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CENTRAL AND EASTERN EUROPEAN MARKET CONTINUES TO FALL

- **Central and Eastern European markets down by 12.4% in Q1 2010**
- **Hungary (-54.8%) and Romania (-43.8%) biggest losers**
- **Czech Republic bucks trend, up 26.6%**
- **Skoda Octavia makes all the difference to sales fortunes**

Central and Eastern European (CEE) car markets remain in turmoil, following the severe decline of new car demand last year, with Q1 2010 sales dropping a further 12.4%, in figures released today by the world's leading provider of automotive intelligence, JATO Dynamics.

The only market to really change its fortunes in the past quarter was the Czech Republic, whose 26.6% sales rise can be almost entirely attributed to the standout performance of local hero, the Skoda Octavia – the most popular model both nationally and across the region.

Continuing the trend from 2009, all but one of the major volume brands saw a downturn in sales through the period, as the turmoil created by the wider economic crisis, rising taxes and a lack of Western-style incentive schemes kept buyers from showrooms.

Regional Summary

Less than 200,000 cars were sold across the CEE region in the first quarter, 2010, marking a 12.4% drop overall (Q1 2009: 225,902).

Most markets suffered double digit sales falls, with Hungary faring worst of all (-54.8%), followed by Romania (-43.8%). Taken together, these two markets lost over 25,000 sales in the quarter, vs. 2009 – far more than those gained by the relatively positive news from Serbia.

“The picture of the CEE region as the growth centre for European new car sales is now a distant memory, as the region remains gripped by a severe downturn,” said David Di Girolamo, Head of JATO Consult.

Regional Summary

Country	Q1 2010	Q1 2009	Difference	% change Q1
Croatia	8,970	12,767	-3,797	-29.7%
Czech Republic	39,339	31,079	+8,260	+26.6%
Estonia	2,185	2,704	-519	-19.2%
Hungary	10,308	22,782	-12,474	-54.8%
Latvia	1,064	1,517	-453	-29.9%
Lithuania	1,375	1,928	-553	-28.7%
Poland	79,404	87,966	-8,562	-9.7%
Romania	16,681	29,676	-12,995	-43.8%
Serbia	9,535	5,934	+3,601	+60.7%
Slovakia	13,277	14,901	-1,624	-10.9%
Slovenia	15,748	14,648	+1,100	+7.5%
Grand Total	197,886	225,902	-28,016	-12.4%

Brand Performance

Any good news in the region this quarter was generated almost exclusively by Skoda, recording relatively buoyant sales, particularly in its home market of Czech Republic.

All of the other top car makers suffered further volume losses, with even Fiat – strong in 2009 – seeing a small decline (-6.1%). Peugeot entered the top ten brands in ninth place, more as a consequence of greater losses elsewhere, than its own performance (-16.5%).

Top 10 Brands

Make	Q1 2010	Q1 2009	Difference	% change Q1
SKODA	30,074	25,852	+4,222	+16.3%
VOLKSWAGEN	16,275	18,560	-2,285	-12.3%
RENAULT	14,583	15,439	-856	-5.5%
FORD	14,203	16,961	-2,758	-16.3%
FIAT	13,468	14,345	-877	-6.1%
TOYOTA	11,926	13,777	-1,851	-13.4%
OPEL	11,875	16,383	-4,508	-27.5%
DACIA	9,049	10,409	-1,360	-13.1%
PEUGEOT	8,599	10,303	-1,704	-16.5%
HYUNDAI	7,932	11,218	-3,286	-29.3%

Model Performance

Skoda's Octavia remains the region's best-selling car, with the gap to the second-placed Fabia surging to 6,766 (Q1 2009: 509). The Octavia delivered the best performance of all the top ten models during the first quarter, rising 38%, largely due to its popularity with company fleets now recovering economic confidence.

The biggest loss in the period amongst volume sellers was experienced by the Kia C'eed – fifth overall in 2009 – its drop to 10th place resulted in Kia losing its place in the top ten brands.

Top 10 Models

Make & Model	Q1 2010	Q1 2009	Difference	% change Q1
SKODA OCTAVIA	15,751	11,413	+4,338	+38.0%
SKODA FABIA	8,985	10,904	-1,919	-17.6%
DACIA LOGAN	6,568	6,849	-281	-4.1%
VOLKSWAGEN GOLF	5,432	6,554	-1,122	-17.1%
OPEL ASTRA	5,314	4,947	+367	+7.4%
FORD FOCUS	4,785	5,589	-804	-14.4%
RENAULT MEGANE	4,632	4,425	+207	+4.7%
TOYOTA YARIS	4,544	4,514	+30	+0.7%
VOLKSWAGEN POLO	4,314	3,756	+558	+14.9%
KIA CEED	3,994	6,103	-2,109	-34.6%

Concluded David Di Girolamo: "Car makers are certainly feeling acute pain from their sales performances in this region. The question now is what will the recovery look like for Central and Eastern Europe and what will be the new level of sales?"

The above intelligence is provided by JATO Consult, the company's bespoke consulting service which offers customers access to its unique research and provides solutions and advice to meet a wide range of automotive business challenges. For more information visit www.jato.com, or email consult@jato.com.

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Editorial note: JATO Dynamics background

JATO was founded in 1984 and provides the world's most timely, accurate and up-to-date information on vehicle specifications and pricing, sales and registrations, news and incentives. The company has representation in over 40 countries, providing unique local market expertise. The JATO client base includes all of the world's volume vehicle manufacturers, giving them the ability to react to short-term market movements, plan for long-term developments and ultimately to meet consumers' needs. JATO's intelligence has also been adapted for consumer use in motoring web portals where customers can see the advantages and disadvantages of a specified model against any other while major leasing companies use JATO's intelligence to drive the vehicle quotation process. Visit JATO at www.jato.com.

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