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Market Report

JULY
2013

NEW
CAR
EDITION

Automotive Insights from Kelley Blue Book

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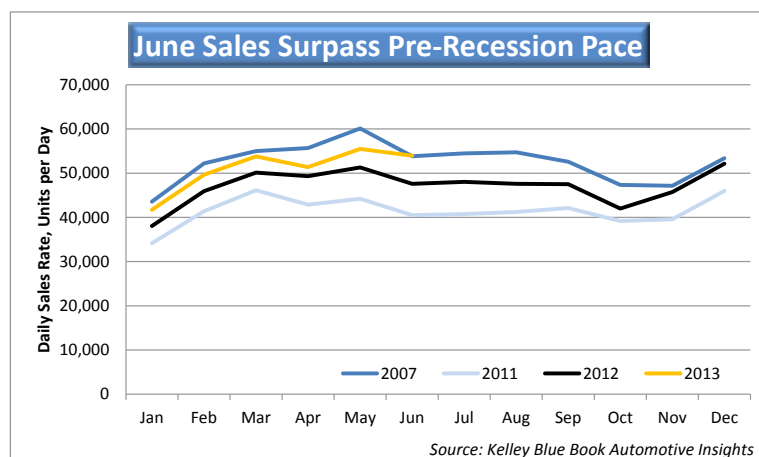
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NEW-CAR MARKET ANALYSIS:

SAAR Soars to 15.9 Million in June 2013, Highest June SAAR Since 2006



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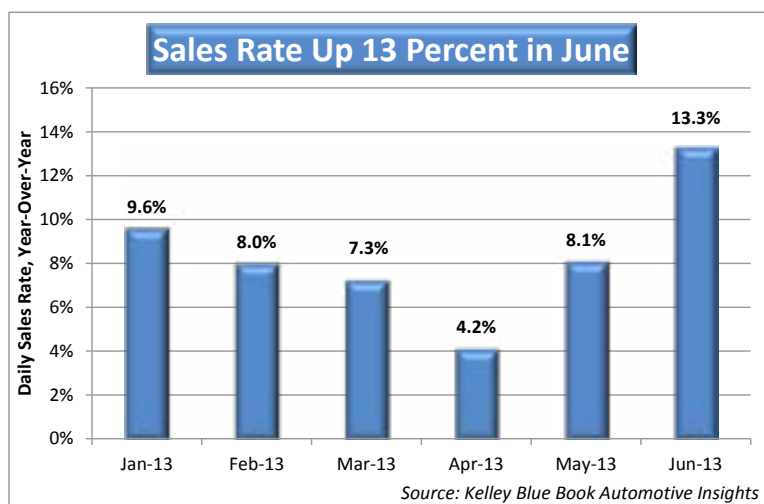
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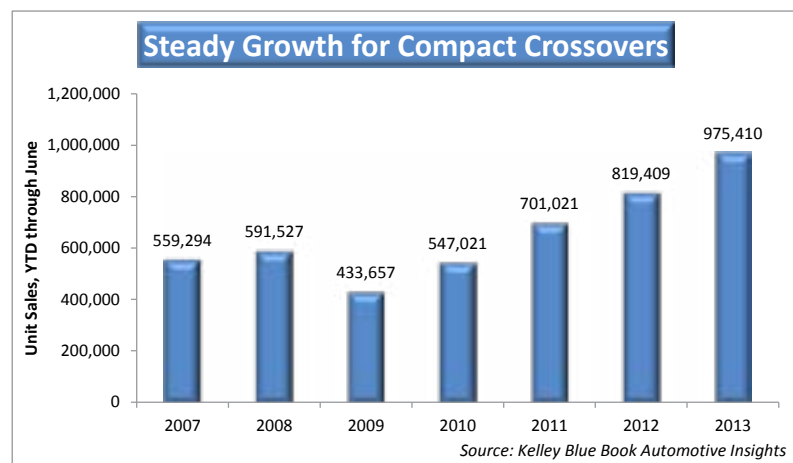


- New-car sales grew 9 percent year-over-year in June 2013, despite one fewer selling day for the month. After adjusting for one fewer selling day, the June sales rate rose 13 percent.
- The seasonally adjusted annual rate (SAAR) reached nearly 16 million for the first time since November 2007. The SAAR has been more than 15 million for seven of the last eight months.

“ONCE AGAIN, INDUSTRY GROWTH PRIMARILY WAS DRIVEN BY STRONG SALES OF FULL-SIZE TRUCKS AND COMPACT CROSOVERS, WHICH WERE UP 23.6 PERCENT AND 19.7 PERCENT, RESPECTIVELY. COMPACT CARS, THE SECOND LARGEST SEGMENT OF THE INDUSTRY, ALSO SAW SOLID GAINS OF MORE THAN 15 PERCENT.”

—ALEC GUTIERREZ
SENIOR MARKET ANALYST
KELLEY BLUE BOOK

Compact Crossovers Help Drive Growth, Best-Ever Sales Reported for Segment



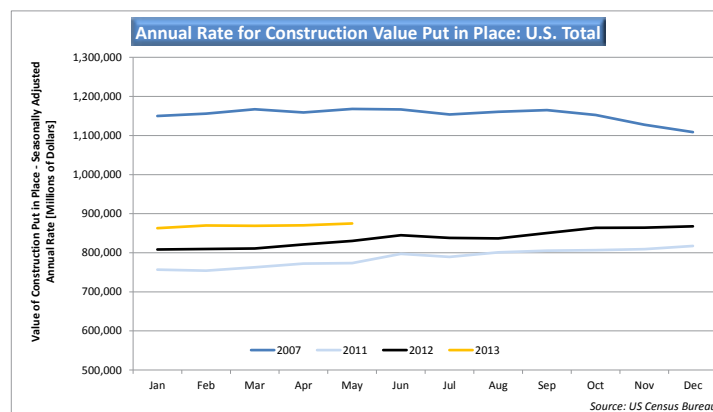
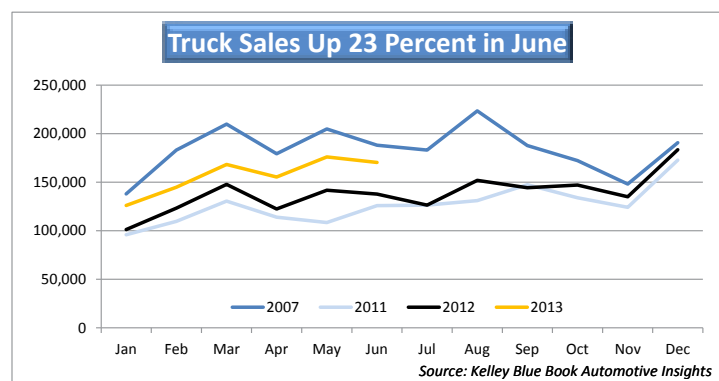
Make	Model	YTD 2013	YTD 2012	Unit Change	% Change
Ford	Escape	156,626	127,167	29,459	23.2%
Subaru	XV Crosstrek	25,090	-	25,090	-
Mazda	CX-5	38,057	16,031	22,026	137.4%
Chevrolet	Equinox	126,397	110,890	15,507	14.0%
Subaru	Forester	50,748	37,096	13,652	36.8%

Source: OEM Press Releases

“Compact crossovers continued to be one of the major growth segments in June, and the 179,519 total units sold in June marked not only a 19.7 percent increase from last year, but also the sixth straight month of double-digit gains,” said Gutierrez. “Total sales in the first half of the year were nearly one million units and 19.1 percent higher than in 2012. This is by far the best total ever in this segment, as consumers have more options than ever before, many of which now top 30 mpg on the highway.”

- The Ford Escape is the sales leader in the segment, followed by the Honda CR-V and Chevrolet Equinox. The Escape has sold nearly 30,000 units more than at this time last year, which is a 23.2 percent improvement.

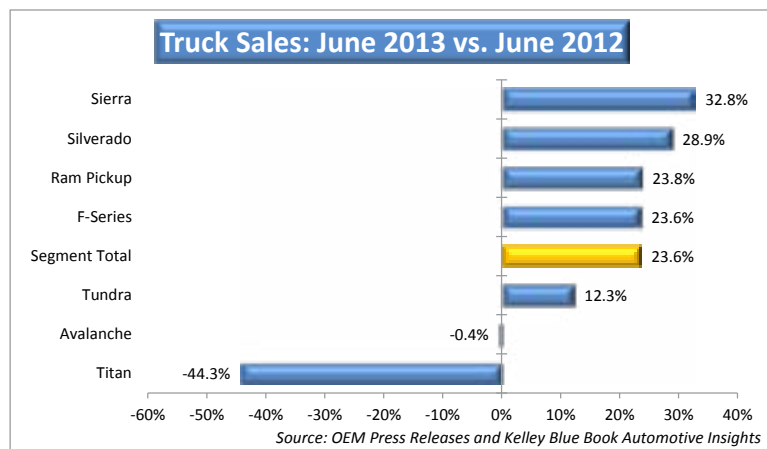
New Full-Size Pickup Truck Sales Coincide with Increases in Construction Spending



- Monthly sales of new full-size pickup trucks in June 2013 rose 23.6 percent higher than in June 2012, and reached their highest level since 2007. Month-over-month, volume fell by 3.2 percent in June 2013, compared to a 2.8 percent month-over-month drop in June 2012.

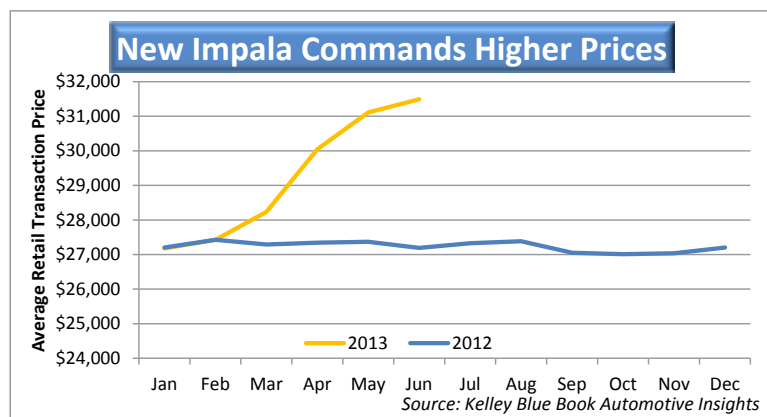
“Higher full-size pickup truck sales are due in part to similar year-over-year increases in national construction spending. The total value of construction put in place in May 2013 was 0.5 percent higher than April 2013, and 5.4 percent higher than May 2012,” said Gutierrez.

Most Full-Size Pickup Models Report Year-Over-Year Increases in June



- The Chevrolet Silverado and GMC Sierra had the largest year-over-year sales volume increases in June 2013, thanks to the launch of the redesigned 2014 models and corresponding sell-down of the outgoing generation's inventory.
- The Chevrolet Avalanche, discontinued after the 2013 model year, and the Nissan Titan, which remains largely unchanged since its launch in 2004, were the only full-size truck models with year-over-year sales declines.

New Impala Leads Full-Size Cars to Improved Sales in June

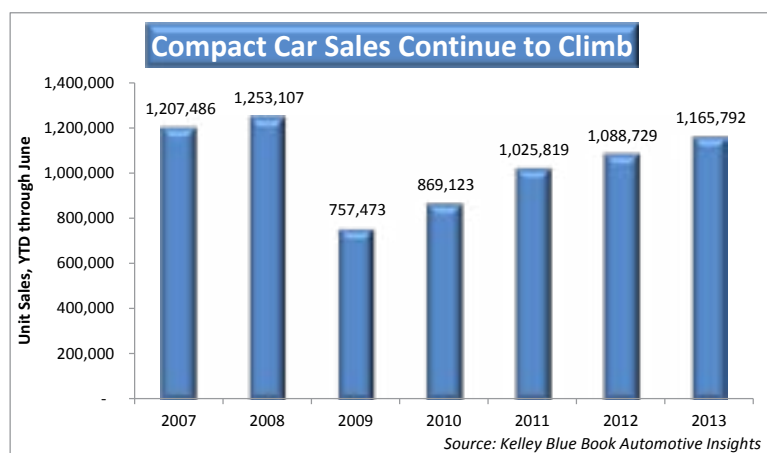


- In June, the full-size car segment saw the greatest month-over-month improvement in sales out of any segment, jumping 20.4 percent. This is due in large part to strong sales of the Chevrolet Impala, which was flat year-over-year, yet rose nearly 60 percent month-over-month from May.

“Thanks to the redesigned 2014 model, GM reports that retail sales of the Impala rose 62 percent,” said Gutierrez. “Average retail transaction prices for the Impala also were significantly higher in June 2013 at \$31,490, versus \$27,189 in June 2012.”

- Despite improved sales in June, through the first half of the year, full-size car sales remain slightly below 2012 levels.

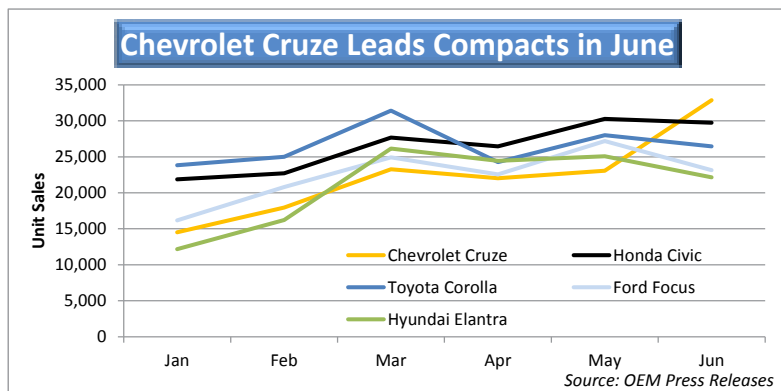
Compact Car Sales Continue to Climb



- New-car sales for the compact car segment reached an impressive 209,929 units sold in the month of June, pushing sales figures 15.1 percent higher from a year-over-year perspective.
- Additionally, compact car sales are up 7.1 percent when comparing sales figures from the first half of 2013 with the first half of 2012. This slightly trails the overall industry average of 7.5 percent.

“If the second half of 2013 remains as strong as the first half of the year, then we can expect new compact car sales to exceed the pre-recession highs last seen in 2007,” said Gutierrez.

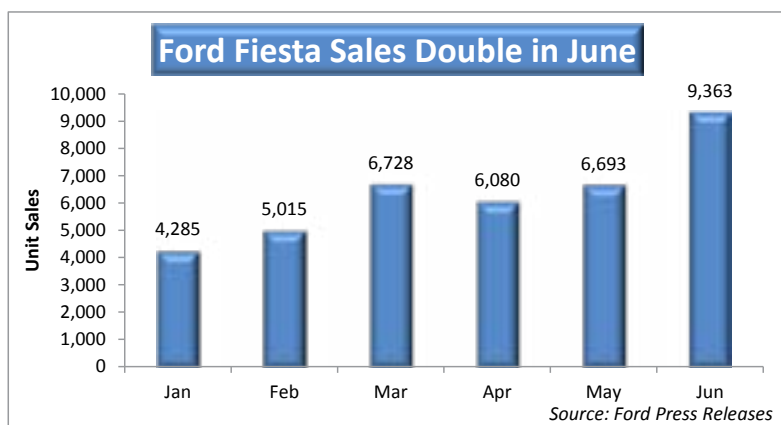
Chevrolet Cruze Sales Lead Compact Segment in June



- Sales volume for the Chevrolet Cruze was strong in June, totaling 32,871 units sold, and putting the Cruze at the top of the compact car segment for the first time since October 2012.
- The Cruze also was up 73.2 percent from a year-over-year perspective, as well as 17.4 percent when comparing sales figures from the first half of 2013 with the first half of 2012.

“Despite remaining largely unchanged since its debut in 2011, the arrival of the Cruze diesel in the near future will help Chevrolet’s compact model as it continues to gain popularity in one of the most highly competitive vehicle segments,” said Gutierrez.

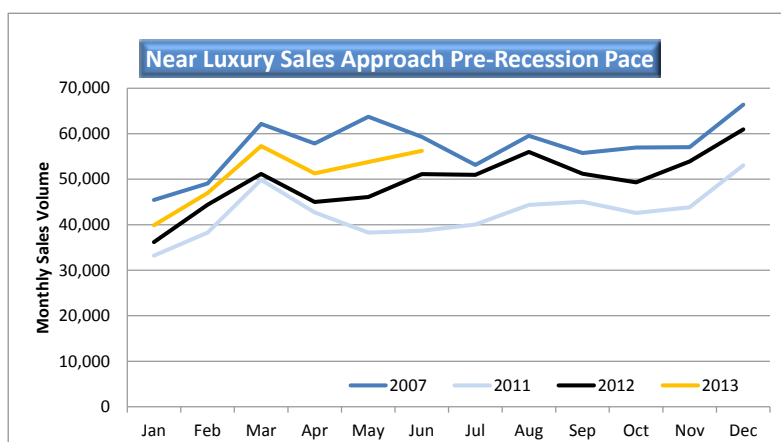
Ford Fiesta Sales Double



- The Ford Fiesta had a terrific month in June with new-car sales climbing to 9,363 total units sold, leading the subcompact car segment for the first time since June 2011. On a year-over-year basis, the Fiesta was up an astounding 104 percent.
- June’s impressive sales figures for the Fiesta are more than double those seen at the start of the year. June’s impressive sales figures can be linked to attractive incentive offers on the 2013 Fiesta, as well as the newly redesigned 2014 model, which includes the all new high-performance Fiesta ST model.

“The Fiesta, which has been redesigned for the 2014 model year, is third in market share of the subcompact segment so far this year, trailing the Nissan Versa and Chevrolet Sonic,” said Gutierrez. “While the Versa has a commanding sales lead at this point, strong sales of the Fiesta redesign could allow it to challenge Chevrolet’s Sonic for the No. 2 spot.”

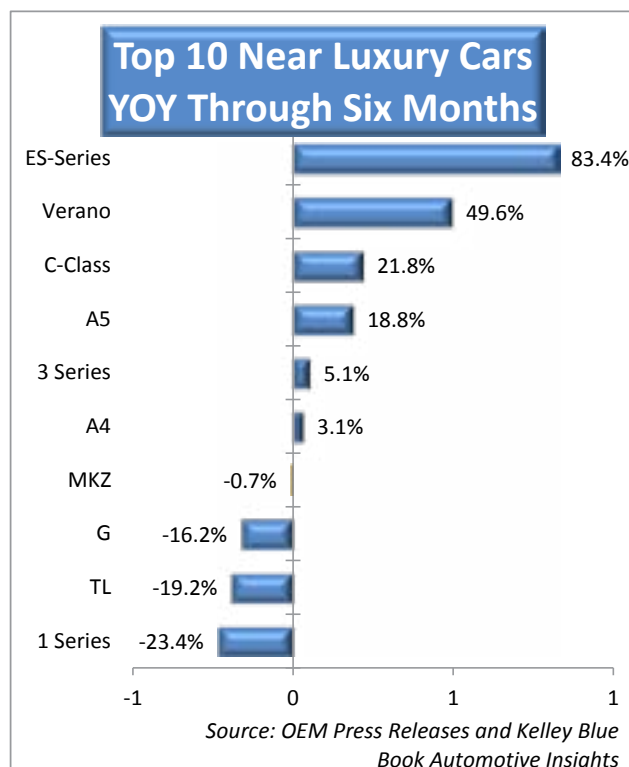
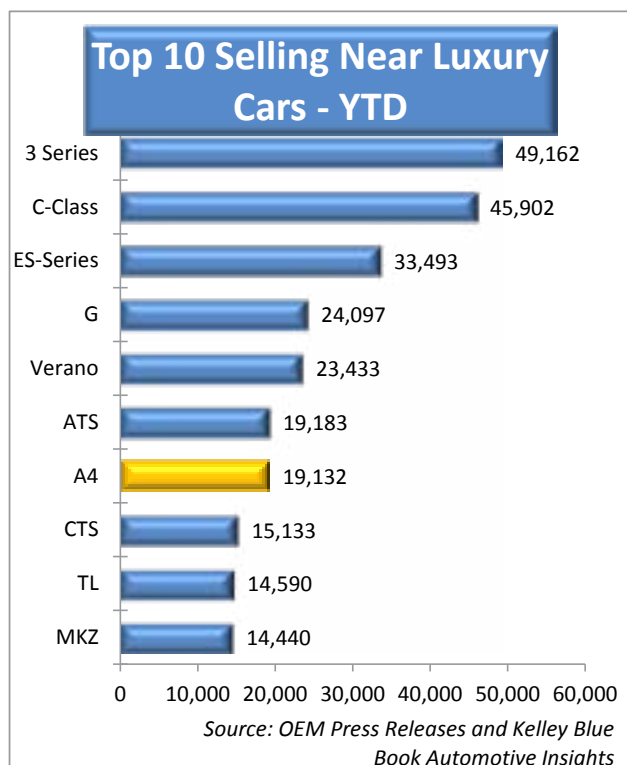
Near-Luxury Car Sales up 14.2 Percent



- Sales of near-luxury cars such as BMW’s iconic 3-Series and the Audi A4 jumped 10.3 percent in June, a 14.2 percent increase after adjusting for one fewer selling day.
- Segment sales have thrived this year, increasing 10.3 percent through the first six months of the year compared to the same time period in 2012.

“Interest in the near-luxury segment has benefitted from a fiercely rebounding stock market, which has helped to bolster consumer confidence, on the way to hitting all-time highs,” said Gutierrez. “Further aiding the rebound in near-luxury sales has been growing confidence in the housing market, which has helped to bring high net worth households back into the marketplace.”

Lexus ES Leads Near-Luxury Segment Growth



- While the BMW 3-Series remains the top-selling near-luxury vehicle through the first six months of 2013, sales have only grown 5 percent year-over-year.
- The Lexus ES leads the segment overall, with an 83.4 percent increase in sales through the first six months of the year.
- The ES has thrived since the launch of the latest redesign, which is now based on the all-new Toyota Avalon platform.

“THE BUICK VERANO IS UP 49.6 PERCENT, DEMONSTRATING THAT GM CAN COMPETE WITH THE BEST LUXURY BRANDS IN THE INDUSTRY. IN FACT, GM HAS THREE MODELS ON THE TOP 10 NEAR LUXURY LIST, WITH THE BUICK VERANO, CADILLAC ATS AND CADILLAC CTS ALL PERFORMING QUITE WELL SO FAR THIS YEAR.”

-ALEC GUTIERREZ

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