

August 20, 2008

## **INDIA CAR MARKET UP 9.3% AS USA MARKET DIPS BY 10%**

- Market up 9.3% in the first six months of the year
- Dominance of domestic brands continues
- Investment yields significant growth for European and Japanese brands

JATO Dynamics, the world's leading provider of automotive intelligence has reported the Indian car market for new cars grew by 9.3% to 819,998 in the first six months of 2008. This is in contrast to many of the developed markets, such as the USA where sales are off 10% in the same period. The Maruti Alto (known in Europe as the Suzuki Alto) held its position as the country's best-selling model. Maruti, which has India's top three selling models, remains by some distance India's most popular brand with 44% of the market.

A year has done little to change the overall dominance of India's 'big three' – Maruti, Tata and Mahindra – which occupy 65% of the market, and Hyundai remains the only non-Indian manufacturer preventing these low-cost, locally produced vehicles from forming a formidable one-two-three.

Nasir Shah, Global Business Development Director for JATO, said: "Growth in the Indian market continues to be driven by the country's love affair with small cars, and with one or two exceptions it's the local manufacturers that have the advantage in terms of affordability and availability. That dominance looks set to continue this year, but there are signs that the European and Japanese manufacturers are beginning to make inroads into this exciting market."

Volkswagen and Toyota have both made ambitious claims as to their strategy for India, with each aiming for as much as 10% of the Indian passenger car market in the next few years. Volkswagen is due to launch its first wholly-owned Indian factory in 2009, while Toyota is set to open a second production facility in 2010.

### **Brand Performance**

While the dominance of India's local brands remains undisputed, foreign brands are now showing strong growth in the region. Skoda has performed well, growing by 67.8% in the past year, thanks in part to the local launch of its Fabia model, and significant investment in the region by its parent company Volkswagen. Meanwhile Fiat, which signed a joint venture with Tata in late 2007, has seen its brand grow 75.5%. Chevrolet has also performed well, growing by 30.1% and the Mahindra Renault joint venture continues to yield strong results with growth of 146.1% in the past year.

Mercedes-Benz and BMW have also made significant gains, with sales of these brands up by 54.3% and 354% respectively. Both brands have successfully carved out a niche in India's small, but rapidly growing executive and luxury market. Sales of luxury vehicles, which include the Mercedes S-Class, BMW 6 Series and BMW 7 Series, grew by 147% in the first half of 2008, indicating the growing affluence of India's elite.

### India's Local Brands

Make	H1 2008	H1 2007	% Change
MARUTI	359,665	346,504	+3.8%
HYUNDAI	136,194	100,925	+34.9%
TATA	114,716	121,723	-5.8%
MAHINDRA	57,628	49,464	+16.5%
CHEVROLET	33,955	26,090	+30.1%
HONDA	32,517	32,228	+0.9%
TOYOTA	29,589	26,982	+9.7%
FORD	15,647	22,481	-30.4%
MAHINDRA RENAULT	12,715	5,166	+146.1%
SKODA	10,247	6,106	+67.8%
HINDUSTAN	3,894	3,753	+3.8%
FORCE MOTORS	3,688	3,448	+7.0%
MITSUBISHI	2,559	1,978	+29.4%
FIAT	2,371	1,351	+75.5%
MERCEDES	1,799	1,166	+54.3%
BMW	1,531	337	+354.3%
ICML	783	0	-
VOLKSWAGEN	230	0	-
NISSAN	212	222	-4.5%
VOLVO	58	0	-
<b>Grand Total</b>	<b>819,998</b>	<b>749,954</b>	<b>+9.3%</b>

### Top Models

The best-selling car in India in the first six months of 2008 remained the Maruti Alto, ahead of the Maruti Swift (up 81.6%), Maruti Wagon R (up 4.2%) and the Tata Indica. Hyundai's i10, launched in early 2008, has quickly become India's fifth most popular model, with sales of 58,526 units in the first half of 2008.

Other new models introduced in the last 12 months, and currently selling well in the Indian car market include the Skoda Fabia (4,152 units), Chevrolet Captiva (1,346 units) and ICML Rhino (783 units).

### Top 10 Models

Make & Model	H1 2008	H1 2007	% Change
MARUTI ALTO	134,567	144,824	-7.1%
MARUTI SWIFT	70,057	38,584	+81.6%
MARUTI WAGON R	64,338	61,722	+4.2%
TATA INDICA	61,207	76,928	-20.4%
HYUNDAI I10	58,526	0	-
HYUNDAI SANTRO	49,674	74,490	-33.3%
MARUTI OMNI	40,589	44,553	-8.9%
MARUTI 800	34,217	37,111	-7.8%
MAHINDRA BOLERO	30,788	22,407	+37.4%
TOYOTA INNOVA	26,464	22,952	+15.3%

### Segment Trends

The Mini car segment is the largest in the Indian market, up 7.3% on the first half of 2008. The Maruti Alto was the top-selling car in this segment for 2008, ahead of the Maruti Wagon R, Hyundai i10, Hyundai Santro, and Maruti 800.

The second largest segment for the YtD was the Small segment, up 18.0% in the first half of 2008, led by the Maruti Swift, Tata Indica, Tata Indigo, Honda City and Chevrolet Spark.

The SUV segment is the third largest in the Indian market. The big-selling products in this segment are large, relatively low-cost vehicles with significant off-road ability, such as the Mahindra Bolero and Scorpio and Tata Sumo and Safari, rather than the more expensive, more road-biased products that appeal to Western consumers. However the Honda CR-V (up 21%) and Chevrolet Captiva (new product) are taking an increasing share of the segment.

The Mini-Van segment is the fourth largest in the Indian market, despite having a small number of products available: Maruti's micro-van based Omni and Versa, and Toyota's larger Innova. The Lower-Medium segment also remains significant.

### Segment Volumes

JATO regional segment	H1 2008	H1 2007	% Change
PR Mini	341,322	318,147	+7.3%
PR Small	238,423	202,077	+18.0%
PR Lower Medium	50,156	55,399	-9.5%
PR Upper Medium	699	618	+13.1%
PR Executive	4,632	4,188	+10.6%
PR Luxury	512	207	+147.3%
PR Mini Van	68,241	67,916	+0.5%
PR SUV	110,085	95,577	+15.2%
PR Other	5,928	5,825	+1.8%
<b>Grand Total</b>	<b>819,998</b>	<b>749,954</b>	<b>+9.3%</b>

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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](http://www.jato.com).

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