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GOLF'S CROWN SLIPS AS GERMAN NEW CAR MARKET DECLINES

- **'Scrappage hangover' begins in Europe**
- **German new car market falls by almost one third (29.8%)**
- **Volkswagen Golf suffers, with 4.0% sales drop, vs. February 2009**
- **Uncertainty for post-scrappage sales in UK, Italy, Spain and France**

Dramatic evidence of the shifting fortunes of the car industry is revealed in latest figures from the world's leading provider of automotive data and intelligence, JATO Dynamics, which show the effects on brands and European sales figures, of declining new car demand in Germany.

What was once Europe's largest new car market is suffering a distinct 'scrappage hangover', with February sales down almost one third (29.8%), versus the same period in 2009. Last month, it was outsold again by Italy, which is still operating a scrappage incentive scheme worth EUR 1,500 - 5,000, for every 10 year old car traded for a new, low emissions model.

One of the biggest casualties of this drop in demand was the Volkswagen Golf, whose lead over Ford's Fiesta was cut to 4,737 sales (February 2009: 9,764 sales). Overall, Golf sales were down 4.0% across Europe last month, mainly due to a 9.4% drop in Germany; its largest market, responsible for approximately almost half of its European sales (February 2010: 45.2%).

David Di Girolamo, Head of JATO Consult, said of the figures: "This is the true picture of consumer confidence in the German market, after a series of smaller monthly declines. If this situation were to affect all markets at the end of their scrappage schemes, we could lose a third of all European new car registrations by mid-2010."

The UK scrappage scheme extension expires at the end of March, while schemes will be phased out in Spain, Italy and France through 2010.

The continued buoyant sales in these markets ensured overall European sales remained positive in February, versus 2009 (Spain up 47.2%, UK up 26.4%, Italy up 20.5% and France up 18.7%).

Model Performance

Volkswagen's Golf continues to dominate the sales charts but its reliance on German car buyers puts this position in doubt for the first time in over a year.

Fiesta, which is much stronger in UK, Spain and Italy, has benefitted and more than halved the sales gap, compared with February 2009. These two remain clear of other top sellers, but the Renault Clio, Fiat Punto and Volkswagen Polo all posted double-digit sales gains.

Opel/Vauxhall's new Astra is off to a strong start, edging the Ford Focus out of the European top ten.

Top 10 Models

Make & Model	Feb_10	Feb_09	% Change Feb	Feb YtD_10	Feb YtD_09	% Change YtD
VOLKSWAGEN GOLF	37,235	38,805	-4.0%	77,206	73,230	+5.4%
FORD FIESTA	32,498	29,041	+11.9%	71,696	60,833	+17.9%
RENAULT CLIO	27,334	17,683	+54.6%	59,603	34,713	+71.7%
FIAT PUNTO	26,413	18,577	+42.2%	54,272	35,699	+52.0%
VOLKSWAGEN POLO	26,026	19,904	+30.8%	57,985	38,396	+51.0%
PEUGEOT 207	25,295	25,848	-2.1%	50,232	51,205	-1.9%
FIAT PANDA	21,854	21,024	+3.9%	44,110	38,556	+14.4%
OPEL/VAUXHALL CORSA	21,144	20,562	+2.8%	44,213	39,989	+10.6%
RENAULT MEGANE	20,726	14,790	+40.1%	41,565	27,814	+49.4%
OPEL/VAUXHALL ASTRA	19,917	16,946	+17.5%	40,228	32,223	+24.8%

Brand Performance

February saw scrappage-influenced small car sales continue to determine brand performances, with Renault a particular beneficiary, from the impressive sales of its Clio.

Opel/Vauxhall, Toyota and Audi were further casualties of the declining German market, which damaged their overall sales performances.

Top 10 Brands

Make	Feb_10	Feb_09	% Change Feb	Feb YtD_10	Feb YtD_09	% Change YtD
VOLKSWAGEN	110,436	110,899	-0.4%	232,950	216,264	+7.7%
RENAULT	91,698	71,196	+28.8%	189,902	132,721	+43.1%
FORD	83,431	81,966	+1.8%	178,456	171,823	+3.9%
PEUGEOT	79,268	66,483	+19.2%	160,565	133,762	+20.0%
FIAT	73,133	70,138	+4.3%	154,037	136,213	+13.1%
CITROEN	68,591	57,776	+18.7%	137,764	117,728	+17.0%
OPEL/VAUXHALL	66,354	69,884	-5.1%	134,851	135,606	-0.6%
TOYOTA	44,837	53,230	-15.8%	102,788	103,187	-0.4%
AUDI	40,735	43,287	-5.9%	86,941	89,551	-2.9%
BMW	36,516	33,975	+7.5%	74,336	71,678	+3.7%

National Trends

This month has seen Italy once again claim the title of "Europe's biggest new car market". Dominated by Fiat and with an enduring appetite for small cars, it was the only market in Europe selling over 200,000 cars last month and is up 25.2% YtD, compared to the same period in 2009.

Spain saw February 2010 sales rise by 47.2%; impressive growth which points to a recovery from its 2008 registration crash. Major beneficiaries are Ford Fiesta, Nissan Qashqai, Hyundai i30 and Opel Astra and Corsa.

The UK is another strong performer, up 28.7% YtD, but is also a market dependent on scrappage incentives, which has accounted for more than 320,000 sales since its introduction* and for one in five registrations in the month of February 2010, according to the national industry body, SMMT.

Beyond the problems in Germany, there continues to be a dividing line between scrappage-cushioned Western markets and a Central and Eastern European region bereft of such incentive schemes.

Concludes Di Girolamo: "The overall picture is still far from positive. The declines appear to be less severe in Central and Eastern Europe, which is more to do with the comparison period than any improving fortunes there. In February 2009, we were already seeing recessionary effects that continue today. The underlying figures from Western Europe are no more encouraging once you remove the impact of government incentives, as the evidence from Germany shows."

Sales by Market

Country	Feb_10	Feb_09	% Change Feb	Feb YtD_10	Feb YtD_09	% Change YtD
Austria	21,787	18,827	+15.7%	42,669	37,819	+12.8%
Belgium	47,591	45,904	+3.7%	96,967	93,594	+3.6%
Cyprus*	871	1,452	-40.0%	1,848	2,939	-37.1%
Czech Republic	11,080	9,824	+12.8%	21,893	18,669	+17.3%
Denmark	7,044	7,436	-5.3%	17,708	15,237	+16.2%
Estonia	562	792	-29.0%	1,321	1,809	-27.0%
Finland	7,630	7,196	+6.0%	19,969	18,739	+6.6%
France	180,535	152,066	+18.7%	352,013	301,438	+16.8%
Germany	194,846	277,740	-29.8%	376,035	467,125	-19.5%
Great Britain	68,686	54,359	+26.4%	214,165	166,446	+28.7%
Greece	13,432	15,533	-13.5%	40,017	35,758	+11.9%
Hungary	3,086	7,254	-57.5%	5,877	13,381	-56.1%
Iceland	77	91	-15.4%	165	217	-24.0%
Ireland	12,306	8,883	+38.5%	28,865	24,682	+16.9%
Italy	201,577	167,341	+20.5%	409,004	326,711	+25.2%
Latvia	329	453	-27.4%	598	949	-37.0%
Lithuania	435	533	-18.4%	874	1,275	-31.5%
Luxembourg	4,081	2,086	+95.6%	7,617	5,243	+45.3%
Norway	9,094	6,287	+44.6%	18,791	11,640	+61.4%
Poland	24,390	30,199	-19.2%	49,749	56,859	-12.5%
Portugal	15,358	10,029	+53.1%	29,917	19,023	+57.3%
Slovakia	3,998	4,063	-1.6%	7,598	7,662	-0.8%
Slovenia	4,803	4,716	+1.8%	9,853	9,288	+6.1%
Spain	91,434	62,124	+47.2%	161,769	121,498	+33.1%
Sweden	17,972	14,603	+23.1%	33,495	25,902	+29.3%
Switzerland*	20,163	17,501	+15.2%	38,897	35,205	+10.5%
The Netherlands	37,799	33,840	+11.7%	100,706	89,906	+12.0%
Grand Total	1,000,966	961,132	+4.1%	2,088,380	1,909,014	+9.4%

*Denotes estimated data for February 2010

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.

* = SMMT data 09.03.10: 324,991 new cars were registered through the UK scrappage scheme by the end of February 2010.

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