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In Increasingly Tough Market Demand For Lower Priced 'Budget' Vehicles Remains Strong

Manheim's latest monthly Market Analysis report shows that even though the slowdown reported in the UK wholesale used car market in June has continued into July demand for lower priced 'budget' vehicles has remained strong. The effect of the current economic uncertainty is also compounded by the seasonal downturn at this time of the year. At £6,171 the average price for all cars sold was £413 (-6.3%) down compared with June and £587 (-8.7%) down compared with July 2007.

While the hardening of the market reported in June has continued into July due to the economic uncertainty and seasonal downturn, average price movements were not consistent across all market segments or all sectors. The increase in average selling price within the fuel efficient Supermini segment reported in June (+4.2%) was not repeated in July but the Small and Large Coupe segments sold by dealers did show an increase of +2.6% and +1.3% respectively compared with the previous month. However average values in the main market segments do remain under pressure with Medium Family down by £446 (-8.5%), Large Family down by £484 (-10.2%) and Compact Executive down by £570 (-7.3%) compared with June.

All three sectors reported falls in values compared with June although some performed better than others. In the Fleet sector the average values fell by £444 (-7.9%), in the Dealer sector values fell by £106 (-5.6%) and in the Manufacturer sector values fell by just £84 (-0.8%).

Commenting on the July report, Mike Pilkington, Managing Director, Manheim Auctions & Remarketing said: "The tougher market for wholesale used cars first reported earlier this year and further undermined by the seasonal downturn at this time of the year looks set to continue for some time. However, reassuringly, interest in the lower priced 'budget' vehicles at auction remains high confirming that there continues to be demand in the marketplace if the price is right."

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About Manheim

Manheim is the world's largest automotive services company and, through its unparalleled range of products and services, drives every stage of the used vehicle lifecycle. Officially voted Britain's Best Remarketing company for the last 3 years, Manheim handles nearly 10 million used vehicles worldwide, facilitating transactions representing nearly \$59 billion in value. Manheim is a subsidiary of Atlanta-based Cox Enterprises Inc., one of the world's leading media companies and providers of automotive services. Throughout the world Manheim has over 130 remarketing operations in five Continents, including 38 European locations. In the UK, there are 3 business divisions:

Manheim Auctions & Remarketing: providing a national physical auction network, comprising 19 centres of which 7 have dedicated commercial vehicle activities; a dedicated trade-only direct sales channel; 3 online bidding /sales channels. It includes the brands of Manheim Auctions, VRS and RMS.



Manheim DeFleet Services: providing logistics; vehicle inspection; asset management; reconditioning and pre-sale preparation. It includes the brands of Manheim SMART Repair, KAH Systems, Manheim Inspection Services and Manheim Asset Management.

Manheim Retail Services: providing retail marketing support including point-of-sale materials; used car stock locators; professional vehicle photography; sales lead management software and aftersales CRM software. It includes the brands of Portfolio, e-GoodManners and Real Time Communications.

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