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BLUE BOOK MARKET REPORT

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Analysis from Kelley Blue Book's Analytic Insights Team

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- Juan Flores, director,
vehicle valuation for
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MARKET ANALYSIS

December Drops Cap-Off First Quarterly Depreciation for 2009

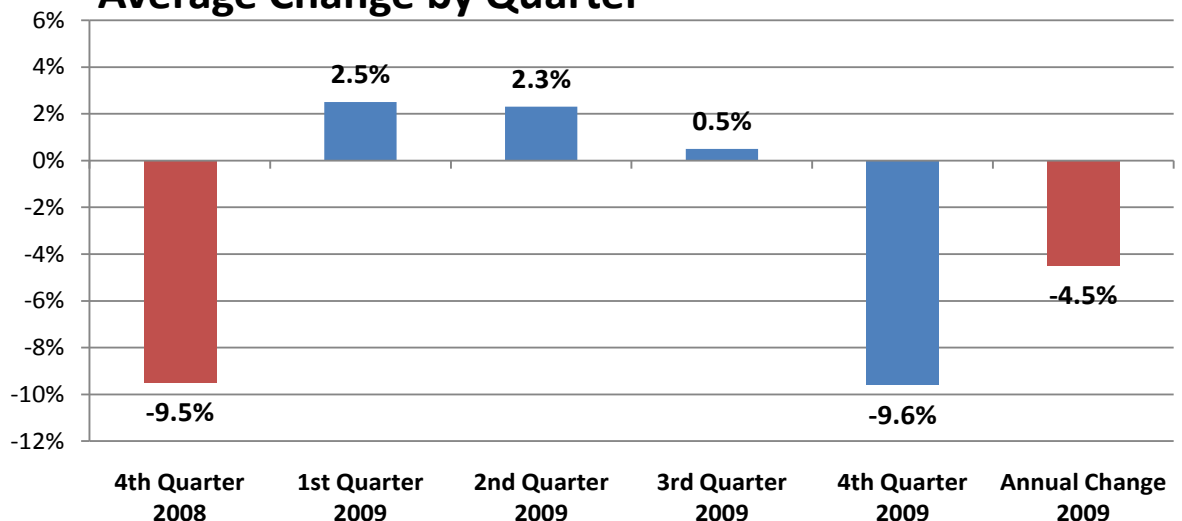
- Juan Flores, director of vehicle valuation, Kelley Blue Book

Overview

Used-vehicle values depreciated 4.7 percent on average in December, outpacing the already substantial 4.1 percent drop in November. While used-vehicle demand typically is soft during the fourth quarter, the pace of vehicle depreciation during the last two months of the year exceeded seasonal trends. In fact, values were down 9.6 percent on average for the fourth quarter, making this the first and only quarter of 2009 in which all segments depreciated. This jump down even exceeded the aggressive 9.5 percent depreciation that occurred in the fourth quarter of 2008, when the market was exhibiting record levels of depreciation.

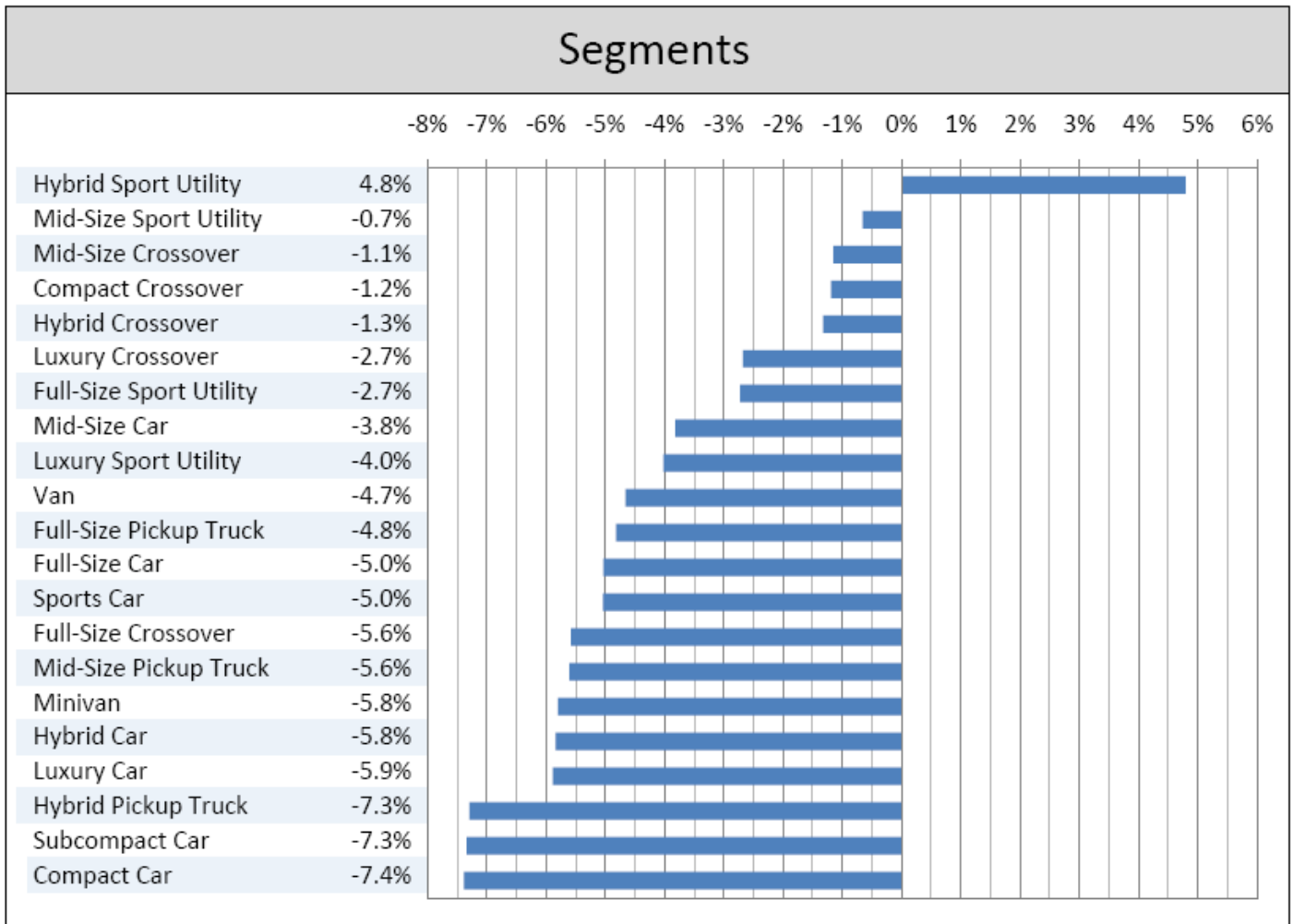
Depreciation in the fourth quarter of 2009 was so pronounced that it negated the cumulative appreciation of the first three quarters of the year, resulting in an overall 4.5 percent annual drop. While values were down overall for the year, there was a wide gap between those vehicles that outperformed the market average and those that underperformed. Specifically, values for trucks and SUVs showed significant gains, while values for fuel-efficient cars depreciated more than any other segment in 2009. **Continued on Page 2.**

Average Change by Quarter



MARKET ANALYSIS CONTINUED

Segment Chart



The above chart displays month-over-month used-vehicle depreciation percentages by segment. The depreciation percentages shown are not indicative of the retention percentages or relative positions of the included segments.

Continued on Page 3.

MARKET ANALYSIS CONTINUED

Subcompact and Compact Cars Driven Down in 2009

Contrary to the strong performance posted by trucks and SUVs in 2009, values for fuel-efficient subcompact, compact and hybrid cars depreciated more than any other segment. Subcompact and compact cars led the depreciation in December, with decreases of 7.3 and 7.4 percent, respectively. The Pontiac G5 and Chrysler PT Cruiser (down 15.5 and 11.2 percent, respectively) were two of the vehicles leading the decline. Overall, subcompacts ended the year down 23.4 percent, hybrid cars were down 20.8 percent and compacts were down 18.9 percent. Values for mid-size cars slightly outperformed the market, dropping 3.8 percent for the month. The Dodge Avenger and Hyundai Sonata were two of the better-performing mid-size cars for the month, appreciating 2.3 and 1.4 percent, respectively.

The pronounced drops in these car segments were the result of decreasing consumer demand for three primary reasons. First, while gas prices are now up slightly from their lows earlier in 2009, they have remained relatively stable since the summer and currently are well below the highs of 2008. With the price of gasoline currently just above \$2.60 per gallon, the economic necessity for a subcompact or compact vehicle is not quite as pressing. Secondly, manufacturers have a renewed focus on offering more fuel-efficient mid-size cars such as the Ford Fusion, Honda Accord and Chevrolet Malibu, each capable of 30+ mpg on the highway. Vehicles such as the aforementioned models have become viable alternatives to subcompacts and compacts due to their competitive fuel economy and spacious packaging. Finally, the irrational exuberance behind the appreciation in subcompact and compact values in 2008 has gradually faded away as gas prices have stabilized, and as a result, values in these segments have been forced to revert to more realistic levels.

Trucks and SUVs End the Year on a High Note

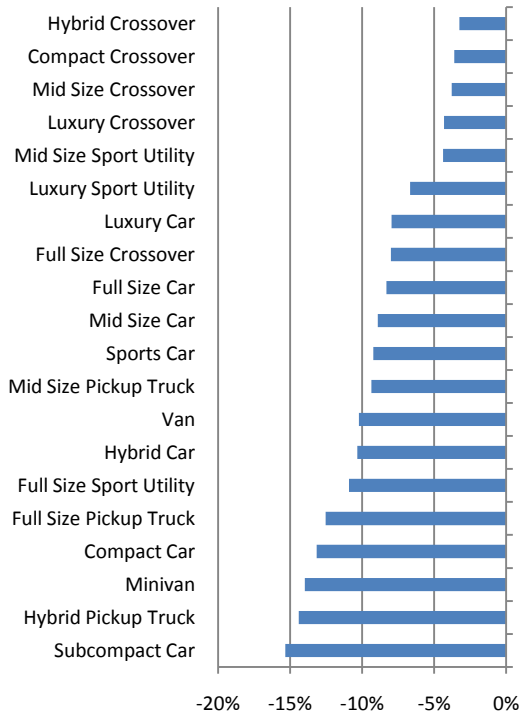
While values for subcompact and compact cars dropped more in December than any other time in 2009, values for mid-size and full-size SUVs remained relatively stable. Mid-size and full-size SUVs dropped a relatively modest 0.7 and 2.7 percent, respectively, for the month. This is significantly less than the market average. For 2009, mid-size and full-size SUVs also were the best-performing segments, up 21.3 and 18.4 percent, respectively. Values in these segments still are up considerably since the beginning of 2009, so Kelley Blue Book expects a relatively steady depreciation into 2010. The Hummer H3 and Ford Ranger were among the vehicles depreciating most, dropping 11.2 and 9.5 percent, respectively. Outperforming the market were the Nissan Xterra and Suzuki XL7, each appreciating close to 7 percent for the month.

Despite a tumultuous fourth quarter, values for trucks and SUVs remained considerably above their January 2009 lows. Most of the appreciation occurred during the first nine months of the year, as values for trucks and SUVs recovered from heavy depreciation in 2008, resulting from record high gas prices. By the end of 2009, it was clear that values had appreciated above a sustainable level, and as a result, demand took a slight hit. This contributed to the modest depreciation for trucks and SUVs during the fourth quarter. **Continued on Page 4.**

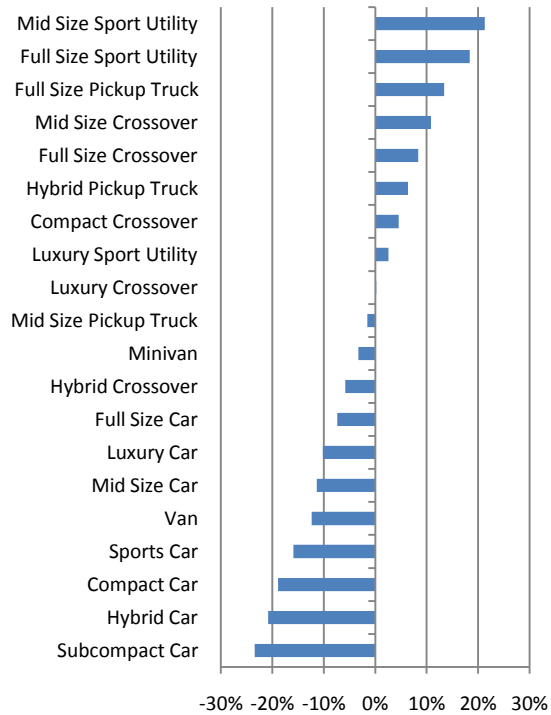
MARKET ANALYSIS CONTINUED

A Look Back at 2009

Q4 2009



Annual Change - 2009



First Quarter Uncertainty

According to seasonal trends, Kelley Blue Book traditionally expects the market to stabilize in the first quarter of each year. During the first quarter of 2009, the market demonstrated a pronounced turnaround as values increased 2.5 percent, compared to a 9.5 percent drop at the end of 2008. This rebound mostly was the result of a substantial increase in demand for trucks and SUVs as gas prices bottomed out from their 2008 highs, prompting consumers to take advantage of the bargains available in these segments. It will be interesting to see if the market bounces back similarly this year, and if it does, to what degree? Kelley Blue Book's forecast indicates that values for SUVs and trucks should soften in the first quarter, while subcompact and compact cars should rebound slightly. While it certainly does not appear as though the heavy depreciation in the fourth quarter of 2009 will carry into 2010, Kelley Blue Book's conservative forecast does not give any indication that the rebound that took place at this time last year will repeat itself unless conditions in the economy begin to improve.

This commentary focuses on Model Years 2005-2008. The statements set forth in this publication are the opinions of the authors and are subject to change without notice. This publication has been prepared for informational purposes only. Kelley Blue Book assumes no responsibility for errors or omissions.

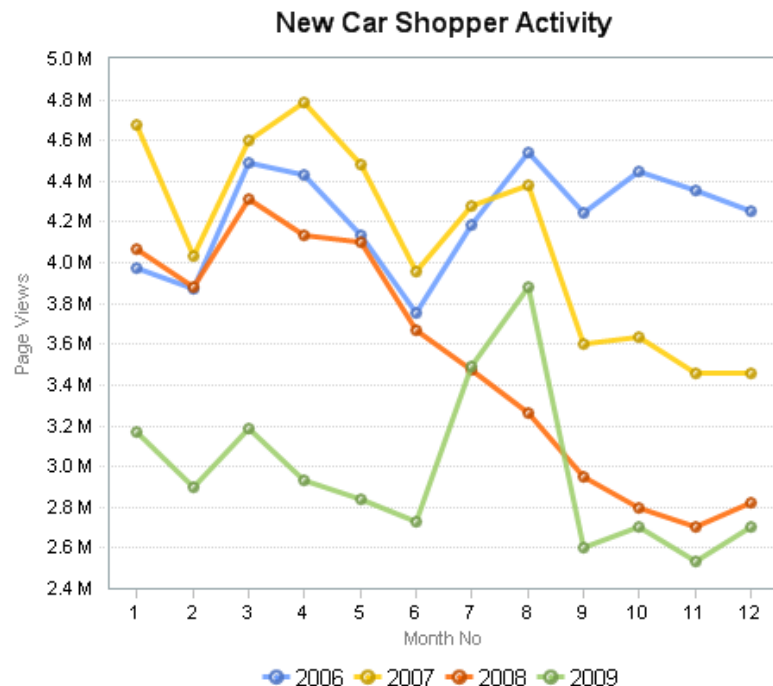
Market Watch - December 2009

Below are the results from Kelley Blue Book's Market Watch, measuring new-car shopper activity on kbb.com.

New-car shopper activity on kbb.com increased 7 percent month-over-month in December, slightly closer to prior year levels. The SUV segment fared particularly well, up 15 percent month-over-month, surpassing the sedan segment in shopper activity levels for the first time in recent history.

Brand-level performance was fairly positive as most brands saw shopper activity gains. Several struggling brands made a huge comeback in December as shoppers searched for year-end deals. Dwindling brands Pontiac and Saturn saw a surge in traffic, up 96 percent and 80 percent month-over-month, respectively, though both were still well below year-ago levels (down 18 percent and 31 percent). HUMMER and Saab saw an increase of 24 percent and 22 percent, respectively, despite their uncertain fate, though they too were well below year-ago levels. Suzuki followed with an 18 percent increase due to growing interest in the new Kizashi sedan.

A few brands experienced declines in shopper activity. Smart saw the largest decline, down 10 percent month-over-month. This was the fifth straight month of declines for the brand, down to its lowest level since its launch. Scion saw a similar decline, down 9 percent, and all models contributed to this drop. Porsche fell 4 percent, primarily due to a decline in 911 traffic. Mercury and Volkswagen both declined by 3 percent. Mercury's decline was driven by the Milan, while Volkswagen's most-trafficked Jetta drove the overall brand's decline. **Continued on Page 6.**



| | Dec-09 | M/M | Y/Y |
|-----------------------|--------|-----------|------------|
| Import Brands | | 6% | -4% |
| Domestic Brands | | 8% | -3% |
| GM Brands | | 8% | 11% |
| Ford Brands | | 0% | -2% |
| Chrysler Brands | | 7% | -28% |
| Luxury Brands | | 5% | 1% |
| Non-Luxury Brands | | 7% | -5% |
| Total Industry | | 7% | -4% |

NOTES

New-Car Shopper Activity is defined by New-Car Pricing Report page views on kbb.com

M/M = percent change from prior month; Y/Y = percent change from prior year

Luxury = Acura, Audi, BMW, Cadillac, HUMMER, Infiniti, Jaguar, Land Rover, Lexus, Lincoln, MB, MINI, Porsche, Saab, Volvo

Sedan, SUV, Pickup, Hybrid defined by vehicle categories on kbb.com; Hybrid spans across all categories

Note: GM brands include Buick, Cadillac, Chevrolet and GMC

Market Watch - December 2009 Continued

New-Car Shopper Activity Continued

| Make | M/M | Y/Y | Rank | Share | vs. PM | vs. PY |
|---------------|--------|--------|------|-------|--------|--------|
| Toyota | ↑ 12% | ↘ -7% | 1 | 15.8% | 0.67 | -0.53 |
| Honda | ↘ 7% | ↓ -11% | 2 | 12.1% | -0.01 | -0.96 |
| Chevrolet | ↘ 8% | ↘ 4% | 3 | 8.4% | 0.12 | 0.66 |
| Ford | → 0% | ↘ 1% | 4 | 8.3% | -0.58 | 0.43 |
| Nissan | ↘ 2% | ↓ -12% | 5 | 5.9% | -0.31 | -0.50 |
| BMW | ↘ 6% | ↘ 3% | 6 | 3.7% | -0.02 | 0.25 |
| Lexus | ↑ 11% | ↘ 2% | 7 | 3.7% | 0.13 | 0.23 |
| Hyundai | ↑ 12% | ↑ 13% | 8 | 3.5% | 0.16 | 0.53 |
| Mercedes-Benz | ↘ 1% | ↑ 10% | 9 | 3.3% | -0.20 | 0.42 |
| Volkswagen | ↘ -3% | ↑ 12% | 10 | 3.1% | -0.31 | 0.44 |
| GMC | ↑ 12% | ↑ 30% | 11 | 2.8% | 0.13 | 0.73 |
| Audi | ↘ 4% | ↑ 28% | 12 | 2.7% | -0.08 | 0.67 |
| Subaru | ↘ 4% | ↑ 18% | 13 | 2.5% | -0.08 | 0.46 |
| Dodge | ↘ 4% | ↓ -25% | 14 | 2.4% | -0.07 | -0.69 |
| Mazda | ↘ -1% | ↓ -12% | 15 | 2.3% | -0.18 | -0.19 |
| Kia | ↑ 17% | ↑ 38% | 16 | 1.9% | 0.16 | 0.58 |
| Acura | ↘ 7% | ↓ -13% | 17 | 1.9% | 0.01 | -0.20 |
| Cadillac | ↘ 5% | ↘ 5% | 18 | 1.7% | -0.03 | 0.15 |
| Jeep | ↑ 12% | ↓ -18% | 19 | 1.7% | 0.08 | -0.29 |
| Infiniti | ↘ 1% | ↓ -29% | 20 | 1.3% | -0.07 | -0.45 |
| Volvo | ↘ -2% | ↑ 10% | 21 | 1.2% | -0.10 | 0.16 |
| Buick | ↘ -1% | ↑ 45% | 22 | 1.2% | -0.09 | 0.40 |
| Pontiac | ↑ 96% | ↓ -18% | 23 | 1.0% | 0.45 | -0.16 |
| Saturn | ↑ 80% | ↓ -31% | 24 | 0.8% | 0.31 | -0.31 |
| Lincoln | → 0% | ↓ -12% | 25 | 0.8% | -0.06 | -0.07 |
| Mitsubishi | ↘ -3% | ↓ -25% | 26 | 0.8% | -0.07 | -0.21 |
| Chrysler | ↘ 6% | ↓ -48% | 27 | 0.7% | -0.01 | -0.61 |
| Porsche | ↘ -4% | ↑ 12% | 28 | 0.7% | -0.07 | 0.09 |
| Land Rover | ↑ 12% | ↑ 13% | 29 | 0.6% | 0.03 | 0.09 |
| Jaguar | ↘ 8% | ↑ 17% | 30 | 0.5% | 0.00 | 0.09 |
| Suzuki | ↑ 18% | ↑ 12% | 31 | 0.5% | 0.04 | 0.07 |
| MINI | ↘ 9% | ↓ -15% | 32 | 0.5% | 0.01 | -0.06 |
| Scion | ↘ -9% | ↓ -26% | 33 | 0.5% | -0.08 | -0.13 |
| Mercury | ↘ -3% | ↓ -24% | 34 | 0.4% | -0.05 | -0.11 |
| HUMMER | ↑ 24% | ↓ -28% | 35 | 0.3% | 0.04 | -0.10 |
| Saab | ↑ 22% | ↓ -40% | 36 | 0.2% | 0.02 | -0.10 |
| Smart | ↓ -10% | ↓ -37% | 37 | 0.2% | -0.03 | -0.09 |

Key

- ↑ 10% Significantly higher than prior mo/yr by 10% or more
- ↘ 1% Change is not significantly higher than prior mo/yr (between 1 and 10%)
- 0% Flat/no change (less than ±1%)
- ↘ -1% Change is not significantly lower than prior mo/yr (between -1 and -10%)
- ↓ -10% Significantly lower than prior mo/yr by 10% or more

Top 5

Bottom 5

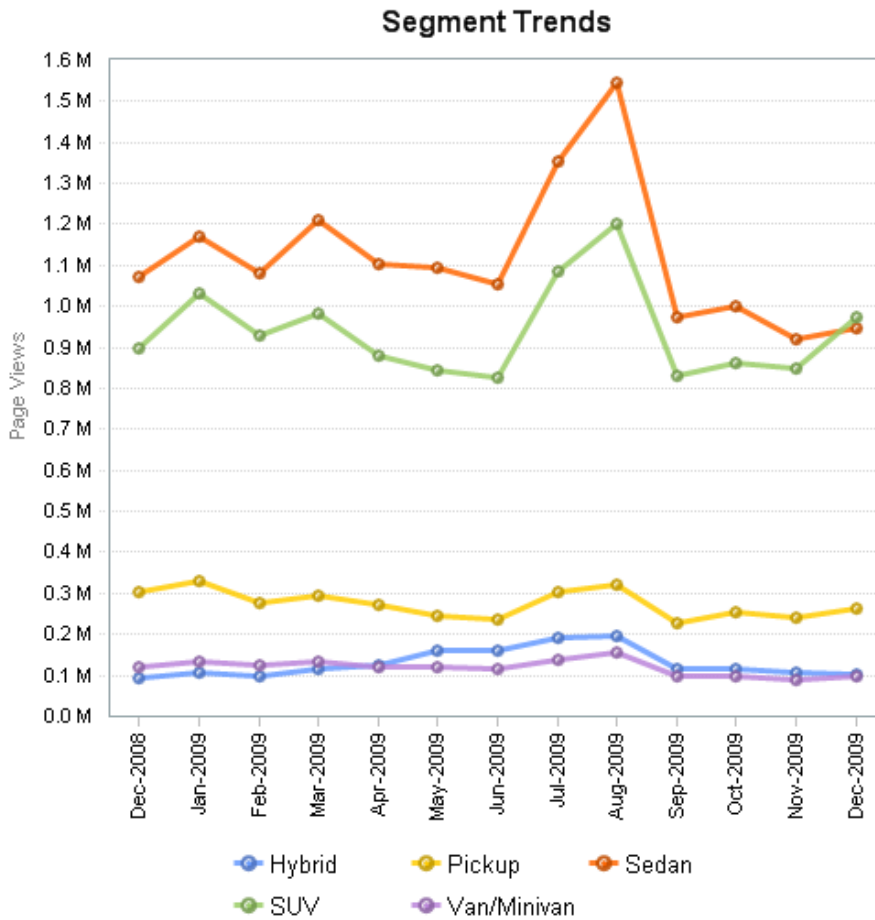
NOTES

- Percent change M/M, Y/Y subject to rounding
- Rank based on share of total
- vs. PM = change in share versus prior month
- vs. PY = change in share versus prior year

Continued on Page 7.

Market Watch - December 2009 Continued

Segment Trends



Key

| | | |
|---|------|--------------------------------------------------------------------------|
| ↑ | 10% | Significantly higher than prior mo/yr by 10% or more |
| ↗ | 1% | Change is not significantly higher than prior mo/yr (between 1 and 10%) |
| → | 0% | Flat/no change (less than ±1%) |
| ↘ | -1% | Change is not significantly lower than prior mo/yr (between -1 and -10%) |
| ↓ | -10% | Significantly lower than prior mo/yr by 10% or more |

| | M/M | Y/Y |
|-------------|-------|--------|
| Hybrid | ↘ -3% | ↗ 9% |
| Pickup | ↗ 9% | ↓ -14% |
| Sedan | ↗ 3% | ↓ -12% |
| SUV | ↑ 15% | ↗ 8% |
| Van/Minivan | ↗ 9% | ↓ -19% |

Note: Segments defined by vehicle categories on kbb.com. Hybrid spans across all categories.

Eco Watch - December 2009

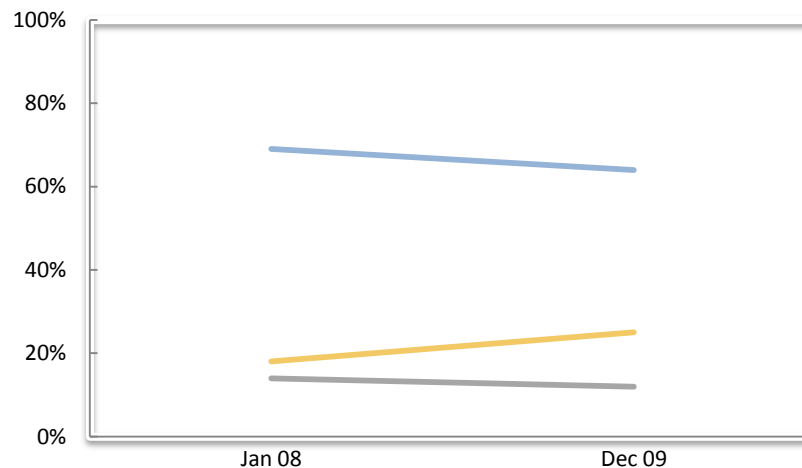
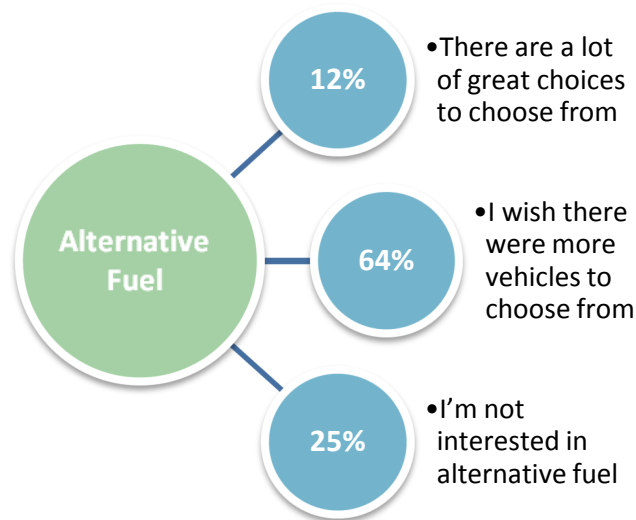
Below are the results of Eco Watch, a Kelley Blue Book Market Intelligence study, which tracks in-market new-car shoppers' opinions on fuel prices, alternative fuel-related technologies, environmental issues and vehicle consideration.

ALTERNATIVE FUEL / RELATED TECHNOLOGIES

SELECTION OF ALTERNATIVE FUEL

TRENDING OVER TIME

December 2009



- There are a lot of great choices to choose from
- I wish there were more vehicles to choose from
- I'm not interested in alternative fuel

Jan 08 Dec 09

| | |
|-----|-----|
| 14% | 12% |
| 69% | 64% |
| 18% | 25% |

Q: Which best describes your feelings about alternative vehicles? ± 1% due to rounding.

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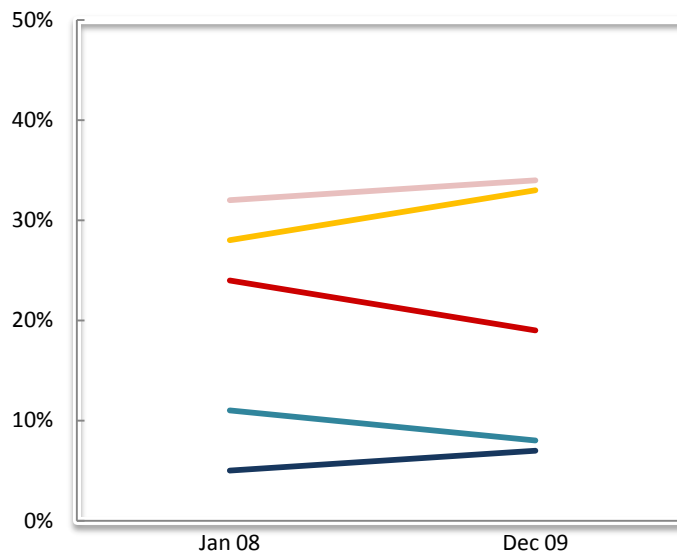
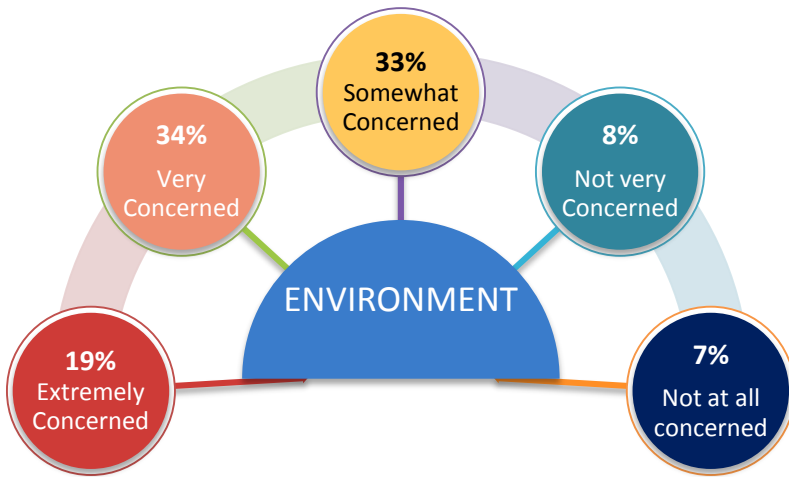
Eco Watch - December 2009 Continued

ENVIRONMENTAL ISSUES

LEVEL OF CONCERN FOR THE ENVIRONMENT

TRENDING OVER TIME

December 2009



| | | |
|----------------------|-----|-----|
| Extremely concerned | 24% | 19% |
| Very concerned | 32% | 34% |
| Somewhat concerned | 28% | 33% |
| Not very concerned | 11% | 8% |
| Not at all concerned | 5% | 7% |

Q: How concerned are you about the future of our environment? ± 1% due to rounding.

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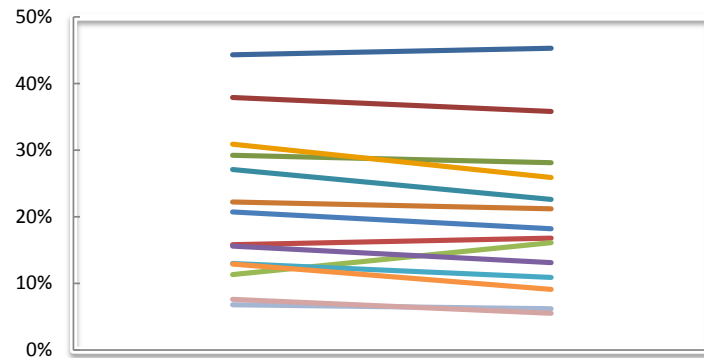
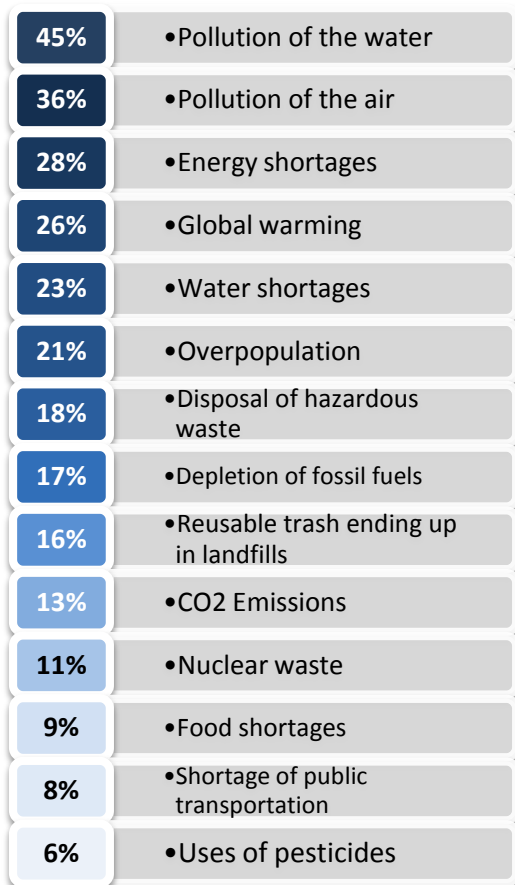
Eco Watch - December 2009 Continued

ENVIRONMENTAL ISSUES

ISSUES OF CONCERN

TRENDING OVER TIME

December 2009



| | Jan 08 | Dec 09 |
|--------------------------------------------|--------|--------|
| — Pollution of the water | 44% | 45% |
| — Pollution of the air | 38% | 36% |
| — Energy shortages | 29% | 28% |
| — Global warming | 31% | 26% |
| — Water shortages | 27% | 23% |
| — Overpopulation | 22% | 21% |
| — Disposal of hazardous waste | 21% | 18% |
| — Depletion of fossil fuels | 16% | 17% |
| — Reusable trash ending up in landfills | 11% | 16% |
| — CO2 emissions | 16% | 13% |
| — Nuclear waste | 13% | 11% |
| — Food shortages | 13% | 9% |
| — Shortage of adequate mass transportation | 7% | 6% |
| — Uses of pesticides | 8% | 6% |

Q: Please rank from 1 to 3 the things you are most concerned about, with 1 being on the top of your list of concerns. ± 1% due to rounding.

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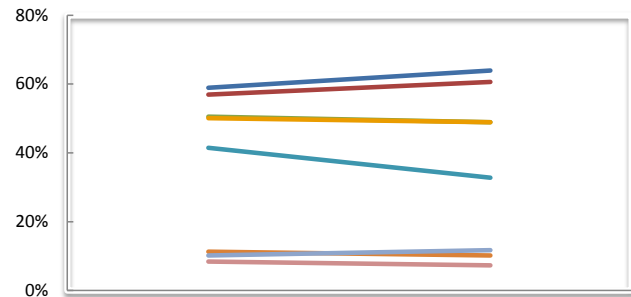
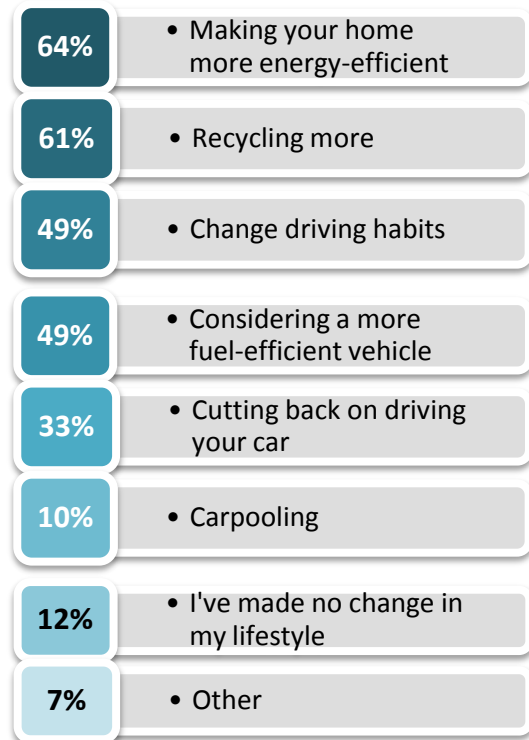
Eco Watch - December 2009 Continued

ENVIRONMENTAL ISSUES

LIFESTYLE CHANGE IN RESPONSE TO ENVIRONMENTAL ISSUES

TRENDING OVER TIME

December 2009



| Category | Jan 08 | Dec 09 |
|-------------------------------------------|--------|--------|
| Making your home more energy-efficient | 59% | 64% |
| Recycling more | 57% | 61% |
| Change driving habits | 51% | 49% |
| Considering a more fuel-efficient vehicle | 50% | 49% |
| Cutting back on driving your car | 42% | 33% |
| Carpooling | 11% | 10% |
| I've made no change in my lifestyle | 10% | 12% |
| Other | 8% | 7% |

Q: Which of the following are you doing to change your lifestyle in response to environmental issues? ± 1% due to rounding.

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. – 2009 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. Kelley Blue Book's kbb.com also is a W3 Gold Award winner, sanctioned by the International Academy of Visual Arts. 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.