## Analysts Highlight Key Findings, Predictions in June 2012 Blue Book Market Report

IRVINE, Calif., June 14, 2012 /PRNewswire/ -- Kelley Blue Bookwww.kbb.com, the leading provider of new car and used car information, today reports its latest automotive market insights are now available in its monthly distribution of the Blue Book Market Report. Kelley Blue Book's Blue Book Market Report June 2012 (http://mediaroom.kbb.com/blue-book-market-report/) covers the new- and used-car markets with focus on oil, fuel prices, the state of the economy and more.

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## Blue Book Market Report Highlights:

- Kelley Blue Book believes demand for new cars will carry sales beyond 14 million units in 2012.
- <u>Used-car values</u> dipped 3 percent in May due to falling oil prices. During the next three months, Kelley Blue Book analysts expect used-vehicle values will continue to decline by as much as 6 to 7 percent.
- Although values remain 20 percent higher than in 2009, they are 3.7 percent lower than this time last year.
- Values of fuel-efficient cars declined 2 to 3 percent in May as consumer demand eased with falling gas prices. The most significant declines came from formerly hot <u>hybrid-car</u> segment, which dropped a more pronounced 4 percent.

## Stories and Quotes from Alec Gutierrez, senior market analyst of automotive insights for Kelley Blue Book:

- Pent-Up Demand, Loose Credit Drive Sales Growth
   "Affordable credit alone will not be sufficient to drive sales growth
   indefinitely, especially as pent-up demand levels off in the month ahead.
   Before the industry can rise to 16 million sales per year, we will need more
   significant and sustainable growth in the economy."
- Kelley Blue Book Analysts Expect Further Declines in Used-Car Values as New-Car Market Heats Up
   "Consumers have realized a new car is only slightly more expensive than

buying a 1- to 2-year-old used car and this has helped to not only bolster new-car sales, but lessen demand at auction and drive down used-car values."

- Fuel Sippers Lead Declines, Poised for Further Drops
   "Kelley Blue Book Market Intelligence data has shown for years that as pump prices rise, consumer demand and sales of fuel-efficient vehicles increase. However, as soon as gas prices start falling 20 cents per gallon or more, car buyers flock back to <u>SUVs</u> and <u>trucks</u> in droves. To that end, values of fuel-efficient cars declined 2 to 3 percent in May as consumer demand eased with falling gas prices."
- Chrysler Axes Town & Country, Still Dominates Segment
   "Minivans face fierce competition from the wide array of <u>crossovers</u> now available, which outsell <u>minivans</u> nearly 6-to-1. <u>Chrysler</u> has dominated this segment for several years with the <u>Chrysler Town & Country</u> and <u>Dodge Grand Caravan</u>, but recently they announced the Town & Country will be discontinued in 2014. Despite the announcement, sales and prices for both of Chrysler Group's minivans were strong in May."

The monthly Blue Book Market Report explores the state of the automotive industry by analyzing Kelley Blue Book® Auction Values. The report also discusses developments in residual values and trends in monthly used-car

shopper activity on kbb.com. If you would like to subscribe to the monthly *Blue Book Market Report*, please e-mail <u>pr@kbb.com</u>.

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

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