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Automotive Messenger

July/August 2014

Summer meets Spring – and the sun is still shining

There were reservations over the UK registrations for quarter two after a storming first three months. But April proved equally buoyant and the quarter has continued to show growth, so positive signs but perhaps not the runaway success some had hoped for as the UK economy slowly recovers.

We have deliberately shortened this edition as we head in to the annual summer holidays – we will be back with our usual bumper Messenger in October when we will know how the vitally important September quarter has turned out.

In this edition we have a detailed look at some highly relevant capital allowance issues as described by Hazel Platt, the UK Automotive Corporation Tax Partner. Hazel identifies a few planning issues that are well worth further consideration.

We also welcome Phil Gerrard to our editorial team. Phil has commented on the latest AM100 tables and the registration data, and he recalls the history of Lex and Dixons, and reflects on what can happen when matters get out of control!

Finally, we include our ever popular snippets and wish everyone an enjoyable summer break.

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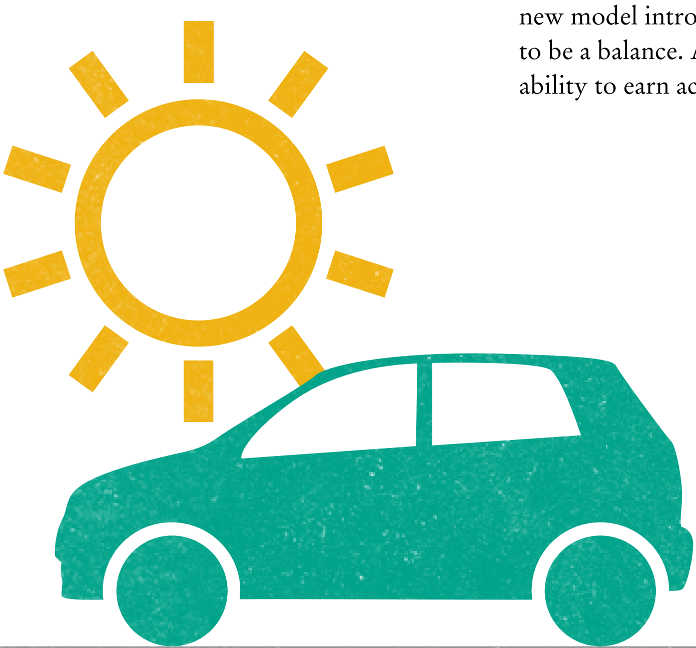
Sunny times… but do not forget the sunscreen

The sun is shining on the automotive sector with another increase in registrations. But history tells us that it's good times like these when we need to be particularly vigilant not to be left red in the face.

Registrations for the first half of 2014 are up 10.6% over 2013, which is great news. Quarter one showed an increase of 13.7%, however, the second quarter was significantly less buoyant – is this the cooling off we all anticipate?

Mercedes, BMW and Audi have continued their relentless battle, and all three achieved a half year increase in excess of 13%. Mercedes was playing catch-up and showed the biggest increase – but elsewhere Jaguar, Lexus, Porsche and Volvo also registered strong growth in the premium space. As expected, the variety of personal contract purchase (PCP) schemes have delivered for these brands, but where to next?



Temperatures on the rise?

It is interesting to see that the SMMT has focussed on the 'rise in consumer demand for efficiency delivered by alternatively-fuelled vehicles' alongside the general comment that 'growth is showing signs of stabilising'. These comments point to a market that could be in danger of over-heating.

Bill Parfitt, previously Chairman and CEO of Vauxhall and vice president of General Motors, who has recently joined the Grant Thornton Automotive Advisory team comments; "Volume and share are important for all manufacturers as the revenues fund the enterprise and especially the vital new model introductions, but there has to be a balance. All retailers need the ability to earn acceptable margins on new vehicles and the manufacturers, retailers and the contract hire industry need predictable and realistic used vehicle residual values (RVs). This balance is difficult to achieve on a consistent basis. An excess of short cycle vehicles returning to the market in an unplanned manner may cause major problems and upset the fine balance between supply and demand. Small and mid-size dealers are very susceptible to changes in the balance and often do not have the financial wherewithal to fund high new and used inventory if new volume is chased aggressively or RVs take a tumble. The warning signs are beginning to show and all parties need to guard against overtrading especially with the current rumblings over interest rate increases."

Once bitten, twice shy – can we learn from history?

Phil Gerrard, Grant Thornton Automotive Advisory, [previously with Lex and Dixons after their acquisition by RBS], draws on his past experience; "Recently, I have been focussed on the vehicle leasing sector, and the operational challenges of increasing profit through improved efficiency. But I have retained a lot of interest and contact with the UK retail market." Phil continues – "I see several parallels with my time at Lex and RBS – I suspect we are about to see bigger consolidation deals driven by volume pressures, but followed by some potentially painful experiences."

You cannot help but feel he is speaking very sensibly about an industry that follows a well-trodden cycle, with every period of up followed with a period of down. It is the time elapsed that varies.

What Bill says is echoed by Phil; "We saw a lot of large groups paying big money for small and medium sized dealer groups back in the day. This is starting to happen again but does suit the current purpose – security for the National Sales Companies when volume gets out of balance, available cash to the larger groups and willing workhorse mentality to bail out difficult situations."

The latest AM100 tables were released last month and show some interesting trends. The big have got bigger and they have started to make the M&A market a closed shop. Return on sales has hardly changed, and there are pressures all the way as the NSCs seek to balance their consumer price offerings with the margin support they can provide. We have seen some quite aggressive registration models and that is having an impact on margin which flows through in to used sales, where delivery mileage product muscles out later plate vehicles, usually at the expense of profit.

The reality for the big players is increasingly improved bottom line profit but generally based on more volume – so far it has worked but it is not a sustainable business model, and will drive further consolidation by the cash rich major players at the expense of the smaller local groups who simply cannot compete on resources and routes to market.

Phil has the last word "The outlook is more positive but there are cracks appearing. We should know how to manage this as it has all happened before. Will we see the outcomes unravel as the market growth cools and PCP returns start to flood the used market, making residual value management equally more important and more challenging?" Phil should know how this works only too well from his experience in the vehicle leasing space!

We hope these messages are being discussed and the market accommodates this change in a controlled manner. There is clearly a change in the way business is being done – let's just hope it does not come about so fast that it impacts the retail network and makes the business model unstable.

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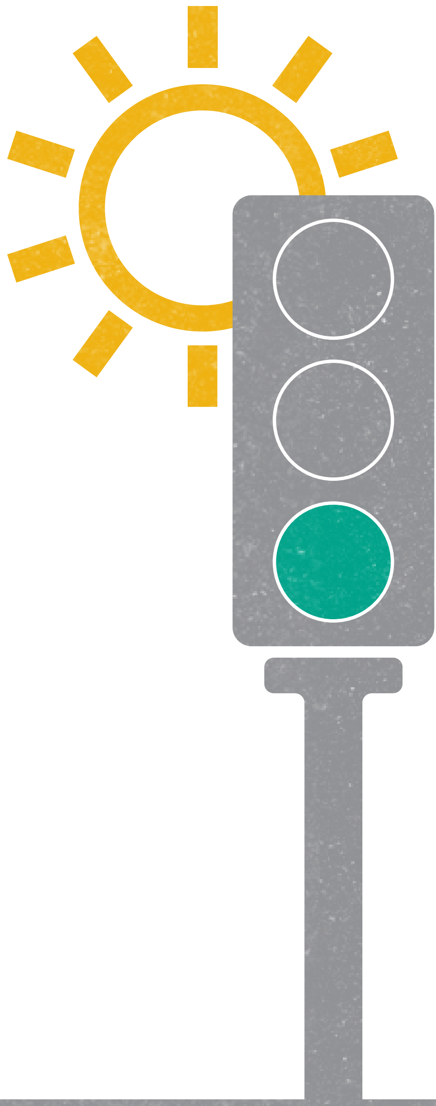
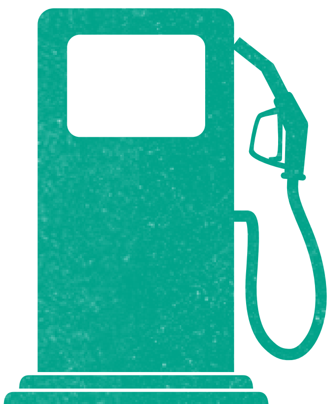


Capital allowances for motor retailers

Many motor dealerships are building new showrooms or undergoing major refurbishment programs.

Some of the capital expenditure incurred on the premises and showrooms may attract tax breaks in the form of capital allowances. Applying an independent fact based approach that uses tested methodology and experienced capital allowances specialists, we have been working with a number of well-known businesses to optimise their capital allowances claims.

Hazel Platt
UK Automotive Corporation
Tax Partner



Have you incurred capital expenditure on your property portfolio in the last four to five years? If so, it may be worth re-examining that spend to ensure that you have claimed all capital allowances to which you are entitled.

Why claim capital allowances?

Capital allowances are a legitimate way of reducing your business' tax bill; however in our experience, it is not uncommon for a lack of resources, change in personnel or structure, or lack of detailed information to result in an under claim. Making a claim now could generate a significant tax repayment which could give you a competitive advantage.

Is expenditure a repair?

From a tax perspective, if expenditure is regarded as a repair it may be considered to be revenue in nature and a full deduction may be taken against taxable profits in the period in which the expenditure is incurred. If the expenditure is regarded as capital in nature, relief in the form of capital allowances may be available.

In distinguishing repairs from capital expenditure the guiding principle should be a determination of what has been replaced or repaired following the refurbishment work. If substantially all of the item has been replaced, it is likely that the expenditure will be treated as capital expenditure if the item is regarded as materially improved. However, where the work carried out represents only minor adjustments and there is no material improvement to the item, it is likely it will be treated as repairs. Analysing expenditure to separate out repairs from capital expenditure is the starting point in working with a business to maximise tax deductions in relation to any refurbishment or new build project.

What about brand related expenditure?

There can be significant opportunities to maximise capital allowances on expenditure required to upgrade the premises to the latest brand requirements. Through our understanding of the sector and its requirements and by undertaking a detailed review of the expenditure, we have been able to treat normally non-qualifying expenditure as trade related potentially qualifying for tax relief.

Prior claims for Industrial Buildings Allowances

In certain circumstances we have also reviewed previous Industrial Buildings Allowance claims and refreshed some of this unrelieved tax expenditure as repairs.

Energy efficient equipment

Enhanced first year allowances can be claimed on certain energy efficient equipment provided it is on an approved energy technology product list (eg lighting, heating, compressed air equipment). Additionally, tax relief can be available where the thermal characteristics of an existing building are improved and this in particular is an area where we have made successful claims for clients.

Annual Investment Allowance (AIA)

The AIA limit has been increased to £500,000 for all qualifying investments on plant and machinery made between 1 April 2014 and 31 December 2015. This welcome extension to the existing rules offers a window of opportunity to obtain greater up front tax relief and is particularly beneficial where expenditure incurred may otherwise attract a low rate of writing down allowances (eg air conditioning systems).

Why carry out a review?

New legislation was introduced in April 2014 which will mean that companies will need to optimise the capital allowances position in order to pass on the benefit of any capital allowances on a subsequent sale of a property. Failure to do this will mean that the allowances are lost to all future owners as well and could have a significant impact on the sale price of the property.

Will a review tie up valuable management time?

No – by using state of the art software technology to interrogate, analyse and benchmark data we are able to identify areas of value and focus, quickly and efficiently. Even where detailed information does not exist we have brought in our team's surveying expertise to arrive at defendable and supportable valuations for tax purposes.

How can Grant Thornton help?

Grant Thornton's multi skilled capital allowances team has worked with clients to generate significant tax benefits. We offer:

- surveyors, tax professionals and accountants with significant experience in delivering large scale and complex capital allowances assignments
- a formulised and systematic interrogation of available information, ledgers and tax computations benchmarked against known parameters
- a tailored analysis of all real estate additions using tried and tested claim methodology

This results in our clients having the confidence that their claims are correct, technically robust and in a format ready to be submitted to HM Revenue & Customs.

If you would like to discuss how we might work with your business in these areas and how you can benefit, please contact one of our specialists.

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News snippets from the automotive industry

The route to success in China

No-one would disagree that China has been the single most influential factor on the rise and rise of the global automotive industry – nor that the German brands have been very adept at taking advantage to boost their global output.

Hot off the press is news that Volkswagen Group has announced two new vehicle plants in China. The important feature is that not only are they to be built in conjunction with VW's local Partner, FAW Volkswagen, but the signing ceremony was carried out in the presence of both Angela Merkel the German Chancellor and Li Keqiang the Chinese Premier. Quite an audience, very politically adept.

To quote Martin Winterkorn, Chairman of VW Group Board of Management "China has become our largest and most important market". Further quotes from local Chinese Management talk about VW intensifying its strategic partnership with FAW and the bringing of innovative and sustainable mobility solutions to the Chinese market. The plants are to be built on the East Coast of China, one in the same city as the site of the new production plant for VW Group's dual-clutch gearboxes. Maybe there is also a concession to the green lobby – an objective is to expand production capacities for 'environmentally compatible products'!

The joint investment is around €2 billion, no small sum of money! VW Group has two joint venture partners in China, FAW and Shanghai-Volkswagen. With the World Cup having recently finished, two football analogies come to mind – the Germans know how to win a penalty shoot-out, and the Germans know how to win a game however they are playing. Clearly, business and sport cross over and the Germans know how to do global business – the two joint ventures have delivered a staggering 1.51m vehicles between January and May 2014 – and that is up around 17% over the same period in 2013. Not a bad performance, must be great for the bottom line.

Spending in the UK regions

We often comment that demand for new vehicles follows the housing price trend which equally follows the 'consumer confidence' trend. There is a new political battleground emerging ahead of the next General Election – additional devolved funds for the regions to be spent on new homes, transport links and training.

It is fair to say that the Opposition want these plans to be more radical, but the gist of the strategy is to create thousands of jobs and help rebalance England's over-centralised economy – quite a vote catcher but also a boost for consumer confidence? The Prime Minister has said the so-called 'growth deals' would help kick-start the economies of cities, towns and counties in every part of England. We look forward to the resulting wealth finding its way into the automotive retail chain!

News snippets continued...

Merseyside to benefit from JLR investment

JLR has committed to spending £200 million at its Liverpool factory, hiring 250 new workers in the process, in order to build the new Land Rover Discovery Sport SUV. This illustrates that it is not only the retail side of the industry hitting the highs, but UK production including the likes of Nissan and Mini in addition to JLR are creating an export led growth cycle. The Government has joined the party by offering grants to supply chain companies to increase the proportion of British made components from their current level of one third.

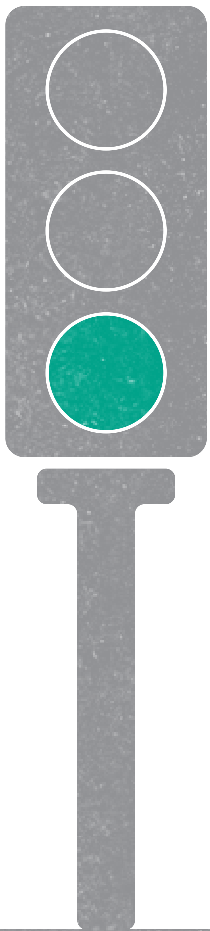
Logistics across the globe can play a massive role in OEM profitability and we know there are components which cross the globe only to return after they have been assembled on a vehicle. JLR will open its first overseas factory in China this year, and is building production facilities in Brazil and considering an additional plant for Saudi Arabia. The expansion of JLR though in the UK is a clear statement of intent.

The nine lives of Fiat

Well, perhaps not nine lives but nine brands. We came across an interesting piece a few weeks' ago after the Fiat CEO, Sergio Marchionne, announced that he wanted his recently merged nine-brand business to more than double its vehicle sales and operating profit by 2018. Now we are not sure what others think, but anyone with such grand ambitions may be asked to review their targets. The main contributors are meant to be Jeep, China and the perennial problem, Alfa Romeo.

One industry analyst was straight on the case and suggested that were it not for Brazil, "Marchionne should simply kill the Fiat brand". Fiat is no 1 in the land of Samba (and football). Other financial analysts evidently pointed to the lack of cash to make such a volume growth target. But then again, the cold facts around the five year plan are boosting sales by 60% and a more-than-doubling of operating profit. There will be road blocks and landmines a plenty. Perhaps nine lives was right in the first place!?

Just to bring a smile to our collective faces, one analyst made the classic comment "The problem is Powerpoint presentations are a lot easier than real life". How very true.



Registration data

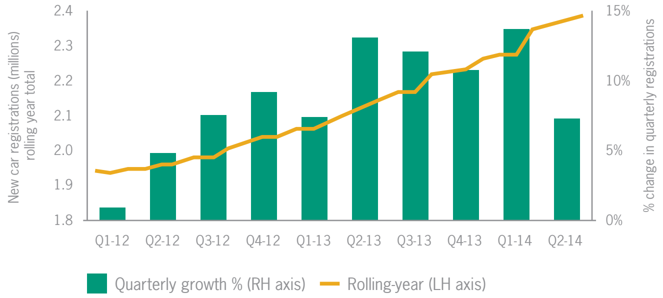
UK new car registrations for six months to June 2014 (YTD)

	YTD2014		YTD2013		2014/2013	FY2013		FY2012		FY2011		FY2010	
Brand	**Units**	**Share (%)**	**Units**	**Share (%)**	**% Change**	**Units**	**Share (%)**	**Units**	**Share (%)**	**Units**	**Share (%)**	**Units**	**Share (%)**
Ford	173,554	13.5%	163,396	14.0%	6.2%	310,865	13.7%	281,917	13.8%	265,894	13.7%	280,364	13.8%
Vauxhall	141,609	11.0%	132,640	11.4%	6.8%	259,444	11.5%	232,255	11.4%	234,710	12.1%	247,265	12.2%
Volkswagen	110,666	8.6%	101,317	8.7%	9.2%	194,085	8.6%	183,098	9.0%	179,290	9.2%	174,655	8.6%
Audi	83,761	6.5%	73,767	6.3%	13.5%	142,040	6.3%	123,622	6.0%	113,797	5.9%	99,828	4.9%
BMW	75,122	5.8%	65,214	5.6%	15.2%	135,583	6.0%	127,530	6.2%	116,642	6.0%	109,418	5.4%
Nissan	70,929	5.5%	61,661	5.3%	15.0%	117,967	5.2%	105,835	5.2%	96,269	5.0%	89,681	4.4%
Mercedes-Benz	63,866	5.0%	54,637	4.7%	16.9%	109,456	4.8%	91,855	4.5%	81,873	4.2%	74,977	3.7%
Peugeot	57,428	4.5%	56,253	4.8%	2.1%	105,435	4.7%	99,486	4.9%	94,989	4.9%	109,324	5.4%
Toyota	51,064	4.0%	47,358	4.1%	7.8%	88,648	3.9%	84,563	4.1%	73,589	3.8%	87,396	4.3%
Citroen	44,090	3.4%	42,784	3.7%	3.1%	78,358	3.5%	73,656	3.6%	68,464	3.5%	73,317	3.6%
Hyundai	42,732	3.3%	39,135	3.4%	9.2%	76,918	3.4%	74,285	3.6%	62,900	3.2%	61,752	3.0%
Kia	40,849	3.2%	37,178	3.2%	9.9%	72,090	3.2%	66,629	3.3%	53,615	2.8%	56,114	2.8%
Skoda	39,176	3.0%	32,384	2.8%	21.0%	66,081	2.9%	53,602	2.6%	45,061	2.3%	41,240	2.0%
Fiat	34,870	2.7%	29,423	2.5%	18.5%	60,198	2.7%	49,907	2.4%	41,612	2.1%	53,092	2.6%
Renault	32,064	2.5%	20,035	1.7%	60.0%	46,173	2.0%	40,760	2.0%	68,449	3.5%	95,608	4.7%
Land Rover	30,019	2.3%	30,120	2.6%	(0.3)%	54,699	2.4%	48,626	2.4%	37,637	1.9%	37,272	1.8%
Honda	29,919	2.3%	30,226	2.6%	(1.0)%	55,660	2.5%	54,208	2.7%	50,577	2.6%	63,652	3.1%
SEAT	27,342	2.1%	22,752	2.0%	20.2%	45,312	2.0%	38,798	1.9%	36,089	1.9%	32,935	1.6%
MINI	21,408	1.7%	25,320	2.2%	(15.5)%	51,933	2.3%	51,324	2.5%	50,138	2.6%	43,894	2.2%
Mazda	19,887	1.5%	15,642	1.3%	27.1%	31,228	1.4%	26,183	1.3%	31,219	1.6%	45,449	2.2%
Volvo	19,850	1.5%	16,780	1.4%	18.3%	32,666	1.4%	31,790	1.6%	32,657	1.7%	37,435	1.8%
Suzuki	19,726	1.5%	17,120	1.5%	15.2%	33,088	1.5%	24,893	1.2%	20,295	1.0%	21,484	1.1%
Dacia	12,976	1.0%	6,994	0.6%	85.5%	17,146	0.8%	-	-	-	-	-	-
Jaguar	9,826	0.8%	8,658	0.7%	13.5%	16,210	0.7%	14,109	0.7%	13,787	0.7%	16,417	0.8%
Other	34,532	2.7%	32,829	2.8%	5.2%	63,454	2.8%	65,678	3.2%	71,700	3.7%	78,277	3.9%
Total	**1,287,265**		**1,163,623**		**10.6%**	**2,264,737**		**2,044,609**		**1,941,253**		**2,030,846**	

Source: SMMT

- 2014 year to date registrations of new passenger cars have increased by 10.6% over 2013 which is very positive albeit less than the 13.7% recorded for the first three months. The phrase ‘stabilising growth’ is starting to be quoted.
- Of the 1.287m registrations in the first six months (a record best half year since 2005), 48.4% were attributed to private buyers, slightly higher than 2013 but down on the first three months. Does this mean we are seeing a return to fleet and business channels, or should we expect that given the March plate change falls in the first quarter?
- Fiesta, Focus, Corsa again held 1,2,3 in the six months. The Fiat 500 retained its position in the Top 10, contributing over 60% of the Fiat registrations for the period, a reflection that iconic/quirky does the biz!
- Strong brand growth has been recorded by Renault, Dacia, Seat, Skoda and Mazda, a reflection that new models and brand affinity are vitally important here in the UK market, delivered by a strong dealer network having the right pricing points to work with and thus building the car parc for the future.
- Hyundai and Kia retain a combined 6.5% market share in the UK, registering over 80,000 units between them in the six months – can the Chinese brands of the future make such inroads, and who will lose out if they do?

New car registrations (rolling-year annual total)



Source : SMMT

EU and EFTA passenger car registrations 31 May 2014

Country	YTD2014 Units	YTD2013 Units	2014/2013 % Change	FY2013 Units	FY2012 Units	FY2011 Units	FY2010 Units
Germany	1,260,654	1,219,717	3.4%	2,952,431	3,082,504	3,173,634	2,916,259
United Kingdom	1,058,974	948,666	11.6%	2,264,737	2,044,609	1,941,253	2,030,846
France	762,519	740,121	3.0%	1,790,456	1,898,760	2,204,229	2,251,669
Italy	628,719	609,505	3.2%	1,303,534	1,403,010	1,749,074	1,961,579
Spain	364,784	313,588	16.3%	722,703	699,589	808,051	982,015
Belgium	244,806	246,715	(0.8%)	486,065	486,737	572,211	547,340
Netherlands	166,634	175,917	(5.3%)	417,036	502,479	555,798	482,545
Others	944,831	828,553	14.0%	1,913,943	1,936,369	2,142,520	2,200,644
Total EU	5,431,921	5,082,782	6.9%	11,850,905	12,054,057	13,146,770	13,372,897
EFTA	187,342	190,432	(1.6%)	457,310	474,036	460,229	423,313
Total EU28+EFTA	**5,619,263**	**5,273,214**	**6.6%**	**12,308,215**	**12,528,093**	**13,606,999**	**13,796,210**

Source: ACEA

- These tables are for **five months up** to 31 May 2014 due to the later publication dates, and they cover the 28 EU countries plus the 3 EFTA countries of Switzerland, Iceland and Norway. Total registrations have grown 6.6% over the five months, reaching a total of 5.619m.
- Remarkably, all of the five largest EU markets showed an increase in registrations for the five months, including the UK which is now well established as the second largest market in Europe. At numbers six and seven, Belgium and Holland disappointed with falls of 0.8% and 5.3% respectively, although the month of May showed a 3.4% increase in Holland.
- Spain has continued its recovery using its own version of the scrappage programme. The month of May saw a 16.9% increase in registrations so the cumulative achievement is real ongoing momentum – not helped by the lows to which its economy has sunk. How long this can be sustained is yet to be seen.
- Our attention was also caught by the 20% plus growth returns for the five months in both Ireland and Poland, the latter backed up by some of the smaller Eastern European countries who have also experienced growing registrations. It is good to see that the recovery, albeit slow, is across the board and any sign of increased activity within those countries bodes well for the EU which has struggled to maintain its economic unity since the global crash.

Registrations of new commercial vehicles in the United Kingdom

Commercial vehicles < 3.5t

	YTD June14		YTD June13		2014/2013	FY2013		FY2012		FY2011		FY2010	
Brand	**Units**	**Share %**	**Units**	**Share %**	**% Change**	**Units**	**Share %**	**Units**	**Share %**	**Units**	**Share %**	**Units**	**Share %**
Ford	37,027	23.8%	34,462	25.9%	7.4%	68,054	25.1%	62,372	26.0%	70,226	27.0%	59,488	26.7%
Volkswagen	20,702	13.3%	18,624	14.0%	11.2%	36,925	13.6%	30,956	12.9%	31,716	12.2%	25,710	11.5%
Peugeot	16,140	10.4%	9,972	7.5%	61.9%	21,230	7.8%	21,272	8.9%	19,328	7.4%	16,384	7.3%
Vauxhall	15,853	10.2%	15,139	11.4%	4.7%	29,736	11.0%	26,524	11.1%	33,514	12.9%	27,417	12.3%
Citroen	14,011	9.0%	11,294	8.5%	24.1%	22,989	8.5%	18,379	7.7%	17,275	6.6%	18,074	8.1%
Mercedes	12,670	8.1%	10,373	7.8%	22.1%	25,667	9.5%	21,055	8.8%	19,495	7.5%	20,173	9.0%
Renault	9,164	5.9%	5,578	4.2%	64.3%	12,978	4.8%	14,710	6.1%	19,382	7.5%	17,248	7.7%
Nissan	6,058	3.9%	5,805	4.4%	4.4%	10,619	3.9%	10,136	4.2%	10,854	4.2%	6,223	2.8%
Fiat	6,010	3.9%	5,951	4.5%	1.0%	12,019	4.4%	7,060	2.9%	8,130	3.1%	6,977	3.1%
Toyota	5,301	3.4%	4,285	3.2%	23.7%	8,063	3.0%	7,747	3.2%	8,391	3.2%	6,617	3.0%
Land Rover	4,132	2.7%	3,418	2.6%	20.9%	6,644	2.5%	5,917	2.5%	6,209	2.4%	4,874	2.2%
Mitsubishi	3,113	2.0%	3,116	2.3%	(0.1%)	5,927	2.2%	4,853	2.0%	7,341	2.8%	6,821	3.1%
Isuzu	2,448	1.6%	1,962	1.5%	24.8%	4,112	1.5%	2,762	1.2%	2,431	0.9%	2,190	1.0%
Iveco	1,352	0.9%	1,676	1.3%	(19.3%)	3,275	1.2%	3,593	1.5%	3,628	1.4%	2,616	1.2%
Other	1,551	1.0%	1,522	1.1%	1.9%	2,835	1.0%	2,305	1.0%	2,233	0.9%	2,103	0.9%
Total light CV	**155,532**		**133,177**		**16.8%**	**271,073**		**239,641**		**260,153**		**222,915**	

Commercial vehicles > 3.5t and < 6.0t

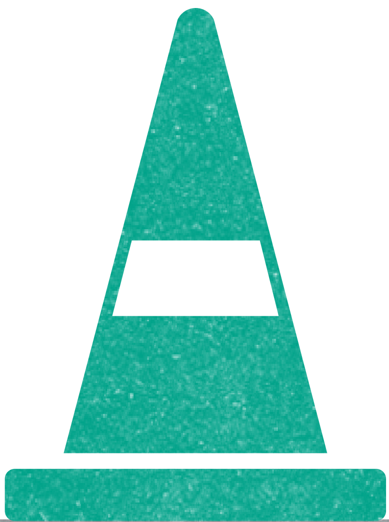
	YTD June14		YTD June13		2014/2013	FY2013		FY2012		FY2011		FY2010	
Brand	**Units**	**Share %**	**Units**	**Share %**	**% Change**	**Units**	**Share %**	**Units**	**Share %**	**Units**	**Share %**	**Units**	**Share %**
Ford	1,141	31.3%	1,321	39.4%	(13.6%)	2,767	40.8%	2,879	40.4%	1,381	25.0%	2,820	41.0%
Mercedes	949	26.0%	777	23.2%	22.1%	1,485	21.9%	1,367	19.2%	1,458	26.3%	1,632	23.8%
Fiat	546	15.0%	590	17.6%	(7.5%)	1,231	18.1%	1,416	19.9%	1,171	21.2%	1,180	17.2%
Iveco	223	6.1%	218	6.5%	2.3%	420	6.2%	444	6.2%	567	10.2%	526	7.7%
Volkswagen	205	5.6%	158	4.7%	29.7%	342	5.0%	251	3.5%	221	4.0%	204	3.0%
Peugeot	180	4.9%	82	2.4%	119.5%	200	2.9%	359	5.0%	354	6.4%	209	3.0%
Renault	35	1.0%	79	2.4%	(55.7%)	117	1.7%	215	3.0%	113	2.0%	41	0.6%
Other	369	10.1%	131	3.9%	181.7%	226	3.3%	195	2.7%	269	4.9%	258	3.8%
Total heavy CV	**3,648**		**3,356**		**8.7%**	**6,788**		**7,126**		**5,534**		**6,870**	

Commercial vehicles > = 6.0t

	YTD June14		YTD June13		2014/2013	FY2013		FY2012		FY2011		FY2010	
Brand	**Units**	**Share %**	**Units**	**Share %**	**% Change**	**Units**	**Share %**	**Units**	**Share %**	**Units**	**Share %**	**Units**	**Share %**
Daf Trucks	2,677	20.9%	4,996	27.8%	(46.4%)	14,046	28.4%	11,153	28.9%	9,863	26.4%	6,553	23.8%
Mercedes	2,119	16.6%	2,772	15.4%	(23.6%)	8,793	17.8%	6,422	16.6%	6,326	16.9%	4,988	18.1%
Scania	1,758	13.7%	2,441	13.6%	(28.0%)	6,846	13.8%	4,652	12.1%	4,071	10.9%	3,576	13.0%
Volvo Trucks	1,580	12.4%	1,772	9.9%	(10.8%)	5,524	11.2%	3,976	10.3%	4,624	12.4%	3,163	11.5%
Iveco	1,310	10.2%	1,661	9.2%	(21.1%)	3,773	7.6%	2,908	7.5%	2,834	7.6%	2,523	9.1%
Man	1,220	9.5%	2,001	11.1%	(39.0%)	4,934	10.0%	4,324	11.2%	4,772	12.8%	2,753	10.0%
Renault Trucks	1,045	8.2%	1,004	5.6%	4.1%	2,534	5.1%	2,555	6.6%	2,763	7.4%	1,934	7.0%
Other	1,079	8.4%	1,317	7.3%	(18.1%)	2,980	6.0%	2,586	6.7%	2,157	5.8%	2,098	7.6%
Total heavy CV	**12,788**		**17,964**		**(28.8)%**	**49,430**		**38,576**		**37,410**		**27,588**	

Sources : SMMT

- Registrations of commercial vehicles up to 3.5 tonnes continued their growth trend with the six months showing a rise of 16.8%. As a barometer of the UK economy, this is really positive and reflects the much discussed upturn in business confidence.
- Not so good is the continued decline within ‘heavy’ trucks, or commercial vehicles exceeding 6.0 tonnes. The overall decline in the six months has been 28.8%, following the 32% decline at the three month stage. The SMMT is still pointing to the surge in pre Euro-6 registrations at the back end of 2013.
- Peugeot has continued its relentless growth during 2014 in the small van sector, posting an increase over the six months of 61%, beaten by Renault posting 64% but registering some 7,000 fewer vans. It is interesting to note that Peugeot vans are heavily retailed alongside their passenger car network.



*EU27, data for Malta unavailable

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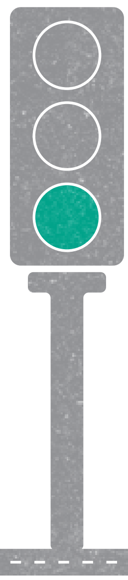

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