AUTOMOTIVE FOCUS - *Quarter 1 2007*

UK car new registrations to March 2007 show:

- *Market performed better than expected in Q1, with volumes up 2.9 per cent*
- *Growth was evident across both private and fleet/business markets*
- *Diesel penetration rose further and market for alternative fuelled cars almost doubled in Q1*
- *Most segments posted growth, with supermini segment recorded largest volume gain*
- *Strong start to year boosts forecast, but net decline still envisaged in 2007 new car market*

Table 1; Car new registrations – main sector totals

	To March 2007	To March 2006	1997-2005 annual ave.	2005	2006*FP*	2007*FP*	2008*FP*
Total cars	688,476	669,206	2,382,869	2,439,717	2,344,864	2,335,000	2,335,000
% change	*2.9%*	*-4.6%*	*2.2%*	*-5.0%*	*-3.9%*	*-0.4%*	*0.0%*
Private	313,981	312,238	1,110,844	1,076,513	1,033,722	1,015,000	1,010,000
% change	*0.6%*	*-3.0%*	*1.9%*	*-10.3%*	*-4.0%*	*-1.8%*	*-0.5%*
Fleet	326,830	311,822	1,064,173	1,184,874	1,156,274	1,170,000	1,170,000
% change	*4.8%*	*-3.9%*	*2.5%*	*8.4%*	*-2.4%*	*1.2%*	*0.0%*
Business	47,665	45,146	207,852	178,330	154,868	150,000	155,000
% change	*5.6%*	*-18.1%*	*4.4%*	*-34.8%*	*-13.2%*	*-3.1%*	*3.3%*
Diesel	24,186	245,003	532,053	897,887	898,521	935,000	945,000
% change	*7.8%*	*1.8%*	*11.7%*	*7.5%*	*0.1%*	*4.1%*	*1.1%*
Mkt share	38.4%	36.6%	21.9%	36.8%	38.3%	40.0%	40.5%
Imported	595,340	562,052	1,795,522	2,024,069	2,001,597	2,035,000	2,035,000
% change	*5.9%*	*-1.9%*	*5.6%*	*-3.8%*	*-1.1%*	*0.8%*	*0.0%*
Mkt share	86.5%	84.0%	75.0%	83.0%	85.4%	87.2%	87.2%

% change: change on same period year before

FP: Forecasts take account of the latest SMMT forecasts based on the views of industry analysts as at April 2007

Table 2; Car new registrations – top ten main marque totals

Manufacturer	To March 2007	To March 2006	1997-2005 annual ave.	2005	2006
Ford	107,255	102,322	384,577	347,551	344,408
Vauxhall	92,526	85,134	307,120	317,353	301,679
Volkswagen	52,058	47,055	161,844	185,519	189,959
Peugeot	43,129	43,082	181,221	144,332	144,132
Toyota	37,329	32,167	97,214	122,534	117,819
Renault	36,871	40,035	177,299	174,743	138,094
Honda	31,785	28,942	73,724	98,344	97,728
Audi	30,284	25,425	56,696	82,496	85,494
Citroen	29,368	27,829	99,428	99,576	95,575
BMW	28,413	28,468	82,386	111,666	115,616
all ten above	*489,108*	*460,459*	1,621,508	1,684,114	1,630,504
all others	199,458	208747	761,362	755,603	714,360
All cars	**688,476**	**669,206**	**2,382,869**	**2,439,717**	**2,344,864**
Share of top ten	*71.0%*	*68.8%*	68.0%	69.0%	69.5%

All data from SMMT MVRIS new registration statistics

UK CV new registrations to March 2007 show:

- *New CV demand is firm and stable mainly due to vans offsetting weaknesses elsewhere.*
- *LCV registration 85% of CV sales and Q1 2007 only 0.1 per cent down on Q1 2006 volume.*
- *All car type pick-up volumes at 11,091 at Q1 up 6.5 per cent on volumes at Q1 2006 and still accounting for 1 in 8 of all new LCVs to 3.5t gvw registrations.*
- *Trucks continue to be heavily distorted by 2006's regulation changes and more expected.*
- *Bus and coach registrations fell sharply in Q4 2006 and did so again in Q1 2007.*
- *Outlook may see economic and market risks affect recent robust demand for CV, but industry foresees only modestly weaker CV volumes over the period to end 2008*

Table 3; CV new registrations – main sector totals

	1997-2006 annual ave.	2005	2006	2007*FP*	2008*FP*
Total CVs	325,571	385,969	386,968	382,000	383,000
% change		*-1.0%*	*0.3%*	*-1.3%*	-
All LCV	267,778	322,930	327,162	328,000	329,000
% change		*-2.0%*	*1.3%*	*0.3%*	*0.3%*
All Trucks	53,643	58,841	55,574	50,000	55,000
% change		*4.5%*	*-5.6%*	*-10.0%*	*10.0%*
Bus & Coach	4,151	4,198	4,232	4,000	4,000
% change		*4.6%*	*0.8%*	*-5.5%*	*NC*

% change: change on same period year before
FP: LCV Forecasts from latest SMMT Light Vehicle Panel – average - at April 2007 others are indicative projections

Table 4; LCV & truck new registrations – top ten main marque totals

Manufacturer	1997-2005 annual ave.	2006	Q 1 2006	Q 1 2007
Ford	82,739	92,922	24,730	26,034
Vauxhall	33,816	47,917	14,640	13,522
Mercedes	29,147	30,599	6,623	6,825
VW	17,163	25,827	6,350	6,527
Citroen	19,120	24,239	6,716	6,430
Renault	15,706	21,186	5,280	5,330
Nissan	7,723	17,661	4,835	4,115
Peugeot	13,922	16,947	4,935	4,556
Mitsubishi	6,691	15,303	4,365	3,768
Daf Trucks	11,134	14,577	3,680	2,845
all ten above	*237,161*	307,178	82,154	79,952
all others	84,260	75,558	19,102	17,651
All vans & trucks	**321,421**	**382,736**	**101,256**	**97,603**
Top ten share of all vans & trucks	*73.8%*	*80.3*	*81.1%*	*81.9%*

All data from SMMT MVRIS new registration statistics

New Car Production – output continues to slide, but stability expected over the full year

- *UK car production fell by 9.7 per cent in 2006, further 7.7 per cent drop in Q1 2007*
- *Decline reflects further sharp loss in output for the home market, but exports also fell*
- *Loss of Peugeot and declines at Vauxhall been influential to past performances*
- *Change-overs to new models at several plants lead to short term dips, but should ensure longer term growth potential*
- *Output expected to recover and post very modest growth over the full year*
- *GM confirm next generation Astra will be built in UK – safeguarding Ellesmere Port plant*

Table 5: Car production - total and export and home

	Q1 2007	Q1 2006	Annual Ave 99-'05	2004	2005	2006	2007F
Total Output	**377,875**	**409,303**	**1,637,702**	**1,647,246**	**1,596,356**	**1,442,085**	**1,460,000**
% change	*-7.7%*	*-5.5%*		*0.1%*	*-3.1%*	*-9.7%*	*1.2%*
Home	**97,859**	**107,903**	**542,958**	**467,503**	**411,245**	**335,992**	**320,000**
% change	*-9.3%*	*-20.3%*		*-9.0%*	*-12.0%*	*-18.3%*	*-4.8%*
Export	**280,016**	**301,400**	**1,094,744**	**1,179,743**	**1,185,111**	**1,106,093**	**1,140,000**
% change	*-7.1%*	*1.3%*		*3.1%*	*0.5%*	*-6.7%*	*3.1%*

Table 6: UK Car Production in thousands - quarterly 2003 to 2007

	Total	Export	Home
	quarterly averages 2003 to 2005		
Q1	434.2	291.9	142.4
Q2	425.9	309.0	116.9
Q3	382.6	265.7	116.9
Q4	391.0	303.1	87.8
	2005		
Q1	433.0	297.6	135.4
Q2	416.2	316.1	100.1
Q3	377.3	274.7	102.7
Q4	369.9	296.8	73.1
	2006		
Q1	409.3	301.4	107.9
Q2	390.2	307.4	82.8
Q3	313.1	233.3	79.8
Q4	329.5	264.0	65.5
	2007		
Q1	377.9	280.0	97.9

CV Production – recent modest growth revival continues to lift annual total

- *UK CV assembly volume back on par with 2005 volumes and trend.*
- *Revival focused on re-start up of Astra van production at Vauxhall's Ellesmere Port plant.*
- *IBC and Ford plants crucial to UK output, representing 80 per cent of total output.*
- *Leyland plant affected by surge and now contraction in domestic truck demand.*
- *Total output growth in 2006 remained export focused; home market output rallied at year end.*
- *Rolling year output total currently varying in 207,000 to 210,000 unit range.*
- *Outlook optimistic, modest growth at Vauxhall, LDV and perhaps Land Rover will lift total volume in 2007, but sustained expansion at LDV and Vauxhall needed to continue the trend.*

Table 7: CV production - total and export and home

	Jan-Mar 07 MMAT *est*	Annual Ave 2003-2005	2004	2005	2006	2007P	2008P
Total	207,400	201,639	209,293	206,753	207,704	210,000	215,000
% change	*-0.8%*		*10.8%*	*-1.2%*	*0.5%*	*1.1%*	*2.4%*
Home	75,100	81,432	81,186	76,480	71,845	80,000	80,000
% change	*0.0%*		*-5.5%*	*-5.8%*	*-6.5%*	*11.3%*	*Nc*
Export	132,300	120,432	128,107	130,273	136,219	130,000	135,000
% change	*-1.3%*		*24.5%*	*1.7%*	*4.6%*	*-4.6%*	*3.8%*

P: projections at Apr 2007

MMAT: monthly moving annual total, rolling year to Mar

Table 8: UK CV Production in thousands - quarterly 2003 to 2007

	Total	Export	Home
	quarterly averages 2003 to 2005		
Q1	54.3	31.1	23.2
Q2	50.7	30.3	20.4
Q3	43.9	25.8	18.1
Q4	52.8	33.3	19.5
	2006		
Q1	57.7	37.7	20.0
Q2	48.4	32.7	15.7
Q3	45.5	27.5	18.0
Q4	56.1	38.2	17.8
	2007		
Q1est	*57.4*	*33.8*	*23.6*