



Blue Book MARKET REPORT

FOURTH QUARTER 2015

Chintan Talati
Sr. Director, Public Relations
210.884.3675 | chintan.talati@kbb.com

Joanna Pinkham
Sr. Public Relations Manager
404.568.7135 | joanna.pinkham@kbb.com

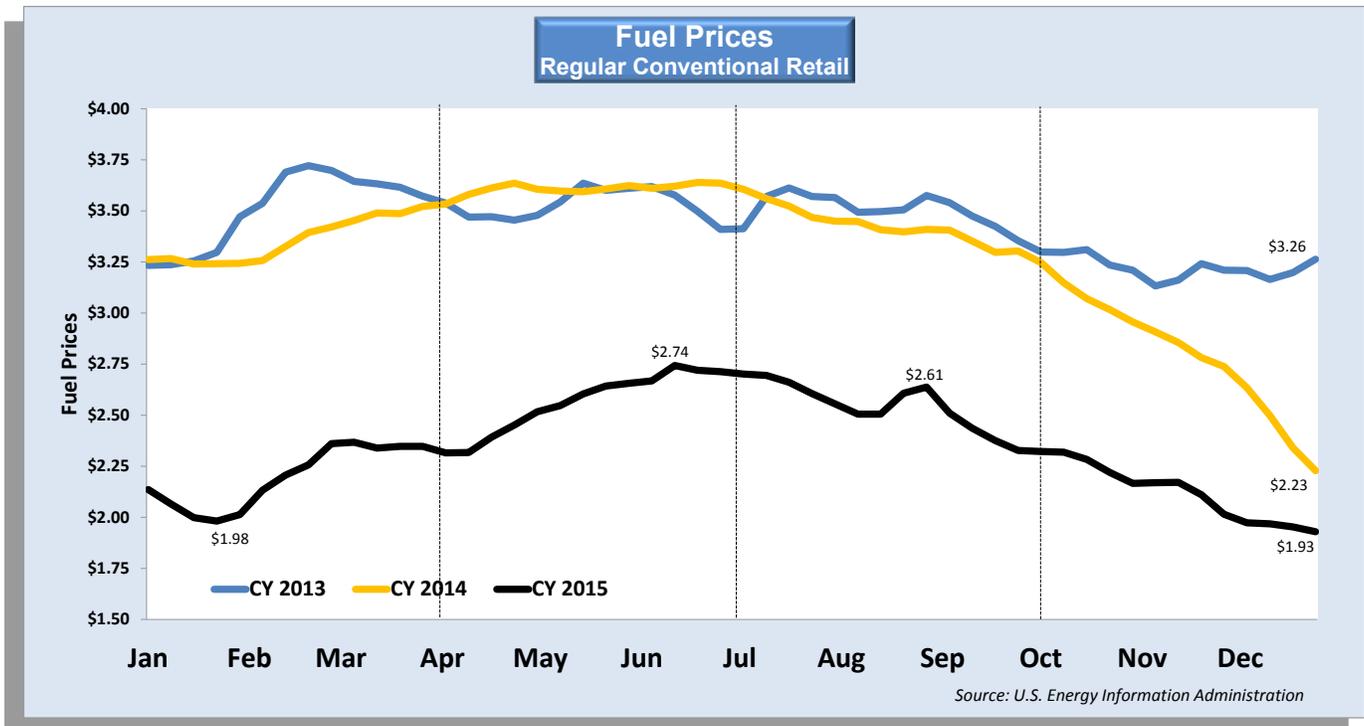
Brenna Robinson
Sr. Public Relations Manager
909.225.4643 | brenna.robinson@kbb.com

Michelle Behar
Public Relations Coordinator
909.241.5441 | michelle.behar@kbb.com

IN THIS ISSUE:

- › Weak Demand on Fuel from China Puts Additional Pressure on Oil Prices in Fourth Quarter
- › Used-Vehicle Values Report Accelerated Decline in Fourth Quarter
- › Nissan LEAF is Best Performing Vehicle Across All Segments in Fourth Quarter...MORE

Weak Demand on Fuel from China Puts Additional Pressure on Oil Prices in Fourth Quarter



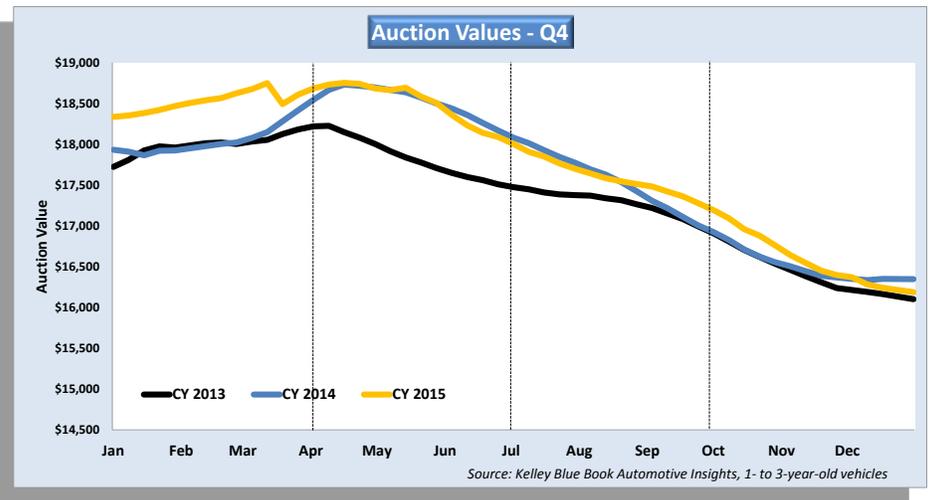
THE EFFECT OF FUEL PRICES ON VEHICLES HAS DEFINITELY BEEN NOTICEABLE. WE HAVE COME A LONG WAY SINCE THE DAYS OF \$3 TO \$4 PER GALLON AVERAGES IN 2012. AS A RESULT, CONSUMERS HAVE BEEN MOVING BACK INTO LARGER VEHICLES, SUVs, AND TRUCKS, AND AWAY FROM SMALLER FUEL EFFICIENT AND HYBRID VEHICLES THROUGHOUT THE YEAR.

SEAN FOYIL, KELLEY BLUE BOOK ANALYST

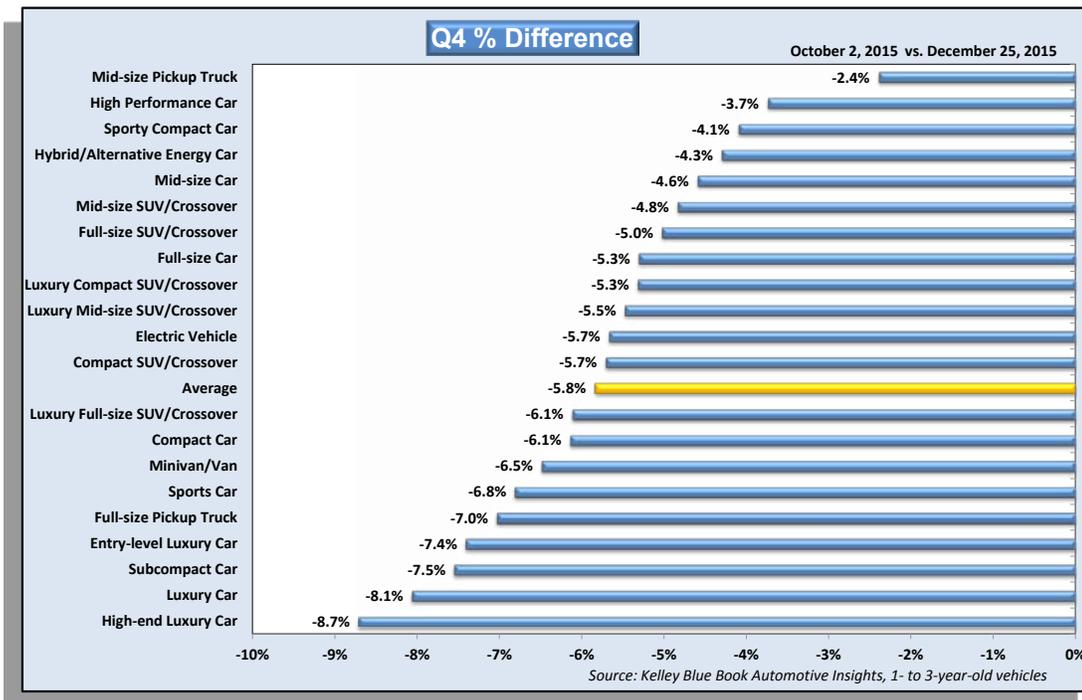
- In the fourth quarter of 2015, the average price for a gallon of fuel fell 32 cents, or 14.2 percent.
- Fuel peaked in the fourth quarter at \$2.28 per gallon in mid-October and closed out the month of December at its yearly low of \$1.93 per gallon.
- Fuel prices were expected to decline throughout the fourth quarter due to an increasing oil supply in the U.S. and the Middle East; however, reports of weaker than expected demand from China also increased the downward pressure of oil prices late in the fourth quarter.

Used-Vehicle Values Report Accelerated Decline in Fourth Quarter

- Average auction values for used 1- to 3-year-old vehicles declined 5.85 percent, or roughly \$1,000, in the fourth quarter of 2015. This is an increased drop of 1.83 percent, or \$281, compared to the third quarter of 2015.
- An accelerated decline in auction values due to an increase of supply, namely off-lease vehicles, drove auction values below where they finished in 2014. Kelley Blue Book Field Analysts have reported auctions that had reached capacity with inventory which can cause further pricing pressure on vehicles in the auction lanes.
- Auction values in the fourth quarter finished a mere \$159 below auction values for the same period last year and \$88 above 2013 values.



Nissan LEAF is Best Performing Vehicle Across All Segments in Fourth Quarter

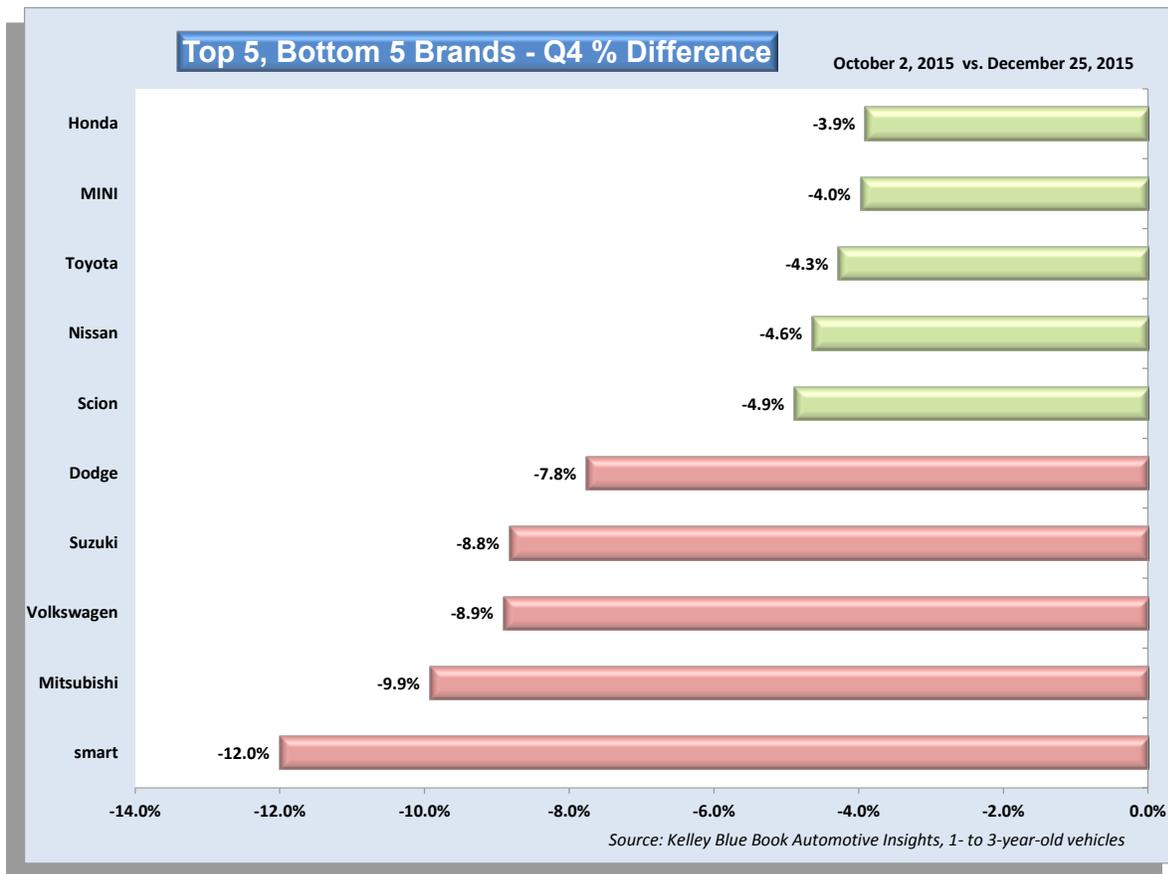


- In the fourth quarter of 2015, 1- to 3-year-old vehicles in the high-end luxury car and luxury car segments were the worst performers, dropping an average of 8.7 and 8.1 percent respectively.
- The mid-size truck and high performance car segments had the smallest declines during the fourth quarter, each falling 2.4 and 3.7 percent respectively.

DESPITE THE CONTINUED DROP IN FUEL PRICES, THE NISSAN LEAF WAS THE BEST PERFORMING VEHICLE ACROSS ALL SEGMENTS, APPRECIATING 3 PERCENT, OR ROUGHLY \$300. THIS REBOUND COULD BE ATTRIBUTED TO CONSUMERS NOW FINDING THE CURRENT VALUE OF ELECTRIC VEHICLES MORE ATTRACTIVE AT THEIR CURRENT PRICE POINT FOLLOWING MONTHS OF STEADY DECLINES.

SEAN FOYIL, KELLEY BLUE BOOK ANALYST

Top Five, Bottom Five Performing Brands in Fourth Quarter



- Honda, MINI, Toyota, Nissan and Scion rounded out the top five best performing brands in terms of average auction value percent change during the fourth quarter of 2015. The average change between the top five brands was a decline in value of 4.3 percent.
 - The top performing vehicle from each brand includes the Honda Ridgeline (-1.9%), MINI Countryman (-2.7%), Toyota Tundra Double Cab (-1.0%), Nissan LEAF (+3.0%) and Scion xB (-1.6%).
- Dodge, Suzuki, Volkswagen, Mitsubishi and Smart made up the bottom five brands for performance in the fourth quarter, averaging a decline of 9.5 percent.
 - The worst performing vehicle from each brand includes the Dodge Dart (-11.0%), Suzuki SX4 (-19.1%), Volkswagen Beetle (-12.4%), Mitsubishi i-MiEV (-14.1%), and Smart fortwo (-12.0%).

Appendix

Top 5 Performing Segments:

SEGMENT	Fourth Quarter (%)
Mid-size Pickup Truck	-2.2%
High Performance Car	-3.3%
Sporty Compact Car	-4.1%
Hybrid/Alternative Energy Car	-4.3%
Full-size Car	-5.0%

MY 2012-2014, Kelley Blue Book® Auction Value

Bottom 5 Performing Segments:

SEGMENT	Fourth Quarter (%)
Electric Vehicle	-6.9%
Compact Car	-7.5%
Luxury Car	-7.8%
Subcompact Car	-8.1%
High-end Luxury Car	-8.5%

MY 2012-2014, Kelley Blue Book® Auction Value

Top 10 Performing Models:

MAKE	MODEL	Fourth Quarter (%)
Nissan	LEAF	3.0%
Ford	Taurus	0.8%
Chevrolet	Tahoe	0.0%
Ford	E350 Super Duty Cargo	0.0%
Honda	CR-Z	0.0%
Suzuki	Equator Crew Cab	-0.1%
Nissan	NV1500 Cargo	-0.5%
Lexus	LFA	-0.7%
Toyota	Tundra Double Cab	-1.0%
Mercedes-Benz	SLS-Class	-1.1%

MY 2012-2014, Kelley Blue Book® Auction Value

Bottom 10 Performing Models:

MAKE	MODEL	Fourth Quarter (%)
smart	fortwo	-12.0%
Volkswagen	Beetle	-12.4%
Mitsubishi	Galant	-12.7%
Jaguar	XJ Series	-12.8%
Ram	ProMaster 1500 Cargo	-13.2%
Mitsubishi	Mirage	-13.4%
Mitsubishi	i-MiEV	-14.1%
Mercedes-Benz	SL-Class	-14.4%
Infiniti	Q70	-14.7%
Suzuki	SX4	-19.1%

MY 2012-2014, Kelley Blue Book® Auction Value

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