



Press Release

J.D. Power and LMC Automotive Report: October New-Vehicle Retail Selling Rate Expected to Remain above 12 Million Units

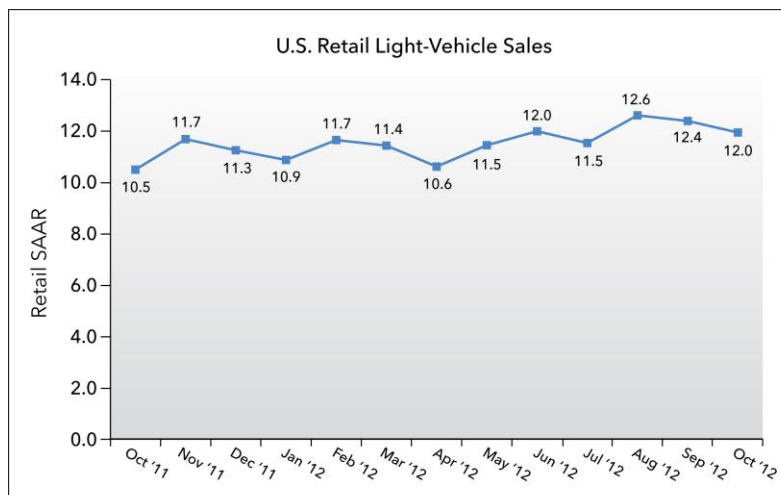
WESTLAKE VILLAGE, Calif.: 25 October 2012 — New-vehicle retail sales in October continue the robust pace from September, with another month of strong double-digit year-over-year growth, according to a monthly sales forecast developed by J.D. Power and Associates’ Power Information Network® (PIN) and LMC Automotive.

Retail Light-Vehicle Sales

October new-vehicle retail sales are projected to come in at 943,200 units—a 13 percent increase in volume, compared with October 2011—which represent a seasonally adjusted annualized rate (SAAR) of 12.0 million units. The forecasted selling rate in October is the second consecutive month above 12 million units, the first time that has occurred since April and May 2008. Retail transactions are the most accurate measurement of true underlying consumer demand for new vehicles.

“The October retail sales pace is solidifying an accelerating recovery in the automotive market,” said Deirdre Borrego, vice president and general manager of U.S. Automotive Operations at J.D. Power and Associates. “Each month, we’re seeing stronger signs of a healthy market, not only in terms of sales volumes, but also in dealer inventories, transaction prices and incentive levels.”

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



Total Light-Vehicle Sales

Total light-vehicle sales in October are projected to increase by 11 percent from October 2011, with volume at 1,134,800 units. Fleet sales in October are expected to represent 17 percent of total sales, which is slightly below the 5-year average of 19 percent for October and indicative of automakers continuing to manage production levels.

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

	October 2012 ¹	September 2012	October 2011
New-Vehicle Retail Sales	943,200 units (13% higher than October 2011)	997,285 units	832,551 units
Total Vehicle Sales	1,134,800 units (11% higher than October 2011)	1,186,648 units	1,018,694 units
Retail SAAR	12.0 million units	12.4 million units	10.5 million units
Total SAAR	14.8 million units	14.9 million units	13.2 million units

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

Sales Outlook

LMC Automotive is increasing its outlook for total light-vehicle sales in the United States to 14.4 million units in 2012 from its previous forecast of 14.3 million units. The retail sales forecast is also revised upward to 11.7 million units from 11.6 million units. The forecast for 2013 remains 15 million units for total light-vehicles and 12.3 million for retail sales.

“It is becoming clear that the U.S. automotive market is finally approaching a stage of a more natural level of demand, which has been accelerated by increasing consumer confidence and a need to replace aging vehicles,” said Jeff Schuster, senior vice president of forecasting at LMC Automotive. “This stability at a higher level is taking the edge off the risk factors for the remainder of 2012 and into 2013, as the U.S. economy wrestles with the European crisis. There is further upside potential for 2013 if the level of demand continues to outpace the risk factors post-election.”

North American Production

North American light-vehicle production volume is up 20 percent throughout the first three quarters of 2012, compared with the same period in 2011, and continues to be one of the economy’s bright spots, particularly in the U.S. market. More than 1.9 million additional vehicles have been manufactured in 2012 through September, highlighting the progress achieved from last year’s challenging production environment.

Although vehicle inventory in early October climbed slightly to a 58-day supply, compared with 57 days in September, it remains below the 60-day threshold. Both car and truck inventories are up slightly as well. Car inventory has risen to a 51-day supply from 50 days in September, while truck inventory has increased to a 65-day supply from 64 days.

Based on the recent strong level of demand (North American sales are up 13 percent through September this year), the 2012 North American production forecast has been increased to 15.3 million units (from 15 million in the previous forecast), a 17 percent increase from 2011. The increase reflects the need for higher production volume in the fourth quarter to maintain current inventory levels. The North American production forecast for 2013 is expected to approach 16.0 million units, the first time since 2002 that North American production has reached that level.

“Production levels in North America have crossed over the psychological barrier of 15 million units, and now there’s no looking back,” said Schuster. “Strong demand fundamentals in the short term, combined with resourcing of imported vehicles and growth in exports, will serve as the growth engine for increased volume, providing that the automotive supply base moves forward with needed investment in both capital and the workforce.”

About J.D. Power and Associates

Headquartered in Westlake Village, Calif., J.D. Power and Associates is a global marketing information services company providing 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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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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