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GERMAN LOSSES PLAY CENTRAL ROLE IN EUROPEAN NEW CAR SALES

- **European new car market down 6.5% in June 2010**
- **Volkswagen remains on top**
- **Positive growth driven by new models: Opel/Vauxhall Astra and VW Polo both perform well**
- **German new car market in severe post-scrappage decline**

Europe's new car market continues to be a place of marked contrasts, with certain brands and markets growing sales and others not, as revealed by the latest monthly analysis from the world's leading provider of automotive intelligence, JATO Dynamics.

European sales have fallen again in June (down 6.5% vs. June 2009), dragging down the overall YtD figure to just 1.1% above the same period last year.

The continued weakness in German and Italian new car markets (down 32.3% and 19.1%, respectively) is the main contributory factor to lower sales volumes, which is also affected by the lack of strong Central and Eastern Europe economies.

This is affecting some of the major brands – including Fiat, Ford and Volkswagen – that traditionally sell well to German and Italian buyers.

In France and UK, by contrast, things look better: sales figures are in the black (up 2.3% and 10.8%, respectively), helping certain brands whose sales are based on these markets, to show more positive sales figures.

However, as David Di Girolamo, Head of JATO Consult cautions, this should not be taken at face value: "It is certainly true that demand is weak today in

Germany, but direct comparisons to June 2009 should bear in mind that Germany's scrappage scheme was active in this period, driving high sales, whereas the UK scheme had only just begun and in June 2009 this market was still relatively depressed."

Brand Performance

One brand that has seen a net benefit over the past year is Renault. In June 2009, Renault was fifth in the new car sales YtD; it is now second and just 196,694 behind Volkswagen, with its Clio and Mégane both up again in June.

Elsewhere, new models have offered the key growth opportunities.

Opel/Vauxhall Astra is performing strongly in many European markets, pushing the brand to third in overall sales, while the increased popularity of Volkswagen's new Polo is lifting the German brand's fortunes outside its scrappage-hit home market.

Both Ford and Volkswagen are showing declines in sales, in part affected by the German market downturn, which followed a 35.1% decline in May, with a 32.3% drop in June, vs. the same periods, 2009.

Similarly, Fiat is suffering from the Italian market's weakness. While it retains the top three selling models in Italy for June, each recorded a drop in sales, vs. 2009.

Brand Performance

Make	Jun_10	Jun_09	% Change Jun	Jun YtD_10	Jun YtD_09	% Change YtD
VOLKSWAGEN	152,801	166,559	-8.3%	834,377	844,415	-1.2%
RENAULT	118,891	113,625	+4.6%	637,683	521,542	+22.3%
OPEL/VAUXHALL	113,360	108,735	+4.3%	532,610	557,440	-4.5%
FORD	102,761	128,188	-19.8%	635,664	667,709	-4.8%
PEUGEOT	99,944	100,298	-0.4%	558,382	502,568	+11.1%
CITROEN	85,459	90,838	-5.9%	466,976	439,847	+6.2%
FIAT	79,582	100,647	-20.9%	487,430	542,782	-10.2%
BMW	64,993	59,771	+8.7%	311,518	288,803	+7.9%
MERCEDES	60,711	64,860	-6.4%	299,078	302,029	-1.0%
AUDI	58,626	63,203	-7.2%	330,601	326,887	+1.1%

Model Performance

Opel/Vauxhall's performance is down to two key models – Corsa and Astra – the latter of which was recently relaunched. Both were particularly popular in the UK during June (sales up 22.2% and 85.9%, respectively) and have consequently taken second and fourth place overall in sales.

The other big model recently relaunched was the Volkswagen Polo (overall June 2010 sales up 72.3%), whose freshness has afforded it a far greater popularity than its predecessor attracted in the same period in 2009.

Renault's refreshed Clio and Mégane continue to show improving sales, while the Ford Focus and Fiat Panda have dropped out of Europe's top ten selling models.

Top 10 models

Make & Model	Jun_10	Jun_09	% Change		% Change	
			Jun	Jun YtD_10	Jun YtD_09	YtD
VOLKSWAGEN GOLF	46,235	61,918	-25.3%	274,922	288,598	-4.7%
OPEL/VAUXHALL CORSA	37,984	34,445	+10.3%	177,204	181,683	-2.5%
VOLKSWAGEN POLO	36,721	21,316	+72.3%	191,437	154,417	+24.0%
OPEL/VAUXHALL ASTRA	33,927	28,567	+18.8%	164,724	137,500	+19.8%
RENAULT CLIO	33,357	32,808	+1.7%	193,908	145,015	+33.7%
FORD FIESTA	33,312	43,820	-24.0%	237,930	243,787	-2.4%
PEUGEOT 207	29,870	37,124	-19.5%	174,399	193,534	-9.9%
RENAULT MÉGANE	28,292	23,813	+18.8%	143,819	110,433	+30.2%
FIAT PUNTO	24,262	32,566	-25.5%	151,338	171,078	-11.5%
CITROEN C3	23,062	15,932	+44.8%	127,947	83,033	+54.1%

National Trends

Germany's severe post-scrappage decline has not yet affected its position as the biggest market in Western Europe, but it is second only to Greece (down 40%) in the weakening of new car demand.

Concludes David Di Girolamo: "The balance of new car sales has not shifted yet. However, if current trends continue and any of the other major markets gain momentum, we may yet see Germany lose its title as the largest new car market in Europe."

Sales by Market

Country	Jun_10	Jun_09	% Change Jun	Jun YtD_10	Jun YtD_09	% Change YtD
Austria	32,957	36,091	-8.7%	169,676	166,017	+2.2%
Belgium	53,872	43,736	+23.2%	320,203	273,205	+17.2%
Cyprus	1,383	1,366	+1.2%	7,313	8,478	-13.7%
Czech Republic	18,538	16,284	+13.8%	89,026	79,232	+12.4%
Denmark	12,614	11,291	+11.7%	70,687	54,782	+29.0%
Estonia	896	982	-8.8%	4,853	5,725	-15.2%
Finland	12,237	7,922	+54.5%	62,436	52,086	+19.9%
France	240,531	235,137	+2.3%	1,212,436	1,131,315	+7.2%
Germany	289,255	427,111	-32.3%	1,468,787	2,059,405	-28.7%
Great Britain	195,226	176,264	+10.8%	1,108,662	924,955	+19.9%
Greece	14,591	24,320	-40.0%	97,732	113,661	-14.0%
Hungary	4,290	5,956	-28.0%	21,681	40,067	-45.9%
Iceland	1,135	725	+56.6%	1,925	1,275	+51.0%
Ireland	8,459	4,809	+75.9%	67,934	46,711	+45.4%
Italy	171,242	211,634	-19.1%	1,168,078	1,135,819	+2.8%
Latvia	631	592	+6.6%	2,634	3,110	-15.3%
Lithuania	663	889	-25.4%	3,277	4,312	-24.0%
Luxembourg	5,155	4,028	+28.0%	29,677	24,393	+21.7%
Norway	11,119	7,581	+46.7%	61,969	41,747	+48.4%
Poland	28,229	27,065	+4.3%	159,000	169,845	-6.4%
Portugal*	19,661	16,011	+22.8%	106,992	73,095	+46.4%
Slovakia	6,284	11,103	-43.4%	29,522	45,728	-35.4%
Slovenia	5,663	5,180	+9.3%	32,403	29,446	+10.0%
Spain	121,688	96,659	+25.9%	605,156	432,955	+39.8%
Sweden	28,270	22,393	+26.2%	138,079	102,794	+34.3%
Switzerland*	27,412	26,777	+2.4%	143,046	133,393	+7.2%
The Netherlands	50,917	35,243	+44.5%	270,568	220,262	+22.8%
Grand Total	1,362,918	1,457,149	-6.5%	7,453,752	7,373,813	+1.1%

* Denotes Estimated data used for Jun 2010

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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