1st Quarter - 2013

USED MARKET QUARTERLY REPORT

Consumer & Industry Analysis

Analytics and Pricing Department

Version 1

USED MARKET QUARTERLY REPORT

INDUSTRY HIGHLIGHTS

- Q1 used vehicle sales are at 9.7M (Avg. Q1 SAAR - approx. 36.7M), a decrease of 6.2% from Q1 2012 sales of 10.3M units (approx. 38.4M SAAR)

- The average retail price for used vehicles sold at franchise dealers was $15,793. This represents a decrease of 0.5% from the Q4 - 2012 and a decrease of 0.5% year-over-year (YoY). Despite the drop in prices over the last two years, the prices remain elevated

- Franchise used sales were 2,288,600, down 4.1% QoQ and up 4.3% YoY

- Q1 CPO sales of 483,109 marked an increase of 7.3% from Q4, and an increase of 6.2% year over year. CPO sales accounts for 21.1% of franchised used sales, the highest share ever

WHAT TO EXPECT

- As we head into Q2 2013, consumer interest will continue shifting to new vehicles and increased trades will help relieve inventory constraints. The increase in off-lease supply will also help alleviate the tight inventory supply. In Q2 2013, expect the trend to continue with year over year prices moving down slightly

- The record CPO momentum that began in 2012 and into Q1 2013 will continue. OEMs have indicated they continue to support these programs to help move off-lease inventory, attract new customers and strengthen loyalty. Expect even higher percentages of franchise dealers' used sales to be certified

- Sales of new alternative fuel vehicles will remain a focal point in Q2 2013 (primarily hybrid and diesel) and beyond. Hybrid vehicle leasing began to increase in earnest in 2010, so expect a slight increase in used inventory in Q2 and throughout the year. 2011 was a much bigger year for leasing these vehicles, so looking forward we should also see softening in price, especially as OEs push new models

- We expect a typical seasonal used price pattern this year: increase in the spring, stabilize through early summer months, then decrease thereafter

INDUSTRY SUMMARY TABLE (Franchise Dealers):

INDUSTRY	Q4 2012	Q1 2013	Q1 2012	QoQ % chg	YoY % chg	CYTD 2013	CYTD 2012	CYTD % chg
Franchise Used	2,385,683	2,288,600	2,193,560	(4.1%)	4.3%	2,288,600	2,193,560	4.3%
Total Used Vehicles	8,560,354	9,707,309	10,345,797	13.4%	(6.2%)	9,707,309	10,345,797	(6.2%)
Retail Price	$ 15,868	$ 15,793	15,873	(0.5%)	(0.5%)	$ 15,793	$ 15,873	(0.5%)
Certified Pre-Owned	450,404	483,109	455,032	7.3%	6.2%	483,109	455,032	6.2%
DTT	39	40	40	2.6%	0.6%	40	40	0.6%
Monthly Payment	$ 364	$ 359	356	(1.4%)	0.8%	$ 359	$ 356	0.8%
A.P.R.	7.9%	8.7%	8.7%	10.5%	(0.5%)	8.7%	8.7%	(0.5%)
Term	64	63	61	(1.6%)	1.7%	63	61	1.7%
Down Payment	$ 2,214	$ 2,260	2,150	2.1%	5.1%	$ 2,260	$ 2,150	5.1%
Amount Financed	$19,165	$18,300	17,826	(4.5%)	2.7%	$18,300	$17,826	2.7%
Fuel Prices	$ 3.50	$ 3.57	$ 3.60	1.8%	(1.0%)	$ 3.57	$ 3.60	(1.0%)

- Year over year franchise sales increased, but YOY prices have decreased. Q4 to Q1 used vehicle prices have decreased as well for most segments

- Overall used sales actually declined YOY. As expected, most of the increase in used sales activity was and will be driven by lease returns and trades, concentrating them at franchises

SEGMENT SUMMARY TABLE (Franchise Dealers):

SEGMENT	Price			Market Share %			DTT		
	Q1	QoQ	YoY	Q1	QoQ	YoY	Q1	QoQ	YoY
Compact Car	$11,058	1.7%	(1.6%)	9.2%	2.6%	(5.5%)	36	4.1%	2.5%
Compact Crossover Suv	$14,400	1.4%	(2.2%)	5.2%	(0.3%)	8.3%	38	(0.9%)	2.2%
Compact Truck	$13,242	0.5%	0.2%	3.4%	2.5%	(6.5%)	36	(1.9%)	(3.1%)
Entry Luxury Car	$18,656	(2.8%)	(7.4%)	6.9%	(4.0%)	(5.0%)	40	5.4%	(2.9%)
Entry Luxury Suv	$24,221	(1.7%)	(3.1%)	2.5%	(2.8%)	14.2%	44	(0.4%)	(3.8%)
Entry Sport Car	$17,049	0.9%	(1.1%)	4.8%	5.8%	1.5%	45	9.9%	3.9%
Large Car	$11,570	1.6%	5.8%	4.9%	(2.1%)	(0.0%)	40	3.2%	3.9%
Large Crossover Suv	$22,302	(1.6%)	(4.1%)	0.9%	3.1%	15.5%	51	2.0%	3.1%
Large Traditional Suv	$18,545	0.1%	(0.0%)	3.9%	2.4%	(1.9%)	40	(0.3%)	2.5%
Large Truck	$18,822	1.5%	2.4%	7.4%	2.6%	3.1%	39	(0.5%)	4.8%
Midrange Luxury Car	$21,662	(1.1%)	0.2%	6.4%	(5.7%)	0.8%	39	6.0%	2.5%
Midrange Luxury Suv	$29,000	(2.5%)	(2.5%)	3.7%	(12.9%)	11.0%	40	(1.2%)	3.6%
Midrange Sport Car	$28,199	1.6%	(1.5%)	2.8%	(3.1%)	(5.6%)	47	19.3%	8.7%
Midsize Car	$12,166	2.2%	(1.7%)	9.7%	0.8%	(1.5%)	36	4.3%	(1.8%)
Midsize Crossover Suv	$17,547	1.7%	(0.7%)	4.5%	3.9%	15.4%	40	(2.8%)	(3.7%)
Midsize Traditional Suv	$13,296	(2.9%)	(7.3%)	4.6%	(8.2%)	(13.9%)	36	(1.5%)	(3.2%)
Minivan	$12,744	(1.4%)	(1.4%)	4.4%	(0.0%)	(4.0%)	40	4.7%	1.6%
Premium Luxury Car	$38,319	(0.8%)	(1.1%)	2.6%	(2.6%)	15.5%	39	(5.7%)	(8.9%)
Premium Luxury Suv	$29,053	(1.7%)	1.3%	2.6%	(3.2%)	2.8%	37	(3.4%)	3.9%
Premium Sport Car	$42,114	(4.0%)	(7.0%)	2.8%	(15.7%)	(10.0%)	40	(1.0%)	(8.9%)
Subcompact Car	$11,109	0.4%	(2.4%)	3.9%	8.7%	1.0%	36	1.4%	(1.1%)
Van	$13,078	8.0%	4.1%	2.9%	(4.7%)	(14.0%)	50	9.3%	8.6%

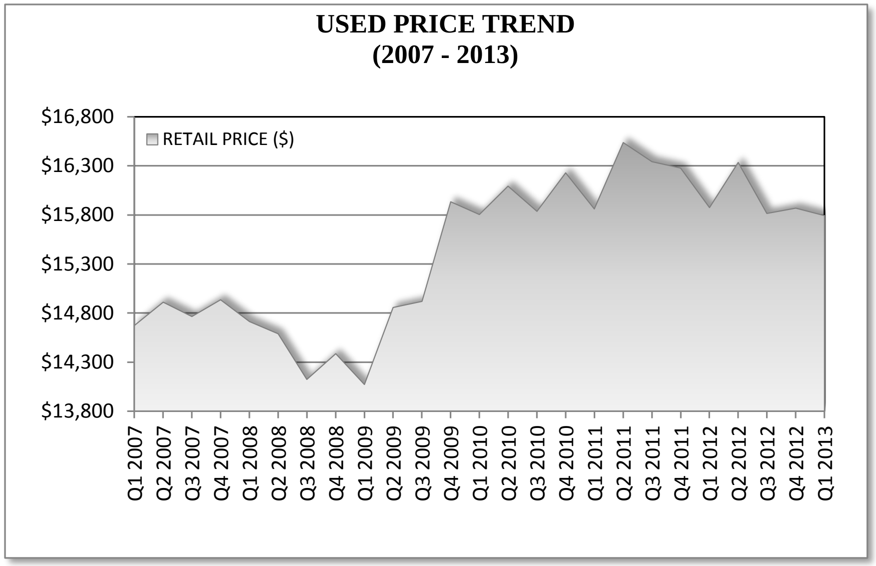
- The average prices for Entry Luxury Car, Midsize Traditional Suv, and Premium Sport Car segments took the largest hit for the quarter and were down 7.4%, 7.3%, and 7% YoY, respectively. The Van segment made the largest QoQ and YoY gains, with increases of 8%, and 4.1%, respectively

- Compact Truck, Midsize Traditional Suv, and Van segments posted the largest YoY market share declines of 6.5%, 13.9%, and 14%. The three segments make up 10.9% of the used vehicle volume

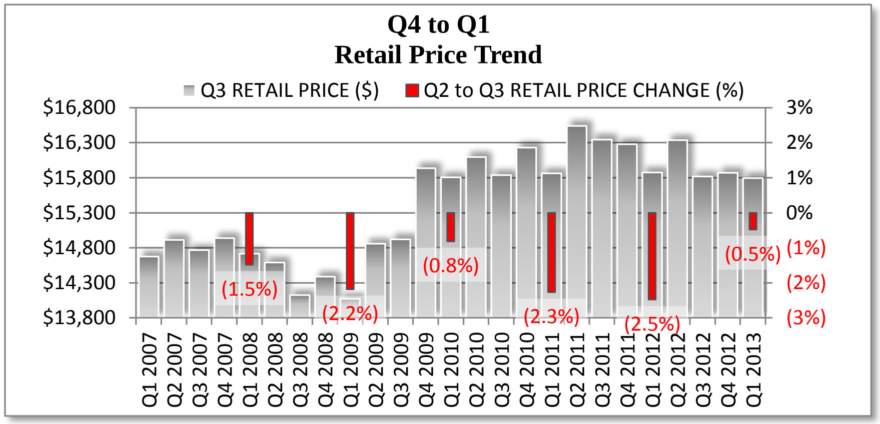
- Large Crossover Suv had the slowest Days to Turn of 51, followed closely by the Van segment, which came in at 50

- Despite the increased days to turn the small car segments remain among the fastest turning segments at 36 days. On the other hand, DTT for the Premium Luxury segment decreased the most with increased market share indicating strong demand

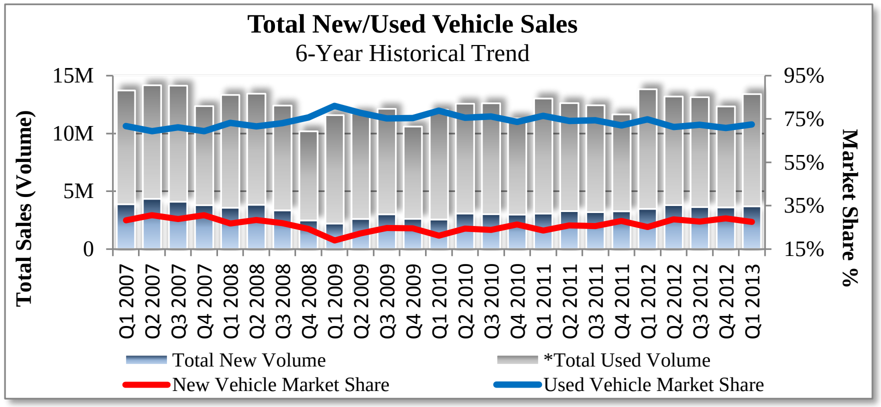
USED PRICE TREND GRAPH (Franchise Dealers):



- Used vehicle retail prices remained relatively flat with a slight decrease of 0.5% YoY

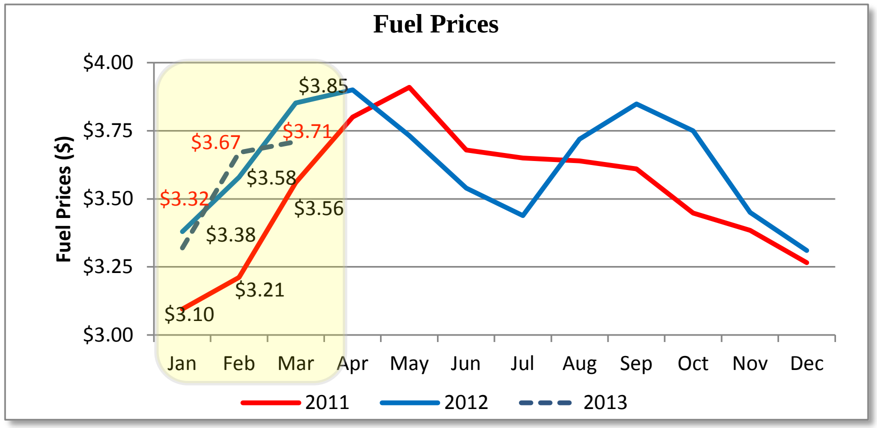


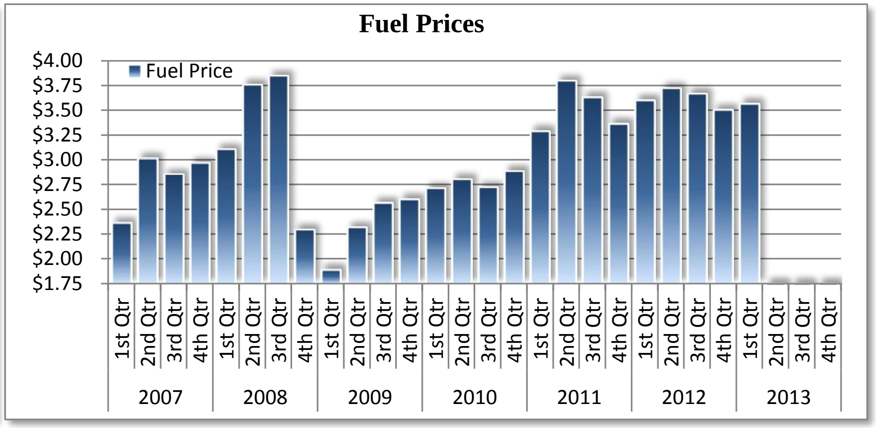
- Used vehicle retail prices remained stable moving down just 0.5% QoQ



-Used market share is up from last quarter L143and down YoY. This is the lowest Q1 market share since 2007, driven at least partially by the shift to new sales

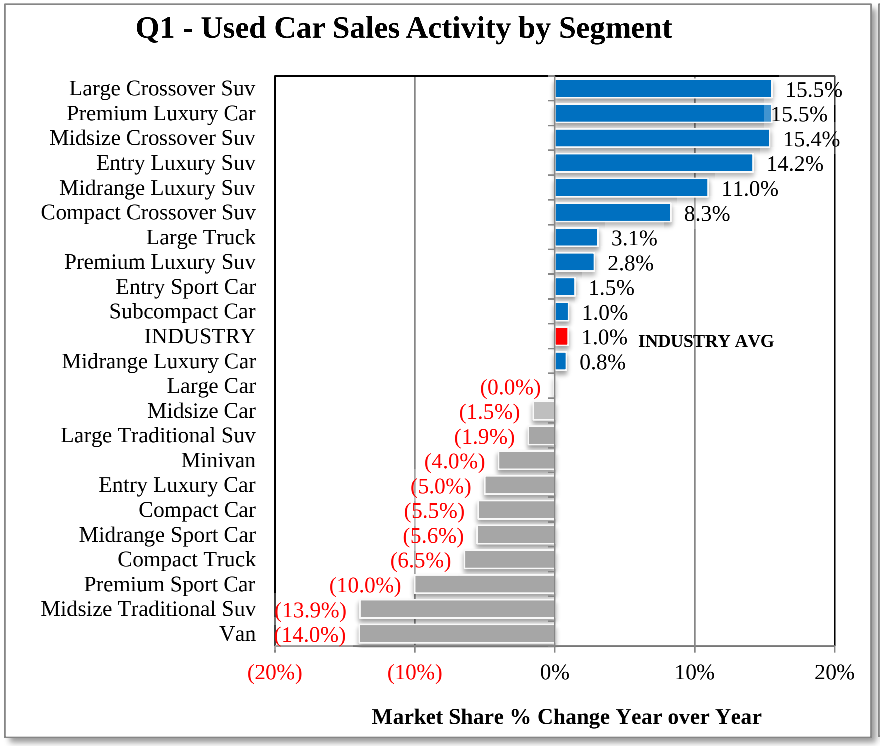
Fuel Price Trend:

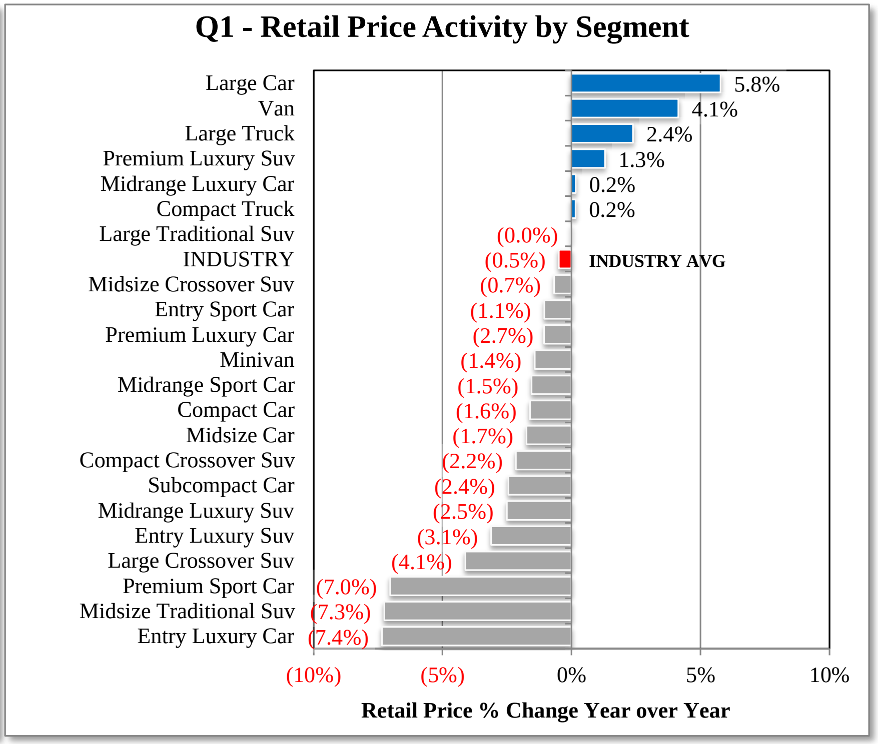




- Fuel prices were up slightly over the 4th Quarter and down 3 cents from last year. Higher fuel prices have changed purchasing behavior but we are seeing less knee-jerk reaction to changes in fuel price as consumers are adjusting to the new norm

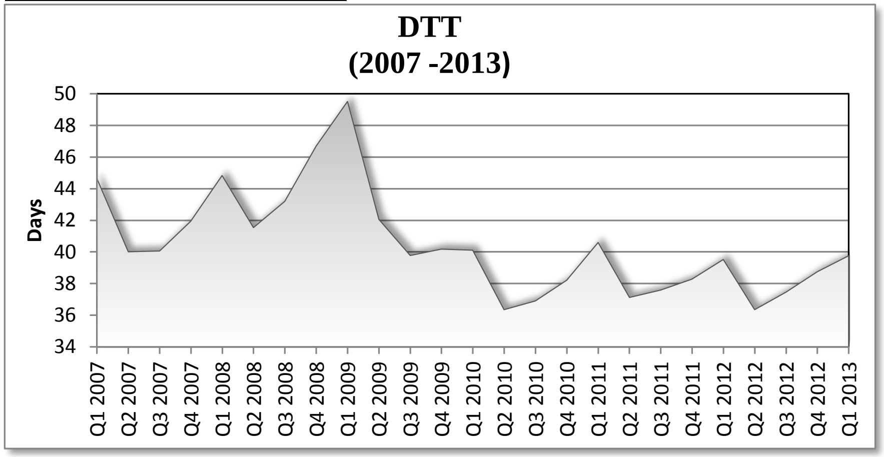
Year over Year Sales & Retail

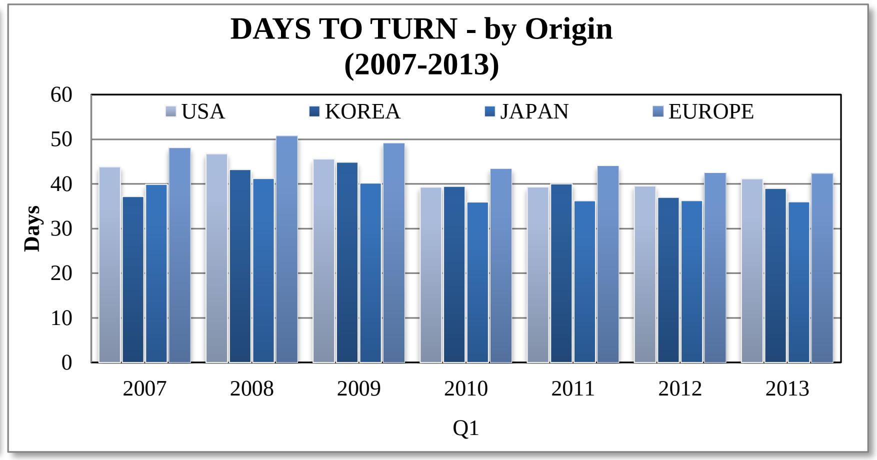




- Demand for Crossover SUVs and Luxury vehicles have increased during the Q1 - 2013
- Prices moved downward for most segments

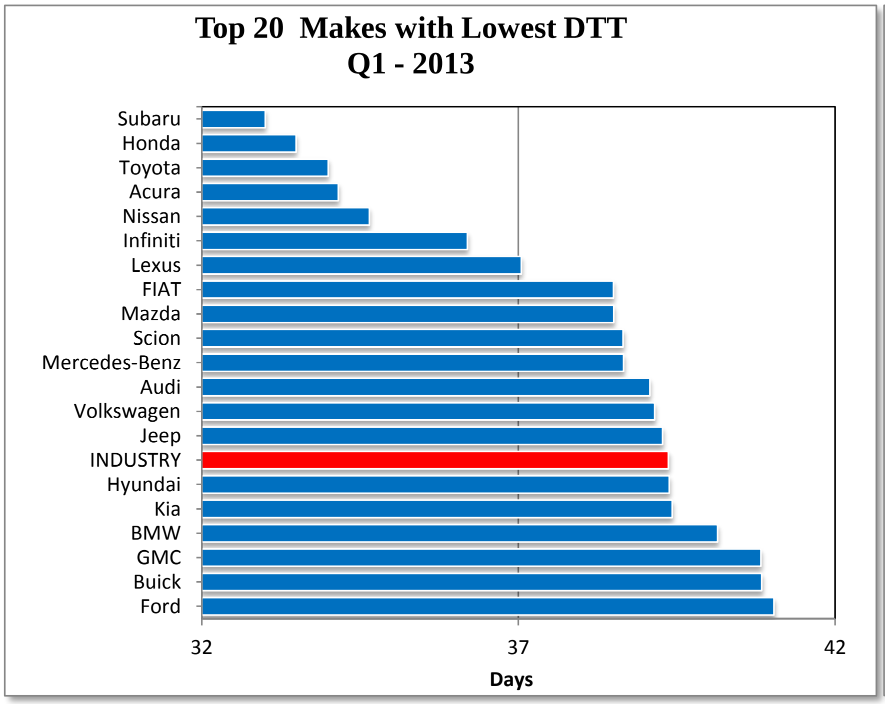
DTT (Franchise Dealers):

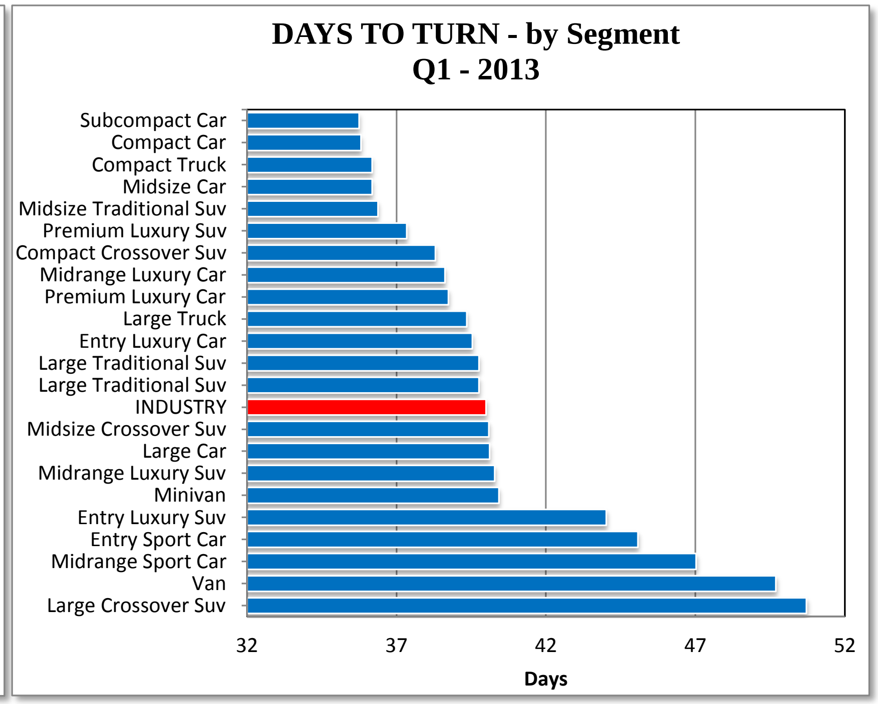




- Overall Days to Turn for Q1 - 2013 remained unchanged over the previous year at 40 days - 1 day greater than last quarter

- Japanese makes have the lowest overall DTT of 36, followed by Korean makes at 39 days. Domestic and Korean brands' DTT increased 1 and 2 days, respectively. European makes have the longest overall days to turn, even though they cut their overall DTT by one day to 42

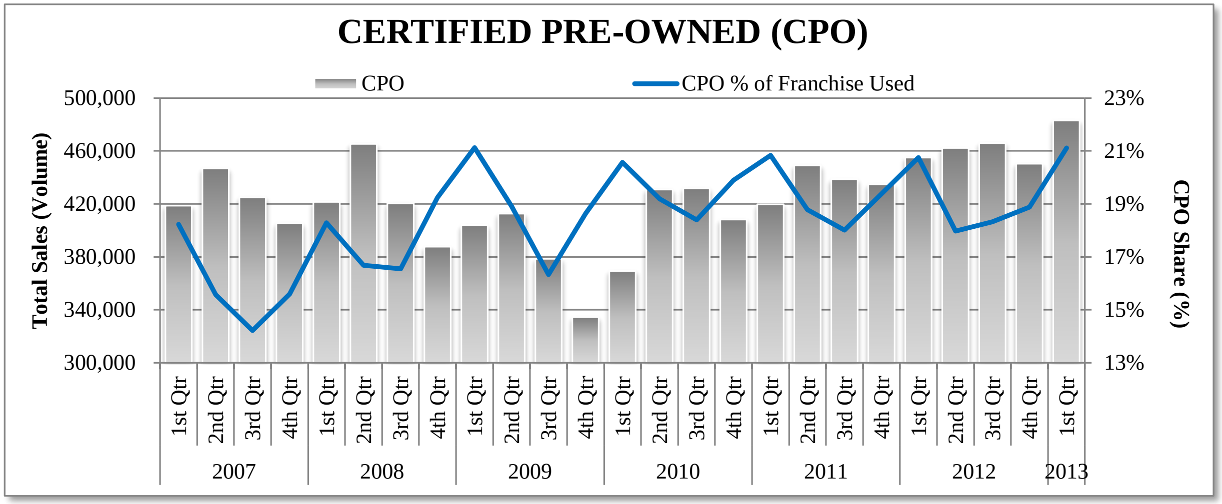




- Days to Turn remains fairly stable among the makes. Two makes improved notably, VW dropping 4 days to 39 and Nissan moving down 4 days to 35

- Economical vehicles continue to turn the quickest, with the used buying behavior continuing to focus on value, low vehicle price and operation cost

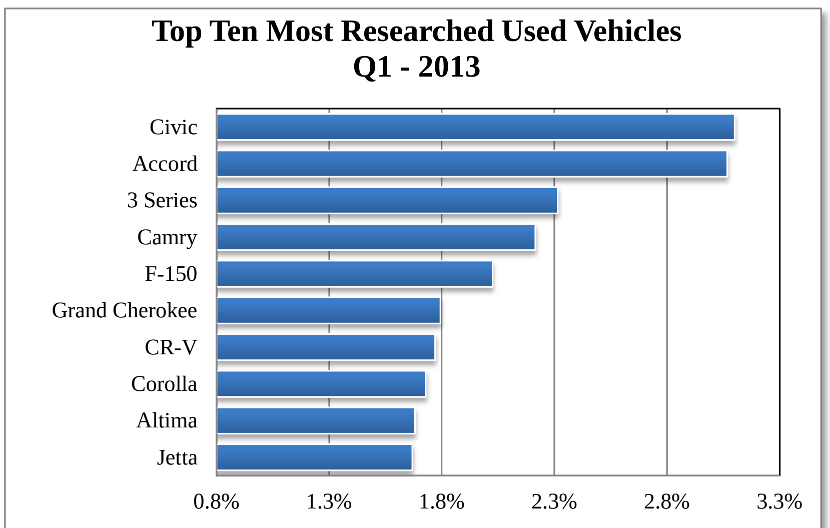
OEM CERTIFIED PRE-OWNED (CPO):



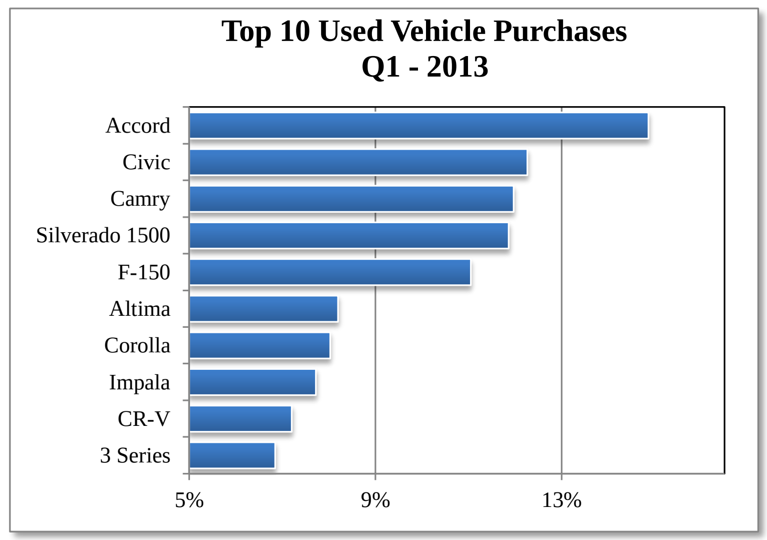
Certified Pre - Owned	Q4 2012	Q1 2013	Q1 2012	QoQ % chg	YoY % chg	CYTD 2013	CYTD 2012	CYTD % chg
Vehicles Sold	450,404	483,109	455,032	7.3%	6.2%	483,109	455,032	6.2%

- Certified pre-owned vehicles posted another sales record with 483,109 for the 1st quarter of 2013. CPO has met the highest market share of franchise used at 21.1%

TOP 10 MOST RESEARCHED:



TOP 10 PURCHASED (Franchise Dealers):



- The top ten most researched has remained the same from last quarter, however, the order has changed. Civic and Accord swapped spots 1 and 2

- The top ten most researched vehicles are typically dominated by economical vehicles. Trucks usually make both lists of their utility. Civic moved up one spot on the purchased list, commensurate with its increased research by consumers

TOP SELLING USED VEHICLE BY SEGMENT (Franchise Dealers):

TOP SELLING VEHICLE BY SEGMENT: RANKINGS				
#	SEGMENT	Q1 2013	Q1 2012	Q4 2012
1	Midsize Car	**Accord**	Accord	Accord
2	Compact Car	**Civic**	Civic	Civic
3	Large Truck	**F-150**	F-150	Silverado 1500
4	Large Car	**300**	300	Impala
5	Midsize Traditional Suv	**Explorer**	Explorer	Grand Cherokee
6	Minivan	**Grand Caravan**	Grand Caravan	Odyssey
7	Compact Crossover Suv	**CR-V**	CR-V	CR-V
8	Large Traditional Suv	**Expedition**	Expedition	Tahoe
9	Entry Luxury Car	**3 Series**	3 Series	3 Series
10	Midsize Crossover Suv	**Equinox**	Equinox	Pilot
11	Compact Truck	**Frontier**	Dakota	Dakota
12	Midrange Luxury Car	**5 Series**	5 Series	E-Class
13	Entry Sport Car	**Camaro**	Camaro	Mustang
14	Subcompact Car	**Accent**	Accent	Accent
15	Midrange Luxury Suv	**M-Class**	M-Class	MDX
16	Entry Luxury Suv	**RX 350**	RX 350	RX 350
17	Van	**E-Series Van**	E-Series Wagon	Windstar
18	Premium Luxury Suv	**Escalade**	Escalade	Escalade
19	Large Crossover Suv	**Acadia**	Acadia	Traverse
20	Midrange Sport Car	**CLK-Class**	CLK-Class	Corvette
21	Premium Luxury Car	**7 Series**	7 Series	S-Class
22	Premium Sport Car	**6 Series**	6 Series	911