



Press Release

J.D. Power and LMC Automotive Report: Strong Year-to-Date New-Vehicle Retail Sales Pace Continuing in March

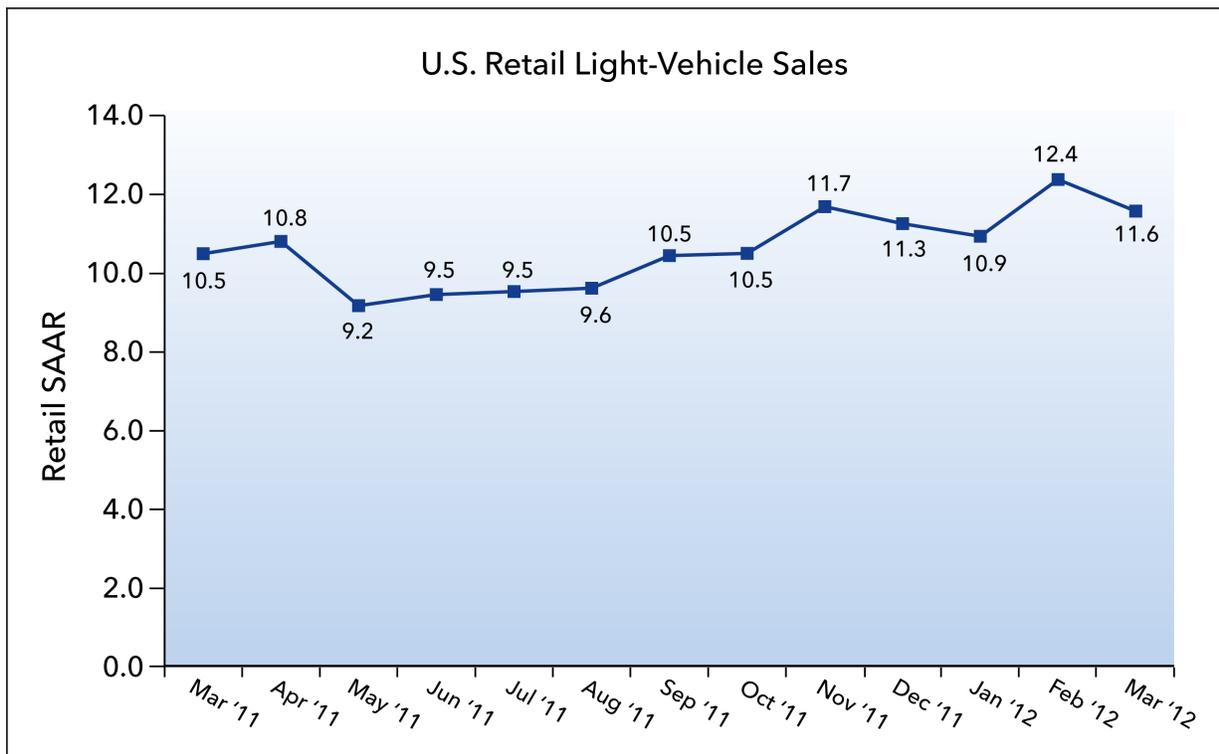
WESTLAKE VILLAGE, Calif.: 22 March 2012 — New-vehicle retail sales are on track to end the first quarter of 2012 particularly strong, with performance in March continuing the trend from the past several months, according to a monthly sales forecast developed by J.D. Power and Associates' Power Information Network® (PIN) and LMC Automotive.

Retail Light-Vehicle Sales

March new-vehicle retail sales are projected to come in at 1,085,800 units—the highest monthly volume in more than two and one-half years—which represents a seasonally adjusted annualized rate (SAAR) of 11.6 million units. Retail transactions are the most accurate measurement of true underlying consumer demand for new vehicles.

“Each month of strong sales brings with it increased optimism that the pace of growth represents a true recovery for the sector,” said John Humphrey, senior vice president of global automotive operations at J.D. Power and Associates. “Barring any future shock related to geopolitical issues in the Gulf region and further upward pressure on the price of oil, we believe sales will continue on a solid pace for the balance of the year.”

U.S. Retail SAAR—March 2011 to March 2012
(in millions of units)



Through the first 18 days of March, sub-compact and compact cars accounted for approximately 23 percent of retail sales in the United States, the highest level since the CARS program was implemented in 2009, according to PIN. As a result, sub-compact and compact cars are quickly moving off dealer lots. Combined, sub-compact and compact cars were on dealer lots an average of 42 days before being sold, compared with 48 days industry average and turn rates substantially lower than in 2011—17 fewer days for sub-compact cars and 46 fewer days for compact cars. Conversely, full-size pickup trucks are sitting on dealer lots an average of 68 days, 11 days longer than they were a year ago.

Total Light-Vehicle Sales

Total light-vehicle sales in March are expected to come in at 1,372,400 units, which is a 6 percent increase from March 2011. In addition to the strong retail performance, fleet mix has been higher than normal for the first two months of the quarter, with January and February averaging 24 percent. March is expected to finish slightly lower at 21 percent of total sales.

J.D. Power and LMC Automotive U.S. Sales and SAAR Comparisons

	March 2012¹	February 2012	March 2011
New-Vehicle Retail Sales	1,085,800 units (7% higher than March 2011) ²	887,924 units	978,471 units
Total Vehicle Sales	1,372,400 units (6% higher than March 2011)	1,147,140 units	1,244,009 units
Retail SAAR	11.6 million units	12.4 million units	10.5 million units
Total SAAR	14.1 million units	15.0 million units	13.0 million units

¹Figures cited for March 2012 are forecasted based on the first 15 selling days of the month.

²The percentage change is adjusted based on the number of selling days in the month (28 days vs. 27 days one year ago).

Sales Outlook

The 2012 outlook for vehicle sales remains positive, as the first quarter selling rate is expected to come in at 11.6 million units for retail and 14.4 million units for total light vehicles. This sales tempo is ahead of the forecast for the full year of 11.4 million units for retail light-vehicles and 14.1 million units for total light vehicles.

“The first quarter selling rate has outperformed the annual forecast for sales for the first time since 2008, when the automotive market started to decline,” said Jeff Schuster, senior vice president of forecasting at LMC Automotive. “The vigorous start to 2012 suggests that there is further upside potential if the current pace continues through the summer months.”

Continuing the current trend, small-car sales (sub-compact and compact segments) are expected to remain strong throughout 2012, with combined segment share at nearly 20 percent of total light vehicles.

“Small car mix is benefiting from higher gas prices and new models entering the segment, with 41 small car models in the market in 2012, compared with just 30 back in 2007,” said Schuster. “Overall share of small cars in 2012 is expected to climb to its highest level ever, at nearly 20 percent of total light-vehicle sales.”

North American Production

North American light-vehicle production through February is up nearly 23 percent, compared with the same period in 2011. BMW leads the European manufacturers in year-to-date production volume increases, up 42 percent due to higher production of the X3. The Japanese OEM production volume continues in recovery mode, with volume up 26 percent YTD February from YTD February 2011. The Detroit 3 had approximately a 20 percent year-over-year increase in production volume. Production levels are expected remain at a higher level in the first quarter of 2012, with volume forecasted at 3.8 million units, up almost 15 percent from the first quarter of

2011. Looking ahead to second quarter production, an increase of 18% from last year is expected, with nearly 3.7 million units to be built (last year's second quarter was affected by the Japan earthquake supply disruptions).

Vehicle inventory declined to a 57-day supply at the beginning of March, compared with a 66-day supply at the beginning of February. Car inventory is at below-normal levels with a 48-day supply in March, down from 60 days in February, while truck inventory levels fell to a 66-day supply (previously at 72 days).

Given the robust level of demand to date in 2012, overall inventory levels are back in check (under 60 days). LMC Automotive is increasing its North American production outlook for 2012 to 14.2 million units (up from 14.0 million units) to keep pace with the higher level of demand.

About J.D. Power and Associates

Headquartered in Westlake Village, Calif., J.D. Power and Associates is a global marketing information services company providing forecasting, performance improvement, social media and customer satisfaction insights and solutions. The company's quality and satisfaction measurements are based on responses from millions of consumers annually. For more information on car reviews and ratings, car insurance, health insurance, cell phone ratings, and more, please visit JDPower.com. J.D. Power and Associates is a business unit of The McGraw-Hill Companies.

About The McGraw-Hill Companies

McGraw-Hill announced on September 12, 2011, its intention to separate into two public companies: McGraw-Hill Financial, a leading provider of content and analytics to global financial markets, and McGraw-Hill Education, a leading education company focused on digital learning and education services worldwide. McGraw-Hill Financial's leading brands include Standard & Poor's Ratings Services, S&P Capital IQ, S&P Indices, Platts energy information services and J.D. Power and Associates. With sales of \$6.2 billion in 2011, the Corporation has approximately 23,000 employees across more than 280 offices in 40 countries. Additional information is available at <http://www.mcgraw-hill.com/>.

About LMC Automotive

LMC Automotive, formerly J.D. Power Automotive Forecasting, is the premier supplier of automotive forecasts and intelligence to an extensive client base of automotive manufacturer, component suppliers, logistics and distribution companies, as well as financial and government institutions around the world. Its global forecasting services encompass automotive sales, production and powertrain expertise, as well as advisory capability. LMC Automotive has offices in the U.S., the UK, Germany, China and Thailand. It is part of the Oxford, UK-based LMC group, the global leader in economic and business consultancy for the agribusiness sector.

Media Relations Contacts

John Tews; J.D. Power and Associates; Troy, Mich.; (248) 680-6218; media.relations@jdpa.com
Jeff Schuster; LMC Automotive; Troy, Mich.; (248) 680-6711; jschuster@lmc-auto.com

No advertising or other promotional use can be made of the information in this release without the express prior written consent of J.D. Power and Associates or LMC Automotive. www.jdpower.com/corporate www.lmc-auto.com