



Press Release

J.D. Power and LMC Automotive Report: New-Vehicle Retail Sales Kicking Off 2013 Ahead of Expectations

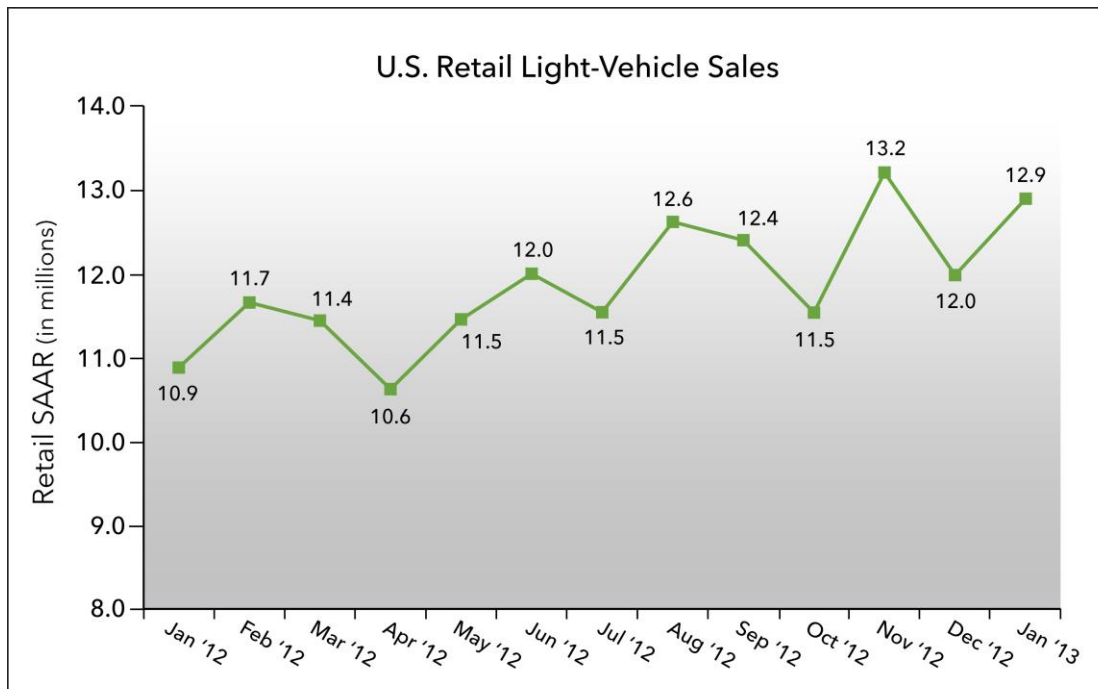
WESTLAKE VILLAGE, Calif.: 25 January 2013 — The January new-vehicle selling rate is off to a strong start in 2013, with the highest retail selling rate in January in five years, according to a monthly sales forecast developed by J.D. Power and Associates’ Power Information Network® (PIN) and LMC Automotive.

Retail Light-Vehicle Sales

January new-vehicle retail sales are expected to come in at 812,600 vehicles, which represents a seasonally adjusted annualized rate (SAAR) of 12.9 million units, and well ahead of the expected 12.4-million-unit annual level for 2013. Retail transactions are the most accurate measurement of true underlying consumer demand for new vehicles.

“The year is off to a fast start, which bodes well for the remainder of 2013,” said John Humphrey, senior vice president of global automotive operations at J.D. Power and Associates. “Building on the momentum the industry has been gaining over the past two years, sales remain on a trajectory to return to pre-recession levels within the next few years.”

U.S. Retail SAAR—January 2012 to January 2013
(in millions of units)



Total Light-Vehicle Sales

Total light-vehicle sales in January 2013 are projected to reach 1,027,700 units, an eight percent increase from January 2012. Fleet share is expected to reach 21 percent, considerably lower than the 25 percent share in January 2012, signaling continued discipline in the industry-related rental car fleet sales.

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

	January 2013 ¹	December 2012	January 2012
New-Vehicle Retail Sales	812,600 units ² (14% higher than January 2012)	1,136,484 units	682,171 units
Total Vehicle Sales	1,027,700 units (8% higher than January 2012)	1,353,418 units	911,370 units
Retail SAAR	12.9 million units	12.0 million units	10.9 million units
Total SAAR	15.0 million units	15.2 million units	13.9 million units

¹Figures cited for January 2013 are forecasted based on the first 15 selling days of the month.

²The percentage change is adjusted based on the number of selling days in the month (25 days in January 2013 vs. 24 days in January 2012).

Sales Outlook

Based on a strong finish in 2012 and a higher-than-expected pace to begin 2013, LMC Automotive is increasing its 2013 U.S. forecast for total light-vehicle sales by 100,000 units to 15.1 million. In addition, the outlook for retail light-vehicle sales increases to 12.4 million units from 12.2 million units for 2013.

“The global industry is looking for the United States to offset risk in Europe and potentially slower growth in the emerging markets in 2013,” said Jeff Schuster, senior vice president of forecasting at LMC Automotive. “The good news is that the U.S. market is primed to over-deliver as the recovery heats up. The concern now is shifting from the continuing recovery to whether the automotive supply base will be able to keep up with hearty demand.”

North American Production

North America light-vehicle production was 15.4 million units in 2012, 18 percent higher than in 2011, marking the first time since 2007 that North American production has surpassed 15.0 million units.

Vehicle inventory returns to an ideal level in early January to a 59-day supply, compared with 69 days in December. A strong sales pace in November and December 2012, coupled with the holiday production shutdown period in late 2012, drove inventory down to the current level. Overall, there are approximately 3.1 million units currently available on dealer lots or in transit—an increase of about 600,000 units from January 2012.

LMC Automotive projects the 2013 North American production to be 15.9 million units in 2013, a three percent increase from 2012, with further upside potential contingent on the pace of demand in the first half of the year. For 2014, the North American production forecast is expected to increase to 16.6 million units.

“With inventory in check and demand remaining strong, all indications suggest that production levels—and automotive supplier profits—will be at a high pace during 2013 for North America,” said Schuster.

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

The McGraw-Hill Companies (NYSE: MHP), a financial intelligence and education company, signed an agreement to sell its McGraw-Hill Education business to investment funds affiliated with Apollo Global Management, LLC in November 2012. Following the sale closing, expected in early 2013, the Company will be renamed McGraw Hill Financial (subject to shareholder approval) and will be a powerhouse in benchmarks, content and analytics for the global capital and commodity markets. The Company's leading brands will include: Standard & Poor's, S&P Capital IQ, S&P Dow Jones Indices, Platts, Crisil, J.D. Power and Associates, McGraw-Hill Construction and Aviation Week. The Company will have approximately 17,000 employees in more than 30 countries. Additional information is available at 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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