



Press Release

J.D. Power Asia Pacific Reports: FAW-Volkswagen and Guangzhou Honda Models Each Rank Highest In Two China APEAL Study Segments

SHANGHAI: 28 November 2008 —FAW-Volkswagen and Guangzhou Honda models each earn the top rank positions in two of seven new-vehicle segments in the J.D. Power Asia Pacific 2008 China Automotive Performance, Execution and Layout (APEAL) StudySM released today. Changan, Dongfeng Nissan and FAW Toyota each rank highest in one vehicle segment.

Now in its sixth year, the APEAL study is a customer-reported measure of what excites and delights owners in China regarding their new vehicle's performance and design during the first two to six months of ownership, and is based on evaluations from more than 10,700 new-vehicle owners. 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.

The highest ranked vehicles by segment in 2008 are:

- Compact Segment: Changan Benben
- Entry Midsize Segment: Nissan Tiida
- Midsize Segment: Toyota Corolla
- Lower Premium Midsize Segment: Volkswagen Sagitar
- Upper Premium Midsize Segment: Honda Accord (New)
- Luxury Segment: Audi A6
- MPV Segment: Honda Odyssey

Industry Findings

The study finds that the overall industry APEAL score in China averages 800 on a 1,000-point scale in 2008, marking a slight increase of 3 points from 2007. All-new and redesigned models lead the model rankings for 2008, with three of seven top-ranked models—the Changan Benben, Toyota Corolla, and Honda Accord (New)—being all-new or redesigned this or last year.

The study also finds that owners of new vehicles with continuously variable transmissions (CVT)—which help improve fuel economy—are particularly delighted with their vehicles. APEAL scores among owners of vehicles with CVT, manual/automatic hybrid and automatic transmissions are considerably higher than those of owners of vehicles with manual transmissions—among which APEAL scores average far below the industry average. In addition, the percentage of vehicles with CVT, manual/automatic hybrid and automatic transmissions has increased to 44 percent in 2008—up from 31 percent in 2003.

“Understandably, APEAL scores tend to be highest for models when they are first introduced, due to updated exterior and interior design and new features, so manufacturers that are able to frequently update models enjoy a competitive advantage,” said Dr. Mei Songlin, general manager of research at J.D. Power Asia Pacific China operations. “In addition, vehicles with CVT are particularly pleasing to new-vehicle owners, compared to manual transmission models. Manufacturers who address this emerging trend will also have an advantage in developing appealing new models that should bring customers into dealerships.”

The study also finds that the percentage of customers who cite storage and space as the most important reason for purchasing their new vehicle has increased considerably from 2005—up from the 10th most frequently mentioned reason to the sixth in 2008. Additionally, the percentage of new-vehicle buyers who cite roominess/interior as their key motivation for purchase has steadily increased from 4 percent in 2005 to 9 percent in 2008.

“Nearly 80 percent of new vehicles in China are designed to accommodate families, with the expectation that at least three people will be riding in the vehicle,” said Mei. “Even though gas prices have continuously increased

during the past several years, market share for the smallest three vehicle segments—compact, premium compact, and entry midsize—has declined from 42 percent in 2005 to 28 percent in 2008.”

The overall APEAL score for China automotive brands has increased by 5 points in 2008, compared with 2007, while the average score for international brands has increased by only 1 point from the previous year.

“The increase in APEAL scores for China brands is good news for these manufacturers as they enhance their products for domestic customers and also make strides to enter potential emerging markets,” said Mei.

The study also finds that vehicle appeal is strongly tied to owner advocacy and loyalty, with 65 percent of owners who say they are “delighted” with their vehicle reporting they “definitely would” recommend the same model to a friend or relative. Conversely, recommendation intent declines to only 10 percent when owners say they are “indifferent” about the appeal of their vehicle.

The 2008 China Automotive Performance, Execution and Layout (APEAL) Study is based on evaluations by 10,719 new-vehicle owners who purchased a new passenger vehicle between October 2007 and June 2008. The study was fielded between April and August 2008 in 26 major cities across China.

About J.D. Power Asia Pacific

J.D. Power Asia Pacific region has offices in Tokyo, Singapore and China which conduct customer satisfaction research and provide consulting services in the automotive, information technology and finance industries. Together, the three offices bring the language of customer satisfaction to consumers and businesses in China, India, Indonesia, Japan, Malaysia, Philippines, Taiwan and Thailand. Information regarding J.D. Power Asia Pacific and its products can be accessed through the Internet at www.jdpower.com. Media e-mail contact: songlin_mei@jdpower.com.sg.

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Headquartered in Westlake Village, Calif., J.D. Power and Associates is a global marketing information services company operating in key business sectors including market research, forecasting, performance improvement, training and customer satisfaction. The company’s quality and satisfaction measurements are based on responses from millions of consumers annually. J.D. Power and Associates is a business unit of The McGraw-Hill Companies.

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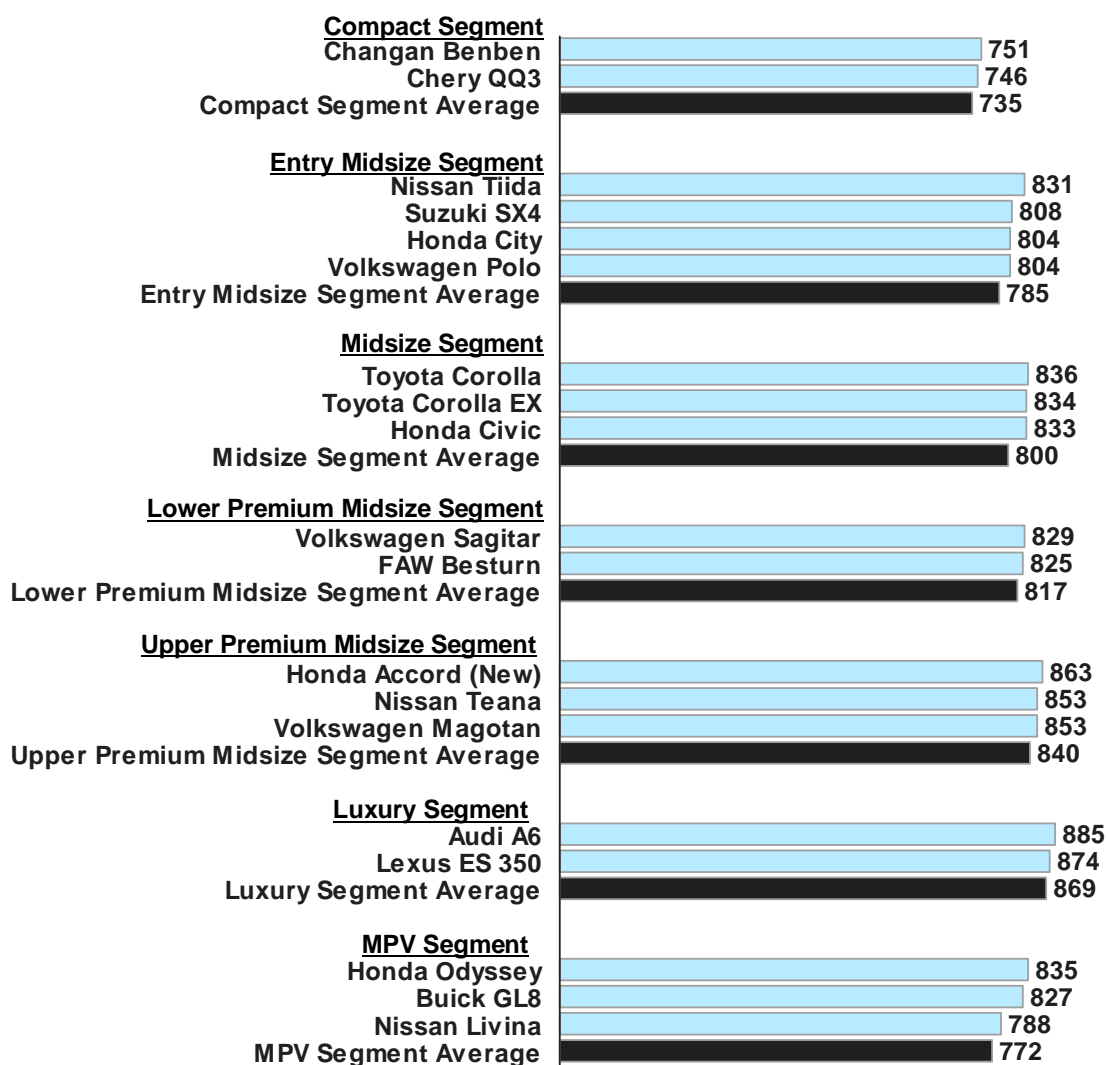
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NOTE: One chart follows.

J.D. Power Asia Pacific 2008 China Automotive Performance, Execution and Layout (APEAL) StudySM

Top Three Vehicles per Segment in APEAL



Note: No official rankings are published for the premium compact, entry luxury 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 2008 China Automotive Performance, Execution and Layout (APEAL) StudySM

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