



# Press Release

## J.D. Power and Associates Reports: Strength in March New-Vehicle Retail Sales Drives Strong First-Quarter Finish

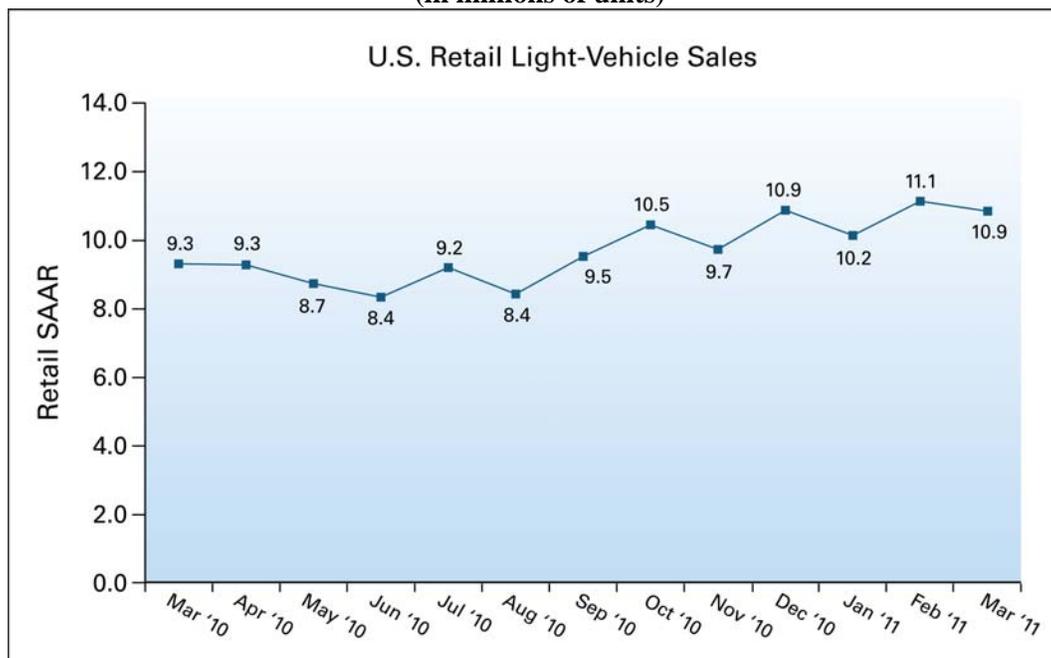
**WESTLAKE VILLAGE, Calif.: 24 March 2011** — March new-vehicle retail sales are showing stability through the first three weeks of the month, continuing a trend of monthly double-digit year-over-year increases, according to J.D. Power and Associates, which gathers real-time transaction data from more than 8,900 retail franchisees throughout the United States.

### Retail Light-Vehicle Sales

March new-vehicle retail sales are projected to come in at 991,900 units, which represents a seasonally adjusted annualized rate (SAAR) of 10.9 million units. This level would bring the selling rate for the first quarter of 2011 to 10.7 million units, slightly ahead of the annual forecast of 10.6 million units. Retail transactions are the most accurate measurement of true underlying consumer demand for new vehicles.

“Retail sales in March are exhibiting strength and remain in line with expectations, despite increasing gas prices and falling inventory levels,” said Jeff Schuster, executive director of global forecasting at J.D. Power and Associates. “In fact, retail sales in March may be benefitting from the uncertainty around inventory levels, as consumers flock to dealerships to secure their choice of vehicle as availability decreases.”

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



Shifts in the retail segment mix are becoming evident, as sub-compact cars are expected to be up more than 0.5 percentage points in March to 3.8 percent, from 3.2 percent in February. The share of compact cars is also expected to increase—up to 20.4 percent in March from 17 percent in February.

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

Total light-vehicle sales for March are expected to come in at 1,205,200 units, which is 9 percent higher than in March 2010. Fleet sales in March are expected to decrease to 213,000 units, based on the expectations that Japanese manufacturers will reduce fleet sales and channel that volume to the retail market, due to concerns about inventory shortages. Fleet volume is projected to be 18 percent of total sales in March.

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

	<b>March 2011<sup>1</sup></b>	<b>February 2011</b>	<b>March 2010</b>
<b>New-vehicle retail sales</b>	991,900 units (12% higher than March 2010) <sup>2</sup>	785,698 units	849,735 units
<b>Total vehicle sales</b>	1,205,200 units (9% higher than March 2010)	991,576 units	1,064,072 units
<b>Retail SAAR</b>	10.9 million units	11.1 million units	9.3 million units
<b>Total SAAR</b>	12.7 million units	13.4 million units	11.7 million units

<sup>1</sup>Figures cited for March 2011 are forecasted based on the first 17 selling days of the month.

<sup>2</sup>The percentage change is adjusted based on the number of selling days (27 days vs. 26 days one year ago).

### **Sales Outlook**

Since vehicle sales in 2011 have thus far been stronger than expected, the outlook for 2011 remains optimistic. Due to this strength in retail sales, J.D. Power has increased its 2011 forecast to 10.6 million units (from 10.5 million units) for retail sales, a 16 percent increase from 2010. The forecast for total vehicle sales remains at 13 million units, which is up 13 percent from 2010.

“The economy is no longer the primary variable that could impact the total year sales volume, as the industry is now grappling with gas prices at their highest level in more than two years, as well as the potential for widespread shortages in vehicle availability,” said John Humphrey, senior vice president of automotive operations at J.D. Power and Associates. “While risks remain evident, the industry’s condition is much stronger and able to weather external shocks better than it could before the recession.”

### **North American Production**

In February, North American production was 1.06 million units, 15 percent higher than in February 2010. However, near-term production is beginning to be impacted by parts shortages caused by the earthquake and tsunami crisis in Japan. To date, several manufacturers have eliminated overtime and Saturday production shifts. In addition, GM has idled its Shreveport, La., facility until Japan-sourced part availability improves. Without any significant lost volume to date, first-quarter production is forecasted at 3.3 million units—14 percent higher than the same period in 2010.

“With the uncertainty remaining high about the full extent of the parts supply situation, North American production could be impacted in the weeks to come,” said Schuster. “However, our 2011 production forecast remains at 12.9 million units, as we expect any lost volume would be made up later in the year.”

As a result of strong February sales, days’ supply at the end of February 2011 fell to 60 days, from 71 days at the end of January. The level of inventory rose to 2.5 million units from 2.2 million units, an increase of 13 percent. With the strength of March sales combined with supply constraints from Japanese imports, inventory is expected to continue to fall during the next few months.

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