J.D. POWER

Press Release

Vehicle Dependability in China Improves; Gap between International, Domestic Brands Remains

Beijing Hyundai Receives Five of 15 Model-Level Awards;
Land Rover Ranks Highest in Vehicle Dependability among Luxury Brands;
MINI Ranks Highest among Mass Market Brands

SHANGHAI: 30 Nov. 2016 — Vehicle dependability in China continues to improve, yet Chinese domestic brands continue to lag international brands, according to the J.D. Power 2016 China Vehicle Dependability Study℠ (VDS), released today.

Vehicle dependability improves for the fourth consecutive year, to 141 problems per 100 vehicles (PP100) in 2016 from 156 PP100 in 2015. While domestic and international brands collectively continue to improve, there remains a 28 PP100 gap in dependability between the two groups. Domestic brands improve by 14 PP100 to 162 PP100, while international brands improve by 15 PP100 to 149 PP100.

The gap between domestic and international brands is most pronounced—40 (consider the digit rounding) PP100—in the SUV segment, the fastest growing portion of the market for new-vehicle sales. The combined average for SUVs is 125 PP100. International brand SUVs collectively average 117 PP100, while domestic brand SUVs average 156 PP100.

"Long-term reliability has a direct impact on today's sales and tomorrow's brand loyalty," said **Jeff Cai, general manager, auto product and quality at J.D. Power China**. "Initial quality and long-term dependability are equally important for automakers and consumers. The top two reasons cited by consumers in China who eventually decided not to buy an SUV are price and dependability."

The dependability problems owners of international branded SUVs report most frequently are windshield wipers/ washers not working properly (6.1 PP100); noisy brakes (5.1 PP100); and excessive fuel consumption (4.6 PP100). Owners of domestic branded SUVs most frequently cite windshield wipers/ washers not working properly (7.1 PP100); engine loses power when the air conditioner is on (6.8 PP100); and air conditioner doesn't get cold enough (6.7 PP100).

Other findings of the study include:

• **Small Car Segment Most Improved:** Most of the super segments have demonstrated steady improvement in dependability since 2014—except for the MPV and mini van segments, which show no improvement this year. Among all six vehicle types in the super segments, the small car segment has the greatest year-over-year reduction in the number of reported problems (28 PP100).
• **Most Frequently Reported Problems**: In the luxury segment, features/ controls/ displays is the most frequently reported problem category, followed by driving experience and engine/ transmission. In the mass market segment, engine/ transmission is the most frequently reported problem category, followed by features/ controls/ displays.

Dependability Rankings
Land Rover ranks highest in vehicle dependability among luxury nameplates, averaging 98 PP100. **Porsche** ranks second (100 PP100) and **Audi** ranks third (101 PP100). **MINI** ranks highest among mass

market nameplates, with a score of 94 PP100. **Volkswagen** ranks second (98 PP100) and **smart** ranks third (117 PP100).

Models from **Beijing Hyundai** rank highest in five of the 15 award segments. **Volkswagen** and **BMW** each have three models that rank highest in their respective segments.

Models ranking highest overall in their respective segments are:

- Compact Mini: smart fortwo (117 PP100)
- Compact Upper: Hyundai Verna (117 PP100)
- Midsize Basic: Volkswagen Santana (113 PP100)
- Midsize: Hyundai Yuedong Elantra (122 PP100)
- Midsize Upper Economy: MINI (94 PP100)
- Midsize Upper: Volkswagen CC (106 PP100)
- Compact Luxury: BMW 3 Series (99 PP100)
- Midsize Luxury: Audi A6L (96 PP100)
- Small SUV: Hyundai Tucson (110 PP100)
- Midsize SUV: Hyundai ix35 (115 PP100)
- Large SUV: Hyundai Santa Fe (99 PP100)
- Midsize Luxury SUV: BMW X3 (94 PP100)
- Large Luxury SUV: BMW X5 (94 PP100)
- Midsize MPV: Volkswagen Touran (133 PP100)
- Mini Van: Changan Taurus (144 PP100)

About the Study
Now in its seventh year, the study measures problems experienced during the past 6 months by original owners of 37- to 48-month-old vehicles and includes 202 problem symptoms across eight categories: engine/ transmission; vehicle exterior; driving experience; features/ controls/ displays; audio/ entertainment/ navigation; seats; heating, ventilation and cooling (HVAC); and vehicle interior. Overall dependability is determined by the number of problems experienced per 100 vehicles (PP100), with a lower score reflecting higher quality.

The 2016 study is based on the evaluations of 19,464 owners of vehicles purchased between May 2012 and August 2013. The fieldwork was conducted from May through September 2016 in 51 cities across China. This year, the study analyzes 191 models of 65 makes across 22 vehicle segments.

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About J.D. Power
J.D. Power has offices in Tokyo, Singapore, Beijing, Shanghai, Malaysia and Bangkok that conduct customer satisfaction research and provide consulting services in the automotive, information technology and finance industries in the Asia Pacific region. Together, the six offices bring the language of customer satisfaction to consumers and businesses in Australia, China, India, Indonesia, Japan, Malaysia, Philippines, Taiwan, Thailand and Vietnam. Information regarding J.D. Power and its products can be accessed through the internet at asean-oceania.jdpower.com.

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Note: Three charts follow.

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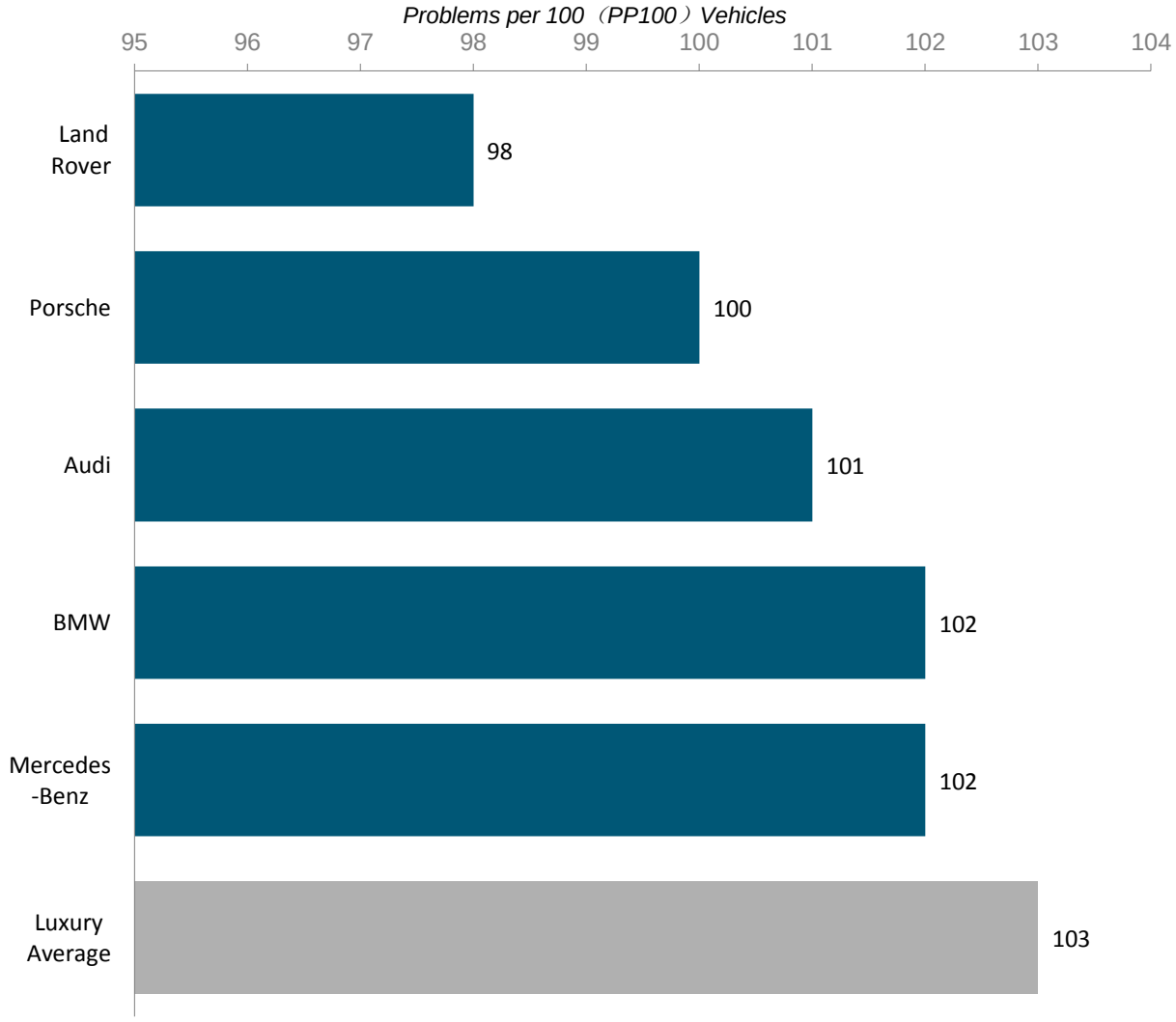
2016 China Vehicle Dependability Study SM (VDS)

2016 Nameplate VDS Ranking–Luxury
Industry Average and Above



Source: J.D. Power 2016 China Vehicle Dependability Study SM (VDS)

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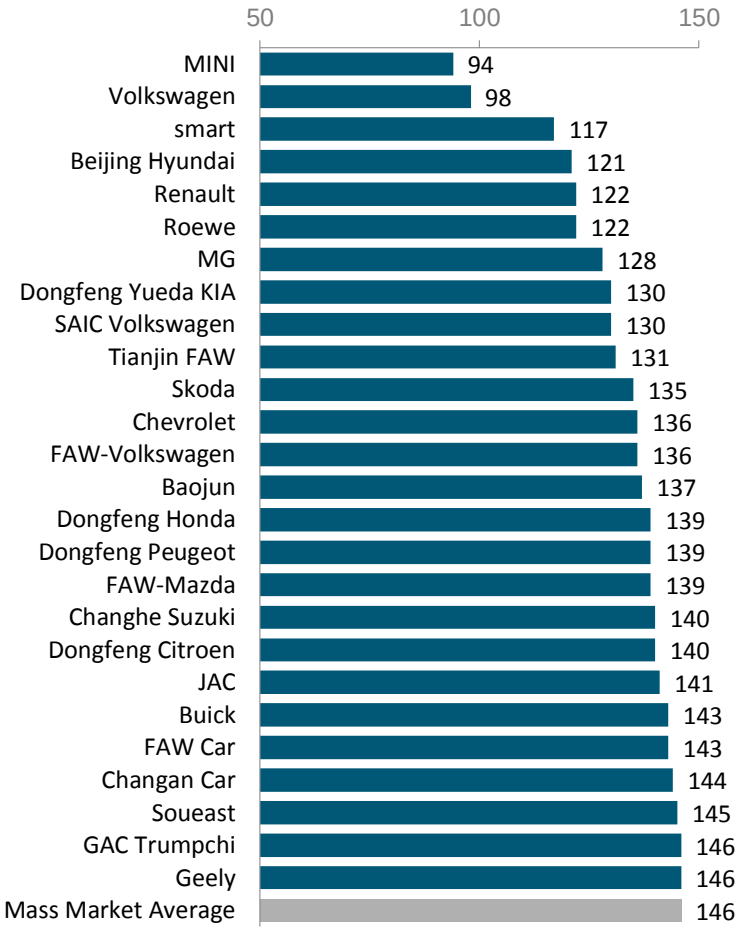
2016 China Vehicle Dependability Study SM (VDS)

2016 Nameplate VDS Ranking–Mass Market
Industry Average and Above

Problems per 100（PP100）Vehicles



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2016 China Vehicle Dependability Study SM (VDS)

Top Three Models per Segment in Vehicle Dependability
Segment Average and Above

Compact Mini

Highest Ranked: smart fortwo
BYD F0
Changan Benni Mini

Compact Upper

Highest Ranked: Hyundai Verna
MG 3Volkswagen Polo

Midsize Basic

Highest Ranked: Volkswagen Santana
Roewe 350
Baojun 630

Midsize

Highest Ranked: Hyundai Yuedong Elantra
Peugeot 308/308S
Volkswagen Golf

Midsize Upper Economy

Highest Ranked: MINI
Mazda Mazda 6

Midsize Upper

Highest Ranked: Volkswagen CC
Skoda Superb
KIA KS

Compact Luxury

Highest Ranked: BMW 3 Series
Volvo S60
Mercedes-Benz C-Class

Midsize Luxury

Highest Ranked: Audi A6L
Mercedes-Benz E-Class
BMW 5 Series

Small SUV

Highest Ranked: Great Wall M4

Midsize SUV

Highest Ranked: Hyundai ix35
Toyota RAV4
Volkswagen Tiguan

Large SUV

Highest Ranked: Hyundai Santa Fe

Midsize Luxury SUV

Highest Ranked: BMW X3
Audi Q5
Mercedes-Benz GLK-Class

Large Luxury SUV

Highest Ranked: BMW X5
Audi Q7
Volkswagen Touareg

Midsize MPV

Highest Ranked: Volkswagen Touran
JAC Refine

Mini Van

Highest Ranked: Changan Taurus
Changan Star 2
Wuling Sunshine

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