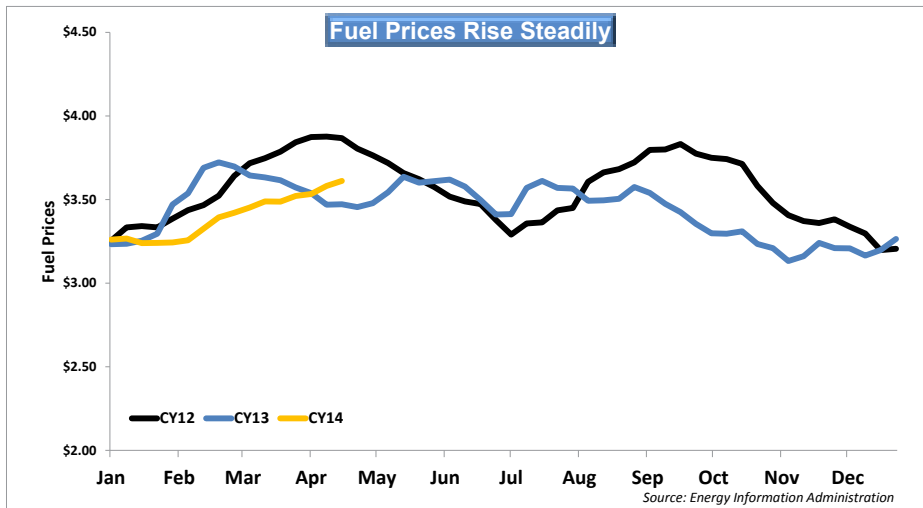


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USED-CAR MARKET ANALYSIS:

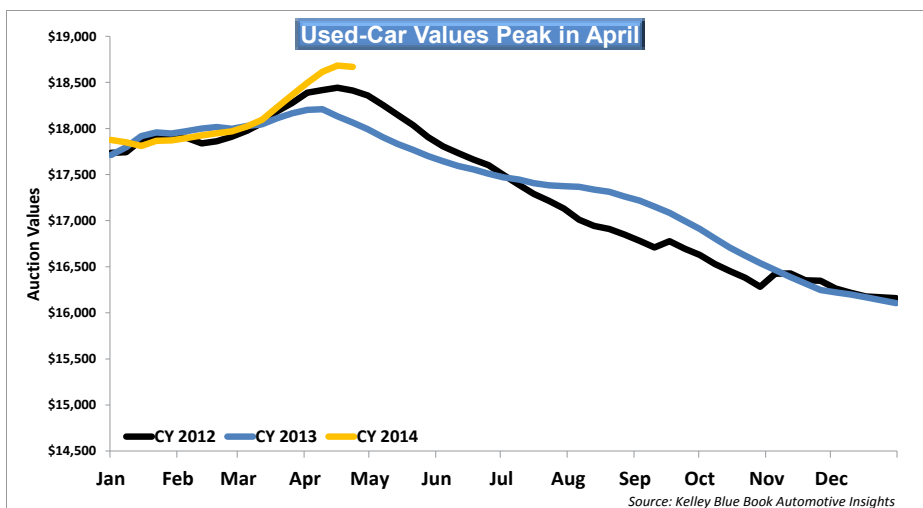
Fuel Prices on the Rise



- Average fuel prices across the U.S. have risen 37 cents since February 2014, and in early April the price of fuel surpassed the price from this same time last year.
- The average cost per gallon of regular conventional retail gasoline is now \$3.61, which is 14 cents higher than at this time in April last year, but remains 19 cents lower than the average price in April 2012.

“Until April 2014, fuel prices have remained at their three-year low, which has caused little worry for the fuel-conscience car buyer,” said Alec Gutierrez, senior analyst. “Additionally, the combination of low fuel prices and higher miles per gallon ratings for non-hybrid vehicles has weakened used-car values within the hybrid car segment.”

Used-Car Values Peak in April

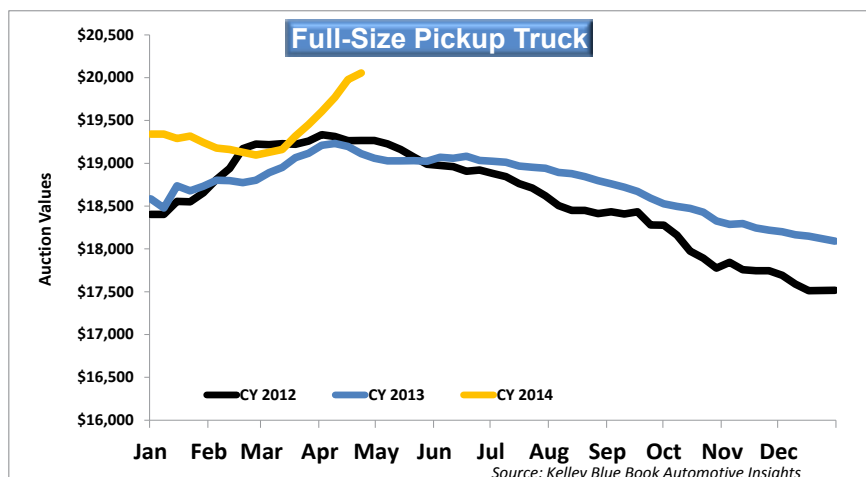


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- Fuel Prices on the Rise**
- Used-Car Values Peak in April**
- Full-Size Pickup Truck Values Continued to Climb in April Despite Mixed Housing Numbers**
- Full-Size Cars Show Strength for Second Consecutive Month**
- Sports Car Values Surpass 2013 Levels**
- Mid-Size Sedan Values Fail to Reach 2012 Levels**

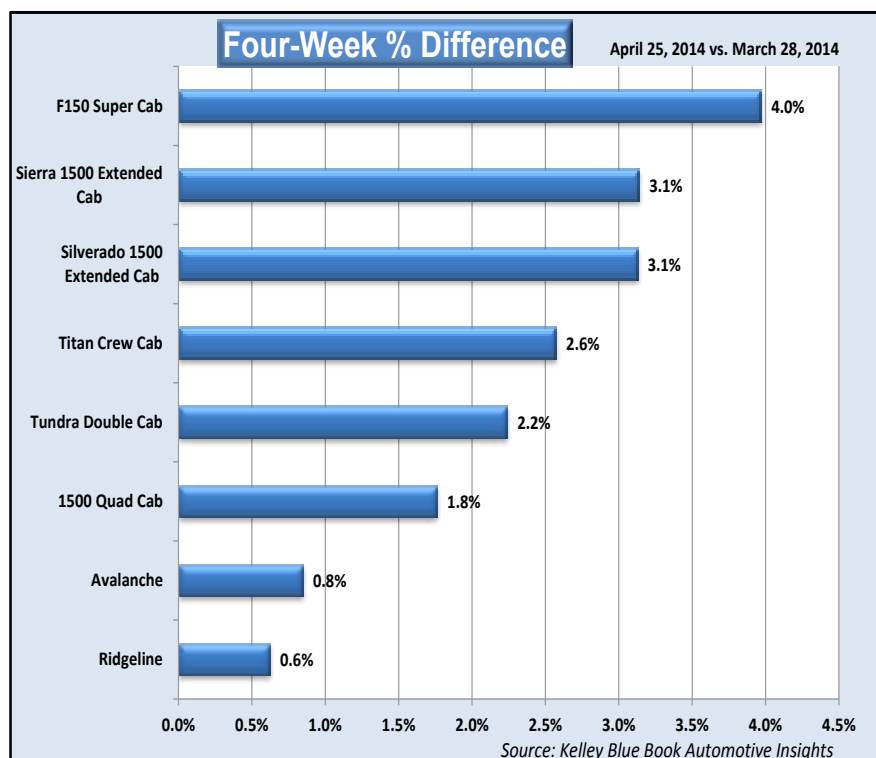
- Used-vehicle auction values reached their peak in mid-April, keeping in line with the typical seasonal trend.
- Auction values began to rapidly accelerate upward starting in early March, and increased an average of \$660 dollars during the course of the month and midway into April.
- The peak of auction values in April was expected, as supply and demand begin to normalize and dealers finish stocking up their used-car inventory for the consumer buying season going into the summer months. Going forward, we expect normal seasonality trends to take effect and prices to begin their downward trajectory through the remainder of the year.

Full-Size Pickup Truck Values Continued to Climb in April Despite Mixed Housing Numbers



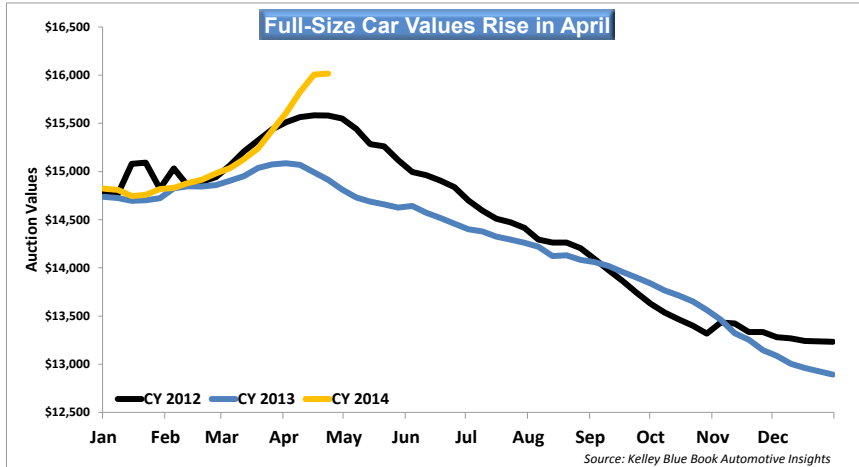
- Coming off of a strong first quarter, auction values for used full-size pickups continued to rise in April, despite mixed housing numbers in March and rising gas prices.
- Values for 1- to 3-year-old full-size trucks rose slightly at 0.38 percent month-over-month in April 2014, ending the month 4.93 percent and 4.09 percent higher than April 2013 and April 2012, respectively.
- These increases occurred despite mixed results in residential construction:
 - Permits authorized for new privately owned housing units in March 2014 were down 2.4 percent from February 2014, but up 11.2 percent from March 2013.
 - Privately owned housing starts in March 2014 were 2.8 percent higher than February 2014, but 5.9 percent lower than March 2013.

“Strong interest in the full-size truck segment, spurred by recent redesigns like the 2014 Chevrolet Silverado and GMC Sierra or the impending 2015 Ford F-150, may be driving demand and values higher despite mixed signals in the residential construction sector,” said Gutierrez.

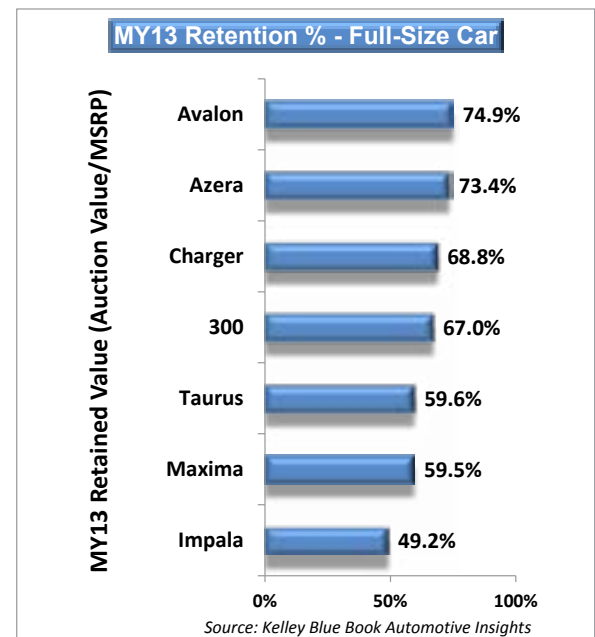
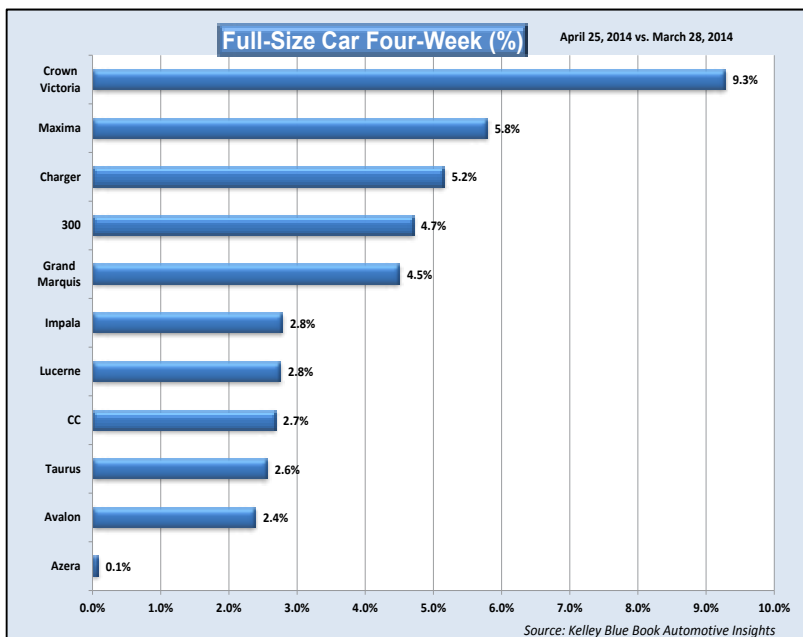


- While values for all models in the full-size truck segment increased during the last four weeks, gains were highest for recently redesigned or newly revealed models:
 - The Ford F-150 led the segment, increasing 4.0 percent during the month, due to interest in the redesigned 2015 model.
 - The Chevrolet Silverado and GMC Sierra rounded off the top three value increases for the month, both increasing 3.1 percent from March 2014.

Full-Size Cars Show Strength for Second Consecutive Month

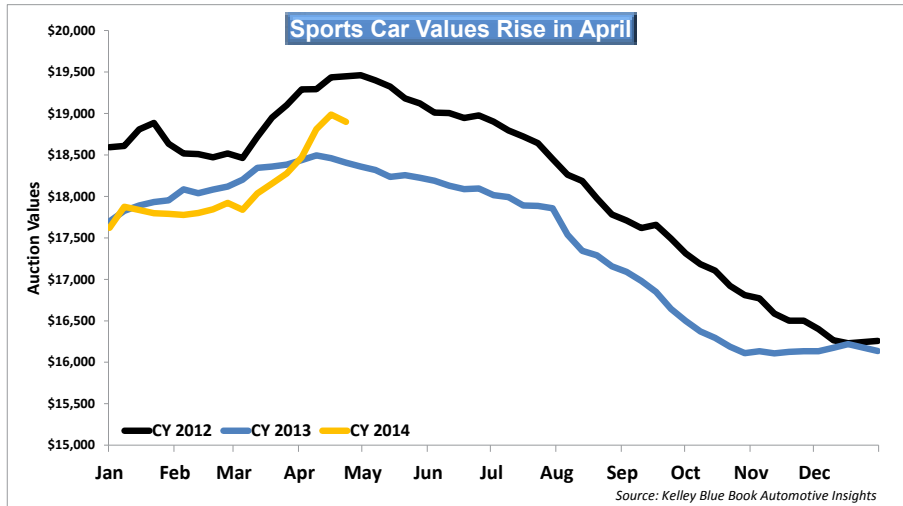


- Values for the full-size car segment have increased for a second consecutive month in 2014, staying true to the market's seasonal trend.
- The best-performing vehicles in the full-size car segment for April 2014 were the Ford Crown Victoria and Nissan Maxima (up 9.3 percent and 5.8 percent, respectively).
 - Ford Crown Victoria was discontinued after the 2011 model year, but has shown increased value over the past four weeks as market demand continues to exist for government vehicles, car rental agencies and taxi companies.
 - Nissan Maxima continues to enjoy strong demand due to it being an appealing alternative to many entry-level sedans.
- The worst-performing vehicles in the full-size car segment for April 2014 were the Toyota Avalon and Hyundai Azera (up 2.4 percent and 0.1 percent, respectively).
 - Toyota Avalon used-car values remained flat during April along with fewer auction transactions for 2012 and 2013 model years.
 - Hyundai Azera used-car values remained virtually unchanged during April coupled with relatively low used-car transactions.



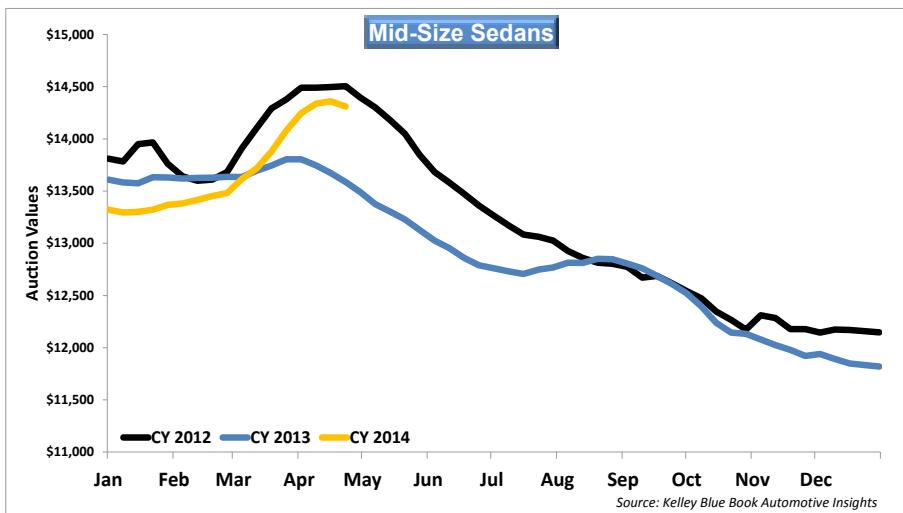
- Retention values for the 2013 model-year Chevrolet Impala remain low at 49.2 percent within the full-size car segment. This can be attributed to long, unchanged model offerings since 2007 as well as lack of interest in the 2013 model year due to the release of the all-new redesigned 2014 model year.
- The launch of the refreshed 2013 Hyundai Azera has contributed to bringing up the model's retention value, currently at 74.9 percent, and therefore it is the leader within the full-size car segment.

Sports Car Values Surpass 2013 Levels



- Overall, auction values for the sports car segment increased rapidly in the month of April. Year-over-year, values surpassed 2013 levels and almost reached those seen in 2012.
- Most vehicles in this segment saw an increase during the last four weeks, with the Mazda RX-8 and Ford Mustang showing the largest gains (7.4 percent and 6.5 percent, respectively).
- This increase in values is typical for this time of year as dealers purchase for the upcoming warmer months, driving prices up especially for convertible models.

Mid-Size Sedan Values Fail to Reach 2012 Levels



- Mid-size sedan segment values continued to move upward in April, increasing 1.6 percent month-over-month.
- This sharp increase in mid-size values helped the segment to exceed last year's values by 5.3 percent, leaving the segment average up by 7.4 percent from a year-to-date perspective.

“ DESPITE THE OVERALL MARKET AVERAGE HAVING SURPASSED PRICE LEVELS SEEN IN 2012 AND A NUMBER OF POSITIVE FACTORS SUCH AS INCREASED CONSUMER CONFIDENCE AND STEADY UNEMPLOYMENT LEVELS, THE MID-SIZE SEDAN SEGMENT AS A WHOLE FAILED TO REACH VALUES AS HIGH AS THOSE IN 2012. ”

- ALEC GUTIERREZ

The statements set forth in this publication are the opinions of the authors and are subject to change without notice. This publication has been prepared for informational purposes only. Kelley Blue Book assumes no responsibility for errors or omissions.

Mid-Size Cars Top Trade-In Charts Nationally

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

Kelley Blue Book's Hot Used-Car Report captures quarterly 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 quarter.

National CPO Shopping Activity

Rank & Change from Previous Quarter	CPO Vehicle Segment	Share of Traffic	Significant Change in Share from Previous Quarter
1 [-]	Mid-Size Car	12.9%	▲
2 [-]	Compact Car	12.0%	▲
3 [-]	Mid-Size SUV/Crossover	11.4%	▲
4 [-]	Entry-Level Luxury Car	10.4%	▼
5 [-]	Compact SUV/Crossover	9.0%	▲
6 [-]	Full-Size Pickup Truck	7.6%	▲
7 [1]	Full-Size SUV/Crossover	5.2%	▲
8 [-1]	Luxury Mid-Size SUV/Crossover	4.7%	▼
9 [-]	Luxury Car	4.2%	▼
10 [-]	Minivan/Van	3.5%	▲
11 [-]	Full-Size Car	3.3%	▲
12 [1]	Hybrid/Alternative Energy Car	2.9%	▲
13 [2]	Subcompact Car	2.8%	▲
14 [-2]	High Performance Car	2.8%	▼
15 [-1]	Luxury Compact SUV/Crossover	2.6%	▼
16 [-]	Sports Car	2.5%	▲
17 [-]	Mid-Size Pickup Truck	2.0%	▲
18 [-]	Luxury Full-Size SUV/Crossover	1.8%	▲
19 [-]	High-End Luxury Car	1.4%	▼
20 [-]	Sporty Compact Car	1.4%	▲
21 [-]	Hybrid SUV/Crossover	0.6%	▼
22 [-]	Electric Vehicle	0.2%	▲
23 [-]	Exotics	0.0%	▼

National USED Shopping Activity

Rank	USED Vehicle Segment	Share of Traffic	Significant Change in Share from Previous Quarter
1 [-]	Compact Car	15.3%	▲
2 [-]	Mid-Size Car	14.8%	▼
3 [-]	Full-Size Pickup Truck	11.7%	▲
4 [-]	Mid-Size SUV/Crossover	11.3%	▲
5 [-]	Entry-Level Luxury Car	8.2%	▼
6 [-]	Compact SUV/Crossover	7.3%	▲
7 [-]	Full-Size Car	5.7%	▲
8 [-]	Full-Size SUV/Crossover	5.1%	▲
9 [-]	Mid-Size Pickup Truck	4.7%	▲
10 [1]	Minivan/Van	4.4%	▲
11 [-1]	Luxury Car	4.1%	▼
12 [-]	Sports Car	3.5%	▼
13 [-]	Luxury Mid-Size SUV/Crossover	3.0%	▼
14 [-]	High Performance Car	2.6%	▼
15 [-]	Sporty Compact Car	2.5%	▲
16 [-]	Subcompact Car	2.3%	▲
17 [-]	Hybrid/Alternative Energy Car	1.5%	▲
18 [-]	High-End Luxury Car	1.2%	▼
19 [-]	Luxury Full-Size SUV/Crossover	1.2%	▼
20 [-]	Luxury Compact SUV/Crossover	0.9%	▼
21 [-]	Hybrid SUV/Crossover	0.3%	▼
22 [-]	Exotics	0.2%	▲
23 [-]	Electric Vehicle	0.1%	▲

National Sell/Trade Activity

Rank & Change from Previous Quarter	Sell/Trade Vehicle Segment	Share of Traffic	Significant Change in Share from Previous Quarter
1 [-]	Mid-Size Car	18.5%	▼
2 [-]	Compact Car	17.0%	▲
3 [3]	Full-Size Pickup Truck	15.3%	▲
4 [-1]	Mid-Size SUV/Crossover	15.2%	▼
5 [-]	Entry-Level Luxury Car	9.3%	▼
6 [-]	Compact SUV/Crossover	8.8%	▲
7 [-]	Full-Size Car	8.1%	▼
8 [-]	Full-Size SUV/Crossover	7.9%	▲
9 [-]	Minivan/Van	6.8%	▼
10 [-]	Mid-Size Pickup Truck	5.6%	▼
11 [-]	Luxury Car	5.1%	▼
12 [-]	Luxury Mid-Size SUV/Crossover	3.9%	▼
13 [-]	Sports Car	3.7%	▼
14 [-]	High Performance Car	2.8%	▼
15 [-]	Subcompact Car	2.7%	▲
16 [-]	Sporty Compact Car	2.5%	▼
17 [-]	Hybrid/Alternative Energy Car	1.9%	▼
18 [-]	Luxury Full-Size SUV/Crossover	1.7%	▼
19 [-]	High-End Luxury Car	1.6%	▼
20 [-]	Luxury Compact SUV/Crossover	1.2%	▼
21 [-]	Hybrid SUV/Crossover	0.4%	▼
22 [-]	Exotics	0.2%	▲
23 [-]	Electric Vehicle	0.1%	▲

Top 3 CPO Segments Shopped By Region

West		
Rank	Vehicle Segment	Share
1	Compact Car	12.8%
2	Entry-Level Luxury Car	12.0%
3	Mid-Size Car	11.2%
Midwest		
Rank	Vehicle Segment	Share
1	Mid-Size Car	14.0%
2	Mid-Size SUV/Crossover	12.9%
3	Compact Car	11.7%
South		
Rank	Vehicle Segment	Share
1	Mid-Size Car	13.2%
2	Compact Car	11.3%
3	Mid-Size SUV/Crossover	10.7%
Northeast		
Rank	Vehicle Segment	Share
1	Mid-Size Car	13.2%
2	Mid-Size SUV/Crossover	13.1%
3	Compact Car	12.6%

Top 3 USED Segments Shopped By Region

West		
Rank	Vehicle Segment	Share
1	Compact Car	16.8%
2	Mid-Size Car	13.9%
3	Mid-Size SUV/Crossover	10.5%
Midwest		
Rank	Vehicle Segment	Share
1	Mid-Size Car	15.6%
2	Compact Car	14.7%
3	Full-Size Pickup Truck	13.4%
South		
Rank	Vehicle Segment	Share
1	Mid-Size Car	14.6%
2	Compact Car	14.0%
3	Full-Size Pickup Truck	13.2%
Northeast		
Rank	Vehicle Segment	Share
1	Compact Car	16.3%
2	Mid-Size Car	15.3%
3	Mid-Size SUV/Crossover	12.2%

Top 3 Segments Traded-In By Region

West		
Rank	Vehicle Segment	Share
1	Compact Car	17.4%
2	Mid-Size Car	16.2%
3	Mid-Size SUV/Crossover	13.2%
Midwest		
Rank	Vehicle Segment	Share
1	Mid-Size Car	18.6%
2	Full-Size Pickup Truck	16.1%
3	Compact Car	15.7%
South		
Rank	Vehicle Segment	Share
1	Mid-Size Car	16.7%
2	Full-Size Pickup Truck	16.0%
3	Compact Car	14.5%
Northeast		
Rank	Vehicle Segment	Share
1	Mid-Size Car	18.3%
2	Compact Car	17.2%
3	Mid-Size SUV/Crossover	15.5%

- In April, mid-size car owners are looking to trade-in their vehicles more than any other segment owner; however, increased compact car and full-size pickup trucks are expected to be traded-in at dealerships in the upcoming months.
 - Dealers in the Western region of the U.S. should expect a higher volume of compact cars than the rest of the country, whereas the Midwest and South should expect a higher volume of full-size pickup trucks brought in by customers, based on regional vehicle preference.
- With the high volume of mid-size and compact cars traded-in, certified pre-owned (CPO) dealers should have plenty of inventory to meet increasing demands increasing demand for those products.
- From a CPO perspective, entry-level luxury cars are a sought-after segment for shoppers in Western states.
- Even though CPO pickups have significantly increased share from the previous quarter, shoppers primarily shop for pickups through the used retail market.

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. Kelley Blue Book's KBB.com ranked highest in its category for brand equity by the 2014 Harris Poll EquiTrend® study and has been named Online Auto Shopping Brand of the Year for three consecutive years. Kelley Blue Book Co., Inc. is a subsidiary of AutoTrader Group, which includes AutoTrader.com, vAuto, VinSolutions and HomeNet Automotive. AutoTrader Group is a subsidiary of Cox Enterprises.