Press Release

J.D. Power and LMC Automotive Report:
Strength in New-Vehicle Retail Sales is Driving Performance in February

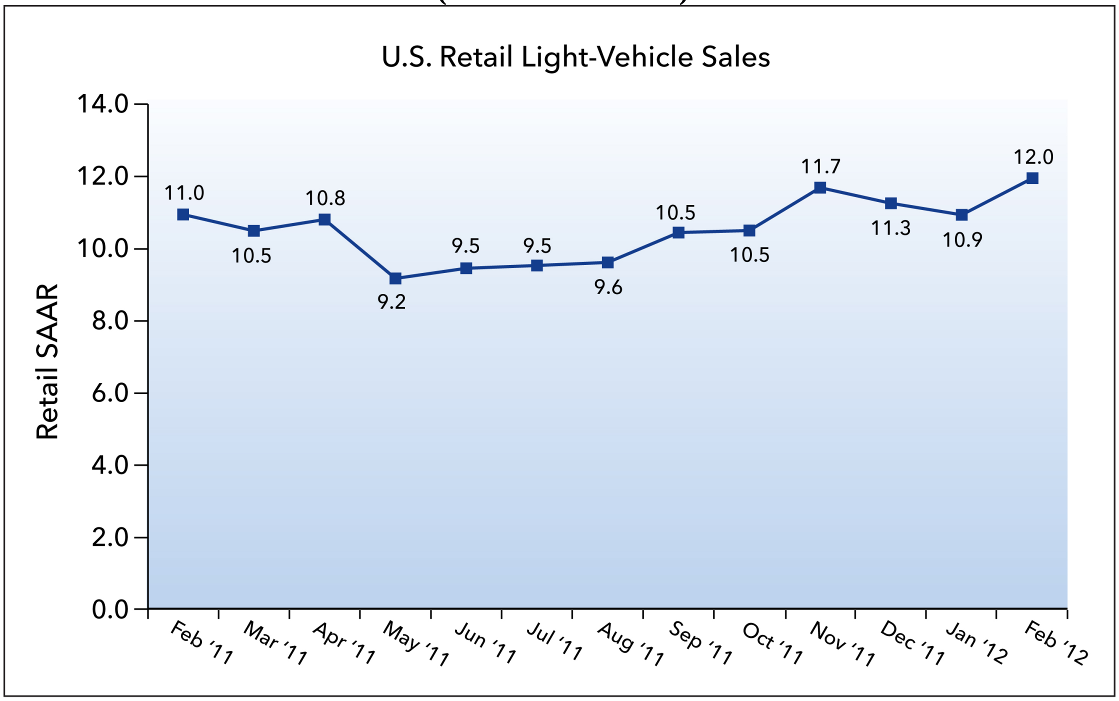
WESTLAKE VILLAGE, Calif.: 23 February 2012 — New-vehicle retail sales performance in February has been strong month-to-date, with the selling rate outperforming January's, according to a monthly sales forecast developed by J.D. Power and Associates Power Information Network® (PIN) and LMC Automotive.

Retail Light-Vehicle Sales

February new-vehicle retail sales are projected to come in at 857,400 units, an increase of 5 percent from February 2011. This represents a seasonally adjusted annualized rate (SAAR) of 12.0 million units, which is more than a million unit increase in the selling rate from January 2012. Retail transactions are the most accurate measurement of true underlying consumer demand for new vehicles.

"Retail light-vehicle sales in February are strong, which makes us modestly optimistic about the growth of sales going forward," said John Humphrey, senior vice president of global automotive operations at J.D. Power and Associates. "More so, we're increasingly confident that the fundamentals are in place to continue to support an upbeat sector outlook for the coming year."

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



In addition to pent-up demand due to an aging fleet, factors driving this optimism include a rebound in leasing and availability of consumer credit and long-term financing. Through the first 17 selling days of February 2012, lease penetration is at 20 percent, up from a low of 13 percent in 2009. Meanwhile, 72-month loans account for 23 percent of all retail sales in February 2012—the highest level in five years—up from 19 percent in February 2011.

In fact, 72-month loans have increased in 20 of the 27 vehicle segments, with the largest increases in the compact sporty, sub-compact conventional and large utility segments.

“We’re seeing a rebound in leasing and a slight improvement in credit availability, which is bringing customers that were shut out of the market two or three years ago back into dealerships,” said Humphrey. “Both of these elements bode well for consumers in terms of making vehicles more affordable, which will drive more traffic into showrooms.”

Total Light-Vehicle Sales
Total light-vehicle sales in February are expected to come in at 1,064,700 units, which is a 3 percent increase from February 2011. After a robust fleet mix of 25 percent in January 2012, levels are expected to settle in the 19 percent range in February, which is slightly below levels one year ago.

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

	February 2012[1]	**January 2012**	**February 2011**
New-vehicle retail sales	857,400 units (5% higher than February 2011)[2]	682,171 units	785.698 units
Total vehicle sales	1,064,700 units (3% higher than February 2011)	911,370 units	991,576 units
Retail SAAR	12.0 million units	10.9 million units	11.0 million units
Total SAAR	14.0 million units	14.1 million units	13.3 million units

[1]Figures cited for February 2012 are forecasted based on the first 17 selling days of the month.
[2]The percentage change is adjusted based on the number of selling days (25 days vs. 24 days one year ago).

Sales Outlook
As pronounced recovery in vehicle sales continues through February, LMC Automotive is increasing its forecast for total light-vehicles in 2012 to 14.0 million units (from 13.8 million units) and to 11.4 million units for retail light-vehicle sales (from 11.3 million units).

“Concerns about the financial crisis in Europe are not holding back the momentum of the automotive recovery in the U.S.,” said Jeff Schuster, senior vice president of forecasting at LMC Automotive. “The industry is currently well positioned for the best performance since 2007 and is expected to approach full recovery in the next two years with total light-vehicle sales at 16.0 million units by 2014.”

North American Production
North American light-vehicle production was up 22 percent in January, compared with January 2011. The Japanese OEMs, particularly Toyota and Honda, are working to replenish inventory stocks from the 2011 earthquake and tsunami disasters, which is evident in their collective January year-over-year increase of 26 percent. The Detroit 3 and European OEMs each had approximately a 19 percent year-over-year increase in production volume, while the Hyundai group was up nearly 24 percent for the same period. Production levels are expected to continue to increase in the first quarter of 2012, with volume forecasted at 3.7 million units, up 10 percent from the first quarter of 2011.

Vehicle inventory rose to a 66-day supply at the beginning of February (compared with a 52-day supply at the beginning of January). Car inventory is at normal levels with a 60-day supply in February, up from 55 days in January, while truck inventory levels climbed to a 72-day supply (previously at 50 days). Several manufacturers (Hyundai, Subaru, and BMW) continue to have supply constraints with inventory levels under a 40-day supply, which could impact sales performance of some models.

“As the outlook for demand improves and inventory stabilizes, LMC Automotive has increased its North American production outlook for 2012,” said Schuster. The forecast now stands at 14.0 million units (from 13.8 million), which represents an increase of 7 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 2011, the Corporation has approximately 23,000 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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