

GREENLIGHT REMARKETING

DRIVING GROWTH FOR THE REMARKETING PROFESSIONAL

ISSUE 27

GETTING IT RIGHT

Photos can help sell
used vehicles – but can
you use too many? **P4**



THE NEW DEFINITION
OF “ONLINE SALES” **P9**

MOVING INVENTORY TO
MAXIMIZE RETURNS **P10**

Charity

begins at the auction.

Working with our generous auction partners, Santander Consumer USA and Chrysler Capital will share the holiday spirit with several charities again this holiday season – and you can help.

Every time your dealership purchases a car at auction, Santander, Chrysler Capital and participating auctions will donate a portion of the proceeds* to selected charities.

Three charitable organizations each will receive cumulative donations:



* Combined donation will total \$6 per auction vehicle purchased.



REMARKETING

LEADERSHIP

Where Charity Begins

Partnership.

It's the third quarter of 2015 already.

That obviously means it's time to start thinking about the upcoming holiday season.

OK, maybe I'm jumping the gun just a little bit, but it is a good time to write about the annual holiday season charity effort by Santander Consumer USA and Chrysler Capital*.



Working with our generous partners, charity not only begins at home, this year it begins at the auction.

Here's how the charity fundraiser will work:

Every time your dealership purchases a car at auction, Santander, Chrysler Capital and participating auctions will donate a portion of the proceeds to selected charities. Santander Consumer USA will make a donation for every Santander or Chrysler Capital vehicle purchase, matched by a donation from the auction company, for a total donation of \$6 per vehicle in October, November and December 2015.

These charitable organizations each will receive a donation of money raised between dates shown:

- Mercy International - www.mercyinternational.org, Sept. 28-Oct. 31
- St. Jude Children's Research Hospital - www.stjude.org, Nov. 1-30
- Child Legacy International - www.childlegacy.org, Dec. 1-Jan. 8

This annual effort generally results in some pretty interesting fundraising events at auction locations, including popular cook-offs between auction employees and Santander remarketing associates.

How much easier could it be to show holiday spirit than to do what you do anyway – purchase vehicles?

Finally, don't forget to take our brief *GreenLight Remarketing* survey (just six multiple-choice questions) at <http://bit.do/Greenlight-survey> or through the link on our Inside Lane blog or Extranet in a post titled, appropriately, *What do you think about GreenLight Remarketing magazine?*

We're giving away a limited edition baseball cap to the first 50 people who complete the survey, and your feedback will help us determine the direction of the magazine to better serve your needs.

And, as always, thank you for your business – and charity participation.

Brent Huisman
SVP, Asset Remarketing
Santander Consumer USA Inc.

*Chrysler Capital is a registered trademark of FCA US LLC and licensed to Santander Consumer USA Inc.

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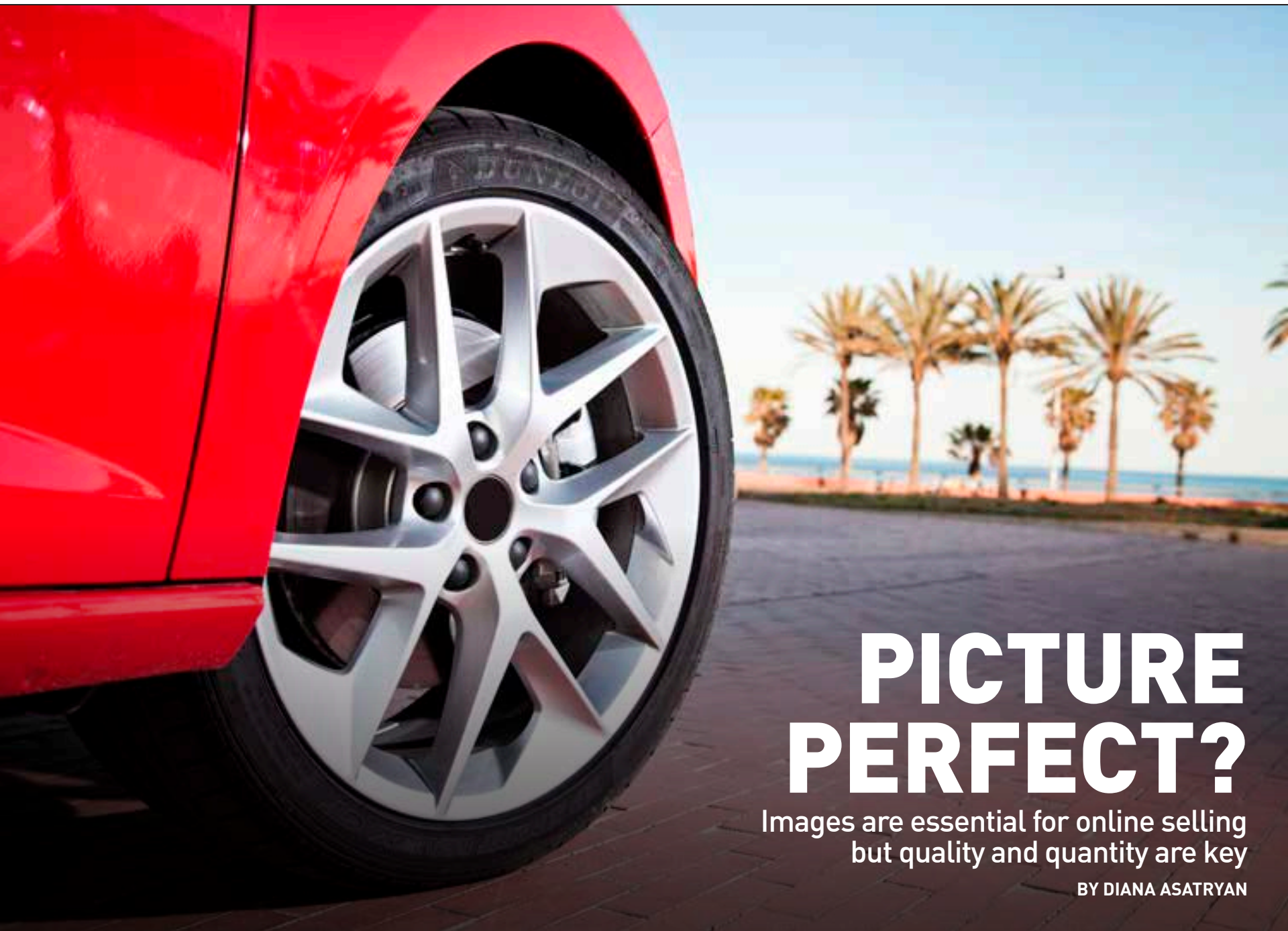


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PICTURE PERFECT?

Images are essential for online selling but quality and quantity are key

BY DIANA ASATRYAN

IN THE VEHICLE REMARKETING SPACE, INFORMATION OVERLOAD HAS TAKEN the form of image fatigue. While photographs have taken much of the guesswork out of online purchases, the question remains: How many images are needed for dealers to make informed decisions about vehicles at auction?

CONSUMERS VS DEALERS

For consumers, less is more, a recent CarStory study on consumer attitudes about used-vehicle shopping found. By looking at lead-submission

rates on vehicles based on the number of images in the posting, the study found that postings with nine images resulted in an optimal lead-submission potential. Leads are generated by site visitors, who find what they are looking for and make further inquiries on the vehicles they browse.

“There has been a trend to show more and more, so you’d see vehicles demonstrated with 50 or 60 images,” says Chad Bockius, chief marketing officer of CarStory, a provider of crowdsourced data and analytics on used-vehicle pricing and preferences. “The data shows that the interest in a

vehicle started to drop after nine images.”

Specifically, the study illustrated that used-car postings with nine images saw a 50% higher lead-submission rate than those without images. Past nine images, consumers start to experience “photo fatigue,” and the interest in those posts drops.

Vehicle posts with nine images also had a 56% higher lead-submission rate than those with 20 photos, and a 71% higher rate than posts with 30 images. Also, the study showed that dealers often do not use the “comments” sections of the

listings to describe a vehicle's reconditioning features, but they should. "That adds value to the cars, and dealers don't use it," Bockius says.

For dealers scouting inventory for their lots, photo requirements are steeper than for consumers.

"On the wholesale side, dealers are going to be looking for more details about the vehicle and issues that the vehicle has," Bockius tells *Greenlight Remarketing*. Bockius says postings tend to contain too many images of the vehicle exterior first, instead of moving on to the interior, where all the in-vehicle technology is visible.

Unlike consumers, dealers do not go through a six- to eight-week research process before finalizing a purchase, he says. "Dealers are making a very large purchase, and they want to receive all the information quickly."

INCREASING DETAIL

The increasing number of dealers making auction purchases online has prompted a need for more detailed vehicle images. "There definitely is a distinction in the buyer behavior between the retail side and the wholesale side," says Joe Bruening, senior product manager at Manheim. "Historically, providing eight images has been sufficient for [wholesale] buyers, but as we started to look at the next generation, we started seeing that we need more."

Wholesale buyers now want to see the car from every possible angle, as they will not be looking at the car in person. "We have high-tech buyers that do not go to auctions anymore; they buy online and their business is based on digging out the right vehicle for the right price," Bruening says.

Even in the wholesale market, there still is a "fatigue" point associated with the number of images, Bruening says. The optimal number of photos ranges between eight and 18, he says, depending on the vehicle segment. "We have a broad set of different buyers with different needs, and we manage those needs through a new interface design."

Manheim developed the new interface — Enhanced Vehicle Imaging (EVI) — in partnership with Toyota Financial Services last year. Compared with the previous interface, which displayed about eight images per vehicle, EVI presents car images in groups, or "buckets." "Cameras tag the images and group into exterior, interior, and other buckets," Bruening says.

EVI allows dealers to view their target vehicle inventory online, similar to the way they would see it at the physical auction lane sale. "We discovered

there was a very inconsistent way of posting vehicles on auction sites," Mike Reid, national remarketing manager for Toyota Financial Services, tells *Greenlight Remarketing*. "We get only one opportunity to show our vehicles to the dealers, so we needed to make sure all of our vehicles looked their best."

Before adopting EVI, the number of images per vehicle varied. "The average number now is about 15, but we tell our auctioners that they need to take as many images as possible," Reid says. "We don't want any hidden damages. We want to make sure that images tell a complete story, so that dealers can make an informed decision."

Not all the auction sites consider images essential for online used vehicle sales. In fact, Robert Hollenshead, founder of R. Hollenshead Auto Sales, says that images in general are irrelevant to online auto sales.

"Images are utterly worthless," Hollenshead says. "When I am selling a car to a dealer, he is not 'buying' the car. He is buying his trust in my company." Hollenshead says that his company will release a new online car-trading platform in the next month, which will be available to dealers worldwide. "It will feature videos and granular photos," he says. "You'll be able to see raindrops on the windshield."

DIGGING INTO THE DATA

Having the same number of images on a consistent basis has worked well for TFS. According to a Manheim case study, Toyota Financial Services

achieved a 26% spike in the number of bids per sale upon adapting the new interface. Additionally, TFS retention value per vehicle increased 1.1%, approximately \$132 per vehicle.

A Manheim Buyer Satisfaction Survey, conducted before and after Toyota started to use EVI, showed that the new images have improved the perception of Toyota's overall condition reports by 15%. Reid says. Additionally, the number of complaints from dealers related to the quality of photos and overall experience while browsing the site declined in the past year, he adds.

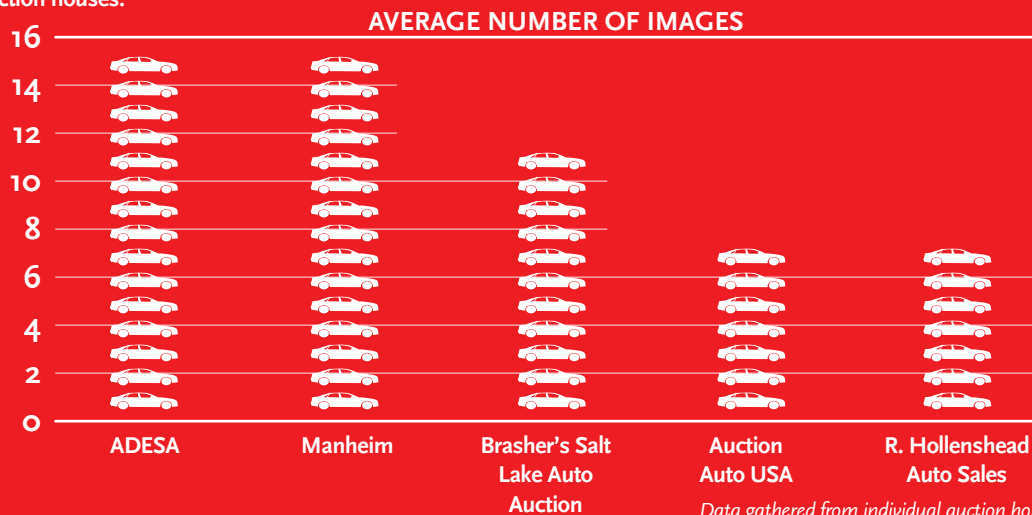
Beyond the ideal number of images to display, the type of images plays a role in how to best represent a vehicle. Dealer sites that showed vehicles from the same angles on a consistent basis improved shopping ratios 400%, says Dave Weber, vice chairman at EVOX Images. EVOX offers a library of high-quality automotive images, and produces photographs on demand. The company currently partners with 22,000 dealer websites and 17 OEMs.

"Some of the sites look like they grab a bunch of pictures and just throw them in," Weber says. "Color and consistency are key. We shoot 50 to 60 different angles and different features, depending on each vehicle segment."

Most importantly, lenders and auction companies should show all a vehicle's defects right away. "If there is something wrong, you should show it," says Bockius from CarStory. "It's not the end of the world, but dealers need to know."

NUMBERS GAME

Even in the wholesale market, there still is a "fatigue" point associated with the number of images on online auto listings. But the ideal number varies depending on individual clients and products, experts say, and those experts can sometimes disagree. Below is a sampling of the average number of photos used per car by a number of prominent auction houses.



ACTIVE AUCTIONS



Johnny Watkins, a buyer for Gentry & Ware Motor Co. of Opelika, AL, does a walk-around of a Jeep up for auction in the Santander Consumer USA/Chrysler Capital lane at Manheim Georgia in Atlanta.



Prospective bidders, including Michael Kinsch of Windy City Motors and Larry Fenzau of The Auto Exchange, far side near windshield, are among the crowd at Americas Auto Auction in Chicago.





Weekly weekend online events are available through OVE and ADESA Dealer Block. Contact your favorite auction or go online to ADESA.com, Manheim.com or OVE.com for listings. Copart and IAAI auction sites are available across the country. Please visit www.copart.com and www.iaai.com for details.

*Contact auction for exact sale date

DEFYING GRAVITY

Why do used-car values remain high, despite ballooning supply?

BY JIM HENRY

Used-car values continue to defy the widespread belief that prices would be headed more sharply downward by now, driven by higher new-car sales and the corresponding increase in the supply of late-model used cars, including higher numbers of off-lease units.

To be sure, the supply of late-model units is increasing, but the effect on prices isn't as strong or as fast as many analysts had expected.

"After peaking in 2011, wholesale prices have remained strong and moved in a narrow range ever since — despite ever-growing wholesale supplies," says Tom Webb, chief economist for Manheim, in a July 8 press briefing.

To illustrate the point, Webb says that since the peak in 2011, the up-and-down movement in prices for the last four years works out to exactly eight "up" quarters and eight "down" quarters. Specifically, the Manheim Used Vehicle Value Index for June was 123.9, down 0.1 index points from a year ago. The index, which was keyed to 100 in January 1995, hit a record 126.6 in April 2011.

In dollars, wholesale used-vehicle prices in June averaged \$10,192 — down 2.5% from May, but up 2.4% relative to June 2014, according to a July 10 report from auction firm ADESA.

Higher supplies are responsible for a "softening" price environment for used vehicles, though values have been resilient, says Tom Kontos, ADESA's chief economist. Offsetting factors include the fact that used-car marketers are run-

ning more cars through certified pre-owned programs, he says.

There are also some short-term effects at work that can mitigate the full effects of the fundamental trend in supply and demand, Kontos says. For example, there have been some disruptions in the typical stream of late-model used cars coming to auctions, like a delay for some off-rental cars from General Motors brands that needed recall work late last year before they could be resold, he says.

Besides the overall volume, the mix of used cars also affects average prices. A higher mix of former rental cars in good condition versus repossessions in poorer condition would serve to hike the average price, even though apples-to-apples prices might be down. "It might look as if prices are holding up quite well," Kontos says.

Another factor is that with annual new-vehicle sales approaching 17 million, "dealers are taking in a lot of trades," he says, adding that they "don't need as much supplemental supply" from auctions.

At Manheim, Webb cites some of the same factors, like certified pre-owned sales and other "good remarketing practices," like the OEMs avoiding cash rebates, which hurt used-vehicle values.

Webb says incentive levels and inventory levels remain restrained by the OEMs, and average transaction prices continue to rise, "all of which are good for used-vehicle residuals."

The used-car market can continue to offset much of the impact from higher supplies, Webb says, as long as retail demand remains strong and as long as auto financing is readily available.

"An increase in supply alone is not enough to cause a collapse in pricing," he says. "It would have to be accompanied by weaker retail demand. As such, I think [forecasting] models that have a collapse in retail pricing for used vehicles but still forecast new vehicle sales in the 17-plus-million range are internally inconsistent."



Going Up:

Factors Pushing Used-Car Prices Higher:

- Consumer demand
- Favorable mix of late-model units
- Remarketing efforts, especially CPO
- Fewer new-car cash rebates



As for that big, expected wave of off-lease units, that's still going to happen, the analysts predict, but the biggest off-lease wave is still to come.

"One factor in support [of prices] is that supply growth has been fairly moderate," Kontos says. "If you think three years back from 2014, it was in 2011 that leasing got a bit higher, but the industry was not in the 16 million [annual new-vehicle sales] range until 2013 and 2014, so it's three years from then that you start to see the bigger increases. That has minimized, to an extent, the effect on prices."

Manheim expects about 2.6 million vehicles to come off lease in the U.S. this year, increasing to about 3.1 million in 2016, 3.6 million in 2017, and 3.7 million in 2018. The recent low point was 1.5 million in 2012. "The real story of off-lease is the story of 2016, 2017 and 2018," Webb says.



Going Down:

Factors Pushing Used-Car Prices Lower:

- Growing used-car supply, especially off-lease
- Low gas prices hurt small-car demand
- Less dealer demand for auction units



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*Certified pre-owned
www.manheim.com

CPO programs have buoyed used vehicles, in terms of real and perceived value.

ONLINE ADDS LIFE TO IN-LANE

Online bidders helping auctions reach record sales volumes

BY PHIL RYAN

It's a given that digital is growing in importance in the wholesale auto auction space. ADESA reported recently that online sales accounted for 40% of its total vehicles sold in the first quarter. Manheim reports 29% digital sales and 71% at the physical auctions.

"Dealers absolutely rely on online auctions now more than they ever have in the past, because it opens a wider variety of inventory and it increases confidence and transparency when utilized properly," says Geoff Parker, general manager of ADESA Cincinnati/Dayton. "Even if they can't make it to a physical auction sale that week, dealers can still bid and purchase directly from their computers or smartphones, wherever they are."

Manheim says the shift to digital sales from physical "has been slow moving — a few percentage points per year. The primary reason for this is culture. Dealers still like the socialization aspect of going to the auction and 'kicking the tires.'"

Far from disrupting the in-person experience, digital auctions improve it, Parker says. "From the auction perspective, digital bids enhance and complement physical auctions because they enhance our ability to quickly and efficiently sell

"...Digital bids enhance and complement physical auctions ... they enhance our ability to quickly and efficiently sell a higher volume of cars."

—Geoff Parker, General Manager, ADESA Cincinnati/Dayton

a higher volume of cars," he tells *GreenLight Re-marketing*. "It creates a more competitive, energetic bidding environment, because not only do you have the people in the physical lane bidding, but you also have multiple people weighing in from online, from across the country."

Online capabilities also improve the pre-auction experience. "Through [ADESA's] investments in providing strong technology that offers more accurate, thorough condition reports and search options, we can now offer more confidence and convenience to our buyers and sellers," Parker says.

But what exactly is meant by the term "online sale" in an age when nearly all vehicle searches, wholesale and retail, start online? An ADESA spokeswoman notes that the concept of digital sales masks some complexity, and breaks it down into the following four buckets:

1. Selling vehicles directly from a dealership or other interim storage location, also known as upstream selling
2. Online solutions that offer vehicles for sale while in transit to auction locations, also known as midstream selling
3. Simultaneously broadcasting video and audio of physical auctions to online bidders (simulcast)
4. Bulletin-board or real-time online auctions

Number 3 is the potential sticking point, where attendees at physical auctions compete with bidders sitting at desks somewhere, perhaps hundreds or thousands of miles away.

"The auctioneer will see a light indicating an online bid," says Ben Brasher, owner and director of Brasher's Auto Auctions, which started in Salt Lake City 65 years ago and has since expanded throughout the Western U.S., as well as



The in-person aspect is still important to many dealers, and the increasing appeal of simulcast auctions has broadened the definition of "online sales."

into Mexico and Canada. "It's just another bid for everyone in the room."

And those flashing lights play an important and positive role in the entire experience. "There is no question that simulcast bids are a significant enhancement to our in-lane bidding activity," Brasher says. "That doesn't mean that our in-lane bidder count is adversely affected. Our crowd in the lane is as large as it's ever been; it's just supplemented by simulcast bidders who either don't have the time to make it to auction, don't want to travel, or enjoy the convenience of doing all their research online and bidding at multiple locations simultaneously."

For sellers, he says, it's a win because it adds more eyeballs, and digital in general improves efficiency in the business of connecting the right buyer with the right vehicle.

"I believe online auctions are a complement to physical auctions," says Parker of ADESA Cincinnati/Dayton. Rather than slicing up the same pie differently, digital is growing the pie. "We have found that utilizing online auctions allows us to sell more inventory but is not hampering our online sales at all. We still move plenty of cars, and in fact, recently set an all-time record for our location by selling more than 1,300 cars in one day."

But don't expect digital sales to completely displace physical auctions, Parker says. "With off-lease volume increasing after the recession and into the foreseeable future, there is an ongoing influx of cars that need to go somewhere, making physical auctions a necessity."

It appears that the industry sees online and in-lane as a happy alliance benefitting all parties.

"Offering simulcast in all lanes for all cars has become the industry standard for a reason," Brasher says. "It adds to the convenience of buyers who prefer that format, and it expands the buyer base and exposure for sellers."

CHANGE OF VENUE

Maximizing returns with off-lease vehicles may amount to location, location, location

BY LARISSA PADDEN

With a flood of off-lease vehicles on the horizon, remarketers are busy planning how and where to channel the inventory to markets and to customers where the increased supply will command the best prices — or at least do the least possible damage to prices.

That process could mean physically moving units from one market to another or from one region of the country to another, assuming the costs justify the gains — what Tom Kontos, chief economist for ADESA, calls “the traditional way” of handling an oversupply — or it may mean steering units to either online or physical auctions closer to home, he says.

One thing for sure, the wave is coming. The Power Information Network projects 3.1 million vehicles to come off lease in 2016, up from 2.3 million this year. Swapalease.com Executive Vice President Scot Hall has a slightly higher estimate of 3.25 million vehicles coming off lease in 2016.

Hall says concern about the danger to used-car pricing is exaggerated, mainly because most leasing companies have plenty of experience moving their supply around the country to better position vehicles for sale at auction.

“It’s something we’ve seen commonly over the years and is considered routine practice for the most part,” Hall says. “Whether or not it’s going to be utilized to any greater degree simply to shift the volume around the country? That, I don’t know. Each leasing company frankly could make a different decision on that, depending on what their particular needs are, but I would think that that would be a good strategy and something that, if I was in their shoes, I would recommend doing.”

To combat potential supply imbalances created by the influx of supply, auction companies can utilize data analytics to determine if a vehicle should be physically relocated, and where in the country it can get the best return in the auction lane, Hall says.

“I’m sure ADESA has more data than we could even imagine in terms of recommendations like,

‘Hey, this type of vehicle should be sent to this place, for this date.’ The data mining that they’re doing is going to be pretty sophisticated, and that’s going to be done by the auctions,” he says.

Kontos notes that ADESA, based in Carmel, Ind., has the ability to analyze a client’s best option for return on investment from every angle, taking into account logistics and transportation expenses for moving cars cross-country.

There is a point beyond which shipping doesn’t make sense. For instance, it may be hard to justify a coast-to-coast move. “You can go from Northeast to Southeast,” Kontos says. “You can go Northeast to Midwest. You can go from Northeast to Southwest. We’ve even examined Northeast to West, but generally speaking we don’t go that far, because it tends to become transportation-prohibitive.”

Kontos says that much of the relocation begins in the Northeast, because the popularity of leasing in that region can cause an oversupply that becomes more than the market can handle.

Another option besides physically relocating units is to offer them online, on a national scale. “That way, whether you chose to do the option of selling the car upstream, or chose to relocate the vehicle itself, we just position ourselves to be able to do either one of these things, and sometimes the market will dictate,” Kontos says.

To fetch the best price, subject to the cost-benefit analysis, it may even be necessary to try one alternative after another. “Sometimes you will offer the car upstream but it won’t sell and you end up offering it at a physical auction,” he says. “But the price isn’t what you want, so you relocate it. Some of this is done sequentially as well as in parallel.”

ADESA’s strategy is not in direct response to the growth in off-lease vehicles, but that growth has been playing into the company’s decisions in the past few years. “These conditions change over time,” Kontos says. “So what’s best for us it to make sure we have multiple solutions so that as things change, you’ve got the ability to



A vehicle that yields a higher return at an auction in Terre Haute, Ind., as opposed to New York City, might be worth moving to that other location. There’s a limit to the effectiveness of geographic leapfrogging, but balancing cost versus returns can produce material results.

change with the times, and with the conditions.”

Rival Manheim also consults on in-lane versus digital sales on a client-to-client basis, says Jennifer Eggert, vice president of digital services. She tells *Greenlight Remarketing* that the future will include “robust analytics” and “leveraging multiple data sources” from parent Cox Automotive.

For example, Cox subsidiary RMS, a software provider, will be able to analyze which would be the most profitable channel for each client, even if that channel is outside the Cox Automotive family. “RMS has the technology and they’ll say, ‘Here are the best locations,’ whether it’s Manheim, an independent auction, or ADESA,” Eggert says. “You can essentially take that analysis, if you believe it, and get the most money, because it’s based on the retail supply and demand of that vehicle.”

The shift to online auctions has been slow-going, because many dealers enjoy the social aspect of going in-lane. “They get to share best practices, socialize with dealers from a buyer perspective, and socialize with industry partners, so that’s one thing,” Eggert says. “They can also see the car, they can hear the car, there’s a trust factor there. They can see the auctioneer, and probably know them.”

There is also an ease of doing business at a physical auction where dealers can go to one location and buy 10 cars, Eggert says, so if there is a problem, the dealer arbitrates with only one auction house. Online, however, there is the potential to have to deal with multiple auctions.

“It’s not easy, and that’s what I’m here to focus on, making it more like an Amazon.com experience,” Eggert says. “So Manheim is working on — whether it’s in-lane or online — the experience is seamless.”

BIG TICKET

Supply growth continues to put pressure on prices

BY TOM KONTOS



Tom Kontos

Average wholesale used-vehicle prices fell significantly again in June relative to May, though they remained higher than year-ago levels. Besides seasonal factors, supply growth is continuing to put downward pressure on prices, though this impact remains somewhat masked by a “richer mix” of higher-priced off-vehicle manufacturers program vehicles and off-lease units discussed in previous commentaries.

Used-vehicle retail sales were at relatively high levels, though down a bit from May.

According to ADESA Analytical Services' monthly analysis of Wholesale Used Vehicle Prices by Vehicle Model Class¹, wholesale used-vehicle prices in June averaged \$10,192 — down 2.5% com-

pared to May, but up 2.4% relative to June 2014. Increased supplies of compact cars played a role in softer prices for those vehicles in June. The SUV model classes also saw some correction in prices during the month, though prices remain high for SUVs on a year-over-year basis, as the fuel price environment has been favorable to larger vehicles.

Average wholesale prices for used vehicles remarketed by manufacturers were up 0.3% month-over-month but down 6.9% year-over-year, as off-vehicle program vehicles continue to be in high abundance. Prices for fleet/lease consignors were down 2.6% sequentially and down 1.5% annually. Rental risk vehicles were partly to blame here, as a large number of older, rougher, high-mileage units were de-fleeted. Dealer consignors also saw a 2.6% price decrease versus May, but enjoyed a 2.7% increase relative to June 2014.



Photo: ©AtomicTaco/Flickr

Fleet consignors saw prices fall in the early summer as a large number of higher-mileage rental units came on the market. After the turbulence of the past five years, rental fleets are gradually beginning to turn over more frequently.

Data from NADA showed a 2.5% year-over-year increase in used vehicle sales by franchised dealers and a 3.6% increase for independent dealers in June. CPO sales were down 8.4% month-over-month from last month's record sales, but up 17.6% year-over-year, according to figures from Autodata.

WHOLESALE USED-VEHICLE PRICE TRENDS

	AVERAGE PRICES (\$/UNIT)			LAST MONTH Vs.			AVERAGE PRICES (\$/UNIT)			LAST MONTH Vs.	
	June 15	May 15	June 14	Prior Mo.	Prior Yr.		June 15	May 15	June 14	Prior Mo.	Prior Yr.
Total All Vehicles	\$10,192	\$10,454	\$9,958	-2.5%	2.4%	Total Trucks	\$11,490	\$11,807	\$10,502	-2.7%	9.4%
Total Cars	\$8,878	\$9,085	\$8,901	-2.3%	-0.3%	Mini Van	\$7,363	\$7,645	\$6,761	-3.7%	8.9%
Compact Car	\$6,883	\$7,220	\$6,861	-4.7%	0.3%	Fullsize Van	\$12,844	\$12,630	\$11,206	1.7%	14.6%
Midsize Car	\$7,795	\$8,029	\$8,116	-2.9%	-3.9%	Mini SUV	\$13,591	\$14,264	\$12,626	-4.7%	7.6%
Fullsize Car	\$7,209	\$7,202	\$7,114	0.1%	1.3%	Midsize SUV	\$8,041	\$8,584	\$7,456	-6.3%	7.8%
Luxury Car	\$12,997	\$12,919	\$12,397	0.6%	4.8%	Fullsize SUV	\$11,421	\$12,018	\$10,542	-5.0%	8.3%
Sporty Car	\$13,578	\$13,872	\$12,931	-2.1%	5.0%	Luxury SUV	\$19,803	\$19,795	\$19,478	0.0%	1.7%
Total Crossovers	\$11,991	\$12,336	\$12,323	-2.8%	-2.7%	Compact Pickup	\$8,126	\$8,101	\$7,539	0.3%	7.8%
Compact CUV	\$10,626	\$10,829	\$11,293	-1.9%	-5.9%	Fullsize Pickup	\$14,373	\$14,596	\$13,116	-1.5%	9.6%
Mid/Fullsize CUV	\$13,014	\$13,456	\$13,408	-3.3%	-2.9%						

Source: ADESA Analytical Services

¹The analysis is based on over six million annual sales transactions from over 150 of the largest U.S. wholesale auto auctions, including those of ADESA as well as other auction companies. ADESA Analytical Services segregates these transactions to study trends by vehicle model class.

The views and analysis provided herein relate to the vehicle remarketing industry as a whole and may not relate directly to KAR Auction Services, Inc. The views and analysis are not the views of KAR Auction Services, its management or its subsidiaries; and their accuracy is not warranted. The statements contained in this report and statements that the company may make orally in connection with this report that are not historical facts are forward-looking statements. Words such as “should,” “may,” “will,” “anticipates,” “expects,” “intends,” “plans,” “believes,” “seeks,” “estimates,” “bode,” “promises”, “likely to” and similar expressions identify forward-looking statements. Forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from the results projected, expressed or implied by the forward-looking statements. Factors that could cause or contribute to such differences include those matters disclosed in the company's Securities and Exchange Commission filings. The company does not undertake any obligation to update any forward-looking statements.



WALKING THE WALK

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