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RUSSIAN AUTOMOTIVE MARKET THRIVES WITH 30.2% GROWTH

- **Overall Russian vehicle sales increase by 409,452 units in 2010**
- **Domestic brand Lada dominates the top four best selling models**
- **Large executive vehicles and luxury SUVs experience impressive sales as well as many smaller models**

The new car market in Russia experienced a significant increase in sales throughout 2010 according to the latest figures supplied by the world's leading provider of automotive intelligence, JATO Dynamics.

Overall, 409,452 new vehicles were sold in Russia in 2010 compared with 2009, with total sales reaching nearly 1.8 million units. This 30.2% growth was helped by a significant increase in demand for the market's leading domestic brand, Lada, which clearly benefitted from the country's scrappage scheme. A number of imported brands made significant inroads into the market with Kia and Renault up 49.1% and 33.9% respectively.

Despite the fact that scrappage support was mainly aimed at increasing low-cost cars sales, it actually boosted sales in all car segments including premium. This partially confirms that car sales in Russia, despite macroeconomic factors such as income rate and unemployment levels, are actually dependent on a subjective "time-to-buy" feeling, which was supported in 2010 by the Russian government.

"The majority of segments in Russia showed sales improvements during 2010. Russia's scrappage scheme has had a significant impact on the sale of smaller, budget vehicles from brands such as Lada, Daewoo and Kia and models such as the Renault Logan and Chevrolet Niva," said Evangelos Hadjistavrou, Regional General Manager, JATO Dynamics.

Brand Performance

All of the top ten brands saw positive growth in 2010. Lada remained the leading brand selling over half a million units, up 48% on the previous year. Other top brands were a varied mix of American, European and East Asian brands (Chevrolet, Kia, Renault and Ford – up 11.3%, 49.1%, 33.9%, and 14.4%). Mercedes showed the strongest performance amongst premium brands, for example the Mercedes E-Class ended the year with an increase of 126.7%, which brought 2010 sales to 5,515 units.

Top Ten Brands

Model	2010	2009	Diff 2010 vs. 2009	% Change
LADA	517,147	349,490	167,657	+48.0%
CHEVROLET	116,233	104,398	11,835	+11.3%
KIA	104,235	69,887	34,348	+49.1%
RENAULT	95,679	71,467	24,212	+33.9%
FORD	85,053	74,317	10,736	+14.4%
HYUNDAI	80,198	72,344	7,854	+10.9%
TOYOTA	78,704	68,006	10,698	+15.7%
NISSAN	77,778	62,434	15,344	+24.6%
DAEWOO	74,419	51,414	23,005	+44.7%
VOLKSWAGEN	58,989	40,326	18,663	+46.3%

Model Performance

The top four models in 2010 were all manufactured by domestic brand Lada with its 2104/2105/2107 model as the best seller, up 102.3%, selling 136,006 units compared with only 67,216 in 2009. Lada also dominated sales in the off-road vehicle category as the 'Russian Range Rover,' Lada 4x4, grew 67%. Models outside the top ten that performed strongly include the Opel Astra which nearly doubled its 2009 figures of 18,952 to 30,432, and the Volkswagen Polo, which increased its figures from 1,103 to 10,410 between 2009 and 2010.

Top 10 Models

Make & Model	2010	2009	Diff 2010 vs. 2009	% Change
LADA 2104/2105/2107	136,006	67,216	68,790	+102.3%
LADA PRIORA	125,235	99,473	25,762	+25.9%
LADA KALINA	106,476	59,136	47,340	+80.1%
LADA SAMARA	101,958	90,428	11,530	+12.8%
FORD FOCUS	67,041	52,108	14,933	+28.7%
RENAULT LOGAN	62,862	53,869	8,993	+16.7%
LADA 4X4	44,635	26,726	17,909	+67.0%
DAEWOO NEXIA	43,943	28,233	15,710	+55.6%
CHEVROLET NIVA	35,380	24,520	10,860	+44.3%
CHEVROLET LACETTI	31,885	29,362	2,523	+8.6%

Segment Trends

There has been significant growth in the market across the majority of segments. Smaller, low cost cars in Segment B increased sales by 41.7%, selling a total of 306,118 units. Larger, luxury cars also had a good year with the large and executive segment increasing 50.9% and Luxury SUVs up 34.1% vs. 2009. There were two segments that experienced a decline in sales over 2010. Vehicles in the upper medium segment experienced a slight decrease, down 1.9%. Although the large MPV segment suffered a significant decline, down 34.7%, this particular segment represents only a small share of the market and so its impact is limited.

Regional Segments

JATO regional segment	2010	2009	Diff 2010 vs. 2009	% Change
EU A - utility/city cars	38,569	30,880	7,689	+24.9%
EU B - small	306,118	215,989	90,129	+41.7%
EU C1 - lower medium -	783,061	591,470	191,591	+32.4%
EU C2 - lower medium +	62,651	57,154	5,497	+9.6%
EU D1 - upper medium -	94,235	96,045	-1,810	-1.9%
EU D2 - upper medium +	19,960	14,565	5,395	+37.0%
EU E1 - large and executive	26,155	17,338	8,817	+50.9%
EU E2 - luxury	4,326	4,224	102	+2.4%
EU Mini MPV	32,056	30,849	1,207	+3.9%
EU Medium MPV	3,946	3,551	395	+11.1%
EU Large MPV	1,471	2,252	-781	-34.7%
EU Small SUV	107,453	81,283	26,170	+32.2%
EU Medium SUV	212,988	153,007	59,981	+39.2%
EU Large SUV	23,940	20,349	3,591	+17.6%
EU Luxury SUV	41,375	30,861	10,514	+34.1%
EU Sports	4,871	4,242	629	+14.8%
EU Pickup	1,757	1,421	336	+23.6%
Grand Total	1,764,932	1,355,480	409,452	+30.2%

This data and analysis 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 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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