



# Press Release

## J.D. Power and LMC Automotive Report: Strong New-Vehicle Sales in February Drives Robust Selling Rate

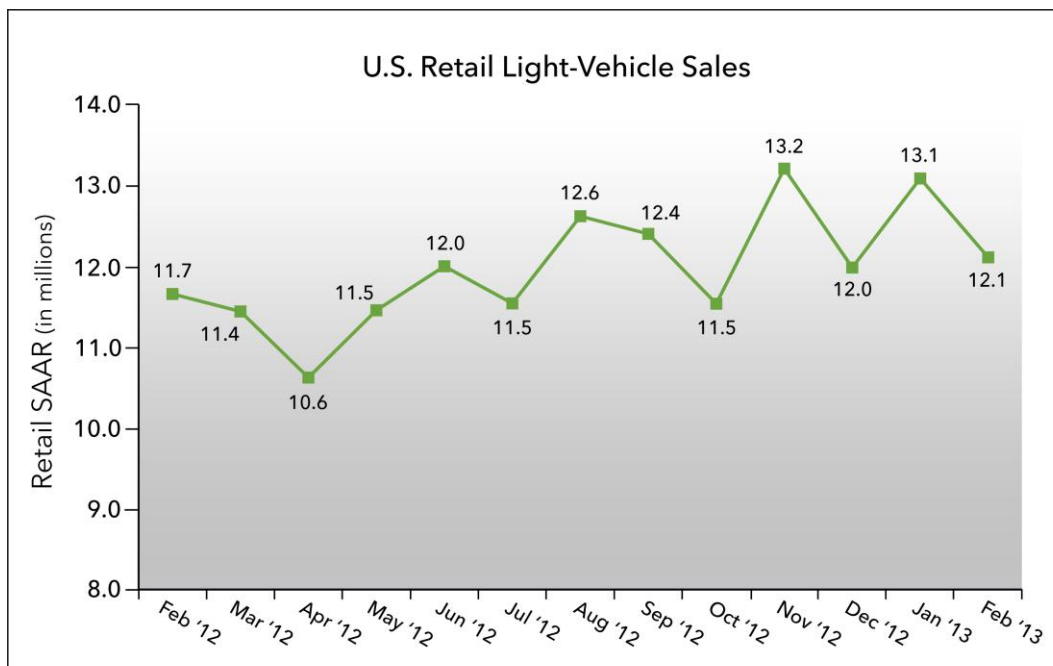
**WESTLAKE VILLAGE, Calif.: 22 February 2013**—The new-vehicle retail selling rate in February remains above 12 million units—stronger than it was a year ago—as the auto industry recovery continues, according to a monthly sales forecast developed by J.D. Power and Associates’ Power Information Network® (PIN) and LMC Automotive.

### Retail Light-Vehicle Sales

February new-vehicle retail sales are expected to come in at 931,100 vehicles, which represents a seasonally adjusted annualized rate (SAAR) of 12.1 million units, a decline from the robust 13.1 million SAAR in January, but stronger than the 11.7 million SAAR in February 2012. Retail transactions are the most accurate measurement of true underlying consumer demand for new vehicles.

“All signs of the industry’s health are positive right now,” said John Humphrey, senior vice president of the global automotive practice at J.D. Power and Associates. “Average transaction prices are up, incentives are stable, leasing is at a healthy level and newly redesigned models continue to make an impact on the marketplace.”

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



“Demand is increasing, but the automakers deserve credit for doing a much better job of keeping alignment of production and demand.” said Humphrey. “This has led to new-vehicle transaction prices that are averaging nearly \$1,000 more in February than the same period in 2012 while incentives have remained relatively flat year over year.”

### **Total Light-Vehicle Sales**

Total light-vehicle sales in February 2013 are projected to reach 1,176,200 units, a seven percent increase from February 2012 and the fourth consecutive month with the selling rate at or above 15.2 million units. Fleet share is expected to remain at the January level of 21 percent.

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

	<b>February 2013<sup>1</sup></b>	<b>January 2013</b>	<b>February 2012</b>
<b>New-Vehicle Retail Sales</b>	931,100 units <sup>2</sup> (9% higher than February 2012)	822,018 units	887,924 units
<b>Total Vehicle Sales</b>	1,176,200 units (7% higher than February 2012)	1,041,982 units	1,147,761 units
<b>Retail SAAR</b>	12.1 million units	13.1 million units	11.7 million units
<b>Total SAAR</b>	15.2 million units	15.2 million units	14.4 million units

<sup>1</sup>Figures cited for February 2013 are forecasted based on the first 14 selling days of the month.

<sup>2</sup>The percentage change is adjusted based on the number of selling days in the month (24 days in February 2013 vs. 25 days in February 2012).

### **Sales Outlook**

The outlook for 2013 continues to improve, as the selling pace remains robust. In fact, LMC Automotive is increasing its 2013 U.S. forecast for total light-vehicle sales to 15.3 million units from 15.1 million units. The increase is split between fleet and retail light-vehicle sales, with the outlook for retail increasing to 12.5 million units from 12.4 million units.

“The current fundamentals that are driving strong vehicle sales—pent-up vehicle demand and a stable, recovering economy—are expected to get a boost by additional positive factors this year,” said Jeff Schuster, senior vice president of forecasting at LMC Automotive. “An expected recovery in the housing market, and 50 percent more new-model launches combined with an increase in lease maturities should keep light-vehicle sales climbing throughout the year.”

### **North American Production**

North American light-vehicle production in January 2013 finished at more than 1.3 million units, seven percent higher than in January 2012. Production in Mexico has increased by nearly 21 percent from January 2012 on higher General Motors, Ford, and Volkswagen volumes related to newer launches. U.S. vehicle production has grown by nine percent from January 2012, while Canadian production has declined by 13 percent during the same period.

Vehicle inventory levels in early February increase to a 74-day supply, compared with 59 days in January. A higher level is typical in February. However, at the current selling rate, inventory levels are expected to rebalance within the next month or two. Overall, there are nearly 3.1 million units currently available on dealer lots or in transit—an increase of approximately 600,000 units from February 2012.

LMC Automotive’s forecast for North American production remains at 15.9 million units for this year, a three percent increase from 2012.

“The current inventory situation and production plan for 2013 suggests that there is enough volume to support the expected increased level of demand, and there remains little risk for an overbuild environment,” 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](http://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](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 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](http://www.lmc-auto.com).

#### **Media Relations Contacts**

John Tews; Troy, Mich.; (248) 680-6218; [media.relations@jdpa.com](mailto:media.relations@jdpa.com)

Emmie Littlejohn; LMC Automotive; Troy, Mich.; (248) 817-2100; [elittlejohn@lmc-auto.com](mailto:elittlejohn@lmc-auto.com)

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