



Press Release

J.D. Power and Associates Reports: BMW Financial Services Ranks Highest in Satisfying Dealers for Prime Retail Credit and Retail Leasing; Volkswagen Credit Ranks Highest in Floor Planning Satisfaction

Wholesale Relationships Help Secure Primary Retail Business with Dealers

WESTLAKE VILLAGE, Calif.: 10 August, 2005 — BMW Financial Services leads the industry in satisfying dealers for prime retail credit and retail leasing, while Volkswagen Credit ranks highest in floor planning satisfaction, according to the J.D. Power and Associates 2005 Dealer Financing Satisfaction StudySM released today. Both providers lead these segments for the second consecutive year.

The study measures dealer satisfaction with finance providers in five product segments: prime retail, retail leasing, floor planning, sub-prime retail and account management. The sub-prime retail and account management segments do not carry official rankings because they do not meet the award criteria.

In the prime retail credit segment, BMW Financial Services performs particularly well in satisfying dealers with its credit personnel, application/approval process and termination policy.

In retail leasing, BMW Financial Services leads the industry in each of the dimensions of dealer satisfaction: finance provider offering, lease-end termination policy, application/approval process and credit personnel. However, substantial improvements among the other key players narrows BMW Financial Services' lead in the segment.

Volkswagen Credit ranks highest in floor planning for the second consecutive year, leading the segment in the areas of finance provider offering and floor plan support personnel.

Financial providers performing well in sub-prime retail credit include Ford Credit, GMAC and WFS Financial. Honda Financial Services, Nissan Motor Acceptance and Toyota Financial Services perform well in account management.

“Dealer satisfaction with automotive finance providers remains at record-high levels, with captives, banks and independents at or near their highest satisfaction levels since the inception of the study,” said Jeff Taylor, director of automotive finance research at J.D. Power and Associates. “While captives have historically outperformed banks, credit unions and independents in dealer satisfaction with each of the areas evaluated, banks have overtaken captives in 2005 in floor planning satisfaction for the first time since 1999, despite Volkswagen Credit’s industry-leading performance in this area.”

Among captive providers, Chrysler Financial shows marked improvement in prime retail credit satisfaction driven by substantially better credit personnel and the application/approval process. Chrysler Financial exhibits similar improvements in leasing.

The study also finds that wholesale relationships increasingly are creating opportunities for financing providers to capture additional business. Nearly two in five dealers indicate that a wholesale relationship guarantees a primary retail relationship—the highest level observed over the nine years of this measurement.

“Regardless of any wholesale relationship, dealers tell us that they intend to increase their business with only those lenders that ‘delight’ them or exceed their expectations,” said Taylor. “A much higher proportion of dealers who say they are ‘very satisfied’ [rating themselves a 5 on a 5-point scale] with their current finance provider indicate they plan to do additional prime retail credit and leasing business with the provider in that next 12 months.”

Dealer profits generated by F&I-related business continue to increase. Dealers report averaging a \$693 profit per vehicle this year generated by F&I—an increase of \$44 in gross profit per vehicle (6 percent) compared to 2004. Likewise, profit for used vehicles has increased \$20 per vehicle—up 3 percent since 2004. While used vehicles continue to be more profitable for the dealers than new vehicles, the increase in new-vehicle profits has narrowed the gap between the two in 2005.

The 2005 Dealer Finance Satisfaction Study is based on responses from 4,522 dealer principals who were surveyed between March and May 2005.

About J.D. Power and Associates

Headquartered in Westlake Village, Calif., J.D. Power and Associates is an ISO 9001-registered global marketing information services firm operating in key business sectors including market research, forecasting, consulting, training and customer satisfaction. The firm’s quality and satisfaction measurements are based on responses from millions of consumers annually. J.D. Power and Associates is a business unit of The McGraw-Hill Companies.

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