

Second Quarter Of 2016 Reports Lower-Than-Expected Auction Volume, Vehicle Values Consistent With 2015, According To Kelley Blue Book

In the news release, Second Quarter Of 2016 Reports Lower-Than-Expected Auction Volume, Vehicle Values Consistent With 2015, According To Kelley Blue Book, issued 21-Jul-2016 by Kelley Blue Book over PR Newswire, we are advised by the company that the second paragraph, second sentence, should read "While year-over-year auction volume is up 11 percent..." rather than "While year-over-year auction volume is up 61 percent..." as originally issued inadvertently. The complete, corrected release follows:

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Low Fuel Prices Continue to Drive Demand for Sports Car Segment, Nearly Every Vehicle Beats Industry Average

IRVINE, Calif., July 21, 2016 /PRNewswire/ -- The analysts at Kelley Blue Book www.kbb.com, the vehicle valuation and information source trusted and relied upon by both consumers and the automotive industry, today report that auction volume has declined slightly, despite peaking in the first quarter of 2016 from off-lease vehicle returns, as covered in the company's *Blue Book Market Report* for the second quarter of 2016.



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"Despite what we know about the increase in lease returns for the foreseeable future, it's interesting to note that Kelley Blue Book Field Analysts are seeing a decrease in auction inventory from last quarter," said Sean Foyil, analyst for Kelley Blue Book. "While year-over-year auction volume is up 11 percent, in the second quarter, we saw a 2 percent decrease in the number of vehicles running through auction lanes from the first quarter of 2016. With auction volume at an all-time high for 2016, it is unusual that the overall average decline in auction values matched last year's pace. Vehicle values decrease when the market is oversaturated, so this indicates that automakers and rental companies may not be sending all of their off-lease vehicles to auction in an effort to keep values stable."

Overall, auction values for used 1- to 3-year-old vehicles declined 3.6 percent, or roughly \$671, in the second quarter of 2016. While the first quarter of 2016 experienced an unusual decline, it is worthwhile to note that the second quarter

decline was less drastic than Kelley Blue Book analysts expected.

In addition, fuel prices continued along an upward trajectory in the second quarter, at a similar pace when compared to the same period in 2015, increasing by 13 percent, or 26 cents, to \$2.33 per gallon. As a result of relatively low fuel prices and seasonal trends, the sports car segment continued to outperform every other segment in the used-car market. In fact, nearly every vehicle within the segment outperformed the overall market average (down 4.9 percent), with a year-to-date increase of 1.5 percent. To read the full report, please visit: <http://mediaroom.kbb.com/market-report>.

The *Blue Book Market Report* is a quarterly publication that 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 quarterly *Blue Book Market Report*, please e-mail pr@kbb.com.

To discuss this topic, or any other automotive-related information, with a Kelley Blue Book analyst on-camera via the company's on-site studio, please contact a member of the Public Relations team to book an interview.

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About Kelley Blue Book (www.kbb.com)

Founded in 1926, Kelley Blue Book, *The Trusted Resource*®, is the vehicle valuation and information source trusted and relied upon by both consumers and the automotive industry. Each week the company provides the most market-reflective values in the industry on its top-rated website KBB.com, including its famous Blue Book® Trade-In Values and Fair Purchase Price, which reports what others are paying for new and used 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, and governmental agencies. Kelley Blue Book's KBB.com ranked highest in its category for brand equity by the 2015 Harris Poll EquiTrend® study and has been named Online Auto Shopping Brand of the Year for four consecutive years. Kelley Blue Book Co., Inc. is a Cox Automotive™ company.

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