

November 27, 2007

CHINESE CAR MARKET CONTINUES STAGGERING GROWTH

- **Chinese market for domestically built cars up 45.3% YtD**
- **4.4 million cars sold so far in 2007**
- **Volkswagen is top-selling brand**

JATO Dynamics, the world's leading provider of automotive data and intelligence, reports today that the Chinese car market continues to grow at an unprecedented rate. In the first nine months of 2007, the market for domestically-assembled cars in China was 4,417,252 units, which represents a 45.3% increase over the reported volumes in the same period in last year.

In the third quarter period, the market in saw 1,451,823 new cars sold which represents a 44 % increase on the volumes reported in the same period last year.

"China continues to demonstrate a voracious appetite for new cars," says Nasir Shah, Global Business Development Director at JATO. "Despite an increasing demand for high quality foreign imports, domestically produced products offer good value for money to the many millions of consumers who are making their first car purchase."

Brand Performance

Volkswagen was China's top-selling car brand in the first 9 months of 2007 with a 30.0% increase YtD. Wuling is in second position having not reported volumes in 2006, followed by Toyota (up 61.5% YtD), Chery (up 43.1% YtD) and Honda (up 31.7% YtD).

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“The combination of a fast-growing market, significant investment in new products, new brands and improved distribution systems, is all contributing to the significantly increased volumes over the past year,” says Shah. “Many brands are up by at least 50%, whilst some have posted extraordinary growth, such as Brilliance, which is up 516% YtD”.

Top Models

Small micro van based passenger vehicles are an important segment in the Chinese car market, and the Wuling Light/Sunshine/City Breeze and the Chana Green Star fill the top two slots of the market leader board for the first nine months of 2007. The remaining cars in the ‘top ten’ sales chart are the Volkswagen Santana, Buick Excelle, Volkswagen Jetta, Toyota Camry, Chery QQ, FAW N3, Hafei Zhongyi/Minyi and the Honda Accord.

In the third quarter of the year, the market leaders were the Wuling, Jetta, Excelle, Chana, Santana, Camry, QQ, Toyota Corolla, Ford Focus and FAW N3.

Top ten models

Make/Model	Q3_07	Q3_06	% Change Q3	Sep YtD_07	Sep YtD_06	% Change YtD
WULING LIGHT/SUNSHINE/ CITY BREEZE	95,846	unreported	-	345,568	unreported	-
CHANA GREEN STAR	45,447	unreported	-	180,148	unreported	-
VOLKSWAGEN SANTANA/ SANTANA 3000	44,060	35,218	+25.1%	153,556	118,817	+29.2%
BUICK EXCELLE	47,600	40,557	+17.4%	138,927	127,485	+9.0%
VOLKSWAGEN JETTA	52,794	47,877	+10.3%	135,772	130,777	+3.8%
TOYOTA CAMRY	43,549	20,548	+111.9%	124,213	24,352	+410.1%
CHERY QQ	36,774	27,252	+34.9%	106,169	93,163	+14.0%
FAW N3	30,244	32,219	-6.1%	98,420	126,014	-21.9%
HAFEI ZHONGYI/MINYI	22,391	unreported	-	92,474	unreported	-
HONDA ACCORD	27,285	26,081	+4.6%	91,728	88,416	+3.7%

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Segment Trends

The lower medium segment is the largest in the Chinese market with a 27.4% share of the market, YtD. So far this year the segment leaders are the Ford Focus, Nissan Tiida, Haima Family, Chery Cowin and Toyota Corolla.

The second largest segment YtD, was the upper medium segment with a 20.9% share of the market. It was led by the Volkswagen Santana, Volkswagen Jetta, Buick Excelle, Volkswagen Passat and Hyundai Elantra.

Mini Vans are the third largest segment, with a 17.9% share of the market YtD. The segment is led by the Wuling Light/Sunshine/City Breeze, Chana Green Star, Hafei Zhongyi/Minyi, Honda Odyssey and JAC Refine.

The small car segment is led by the FAW N3, followed by the Chevrolet Aveo, Volkswagen Polo, Honda Fit and the Honda City.

The Executive, Mini and SUV segments made up the majority of the rest of the market.

Segment analysis

JATO regional segment	Q3_07	Mkt Share Q3	Sep YtD_07	Mkt Share YtD
PR Mini	66,493	4.58%	213,945	4.84%
PR Small	177,087	12.20%	543,260	12.30%
PR Lower Medium	402,577	27.73%	1,210,560	27.41%
PR Upper Medium	330,246	22.75%	923,133	20.90%
PR Executive	154,959	10.67%	472,396	10.69%
PR Luxury	5,615	0.39%	20,119	0.46%
PR Mini Van	224,616	15.47%	789,115	17.86%
PR SUV	89,841	6.19%	243,043	5.50%
PR Sports	307	0.02%	1,440	0.03%
PR Other	82	0.01%	241	0.01%
Grand Total	1,451,823	100.00%	4,417,252	100.00%

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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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