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#### LATEST NEWS STORIES ON KBB.COM:

The latest video and written news stories by the editorial staff of Kelley Blue Book's kbb.com

#### **NEW-VEHICLE REVIEWS ON KBB.COM:**

All-new and updated video and written reviews from the editorial staff of Kelley Blue Book's kbb.com, and links to consumer reviews and ratings on kbb.com

#### WHAT'S NEW:

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As Gas Prices Rise, Kelley Blue Book Recommends Shoppers Weigh Options Carefully Before Making Vehicle Purchase

## **INDUSTRY INSIGHTS:**

# **Fuel Price Spike - Again**

- Jack R. Nerad, vice president, executive editorial director and executive market analyst, Kelley Blue Book's kbb.com

ere we are again; ready to ride the fuel-price roller coaster. Just like kids at the amusement park, we have taken this ride before. It scares us and it even makes some of us sick to our stomachs, but we can't help riding it over and over. Let's face it, as long as most of our vehicles are powered by some version of petroleum (and our guess is that will continue for several decades to come), then we will be subject to the swings (and slings) in price that a geo-politically connected commodity like oil will go through. To expect oil prices to remain relatively stable is to ignore the history of the past 100 years. At the same time, it might be a poor choice in the short term to wean ourselves off petroleum in an era when both the world's and the nation's economic recovery is so fragile. So, perhaps the best we can do is roll with the punches.

And there is no doubt that there will be punches. What we have experienced in the past eight weeks is a steeply rising fuel cost 'spike.' It is not a gradual, inflationary increase in fuel prices, but a shocking, lead-storyon-the-nightly-news event. No actual petroleum supply has been suddenly cut off by some unfriendly foreign nation, but the threat exists that it might; that alone is enough to justify the abrupt rise in retail gasoline and diesel fuel costs we have seen at the pump. Consumers in Hawaii, Alaska and California already are facing pump prices that top \$4 per gallon, and in some downtown Los Angeles filling stations gasoline is now more than \$5 per gallon. The national average is around \$3.70 per gallon, certainly not \$4 yet, but it is getting uncomfortably close. Since each one-percent increase in gasoline price can cost American consumers more than \$1 billion over the course of a year, the fuel price spike is throwing a big lead weight around the neck of a mildly hopeful economy. What presents an especial need for concern is the fact that this spike is occurring in the depths of winter, when demand for gasoline and diesel fuel is typically lower than in the spring and summer. If the price hikes linger or accelerate as we swing toward spring, that means still worse news for the U.S. economy.

So what can we expect in the short term? Three things are very predictable:

1. We will see both new- and used-vehicle buyers pivot away from larger, less fuel-efficient vehicles like large sedans, SUVs and pickups, moving toward subcompacts, compacts and hybrids.

2. New-vehicle sales are very likely to slow down. We have seen some moderate-to-good sales gains over the past few months, but when rocketing fuel prices hit the news, consumers have a tendency to sit back and wait before they decide what to buy. One sound you might hear in the background right now is the consumer recalibrating what is important and how much she or he can spend.

3. Some consumers will make the leap to hybrids, electrics and electrically driven vehicles, despite the fact that those vehicles will remain significantly more expensive than conventional vehicles. In fact, stiffer prices and fewer incentives for alternative-propulsion cars might wipe out any ownership-cost advantage they would gain from higher fuel prices.

No matter how you slice it with few exceptions, higher fuel prices are not good news for those people who manufacture, market and sell new cars and trucks. Consumers are having a hard enough time justifying a new-car purchase in this era of a nearly no-growth economy, in addition to high unemployment and underemployment. Giving them another reason to pause is problematic.

#### WHAT'S NEW (CONTINUED):

Kelley Blue Book: February Auto Sales to Surpass 1,050,000 Units, 13.8 Million SAAR  $\,$ 

Kelley Blue Book, Cyclechex Team Up to Offer Motorcycle History Reports on kbb.com

Kelley Blue Book Names Jared Rowe As New President

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Auction Genius Integrates Kelley Blue Book Values into Its Web-based Software, Helping Dealers Make the Best Purchase Decision

Kbb.com Predicts Traffic Surge for Chevrolet Sonic, Honda CR-V Following Super Bowl XLVI

## LATEST NEWS STORIES ON KBB.COM:

Check out the very latest news stories by visiting <u>kbb.com</u> and clicking the the Kbb Top Picks tab on the home page. The following latest news stories by kbb.com's editorial staff went live on the site or were updated during February 2012.

#### Videos Posted to kbb.com:

2013 Acura ILX - 2012 Chicago Auto Show 2013 Acura RDX - 2012 Chicago Auto Show 2013 Dodge Dart GTS 210 Tribute - 2012 Chicago Auto Show 2012 Fiat 500 Stinger - 2012 Chicago Auto Show 2013 GMC Acadia - 2012 Chicago Auto Show 2013 Hyundai Elantra Coupe - 2012 Chicago Auto Show 2013 Hyundai Elantra GT - 2012 Chicago Auto Show 2013 Hyundai Elantra GT - 2012 Chicago Auto Show 2013 Kia Track'ster Concept - 2012 Chicago Auto Show 2012 Kia Rio Video Review KBB Races a Mazda Miata - Part 1: Skip Barber Race School Mazda MX-5 Miata - Drifting Our Long Term Loaner in the Rain 2012 Mopar Jeep Compass True North - 2012 Chicago Auto Show 2013 Nissan 370Z - 2012 Chicago Auto Show 2013 Volkswagen Beetle TDI - 2012 Chicago Auto Show

#### Written Stories Posted to kbb.com:

10 Bites of Red-Car Candy for Valentine's Day 2012 BMW M6 Convertible and 2013 BMW M6 Coupe revealed 2012 Kia Soul Red Rock Special Edition - First look 2013 Aston Martin V8 Vantage - 2012 Geneva Auto Show 2013 BMW X3 xDrive 28i gets TwinPower Turbo four 2013 Ferrari California - 2012 Geneva Auto Show 2013 Ford Fusion NASCAR Sprint Cup racer revealed 2013 Mercedes-Benz SL 63 AMG - 2012 Geneva Auto Show 2013 Nissan Pathfinder takes to the snow - 2012 New York Auto Show 2013 Volkswagen Beetle TDI Clean Diesel - 2012 Chicago Auto Show 2014 Porsche Macan teased Abarth 695 Tributo Maserati Limited Edition - 2012 Geneva Auto Show Average length of U.S. vehicle ownership hit an all-time high Bugatti Veyron 16.4 Grand Sport Vitesse - 2012 Geneva Auto Show California mandates one of seven new cars be EV or fuel-cell by 2025 Carrozzeria Touring Superlegarra teases Disco Volante Concept Chevrolet launches Ecologic environmental info program Ferrari 620 GT teased - 2012 Geneva Auto Show preview Fiat 500L - Geneva Motor Show preview Fisker Karma: Doing the Right Thing Luxuriously KBB.com expects Chevy Sonic/Honda CR-V to win big at Super Bowl XLVI Kia Track'ster Concept - 2012 Chicago Auto Show Kia previews new premium rear-drive sedan, will be global flagship Lexus tops 2012 J.D. Power and Associates U.S. Dependability Study Mini Clubvan Concept - 2012 Geneva Auto Show NHTSA proposes automaker guidelines to limit distracted driving New NHTSA kid-sized crash test dummy will help assess child safety Peugeot 208 GTi Concept - 2012 Geneva Auto Show Peugeot 208 XY Concept - 2012 Geneva Auto Show Rinspeed Dock+Go Concept - 2012 Geneva Auto Show Ssangyong XIV-2 Concept teased - 2012 Geneva Auto Show The Super Bowl car commercials of 2012 smart fortwo shows its new face - Geneva Auto Show preview

# NEW-VEHICLE REVIEWS ON KBB.COM:

# The following new-vehicle reviews written by kbb.com's editorial staff went live on the site or were updated during February 2012. To see any new-vehicle review from kbb.com's editorial staff, please visit <u>kbb.com</u> and click on the *Car Reviews* tab, then select the make and model.

#### 2011 Mini Countryman

We can be pretty certain that the terms "cute," "small," "fun" and "fuel efficient" have been used to describe the Mini Cooper since its U.S. inception in 2001. And while the Mini line-up has always consisted of different flavors like the standard Cooper hardtop, the sun-friendly Cooper convertible and the slightly larger, Cooper Clubman, buyers and enthusiasts alike have probably wondered if the word "practical" could ever be associated with a Mini...

To read the latest Consumer Reviews & Ratings on this vehicle, click here.

#### 2012 Hyundai Tucson

The 2012 Hyundai Tucson competes in the crowded compact SUV segment that includes such well-established nameplates as the Honda CR-V, Ford Escape, Subaru Forester, and Toyota RAV4. Available in both front-wheel drive (FWD) and all-wheel drive (AWD), the Hyundai Tucson distinguishes itself with eye-catching style and value. For 2012, the Tucson secured the #2 spot on Kelley Blue Book's Best Resale Value Awards list in the "Best Compact SUV" category...

To read the latest Consumer Reviews & Ratings on this vehicle, click here.

#### 2012 Mini Cooper Roadster

Since its 2001 resurrection and modernization by BMW, Mini has not only thrived, it's proliferated, going from success to success with a formula of unique styling and a consistently high fun-to-drive index. With the introduction of the 2012 Mini Roadster, the Mini line now embraces six different models, and there are more in the pipeline. Although there are now Minis competing in segments never envisioned during the long lifespan of the original – the Countryman crossover comes to mind, as does the new Roadster...

#### 2012 Toyota 4Runner

Over 25 years ago, the Toyota 4Runner helped create the sport utility craze for people with active lifestyles. Back then, SUVs were little more than boxes built on truck frames for rugged off-road capability. Fast-forward to today's designs: a sculpted exterior on a car-based platform limited to light off-roading. The 2012 Toyota 4Runner bucks this trend and continues on a truck chassis to provide a rugged alternative...

To read the latest Consumer Reviews & Ratings on this vehicle, click here.

#### 2013 Lexus GS

A complete recasting takes the 2013 Lexus GS into a new and impressively elevated plane of existence. Now available in GS 350 or GS 450h hybrid guise, the fourth-generation of this midsize luxury-sport sedan boasts far bolder styling, a more luxurious interior, enhanced driving dynamics and a significantly upgraded powertrain. Those fundamental improvements are complemented by notable new options that strengthen the GS's overall desirability...

### WHAT'S NEW:

# Kelley Blue Book's kbb.com Names 10 Best Family Cars of 2012

### Editors Recommend a Variety of 2012 Model-Year Vehicles to Meet Family Needs

IRVINE, Calif., Feb. 29, 2012 /PRNewswire/ -- The expert editors from Kelley Blue Book's <u>www.kbb.com</u>, the leading provider of <u>new car</u> and <u>used car</u> information, today announce the <u>10 Best Family Cars of 2012</u>. All families are not created alike, so it stands to reason that all family cars shouldn't be alike either. Each year the kbb.com editors decide the 10 Best Family Cars, which cater to unique family specifications and situations. New for 2012, the editors not only name what they feel are the 10 Best Family Cars of the year, but also rank their selections in the feature story on kbb.com...<u>MORE</u>

To view the multimedia assets associated with this release, please click *here*.

# As Gas Prices Rise, Kelley Blue Book Recommends Shoppers Weigh Options Carefully Before Making Vehicle Purchase

### Experts Advise Consumers to Do the Math; Offer Recommendations, Pricing, Incentives Information for Fuel-Efficient Models

IRVINE, Calif., Feb. 23, 2012 / PRNewswire / -- Kelley Blue Book www.kbb.com, the leading provider of new car and used car information, today advises in-market car shoppers to weigh their options carefully before making vehicle purchase decisions, in light of rising fuel prices.

Fuel prices are up to \$3.59 per gallon nationally and there are growing concerns that they will surpass \$4.00 per gallon sometime this year. Fuel and oil prices have surged amidst rising tensions in Iran and if a resolution is not reached quickly, the United States could see fuel prices approach 2008s record high of \$4.11 per gallon, based on speculation alone. In addition, if the Persian Gulf oil supply is disrupted for any reason, the United States could see fuel prices well beyond \$4.00 per gallon, to levels that could potentially send the country back into a recession... *MORE* 

# Kelley Blue Book: February Auto Sales to Surpass 1,050,000 Units, 13.8 Million SAAR

### Chrysler, Volkswagen to Lead Sales Gains; Subcompacts Gain Traction with Rising Fuel Prices

IRVINE, Calif., Feb. 22, 2012 /PRNewswire/ -- Kelley Blue Book www.kbb.com, the leading provider of new car and used car information, projects new-vehicle sales to surpass 1,050,000 units and reach a 13.8 million Seasonally Adjusted Annualized Rate (SAAR) for February 2012, improving 6.4 percent from this time last year.

February sales will be aided by increased inventory levels, improved access to credit, attractive finance offers available to consumers and one additional selling day due to the leap year. New-vehicle sales have remained above 13.6 million SAAR since November 2011; however, Kelley Blue Book believes the annualized sales pace will slow after April, as pent-up demand is satisfied from *Toyota* and *Honda's* inventory shortfalls... *MORE* 

# Kelley Blue Book, Cyclechex Team Up to Offer Motorcycle History Reports on kbb.com

### Consumers Gain Access to Pertinent Pre-Owned Vehicle Data to Help Make Information Purchase Decision

IRVINE, Calif., Feb. 21, 2012 /*PRNewswire*/ -- Kelley Blue Book, the leading provider of *new car* and *used car* information, today announces its newly formed relationship with Cyclechex to offer Motorcycle History Reports on its top-rated website *www.kbb.com*. Consumers contemplating the purchase of a pre-owned motorcycle now have the opportunity to view its history, dating back to model-year 1981.

The Cyclechex report can include historical title information such as the last recorded odometer reading, any disclosed damage, the number of previous owners, salvage, rebuilt, or stolen titles, vehicle identification number (VIN) decoding, vehicle specifications and the manufacturers recall history... MORE

# Kelley Blue Book Names Jared Rowe As New President

### Current Kelley Blue Book President and CEO Paul Johnson Assumes Strategic Advisor Role

IRVINE, Calif., Feb. 14, 2012 /*PRNewswire*/ -- Kelley Blue Book, *www.kbb.com*, the leading provider of *new* and *used vehicle* information, today announces that its president, Paul Johnson, has resigned from his position effective immediately. Johnson will become a strategic advisor to the company. AutoTrader.com Vice President Jared Rowe has been named president of Kelley Blue Book. Rowe is currently vice president of product management for AutoTrader.com in Atlanta, GA. Rowe's new role is effective immediately... *MORE* 

# Kelley Blue Book Announces Inaugural Total Cost of Ownership Award Winners

### Top 2012 Models, Brands Honored for Lowest Projected Costs during Initial Five-Year Ownership Period

IRVINE, Calif., Feb. 8, 2012 / PRNewswire/ -- Kelley Blue Book, www.kbb.com, the leading provider of <u>new</u> and <u>used vehicle</u> information, today announced its inaugural Total Cost of Ownership Award winners. The all-new 2012 awards honor current model-year vehicles and brands (in both the luxury and non-luxury categories) with the lowest projected ownership costs, based on <u>Kelley Blue Book Total Cost of Ownership</u> data for the initial five-year ownership period.

While depreciation (or loss of value) may be the greatest expense in owning a vehicle, followed by fuel costs, there are other factors that can have a significant impact on a consumer's pocketbook. Available on Kelley Blue Book's kbb.com, Total Cost of Ownership information reveals depreciation, expected fuel costs, finance and insurance fees, maintenance and repair costs, and state fees for new models... *MORE* 

To view the multimedia assets associated with this release, please click here.

# Kelley Blue Book Names 10 Bites of Red-Car Candy for Valentine's Day

#### To Celebrate the Objects of Car-Lovers' Affections, Kbb.com Editors List Top 2012 Model-Year Picks for Red Cars

IRVINE, Calif., Feb. 7, 2012 / PRNewswire / -- The expert editors from Kelley Blue Book, www.kbb.com, the leading provider of new car and used car information, today name the 10 Bites of Red-Car Candy for Valentine's Day.

As a holiday that celebrates passion, Valentine's Day is the perfect excuse for the editors of Kelley Blue Book's kbb.com to share their most beloved red cars with auto-lovers everywhere. The expert editors spot their red-hot eye candy throughout the year at <u>auto shows</u> and new-vehicle debuts, and now happily share their red-car favorites with vehicle shoppers... <u>MORE</u>

# Auction Genius Integrates Kelley Blue Book Values into Its Web-based Software, Helping Dealers Make the Best Purchase Decision

### Kelley Blue Book® Auction Value Empowers Dealerships with Timely and Relevant Vehicle Pricing

IRVINE, Calif., Jan. 31, 2012 /*PRNewswire*/ -- Kelley Blue Book <u>www.kbb.com</u>, the leading provider of <u>new car</u> and <u>used car</u> information, today announces its newly formed relationship with Auction Genius, a Web-based software provider for auto dealers buying vehicles at auction. The Kelley Blue Book Auction Value is now integrated into the Auction Genius product to help dealers make the best purchase possible... <u>MORE</u>

# Kbb.com Predicts Traffic Surge for Chevrolet Sonic, Honda CR-V Following Super Bowl XLVI

### Kelley Blue Book Analysts Report Automaker Ad Strengths, Weaknesses to Drive Interest during Big Game

IRVINE, Calif., Jan. 31, 2012 /<u>PRNewswire</u>/ -- Kelley Blue Book, <u>www.kbb.com</u>, the leading provider of <u>new car</u> and <u>used car</u> information, today reports its predictions for automaker ad supremacy during this year's Super Bowl.

On game day, Kelley Blue Book anticipates that the 2012 Chevrolet Sonic will receive the greatest lift with a nearly 250 percent increase in traffic share on kbb.com. The model is relatively new, so it stands to benefit from increased national exposure... MORE

### About Kelley Blue Book (www.kbb.com)

Founded in 1926, Kelley Blue Book, The Trusted Resource<sup>\*</sup>, is the only vehicle valuation and information source trusted and relied upon by both consumers and the industry. Each week the company provides the most market-reflective values in the industry on its top-rated website *www.kbb.com*, including its famous Blue Book<sup>\*</sup> Trade-In and Retail Values and Fair Purchase Price, which reports what others are paying for new cars this week. The company also provides vehicle pricing and values through various products and services available to car dealers, auto manufacturers, finance and insurance companies as well as governmental agencies. Kbb.com provides consumer pricing and information on *minivans*, *pickup trucks*, *sedan*, *hybrids*, *electric cars*, and *SUVs*. Kelley Blue Book Co. Inc. is a wholly owned subsidiary of AutoTrader.com.