



Press Release

J.D. Power and LMC Automotive Report: September New-Vehicle Retail Sales Gains Drive Another Strong Month for Auto Sales

WESTLAKE VILLAGE, Calif.: 20 September 2012 — The increase in new-vehicle retail sales in September is consistent with the expected 12 percent retail sales annual increase in 2012 from 2011, according to a monthly sales forecast developed by J.D. Power and Associates' Power Information Network® (PIN) and LMC Automotive.

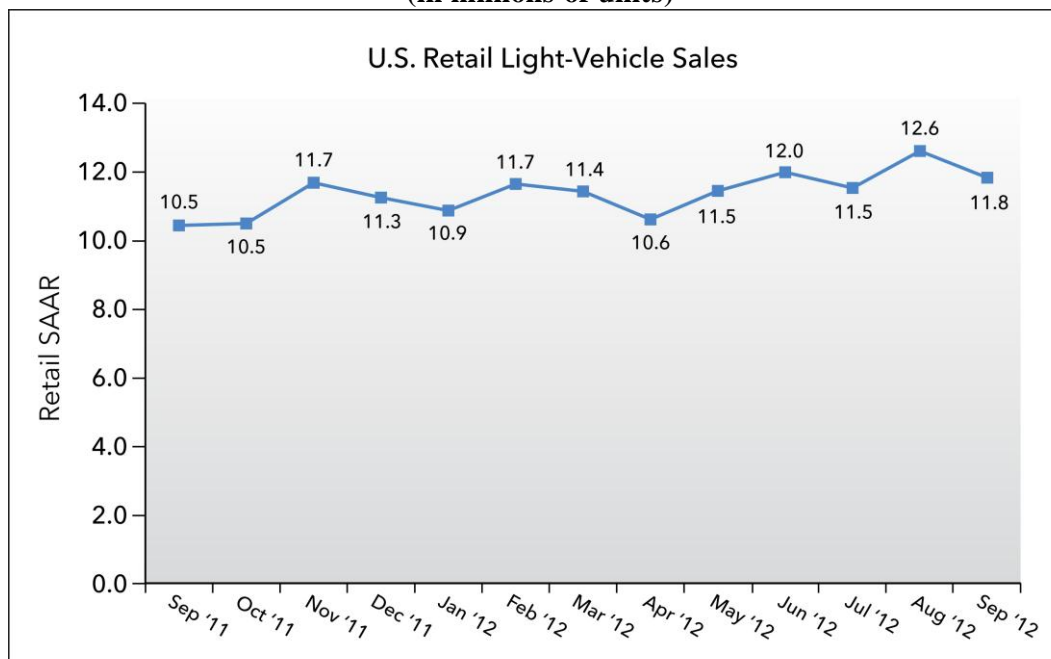
Retail Light-Vehicle Sales

September new-vehicle retail sales are projected to come in at 952,200 units, which represents a seasonally adjusted annualized rate (SAAR) of 11.8 million units. The forecasted selling rate in September is more than 1 million units higher than September 2011. Retail transactions are the most accurate measurement of true underlying consumer demand for new vehicles.

“Retail sales in early September were 15 percent higher than they were a year ago, which is reflective of a healthy market,” said John Humphrey, senior vice president of global automotive operations at J.D. Power and Associates. “We expect retail sales to level off through the rest of the month, but still maintain a strong share of total sales.”

Most major segments—with the exception of the midsize utility and large pickup segments—are expected to show year-over-year retail sales gains in September. The sub-compact conventional, compact conventional and midsize conventional segments each are expected to show retail sales growth of at least 25 percent, compared with September 2011.

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



Total Light-Vehicle Sales

Total light-vehicle sales in September are expected to increase 11 percent from September 2011, with volume at 1,152,700 units. With vehicle inventory levels in check, fleet sales in September are projected to reach 200,400 units, only a slight increase from September 2011, and represent 17 percent of total light-vehicle sales.

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

| | September 2012 ¹ | August 2012 | September 2011 |
|---------------------------------|---|--------------------|--------------------|
| New-Vehicle Retail Sales | 952,200 units (12% higher than September 2011) | 1,093,675 units | 853,538 units |
| Total Vehicle Sales | 1,152,700 units (11% higher than September 2011) | 1,283,046 units | 1,050,985 units |
| Retail SAAR | 11.8 million units | 12.6 million units | 10.5 million units |
| Total SAAR | 14.5 million units | 14.5 million units | 13.1 million units |

¹Figures cited for September 2012 are forecasted based on the first 14 selling days of the month.

Sales Outlook

LMC Automotive is maintaining the 2012 full-year outlook for total light-vehicle sales in the United States at 14.3 million units. The retail sales forecast is revised upward to 11.6 million units from 11.4 million units, based on stronger retail performance during the past two months. Looking ahead to 2013, a higher level of uncertainty is impacting overall volume growth, but the forecast remains at 15 million units for total light-vehicles and 12.3 million for retail sales.

“Consumer willingness or need to overlook the economic uncertainty is the driving force behind the recent strength in light-vehicle sales,” said Jeff Schuster, senior vice president of forecasting at LMC Automotive. “During the next few months, car buyers will be processing further economic news, additional details on the European crisis, as well as the forthcoming presidential election, likely creating an environment with higher volatility.”

North American Production

Throughout the first eight months of 2012, North American light-vehicle production volume has posted consistently strong performance, up 22 percent from the same period in 2011. Nearly 1.9 million additional vehicles have been manufactured in 2012, which shows the remarkable recovery from the challenged production environment in 2011.

Japanese manufacturers have experienced a 49 percent production volume increase year to date, as inventory recovery is completed from the 2011 Japan earthquake and tsunami that limited capabilities in the North American region. U.S. manufacturers have increased production nearly 10 percent thus far in 2012, while European production has increased 31 percent. On a country basis, U.S. manufacturing growth is outpacing the rest of the North American region, with a 25 percent year-to-date increase, which is driven by new capacity. Mexico production is up 14 percent, with further growth expected as new key models ramp up. Canadian manufacturing has increased 20 percent year to date, but volume for the remainder of the year is at risk, as U.S. manufacturers and the Canadian Auto Workers union continue labor negotiations.

Vehicle inventory in early September climbed slightly to a 57-day supply, compared with 54 days in August. However, car inventory remains at a below-normal level with a 50-day supply, up from 47 days in August. Truck inventory is holding at a 64-day supply, up slightly from 61 days in August.

"Production volume continues its torrent pace as the fourth quarter comes into light, which is great financial news for automotive suppliers, but the overall level is edging toward capacity constraints with various vehicle components," said Schuster. "Downward risk also exists, with the ongoing CAW labor negotiations creating a potential impact on production levels across the region."

Based on the strength to date and the expected risks, the 2012 North American production forecast now rounds to 15.0 million units (from 14.9 million in the previous forecast), a 14 percent increase from 2011.

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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