



Press Release

J.D. Power and LMC Automotive Report: November New-Vehicle Retail Selling Rate Bounces Back Strong Following Hurricane Sandy

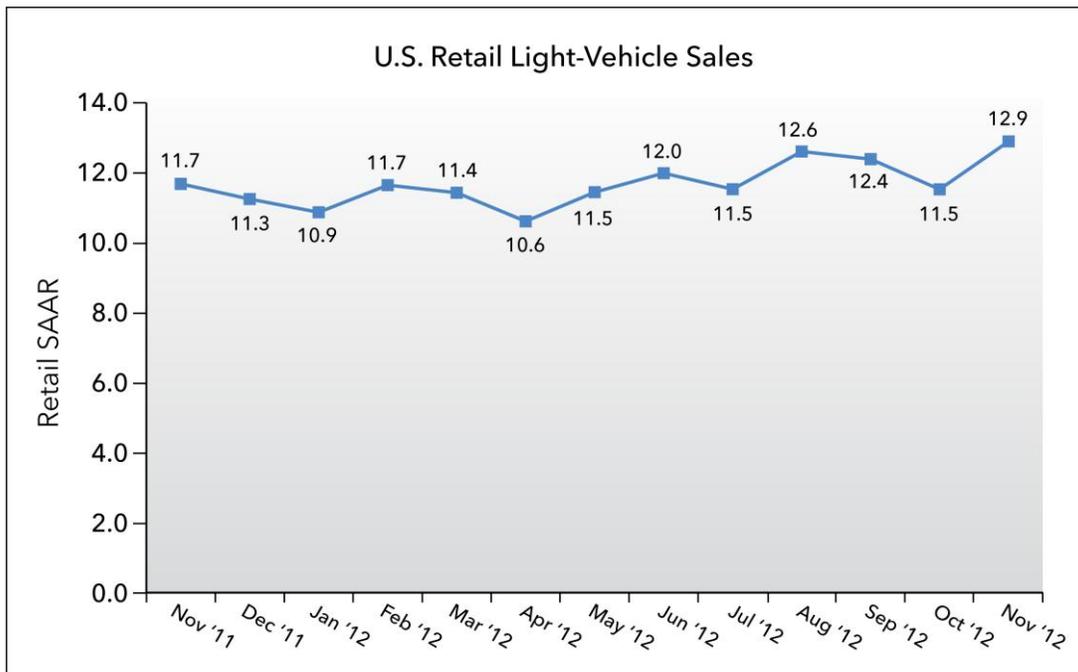
WESTLAKE VILLAGE, Calif.: 21 November 2012 — The new-vehicle retail selling rate returned to a healthy level in November after being negatively impacted by Hurricane Sandy in October, according to a monthly sales forecast developed by J.D. Power and Associates’ Power Information Network® (PIN) and LMC Automotive.

Retail Light-Vehicle Sales

November new-vehicle retail sales are projected to come in at 931,900 units, which represent a seasonally adjusted annualized rate (SAAR) of 12.9 million units. November is expected to reflect the highest retail selling rate since January 2008. Retail transactions are the most accurate measurement of true underlying consumer demand for new vehicles.

“Sales have strengthened each week in November, which bodes well for a strong finish to the month and the year,” said John Humphrey, senior vice president of global automotive operations at J.D. Power and Associates. “We expect healthy sales in December, as the industry continues to recover from Sandy and leads into its year-end sales events.”

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



Total Light-Vehicle Sales

Total light-vehicle sales in November are expected to increase 12 percent from November 2011, with volume at 1,113,500 units. Fleet sales are expected to hold steady below a 17 percent share of total sales, which is the same level as October but lower than the 18 percent share last November.

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

	November 2012¹	October 2012	November 2011
New-Vehicle Retail Sales	931,900 units (14% higher than November 2011)	910,505 units	818,609 units
Total Vehicle Sales	1,113,500 units (12% higher than November 2011)	1,090,016 units	992,312 units
Retail SAAR	12.9 million units	11.5 million units	11.7 million units
Total SAAR	15.0 million units	14.2 million units	13.6 million units

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

Sales Outlook

LMC Automotive is maintaining the 2012 forecast for total light-vehicle sales in the United States at 14.4 million units and the forecast for retail sales at 11.7 million units. While the forecast still rounds to the same numbers as it did in October, the overall outlook is more favorable.

The U.S. sales forecast for 2013 remains stable at 15 million units for total light-vehicles and 12.2 million for retail sales, but represents a slower growth rate of 4 percent from 2012. There continues to be the possibility of accelerating the growth in 2013, as the current level of uncertainty is expected to be reduced in the first half of the year.

“The irrepressible need and willingness of consumers to replace aging vehicles is stronger than the effects of natural disasters and fiscal turmoil both here and abroad,” said Jeff Schuster, senior vice president of forecasting at LMC Automotive. “A sustained recovery pace in auto sales is expected over the next six months, barring any fiscal cliff hangover, but the medium-term forecast is still dependent on more pronounced economic activity and growth.”

North American Production

North American light-vehicle production volume remains up 20 percent through the first 10 months of 2012, compared with the same period in 2011. Volume through October is at nearly 13.1 million units, the same volume level as in all of 2011.

Vehicle inventory in early November rose to a 71-day supply—the highest day supply level in 2012—compared with 59 days in October. The supply growth is a result of an increase in inventory ahead of anticipated year-end sales, as well as the impact of Hurricane Sandy, which caused significant damage along the East Coast and slowed demand in the last week of October. Car inventory has risen to a 66-day supply from 51 days in October, while truck inventory has increased to a 77-day supply from 65 days. Vehicle inventory levels should stabilize this month and into December, as sales are expected to recover due to consumers who had delayed their purchases last month returning to the marketplace following the storm and from additional sales due to the need to replace damaged vehicles.

LMC Automotive’s 2012 North American production forecast stands at 15.3 million units, which is a 17 percent increase from 2011. The North American production forecast for 2013 is expected to be nearly 15.8 million units, a mere 2 percent rise from 2012, with further upside potential.

“The continued pace of demand in North America, with sales up 13 percent through October, is supporting the short-term production plan and volume at the highest level since 2005,” said Schuster. “Production levels continue to be managed to demand, so a growing level of inventory is not setting off any alarms, as some inventory building is normal as a year closes.”

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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