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SMALL IS BEAUTIFUL – USED CAR VALUES SHIFT AS MOTORISTS SCALE DOWN THEIR RUNNING COSTS

Values of larger, less fuel efficient cars continue to fall at above-average rates as growing numbers of UK motorists shift into smaller vehicles in an effort to lower their running costs. According to EurotaxGlass's, publisher of *Glass's Guide*, cars perceived to be less fuel efficient and potentially the subject of much higher rates of road tax, such as large executive cars and larger 4x4s, have dropped by as much as eight per cent in a single month this summer.

"The current economic climate has accelerated a trend of downsizing in all but the smallest used car segments," comments Adrian Rushmore, Managing Editor at EurotaxGlass's. "Dealers have reported that significant numbers of customers feel coerced into a change of car because their current mode of transport had become a financial drain on their incomes. Others were opting for a change because they feared that the major costs of fuel and VED [vehicle excise duty] would become a greater financial burden in the short to medium term."

This desire to downsize is a mixed blessing for car dealers. "With demand across the used car market as a whole continuing to ease back, it is some small consolation to retailers that the current economic turmoil is at least driving sales of smaller models.

"However, these customers are presenting dealers with a lot of unwanted part exchanges – cars that are fuel inefficient, with high emissions and often large. These include off-road 4x4s, large MPVs, and mid-sized and large executive and luxury saloon cars. Dealers are left to anxiously ponder the demand for, and declining values of, such cars. In some instances trade demand has been totally absent, as dealers consider how low retail prices need to be set in order to attract customer interest." The only encouraging news from the market during the last couple of weeks is that both buyers and sellers are becoming more accustomed to the low prices, and this has meant that more transactions are taking place.

About EurotaxGlass's

William Glass first published *Glass's Guide to Car Values* back in 1933. Today, EurotaxGlass's International AG is Europe's leading supplier of automotive intelligence; a group with unrivalled resources and market knowledge. The company operates in 30 countries and offers a wide range of automotive data products and solutions that are used at every stage of the vehicle lifecycle. They include used car valuation and forecast data, technical and specification information, fleet management tools, and collision repair estimating and bodyshop management systems.

Currently, the fastest-growing part of the company is the EurotaxGlass's Market Intelligence Unit (EGMIU), which provides bespoke data and analysis for the pan-European automotive industry at large. In the UK, EurotaxGlass's also provides valuation data direct to consumers, via the 'Glass's Motoring Guide' website (www.glass.co.uk).

For more information visit EurotaxGlass's online at www.eurotaxglass.co.uk (trade), www.glass.co.uk (consumer).

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