropped 10 cents in the month of September 2013 from a high of \$3.57 to \$3.47.
- From a year-over-year perspective the average price for fuel is down 36 cents.
- This remains in line with Kelley Blue Book's projection of lower fuel prices throughout the remainder of the year.

Comparison: Civic Hybrid vs. Civic LX



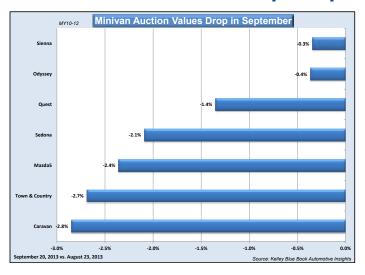
- Within the past year, auction values for later model -year Honda Civic Hybrids have declined at a faster pace than their nonhybrid counterparts. This faster depreciation has now made a number of the Honda Civic Hybrid variants cheaper to own.
- Despite the Honda Civic Hybrid costing around \$5,500 more on average than its Civic counterparts, model years 2003-2006 Honda Civic Hybrid all fall below the cost of the Civic LX. In terms of auction value, the 2007 model-year Civic Hybrid costs only \$100 more than the Civic LX model, and the 2008 model year for both the Civic Hybrid and Civic LX cost the same at \$8,200 each.
- This reiterates the understanding that consumers are not willing to pay the money for older hybrid models and there is still a slight uncertainty in the market around hybrid vehicles in regard to how they depreciate and what the maintenance factors will be as the vehicle ages.

Domestic Auction Values Remain Higher Year over Year



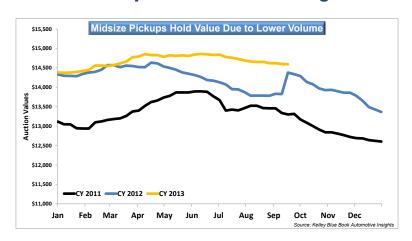
- In August, auction values for domestic brands exceeded where they were in in previous years. This trend continues into September with a 2.6 percent increase year over year.
- Chrysler auction values have been consistently higher year over year, while Ford and GM have surpassed 2012 values in recent months.
- Comparing to September 2012, Chrysler is showing the biggest year-over-year change of 5.9 percent, with Ford at 2.9 percent and GM at 1.3 percent.

All Minivan Auction Values Drop in September 2013

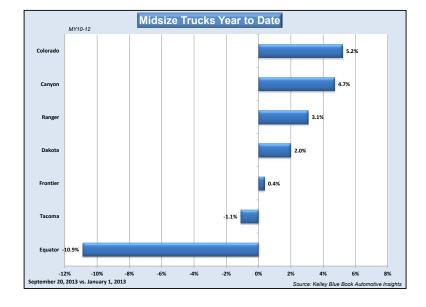


- In September, all brands in the minivan segment decreased.
- However, the Toyota Sienna and Honda Odyssey both showed the smallest decreases over the last 4 weeks (-0.3 percent and -0.4 percent respectively).
- The biggest change was for the Chrysler Town & Country (-2.7 percent) and the Dodge Caravan (-2.8 percent), which are both built from the same platform.
- In the upcoming months, we are expecting to see values continue to decrease as they have in previous months.

Midsize Pickup Truck Values Holding Due to Lower Volume

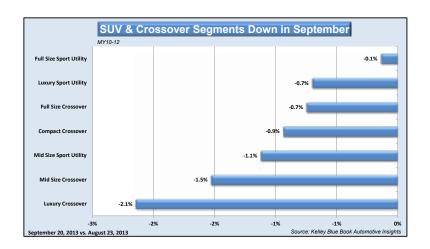


- While values for used midsize pickup trucks were mostly flat month over month, they were up 1.5 percent compared to September 2012 and 9.7 percent higher than September 2011.
- There has been a significant drop-off in auction volume of smaller pickups as several once popular models are no longer in production, and the lower available supply supports higher used values.
 - Auction volume of used midsize pickups at the end of August was down 6.5 percent compared to August 2012, and 13.7 percent lower than August 2011.
- Seasonal demand for trucks, in addition to constrained auction volume, should keep values stable moving into Q4 2013.



- As of September 2013, only the Suzuki Equator, no longer in production due to the bankruptcy of the Suzuki U.S. division, saw significant declines in value year to date.
- Leading the segment, the Chevrolet Colorado and its twin truck the GMC Canyon both saw increases of close to 5 percent from the beginning of 2013.

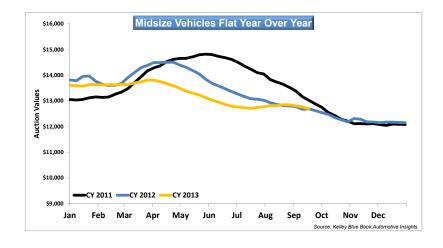
SUVs/Crossovers Down in September 2013



Year-Over-Year Percent Change By Sub-Segment	
4.2%	
4.2%	
2.3%	
2.2%	
2.1%	
1.0%	

- In September, the overall average auction values for crossovers dropped 1.7 percent.
- The vehicles with the biggest changes are the Mitsubishi Outlander Sport (-9.2percent), BMW X3 (-5.1percent) and the Volkswagen Tiguan (-4.9
- Despite the overall average auction values for SUVs/crossovers dropping 1.7 percent in September, SUVs/crossovers are still performing better year over year.

Midsize Vehicles Level-Off Year over Year



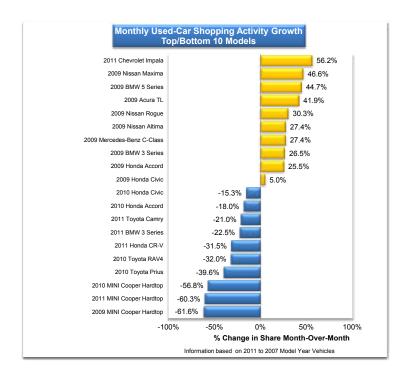
- The values are now at similar levels seen at this time last year, or flat year-over-year.
- On a monthly change, midsize vehicles are down -1.3 percent
- Kelley Blue Book expects for the values to remain on the same trajectory as in previous years.

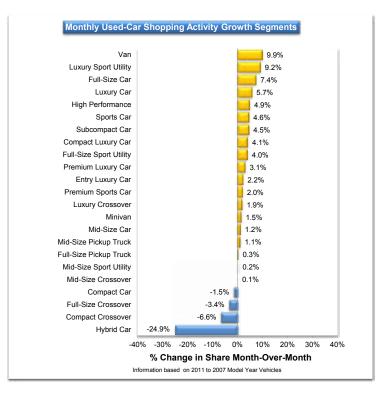
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Used-Car Shopper Interests Shifts Towards Full-Size Cars

- Arthur Henry, manager of market intelligence and market analyst, Kelley Blue Book

Kelley Blue Book's Hot Used-Car Report captures monthly used-car shopper activity on KBB.com, including a list of the top and bottom movers in the same time period. Results are provided by the Kelley Blue Book Market Intelligence Team, in an effort to help dealers better understand which used vehicles consumers are looking at most each month.





- Full-size cars have increased in share of used-car retail traffic 7.4 percent month over month.
 - The 2011 Chevrolet Impala and 2009 Nissan Maxima are fueling shopper interests for the full-size segment.
- Commercial vans as a segment have increased in shopper interest.
 - There isn't a single driver for the increased attention to commercial vans, as evidenced as no models that compete in this segment appear in this month's Top 10 list.
- On the whole, import models have had the greatest gains and losses over the month.
 - The only domestic model to appear on this month's report is the Chevrolet Impala.
 - Honda and Toyota both appear on the top risers and fallers list.

About Kelley Blue Book (www.kbb.com)

Founded in 1926, Kelley Blue Book, The Trusted Resource®, is the only vehicle valuation and information source trusted and relied upon by both consumers and the automotive industry. Each week the company provides the most market-reflective values in the industry on its top-rated website KBB.com, including its famous Blue Book* Trade-In and Suggested Retail Values, and Fair Purchase Price, which reports what others are paying for new cars this week. The company also provides vehicle pricing and values through various products and services available to car dealers, auto manufacturers, finance and insurance companies, and governmental agencies. For two years running, Kelley Blue Book's KBB.com ranked highest in its category for brand equity and was named Online Auto Shopping Brand of the Year in the 2012 and 2013 Harris Poll EquiTrend® study. Kelley Blue Book Co., Inc. is a subsidiary of AutoTrader Group, which includes AutoTrader.com, vAuto, VinSolutions and HomeNet Automotive. AutoTrader Group is a majority-owned subsidiary of Cox Enterprises.