



Press Release

J.D. Power and LMC Automotive Report: Double-Digit Year-over-Year Growth in New-Vehicle Retail Sales Expected in June

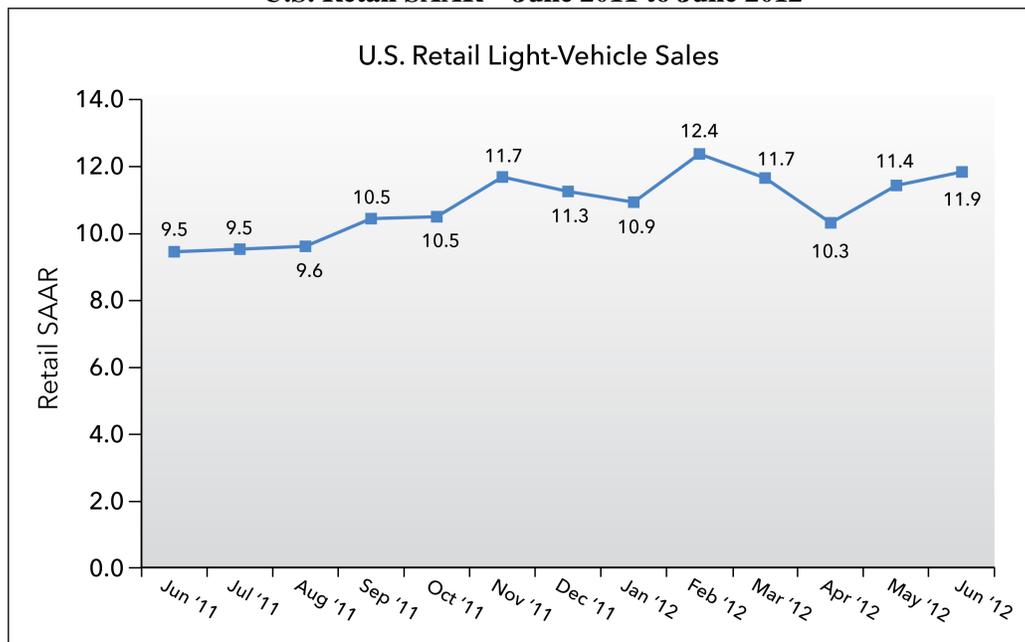
WESTLAKE VILLAGE, Calif.: 21 June 2012 — June’s new-vehicle retail sales rate is approaching a 12 million-unit pace, the strongest level since February, according to a monthly sales forecast developed by J.D. Power and Associates’ Power Information Network® (PIN) and LMC Automotive.

Retail Light-Vehicle Sales

June new-vehicle retail sales are projected to come in at 994,800 units, which represent a seasonally adjusted annualized rate (SAAR) of 11.9 million units. Volume is expected to increase 15 percent, compared with June 2011, after adjusting for one additional selling day this month. Retail transactions are the most accurate measurement of true underlying consumer demand for new vehicles.

“We’re seeing healthy retail sales growth as we head into the summer selling season and as automakers change over to the 2013 model-year vehicles,” said John Humphrey, senior vice president of global automotive operations at J.D. Power and Associates. “Many major manufacturers are posting year-over-year retail sales gains this month, while maintaining strong new-vehicle prices. Average incentive levels, while up 9 percent versus a year ago, are down 5 percent from May. All indicators point toward an industry that continues to get healthy.”

U.S. Retail SAAR—June 2011 to June 2012



Total light-vehicle sales in June are expected to come in at 1,265,900 units, which is a 16 percent increase from June 2011. Fleet volume as a percentage of total light-vehicle volume is expected to reach 21 percent in June, after falling below 20 percent in May.

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

	June 2012¹	May 2012	June 2011
New-Vehicle Retail Sales	994,800 units (15% higher than June 2011) ²	1,070,816 units	834,556 units
Total Vehicle Sales	1,265,900 units (16% higher than June 2011)	1,332,054 units	1,050,831 units
Retail SAAR	11.9 million units	11.4 million units	9.5 million units
Total SAAR	13.9 million units	13.7 million units	11.5 million units

¹Figures cited for June 2012 are forecasted based on the first 17 selling days of the month.

²The percentage change is adjusted based on the number of selling days in the month (27 days in June 2012 vs. 26 days in June 2011).

Gas prices in the United States have fallen steadily since April, which has changed demand for hybrid and electric vehicles. As gas prices increased from \$3.33 per gallon in November 2011 to \$3.84 per gallon in April 2012, the combined share of retail sales of hybrid and electric vehicle sales increased from 1.7 percent to 4.6 percent during the same period. However, as gas prices have dropped since April, so has the market share for hybrid and electric vehicles, which has been trending downward during the past two months and is now at 3.4 percent.

“The hybrid and electric vehicle market closely follows gas prices, which demonstrates that while there is consumer interest in hybrid and electric vehicles, demand is heavily influenced by the economic environment, rather than pure interest in the technology,” said Humphrey. “Until we see alternative powertrain growth without rising gas prices, we won’t see the market share growth that many automakers are hoping for.”

LMC Automotive expects hybrid and electric vehicle sales to account for 3.2 percent of total light-vehicle in 2012.

Sales Outlook

After two months of upward revisions to the 2012 forecast, LMC Automotive is maintaining its light-vehicle sales forecast for 2012. Total light-vehicle sales are forecasted at 14.5 million units with retail sales at 11.6 million units.

“Despite a rising level of uncertainty with the economic recovery, consumers remain resilient in their willingness to purchase new vehicles,” said Jeff Schuster, senior vice president of forecasting at LMC Automotive. “Concerns regarding the macro-economic environment and another potential summer slowdown have increased, but we expect the sales pace to remain strong and stable throughout the second half of the year.”

North American Production

Throughout May 2012, North American light-vehicle production is well ahead of the increase in U.S. sales, with volume up nearly 23 percent, compared with the same period in 2011. More than 1.2 million additional vehicles have been built in the first five months of 2012, compared with the same period in 2011, as inventory rebuilding has driven the volume increase. U.S. manufacturing growth continues to lead the overall North America region with a 26 percent year-to-date increase. Production in Mexico is up 14 percent, and Canadian manufacturing is 19 percent higher.

Vehicle inventory at the beginning of June declined slightly to a 52-days supply (compared with a 55-days supply in May). Car inventory remains at a below-normal level, with a 43-days supply in early June, down from 45 days

in early May, as demand for cars has increased due to lower fuel prices. Truck inventory levels are at normal levels with a 61-days supply, down from a 67-days supply in May.

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 built in 2011. LMC Automotive expects 2013 North American production to exceed the 15 million-unit threshold, to 15.3 million units.

"Despite the significant increase in production levels this year, vehicle inventory has remained at a level that is below the typical 60- to 65-days supply," said Schuster. "As we look to the future, volume remains robust, as increases in exports, as well as imported volume resourced to North America, drive higher levels of North American production."

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.

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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 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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