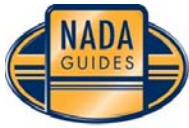


Guidelines

NADAguides

Powersports Industry Update

September – October, 2013



Industry Overview

The 2013 buying and selling season has come to a close. The utility segments continue to be active; while, many powersport retailers anticipate a good snowmobile season. Farmer's Almanac is forecasting a 2013-2014 winter with below average temperatures for two-thirds of the nation.

Currently, OEMs are holding their annual dealer meetings and releasing the new 2014 product. As of mid-September, 2013 units still accounted for 61.3% of inventory on dealer lots (Figure 1.1). Dealers are also reporting a 49/51% split of New unit versus Used unit sales in the last 60-days. This indicates that used units are still favored by consumers purchasing but by a very slim margin.

Opinion of Best Selling Units Within the Last 60-Days

Cruisers

24.7%

Utility ATVs

20.5%

Touring Bikes

19.2%

Side by Side Utility

11.0%

Side by Side Sport

8.2%

Sportbikes

6.8%

MX

4.1%

Sport ATV

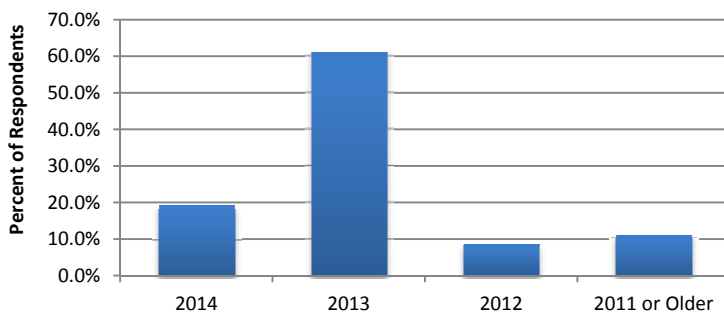
4.1%

3-Wheel

1.4%

Source: NADAguides, Inc.

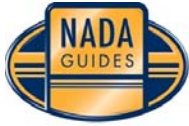
New Unit Inventory Reported by Dealers



Percentages produced by dividing total number of responding dealers by the number of dealers responding what years compose their current new unit inventory.

Source: NADAguides, Inc.

Figure 1.1



NADAguides Data Overview

Various marketplace indicators and dealer survey input supported seasonal downward pressure on used prices for the September 2013 update of NADAguides powersports data.

Average Update-to-Update Change by Category

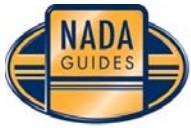
Street Bikes	Utility Vehicles	Dirt Bikes
-6.1%	-5.3%	-5.1%

Source: NADAguides, Inc.

NADAguides Average Edition-Over-Edition Percent of Change by Unit Type					
Unit Type Abbreviation	Unit Type	Rough Trade-In	Clean Trade-In	Average Retail	
SAT	Sport ATV	↓ -6.7	↓ -6.5	↓	-6.2
3-W	3-Wheel Cycle	↘ -4.4	↘ -4.7	↘	-3.9
6-W	6-Wheel ATV	↘ -2.9	↘ -4.3	↘	-4.0
8-W	8-Wheel ATV	↘ -2.9	↘ -4.3	↘	-4.0
ATL	All Terrain/Lights	↓ -6.2	↓ -6.1	↓	-5.6
ATT	All Terrain Tractor	↓ -6.2	↓ -6.1	↓	-5.6
ATV	All Terrain Vehicle	↓ -6.2	↓ -6.1	↓	-5.6
C	Racer (not MX)	↓ -7.1	↓ -6.9	↓	-6.4
C/T	Cruiser/Touring	↓ -7.2	↓ -7.0	↓	-6.5
CRU	Cruiser	↓ -6.0	↓ -5.7	↓	-5.4
D	Dirt (not MX)	↓ -6.2	↓ -6.1	↓	-5.6
DS	Dual Sport	↘ -3.0	↘ -4.4	↘	-4.2
E	Enduro	↓ -6.2	↓ -6.1	↓	-5.6
MB	Mini Bike	↓ -5.3	↓ -5.0	↘	-4.8
MX	Moto Cross	↓ -6.2	↓ -6.1	↓	-5.6
RT	Road/Trail	↓ -4.9	↘ -4.7	↘	-4.5
S	Scooter	↓ -7.5	↓ -7.3	↓	-6.7
S/T	Sport Touring	↓ -5.9	↓ -5.7	↓	-5.2
SPT	Sportbike	↓ -5.9	↓ -5.7	↓	-5.2
SXS	Sport Side-by-Side	↘ -3.3	↓ -5.6	↓	-5.4
T	Trail	↘ -2.2	↘ -4.0	↘	-3.7
T/L	Trail/Lights	↘ -2.9	↘ -4.3	↘	-4.0
TOU	Touring	↓ -5.8	↓ -5.6	↓	-5.1
TR	Trials	↓ -4.9	↘ -4.7	↘	-4.5
UAT	Utility ATV	↘ -2.6	↘ -4.3	↘	-4.0
UTL	Utility Side-by-Side	↘ -2.6	↘ -4.3	↘	-4.0

Figures represent the percent change, on average based on unit type, between the July 2013 update and the September 2013 update of the NADAguides Powersports CONNECT.

Source: NADAguides, Inc



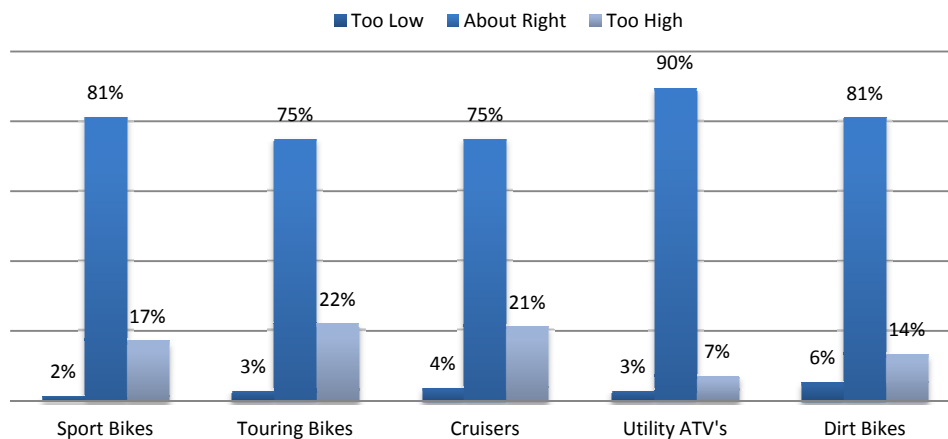
NADAguides Data Overview

Dealers were surveyed about Average Retail pricing in the September through October 2013 NADAguides Powersports data. The chart below displays the results of dealer opinion about where the NADAguides Average Retail values fall as compared to their local marketplace.

90%

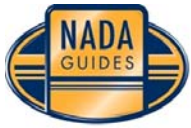
of retailers believe the
NADAguides Retail Utility ATV
Values are About Right

Average Retail Values in the NADAguides Powersports CONNECT



This chart reflects the percentage of dealers that feel, by segment, if the NADAguides Average Retail values are too low, about right, or too high, as compared to their local market area.

Source: NADAguides, Inc.



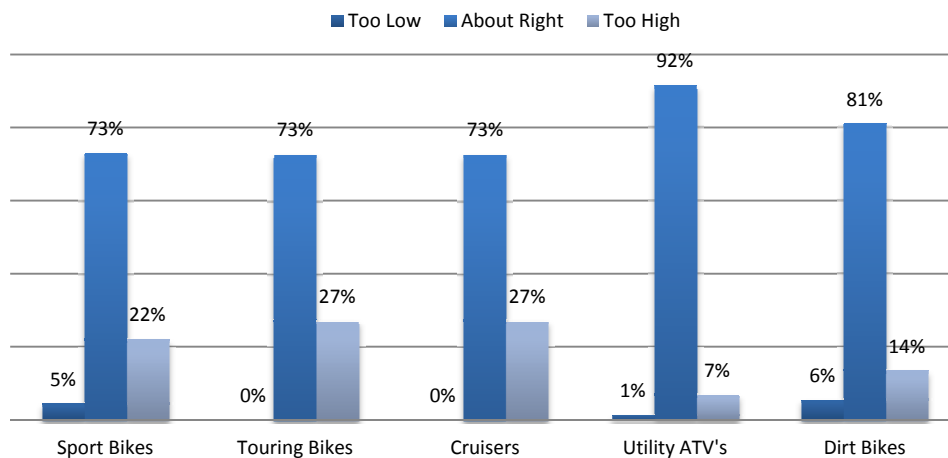
NADAguides Data Overview

Dealers were surveyed about Clean Trade-In pricing in the September through October 2013 NADAguides Powersports data. The chart below displays the results of dealer opinion about where the NADAguides Clean Trade-In values fall as compared to their local marketplace.

92%

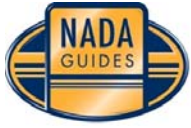
of retailers believe the
NADAguides Clean Trade-In
Utility ATV Values are About
Right

Clean Trade-In Values in the NADAguides Powersports CONNECT



This chart reflects the percentage of dealers that feel, by segment, if the NADAguides Clean Trade-In values are too low, about right, or too high, as compared to their local market area.

Source: NADAguides, Inc.



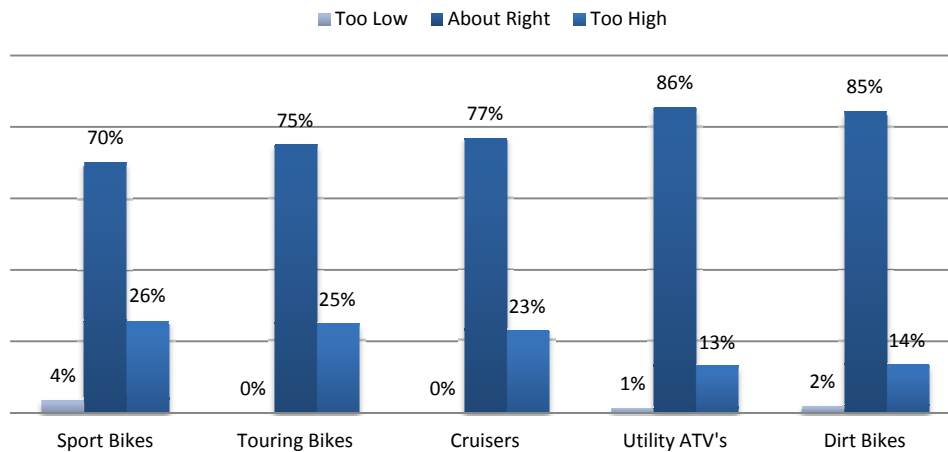
NADAGuides Data Overview

Dealers were surveyed about Rough Trade-In pricing in the September through October 2013 NADAGuides Powersports data. The chart below displays the results of dealer opinion about where the NADAGuides Rough Trade-In values fall as compared to their local marketplace.

86%

of retailers believe the
NADAGuides Retail Utility ATV
Values are About Right

**Rough Trade-In Values in the
NADAGuides Powersports CONNECT**



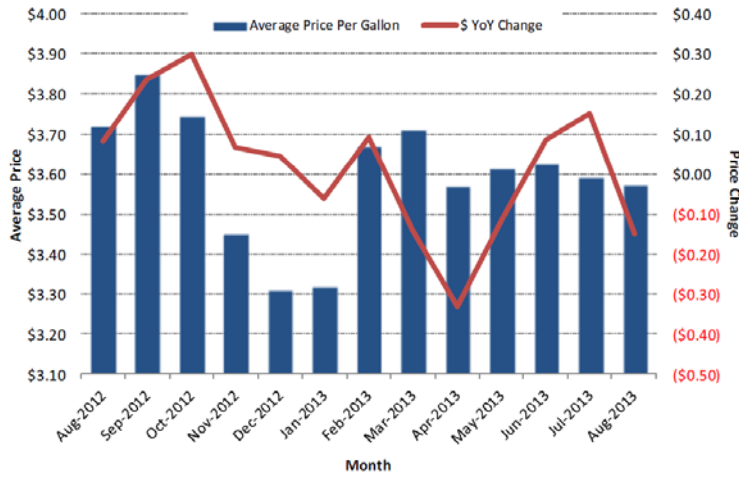
This chart reflects the percentage of dealers that feel, by segment, if the NADAGuides Rough Trade-In values are too low, about right, or too high, as compared to their local market area.

Source: NADAGuides, Inc.



NADAguides Fuel Price Data

Regular Grade Gasoline Prices (all formulations)



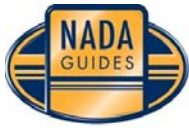
Source: EIA

U.S Regular Gasoline Prices (dollars per gallon, all formulations)

	Change From				
	Aug-13	Jul-13	Aug-12	Month Ago	Year Ago
US	\$3.57	\$3.59	\$3.72	● (\$0.02)	● (\$0.15)
East Coast	\$3.58	\$3.56	\$3.68	● \$0.01	● (\$0.11)
Midwest	\$3.52	\$3.54	\$3.78	● (\$0.01)	● (\$0.25)
Gulf Coast	\$3.40	\$3.41	\$3.51	● (\$0.01)	● (\$0.11)
Rocky Mountain	\$3.64	\$3.62	\$3.52	● \$0.01	● \$0.12
West Coast	\$3.81	\$3.92	\$3.94	● (\$0.10)	● (\$0.12)

Source: EIA

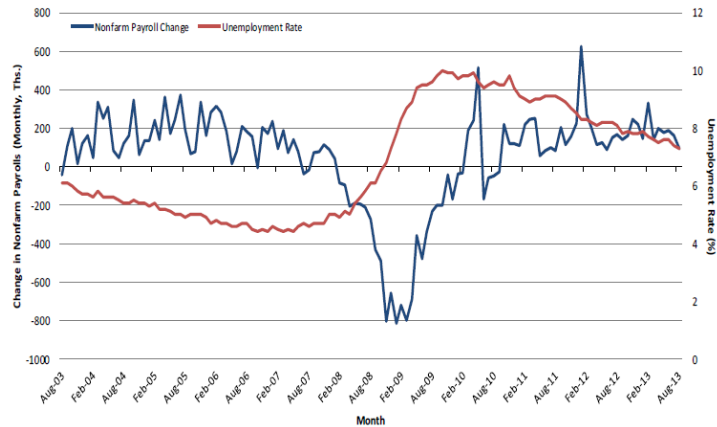
A view of the national average gas price and regional year over year change over the last year, is supplied to provide support to longer-term strategic planning.



NADAguides Economic Data

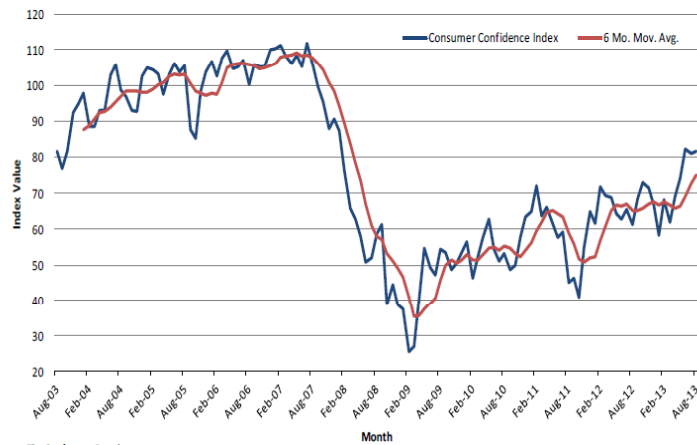
Employment

Total Nonfarm Payrolls & Unemployment Rate, SA



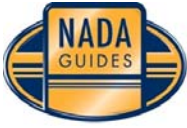
Source: BLS

Consumer Confidence Index



Source: The Conference Board

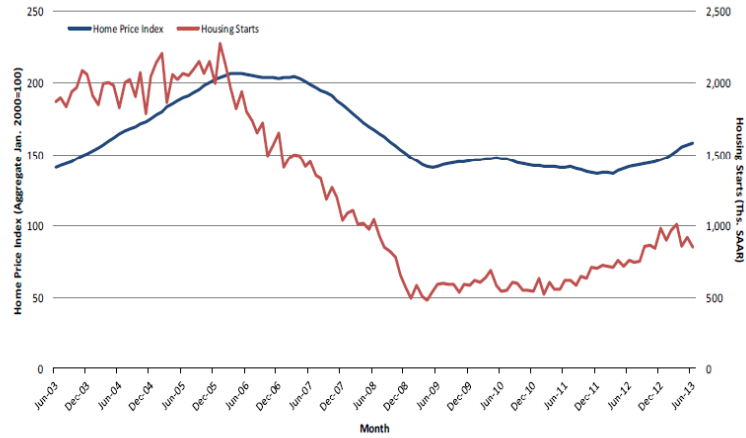
Economic Factors: A number of important factors affect the powersports market, including the unemployment rate, consumer confidence, the housing market, Consumer Price Index (a measure of inflation), retail sales, and industrial production. These factors can be interpreted to represent the consumer's ability and willingness to make a new or used motorcycle or ATV purchase.



NADAguides Economic Data

Housing

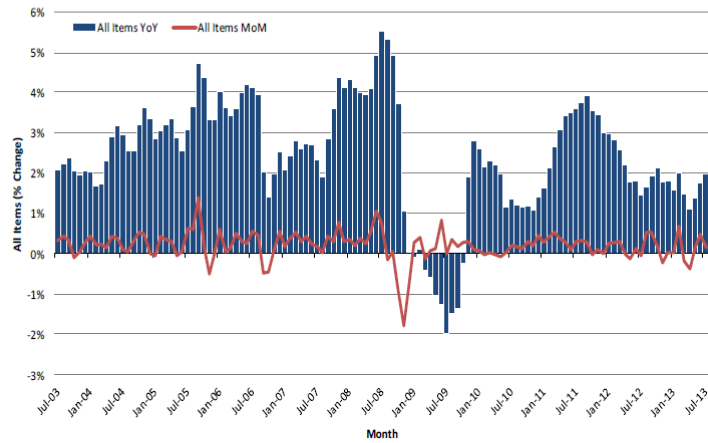
S&P/Case-Shiller Home Price Index (20-Metro Composite) & Housing Starts (Total Private)



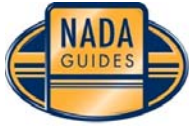
Source: S&P Case-Shiller, U.S. Census Bureau

Consumer Price Index (CPI)

All Items



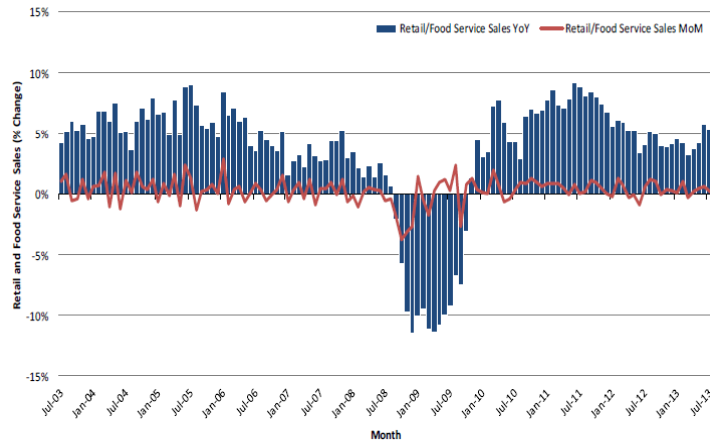
Source: U.S. Bureau of Labor Statistics



NADAguides Economic Data

Retail Sales

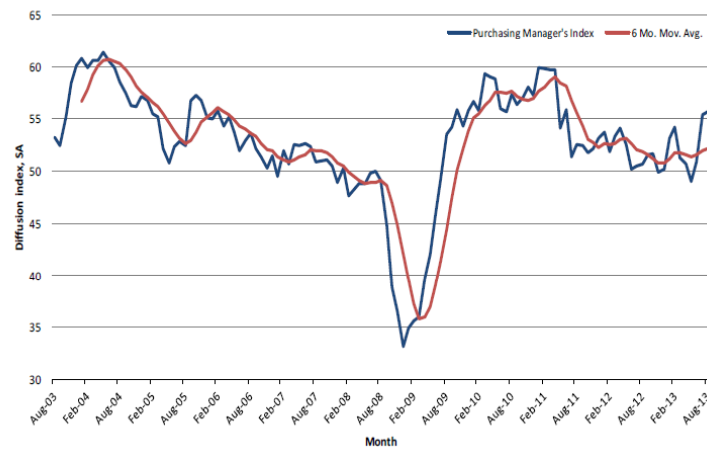
Retail & Food Service Sales, SA



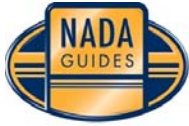
Source: BLS

Industrial Production

Purchasing Manager's & Inventories Indices



Source: Institute for Supply Management



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