

OVERDRIVE

AVID Sales Performance & Outlook

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AVID STAYS ON COURSE

“AVID stays on course in a period of global economic uncertainty and supply pressures in the automotive industry, reflecting its resiliency and customer-driven strategies to sustain consumer interest and sales. We remain optimistic about our sales prospects for the remainder of the year as the global economy gradually recovers and supply setbacks ease.”

Ms. Maria Fe Perez-Agudo

President, The Association of Vehicle Importers and Distributors, Inc

AVID sales outperformed industry; Sales up 2% against industry's 3.0% drop

PERFORMANCE

In the first seven months of the year, AVID sold a total of 14,195 units or a 2% growth over the same period last year. This modest growth was driven by a 15% increase in the passenger car (PC) category which outpaced the 9% drop in light commercial vehicle (LCV) sales.

In July, AVID saw 6% gain in PC sales but weakness in LCV sales pushed overall performance down by 19%.

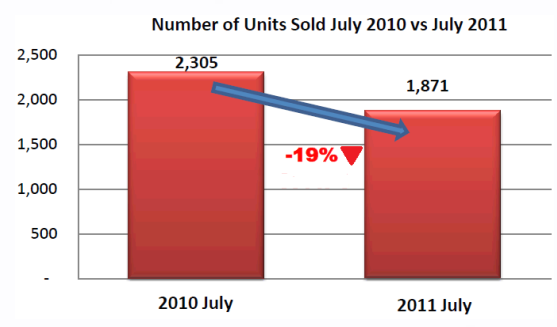
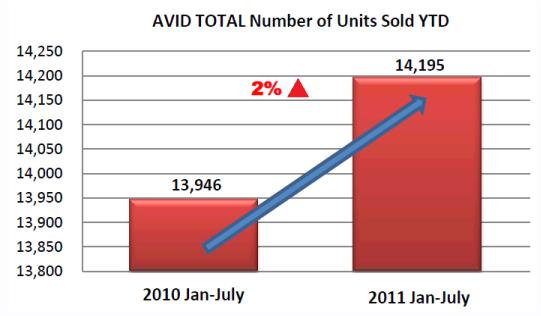
DRIVERS

Despite global economic stress induced by US and Europe uncertainties and supply limitations, AVID continued to optimize its strategic advantages, specifically its consistently strong brand marketing programmes, convenient payment schemes and continued uptake of new nameplates, which enabled it to stay on course and maintain a solid 15% market share.

OUTLOOK

While there will be short-term market volatility from global economic woes, the country's macroeconomic fundamentals remain intact to sustain positive consumer outlook. The benefit of potential foreign capital inflows to the equity market and foreign exchange will favor investor and consumer confidence. According to the latest Global Online Consumer Confidence Survey by Nielsen Co., the Philippines recorded a confidence level of 115, the second highest consumer confidence level and well above the global average of 89, indicating optimistic Filipino consumer outlook despite looming economic challenges.

AVID Members	2011 SALES (in units)	
	Jan-Jul	Jul
British United	64	12
CATS Motors	582	90
HARI	11,852	1,497
PGA Cars	264	46
Scandinavian Motors	140	19
TCCI	1,293	207
TOTAL	14,195	1,871



Economic Outlook

US and European debt problems and the slow recovery of Japan are causing economic uncertainties and financial volatility in global markets. The Philippines is well prepared to weather short-term external shocks, having sufficient foreign exchange reserves to support almost eleven months of imports, stable inflation and foreign exchange and managed fiscal deficit. The economy is expected to grow by about 6% this year on the back of strong public and private investment and financial stability which should benefit consumer spending outlook for the rest of the year.

Indicator	As of August 2011	2010	2011f
GDP (%)	4.9 (Q1)	7.3	6.2*
Inflation Ave (%)	4.3 (Jan-July)	3.8	4.8*
FX Ave (Peso-US\$)	42.8088 (July)	45.1	43.0-45.0**
91-day T-bill Ave (%)	1.096 (Jan-May)	3.52	4.0**
Remittances (US\$ billion)	7.9 (Jan-May)	18.8	20.2**

*Average consensus forecast (BSP, WB, IMF, ADB)
**Government forecasts

