

**J.D. Power Reports:
Initial Quality Problems Increase as Automakers Struggle to Launch Vehicles with
Technology That Consumers Find Easy to Use**

Porsche Ranks Highest among Nameplates for a Second Consecutive Year;
General Motors Company Receives Six Model-Level Awards; Hyundai Motor Company Receives Five

WESTLAKE VILLAGE, Calif.: 18 June 2014 — The number of problems experienced by new-vehicle owners has increased from the previous year, as automakers continued to be challenged when introducing sophisticated technologies in new vehicles, according to the J.D. Power 2014 U.S. Initial Quality StudySM (IQS) released today.

The study, now in its 28th year, examines problems experienced by vehicle owners during the first 90 days of ownership. Initial quality is determined by the number of problems experienced per 100 vehicles (PP100), with a lower score reflecting higher quality.

The study finds that overall initial quality averages 116 PP100, a 3 percent increase in problems from 113 PP100 in 2013. This year's increase in problems follows a similar increase found in the J.D. Power U.S. 2014 Vehicle Dependability StudySM (VDS) released in February, which measures problems experienced after three years of ownership.

Some Consumers Struggle with New Technology

The study identifies two primary causes of the increased problem levels in 2014. First, newly launched vehicles (those that are completely new to the market or have undergone major redesigns) continue to be more problematic than carryover vehicles (those that did not undergo any significant changes). On average, newly launched vehicles experience 128 PP100, compared with 113 PP100 for carryover vehicles. The increase in problems among all-new vehicles is found mainly in the areas of voice recognition, Bluetooth pairing and audio systems.

"Automakers are trying to give consumers the new features and technology they want without introducing additional quality problems into their vehicles," said David Sargent, vice president of global automotive at J.D. Power. "However, almost all automakers are struggling to do this flawlessly with some consumers indicating that the technology is hard to understand, difficult to use, or simply does not always work as designed."

Harsh Weather Conditions also Affect Quality

Some regions experienced increases in problem types associated with harsh weather. Consumers in the South and West regions of the country report the same level of problems as in 2013 (114 PP100). In contrast, consumers in the Northeast and Midwest regions report 117 PP100 in 2014, compared with 112 PP100 in 2013. Most of this increase is found in the heating/ventilation/air conditioning, exterior and engine/transmission categories, three areas in which harsh weather conditions have an adverse effect on vehicles.

"Automakers test vehicles in extreme conditions to ensure they function properly," said Sargent. "However, it is impossible to completely negate the effects of severe weather. Heating and ventilation systems have more work to do, engines and transmissions aren't as smooth when cold, and exterior moldings and paint all take some punishment. Consumers generally understand this but still report problems when their vehicle does not wholly live up to their expectations."

Initial Quality Affects Brand Loyalty

The study also finds that the fewer problems owners experience with their vehicle, the greater their loyalty to the brand. Combined data from previous years' IQS results and the Power Information Network® (PIN) from J.D. Power show that 57 percent of owners who reported no problems stayed with the same brand when they purchased their next new vehicle. Brand loyalty slips to 53 percent among owners who reported just a single problem and to only 48 percent among owners who reported two or more problems.

“Even problems experienced in the first 90 days correlate strongly with ultimate repurchase behavior,” said Sargent. “These early problems can set the tone for the entire ownership period and still have an effect years later when consumers replace their vehicle.”

Highest-Ranked Nameplates and Models

For a second consecutive year, Porsche ranks highest in initial quality among all nameplates, with a score of 74 PP100. Following Porsche in the rankings are Jaguar (87 PP100), Lexus (92 PP100) and Hyundai (94 PP100).

General Motors Company receives six segment awards—more than any other automaker for a second consecutive year—for the Buick Encore (tie); Chevrolet Malibu; Chevrolet Silverado HD; Chevrolet Suburban (tie); GMC Terrain; and GMC Yukon (tie). Hyundai Motor Company receives five awards for the Hyundai Accent; Hyundai Elantra; Hyundai Genesis; Kia Cadenza; and Kia Sportage (tie). Other corporations with multiple award recipients are Ford Motor Company (Ford Edge, Ford F-150 LD and Lincoln MKX); Nissan Motor Company (Infiniti QX50, Infiniti QX80 and Nissan JUKE [tie]); Volkswagen AG (Porsche 911, Porsche Boxster and Porsche Panamera); Fiat Chrysler Automobiles (Chrysler Town & Country and Dodge Challenger); and Mazda (Mazda MAZDA5 and Mazda MX-5 Miata). Other models receiving awards are the Honda Ridgeline and Lexus ES.

Plant Assembly Line Quality Awards

Toyota Motor Corporation's Cambridge South, Ontario, Canada (TMMC) plant, which produces the Lexus RX, receives the Platinum Plant Quality Award for producing models that yield the fewest defects or malfunctions. Plant quality awards are based solely on defects and malfunctions and exclude design-related problems.

Two sister plants receive the Gold Plant Quality Award in the Asia Pacific region. Toyota Motor Corporation's Kyushu 1, Japan (TMK) plant produces the Lexus CT and RX. Across the road, the same company's Kyushu 2 plant produces the Lexus ES, IS and RX.

In the Europe and Africa region, Porsche AG receives the Gold Plant Quality Award for its Leipzig, Germany (P), plant, which produces the Porsche Cayenne and Panamera.

The 2014 U.S. Initial Quality Study is based on responses from more than 86,000 purchasers and lessees of new 2014 model-year vehicles surveyed after 90 days of ownership. The study is based on a 233-question battery designed to provide manufacturers with information to facilitate the identification of problems and drive product improvement. The study was fielded between February and May 2014.

Find more detailed information on vehicle quality, as well as model photos and specs, at JDPower.com/quality.

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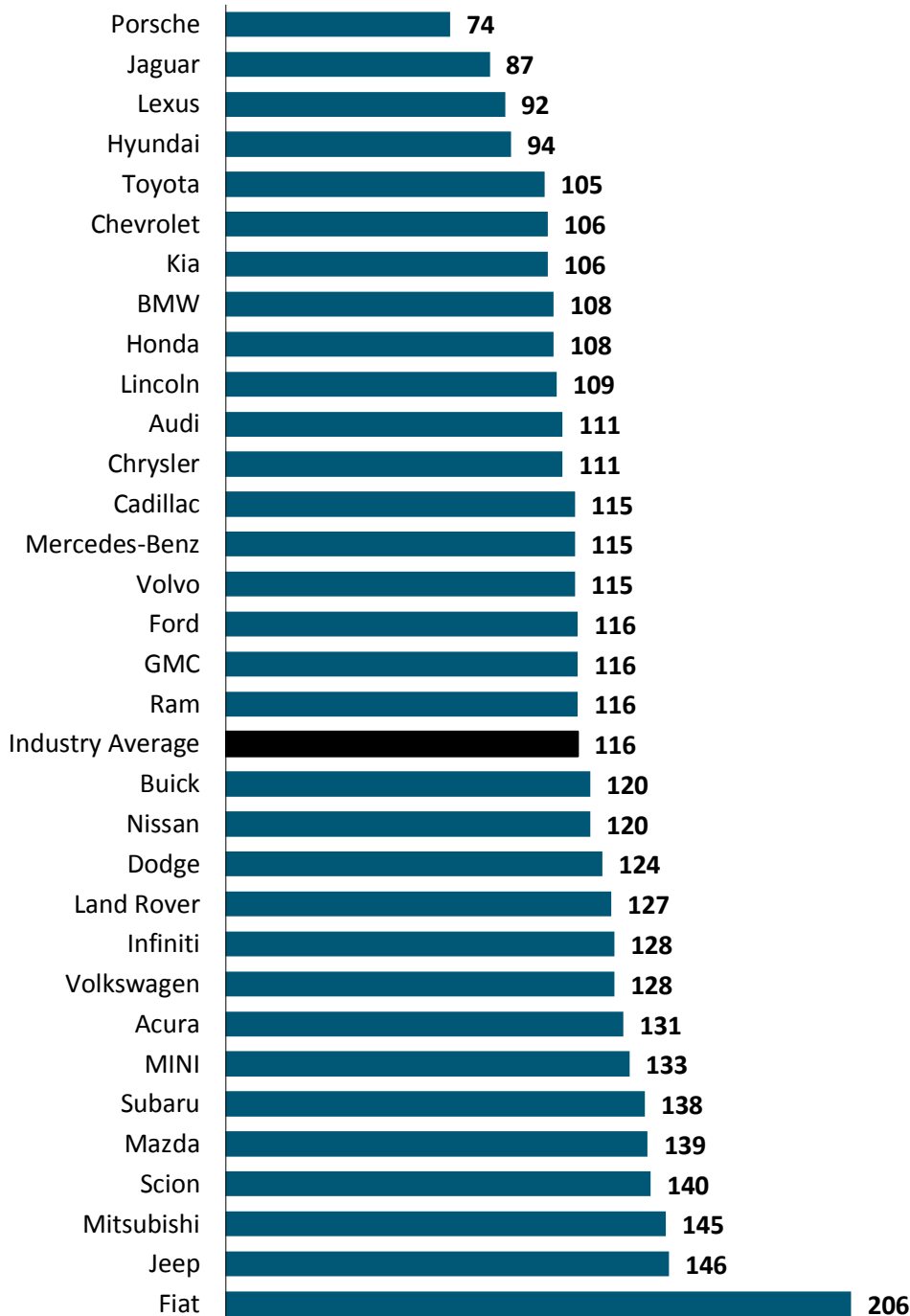
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2014 U.S. Initial Quality StudySM (IQS)

2014 Nameplate IQS Ranking

Problems per 100 Vehicles (PP100)



Source: J.D. Power 2014 U.S. Initial Quality StudySM

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2014 U.S. Initial Quality StudySM (IQS)

Top Three Models per Segment

Car Segments

Small Car Highest Ranked: Hyundai Accent Mazda MAZDA2 Kia Rio	Midsize Car Highest Ranked: Chevrolet Malibu Hyundai Sonata Toyota Camry
Compact Car Highest Ranked: Hyundai Elantra Toyota Corolla Honda Civic	Midsize Sporty Car* Highest Ranked: Dodge Challenger Chevrolet Camaro
Compact Premium Car Highest Ranked: Lexus ES Acura TL Acura ILX (tie) BMW 4 Series (tie)	Midsize Premium Car Highest Ranked: Hyundai Genesis Lincoln MKS BMW 6 Series (tie) Lexus GS (tie) Mercedes-Benz CLS-Class (tie)
Compact Sporty Car Highest Ranked: Mazda MX-5 Miata Volkswagen GTI Scion tC	Midsize Premium Sporty Car* Highest Ranked: Porsche 911 Jaguar F-Type
Compact Premium Sporty Car Highest Ranked: Porsche Boxster Porsche Cayman Nissan Z	Large Car Highest Ranked: Kia Cadenza Nissan Maxima Toyota Avalon
	Large Premium Car Highest Ranked: Porsche Panamera Lexus LS Hyundai Equus

* No other model in this segment performs above segment average.

Note: For a segment award to be issued, there must be at least three models with 80 percent of market sales in any given award segment. In the city car segment, these criteria were not met, so no award has been presented.

**For more detailed findings on new-vehicle quality performance,
visit www.jdpower.com/quality**

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2014 U.S. Initial Quality StudySM (IQS)

Top Three Models per Segment *SUV, MPV, Van, Pickup Segments*

Small SUV

Highest Ranked: Buick Encore (tie)
Kia Sportage (tie)
Nissan Juke (tie)

Midsized Pickup

Highest Ranked: Honda Ridgeline
Nissan Frontier (tie)
Toyota Tacoma (tie)

Compact SUV

Highest Ranked: GMC Terrain
Chevrolet Equinox
Toyota FJ Cruiser

Minivan

Highest Ranked: Chrysler Town & Country
Toyota Sienna
Dodge Grand Caravan

Compact Premium SUV

Highest Ranked: Infiniti QX50
BMW X3
Audi Q5

Large SUV

Highest Ranked: Chevrolet Suburban (tie)
GMC Yukon (tie)
Chevrolet Tahoe

Compact MPV

Highest Ranked: Mazda MAZDA5
Kia Soul
Ford C-Max

Large Premium SUV*

Highest Ranked: Infiniti QX80
Cadillac Escalade

Midsized SUV

Highest Ranked: Ford Edge
Hyundai Santa Fe (tie)
Nissan Murano (tie)

Large Light Duty Pickup

Highest Ranked: Ford F-150 LD
Toyota Tundra
Ram 1500 LD

Midsized Premium SUV

Highest Ranked: Lincoln MKX
Porsche Cayenne
Infiniti QX70

Large Heavy Duty Pickup*

Highest Ranked: Chevrolet Silverado HD
GMC Sierra HD

* No other model in this segment performs above segment average.

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2014 U.S. Initial Quality StudySM (IQS)

2014 Plant Assembly Line Quality Award Recipients

Based on Models Produced for U.S. Market

	Problems per 100 Vehicles (Defects/Malfunctions Only)	Model(s) Produced at Plant
Platinum Award		
Toyota Motor Corporation —Cambridge South, Ontario, Canada (TMMC)	12	Lexus RX
North/South America*		
General Motors Company —Ingersoll, Ontario, Canada (CAMI) <i>Silver</i>	20	Chevrolet Equinox, GMC Terrain
BMW AG —Spartanburg 01, South Carolina <i>Bronze</i>	21	BMW X3
Asia Pacific		
Toyota Motor Corporation —Kyushu 1, Japan (TMK) <i>Gold (Tie)</i>	18	Lexus CT, Lexus RX
Toyota Motor Corporation —Kyushu 2, Japan (TMK) <i>Gold (Tie)</i>	18	Lexus ES, Lexus IS, Lexus RX
Nissan Motor Co., Ltd. —M-Tochigi 2, Japan <i>Bronze</i>	19	Infiniti QX50, Infiniti QX70
Europe and Africa		
Porsche AG —Leipzig, Germany (P) <i>Gold</i>	26	Porsche Cayenne, Porsche Panamera
Daimler AG —East London, South Africa <i>Silver</i>	27	Mercedes-Benz C-Class
Audi AG —Neckarsulm, Germany <i>Bronze</i>	28	Audi A4, Audi A5/S5/RS5, Audi A6/S6, Audi A7/S7/RS7, Audi A8/S8, Audi R8

*Because Toyota Motor Corporation was awarded the Platinum Award, which represents the top assembly plant in the world for initial quality, no Gold Award is issued for North/South America.

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