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MARKET SLOWDOW CONTINUES IN CENTRAL AND EASTERN EUROPEAN CAR MARKET

- **Central and Eastern European market continues to fall in Q3 2009**
- **Poland is the region's largest market; Slovakia the best performing**
- **Skoda Octavia remains most popular model overall**

Very little in the way of recovery is apparent across the new car markets of Central and Eastern Europe, according to the latest analysis from the world's leading provider of automotive data and intelligence, JATO Dynamics.

These markets, without the government-supported scrappage schemes that have assisted many of their western neighbours, continue to suffer the full effects of the recession. In many, these effects are felt even more intensely, having been real centres for growth up to 2008.

The only major brand to buck the downward trend in Q3 2009 has been Fiat, while only Slovakia and Poland remain in the black when it comes to new car sales.

Regional Summary

In total, 213,086 cars were sold in CEE in Q3 2009, a 32% drop, versus the same period last year. Poland remains the largest market in the region, with sales of 70,733 marking it as one of only two markets in the region to post a rise in sales, versus Q3 2008. This quarter's performance continues and strengthens Poland's upward trend from the first half of the year.

However, Poland's growth rate continued to be outperformed by Slovakia, which saw Q3 sales rise 8.1%. All other markets suffered falls, with Latvia

(-73.9%) and Lithuania (-68.1%) selling less than 2,000 new cars in the quarter.

"Eastern Europe is suffering far more than Western markets," says David Di Girolamo, Head of JATO Consult. "Of course, the worrying thing here, for Western Europe, is it reveals the 'true' level of demand for new cars, when the cushioning effect of scrappage and other incentives is removed."

The biggest faller of all in Q3 was Hungary, where new car sales virtually collapsed to just 9,689 units (Q3 2008: 38,324), a 74.7% decline. Adding to the economic woes here are the effect of mid-year VAT increases (to 25%).

Regional Summary

Country	Q3_09	Q3_08	% change Q3	Sep YtD_09	Sep YtD_08	% change YtD
Poland	70,733	66,977	+5.6%	239,617	235,622	+1.7%
Czech Republic	38,520	44,653	-13.7%	117,752	138,418	-14.9%
Romania	31,160	78,009	-60.1%	101,772	222,997	-54.4%
Slovakia	23,357	21,605	+8.1%	69,085	65,723	+5.1%
Slovenia	13,540	16,185	-16.3%	42,986	55,255	-22.2%
Serbia	11,319	12,389	-8.6%	29,132	39,307	-25.9%
Croatia	9,821	20,116	-51.2%	35,158	69,358	-49.3%
Hungary	9,689	38,324	-74.7%	49,302	120,327	-59.0%
Estonia	2,125	5,614	-62.1%	7,850	20,820	-62.3%
Lithuania	1,594	5,001	-68.1%	5,906	18,417	-67.9%
Latvia	1,228	4,699	-73.9%	4,338	16,546	-73.8%
Grand Total	**213,086**	**313,572**	**-32.0%**	**702,898**	**1,002,790**	**-29.9%**

Brand Performance

Skoda remained the region's biggest volume car brand in Q3 2009, but its sales have suffered by almost one third (-32.7%), versus Q3 2008, while a strong performance by Fiat, which reflects its recent success in western Europe, has closed the sales gap and moved the Italian carmaker ahead of Ford, Renault and Volkswagen in the region, for this sales period.

Top 10 Brands

Make	Q3_09	Q3_08	% change Q3	Sep YtD_09	Sep YtD_08	% change YtD
SKODA	27,646	41,096	-32.7%	87,351	125,656	-30.5%
FIAT	17,346	14,804	+17.2%	50,252	48,393	+3.8%
FORD	17,116	20,635	-17.1%	54,653	69,447	-21.3%
RENAULT	16,678	20,082	-17.0%	51,647	66,745	-22.6%
VOLKSWAGEN	15,967	24,061	-33.6%	53,827	74,877	-28.1%
DACIA	13,047	24,236	-46.2%	40,078	70,286	-43.0%
TOYOTA	12,397	20,239	-38.7%	41,220	62,746	-34.3%
OPEL	11,114	22,713	-51.1%	42,161	77,745	-45.8%
HYUNDAI	10,255	10,883	-5.8%	33,735	34,969	-3.5%
KIA	9,870	10,533	-6.3%	33,173	33,164	+0.0%

Model Performance

Traditional Eastern European brands still dominate in the region and Skoda's Octavia and Fabia remained in the top two sales spots in Q3 2009, followed by the Dacia Logan.

However, all of these have seen dramatic declines in sales, while sales of certain Western models, such as Volkswagen Golf, have remained far more stable.

Strong model performers were the Fiat Punto and Hyundai I30 and while the exponential growth of Q3 Punto figures represent the new 'Classic' model, the previous Punto had recorded a 19.8% improvement in H1, versus 2008 and this reinforces FIAT's positive thrust on the European market place.

Top 10 Models

Make & Model	Q3_09	Q3_08	% change Q3	Sep YtD_09	Sep YtD_08	% change YtD
SKODA OCTAVIA	12,213	18,705	-34.7%	39,887	55,120	-27.6%
SKODA FABIA	11,473	17,524	-34.5%	35,938	56,089	-35.9%
DACIA LOGAN	9,361	18,069	-48.2%	29,074	63,161	-54.0%
FIAT PUNTO CLASSIC	6,531	327	+1897.2%	11,901	961	+1138.4%
KIA CEED	6,456	7,518	-14.1%	21,795	22,329	-2.4%
VOLKSWAGEN GOLF	6,015	6,409	-6.1%	19,356	19,364	-0.0%
FORD FOCUS	5,144	7,536	-31.7%	16,533	26,846	-38.4%
RENAULT CLIO	4,771	8,220	-42.0%	14,871	26,522	-43.9%
RENAULT MEGANE	4,635	4,742	-2.3%	16,098	16,811	-4.2%
HYUNDAI I30	4,608	2,720	+69.4%	12,661	9,508	+33.2%

"Central and Eastern Europe is worthy of attention, in representing the volatility of natural demand for new cars and the contrasts between regions when it comes to consumer brand preferences", concludes Di Girolamo.

The above data is provided by JATO Consult, the company's bespoke consulting service which offers customers access to its unique data 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 43 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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