

**J.D. Power and LMC Automotive Report:
Summer Sizzle Continues as New-Vehicle Sales in August
Are Forecast to Hit Highest Levels of the Year**

WESTLAKE VILLAGE, Calif.: 21 August 2014 — Summer is shopping season when it comes to new vehicles and August is no exception, as new-vehicle retail and total sales are on pace to surpass May for the highest levels in 2014, according to a monthly sales forecast developed jointly by J.D. Power and LMC Automotive.

Retail light-vehicle sales are projected to hit 1.3 million units and total light-vehicle sales are expected to reach nearly 1.5 million in August 2014, both a 3 percent increase on a selling day adjusted basis, compared with August 2013.

Retail Light-Vehicle Sales

The seasonally adjusted annualized rate (SAAR) for retail sales in August 2014 is expected to be 13.6 million units, an increase of more than 100,000 units from the selling rate in July 2014. The August SAAR marks the sixth consecutive month where the SAAR has exceeded 13 million. Retail transactions are the most accurate measure of true underlying consumer demand for new vehicles.

**U.S. Retail SAAR—August 2013 to August 2014
(in millions of units)**



Source: *Power Information Network® (PIN)* from J.D. Power

August sales will benefit from the inclusion of the Labor Day holiday in the month's sales results. Labor Day is traditionally the biggest single sales day of the year as consumers take advantage of the holiday and model year-end sales promotions as well as the availability of the 2015 model-year vehicles arriving in showrooms.

John Humphrey, senior vice president of the global automotive practice at J.D. Power, notes that continued high levels of consumer expenditures on new vehicles demonstrate the continuation of the overall health of the industry.

"We expect consumer spending on new vehicles in August to approach \$39 billion, the highest level on record for the month of August and second-highest month ever behind July 2005 (\$39.7 billion)," said Humphrey. "The record consumer spending is fueled by both high sales volumes and high transaction prices."

The average new-vehicle retail transaction price in August 2014 is \$29,300, a record high for the month surpassing \$28,898 set in August 2013.

Total Light-Vehicle Sales

Total light-vehicle sales in August 2014 are expected to surpass July sales by more than 60,000 units. Following several months of lower-than-expected fleet volume, fleet sales in August are expected to reach 162,000 units, or 11 percent of total light-vehicle sales, consistent with the level a year ago.

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

	August 2014¹	July 2014	August 2013
New-Vehicle Retail Sales	1,331,300 units (3% higher than August 2013) ²	1,227,881 units	1,335,085 units
Total Vehicle Sales	1,493,200 units (3% higher than August 2013)	1,432,938 units	1,500,624 units
Retail SAAR	13.6 million units	13.5 million units	13.7 million units
Total SAAR	16.5 million units	16.4 million units	15.9 million units

¹Figures cited for August 2014 are forecasted based on the first 14 selling days of the month.

²The percentage change is adjusted based on the number of selling days in the month (27 days in August 2014 vs. 28 days in August 2013).

Sales Outlook

LMC Automotive is maintaining its forecast for U.S. auto sales in 2014 at 13.5 million units for retail and 16.3 million units for total light-vehicle sales, both 5 percent increases from 2013 levels.

"As a very robust summer selling season winds down, optimism continues in the auto industry for the remainder of 2014, with expectations of economic growth beginning to catch up to the growth in autos," said Jeff Schuster, senior vice president of forecasting at LMC Automotive. "As we look at scenarios for 2015 light-vehicle sales, external factors, including global conflicts and capital flight from emerging markets, account for the majority of the risk to further and expected growth in the U.S."

North American Production

Bolstered by reduced factory shutdowns, North American light-vehicle production in July 2014 totaled 1.2 million vehicles and a 17 percent increase compared with July 2013. Total production through July 2014 is at 9.7 million units, nearly 5 percent or 400,000 units higher than it was for the same period in 2013.

Manufacturers are continuing to manage inventory with days' supply remaining in the normal range of 60-65 days, as August began at a 62 day supply. With inventory levels in check, and sustained positive outlook for local and export demand for the remainder of the year, LMC Automotive is maintaining its 2014 North American production forecast at 16.8 million units.

About J.D. Power

J.D. Power is a global marketing information services company providing 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. Headquartered in Westlake Village, Calif., J.D. Power has offices in North/South America, Europe and Asia Pacific. For more information on car reviews and ratings, car insurance, health insurance, cell phone ratings, and more, please visit www.JDPower.com. J.D. Power is a business unit of McGraw Hill Financial.

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About LMC Automotive

LMC Automotive is the premier supplier of automotive forecasts and intelligence to an extensive client base of automotive manufacturer, component supplier, logistics and distribution companies, as well as financial and government institutions around the world. LMC's global forecasting services encompass automotive sales, production and powertrain expertise, as well as advisory capability. LMC Automotive has locations in the United States, the UK, France, Germany, China Japan and Thailand and is part of the Oxford, UK-based LMC group, the global leader in economic and business consultancy for the agribusiness sector. For more information please visit www.lmc-auto.com.

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