



Press Release

J.D. Power Asia Pacific Reports: Dongfeng Nissan Models and Tianjin FAW Models Rank Highest in Two China APEAL Segments

Higher-Priced Vehicles Display Higher Appeal on Average in Competitive Chinese Market

SHANGHAI: 30 November 2007 —Dongfeng Nissan models rank highest in two of seven vehicle segments, and Tianjin FAW models rank highest in two additional segments, according to the J.D. Power Asia Pacific 2007 China Automotive Performance, Execution and Layout (APEAL) StudySM released today. FAW-Volkswagen, Guangzhou Toyota and Shanghai GM each rank highest in three other vehicle segments.

Now in its fifth year, the APEAL Study is a consumer-reported measure of what excites and delights owners about their new vehicle's performance and design during the first two to six months of ownership. Redesigned in 2007, the study is comprised of nearly 100 attributes covering 10 vehicle categories: vehicle exterior; vehicle interior; storage and space; audio/entertainment/navigation; seats; HVAC; driving dynamics; engine/transmission; visibility and driving safety; and fuel economy.

Tianjin FAW models rank highest in two segments, with the Tianjin Xiali leading in the compact car segment with a score of 721 on a 1,000-point scale, and the Tianjin Vela, which makes its debut in the 2007 study, ranks highest in the premium compact car segment with a score of 780.

The Nissan Tiida (829) ranks highest in the entry midsize car segment for a third consecutive year. The Nissan Sylphy—making its debut in the midsize car segment in 2007—ranks highest with a score of 836.

New to the study in 2007 are the lower and upper premium midsize segments. In the lower premium midsize segment, the Volkswagen Sagitar (831) ranks highest, while the Toyota Camry (848) leads in the upper premium midsize segment. The Buick GL8 (832) ranks highest in the MPV segment for a second consecutive year.

The study finds that vehicle price is strongly tied to APEAL performance both at the industry level and at the segment level, and that models receiving higher APEAL scores also have higher selling prices. Owners who purchase their new vehicle primarily due to low pricing provide a score of 747, on average. Conversely, owners who cite reasons other than price in making their purchase decision provide a score of 805, on average.

“APEAL ratings reflect customer perceptions of their vehicles' design and performance, and a higher score may indeed justify a higher price tag,” said Dr. Mei Songlin, general manager of automotive research and consulting at J.D. Power Asia Pacific, Shanghai. “When price cuts are used industry wide to boost vehicle sales—which is increasingly common in China—those models with strong customer appeal tend to be in high demand, yet also maintain their original selling price. Offering price reductions or large incentives decreases vehicle profitability, so it is important for manufacturers to develop appealing models that exceed customer expectations.”

The study also finds that 55 percent of small cars owners cite fuel economy as a key reason for their vehicle purchase. Additionally, only 29 percent of midsize car owners and 15 percent of luxury car owners cite fuel economy as a critical factor. Conversely, seats are most important among luxury car buyers, yet are much less important among midsize and small car buyers.

“While entry-vehicle buyers are more concerned about the purchase price and overall cost of ownership, comfort and vehicle performance take precedence among high-end car buyers,” said Mei. “Owners in different vehicle segments have different needs, so it is imperative for manufacturers to make the design and performance of their products correspond appropriately to their target market.”

The study also finds that a vehicle's overall APEAL Study performance can be negatively impacted by a higher incidence of problems than owners anticipate, despite their perceptions of the vehicle's exciting features/design or

aspect of fun to drive. Owners who say they experienced one or more problems with their vehicle provide an APEAL score of 775 on average, which is nearly 50 points lower than that of owners who report experiencing no problems.

Vehicle appeal is also strongly correlated to owner advocacy and loyalty, with 28 percent of “delighted” owners reporting they “definitely would” repurchase the same make. Conversely, repurchase intent drops to only 5 percent when owners are “indifferent” about the appeal of their vehicle. Also, owners who are delighted with their vehicle’s attractiveness overall expect to keep it for an average of 6.7 years. However, owners who indicate that they are indifferent toward their vehicle only keep it for an average of 4.7 years.

The 2007 China Automotive Performance, Execution and Layout (APEAL) Study is based on evaluations by 9,720 new-vehicle owners who purchased a new passenger vehicle between October 2006 and June 2007. Owners were interviewed between April and August 2007 in 24 major cities across China.

About J.D. Power Asia Pacific

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Media Relations Contacts:

Dr. Mei Songlin
J.D. Power Asia Pacific
General Manager, China
Shanghai, 200040 China
Phone +86 21 2208 0802
songlin_mei@jdpower.com.sg

John Tews
J.D. Power and Associates
Director, Media Relations
Troy, Mich. 48098 USA
001 248-312-4119
john.tews@jdpa.com

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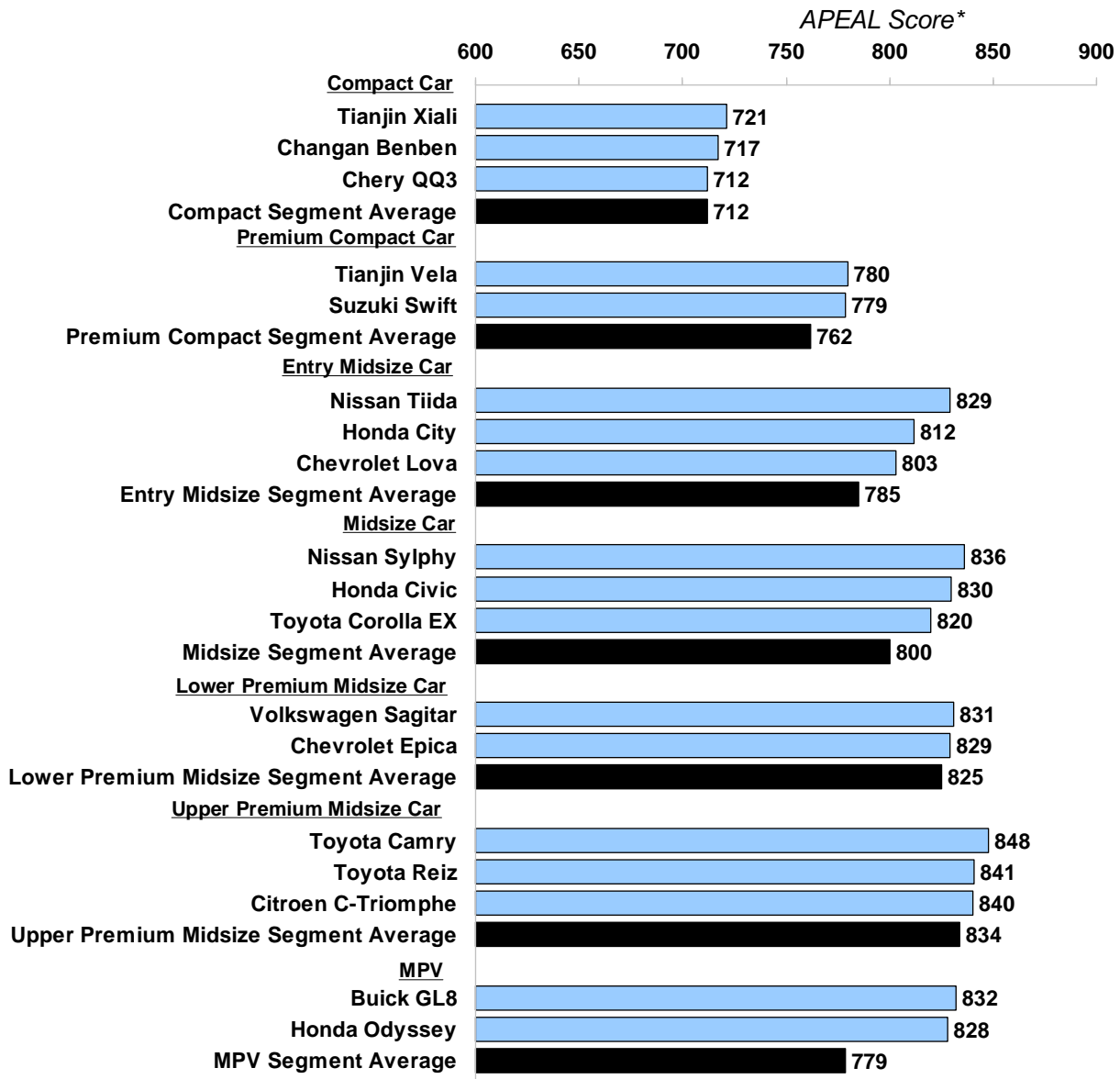
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NOTE: One chart follows.

J.D. Power Asia Pacific 2007 China Automotive Performance, Execution and Layout (APEAL) StudySM

Top Three Vehicles per Segment in APEAL

(Based on a 1,000-point scale)



*A higher score reflects better product performance.

Note: No official rankings are published for the entry luxury car, luxury car and SUV segments due to an insufficient number of models in the sample. No official rankings are published for models performing below the segment average.

Source: J.D. Power Asia Pacific 2007 China Automotive Performance, Execution and Layout (APEAL) StudySM

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