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GLASS'S

Auction Report
March 2014

nama

NATIONAL ASSOCIATION OF MOTOR AUCTIONS

Contents

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NAMA used car market commentary for February and early March

Whole market February compared to January:

- February 2014 recorded a 15.6% drop in volume over the previous month although this is most likely to be a seasonal dip given a comparable fall last year
- The 95,936 units sold are an increase of 11,991 over the volume sold in February 2013 which is a rise of 14%
- % of Original Cost New (OCN) was stable despite an increase in average age and mileage suggesting that increased supply has not impacted on either demand or prices
- The % of vehicles sold first time round has improved to 86% driven by improvements in Fleet profile cars, although the Budget segment remains the best performer at 88.3% of vehicles sold first time
- There has been a significant reduction in days on site for sold stock and an increase in conversion rates suggesting a general stock shortage during February
- Prices have remained broadly stable despite the rising age and mileage in all sectors.

Price changes in February compared to January, by customer type

	Jan-14	Feb-14	% Diff
Late & Low 0-2.5 yrs	£14,250	£14,475	2%
Fleet 2.6-4.5 yrs	£8,450	£8,575	1%
PX (Young) 4.6-6.5yrs	£5,300	£5,225	-1%
PX (Old) 6.6-10.5yrs	£2,475	£2,500	1%
Budget 6.6-10.5yrs	£825	£800	-3%

Comment:

- The overall average sales price of £5,442 across all ages is exactly the same as February 2013 and 0.3% (or £16) higher than in January 2014
- The overall average age has increased by 3.6 months to 82.4 months year on year and by 1.4 months from January to February 2014
- The overall average mileage has increased by 1,903 miles to 66,794 year on year and by 1,088 since January 2014
- Overall volume growth has been – and continues to be – driven by older (6.6+ year old) cars in absolute terms where % OCN for these vehicles has been rising steadily. In particular, PX Profile (Old) is now at an average 14.2% of OCN versus 13.1% a year ago, effectively a 9% increase in realised price at constant mix; this explains the >12% increase in average auction price for this age segment over the past year

Expected Market Activity in March:

Used car retail activity in the early days of March has been very robust which has come as a bit of a surprise to many who expected the focus and demand to be on new cars bearing in mind the new registration plate has just hit the streets.

Following a slow start to the month, attributed to the arrival of credit card bills from the festive season, activity levels for most of the used car trade grew in line with February expectations. Finance demand increased progressively as the month wore on and by the 28th most franchised and non-franchised dealers were reporting good used car sales levels.

The slight squeeze on used car stock availability evident during the final two weeks of February is lingering into March but this is expected to fade away as part exchanges from the new registration activity feed through to the auctions in the second and third week of March. This will see dealers and traders replenish stocks at more sensible pricing levels to meet what is expected to be a continuation of the robust used car demand driven by an economy that is growing in strength day by day. With the strength of the economy making daily headlines, customer confidence is also improving and this can only be good news on all fronts.

As a direct result, values are set to remain fairly constant across the board with only minor downward movements expected. Three to five year old values look set to be strongest, with any weakness likely to be around late plate values driven by the enormous pressure from new car transactional activity. Certain manufacturers are still playing the registration game which is unfortunate, but necessary for those with pre-planned production volumes in excess of latent retail demand either due to stronger product offerings from competitors or ageing model ranges due for replacement.

Whole Market Summary

	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Feb-13	Feb-14	Year on Year Diff
Average Sales Prices All Ages	£5,419	£4,982	£4,631	£4,807	£5,131	£4,928	£4,943	£5,116	£5,203	£5,415	£5,534	£5,426	£5,442	£5,419	£5,442	0%
% Difference to previous month	7.7	-8.1	-7.0	3.8	6.7	-4.0	0.3	3.5	1.7	4.1	2.2	-2.0	0.3	7.7	0.3	-7.4
% OCN	26.8	25.0	24.0	24.2	25.3	24.4	24.3	25.2	25.2	25.8	25.7	26.2	26.3	26.8	26.3	-0.5
Average Age in Months	78.8	83.0	84.0	82.7	80.7	82.0	83.2	82.3	81.6	79.5	80.4	81.0	82.4	78.8	82.4	3.6
Average Mileage	64,891	66,687	66,950	66,461	65,364	66,122	66,483	65,862	65,261	64,865	65,285	65,706	66,794	64,891	66,794	1,903

- Increase in average price and % Original Cost New (OCN) versus January 2014 despite rising age and mileage
- Broadly flat values and % OCN versus prior year given age and mileage increase over the period

Whole Market Summary continued

	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Feb-13	Feb-14	Year on Year Diff
Average No. of Entries	1.25	1.27	1.39	1.47	1.44	1.46	1.38	1.26	1.31	1.39	1.41	1.33	1.26	1.25	1.26	0.01
% of Vehicles Sold First Time	84	84	74	71	75	74	79	86	83	79	79	84	86	84	86	2
Average No. Days on Site	8.6	7.6	7.7	8.5	8.8	8.2	8.1	7.2	7.1	8.4	8.8	11.0	7.6	8.6	7.6	-1.0

- Improvement in proportion of vehicles sold first time in line with seasonal expectations
- Days on site recovered from January's peak

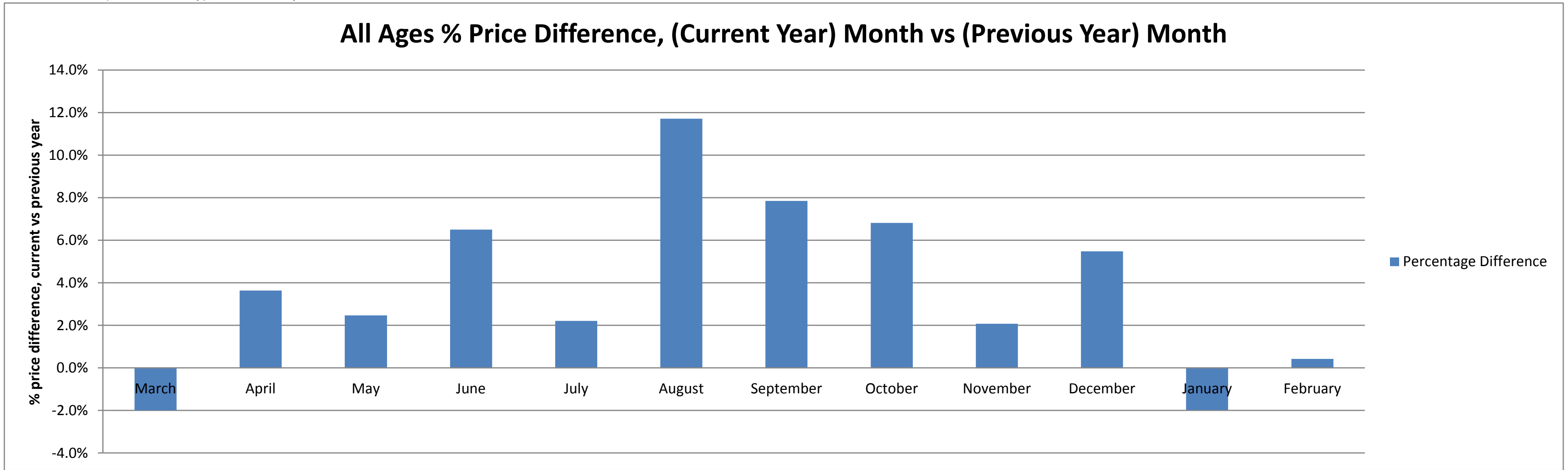
	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Feb-13	Feb-14	Year on Year Diff
Sales Volumes All Ages	83,945	99,908	99,631	106,251	96,509	100,290	93,997	101,826	107,782	95,394	58,931	113,646	95,936	83,945	95,936	14%
% Difference to previous month	-13.9	19.0	-0.3	6.6	-9.2	3.9	-6.3	8.3	5.8	-11.5	-38.2	92.8	-15.6	-14	-16	-2
Seasonally Adjusted% Diff to previous Year	1.0	7.2	13.7	-0.7	-3.2	2.0	-1.2	1.4	1.3	-3.4	-4.8	12.9	15.2	1	15	14

- February volumes slightly weaker than expected after allowing for reduced working days
- However, volume growth on a seasonally-adjusted basis appears to be continuing

Average Sales Price Year on Year (all ages)

	March	April	May	June	July	August	September	October	November	December	January	February
Average All Ages Sales Price Previous Year 2013 - Pre January	£5,011	£4,759	£5,023	£4,958	£5,059	£5,015	£5,048	£5,129	£5,349	£5,553	£5,030	£5,419
Average All Ages Sales Price Current Year 2014 - January Onwards	£4,982	£4,631	£4,807	£5,131	£4,928	£4,943	£5,116	£5,203	£5,415	£5,534	£5,426	£5,442
Percentage Difference	-2.0%	3.6%	2.5%	6.5%	2.2%	11.7%	7.9%	6.8%	2.1%	5.5%	-2.0%	0.4%

Source: NAMA (sold stock only), Glass's Analysis



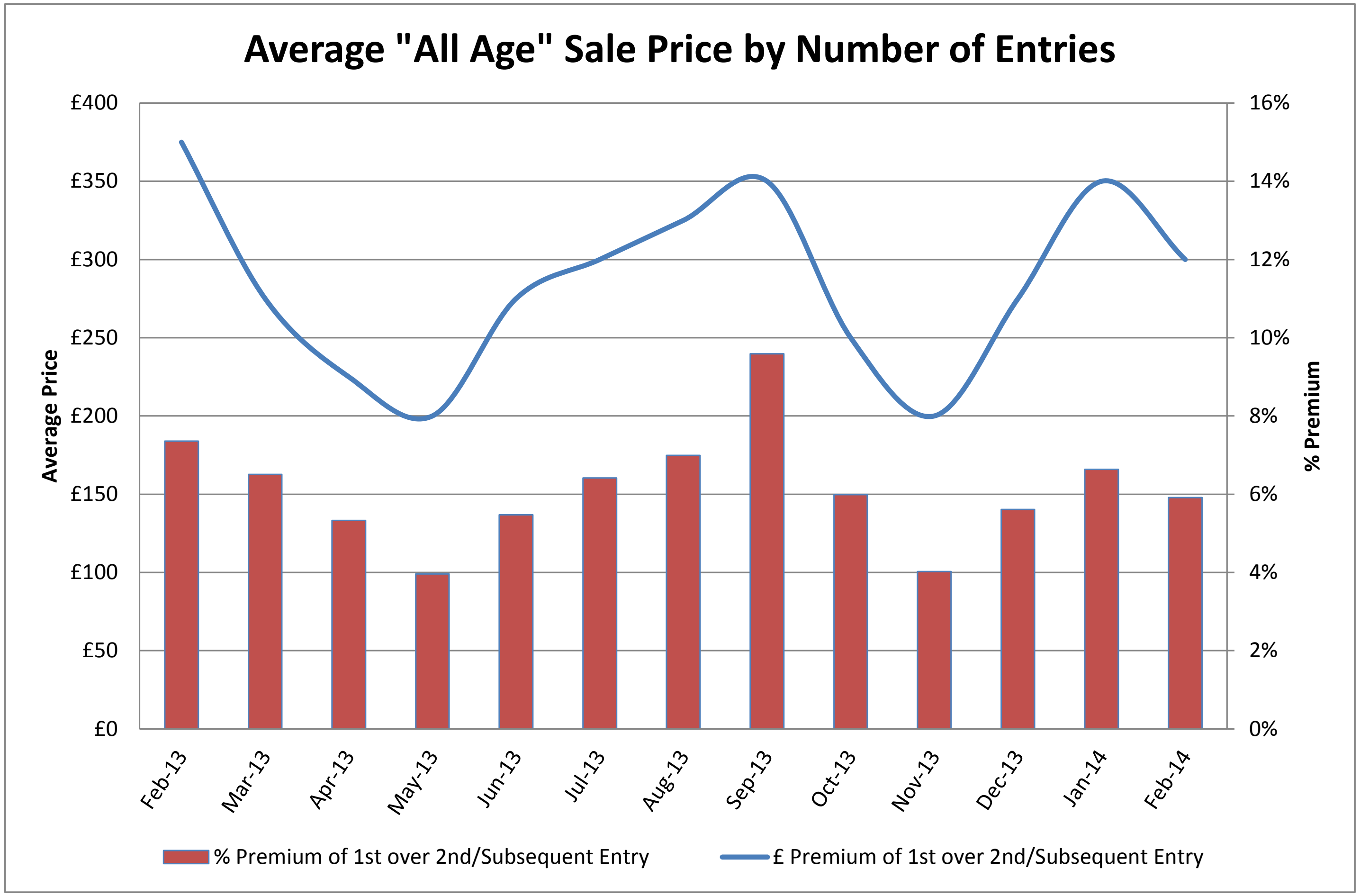
Source: NAMA (sold stock only), Glass's Analysis

- Growth in average price appears to have abated following strong increments versus prior year during H2 2013

Sales Price Compared to Number of Entries (all ages)

	£ Premium	% Premium
February-13	£375	7%
March-13	£275	7%
April-13	£225	5%
May-13	£200	4%
June-13	£275	5%
July-13	£300	6%
August-13	£325	7%
September-13	£350	10%
October-13	£250	6%
November-13	£200	4%
December-13	£275	6%
January-14	£350	7%
February-14	£300	6%

Source: NAMA (sold stock only), Glass's Analysis



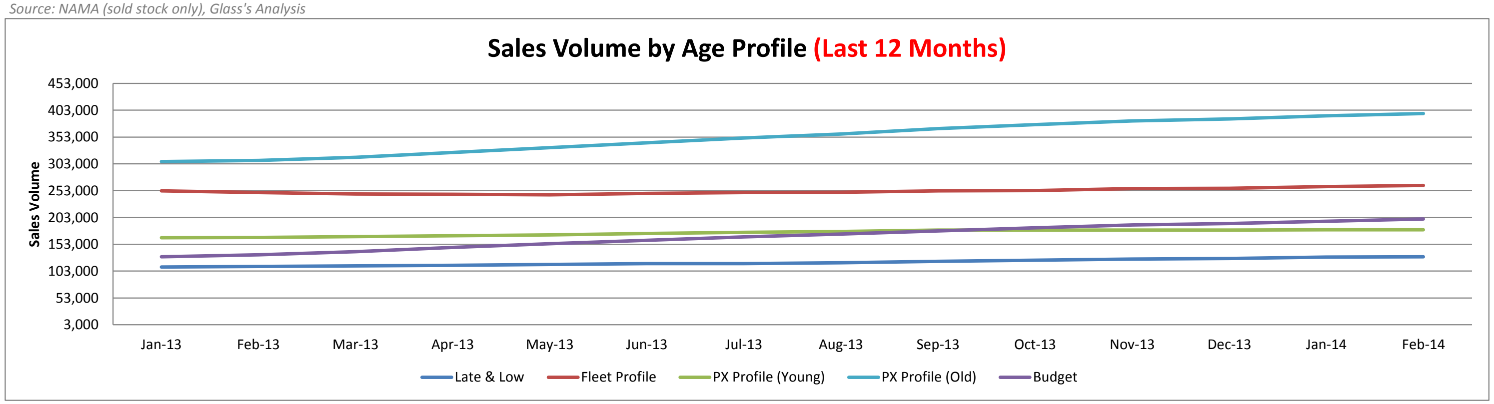
Analysis based on a matched sample of vehicles both sold at first presentation, and those only when re-entered

- Vehicles selling at first presentation continue to hold a premium over those selling only when re-entered within the historical range of 8-14%

Sales Volumes by Age Profile

	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	12 month Total
Late & Low *0 - 2.5 Years*	11,239	11,759	8,930	10,715	11,432	10,895	10,275	12,071	10,331	10,577	6,924	13,962	12,005	129,876
% Difference from previous month	0.4%	4.6%	-24.1%	20.0%	6.7%	-4.7%	-5.7%	17.5%	-14.4%	2.4%	-34.5%	101.6%	-14.0%	
Fleet Profile *2.6 - 4.5 Years*	19,122	20,583	20,390	22,897	22,250	23,537	20,560	22,446	24,356	23,806	14,336	26,356	21,459	262,976
% Difference from previous month	-16.6%	7.6%	-0.9%	12.3%	-2.8%	5.8%	-12.6%	9.2%	8.5%	-2.3%	-39.8%	83.8%	-18.6%	
PX Profile (Young) *4.6 - 6.5 Years*	13,892	16,640	16,068	17,043	15,145	15,868	15,056	16,513	15,929	13,427	8,169	16,228	13,804	179,890
% Difference from previous month	-13.0%	19.8%	-3.4%	6.1%	-11.1%	4.8%	-5.1%	9.7%	-3.5%	-15.7%	-39.2%	98.7%	-14.9%	
PX Profile (Old) *6.6 - 10.5 Years*	27,146	34,805	35,994	37,077	32,143	34,054	32,208	34,798	36,825	30,850	19,063	37,561	31,624	397,002
% Difference from previous month	-14.7%	28.2%	3.4%	3.0%	-13.3%	5.9%	-5.4%	8.0%	5.8%	-16.2%	-38.2%	97.0%	-15.8%	
Budget *>10.5 Years*	12,546	16,121	18,249	18,519	15,539	15,936	15,898	15,998	20,341	16,734	10,439	19,539	17,044	200,357
% Difference from previous month	-19.7%	28.5%	13.2%	1.5%	-16.1%	2.6%	-0.2%	0.6%	27.1%	-17.7%	-37.6%	87.2%	-12.8%	
Total	83,945	99,908	99,631	106,251	96,509	100,290	93,997	101,826	107,782	95,394	58,931	113,646	95,936	1,170,101
% Difference from previous month	27.7%	19.0%	-0.3%	6.6%	-9.2%	3.9%	-6.3%	8.3%	5.8%	-11.5%	-38.2%	92.8%	-15.6%	

Source: NAMA (sold stock only), Glass's Analysis



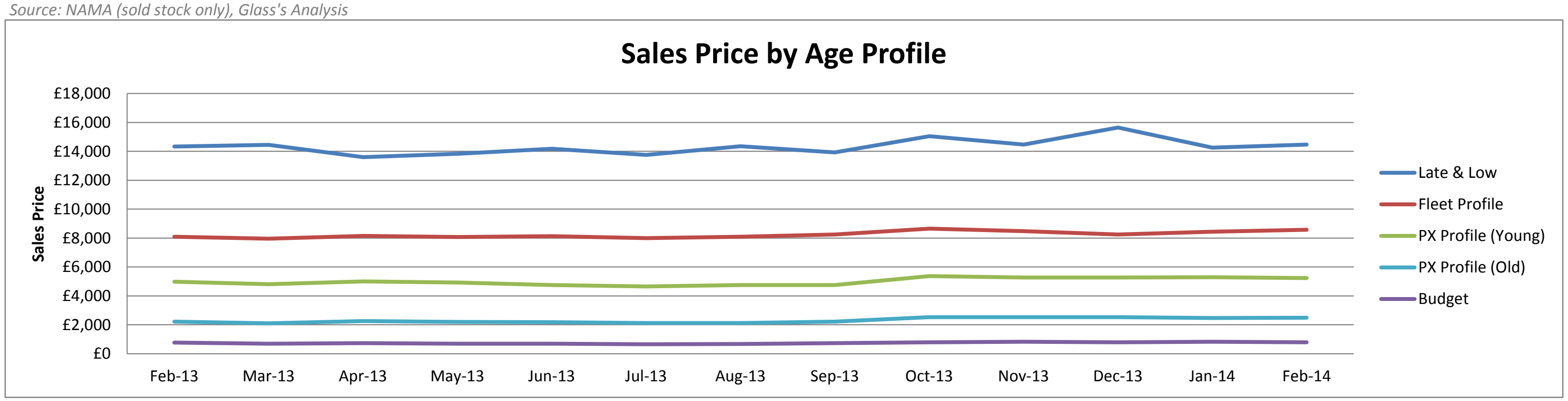
Source: NAMA (sold stock only), Glass's Analysis

- Volumes fell across the board from January principally due to fewer working days in February, although Fleet profile vehicles were hardest hit
- Volume growth in absolute terms over the past 12 months remains driven by older (6.6+ year old) cars

Sales Prices by Age profile

	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14
Late & Low *0 - 2.5 Years*	£14,325	£14,450	£13,600	£13,825	£14,175	£13,750	£14,350	£13,925	£15,050	£14,475	£15,650	£14,250	£14,475
% Difference from previous month	5%	1%	-6%	2%	3%	-3%	4%	-3%	8%	-4%	8%	-9%	2%
Fleet Profile *2.6 - 4.5 Years*	£8,100	£7,950	£8,150	£8,075	£8,125	£8,000	£8,100	£8,250	£8,650	£8,475	£8,250	£8,450	£8,575
% Difference from previous month	5%	-2%	3%	-1%	1%	-2%	1%	2%	5%	-2%	-3%	2%	1%
PX Profile (Young) *4.6 - 6.5 Years*	£4,975	£4,800	£5,000	£4,925	£4,750	£4,650	£4,750	£4,750	£5,375	£5,275	£5,275	£5,300	£5,225
% Difference from previous month	2%	-4%	4%	-2%	-4%	-2%	2%	0%	13%	-2%	0%	0%	-1%
PX Profile (Old) *6.6 - 10.5 Years*	£2,225	£2,100	£2,250	£2,200	£2,175	£2,125	£2,125	£2,225	£2,525	£2,525	£2,525	£2,475	£2,500
% Difference from previous month	1%	-6%	7%	-2%	-1%	-2%	0%	5%	13%	0%	0%	-2%	1%
Budget *>10.5 Years*	£775	£700	£725	£700	£700	£650	£675	£725	£800	£825	£800	£825	£800
% Difference from previous month	7%	-10%	4%	-3%	0%	-7%	4%	7%	10%	3%	-3%	3%	-3%

Source: NAMA (sold stock only), Glass's Analysis



Source: NAMA (sold stock only), Glass's Analysis

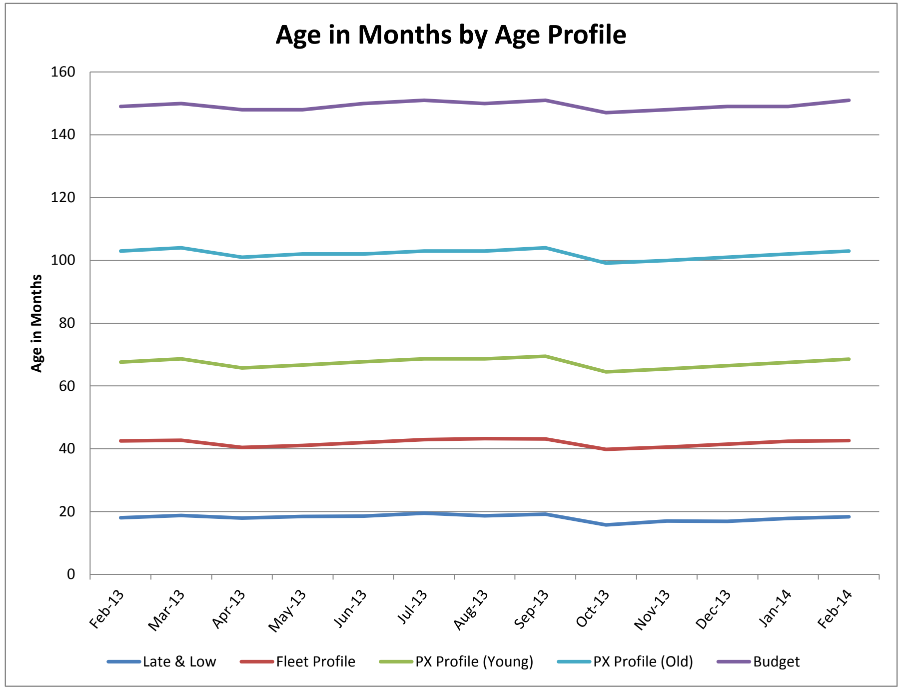
- Late & Low average price volatility due to mix changes month-on-month
- Modest price inflation evident for all age segments over the past year

Age in Months by Age Profile

	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14
Late & Low *0 - 2.5 Years*	18	19	18	19	19	20	19	19	16	17	17	18	18
% Difference from previous month	-1%	4%	-5%	3%	1%	5%	-4%	3%	-18%	8%	-1%	5%	3%
100 Age Index*	101.0	99.9	104.3	99.3	102.6	103.2	108.2	103.7	106.5	87.7	94.3	98.4	101.2
Fleet Profile *2.6 - 4.5 Years*	43	43	40	41	42	43	43	43	40	41	42	42	43
% Difference from previous month	0%	0%	-5%	2%	2%	2%	1%	0%	-8%	2%	2%	2%	0%
*100 Age Index**	99.9	100.2	100.6	95.2	96.9	99.0	101.1	101.8	101.6	93.8	93.8	101.3	101.8
PX Profile (Young) *4.6 - 6.5 Years*	68	69	66	67	68	69	69	70	65	65	67	68	69
% Difference from previous month	2%	1%	-4%	2%	1%	1%	0%	1%	-7%	1%	2%	2%	1%
*100 Age Index**	100.3	101.8	103.4	99.0	100.5	102.0	103.4	103.4	104.7	97.2	97.2	100.5	102.0
PX Profile (Old) *6.6 - 10.5 Years*	103	104	101	102	102	103	103	104	99	100	101	102	103
% Difference from previous month	1%	1%	-3%	1%	0%	1%	0%	1%	-5%	1%	1%	1%	1%
*100 Age Index**	100.5	101.5	102.5	99.6	100.5	100.5	101.5	101.5	102.5	97.7	97.7	100.0	101.0
Budget *>10.5 Years*	149	150	148	148	150	151	150	151	147	148	149	149	151
% Difference from previous month	1%	1%	-1%	0%	1%	1%	-1%	1%	-3%	1%	1%	0%	1%
*100 Age Index**	100.1	100.7	101.4	100.1	100.1	101.4	102.1	101.4	102.1	99.4	99.4	99.9	101.3

Source: NAMA (sold stock only), Glass's Analysis

**100 = Jan14 (2013 Average) <Jan12 (2012 Average)*



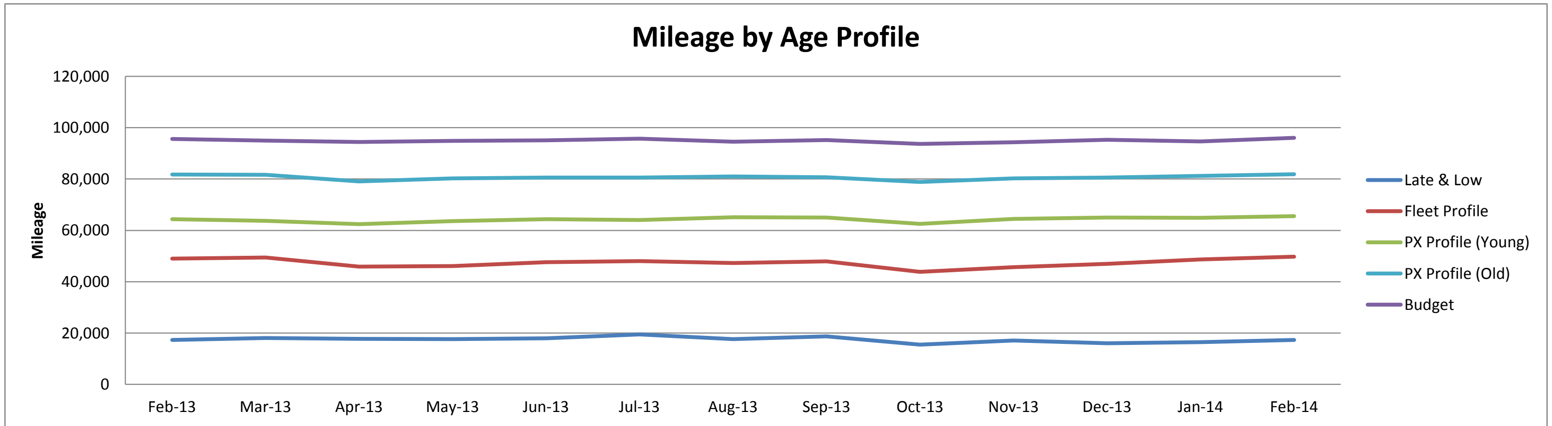
Source: NAMA (sold stock only), Glass's Analysis

- Age mix in each age profile has remained broadly static over the past year

Mileage by Age Profile

	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14
Late & Low *0 - 2.5 Years*	17,353	18,108	17,765	17,669	18,000	19,426	17,690	18,730	15,485	17,165	16,078	16,454	17,289
% Difference from previous month	-4.2%	4.4%	-1.9%	-0.5%	1.9%	7.9%	-8.9%	5.9%	-17.3%	10.8%	-6.3%	2.3%	5.1%
Fleet Profile *2.6 - 4.5 Years*	49,034	49,391	45,938	46,135	47,660	48,067	47,331	47,936	43,906	45,668	46,923	48,685	49,813
% Difference from previous month	-3.7%	0.7%	-7.0%	0.4%	3.3%	0.9%	-1.5%	1.3%	-8.4%	4.0%	2.7%	3.8%	2.3%
PX Profile (Young) *4.6 - 6.5 Years*	64,413	63,743	62,478	63,602	64,413	64,065	65,090	65,018	62,534	64,447	65,019	64,873	65,553
% Difference from previous month	-1.9%	-1.0%	-2.0%	1.8%	1.3%	-0.5%	1.6%	-0.1%	-3.8%	3.1%	0.9%	-0.2%	1.0%
PX Profile (Old) *6.6 - 10.5 Years*	81,806	81,619	79,118	80,256	80,569	80,620	81,049	80,705	78,816	80,256	80,631	81,242	81,886
% Difference from previous month	0.2%	-0.2%	-3.1%	1.4%	0.4%	0.1%	0.5%	-0.4%	-2.3%	1.8%	0.5%	0.8%	0.8%
Budget *>10.5 Years*	95,573	95,003	94,431	94,832	95,033	95,779	94,597	95,164	93,708	94,287	95,323	94,683	96,042
% Difference from previous month	-0.3%	-0.6%	-0.6%	0.4%	0.2%	0.8%	-1.2%	0.6%	-1.5%	0.6%	1.1%	-0.7%	1.4%

Source: NAMA (sold stock only), Glass's Analysis



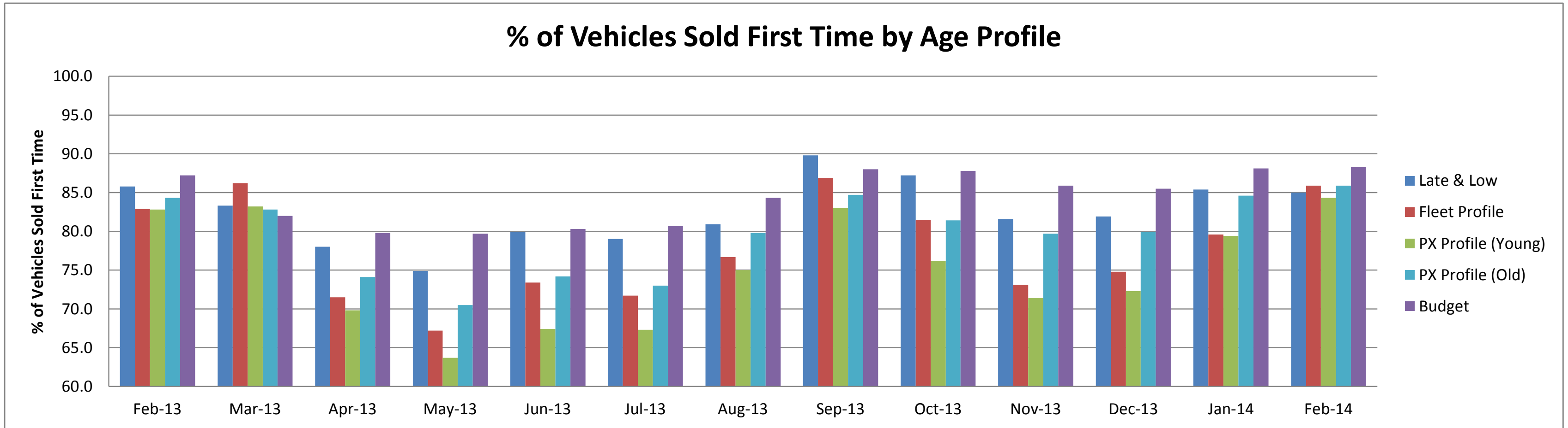
Source: NAMA (sold stock only), Glass's Analysis

- For each age profile, mileage has remained broadly static over the past year

Vehicles Sold First Time by Age Profile

	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14
Late & Low *0 - 2.5 Years*	85.8	83.3	78.0	74.9	79.9	79.0	80.9	89.8	87.2	81.6	81.9	85.4	85.0
Δ to previous month (% points)	4.8	-2.5	-5.3	-3.1	5.0	-0.9	1.9	8.9	-2.6	-5.6	0.3	3.5	-0.4
Fleet Profile *2.6 - 4.5 Years*	82.9	86.2	71.5	67.2	73.4	71.7	76.7	86.9	81.5	73.1	74.8	79.6	85.9
Δ to previous month (% points)	8.2	3.3	-14.7	-4.3	6.2	-1.7	5.0	10.2	-5.4	-8.4	1.7	4.8	6.3
PX Profile (Young) *4.6 - 6.5 Years*	82.8	83.2	69.8	63.7	67.4	67.3	75.0	83.0	76.2	71.4	72.3	79.4	84.3
Δ to previous month (% points)	5.3	0.4	-13.4	-6.1	3.7	-0.1	7.7	8.0	-6.8	-4.8	0.9	7.1	4.9
PX Profile (Old) *6.6 - 10.5 Years*	84.3	82.8	74.1	70.5	74.2	73.0	79.8	84.7	81.4	79.7	79.9	84.6	85.9
Δ to previous month (% points)	1.7	-1.5	-8.7	-3.6	3.7	-1.2	6.8	4.9	-3.3	-1.7	0.2	4.7	1.3
Budget *>10.5 Years*	87.2	82.0	79.8	79.7	80.3	80.7	84.3	88.0	87.8	85.9	85.5	88.1	88.3
Δ to previous month (% points)	2.1	-5.2	-2.2	-0.1	0.6	0.4	3.6	3.7	-0.2	-1.9	-0.4	2.6	0.2

Source: NAMA (sold stock only), Glass's Analysis

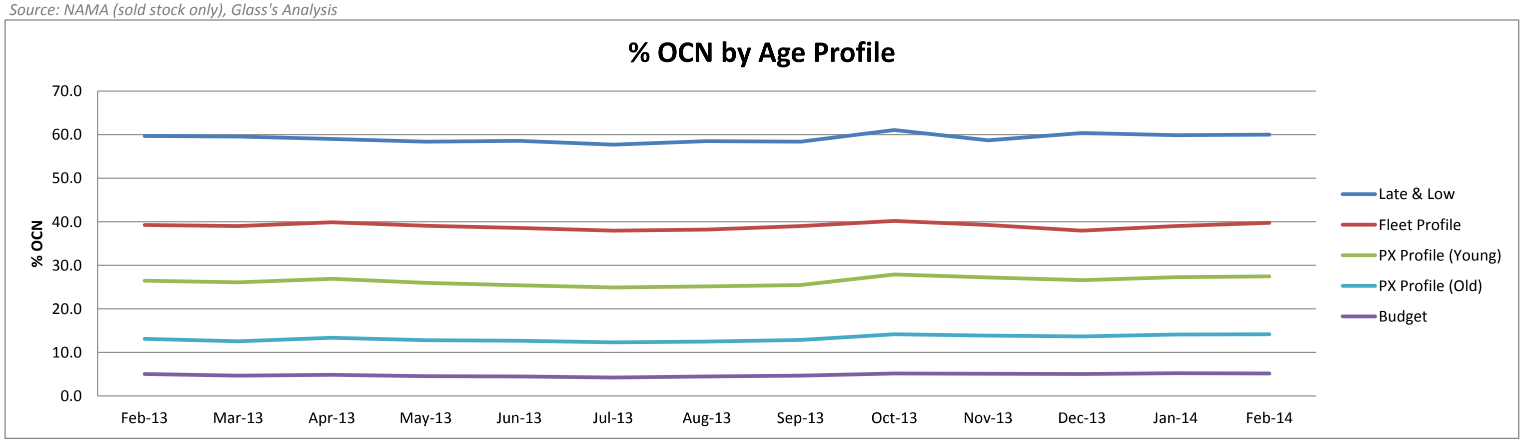


Source: NAMA (sold stock only), Glass's Analysis

OCN Percentage By Age Profile

	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14
Late & Low *0 - 2.5 Years*	59.7	59.6	59.0	58.4	58.6	57.7	58.5	58.4	61.1	58.7	60.4	59.9	60.0
Δ to previous month (% points)	1.0	-0.1	-0.6	-0.6	0.2	-0.9	0.8	-0.1	2.7	-2.4	1.7	-0.5	0.1
Fleet Profile *2.6 - 4.5 Years*	39.3	39.0	39.9	39.1	38.6	38.0	38.2	39.0	40.2	39.3	38.0	39.0	39.8
Δ to previous month (% points)	1.2	-0.3	0.9	-0.8	-0.5	-0.6	0.2	0.8	1.2	-0.9	-1.3	1.0	0.8
PX Profile (Young) *4.6 - 6.5 Years*	26.5	26.1	26.9	26.0	25.4	24.9	25.2	25.5	27.9	27.2	26.6	27.3	27.5
Δ to previous month (% points)	0.5	-0.4	0.8	-0.9	-0.6	-0.5	0.3	0.3	2.4	-0.7	-0.6	0.7	0.2
PX Profile (Old) *6.6 - 10.5 Years*	13.1	12.6	13.4	12.8	12.7	12.3	12.5	12.9	14.2	13.9	13.7	14.1	14.2
Δ to previous month (% points)	0.1	-0.5	0.8	-0.6	-0.1	-0.4	0.2	0.4	1.3	-0.3	-0.2	0.4	0.1
Budget *>10.5 Years*	5.0	4.7	4.9	4.6	4.5	4.3	4.5	4.7	5.2	5.1	5.1	5.3	5.2
Δ to previous month (% points)	0.1	-0.4	0.2	-0.3	-0.1	-0.2	0.2	0.2	0.5	-0.1	-0.1	0.2	-0.1

Source: NAMA (sold stock only), Glass's Analysis



Source: NAMA (sold stock only), Glass's Analysis

- Late & Low and Fleet profile vehicle values expressed as a % of Original Cost New (OCN) have remained broadly stable over the past 12 months
- Typical part exchange vehicles (excluding older cars >10.5 years old) have steadily increased in percentage of OCN over the past 12 months