PRESS RELEASE

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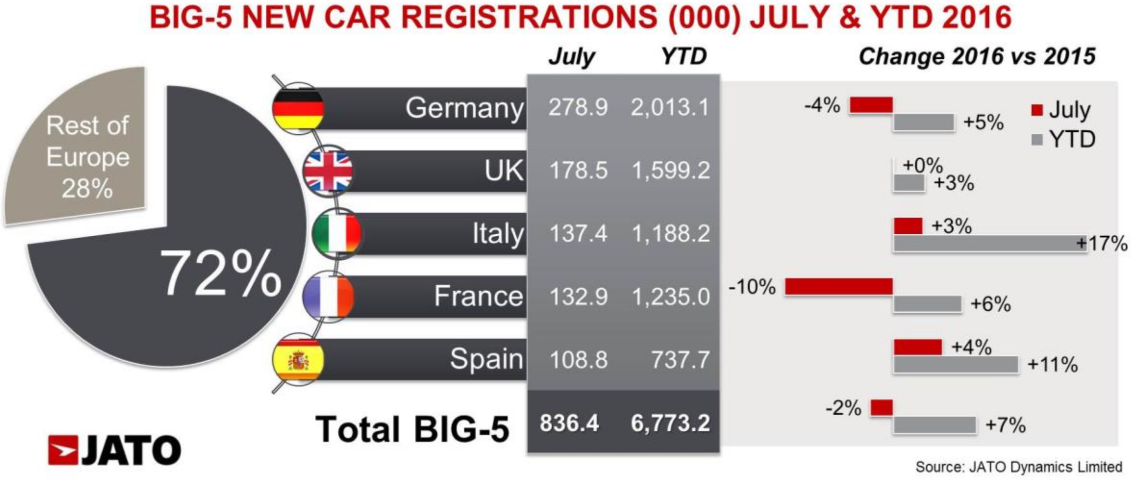
SLOWDOWN IN EUROPE'S BIG 5 MARKETS AS NEW CAR SALES DROP 2% IN JULY

- **France recorded the biggest fall, with new car registrations in July down 9.6% compared to the same period last year**
- **New SUV sales grew by 12.5% and accounted for more than a quarter of all registrations, with traditional segments continuing to lose ground**
- **Volkswagen lost more ground to its competitors as registrations fell 13.9% compared to July 2015**

New car registrations in Europe's 'Big 5' markets dropped by 2% in July, as market conditions halted the positive trend that had dominated over the previous 15 months. While Spain, Italy and the UK all posted modest growth in July, this could not fully compensate for the declines seen in France and Germany. Overall registrations for the month totalled 836,431 units, down from 853,701 units in July 2015. This slowdown is partly due to July 2016 having two fewer working days compared to July 2015. As Europe's largest carmaker, the double-digit fall in VW Group's monthly sales also had an impact.



The biggest decline was posted by France, with total registrations for July falling 9.6% compared to the same month last year, to 132,893 units. Sales in Germany, Europe's largest market, fell 3.9%, taking its total registrations down to 278,878 compared to 290,196 last year. Spain grew 4.4% to 108,769 units and sales in Italy were up 2.6% to 137,368 units. Demand appeared to be cooling in the UK, which saw an increase of just 0.1% - this is as a result of exceptionally strong demand in 2015, and a continuing drop in private sales.

BIG 5 REGISTRATIONS JULY 2016

TOP 20 Brands

By Volume			By Share gain	
Brand	Volume	Change July 15-16	Brand	Pct. Points Gain
VOLKSWAGEN	97,145	-13.9%	DACIA	+0.39
FORD	64,427	-0.1%	KIA	+0.38
OPEL/VAUXHALL	57,448	+2.1%	LAND ROVER	+0.33
AUDI	52,343	-3.5%	FIAT	+0.31
RENAULT	51,313	-1.0%	MERCEDES	+0.29
MERCEDES	51,264	+2.8%	OPEL/VAUXHALL	+0.28
FIAT	50,007	+3.4%	BMW	+0.25
PEUGEOT	49,154	-9.0%	SUZUKI	+0.24
BMW	42,768	+3.1%	HYUNDAI	+0.21
CITROEN	32,602	-16.5%	MINI	+0.15
NISSAN	29,530	-6.5%	FORD	+0.15
TOYOTA	26,398	-2.7%	JEEP	+0.14
HYUNDAI	26,358	+4.8%	JAGUAR	+0.13
DACIA	25,360	+12.5%	INFINITI	+0.13
SKODA	25,117	-10.8%	HONDA	+0.09
KIA	24,304	+12.9%	VOLVO	+0.09
SEAT	21,316	-3.2%	RENAULT	+0.06
MINI	12,012	+9.7%	ALFA ROMEO	+0.06
MAZDA	10,900	+0.4%	MAZDA	+0.03
VOLVO	10,495	+5.8%	LEXUS	+0.03

TOP 20 Models

By Volume		
Model	Volume	Change July 15-16
VOLKSWAGEN GOLF	25,466	-24.3%
VOLKSWAGEN POLO	17,892	-7.4%
FORD FIESTA	17,394	-0.9%
OPEL/VAUXHALL CORSA	15,091	+12.2%
RENAULT CLIO	14,390	-13.1%
OPEL/VAUXHALL ASTRA	14,152	+16.7%
PEUGEOT 208	13,822	+1.0%
FIAT PANDA	13,460	-5.0%
NISSAN QASHQAI	13,161	-4.9%
FORD FOCUS	12,467	-17.1%
DACIA SANDERO	12,267	+27.0%
AUDI A4/S4/RS4	11,235	+10.4%
MERCEDES C-CLASS	11,189	-9.3%
VOLKSWAGEN PASSAT	10,905	-29.2%
PEUGEOT 308	10,829	-13.7%
FIAT 500	10,498	-9.8%
PEUGEOT 2008	10,432	+4.2%
OPEL/VAUXHALL MOKKA	10,073	-2.2%
VOLKSWAGEN TIGUAN	9,915	-14.1%
RENAULT CAPTUR	9,867	-7.4%

Source: JATO Dynamics Limited

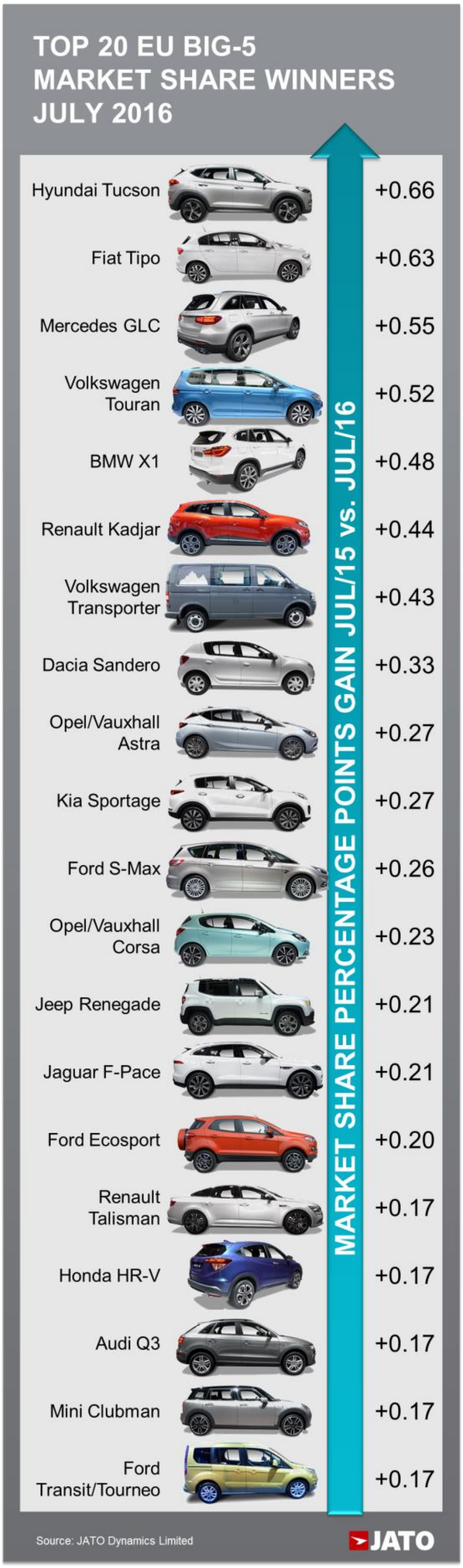
Volkswagen continues to be Europe's largest brand, despite suffering the biggest market share drop of any of its competitors – 13.2% in July 2015 to 11.6% in July 2016. The decline shows that Volkswagen's emissions issue continues to affect the company, with the car maker still being fined in some European markets. The biggest market share growth among the top 10 brands was posted by Fiat, this comes despite a fall in sales from the Fiat 500. Fiat's sales were boosted by the new Fiat Tipo, and the continued growth of the B-SUV Fiat 500X. There was a good performance from the new Opel/Vauxhall Astra as the model continued to grab more market share in the compact segment, meaning that the Opel/Vauxhall brand was able to increase market share. Other big winners include Dacia, who posted double-digit growth in four of the five markets, thanks mostly to the Sandero hatchback, Kia's new Sportage, and the good results of Land Rover's updated Evoque. Infiniti posted the highest percentage increase (+233%) and was followed by Rolls-Royce, Bentley, Land Rover and Jaguar.

"Traditionally there is a drop in demand ahead of summer, but it is clear that Europe has started to feel the effect of Volkswagen's emissions issue." said Felipe Munoz, Global Automotive Analyst at JATO Dynamics.

In terms of segments, SUVs continued to grow their market share, with their registrations in July accounting for more than a quarter of the total market (25.8%). This growth is expected to continue as new important players such as the updated Ford Kuga, new Mini Countryman and Dacia Duster are unveiled over the upcoming months. The drop in traditional segments outweighed the growth of SUVs, with large/luxury cars, city-cars and MPVs posting the biggest losses of the month.

The Volkswagen Golf continued to lead as Europe's favourite model, but its dominance is more vulnerable than ever. Its volume continued to decline as it awaits its first facelift, which is expected at the Paris Motor Show in October. New model releases have had a huge impact on Golf sales; in fact, while the current Golf (launched in 2011) posted a 24% fall, the new Opel/Vauxhall Astra grew by 17%. The Fiat Tipo was the best-selling compact car in Italy, and became the 12th best-selling compact car overall with 5,300 units. Among the top sellers, the biggest winner of the month was the Dacia Sandero which posted double-digit growth in four out of the five markets, and came in at 11th position with a volume growth of 27%. The Nissan Qashqai regained its place as the best-selling SUV in the big 5 European markets, after spending months behind the Renault Captur. In fact, the Captur was even outsold by the Opel/Vauxhall Mokka and the new VW Tiguan.

"Despite the slowdown in the market, the demand for SUVs is increasing, and is expected to keep growing, especially with new models being unveiled in the upcoming months," concluded Munoz.



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