

October 23, 2008

RUSSIAN CAR MARKET UNDER PRESSURE BUT STILL GROWING

- **Market growth has slowed but still up by 28.4% YtD**

JATO Dynamics, the world's leading provider of automotive data and intelligence, today reports that despite poor trading conditions in the USA and Western Europe, the Russian market has grown 28.4% YtD, compared to the same period in 2007. This represents a total volume of 1,863,052 units, a figure that exceeds the market's full year sales in 2006.

"Russia is currently a very confident market", says Nasir Shah, Global Business Development Director at JATO. "The rate of growth has declined in recent months, but given the global economic problems, a 28.4% market growth is still very impressive."

The August sales figures are testament to the slower growth, which were only 3.5% higher than in August 2007, but in a country with major oil reserves and lower fuel prices, its ability to ride the economic storm is far stronger than most. Diesel cars remain a very small proportion of the market (3%), and hybrids account for only 0.08% of the market. Sedan cars dominate Russian roads with 46.4% of the market compared to a 27.8% share for hatchbacks.

Segment Trends

The Lower-medium C1 segment is the most prominent segment in the Russian market, with a market share of 46.2% for the first 8 months of 2008, followed by the B-segment with 15.2% of the market and Medium SUVs with 10.2%.

The Medium SUV segment recorded the greatest growth for the first 8 months of 2008 (up 66.7%), followed by the C2 premium lower medium segment (up 61.7%), the Sports segment (up 46.3%), the Luxury SUV segment (up 44.9%) and the B-segment (up 43.1%).

Only two car segments have recorded reduced sales year-to-date, with the E2 Luxury saloon segment and the non-premium Large SUV segment having lost market share to the Luxury SUV segment.

“Like many evolving markets, the economy has produced a large void between either end of the consumer spectrum”, says Shah. “Russia is producing a swell of buyers who are only now able to afford their first car, while at the other end of the market, SUVs, sports cars and luxury car sales are booming in the hands of the super-rich.”

JATO regional segment	Aug YtD_08	Aug YtD_07	% Change YtD	Mkt Share Aug YtD_08
EU A - utility/city cars	45,854	40,497	+13.2%	2.5%
EU B - small	283,247	197,913	+43.1%	15.2%
EU C1 - lower medium -	860,385	712,237	+20.8%	46.2%
EU C2 - lower medium +	94,256	58,280	+61.7%	5.1%
EU D1 - upper medium -	117,268	108,003	+8.6%	6.3%
EU D2 - upper medium +	21,454	18,404	+16.6%	1.2%
EU E1 - large and executive	38,225	34,521	+10.7%	2.1%
EU E2 - luxury	5,290	5,924	-10.7%	0.3%
EU Mini MPV	56,056	39,583	+41.6%	3.0%
EU Medium MPV	2,558	2,258	+13.3%	0.1%
EU Large MPV	4,259	4,131	+3.1%	0.2%
EU Small SUV	76,482	67,498	+13.3%	4.1%
EU Medium SUV	189,343	113,613	+66.7%	10.2%
EU Large SUV	14,442	15,066	-4.1%	0.8%
EU Luxury SUV	35,435	24,453	+44.9%	1.9%
EU Sports	5,289	3,616	+46.3%	0.3%
EU Other	11,294	3,286	+243.7%	0.6%
EU Pickup	1,837	1,324	+38.7%	0.1%
EU Small Commercial	78	179	-56.4%	0.0%
Grand Total	1,863,052	1,450,786	+28.4%	100.0%

Brand Performance

Year-to-date, the market continues to be dominated by local brand Lada (up 3.2%), ahead of Chevrolet (up 38.7%), Hyundai (up 88.1%), Toyota (up 23.5%) and Ford (up 20.2%). In a market that has expanded so significantly, most brands have recorded YtD growth, with Seat, which was only introduced to the market in August 2007, recording 7653% growth, and Chinese brand BYD up 249% following the introduction of its F3 lower-medium models. With Honda up 155% and Dodge up 106%, it's clear that many brands are still experiencing massive market growth.

Make	Aug_08	Aug_07	% Change Aug	Aug YtD_08	Aug YtD_07	% Change YtD
LADA	50,813	70,730	-28.2%	431,434	418,141	+3.2%
CHEVROLET	14,913	15,767	-5.4%	159,445	114,964	+38.7%
HYUNDAI	19,157	12,596	+52.1%	138,787	73,788	+88.1%
TOYOTA	18,189	13,520	+34.5%	122,506	99,210	+23.5%
FORD	10,927	8,077	+35.3%	120,569	100,271	+20.2%
NISSAN	12,674	10,030	+26.4%	102,464	71,220	+43.9%
RENAULT	7,691	8,275	-7.1%	74,568	61,849	+20.6%
MITSUBISHI	8,848	11,277	-21.5%	72,674	52,725	+37.8%
DAEWOO	8,804	8,815	-0.1%	71,274	59,297	+20.2%
OPEL	8,148	7,084	+15.0%	70,158	39,820	+76.2%

Model Performance

Lada holds four of the top five places in the market, with the Samara leading the market from the evergreen 2105/2107 model, the newer Priora, Kalina and the Ford Focus in fifth place.

A number of models have more than doubled their sales YtD, compared to the same period in 2007, including the Chevrolet Lacetti, Hyundai Getz, Skoda Octavia, Nissan Qashqai, Opel Corsa, Honda Civic, Kia Ceed, Honda CR-V, Nissan X-Trail, Toyota Auris, Hyundai Elantra, Hyundai Santa Fe, Volkswagen Touareg, Suzuki SX4, Mazda CX-7, Opel Meriva, Ssangyong Kyron and Land Rover Freelander.

Make & Model	Aug_08	Aug_07	% Change Aug	Aug YtD_08	Aug YtD_07	% Change YtD
LADA SAMARA	14,510	20,164	-28.0%	119,969	120,927	-0.8%
LADA 2105/2107	12,831	19,852	-35.4%	116,515	116,245	+0.2%
LADA PRIORA	12,307	8,864	+38.8%	82,610	24,412	+238.4%
LADA KALINA	7,688	8,553	-10.1%	61,896	46,861	+32.1%
FORD FOCUS	5,490	3,728	+47.3%	61,870	55,983	+10.5%
CHEVROLET LACETTI	5,632	4,026	+39.9%	57,120	25,484	+124.1%
RENAULT LOGAN	5,058	5,543	-8.7%	53,819	42,418	+26.9%
HYUNDAI ACCENT	7,606	3,474	+118.9%	53,155	27,399	+94.0%
MITSUBISHI LANCER	5,385	7,405	-27.3%	46,279	34,379	+34.6%
TOYOTA COROLLA	6,860	3,775	+81.7%	40,197	29,460	+36.4%

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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 intelligence 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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