



Press Release

J.D. Power and LMC Automotive Report: New-Vehicle Selling Rate in March Keeps Pace with Strong Year-to-Date Rate

WESTLAKE VILLAGE, Calif.: 21 March 2013—New-vehicle sales remain strong in March, as both the light-vehicle retail selling rate and the total light-vehicle rate are consistent with February’s performance at 12.1 million units and 15.3 million units, respectively, according to a monthly sales forecast developed by J.D. Power and Associates’ Power Information Network® (PIN) and LMC Automotive.

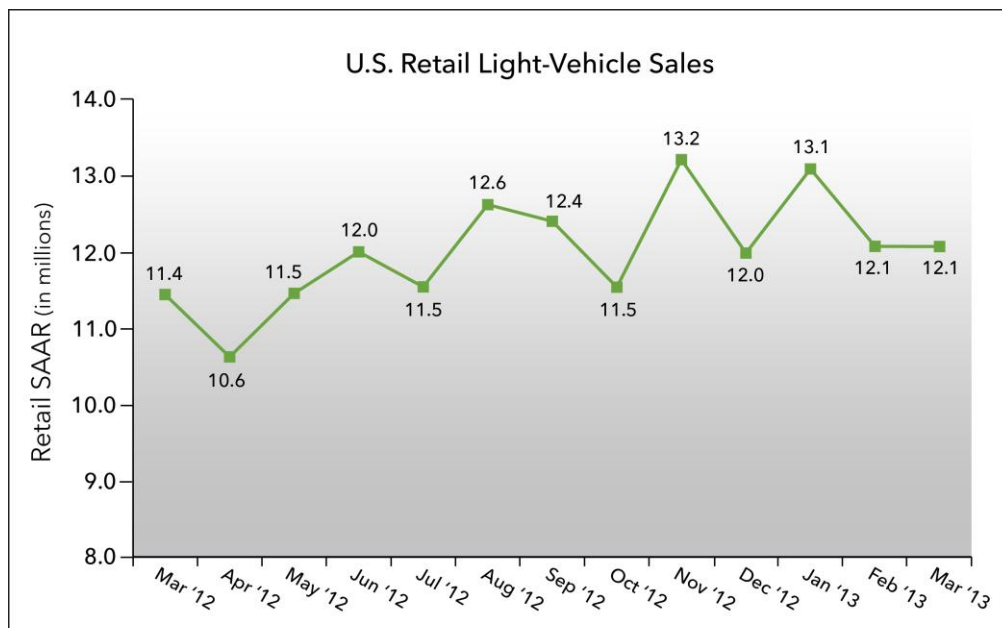
Retail Light-Vehicle Sales

March new-vehicle retail sales are expected to come in at 1,158,000 vehicles, which represent a seasonally adjusted annualized rate (SAAR) of 12.1 million units, with volume approaching a double-digit increase from March 2012. Retail transactions are the most accurate measurement of true underlying consumer demand for new vehicles.

The average new-vehicle customer-facing retail transaction price (\$28,504) is up 3 percent from March 2012. Leases account for 23.1 percent of new-vehicle retail transactions in March 2013, up from 20.0 percent in March 2012.

In addition, the percentage of retail sales financed with a 72-month or longer loan is at record levels, reaching 32.1 percent in March 2013, an increase from 30.4 percent in March 2012.

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



“While longer loan terms have traditionally been a cause for concern to the industry due to the risk of purchase cycle extension, it is not necessarily as daunting as it may seem.” said John Humphrey, senior vice president of the global automotive practice at J.D. Power and Associates. “The longer loans are being offset by more leasing and the low interest environment, which means that consumers are able to put more of their monthly payment towards their loan principal rather than interest fees.”

Humphrey also notes that strong used-car values mean that consumers have more equity in their trades and can finance lower amounts. In addition, consumers who may have been shut out of the market in recent years are finding that a longer loan makes buying a new vehicle affordable.

Total Light-Vehicle Sales

Total light-vehicle sales in March 2013 are projected to reach 1,465,100 units, an 8 percent increase from March 2012, with a selling rate that is consistent with the expected performance for the year. Fleet share is expected to hold at 21 percent.

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

	March 2013¹	February 2013	March 2012
New-Vehicle Retail Sales	1,158,000 units ² (10% higher than March 2012)	928,130 units	1,093,601 units
Total Vehicle Sales	1,465,100 units (8% higher than March 2012)	1,190,707 units	1,402,503 units
Retail SAAR	12.1 million units	12.1 million units	11.4 million units
Total SAAR	15.3 million units	15.3 million units	14.1 million units

¹Figures cited for March 2013 are forecasted based on the first 14 selling days of the month.

²The percentage change is adjusted based on the number of selling days in the month (27 days in March 2013 vs. 28 days in March 2012).

Sales Outlook

The outlook for 2013 remains strong and consistent with the pace expected to be set in the first quarter. LMC Automotive is holding its 2013 U.S. forecast for total light-vehicle sales at 15.3 million units and the retail light-vehicle forecast at 12.5 million units.

“Building on the current performance, we expect the economic environment to improve throughout 2013, as the likelihood of a dark cloud slowing the recovery pace diminishes,” said Jeff Schuster, senior vice president of forecasting at LMC Automotive. “Consumers do not appear phased by headwinds from Washington, as growth in auto sales are outperforming earlier expectations.”

North American Production

Vehicle production in North America is up three percent through February 2013, compared with the same period in 2012. Production of models in the compact segment is outpacing the total market, up seven percent thus far in 2013. Production of vehicles in the midsize and large segments has increased 1 percent and likely will hold in a slower growth position as General Motors readies the ramp-up of its redesigned large pickups. Production of compact cars and compact premium CUVs is up 15 percent in the first two months of 2013, driven by the addition of the Dodge Dart, Nissan Leaf and the redesigned Acura RDX.

Vehicle inventory levels in early March increase to a 64-day supply, compared with 74 days in February. Overall, there are nearly 3.2 million units currently available on dealer lots or in transit—an increase of approximately 600,000 units from March 2012. Both car and truck inventories have dropped approximately 10 days from last month. Cars began March with a 61-day supply and trucks with a 68-day supply.

LMC Automotive's forecast for North American production remains at 15.9 million units for 2013, an increase of three percent from 2012.

"While there is a significant amount of activity below the topline production in 2013—from more than 50 new-model ramp-ups to reduced exports to Europe—the underlying trend remains positive and on target for 2013 to improve from 2012," 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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