Kelley Blue Book Now Releasing Values Weekly, Introduces New Methodologies

Wholesale Value Renamed Wholesale Lending Value, Auction Value Introduced, Books Move to Monthly

IRVINE, Calif., Dec. 8 /PRNewswire/ -- Kelley Blue Book, www.kbb.com, the leading provider of new- and used-vehicle information, is now publishing its used-vehicle values weekly via its Web-based product KarPower *Online*®. Prior to this week, only the Kelley Blue Book® Trade-In Values were updated weekly, while other values were published in the Kelley Blue Book Official Guide every other month. The Blue Book Official Guide also has an updated publishing schedule with its frequency moving from every other month to monthly. Blue Book Official Guide customers received their first monthly edition in November of 2008.

In addition to striving for greater accuracy through more frequent updates, Kelley Blue Book has added an 'Auction Value,' which is what a used vehicle is expected to sell for at a wholesale auction. An additional change includes a name change for the company's Wholesale Value, a long-standing benchmark for automotive lending, which is now the 'Wholesale Lending Value.' The Wholesale Lending Value will be updated weekly reflecting the value of a vehicle that has been fully reconditioned, inspected and is frontline ready. Finance companies can now use Kelley Blue Book's Wholesale Lending Value without any additional calculation to mitigate risk and better manage lending portfolios.

"Kelley Blue Book had been planning to move to weekly values for some time, but with the changing economy and the volatility in the automotive marketplace, we sped up the process to offer greater accuracy now," said Paul Johnson, president and CEO of Kelley Blue Book. "Having access to the most timely and relevant values in the industry will allow automotive businesses to have insight into the market each week to make the most informed buying, selling and finance decisions."

Dealers, manufacturers, finance companies and others in the automotive industry can access all of Kelley Blue Book's weekly values through a paid subscription to the company's Internet-based valuation system, KARPOWER Online (www.karpower.com), through syndication or via our service provider RouteOne® and others.

New Values Definitions

Auction Value: The expected auction transaction value.

Auction Value is what a vehicle is expected to sell for at a wholesale auction. The Auction Value assumes the seller has properly disclosed the condition of the vehicle (including any flood or frame damage). It does not include buyer's fees or the buyer's transportation costs and assumes the vehicle has not yet been fully reconditioned, inspected or prepared for retail sale.

Wholesale Lending Value: The expected finance value of a fully reconditioned vehicle.

Wholesale Lending Value is a trusted benchmark value for wholesale and retail lenders. Based on Kelley Blue Book's Auction Value, the Wholesale Lending Value assumes that the vehicle is in good or excellent condition, fully reconditioned, inspected and prepared for retail sale.

Kelley Blue Book Employs Advanced Analytics

One of the greatest challenges facing dealers and lenders in the automotive industry today is pricing vehicle inventories as close to market as possible. When timely and market-reflective values are in place, these businesses can allay risk, minimize losses and increase profits. Values updated weekly using hundreds of thousands of actual transactions with regional factors applied, help businesses better manage their inventories in a volatile economy.

In combination with supplying weekly values to the industry and introducing the Kelley Blue Book Auction Value, the company has also revolutionized its valuation methodology. The company's move to a more robust quantitative approach using improved statistical models and advanced analytic techniques has been in development for more than a year. Kelley Blue Book has now significantly upgraded its statistical models analyzing more national transaction data than ever and taking into account additional macroeconomic factors and industry trends to produce the most refined values in the company's history. Such factors and trends include the cost of gasoline, production levels, supply and demand, catalytic events (e.g. hurricanes, floods, spike in gas prices) as well as competition in each vehicle segment.

"Kelley Blue Book's commitment to delivering the most market-relevant values in the industry is reflected in recent enhancements to its advanced valuation methodology," said Vince Nelson, executive vice president of Information Services for Kelley Blue Book. "The significant improvement to our values and the underlying data collection, warehousing, analytics and more frequent distribution results in values in which the industry can have great confidence."

In the last year, Kelley Blue Book forged several new data supply relationships with auctions, manufacturers and dealers, dramatically enhancing the company's data points available for analysis into the tens of millions. In the last year, The Trusted Resource® has also deployed more than a dozen automotive analysts into regional markets nationwide, with sophisticated hand-held devices to capture localized information and a depth of data not available through standard auction reporting. The placement of these analysts across the United States ensures that data collection is of the highest quality and conditions in regional markets from California to New York are well understood and documented.

Kelley Blue Book collects data from many sources in varying forms. Once the data is collected it goes through a normalization process and is then scrutinized by an in-house data analytics team for missing information and anomalies in the marketplace, as well as to identify regional trends. Any abnormalities or vehicles with missing data are then scrubbed from the information set prior to reaching the company's new state-of-the-art data warehouse. Each week these highly

inspected data sets go through a sophisticated regression model and are then validated, producing used vehicle values that accurately reflect the market.

The updated models and methodologies now employed by Kelley Blue Book enable the company's forecasting timeframe to be among the shortest in the industry. Currently, Kelley Blue Book forecasts its weekly values one week or less prior to publication, whereas other guidebooks forecast their used-vehicle values three or even four weeks before they reach the hands of dealers and finance companies.

"All of these new analytic processes enable Kelley Blue Book to provide the industry with unrivaled insights into the automotive marketplace, continuing the company's preeminence in vehicle pricing and values," said Johnson. "With these game-changing enhancements in data collection, quantitative modeling and personnel, the industry can expect the most timely and accurate values today, from a name they know and trust."

About Kelley Blue Book (www.kbb.com)

Since 1926, Kelley Blue Book, The Trusted Resource®, has provided vehicle buyers and sellers with the new and used vehicle information they need to accomplish their goals with confidence. The company's top-rated Web site, www.kbb.com, provides the most up-to-date pricing and values, including the New Car Blue Book® Value, which reveals what people actually are paying for new cars. The company also reports vehicle pricing and values via products and services, including software products and the famous Blue Book® Official Guide. According to the C.A. Walker Research Solutions, Inc. - 2008 Spring Automotive Web Site Usefulness Study, kbb.com is the most useful automotive information Web site among new and used vehicle shoppers, and half of online vehicle shoppers visit kbb.com. Kbb.com is a leading provider of new car prices, car reviews and news, used car blue book values, auto classifieds and car dealer locations. No other medium reaches more in-market vehicle shoppers than kbb.com.

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