

COMPILED BY
GLASS'S

Auction Report

June 2014



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NAMA used car market commentary for May and early June

Whole market May compared to April:

- Overall volumes were down c. 5% versus April, despite the same number of working days
- Volume declines principally in older profile cars (>4.5 years old).
- Average price of sold stock rose 5.2% (% OCN improved to 25.7 from 24.8%) to £5,420 as a consequence of a decline in overall average age.
- By age profile, values were broadly stable except for Fleet, where values declined c. 3% to £8,725, reversing April's gains.
- In line with seasonal expectations, first time conversion rates continued their downward trend from 75 to 73% as a greater proportion of younger (<6.5 years old) cars failed to sell at first presentation. However, conversions for older cars (>6.5 years old) improved, supported by falling volumes.
- Premium of first time sold vehicles over those sold at second/subsequent entry (on a consistent basket basis) rose to around £350 (or 7%); most likely this is due to the younger profile of vehicles sold in May versus April.
- Average days on site for sold stock rose to 9.1.

Price changes in May compared to April by age profile

	Apr-14	May-14	% Diff
Late & Low 0-2.5 yrs	£14,900	£14,725	-1%
Fleet 2.6-4.5 yrs	£8,975	£8,725	-3%
PX (Young) 4.6-6.5yrs	£5,425	£5,400	0%
PX (Old) 6.6-10.5yrs	£2,575	£2,600	1%
Budget 6.6-10.5yrs	£775	£775	0%

Comment:

- Despite rising average age and mileage, average values for the older (>4.5 years old) age profiles were broadly flat, supported by falling volumes; however, % OCN fell slightly.
- By contrast, average values for younger (Late & Low, Fleet) profile cars came under pressure despite further falls to first time conversion rates.

Expected Market Activity in June:

New car sales continue at unprecedented levels for the time being, pushed further and faster by manufacturers eager to keep new car stock levels across Europe at a manageable level. However, in recent weeks the used car market has begun to show some weakness with a drop in Retail interest that appears to have coincided with both the bank holiday weekends and the improvement in the weather.

This mild disturbance to the status quo has resulted in a small drop in conversion rates and, most importantly, given the trade the opportunity to be a little more selective over the cars they bid on and buy. This perpetuates the concern over the cars that are not selling and remain “hidden” in the trade for the time being as these will need to be vented into the market at some point in the coming months. Generally speaking though, values for sold vehicles are remaining steady with nice condition low mileage examples making a premium.

In retail terms, the sub-£5k market specifically remains strong with good demand for smaller cars that give the buyer the lower running costs that help keep monthly household costs at an acceptable level. Equally there is strength in the specialist market over and above £15k, where buyers are looking for second cars or something a little different. Weakness lies in the late-plate, low mileage sector which is still being affected by the fantastic offers on new cars that draw buyers away from used examples.

The latter part of June may see a mild drop in Retail activity as a result of the World Cup. Previous major sporting events of this type have tended to have an adverse impact on used car sales as the nation rallies to support their team of choice, although demand tends to return to previous levels following the event. Furthermore, there is also a high chance of pent up demand in the following weeks which may result in a subsequent spike in values.

Whole Market Summary

	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	May-13	May-14	Year on Year Diff
Average Sales Prices All Ages	£4,807	£5,131	£4,928	£4,943	£5,116	£5,203	£5,415	£5,534	£5,426	£5,442	£5,259	£5,153	£5,420	£4,807	£5,420	13%
% Difference to previous month	3.8	6.7	-4.0	0.3	3.5	1.7	4.1	2.2	-2.0	0.3	-3.4	-2.0	5.2	3.8	5.2	1.4
% OCN	24.2	25.3	24.4	24.3	25.2	25.2	25.8	25.7	26.2	26.3	25.5	24.8	25.7	24.2	25.7	1.5
Average Age in Months	82.7	80.7	82.0	83.2	82.3	81.6	79.5	80.4	81.0	82.4	84.9	84.7	82.3	82.7	82.3	-0.4
Average Mileage	66,461	65,364	66,122	66,483	65,862	65,261	64,865	65,285	65,706	66,794	66,665	66,711	65,772	66,461	65,772	-689

- Average values remain substantially higher than 1 year ago as a consequence of lower age and mileage, as well as higher first time conversion rates
- Increased % OCN versus prior month and prior year as a result of a younger mix of vehicles sold

Whole Market Summary continued

Average No. of Entries	1.47	1.44	1.46	1.38	1.26	1.31	1.39	1.41	1.33	1.26	1.24	1.42	1.48	1.47	1.48	0.01
% of Vehicles Sold First Time	71	75	74	79	86	83	79	79	84	86	86	75	73	71	73	3
Average No. Days on Site	8.5	8.8	8.2	8.1	7.2	7.1	8.4	8.8	11.0	7.6	6.8	7.8	9.1	8.5	9.1	0.6

- Days on site above same time last year, although in line with seasonal expectations

Sales Volumes All Ages	106,251	96,509	100,290	93,997	101,826	107,782	95,394	58,931	113,646	95,936	110,471	109,271	103,666	106,251	103,666	-2%
% Difference to previous month	6.6	-9.2	3.9	-6.3	8.3	5.8	-11.5	-38.2	92.8	-15.6	15.2	-1.1	-5.1	7	-5	-12

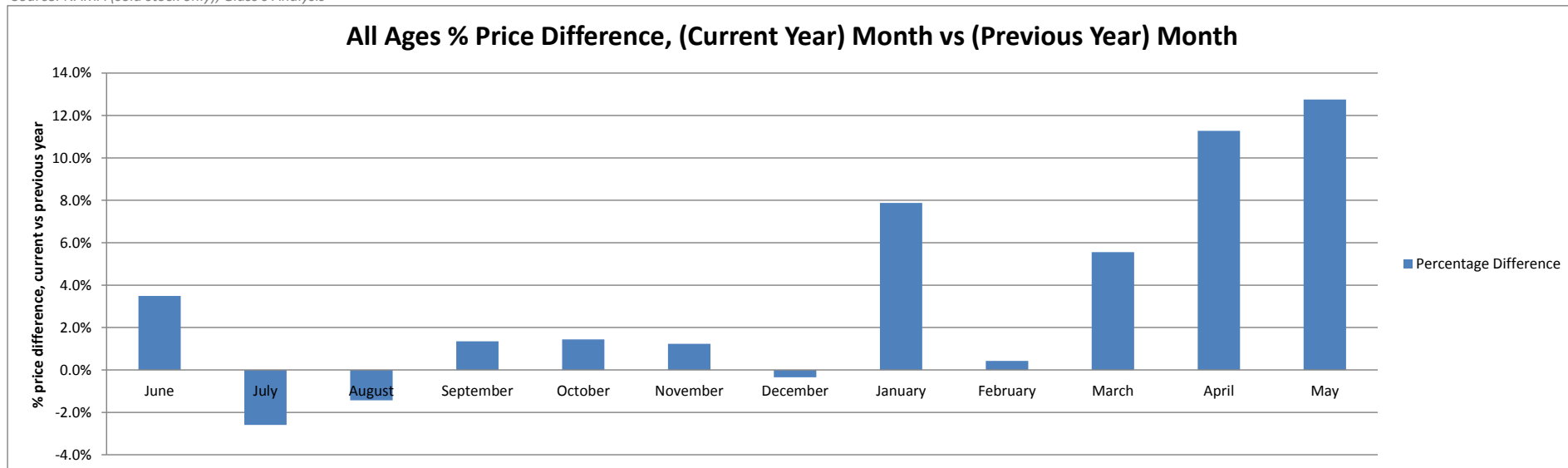
Source: NAMA (sold stock only), Glass's Analysis

- Overall auction volume growth shows signs of slowing

Average Sales Price Year on Year (all ages)

	June	July	August	September	October	November	December	January	February	March	April	May
Average All Ages Sales Price Previous Year 2013 Pre January	£4,958	£5,059	£5,015	£5,048	£5,129	£5,349	£5,553	£5,030	£5,419	£4,982	£4,631	£4,807
Average All Ages Sales Price Current Year 2014 - January Onwards	£5,131	£4,928	£4,943	£5,116	£5,203	£5,415	£5,534	£5,426	£5,442	£5,259	£5,153	£5,420
Percentage Difference	3.5%	-2.6%	-1.4%	1.3%	1.4%	1.2%	-0.3%	7.9%	0.4%	5.6%	11.3%	12.8%

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

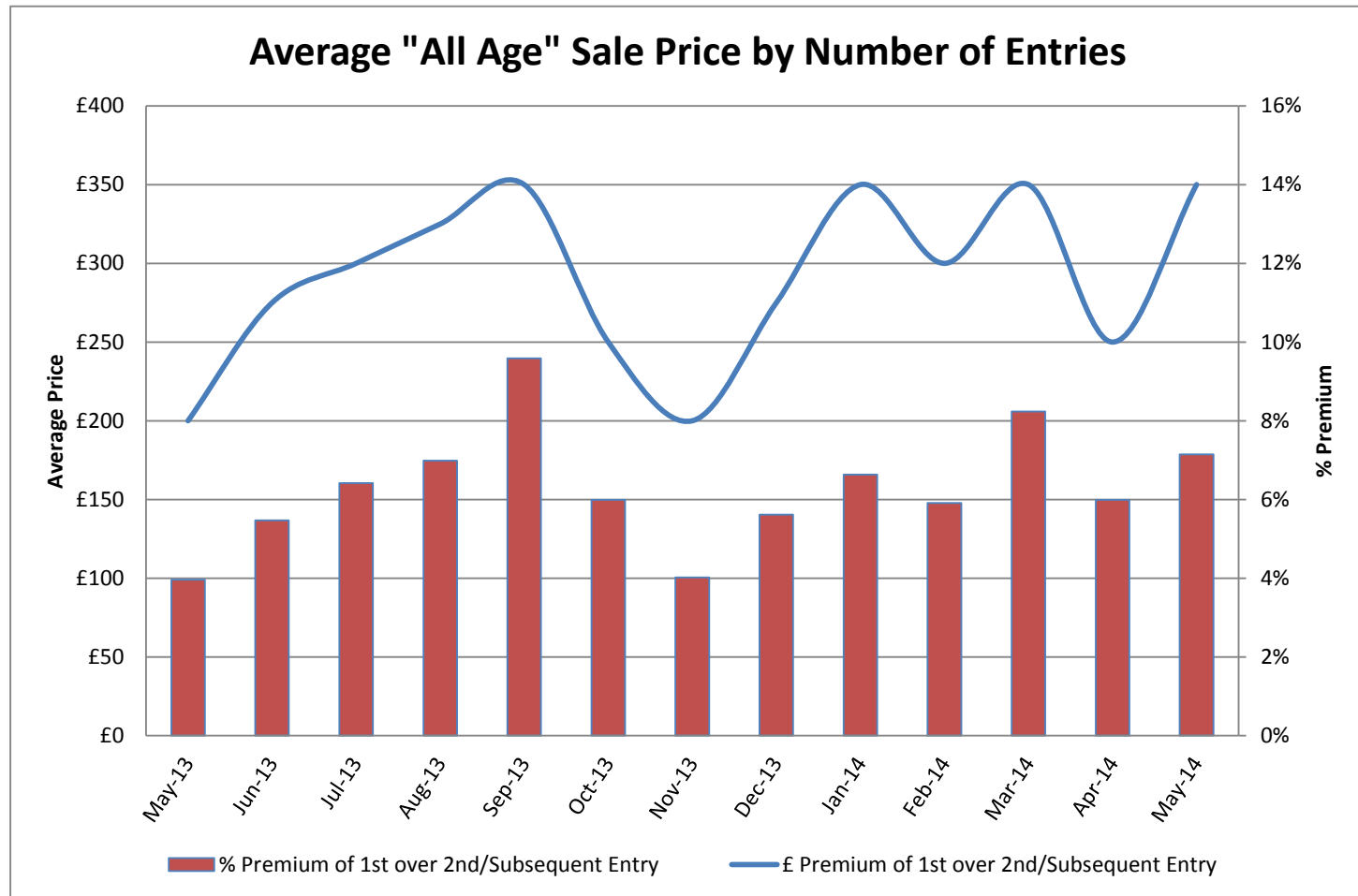


Source: NAMA (sold stock only), Glass's Analysis

- Average values continue to rise

Sales Price Compared to Number of Entries (all ages)

	£ Premium	% Premium
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%
March-14	£350	8%
April-14	£250	6%
May-14	£350	7%



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

- Premium of average first time sale values over that of re-entered stock rose to £350, but this was principally driven by a reduction in average age as the percentage premium was little moved at 7%

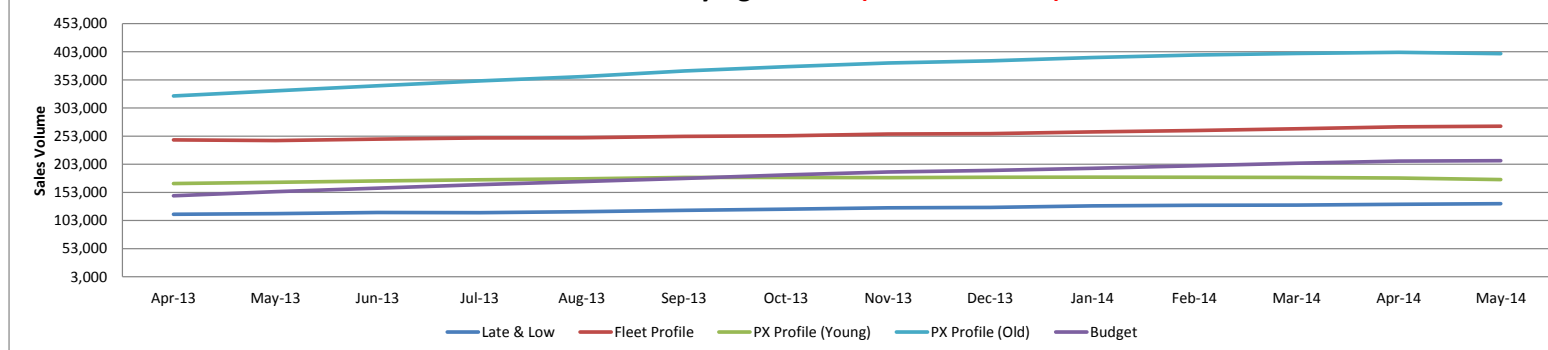
Sales Volumes by Age Profile

	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	12 month Total
Late & Low <i>0 - 2.5 Years</i>	10,715	11,432	10,895	10,275	12,071	10,331	10,577	6,924	13,962	12,005	12,372	10,284	11,702	132,830
% Difference from previous month	20.0%	6.7%	-4.7%	-5.7%	17.5%	-14.4%	2.4%	-34.5%	101.6%	-14.0%	3.1%	-16.9%	13.8%	
Fleet Profile <i>2.6 - 4.5 Years</i>	22,897	22,250	23,537	20,560	22,446	24,356	23,806	14,336	26,356	21,459	23,781	23,741	23,957	270,585
% Difference from previous month	12.3%	-2.8%	5.8%	-12.6%	9.2%	8.5%	-2.3%	-39.8%	83.8%	-18.6%	10.8%	-0.2%	0.9%	
PX Profile (Young) <i>4.6 - 6.5 Years</i>	17,043	15,145	15,868	15,056	16,513	15,929	13,427	8,169	16,228	13,804	16,137	15,211	14,070	175,557
% Difference from previous month	6.1%	-11.1%	4.8%	-5.1%	9.7%	-3.5%	-15.7%	-39.2%	98.7%	-14.9%	16.9%	-5.7%	-7.5%	
PX Profile (Old) <i>6.6 - 10.5 Years</i>	37,077	32,143	34,054	32,208	34,798	36,825	30,850	19,063	37,561	31,624	37,800	37,913	34,596	399,435
% Difference from previous month	3.0%	-13.3%	5.9%	-5.4%	8.0%	5.8%	-16.2%	-38.2%	97.0%	-15.8%	19.5%	0.3%	-8.7%	
Budget <i>>10.5 Years</i>	18,519	15,539	15,936	15,898	15,998	20,341	16,734	10,439	19,539	17,044	20,381	22,122	19,341	209,312
% Difference from previous month	1.5%	-16.1%	2.6%	-0.2%	0.6%	27.1%	-17.7%	-37.6%	87.2%	-12.8%	19.6%	8.5%	-12.6%	
Total	106,251	96,509	100,290	93,997	101,826	107,782	95,394	58,931	113,646	95,936	110,471	109,271	103,666	1,187,719
% Difference from previous month	67.0%	-9.2%	3.9%	-6.3%	8.3%	5.8%	-11.5%	-38.2%	92.8%	-15.6%	15.2%	-1.1%	-5.1%	

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

- Auction volume growth for typical PX and older cars appears to have tapered off, although volumes of Late & Low and Fleet profile cars are still increasing

Sales Volume by Age Profile (Last 12 Months)

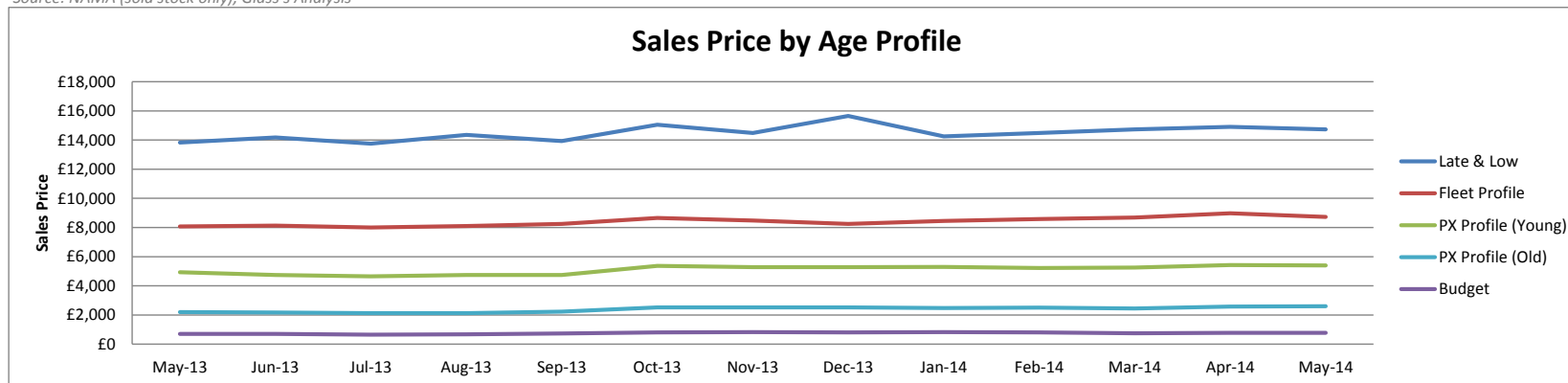


Source: NAMA (sold stock only), Glass's Analysis

Sales Prices by Age profile

	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14
Late & Low <i>0 - 2.5 Years</i>	£13,825	£14,175	£13,750	£14,350	£13,925	£15,050	£14,475	£15,650	£14,250	£14,475	£14,725	£14,900	£14,725
% Difference from previous month	2%	3%	-3%	4%	-3%	8%	-4%	8%	-9%	2%	2%	1%	-1%
Fleet Profile <i>2.6 - 4.5 Years</i>	£8,075	£8,125	£8,000	£8,100	£8,250	£8,650	£8,475	£8,250	£8,450	£8,575	£8,675	£8,975	£8,725
% Difference from previous month	-1%	1%	-2%	1%	2%	5%	-2%	-3%	2%	1%	1%	3%	-3%
PX Profile (Young) <i>4.6 - 6.5 Years</i>	£4,925	£4,750	£4,650	£4,750	£4,750	£5,375	£5,275	£5,275	£5,300	£5,225	£5,250	£5,425	£5,400
% Difference from previous month	-2%	-4%	-2%	2%	0%	13%	-2%	0%	0%	-1%	0%	3%	0%
PX Profile (Old) <i>6.6 - 10.5 Years</i>	£2,200	£2,175	£2,125	£2,125	£2,225	£2,525	£2,525	£2,525	£2,475	£2,500	£2,450	£2,575	£2,600
% Difference from previous month	-2%	-1%	-2%	0%	5%	13%	0%	0%	-2%	1%	-2%	5%	1%
Budget <i>>10.5 Years</i>	£700	£700	£650	£675	£725	£800	£825	£800	£825	£800	£750	£775	£775
% Difference from previous month	-3%	0%	-7%	4%	7%	10%	3%	-3%	3%	-3%	-6%	3%	0%

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



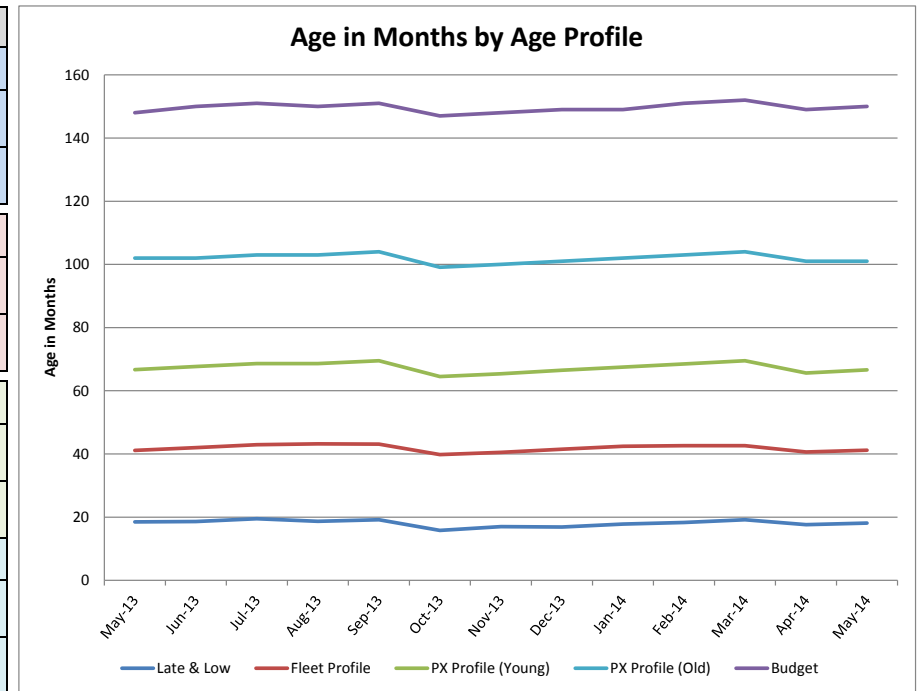
Source: NAMA (sold stock only), Glass's Analysis

- Although recent behaviour has been in line with seasonal expectations, average prices appear to have peaked across the board

Age in Months by Age Profile

	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14
Late & Low <i>0 - 2.5 Years</i>	19	19	20	19	19	16	17	17	18	18	19	18	18
% Difference from previous month	3%	1%	5%	-4%	3%	-18%	8%	-1%	5%	3%	5%	-8%	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	97.3	100.0
Fleet Profile <i>2.6 - 4.5 Years</i>	41	42	43	43	43	40	41	42	42	43	43	41	41
% Difference from previous month	2%	2%	2%	1%	0%	-8%	2%	2%	2%	0%	0%	-5%	1%
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	97.0	98.5
PX Profile (Young) <i>4.6 - 6.5 Years</i>	67	68	69	69	70	65	65	67	68	69	70	66	67
% Difference from previous month	2%	1%	1%	0%	1%	-7%	1%	2%	2%	1%	1%	-6%	2%
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	97.7	99.2
PX Profile (Old) <i>6.6 - 10.5 Years</i>	102	102	103	103	104	99	100	101	102	103	104	101	101
% Difference from previous month	1%	0%	1%	0%	1%	-5%	1%	1%	1%	1%	1%	-3%	0%
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	99.0	99.0
Budget <i>>10.5 Years</i>	148	150	151	150	151	147	148	149	149	151	152	149	150
% Difference from previous month	0%	1%	1%	-1%	1%	-3%	1%	1%	0%	1%	1%	-2%	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	100.6

Source: NAMA (sold stock only), Glass's Analysis
 *100 = Jan14 (2013 Average) < Jan13 (2012 Average)

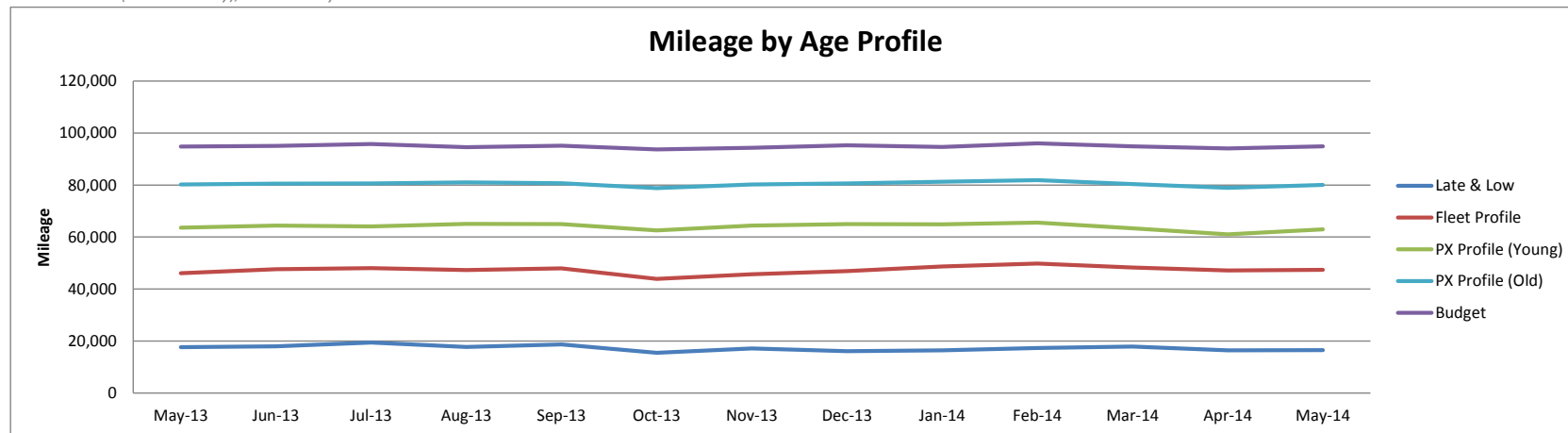


Source: NAMA (sold stock only), Glass's Analysis

Mileage by Age Profile

	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14
Late & Low <i>0 - 2.5 Years</i>	17,669	18,000	19,426	17,690	18,730	15,485	17,165	16,078	16,454	17,289	17,884	16,404	16,483
% Difference from previous month	-0.5%	1.9%	7.9%	-8.9%	5.9%	-17.3%	10.8%	-6.3%	2.3%	5.1%	3.4%	-8.3%	0.5%
Fleet Profile <i>2.6 - 4.5 Years</i>	46,135	47,660	48,067	47,331	47,936	43,906	45,668	46,923	48,685	49,813	48,285	47,182	47,413
% Difference from previous month	0.4%	3.3%	0.9%	-1.5%	1.3%	-8.4%	4.0%	2.7%	3.8%	2.3%	-3.1%	-2.3%	0.5%
PX Profile (Young) <i>4.6 - 6.5 Years</i>	63,602	64,413	64,065	65,090	65,018	62,534	64,447	65,019	64,873	65,553	63,387	61,044	62,933
% Difference from previous month	1.8%	1.3%	-0.5%	1.6%	-0.1%	-3.8%	3.1%	0.9%	-0.2%	1.0%	-3.3%	-3.7%	3.1%
PX Profile (Old) <i>6.6 - 10.5 Years</i>	80,256	80,569	80,620	81,049	80,705	78,816	80,256	80,631	81,242	81,886	80,395	78,901	80,035
% Difference from previous month	1.4%	0.4%	0.1%	0.5%	-0.4%	-2.3%	1.8%	0.5%	0.8%	0.8%	-1.8%	-1.9%	1.4%
Budget <i>>10.5 Years</i>	94,832	95,033	95,779	94,597	95,164	93,708	94,287	95,323	94,683	96,042	94,856	94,060	94,883
% Difference from previous month	0.4%	0.2%	0.8%	-1.2%	0.6%	-1.5%	0.6%	1.1%	-0.7%	1.4%	-1.2%	-0.8%	0.9%

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

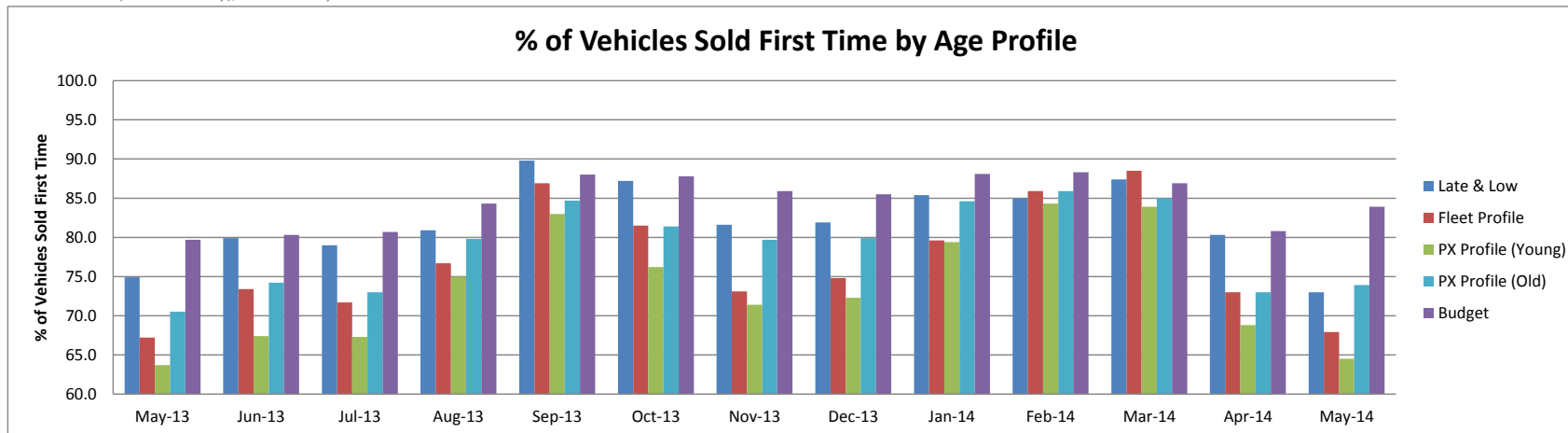


Source: NAMA (sold stock only), Glass's Analysis

Vehicles Sold First Time by Age Profile

	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14
Late & Low <i>0 - 2.5 Years</i>	74.9	79.9	79.0	80.9	89.8	87.2	81.6	81.9	85.4	85.0	87.4	80.3	73.0
<i>Δ to previous month (% points)</i>	-3.1	5.0	-0.9	1.9	8.9	-2.6	-5.6	0.3	3.5	-0.4	2.4	-7.1	-7.3
Fleet Profile <i>2.6 - 4.5 Years</i>	67.2	73.4	71.7	76.7	86.9	81.5	73.1	74.8	79.6	85.9	88.5	73.0	67.9
<i>Δ to previous month (% points)</i>	-4.3	6.2	-1.7	5.0	10.2	-5.4	-8.4	1.7	4.8	6.3	2.6	-15.5	-5.1
PX Profile (Young) <i>4.6 - 6.5 Years</i>	63.7	67.4	67.3	75.0	83.0	76.2	71.4	72.3	79.4	84.3	83.9	68.8	64.5
<i>Δ to previous month (% points)</i>	-6.1	3.7	-0.1	7.7	8.0	-6.8	-4.8	0.9	7.1	4.9	-0.4	-15.1	-4.3
PX Profile (Old) <i>6.6 - 10.5 Years</i>	70.5	74.2	73.0	79.8	84.7	81.4	79.7	79.9	84.6	85.9	85.0	73.0	73.9
<i>Δ to previous month (% points)</i>	-3.6	3.7	-1.2	6.8	4.9	-3.3	-1.7	0.2	4.7	1.3	-0.9	-12.0	0.9
Budget <i>>10.5 Years</i>	79.7	80.3	80.7	84.3	88.0	87.8	85.9	85.5	88.1	88.3	86.9	80.8	83.9
<i>Δ to previous month (% points)</i>	-0.1	0.6	0.4	3.6	3.7	-0.2	-1.9	-0.4	2.6	0.2	-1.4	-6.1	3.1

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

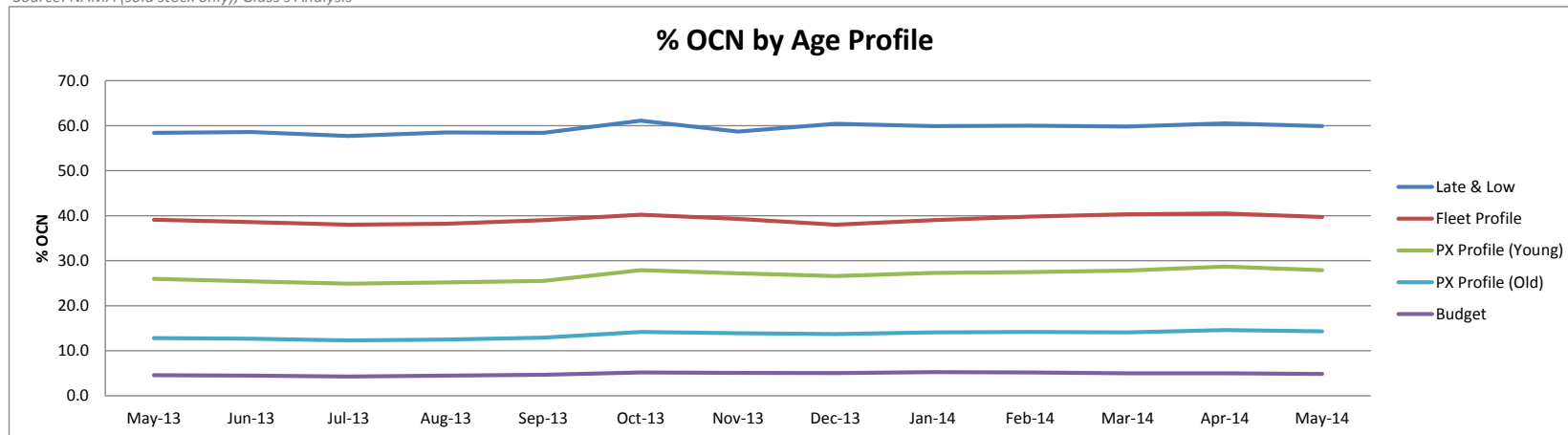


Source: NAMA (sold stock only), Glass's Analysis

OCN Percentage By Age Profile

	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14
Late & Low <i>0 - 2.5 Years</i>	58.4	58.6	57.7	58.5	58.4	61.1	58.7	60.4	59.9	60.0	59.8	60.5	59.9
<i>Δ to previous month (% points)</i>	-0.6	0.2	-0.9	0.8	-0.1	2.7	-2.4	1.7	-0.5	0.1	-0.2	0.7	-0.6
Fleet Profile <i>2.6 - 4.5 Years</i>	39.1	38.6	38.0	38.2	39.0	40.2	39.3	38.0	39.0	39.8	40.3	40.5	39.7
<i>Δ to previous month (% points)</i>	-0.8	-0.5	-0.6	0.2	0.8	1.2	-0.9	-1.3	1.0	0.8	0.5	0.2	-0.8
PX Profile (Young) <i>4.6 - 6.5 Years</i>	26.0	25.4	24.9	25.2	25.5	27.9	27.2	26.6	27.3	27.5	27.8	28.7	27.9
<i>Δ to previous month (% points)</i>	-0.9	-0.6	-0.5	0.3	0.3	2.4	-0.7	-0.6	0.7	0.2	0.3	0.9	-0.8
PX Profile (Old) <i>6.6 - 10.5 Years</i>	12.8	12.7	12.3	12.5	12.9	14.2	13.9	13.7	14.1	14.2	14.1	14.6	14.3
<i>Δ to previous month (% points)</i>	-0.6	-0.1	-0.4	0.2	0.4	1.3	-0.3	-0.2	0.4	0.1	-0.1	0.5	-0.3
Budget <i>>10.5 Years</i>	4.6	4.5	4.3	4.5	4.7	5.2	5.1	5.1	5.3	5.2	5.0	5.0	4.9
<i>Δ to previous month (% points)</i>	-0.3	-0.1	-0.2	0.2	0.2	0.5	-0.1	-0.1	0.2	-0.1	-0.2	0.0	-0.1

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



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