Green Fleet
CONFERENCE & EXPO
THE WORLD’S LARGEST FUEL & FLEET EFFICIENCY EVENT

October 29-30, 2014
Renaissance Schaumburg Convention Center Hotel • Schaumburg, IL
Hybrids, Electrics and Alternative Fuels:

Volumes, Values and Variances
Gas at Annual Low

State & Federal Tax Incentives

Range Limitation
Battery life

Infrastructure

2013 new vehicle sales
avg MPG
24.1
Mid-size ICE @ mid-30s MPG

$39,995 to $29,995

ROI
Headlines: Tricks or Treats?

• Va. Hopes to Double Alt-Fuel Infrastructure
• Fuel Economy Reaches All-Time High
• Gasoline Prices Fall to $3.12 Per Gallon
• Ford Lowers Price for 2015 Focus Electric
• As Gas Prices Drop, Hybrid Sales Shift Into Low Gear
Headlines contd

• Hybrids or bi-fuel vehicles may work best in other areas
• Taxing Hybrids and Evs: a trick to going green
• Dealer lots loaded with hybrids and small cars
• Falling gas spooks alternative fuel into a tough sell
• Incentives ramp higher than ICE vehicles
## Alternative Penetration

<table>
<thead>
<tr>
<th></th>
<th>Sep-14</th>
<th>CY 2014</th>
<th>CY 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total sales</td>
<td></td>
<td>CY 2014</td>
<td>CY 2013</td>
</tr>
<tr>
<td>Hybrid</td>
<td>356K</td>
<td>2.88%</td>
<td>3.32%</td>
</tr>
<tr>
<td>Plug-in</td>
<td>44K</td>
<td>0.36%</td>
<td>0.28%</td>
</tr>
<tr>
<td>Electric</td>
<td>44K</td>
<td>0.35%</td>
<td>0.30%</td>
</tr>
<tr>
<td>Diesel</td>
<td>109K</td>
<td>0.89%</td>
<td>0.82%</td>
</tr>
</tbody>
</table>
Looking At Some Market Results

• Open market compared to Commercial Values
• ICE power vs Alternative trends
• Diesel retention
• Five year fuel savings and Cost of Ownership
• Where does the forecast lead
More fuel efficient but drive less

avg mi

GASOLINE  HYBRID

Higher new & used, open market

avg Sales$


GASOLINE  HYBRID

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Commercial fleet variance in $
Used trends and new forecast

2012 Chevrolet Volt 4D Hatchback / 2012 Chevrolet Cruze LT 4D Sedan

R36:
G: 52.6%
H: 45.5%
S: 48.9%

G (CV)  H (CV)  G (BB)  H (BB)
Used trends and new forecast

2011 Ford Escape Hybrid 4D Utility 4WD / 2011 Ford Escape XLT 4D Utility 4WD

R36: G: 51.3%  H: 48.7%  S: 53.5%

G (CV)  H (CV)  G (BB)  H (BB)
Used trends and new forecast
Fusion: highest volume CV model

2010 Ford Fusion Hybrid 4D Sedan / 2010 Ford Fusion SEL 4D Sedan

R36:
G: 44.9%
H: 46.4%
S: 46.3%

G (CV)  H (CV)  G (BB)  H (BB)
Used trends and new forecast
Hybrid CV better retention than open

2010 Toyota Camry Hybrid 4D Sedan / 2010 Toyota Camry LE 4D Sedan

R36:
G: 50.3%
H: 55.2%
S: 45.2%

G (CV)  H (CV)  G (BB)  H (BB)
Used trends and new forecast
Used trends and new forecast

2010 Toyota Highlander Hybrid 4D Utility 4X4 / 2010 Toyota Highlander Base 4D Utility 4X4

R36:
G: 56.1%
H: 54.9%
S: 51.8%

G (CV) - Blue
H (CV) - Red
G (BB) - Green
H (BB) - Purple
Used trends and new forecast
CV and Open gap closes
Diesel: New costs and retention
4 better than 100% of new cost @ 3 yrs

**Diesel Engine Resale Premium**

6@76% to 96%
Seasonality consistent except for the ghost and goblin economy
Car: Alt, ICE, Segment

Hybrid vs. Gas, 36 Month Residual Forecast
Segment Relationship

Volt has better forecast,
No range anxiety

Residual Percentage of Equipped Retail

<table>
<thead>
<tr>
<th>Car</th>
<th>2013 Volt/Cruze</th>
<th>2013 Leaf/Versa</th>
</tr>
</thead>
<tbody>
<tr>
<td>Volt</td>
<td>54%</td>
<td>54%</td>
</tr>
<tr>
<td>EMC</td>
<td>50%</td>
<td>51%</td>
</tr>
<tr>
<td>Cruze</td>
<td>48%</td>
<td>41%</td>
</tr>
<tr>
<td>SCC</td>
<td>50%</td>
<td>51%</td>
</tr>
<tr>
<td>Leaf</td>
<td>41%</td>
<td></td>
</tr>
<tr>
<td>SCC</td>
<td>51%</td>
<td></td>
</tr>
<tr>
<td>Versa</td>
<td>54%</td>
<td></td>
</tr>
<tr>
<td>ELC</td>
<td>51%</td>
<td></td>
</tr>
</tbody>
</table>
Car: Alt, ICE, Segment

Hybrid vs. Gas, 36 Month Residual Forecast Segment Relationship

Only C-Max has higher residual forecast
Mid-size: Alt, ICE, Segment

Hybrid vs. Gas, 36 Month Residual Forecast
Segment Relationship

Mid size car segments, high volume and competitive
Luxury: Alt, ICE, Segment

Hybrid vs. Gas, 36 Month Residual Forecast
Segment Relationship

Luxury hybrids better forecasts than ICE models

- CT 200h: 58%
- IS 250: 56%
- NLC: 52%
- MKZ Hyb: 47%
- MKZ: 45%
- NLC: 52%
Utility: Alt, ICE, Segment

Hybrid vs. Gas, 36 Month Residual Forecast
Segment Relationship

Lower volume RX450H
Expected better retention

<table>
<thead>
<tr>
<th>Model</th>
<th>Residual Percentage</th>
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<tbody>
<tr>
<td>RX 450h</td>
<td>60%</td>
</tr>
<tr>
<td>RX 350</td>
<td>56%</td>
</tr>
<tr>
<td>MXU</td>
<td>56%</td>
</tr>
<tr>
<td>Highlander Hyb</td>
<td>54%</td>
</tr>
<tr>
<td>Highlander</td>
<td>60%</td>
</tr>
<tr>
<td>MXU</td>
<td>56%</td>
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Lower volume RX450H Expected better retention
# Cost of Ownership & Fuel Savings

<table>
<thead>
<tr>
<th></th>
<th>Vincentric</th>
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</thead>
<tbody>
<tr>
<td>Fuel Savings: Hybrids vs ICE</td>
<td></td>
</tr>
<tr>
<td>Fusion</td>
<td>$4,265</td>
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<tr>
<td>Sonata</td>
<td>$2,672</td>
</tr>
<tr>
<td>RX350</td>
<td>$3,431</td>
</tr>
<tr>
<td>Q5</td>
<td>$3,169</td>
</tr>
</tbody>
</table>

One sedan & one utility with better Cost of Ownership
Thank you!