



Press Release

J.D. Power and LMC Automotive Report: January New-Vehicle Retail Sales Show Continued Strength from Robust 2011 Close

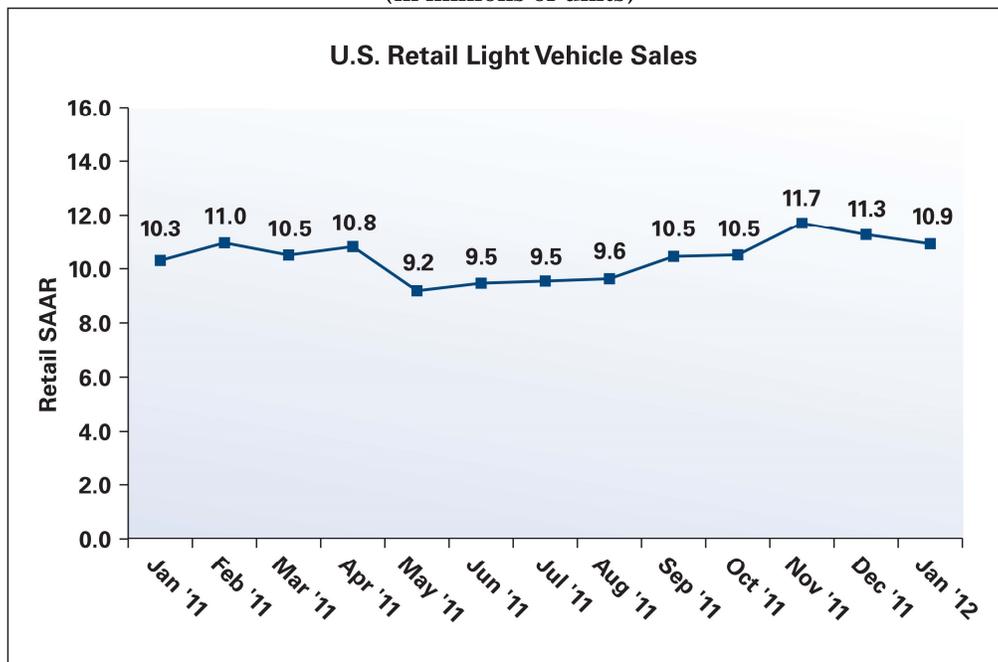
WESTLAKE VILLAGE, Calif.: 25 January 2012 — New-vehicle retail sales performance in January is abating fears of any reversal from the strong close to 2011, according to a monthly sales forecast developed by J.D. Power and Associates Power Information Network® (PIN) and LMC Automotive.

Retail Light-Vehicle Sales

January new-vehicle retail sales are projected to come in at 681,000 units, an increase of 6 percent from January 2011. This represents a seasonally adjusted annualized rate (SAAR) of 10.9 million units, which is lower than the selling rate in December 2011 but well above January 2011. Retail transactions are the most accurate measurement of true underlying consumer demand for new vehicles.

“Retail light-vehicle sales in January are showing stability coming off the 2011 high note in December,” said John Humphrey, senior vice president of global automotive operations at J.D. Power and Associates. “Vehicles are currently remaining on dealer lots for fewer than 50 days on average, which is the lowest level for January for the past several years. This is a good indication that pent-up demand is beginning to return to the market.”

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



Total Light-Vehicle Sales

Total light-vehicle sales in January are expected to come in at 869,600 units, which is 6 percent higher than in January 2011. Fleet sales are expected to increase by 9 percent compared with January 2011, accounting for 22 percent of total sales.

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

| | January 2012 ¹ | December 2011 | January 2011 |
|---------------------------------|--|--------------------|--------------------|
| New-vehicle retail sales | 681,000 units (6% higher than January 2011) | 1,040,035 units | 644,695 units |
| Total vehicle sales | 869,600 units (6% higher than January 2011) | 1,240,263 units | 817,621 units |
| Retail SAAR | 10.9 million units | 11.3 million units | 10.3 million units |
| Total SAAR | 13.5 million units | 13.5 million units | 12.7 million units |

¹Figures cited for January 2012 are forecasted based on the first 16 selling days of the month.

Sales Outlook

January sales are sustaining the momentum gained in December 2011. The traction gained in 2011, which ended on a high note for both retail and total light-vehicle sales, is carrying over into 2012 and building a foundation for strong sales this year.

LMC Automotive is maintaining its forecast for 2012 at 13.8 million units for total light-vehicle sales and 11.3 million units for retail light-vehicle sales.

“The upward movement of auto sales during the second half of 2011 and the stabilization of that trend in January casts a favorable light on 2012, despite the macro-level risks the industry continues to face,” said Jeff Schuster, senior vice president of forecasting at LMC Automotive. “Coming off the North American International Auto Show in Detroit, a renewed sense of optimism is returning to the industry, as the focus continues to shift from survival to planning for the future.”

North American Production

North American light-vehicle production ended nearly 10 percent higher in 2011, compared with 2010, according to LMC Automotive. Volume came in at 13.0 million units, an increase of 1.2 million units from 2010. The Detroit 3 OEMs outperformed the total industry in 2011, with a 15 percent increase in production from 2010. European OEMs also saw significant production increases (up more than 34 percent), supported by increased localization. Production by Japanese OEMs was down more than 5 percent from 2010 due to supply chain challenges resulting from the Japanese earthquake/tsunami and Thailand flooding disasters. Hyundai’s North American production increased by 44 percent, as they also increased their manufacturing operations in North America.

Vehicle inventory declined slightly to a 52-day supply at the beginning of January (compared with a 61-day supply at the beginning of December), due to strong December 2011 sales and the holiday production shutdown last month. Car inventory was at a 55-day supply in January, down from 59 days in December, while truck inventory levels fell to a 50-day supply (previously at 63 days).

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

LMC Automotive’s 2012 North American production forecast is at 13.8 million units, an increase of six percent from 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 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.

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