Corporate Vehicle Observatory

May 2006

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Press File
Barometer 2006

In collaboration with tns sofres

Context and Objectives

- For four years, the Corporate Vehicle Observatory has been conducting a barometer in collaboration with TNS Sofres.
- 2712 decision-makers surveyed, including more than 1220 corporate leaders and more than 340 companies of over 1000 employees.
- Information on:
  - The **morale of decision-makers**
  - The **market practices** for the corporate vehicle
  - The **major trends** for companies, its vehicles and drivers
- For two years, **the Observatory has been extended throughout Europe** (Germany, France, Italy, Poland, Portugal and Switzerland).

Methodology and Sample survey

- **Target:** **decision-makers belonging to companies of a commercial nature that finance at least once corporate vehicle**, excluding kilometrage allowance

- **Survey period:** **The first quarter of 2006**

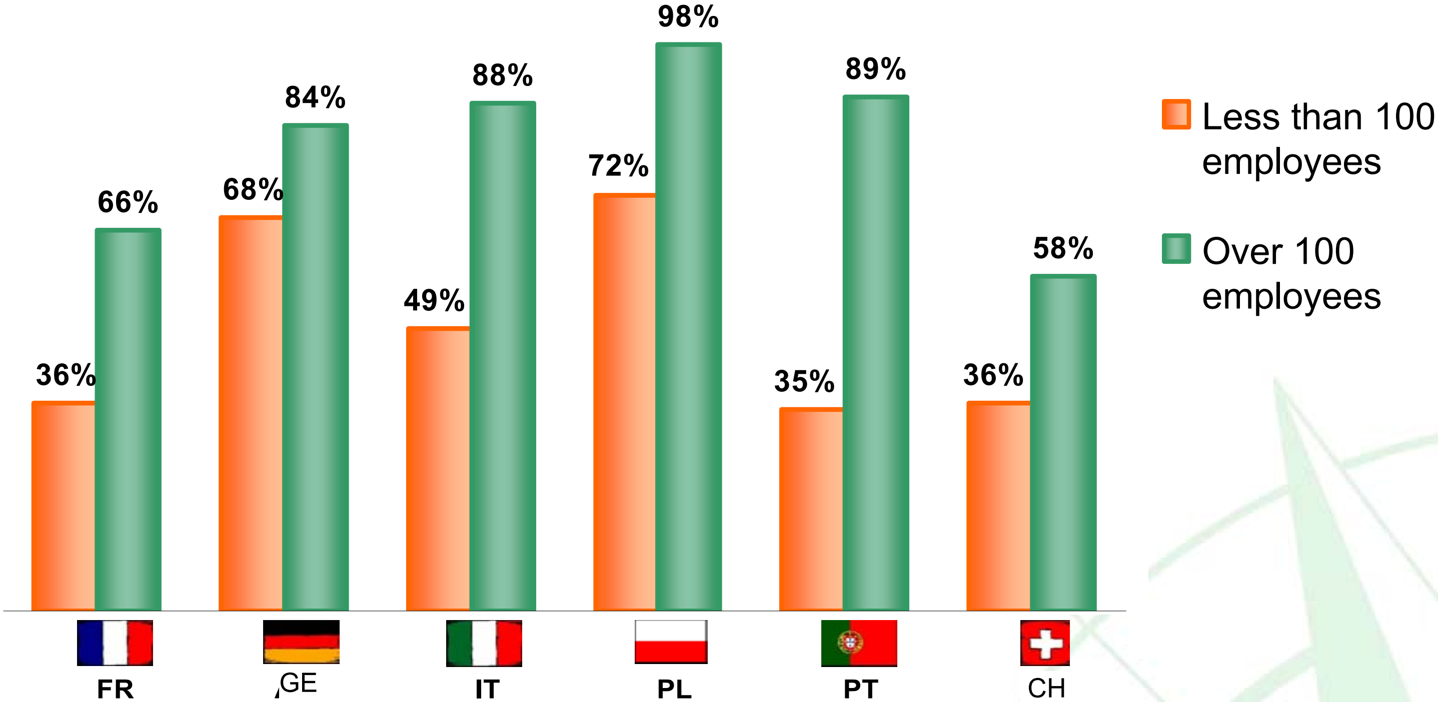
- **Mode of collection:** by **telephone** in the CATI system

Number of interviews of companies with at least one corporate vehicle

	FR	GE	IT	PL	PT	CH
TOTAL	701	400	401	400	401	409
VSC (less than 10 employees)	**320**	**170**	**171**	**170**	**171**	**170**
SME SMI (10 to 999 employees) :	**321**	**170**	**171**	**170**	**189**	**178**
10 to 99	160	85	86	85	90	85
100 to 999	161	85	85	85	99	93
LC (1000 employees and more)	**60**	**60**	**59**	**60**	**41**	**61**

To show the results for the whole of the market, TNS Sofres has given in each country, for each target, its respective weight in the corporate landscape.

Share of companies financing at least one corporate vehicle (excluding kilometrage allowance)



Share of companies financing at least one corporate vehicle according to company size and from one country to another

- Corporate vehicles are more broadly used in medium and large companies.
- The companies of over 100 employees more likely to finance a corporate vehicle are located in Italy, Portugal and Poland (in this country, the fleet size is smaller)
- Portugal, Switzerland and France are the countries in which small companies finance vehicles the least.

Base : All companies contacted - vehicles up tp 3.5 t.ones

The morale of decision-makers with respect to the economic situation

As regards trust in the national economy, different trends have been observed in the countries surveyed. The situation varies significantly between small countries, which are more consistent, and large countries, more focussed on international activity.

✓ **The most optimistic countries:**

Poland: This country is faced with difficulties (high unemployment rate: 17.6%) while undergoing development and still quite confident about the future.

Switzerland: A large number of companies believe that the situation will improve, particularly the national economy, this being related to growth in the GDP. Improvement has been observed in very small enterprises and SMEs in Switzerland in 2006.

✓ **The most pessimistic countries:**

Portugal: This country is the least optimistic, leaning towards slight improvement.

France: This is the most pessimistic country, in a rather difficult socioeconomic context (all segments included).

An overall broad consistency in the morale of large corporations has been observed. All the lights are green, whatever the item or country surveyed. However, the morale has been declining for very small enterprises (even concerning perspectives for development of their own companies).

The opinion of decision-makers on the market trends

"In three years, do you think that the number of vehicles of your company will increase, decrease or remain stable?"

Solde: *increasing – decreasing*

	FR	GE	IT	PL	PT	CH
VSC (less than 10 employees)	- 3	+ 3	+ 7	**+ 48**	**+ 10**	**+ 18**
SME/SMI (10 to 99 employees)	+ 8	+ 6	**+ 16**	**+ 50**	**+ 22**	**+ 11**
LC (over 1000 employees)	**+ 30**	**+ 23**	**+ 16**	**+ 31**	+ 4	- 3

The tendency leaning towards fleet stabilisation is confirmed in almost all the countries surveyed, except for Poland, where the corporate fleet market should be even more dynamic in the future.

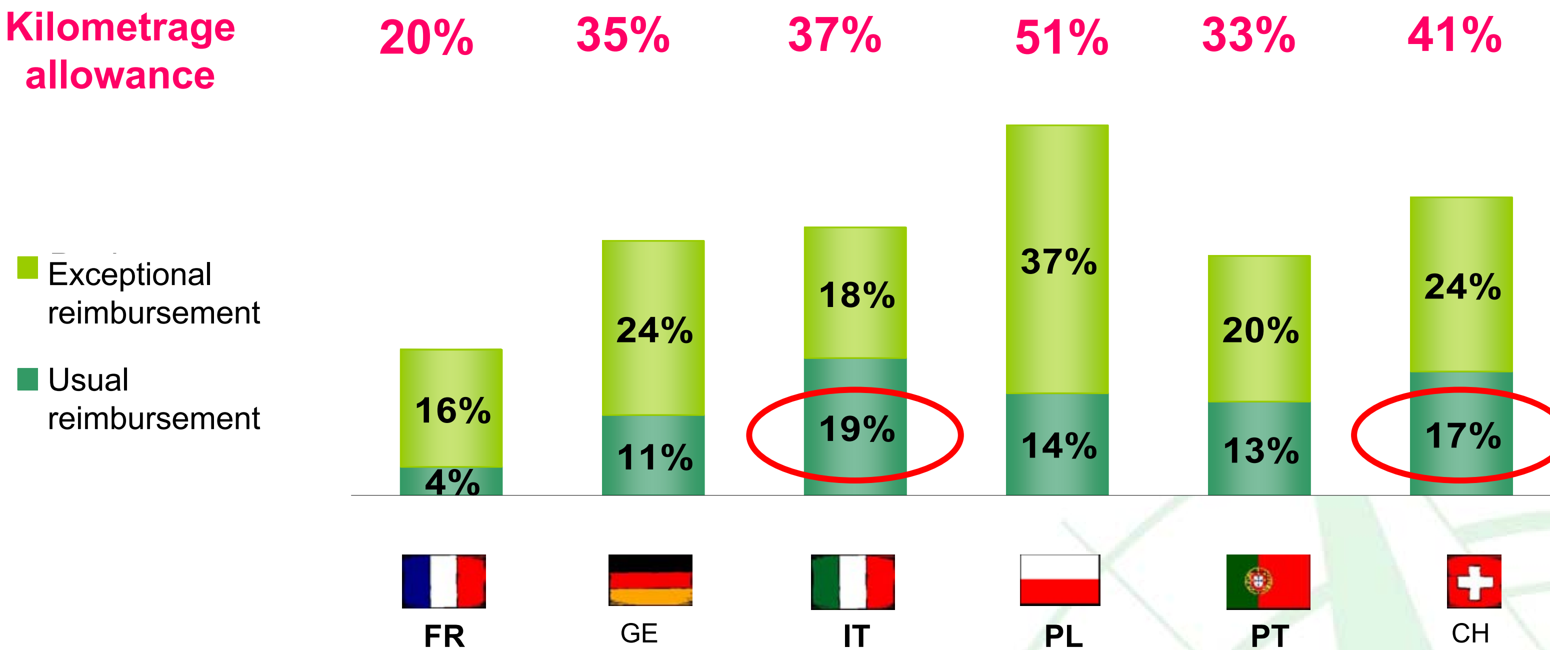
Poland is the exception: There is still great potential for car fleet expansion, all segments included. At the same time, the kilometrage allowance will be reduced.

In Switzerland: Large corporations intend to reduce their fleets

Base : companies with corporate vehicles

Kilometrage Allowance

Do you ask your co-workers to use their own vehicles for professional purposes and then reimburse their mileage expenses ?

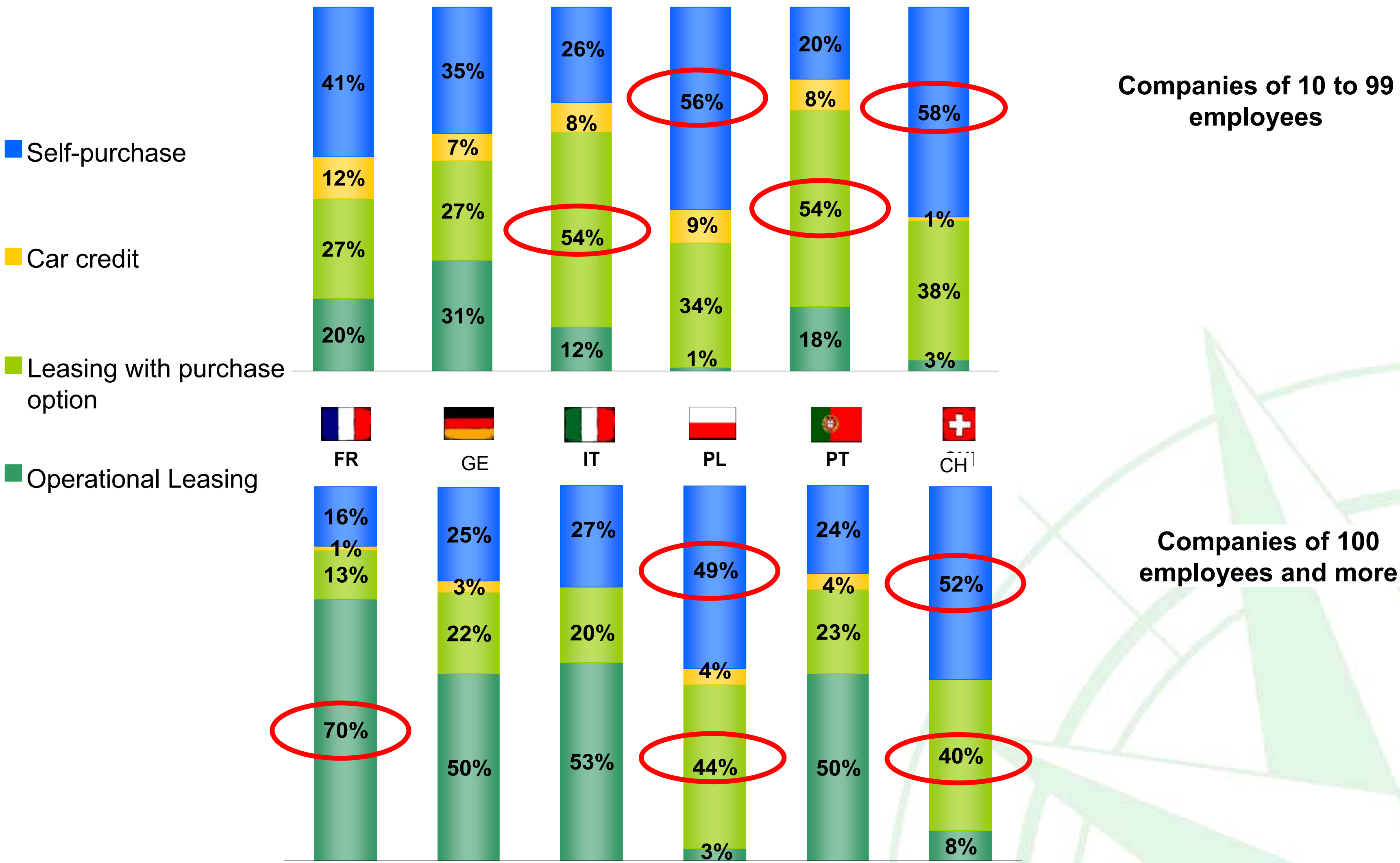


Amongst the companies calling on kilometrage allowance, the practice remains quite often exceptional in nature. Poland and Switzerland are the countries most often calling on kilometrage allowance.
French companies do not appear to follow such a practice, with only 20% of companies providing a kilometrage allowance.
In Poland, decision-makers intend to reduce such reimbursements in the next two years while this practice is expected to be developed in Portugal.

Base : companies with corporate vehicles and with more than one employee = 100%

Main mode of corporate financing

What is your main method of financing ?
(one answer possible)



elf-purchase = outright purchase + credit (other than car credit)

Main mode of corporate financing

Generally, the modes of financing are more consistent in large corporations.
The greater the size of the company, the more priority is given to leasing.
On the contrary, the smaller the company size, the more varied the modes of financing.

Companies of 10 to 99 employees most often resort to Leasing with purchase option rather than Operational Leasing, particularly in Italy and Portugal (where 54% of companies resort to Leasing with purchase option).
Poland and Switzerland have been inclined to foster their own payment. Outright purchases are highly developed in Switzerland, as this country does not have a culture for credit. The same applies to Poland, it has only been recently exposed to credit

In the **companies of 100 employees and more**, Operational Leasing is the most appreciated solution, except in Poland and Switzerland. France is the country where Operational Leasing is the most privileged, as 70% of large corporate use it.

Perspectives for the dynamic activity of leasing at the European level within the next three years
Operational Leasing has a strong potential within the companies of 100 employees and more (France, Germany, Italy, Portugal).
Leasing with purchase option shows a good potential for development in all countries, especially in the companies of less than 100 employees (except in Germany)
Once again, Poland and Switzerland stand out as their development in the field of leasing should be quite slow in the forthcoming years.

Self-purchase = outright purchase + credit (other than car credit)

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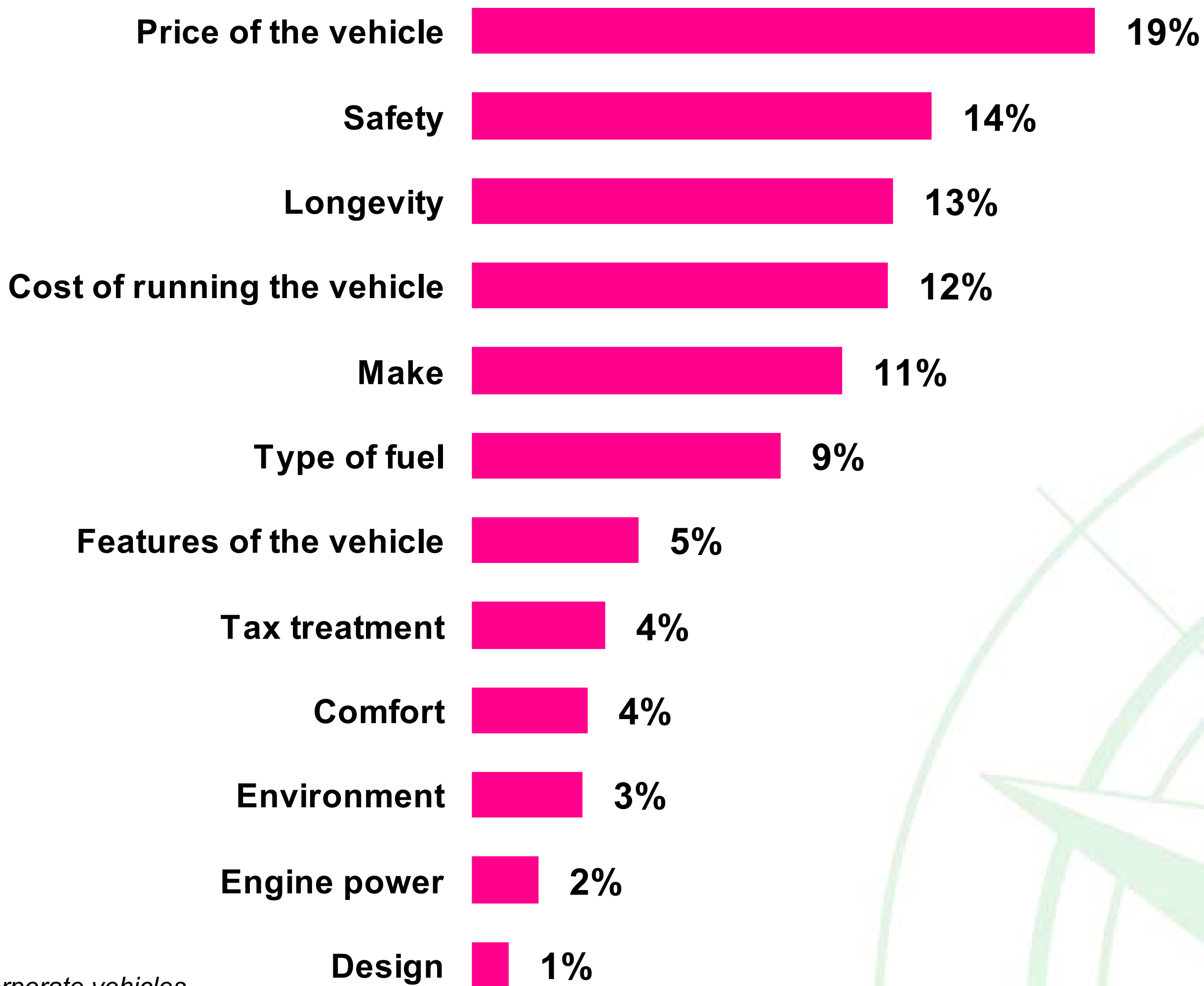
First criterion when choosing corporate vehicles

What is your main choice criterion when choosing your corporate vehicles ?

Global indicator : Average of the 6 countries



se: Companies with corporate vehicles

Main choice criteria for a corporate vehicle

Variations from one country to another :

- The safety criteria is, in average, more important in the whole countries (14%)
- France and Portugal are more interested in the price and the type of fuel (however in Portugal, safety criteria is important)
- The safety and confort criterion are more important in Italy than in any other countries.

Road risk preventive actions already implemented at european level

- Much more safety prevention actions were put in place in Portugal compared to the other countries ; it is due to the awareness of the authorities facing one of the highest mortality rate in Europe.
- 64% of the different countries put in place at least one road risk preventive action.

Interest taken in vehicle equipment

When choosing your corporate vehicles, would you be prepared to pay more for the following features ? (several answers possible)

	FR	GE	IT	PL	PT	CH
Base : Companies with corporate vehicles	701	400	401	400	401	409
Side airbags	58%	67%	74%	74%	72%	74%
A system for improving night vision	54%	18%	**63%**	**73%**	**74%**	31%
A system for controlling the stability of the vehicle or ESP	48%	55%	**78%**	**67%**	**79%**	54%
A speed regulator	**46%**	30%	41%	27%	38%	**48%**
An electronic alarm system for safety distances When driving the vehicle	43%	24%	**50%**	36%	**49%**	38%
A warning light when the maximum load is reached for utility vehicles	39%	24%	37%	36%	**59%**	36%
An emergency call system	33%	22%	35%	29%	**51%**	20%
An alarm system for when a white line is crossed	29%	15%	**53%**	35%	**52%**	27%

Strong national disparities have been observed.
There is a flagrant interest in Portugal for all types of equipment.
Today, Polish and Italian companies have been showing a particular interest in safety-related equipment, while at present, fewer safety campaigns have been launched in these two countries compared to the others.

External data on the corporate structure in each country

	FR	GE	IT	PL	PT	CH
VSC (less than 10 employees)	**93%**	**92%**	**97%**	**97%**	**96%**	**90%**
SME SMI (10 to 999 employees)	6%	8%	3%	3%	4%	10%
10 to 99 employees	6%	7%	3%	3%	4%	9%
100 to 999 employees	0,5%	1%	0,1%	0,2%	0,2%	1%
LC (1000 employees and more)	0,04%	0,1%	0,01%	0,01%	0,01%	0,04%

	FR	GE	IT	PL	PT	CH
Industry and agriculture	32%	26%	**48%**	**65%**	21%	34%
Services and transport	33%	37%	21%	14%	29%	34%
Trade	23%	26%	23%	17%	36%	21%
Construction	13%	11%	8%	5%	14%	10%

Source: National Statistics Institutes

Unemployment rate and growth rate of the different countries

	Unemployment rate	Growth rate
FR	9,3%	1,8%
GE	9,1%	1,4%
IT	7,7%	0,1%
PL	17,6%	3,2%
PT	7,3%	0,2%
CH	4,5%	2,2%

Source: OECD 2005

Source: National statistic institutes