

OVERDRIVE

AVID Sales Performance & Outlook

July 11, 2011 Volume 1 No 3

AVID STAYS ON UPSIDE COURSE

“Amidst the series of storms the country faced in June, AVID remained robust and stayed on course to deliver quality growth in sales. Our brand management strategies and reliable global supply chains continue to solidify our presence in the market. AVID’s 6% sales growth and expanding 15% market share in the first semester of this year evidenced clearly our strength and resiliency, furthered by our resolve to weather the setbacks experienced by the whole automotive industry.”

Ms. Maria Fe Perez-Agudo

President, The Association of Vehicle Importers and Distributors, Inc

AVID sales outpaced industry in first semester of 2011; Up 6% vs. Industry’s 0.8% drop

PERFORMANCE

AVID sold a total of 12,324 units during the first half of 2011 with a resilient 6% growth while total industry dipped 0.8%. A turbo charged 18% growth in AVID’s PC segment was responsible for the sustained growth and at the same time hauled total industry PC sales by a decent 2.6% growth from a year ago.

For June alone, AVID sold a total of 2,666 units, posting an 11% growth compared to the same month last year, ramped up a stirring 52% increase in the PC segment as newly introduced models continue to gain ground in the market.

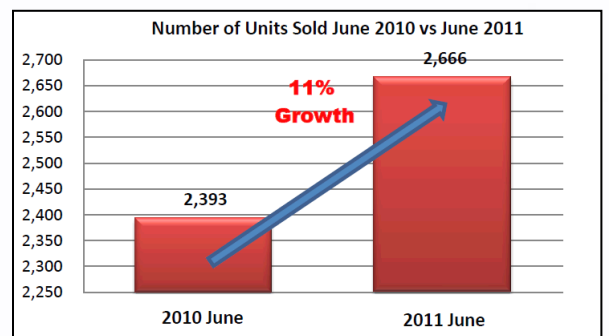
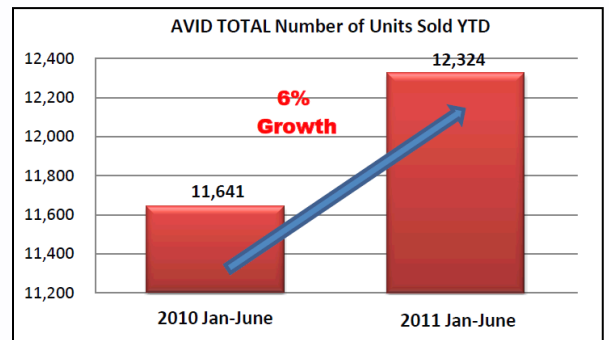
DRIVERS

Recently launched models dominated growth figures in the first half of the year, showing an increasing acceptance of automotive buyers to new designs and an appreciation for cars with higher fuel-efficiency ratios. Despite jitters in the global economy from market risks, price increases and the slow recuperation of Japan, AVID companies added value to its global quality cars by offering easy-to-pay financial schemes to consumers, and strengthening brand strategies across its communications and retail channels.

OUTLOOK

High cost of petroleum products and higher prices of goods and services continue to affect consumer confidence. However, in the latest Financial Quotient Survey conducted by Citibank, it showed that Filipinos remain very positive about their quality of life, financial future, and retirement savings. This favourable consumer outlook, supported by solid macroeconomic fundamentals and foreseen strong public and private investments, will likely keep AVID’s sales performance on an upside track for the remainder of 2011.

| AVID Members | 2011 SALES | |
|---------------------|---------------------|--------------------|
| | Jan-June | June |
| British United | 52 units | 11 units |
| CATS Motors | 492 units | 85 units |
| HARI | 10,355 units | 2,293 units |
| PGA Cars | 218 units | 43 units |
| Scandinavian Motors | 121 units | 20 units |
| TCCI | 1,086 units | 214 units |
| TOTAL | 12,324 units | 2,666 units |



Economic Outlook

Slower but continued growth of 5-6% is projected for the Philippine economy in 2011 on the back of steady growth in OFW remittances and net foreign direct investments (FDI). Inflation continues to be a downside risk, but BSP’s monetary management will restrain its impact. In the most recent 2010 ASEAN’s Competitiveness Report, the Philippines improved its overall competitiveness, thanks to improvements in social infrastructure and political institutions and macroeconomic policy. This bodes well for long-term job-creating investments and fiscal and external stability.

| Indicator | As of July 2011 | 2010 | 2011f |
|----------------------------|-----------------|------|-------------|
| GDP (%) | 4.9 (Q1) | 7.3 | 5.0* |
| Inflation Ave (%) | 4.2 (Jan-May) | 3.8 | 4.3* |
| FX Ave (Peso-US\$) | 43.366 (July) | 45.1 | 43.0-45.0** |
| 91-day T-bill Ave (%) | 1.14 (Q1) | 3.52 | 4.0** |
| Remittances (US\$ billion) | 6.2 (Jan-April) | 18.8 | 20.2** |

*Average consensus forecast- ADB, World Bank and IMF
**Government forecast