Fuel-Efficient Used-Vehicle Values Have Reached Peak, According to Kelley Blue Book

Dealers and Consumers Should Shop with Caution as Oil Production Rises and Pump Prices Fall

IRVINE, Calif., June 14, 2011 /PRNewswire/ -- Kelley Blue Book's www.kbb.com, the leading provider of new car and used car information, today reports that after increasing close to 25 percent throughout 20 weeks of consecutive gains, values for fuel-efficient used vehicles have now peaked. For the first time since January, values for subcompact, compact and hybrid cars have started to decline in response to falling gas prices. In fact, Kelley Blue Book analysts currently see values for some of these vehicles dip into the red for the first time since January. The majority of strength this year has been driven by the rapid rise in gas prices, which peaked in May with a national average of $3.98, and since has declined steadily to $3.71 today.

Valuation Change by Segment - YTD, Monthly and Weekly Change (MY08-10)

	YTD Change*		May Change**		Weekly Change***	
Segment	$	%	$	%	$	%
Industry Average	$950	5.4%	-$100	-0.6%	-$75	-0.40%
Compact Car	$2,250	21.4%	$175	1.4%	-$50	-0.30%
Hybrid Car	$3,000	20.4%	$300	1.7%	-$50	-0.30%
Subcompact Car	$2,200	22.0%	$150	1.2%	-$25	-0.10%

*YTD change compares values published 12/31/2010 vs. 6/10/2011

**May change compares values published 5/6/2011 vs. 6/10/2011

***Weekly Change compares values published 5/27/2011 vs. 6/10/2011

Weekly Valuation Change by Segment for Past Four Weeks (MY08-10)

	Weekly Change*			
Segment	5/20/2011	5/27/2011	6/3/2011	6/10/2011
Industry Average	0.09%	0.24%	0.05%	-0.40%
Compact Car	0.67%	1.06%	0.35%	-0.30%
Hybrid Car	0.85%	0.74%	0.58%	-0.30%
Subcompact Car	0.56%	1.04%	0.38%	-0.10%

*Dates shown indicate publication date on kbb.com

On June 8, 2011, the Organization of the Petroleum Exporting Countries (OPEC) announced that crude oil production would be held constant; however, on June 10, 2011, Saudi Arabia broke rank announcing that it would increase crude oil production to 10 million barrels per day (13 percent more than May levels). This is a strong indication that gas prices will continue to fall through summer, bringing demand for fuel-efficient vehicles and their premium prices down with it. If Saudi Arabia holds true to its planned production increase, Kelley Blue Book analysts expect used-car prices to continue to slip an additional 3 to 5 percent through

summer, and even more if gas prices fall below $3.50 per gallon, nationally.

"Regardless of where these used-vehicle values end up, fuel-efficient vehicles will remain a smart purchase for budget-conscious consumers," said Alec Gutierrez, manager of vehicle valuation for Kelley Blue Book. "Our advice to dealers and consumers is to shop with caution today, since values are likely to fall through the early part of summer. If possible, it would be best to hold off on purchasing a fuel-efficient vehicle until after summer, when values should be more stable."

For more information on the state of the automotive industry, visit http://mediaroom.kbb.com/blue-book-market-report/ for Kelley Blue Book's monthly *Blue Book Market Report*. 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 pr@kbb.com.

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