

Press Release

New-Vehicle Sales in February Expected to Increase 8.1%

DETROIT, Mich.: 22 February 2016 — New-vehicle sales in February 2016 are expected to increase 8.1% from a year ago, according to a monthly sales forecast developed jointly by J.D. Power and LMC Automotive.

- New-vehicle retail sales in February are projected to reach 1,046,700 units from 968,316 in February 2015, with the same number of selling days (24 days).
- The seasonally adjusted annualized rate (SAAR) for retail sales in February 2016 is expected to reach 13.9 million units, up significantly from 12.8 million units in February 2015 and the strongest retail SAAR in the month of February since 2002 (14.7 million).
- Total light-vehicle sales are expected to reach 1,357,800, up from 1,255,769 from a year ago.
- The SAAR for total sales is projected to reach 17.7 million units in February 2016, up 1.4 million units from 16.4 million a year ago and the highest rate since 2000 (18.9 million).

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

	February 2016 ¹	January 2016	February 2015
New-Vehicle Retail Sales	1,046,700 units (8.1% higher than February 2015)	892,119 units	968,316 units
Total Vehicle Sales	1,357,800 units (8.1% higher than February 2015)	1,147,132 units	1,255,769 units
Retail SAAR	13.9 million units	14.1 million units	12.8 million units
Total SAAR	17.7 million units	17.6 million units	16.4 million units

¹Figures cited for February 2016 are forecasted based on the first 11 selling days of the month.

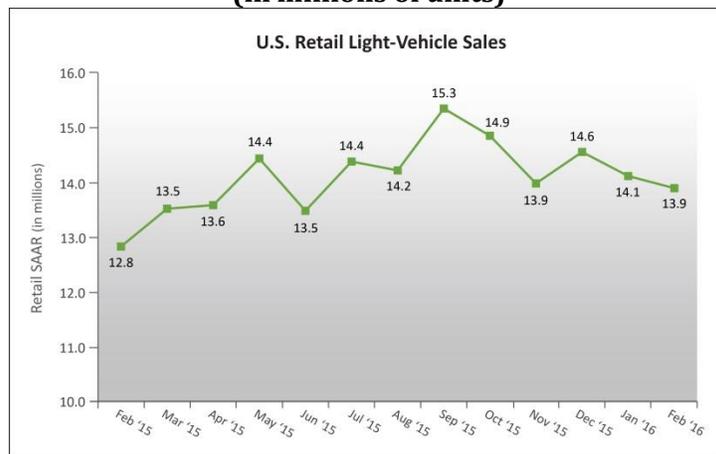
- Thus far this month, the compact car segment posts the highest retail sales in the industry for the second consecutive month. Demand for compact cars is driven, in part, by product activity: high incentives that are offered on outgoing vehicles ahead of the launch of the redesigned vehicle attract the budget-conscious, while all-new or redesigned models revitalize interest in the segment. Unfortunately, the improvement in compact car sales is not enough to offset weakening demand for cars overall, with market share for cars at only 42%, the lowest level on record for the month of February.
- Consumers are on track to spend more than \$32 billion on new vehicles in February, nearly \$3 billion more than in February 2015 and for the first time exceeding \$30 billion in the month of February.
- Customers are opting for leasing and long-term loans at record levels. So far in February, leases and loans of 72 months or longer combine to represent 65.1% of all retail sales, a record level for any month. The previous record was set in January 2016 at 64.3%.

John Humphrey, senior vice president of the global automotive practice at J.D. Power, said: “The year-over-year sales growth projection for February is strong, but we need to keep in mind that it is aided by the fact that sales in the upper East Coast, Midwest and Texas were hampered by weather last February. To further put the February sales projection into context, while the retail SAAR of 13.9 million is unquestionably a high level of vehicle demand, it is the lowest monthly level since last June and well below the 15.3 million pace last September.”

Jeff Schuster, senior vice president of forecasting at LMC Automotive, said: “Thus far, 2016 is off to the races, with February looking to keep the selling rate in line with expectations. Consumers seem to be shrugging off the volatility in the stock market and higher interest rates. Very low fuel prices and many new vehicles in showrooms should help drive another strong year for auto sales.”

LMC Automotive’s forecast for 2016 remains 17.8 million units for total light-vehicle sales and 14.5 million units for retail light-vehicle sales.

**U.S. Retail SAAR—February 2015 to February 2016
(in millions of units)**



Source: *Power Information Network® (PIN)* from J.D. Power

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