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CHINESE AUTO MARKET GROWTH IS 'STAGGERING' SAYS JATO

- **Domestically built brands post 46 per cent sales hike**
- **Nearly 3 million units sold in first six months of the year**

JATO Dynamics, the world's leading provider of automotive data and intelligence, says that the domestic car market in China continues to grow at an unprecedented rate.

In the first six months of this year, the market for domestically built cars in China ran at 2,965,430 units, up 46.0 per cent on the reported figures during the same period in 2006.

"Chinese manufacturers are posting staggering growth figures," says Nasir Shah, International Sales and Marketing Director for JATO. "Precise data is still hard to gather in the market, but it's clear to see that the Chinese car market is expanding at a rate never before seen in an international market. Furthermore, there's no sign of the growth abating."

Brand Performance

Volkswagen was China's top-selling car brand in the first six months of 2007 (up 32.9% YtD), ahead of Wuling (unreported in 2006), Chery (up 43.6% YtD), Toyota (up 65.2% YtD) and Honda (up 30.3% YtD).

"In a fast-growing market such as this, there is significant investment in new products, new brands and in the distribution networks. As a result, many manufacturers have recorded significantly increased volumes over the past year," says Shah.

Worthy of particular note are Brilliance Jinbei (up 145% YtD), Hafei (up 174% YtD - although full volumes may not have been reported in 2006) and Mitsubishi (up 98.6% YtD). Of the European brands Audi (up 38.2% YtD) and BMW (up 65.8% YtD) are performing very strongly.

Top Models

Of the models for which the full volumes have been reported, the market leader is the Volkswagen Santana (up 31% YtD), ahead of the Buick Excelle (up 5.1% YtD), Volkswagen Jetta, Toyota Camry (new market entry), Chery QQ (up 5.3% YtD) and FAW N3.

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Top 10 models

Make/Model	Jun YtD_07	Jun YtD_06	% Change YtD	Jun_07	Jun_06	% Change Jun
VOLKSWAGEN SANTANA	109,496	83,599	+31.0%	19,798	15,446	+28.2%
BUICK EXCELLE	91,327	86,928	+5.1%	15,325	13,337	+14.9%
VOLKSWAGEN JETTA	82,978	82,900	+0.1%	2,066	14,281	-85.5%
TOYOTA CAMRY	80,664	3,804	+2020.5%	14,355	3,804	+277.4%
CHERY QQ	69,395	65,911	+5.3%	9,897	9,562	+3.5%
FAW N3	68,176	93,795	-27.3%	9,333	12,513	-25.4%
HONDA ACCORD	64,443	62,335	+3.4%	11,773	8,932	+31.8%
HAIMA FAMILY	61,314	24,315	+152.2%	6,754	4,837	+39.6%
NISSAN TIIDA	60,783	57,587	+5.5%	10,549	10,398	+1.5%
VOLKSWAGEN PASSAT	60,249	57,584	+4.6%	9,675	10,479	-7.7%

It is worth noting however, that Wuling, Chana and Hafei have not reported model totals for all vehicles sold, and the performance of their individual models cannot be satisfactorily determined. This is significant as the Wuling Sunshine, Light and Hongtu passenger micro-van models may well be competing for the position of best-selling car in China for the first six months of 2007.

Evolving Market

JATO also points out that in a rapidly evolving market such as China, it is common for models to remain virtually unchanged while the brand name changes (for example, last year's Mazda Family is this year's Haima Family).

"The number of domestic manufacturers, some large and some small, is very high, and there is some consolidation occurring within the market. These factors can make comparison of brand performances over time more problematic than in other worldwide markets," says Shah.

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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 data 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 data to drive the vehicle quotation process. Visit JATO at www.jato.com

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