



# Press Release

## J.D. Power and LMC Automotive Report: New-Vehicle Retail Sales Expected to Post Biggest Year-Over-Year Gain since February 2011

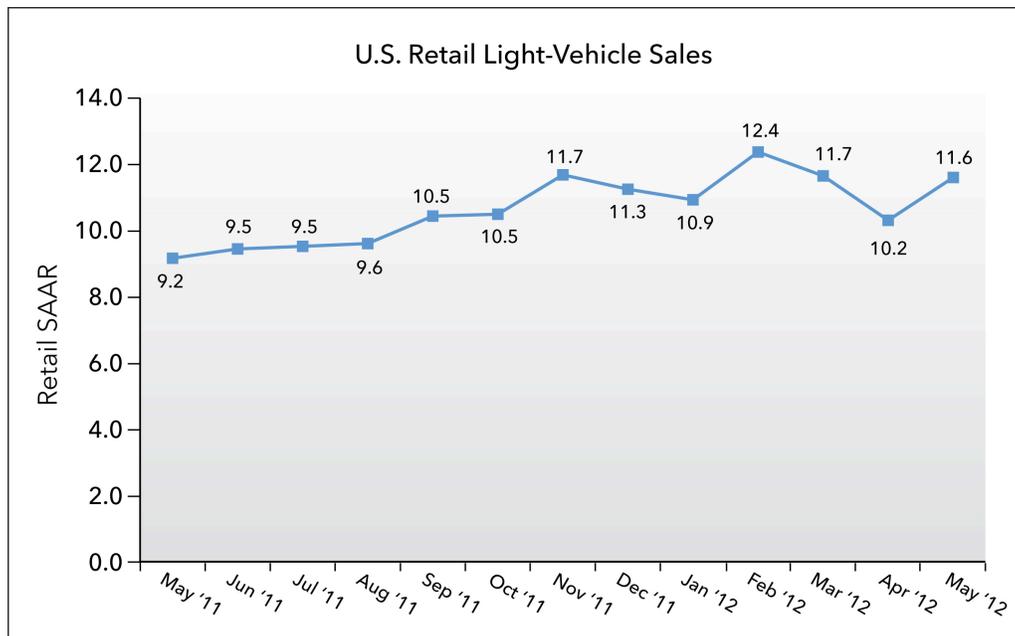
**WESTLAKE VILLAGE, Calif.: 24 May 2012** — The new-vehicle retail sales pace in May remains strong, consistent with the pace set early in 2012, according to a monthly sales forecast developed by J.D. Power and Associates’ Power Information Network® (PIN) and LMC Automotive.

### Retail Light-Vehicle Sales

May new-vehicle retail sales are projected to come in at 1,087,000 units, which represents a seasonally adjusted annualized rate (SAAR) of 11.6 million units. Volume is expected to increase 20 percent compared with May 2011, after adjusting for the two additional selling days this month. Retail transactions are the most accurate measurement of true underlying consumer demand for new vehicles.

“This is the largest year-over-year gain since February 2011, when sales increased 27 percent, compared with February 2010,” said John Humphrey, senior vice president of global automotive operations at J.D. Power and Associates. “The fact that we continue to see strong month-over-month results in retail sales points to the underlying strength of the recovery for the industry going forward. In light of the actions that many automakers took to lower their cost base during the recent downturn, this continued increase in volume certainly bodes well for sector profitability in the near term.”

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



### **Total Light-Vehicle Sales**

Total light-vehicle sales in May are expected to come in at 1,384,000 units, which is a 21 percent increase from May 2011. Fleet volume as a percentage of total light-vehicle volume is expected to remain high in May, representing 22 percent of total sales.

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

	<b>May 2012<sup>1</sup></b>	<b>April 2012</b>	<b>May 2011</b>
<b>New-Vehicle Retail Sales</b>	1,087,000 units (20% higher than May 2011) <sup>2</sup>	908,685 units	833,847 units
<b>Total Vehicle Sales</b>	1,384,000 units (21% higher than May 2011)	1,182,230 units	1,059,505 units
<b>Retail SAAR</b>	11.6 million units	10.3 million units	9.2 million units
<b>Total SAAR</b>	14.3 million units	14.4 million units	11.7 million units

<sup>1</sup>Figures cited for May 2012 are forecasted based on the first 17 selling days of the month.

<sup>2</sup>The percentage change is adjusted based on the number of selling days in the month (26 days in May 2012 vs. 24 days in 2011).

### **Sales Outlook**

With the PA-12 resin risk caused by a plant explosion in Germany in March now relatively low and with the continuation of higher fleet volume, LMC Automotive is raising the light-vehicle sales forecast for 2012. The current forecast is now at 14.5 million units total light-vehicle sales, up from the previous forecast of 14.3 million units, and 11.6 million units retail light-vehicle sales, up from 11.5 million units.

“Another healthy retail selling pace in May, combined with a fleet mix of more than 20 percent, is driving the further improvement in the 2012 outlook for U.S. light-vehicle sales,” said Jeff Schuster, senior vice president of forecasting at LMC Automotive. “There is little question that this market currently has momentum, but it also is benefiting from the stability in the economic and macro fundamentals required to sustain a higher selling rate throughout the remainder of the year.”

### **North American Production**

North American light-vehicle production through April this year is up nearly 22 percent, compared with 2011, as nearly 1 million additional vehicles were built in the first four months of 2012 than in the same period last year. Growth in U.S. manufacturing leads the overall North America region with a 25 percent year-to-date increase. Production in Mexico is up 19 percent and Canadian manufacturing is 14 percent higher. North American production in the second quarter is anticipated to increase by more than 20 percent from 2011, with more than 3.8 million units expected to be built. Several manufacturers have limited normal summer shutdowns this year in order to keep pace with vehicle demand and stabilize inventory throughout the summer selling season.

Vehicle inventory at the beginning of May remains stable at a 55-days supply, a slight increase from a 54-days supply in April. Car inventory remains at a below-normal level, with a 45-days supply in early May, up from 44 days in April, as demand for cars has increased due to higher fuel prices. Truck inventory levels are also stable in May at a 67-days supply, up from a 66-days supply in April.

The robust sales pace continues to drive a stronger outlook for North American production. As a result, LMC Automotive has increased the North American production outlook for 2012 to 14.9 million units (up from 14.3 million units), which represents 14 percent growth from 13.1 million units built in 2011.

“With the increase in demand and more pronounced production recovery with the Japanese manufacturers, North American production volume for the remainder of 2012 is expected to be vigorous,” said Schuster. “Risk of volume loss related the PA-12 resin issue appears to have been abated, therefore no longer constraining further growth in production volume.”

**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](http://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 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.

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