



Blue Book MARKET REPORT

FIRST QUARTER 2016

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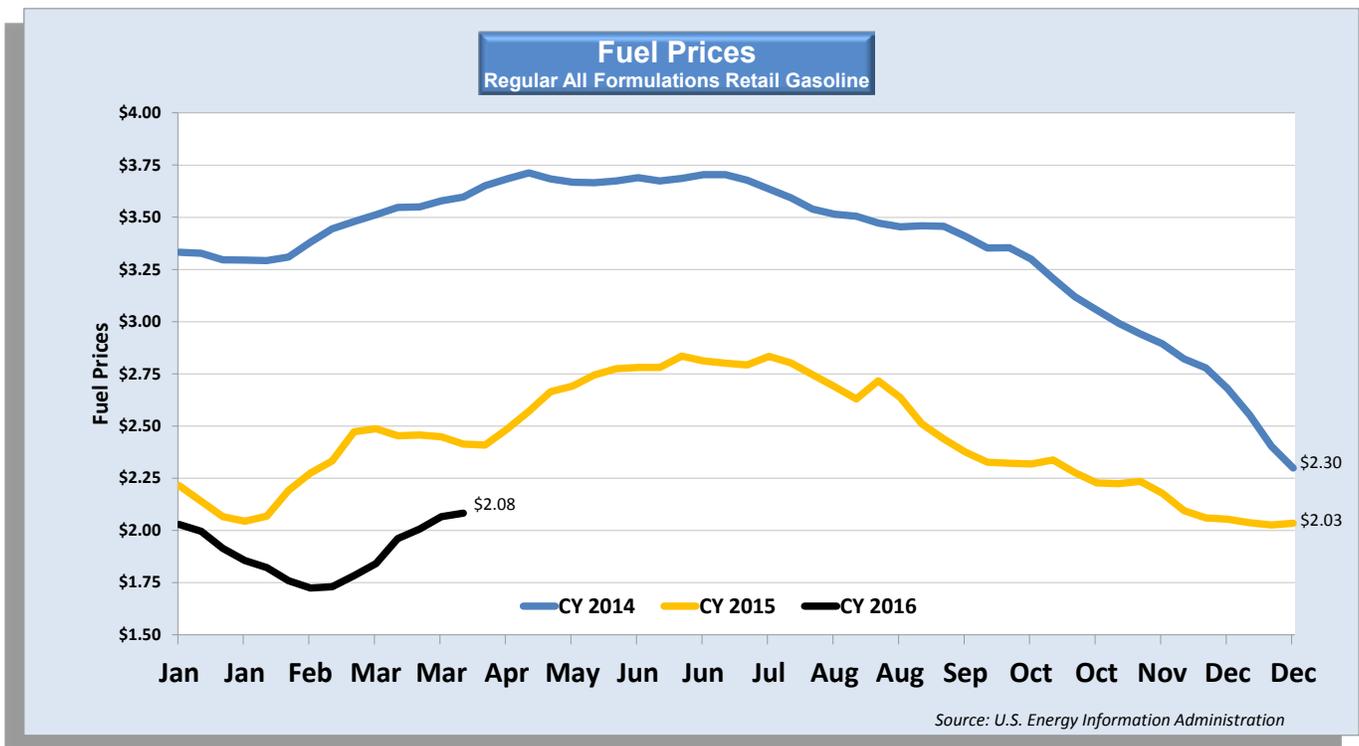
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Fuel Prices See Large Fluctuation in First Quarter of 2016



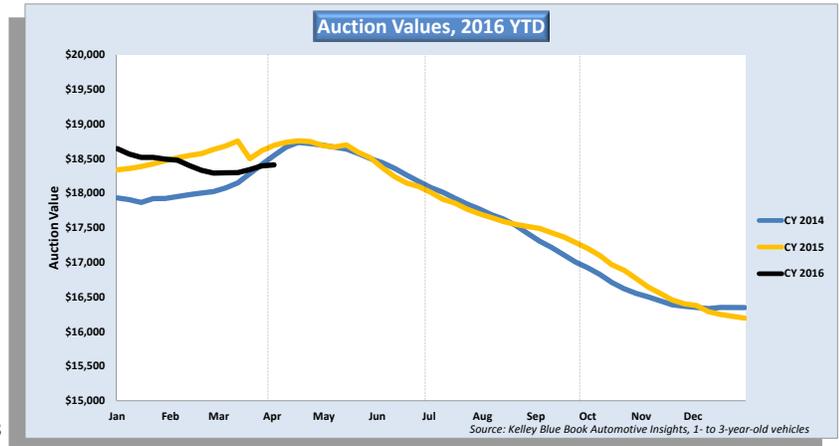
WHILE FUEL PRICES ARE STILL AT SUPPRESSED LEVELS, WE ARE SEEING SEASONAL TRENDS CONSISTENT WITH PREVIOUS YEARS AND EXPECT FUEL PRICES TO CONTINUE TO RISE AT A SLOW BUT STEADY PACE INTO SUMMER MONTHS.

SEAN FOYIL, KELLEY BLUE BOOK ANALYST

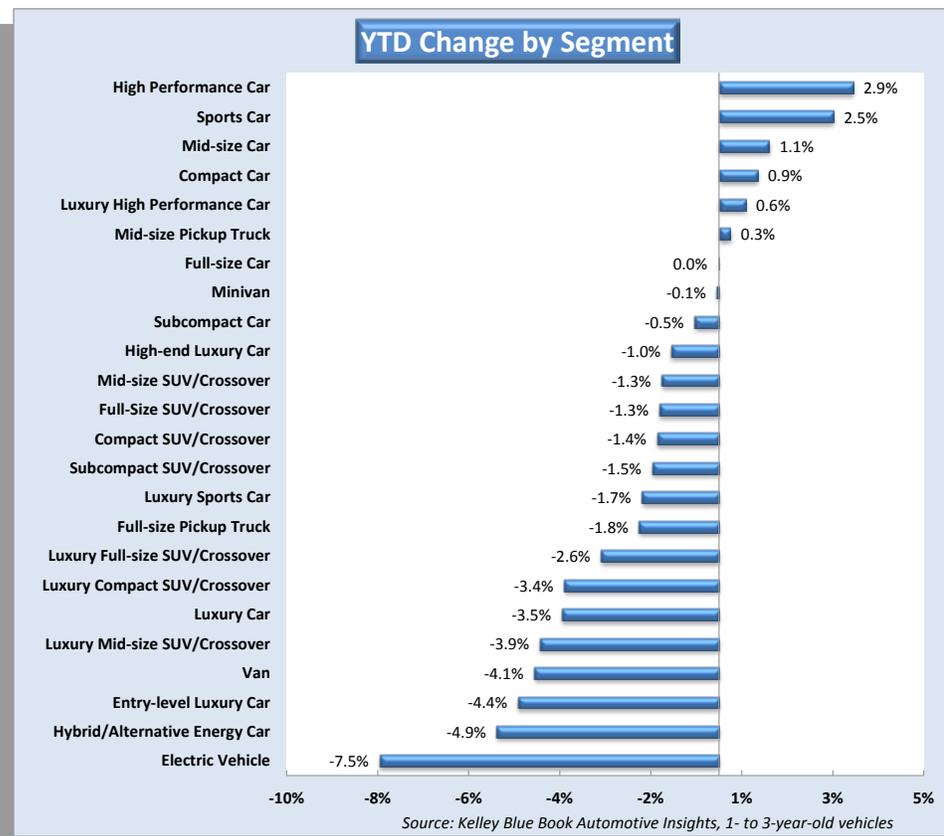
- Consumers saw large fluctuations in the average cost per gallon of fuel in the first quarter of 2016. Fuel prices started the year at \$2.03 per gallon in January, fell to an average of \$1.72 per gallon by mid-February and have since rebounded by 36 cents, or 21 percent, to \$2.08 per gallon in April.
- Year-to-date, the average price per gallon of fuel is up 5 cents, or 2.4 percent. Year-over-year, the average price per gallon of fuel is down 33 cents, or 14 percent. Year-to-date, fuel prices are currently up 6 cents, or 3 percent.
- Low fuel prices continue to spur demand in larger SUV and truck segments while driving fewer consumers toward fuel-efficient hybrid segments.

Used-Car Values Report Little Seasonal Impact

- Average auction values for used 1-to 3-year-old vehicles declined 1.3 percent, or roughly \$235, in the first quarter of 2016. The average used-car value at the end of Q1 finished 1.5 percent lower than where it did this time last year.
- One of the most notable differences that we saw this year is the lack of an upward swing in values during the first quarter. Typically, the used-car market sees an uptick in values in the range of 2 to 4 percent, whereas in 2016, we actually experienced a slight 1 percent decrease.
- An abundance of volume across the country in the auction lanes continues to be one of the key forces putting downward pressure on auction prices.
- Kelley Blue Book Field Analysts have reported the auction landscape as being overly saturated and overstocked with 3- to 5-year-old lease return vehicles. This excess supply has put a damper on the spring market, as the typical buying frenzy seen during tax return season was short-lived.



High Performance Vehicles Outperform All Segments, Electric Vehicles Continue Significant Decline

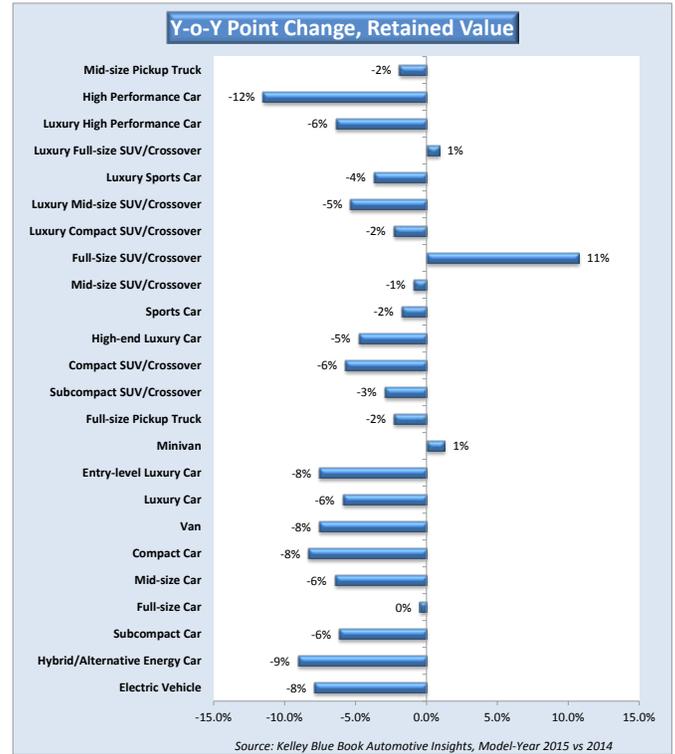
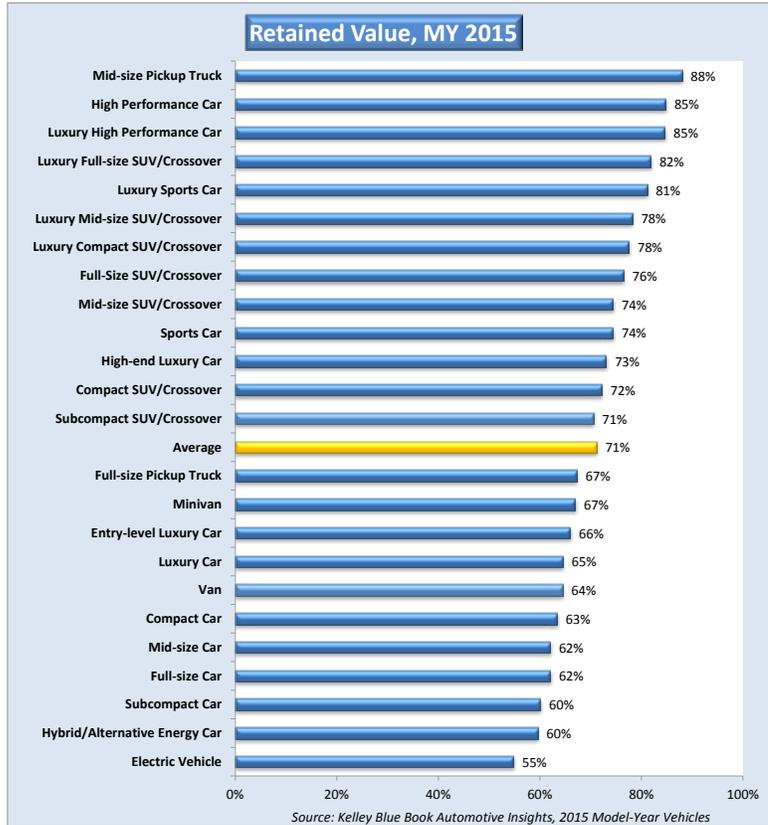


- In the first quarter of 2016, the high performance and sports car segments outperformed all segments, increasing by 2.9 percent and 2.5 percent respectively.
 - The top performing car in the high performance car and sports car segments were the Corvette Stingray (up 2.5 percent) and the Dodge Challenger (up 4 percent).
- Electric and hybrid vehicles continued to underperform the rest of the market in the first quarter, declining by 7.5 percent and 4.9 percent respectively.
 - The top performing vehicles in the electric and hybrid segments are the BMW i8 (down 2.3 percent) and the Honda Insight (down 4.4 percent).

WITH LOW FUEL PRICES CONTINUING TO DRIVE DOWN DEMAND FOR MORE FUEL-EFFICIENT VEHICLES, CONSUMERS ARE LESS WORRIED ABOUT PAYING AT THE PUMP AND MORE CONCERNED WITH OTHER FACTORS WHEN CHOOSING THEIR NEXT VEHICLE. AS A RESULT, HIGH PERFORMANCE, SUV AND CROSSOVER, AS WELL AS TRUCK SEGMENTS CONTINUE TO OUTPERFORM.

SEAN FOYIL, KELLEY BLUE BOOK ANALYST

Used-Vehicle Values Report Accelerated Decline in Fourth Quarter



- For 2015 model-year vehicles, the mid-size pickup truck segment is outperforming all segments with an average value retention rate of 88 percent. Leading this segment are the Toyota Tacoma and Chevrolet Colorado at 97.7 percent and 82.1 percent respectively.
- All SUV and crossover segments performed at or above the overall segment value retention rate average, while most car segments underperformed the segment average.
- Top Performing SUV/Crossover by Segment:
 - Compact SUV/Crossover: Jeep Wrangler, 89.8 percent
 - Mid-size SUV/Crossover: Toyota 4Runner, 86.6 percent
 - Full-size SUV/Crossover: GMC Yukon, 79.3 percent
 - Subcompact SUV/Crossover: Jeep Renegade, 77.1 percent

Appendix

Top 5 Performing Segments:

SEGMENT	Q1 Change (%)
High Performance Car	2.9%
Sports Car	2.5%
Mid-size Car	1.1%
Compact Car	0.9%
Luxury High Performance Car	0.6%

MY 2013-2015, Kelley Blue Book® Auction Value

Bottom 5 Performing Segments:

SEGMENT	Q1 Change (%)
Electric Vehicle	-7.5%
Hybrid/Alternative Energy Car	-4.9%
Entry-level Luxury Car	-4.4%
Van	-4.1%
Luxury Mid-size SUV/Crossover	-3.9%

MY 2013-2015, Kelley Blue Book® Auction Value

Top 5 Performing Brands

SEGMENT	Q1 Change (%)
Chrysler	1.9%
Lincoln	1.1%
Dodge	0.6%
Nissan	0.4%
Honda	0.1%

MY 2013-2015, Kelley Blue Book® Auction Value

Bottom 5 Performing Brands:

SEGMENT	Q1 Change (%)
BMW	-5.9%
Volvo	-5.1%
Lexus	-4.5%
Infiniti	-4.3%
smart	-4.3%

MY 2013-2015, Kelley Blue Book® Auction Value

Top 10 Performing Models:

MAKE	MODEL	Q1 Change (%)
Mitsubishi	Mirage	5.4%
Dodge	Challenger	4.4%
Ford	Mustang	4.3%
Chrysler	300	4.3%
Honda	Civic	4.1%
Chevrolet	Camaro	4.1%
Nissan	Altima	4.0%
Volvo	C30	3.9%
Chrysler	Town & Country	3.9%
Ford	Expedition	3.6%

MY 2013-2015, Kelley Blue Book® Auction Value

Bottom 10 Performing Models:

MAKE	MODEL	Q1 Change (%)
Nissan	LEAF	-19.3%
Volkswagen	Touareg	-12.6%
BMW	i3	-12.5%
Ram	C/V	-12.1%
Mercedes-Benz	B-Class	-11.9%
Suzuki	Kizashi	-11.5%
Chevrolet	Volt	-11.2%
Porsche	911	-11.0%
Suzuki	Grand Vitara	-10.4%
Ram	C/V Tradesman	-10.2%

MY 2013-2015, Kelley Blue Book® Auction Value

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