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# Press Release

**J.D. Power and LMC Automotive Report:**
**New-Vehicle Retail Selling Rate Pulls Back in April, but Recovery Remains Ahead of Expected Pace**

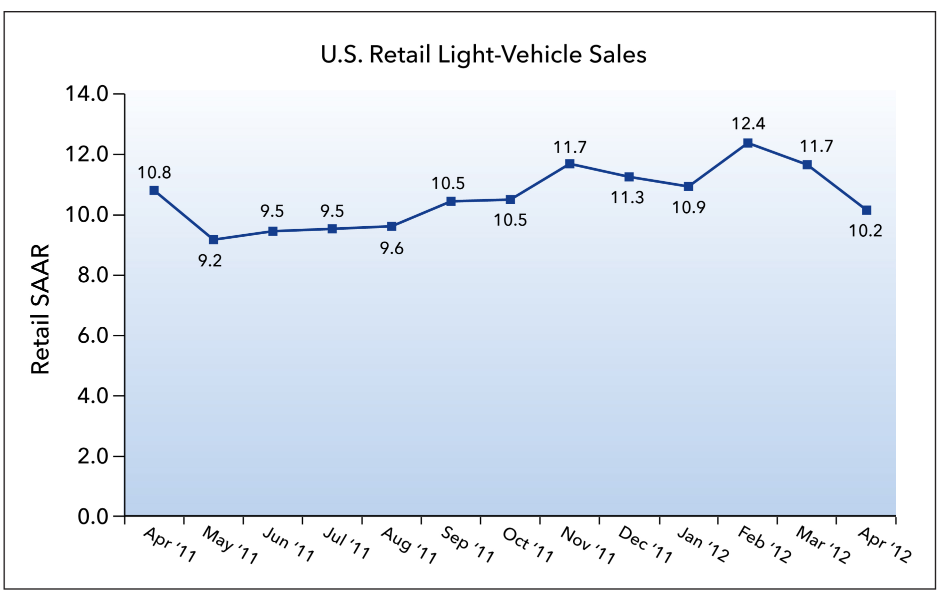
**WESTLAKE VILLAGE, Calif.: 19 April 2012** — New-vehicle retail sales in April are expected to continue the year-over-year growth trend from the first quarter, as the market heads into the Spring selling season, according to a monthly sales forecast developed by J.D. Power and Associates' Power Information Network® (PIN) and LMC Automotive.

**Retail Light-Vehicle Sales**

April new-vehicle retail sales are projected to come in at 894,100 units, which represents a seasonally adjusted annualized rate (SAAR) of 10.2 million units. Volume is expected to increase by 8 percent (selling day adjusted), which is consistent with the year-over-year increase of 8 percent in the first quarter. Retail transactions are the most accurate measurement of true underlying consumer demand for new vehicles.

"The daily selling rate in April is projected at 37,000 units, which is higher than the 34,000-unit average in the first quarter," said John Humphrey, senior vice president of global automotive operations at J.D. Power and Associates. "While April is typically a challenging month to draw comparisons with because the Easter holiday some years falls in April and other years in March, the signs of sustained growth are evident."

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




Industry sales growth has been concentrated in non-luxury vehicle segments. Luxury segments share of industry retail sales in April to date is 10.8 percent, down from 12.1 percent in April 2011.

"Despite the slip in market share for the luxury market, growth in overall sales is offsetting the risk to sales volumes," said Humphrey. "That's not to say there aren't risks. Improved content and features in non-luxury vehicles offer good value proposition for consumers returning to the marketplace. In addition, there are a number of new and refreshed non-luxury models, and programs such as free maintenance provide consumers with a lower total cost of ownership."

The decline in luxury share of retail sales is one of the reasons why lease penetration is down in April, as the luxury market typically has a higher lease penetration than the non-luxury market. Through the first 15 selling days in April, lease penetration overall is 17.7 percent—the lowest level since December 2009 and down from 20.2 percent in April 2011.

**Total Light-Vehicle Sales**

Total light-vehicle sales in April are expected to come in at 1,134,600 units, which is an 11 percent increase from April 2011. A higher fleet mix continues into April, with fleet volume expected to represent 21 percent of total sales.

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

| | April 2012[1] | March 2012 | April 2011 |
|---|---|---|---|
| **New-Vehicle Retail Sales** | 894,100 units (8% higher than April 2011)[2] | 1,093,601 units | 935,664 units |
| **Total Vehicle Sales** | 1,134,600 units (11% higher than April 2011) | 1,401,736 units | 1,155,563 units |
| **Retail SAAR** | 10.2 million units | 11.7 million units | 10.8 million units |
| **Total SAAR** | 13.8 million units | 14.4 million units | 13.2 million units |

[1]Figures cited for April 2012 are forecasted based on the first 11 selling days of the month.
[2]The percentage change is adjusted based on the number of selling days in the month (24 days in April 2012 vs. 27 days in 2011).

**Sales Outlook**

Based on the robust first quarter 2012 selling pace, which was 14.5 million units total and 11.7 million units retail, LMC Automotive is raising the light-vehicle sales forecast for the full year. The current forecast is now at 14.3 million units total light vehicles (up from 14.1 million units) and 11.5 million units retail light vehicles (up from 11.4 million units). An increase in fleet sales to 20 percent of total sales for the year is expected to outpace the increase in retail volume for 2012.

"Despite the lower selling rate in April, which was expected, we have raised our overall outlook for 2012 based on the high first quarter pace, improving economic variables and credit availability, as well as consumers replacing aging vehicles at a higher rate," said Jeff Schuster, senior vice president of forecasting at LMC Automotive. "However, automotive sales remain vulnerable, as the market faces yet another potential shock due to a fuel and brake line resin shortage caused by a plant explosion in Germany in March."

**North American Production**

North American light-vehicle production through the first quarter of 2012 is up nearly 17 percent, compared with the same quarter in 2011. Almost 570,000 additional vehicles were built this year through March, versus the same period last year, with increased volume in the United States driving the year-to-date growth (up 21 percent from 2011). North American production in the second quarter is expected to increase nearly 20 percent from last year, with more than 3.6 million units expected to be built (the second quarter of 2011 was affected by supply disruptions due to the Japan earthquake in March).

Vehicle inventory declined slightly to a 54-day supply at the beginning of April, compared with a 57-day supply at the beginning of March. Car inventory is at below-normal levels with a 44-day supply in early April, down from 48 days in March, as demand for cars has increased with the rise in fuel prices. Truck inventory levels remain unchanged at a 66-day supply.

With the stronger build to date to feed the higher demand pace, LMC Automotive has increased the outlook for 2012 to 14.3 million units (up from 14.2 million units). However, the level of impact caused by the resin shortage is not yet know, and is restraining any further increase in North American production levels.

"As a result of the resin plant explosion in March, real and substantial risk exists for future production and for automotive manufacturers may begin to slow the pace of build that has been in overdrive in recent months," said Schuster. "More intensive production management in relation to product mix and inventory is expected to be a means to cope with the looming shortage."

**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**
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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