



Press Release

J.D. Power and Associates and LMC Automotive Report: New-Vehicle Retail Sales End 2011 with Strong Performance

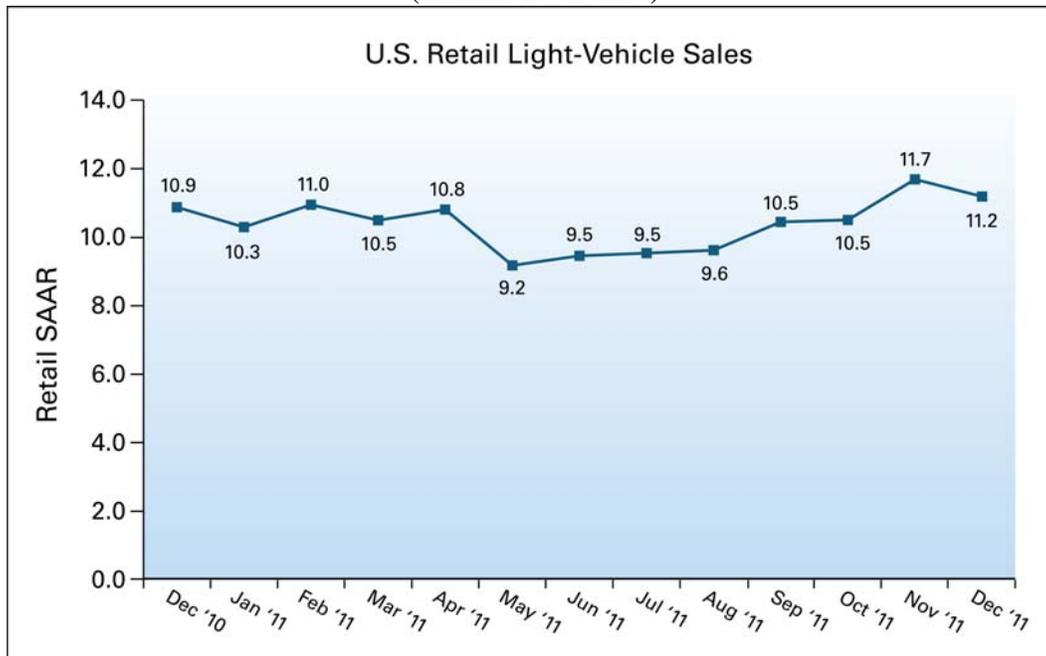
WESTLAKE VILLAGE, Calif.: 22 December 2011 — Consistent with their performance in November, new-vehicle retail sales continue to show strength, according to a monthly sales forecast developed by J.D. Power and Associates Power Information Network® (PIN) and LMC Automotive.

Retail Light-Vehicle Sales

December new-vehicle retail sales are projected to come in at 1,033,700 units—the first time retail sales will top 1 million units since the Cash for Clunkers program drove strong sales in August 2009. This volume represents a seasonally adjusted annualized rate (SAAR) of 11.2 million units. Retail transactions are the most accurate measurement of true underlying consumer demand for new vehicles.

“Retail light-vehicle sales in December are performing well month-to-date, even as total incentive spending averages \$2,700, down 10 percent from December 2010,” said John Humphrey, senior vice president of global automotive operations at J.D. Power and Associates. “The industry has managed through another series of external shocks and is in a healthier position as the year closes.”

U.S. Retail SAAR—December 2010 to December 2011
(in millions of units)



Total Light-Vehicle Sales

Total light-vehicle sales in December are expected to come in at 1,230,100 units, which is 8 percent higher than in December 2010. Fleet sales are expected to increase by 1 percent compared with December 2010. Fleet sales are forecasted to account for 16 percent of total sales, which is slightly lower than the 17 percent recorded one year ago.

J.D. Power and Associates U.S. Sales and SAAR Comparisons

	December 2011¹	November 2011	December 2010
New-vehicle retail sales	1,033,700 units (9% higher than December 2010)	818,609 units	947,821 units
Total vehicle sales	1,230,100 units (8% higher than December 2010)	992,312 units	1,142,032 units
Retail SAAR	11.2 million units	11.7 million units	10.9 million units
Total SAAR	13.4 million units	13.6 million units	12.5 million units

¹Figures cited for December 2011 are forecasted based on the first 15 selling days of the month.

Sales Outlook

With December sales tracking as expected, LMC Automotive is holding its 2011 forecast at 10.3 million units for retail light-vehicle sales and 12.7 million units for total light-vehicle sales. LMC Automotive's forecast for 2012 remains at 13.8 million units for total light-vehicle sales, but has been adjusted slightly upward to 11.3 million units (from 11.2 million units) for retail light-vehicle sales.

"For the third straight time, light-vehicle sales are posting strong selling rates at the close of the year," said Jeff Schuster, senior vice president of forecasting at LMC Automotive. "Next year, the automotive industry will look to build upon the strong finish to 2011, but the real test in 2012 will be weathering a summer selling slowdown and posting a full year of a progressive recovery."

North American Production

North American light-vehicle production has increased more than 9 percent through November 2011 from the same period in 2010. More than 1 million additional units have been built so far in 2011. Recovery efforts are nearly complete for Honda and Toyota after the earthquake and tsunami in Japan and flooding in Thailand limited their ability to maintain a normal production schedule. To date, production for Honda and Toyota is down by almost 16 percent. Japanese manufacturers, collectively, are down 7 percent from 2010. Hyundai Group production is up 47 percent with its continued North American production localization efforts. The Detroit 3 OEMs are experiencing a nearly 15 percent increase in year-to-date production, while European OEMs are up 37 percent.

Vehicle inventory returned to a normal position at the beginning of December with a 61-day supply, from 58 days at the beginning of November. Car inventory improved to a 59-day supply, up from 51 days in November and truck inventory levels are stable with a 63-day supply (previously at 62 days).

"As industry-level inventory has returned to a healthy level, the need for a disciplined balance and management of supply and demand will return as well," said Schuster.

2011 North American production remains on track at nearly 13.0 million units, an increase of almost 10 percent from 2010. For 2012, production volume is expected to top 13.8 million units in North America, an increase of nearly 7 percent compared with 2011.

J.D. Power and LMC Automotive have a strategic alliance to share data and produce a monthly new-vehicle retail sales forecasts based on J.D. Power's real-time transaction data gathered from more than 8,900 retail franchisees throughout the United States, and LMC Automotive's analysis and intelligence.

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 2010, the Corporation has approximately 21,000 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.

Media Relations Contacts

John Tews; J.D. Power and Associates; Troy, Mich.; (248) 312-4119; media.relations@jdpa.com
Jeff Schuster; LMC Automotive; Troy, Mich.; (248) 312-4136; jschuster@lmc-auto.com

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