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Press Release

J.D. Power and LMC Automotive Report:
July New-Vehicle Retail Sales Continue Strong Year-over-Year Growth

WESTLAKE VILLAGE, Calif.: 26 July 2012 — July's new-vehicle retail sales are expected to post the second strongest year-over-year growth rates during the past 12 months, according to a monthly sales forecast developed by J.D. Power and Associates' Power Information Network® (PIN) and LMC Automotive.

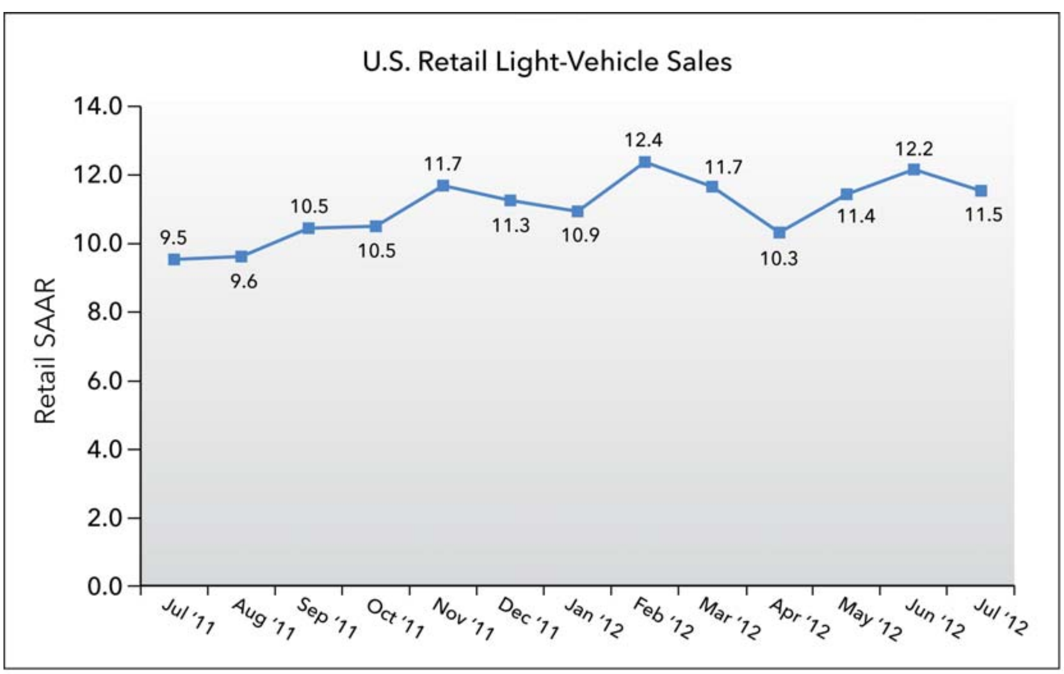
Retail Light-Vehicle Sales

July new-vehicle retail sales are projected to come in at 969,200 units, which represents a seasonally adjusted annualized rate (SAAR) of 11.5 million units. The selling rate is a decline from June, but is on pace with the expected level for 2012. Retail transactions are the most accurate measurement of true underlying consumer demand for new vehicles.

"Retail sales got off to a fast start in July, and while they've slowed down a bit as the month has progressed, through the first 16 selling days, they're still up 15.1 percent, compared to July 2011," said John Humphrey, senior vice president of global automotive operations at J.D. Power and Associates. "The positive growth has continued to build, as July is looking strong across most vehicle segments, as well as for many of the major manufacturers."

All major segments are expected to show year-over-year sales gains in July, with the exception of the midsize CUV segment. The sub-compact conventional, midsize conventional and compact conventional segments are projected to show year-over-year increases of 28 percent or more.

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



PIN data shows that new-vehicle loans of 72 months or greater account for 30 percent of retail sales in July 2012, up from 26.7 percent in July 211.

"Long-term financing is a key driver in sales growth," said Humphrey. "Loan terms and credit availability are bringing consumers back into the market who have been shut out since the recession began in 2008."

Total Light-Vehicle Sales

Total light-vehicle sales remain stable, with the volume in July expected to come in at 1,168,000 units, a 20 percent increase from July 2011. July is typically a low fleet month, averaging 15 percent of total light-vehicle sales during the past five years. July 2012 remains low at 17 percent, but stronger than the historical average.

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

	July 2012[1]	**June 2012**	**July 2011**
New-Vehicle Retail Sales	969,200 units (18% higher than July 2011)[2]	1,021,635 units	892,195 units
Total Vehicle Sales	1,168,000 units (20% higher than July 2011)	1,282,981 units	1,057,172 units
Retail SAAR	11.5 million units	12.2 million units	9.5 million units
Total SAAR	14.1 million units	14.1 million units	12.2 million units

[1]Figures cited for July 2012 are forecasted based on the first 16 selling days of the month.
[2]The percentage change is adjusted based on the number of selling days in the month (24 days in July 2012 vs. 26 days in 2011).

Sales Outlook

Risk of further economic slowdown continues to mount as the U.S. labor market weakens. However, construction is gaining traction, which is typically a leading indicator of recovery. Given the conflicting variables and a sustained level of pent-up demand, LMC Automotive is maintaining its 2012 forecast for light-vehicle sales at 14.5 million units, with retail sales at 11.6 million units.

"The Automotive industry is closely watching the sales performance over the next two months as the industry wrestles with a mixed bag of economic signals," said Jeff Schuster, senior vice president of forecasting at LMC Automotive. "Given the economic slowdown and the increasing likelihood that we see a second half boost in auto sales there is approximately 150,000 units of risk to the 2012 forecast."

North American Production

Through the first half of 2012, the North American light-vehicle production volume increased 22 percent, compared with the same period in 2011. More than 1.4 million additional vehicles have been built in the first six months this year, relative to the first half of 2011, with inventory replenishment and stronger demand in the first quarter being the main factor for the higher production volume. Honda and Toyota's production in the first half this year is up 75 percent and 65 percent, respectively, as both manufacturers continue to recover from the impact of the Japan earthquake/tsunami. U.S. manufacturing growth is outperforming the rest of North America, with a 26 percent year-to-date increase. Production in Mexico has increased 13 percent and Canadian manufacturing up 19 percent.

Vehicle inventory in early July slightly increased to a 58-day supply, compared with 52 days in June. Car inventory remains at a below-normal level with a 49-day supply, up from 43 days in June. Truck inventory levels are at normal levels with a 67-day supply, up from 61 days in June.

LMC Automotive's production forecast for North American in 2012 stands at 14.9 million units and represents a

14 percent increase from the 13.1 million units assembled in 2011. LMC Automotive expects 2013 North American production to exceed the 15 million-unit threshold, to nearly 15.3 million units.

"Increases in North American production volume remain a bright spot in the automotive industry this year, as volume teeters at 15 million units and is at the highest level since 2007," said Schuster. "Much like demand, there remains some risk of a cooling as the year progresses, but inventory is being well managed."

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

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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 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 offices in the United States, the UK, Germany, China 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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