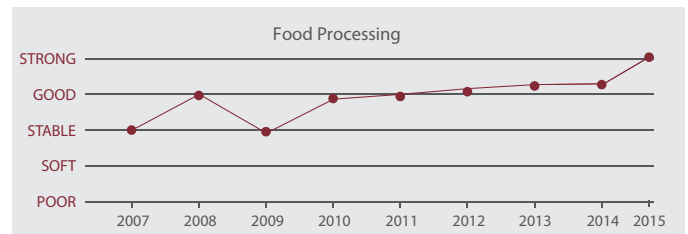
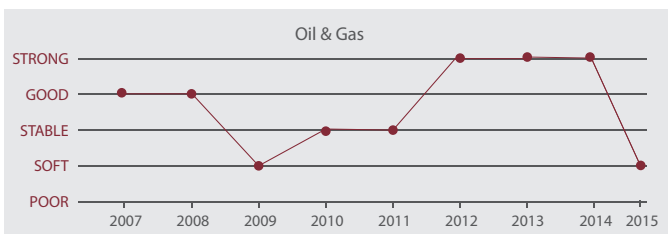
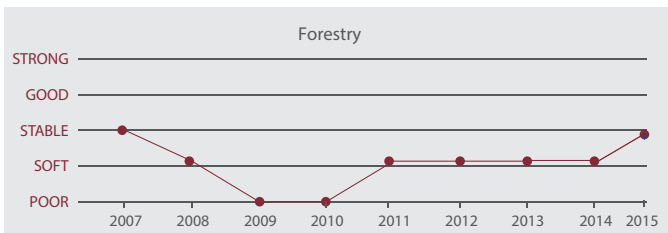
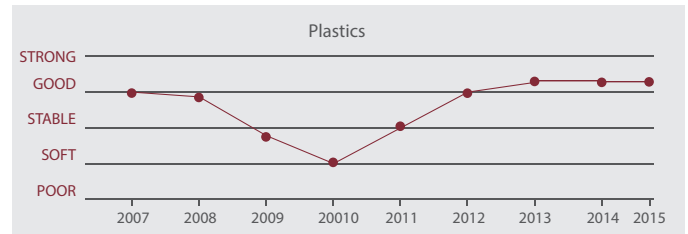
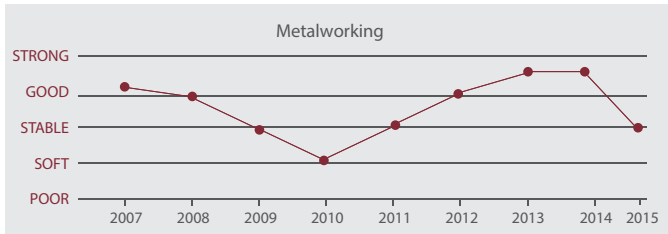


USED EQUIPMENT RECOVERY TRENDS



Special Report: 4 very distressed used equipment segments

- **CNC Machining** – Foreign OEM’s are heavily discounting CNC equipment which is having a very strong effect on domestic and international used equipment sales. In the short-run, the supply of these machines will decrease at the discounted price, as these assets are in high demand. In the long-run, the OEM’s will be forced to increase the supply of CNC machines to satisfy demand. Economically speaking, this increase in supply will drive the price back (down) to equilibrium. When this happens, consumers will have reason to consider substitutes (Non-foreign OEM’s including used equipment). Until this happens, we can expect the market for used CNC equipment to feel the pain.
- **Scrap Metals Processing Equipment** - Prices of shredded scrap steel have plunged about 18% so far this year and are down 41% since early 2012. In this equipment sector, we are seeing idled assets, deferred maintenance and extremely low capital expenditure spending, all negatively effecting the used equipment market.
- **Coil Steel Processing / Steel Service** - Right now there is a flood of both domestic and imported cold-rolled stainless steel, leaving service centers with higher than desired inventories, as such the market for used equipment is taking a very hard hit as companies have lowered their capital spending to historic lows leaving few potential purchasers for the related assets. There is one area of this asset class where the values remain stable; Class One Automotive. These assets and marketability to the automotive industry puts them in a different category and continue to have a robust purchasing base.
- **Mining** – Equipment values, especially ground mining related remain soft as OEM’s continue to offer low prices on new equipment. Coal related assets are particularly soft.

We expect equipment values to be particularly soft for the above mentioned equipment segments until prices stabilize. We recommend an updated frequency of valuations until that happens.

Over 50 upcoming machinery & equipment sales scheduled for Q3 2015 in over 15 countries

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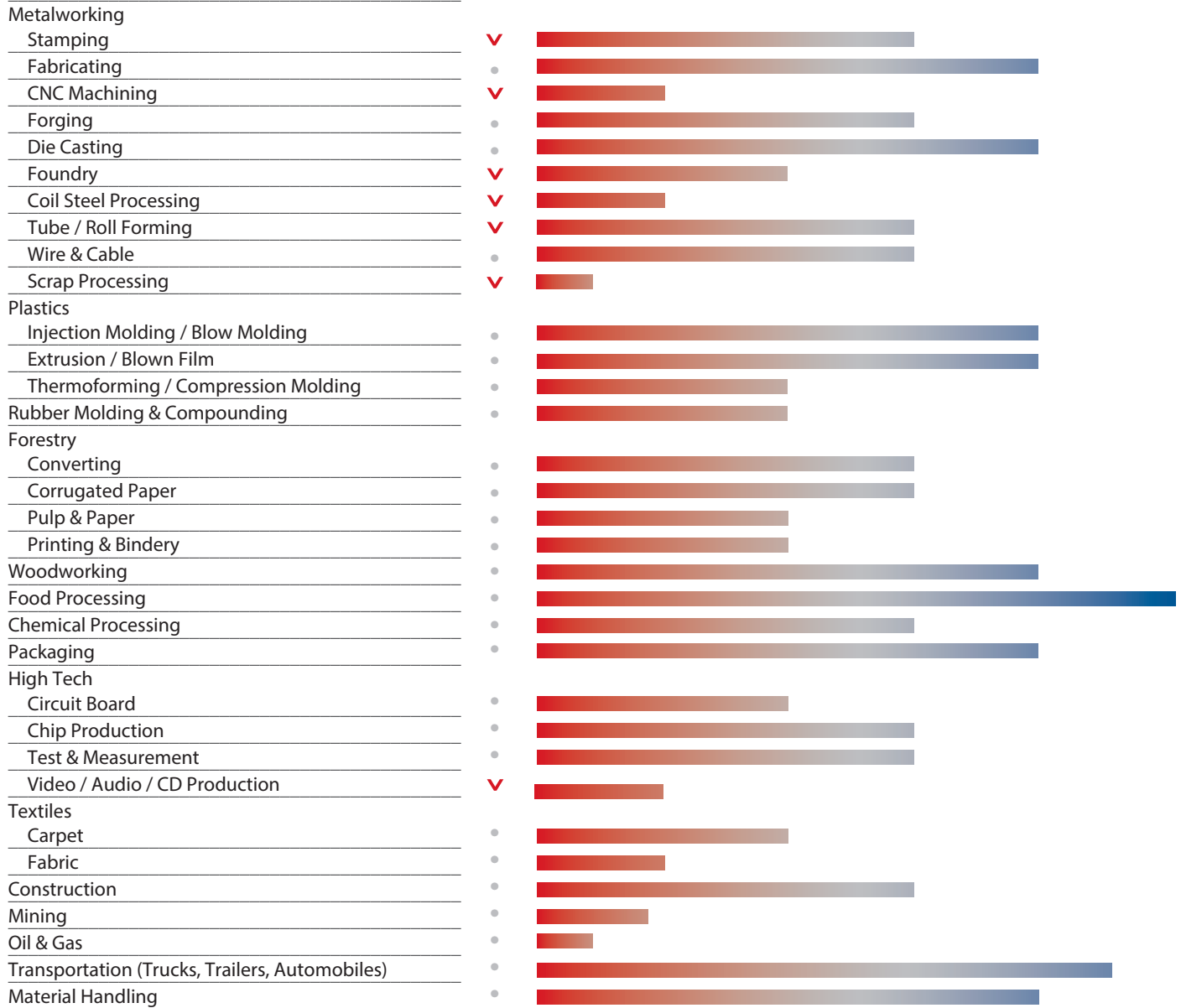
This report is a 12-week snapshot of the current used equipment market compiled by Hilco. The information comes from Hilco Industrial auction and liquidation results, information provided by our vast used dealer network and market research compiled by our staff.

Used Equipment - Recovery Values

POOR SOFT STABLE GOOD STRONG

Business Sectors

Recovery Trend: ▼ Declining ● No Change ▲ Increasing



THE COLOR KEY

- Strong** ● Assets that are recovering well above normal due to market needs and lack of availability.
- Good** ● Assets that have seen an increase in value due to increased market demands.
- Stable** ● Assets that are generally recovering on the used market at a steady rate, only negatively affected by normal depreciation.
- Soft** ● Assets that have shown a softening in value but not a dramatic decline.
- Poor** ● Assets with deeply depressed values due to either industry problems, over supply issues or technological changes.

This is a snapshot in time and we encourage you to get on our distribution list so you may appreciate the trends it reveals in different asset class values. As always, please feel free to call myself or your relationship manager with any specific questions when looking at a transaction.