

Trends in Motorcycles Fleet Worldwide

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Content

- The Global Two Wheeler Industry
 - Fleet
 - Production
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 - Trends in Some Regions
- The Reasons for Growth

Fleet: current motorcycle fleet

Current Parc = 313 million

Asia = 77%

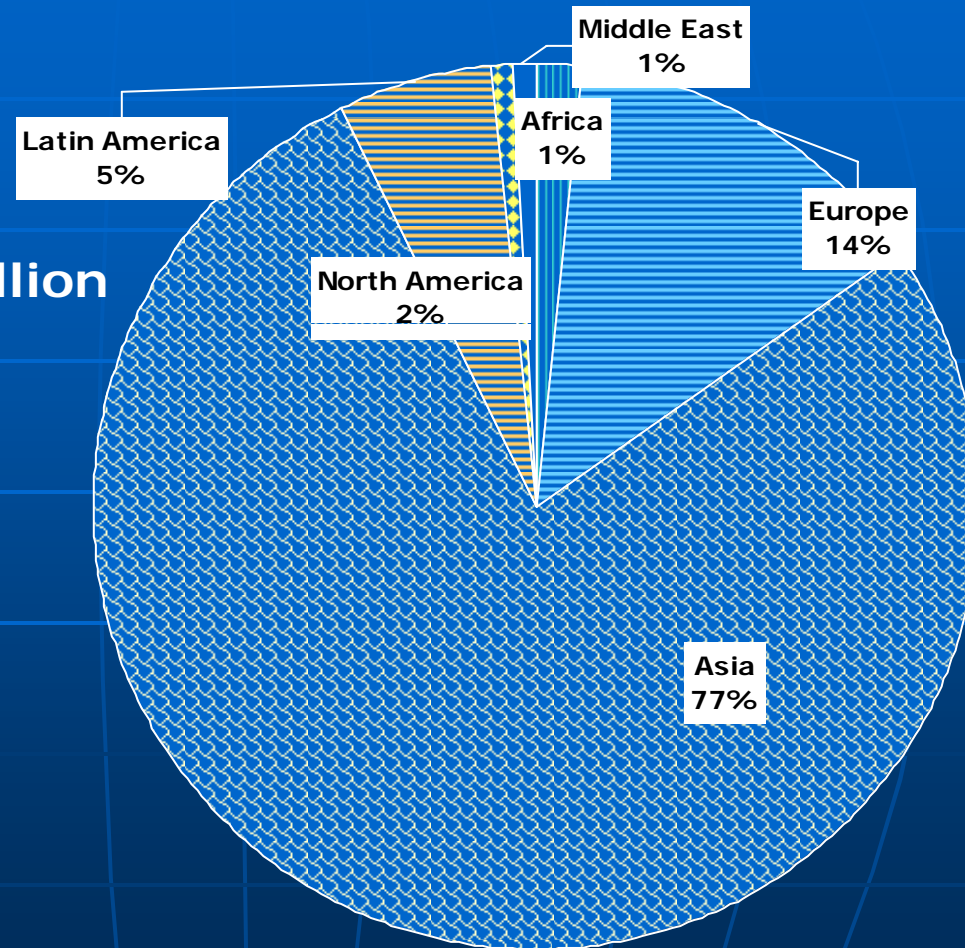
Europe = 14%

Latin America = 5%

North America = 2%

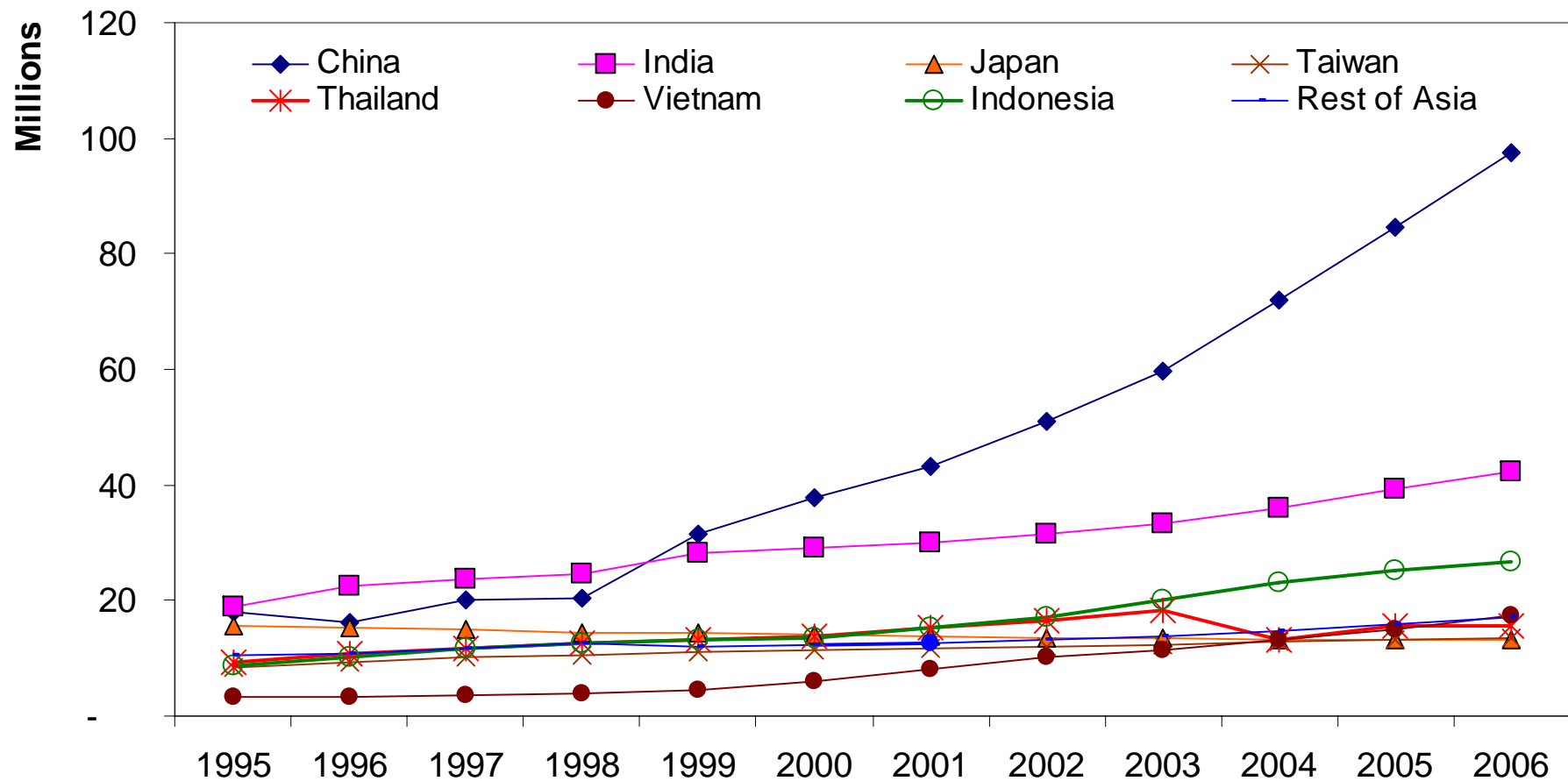
Africa = 1%

Middle East = 1%



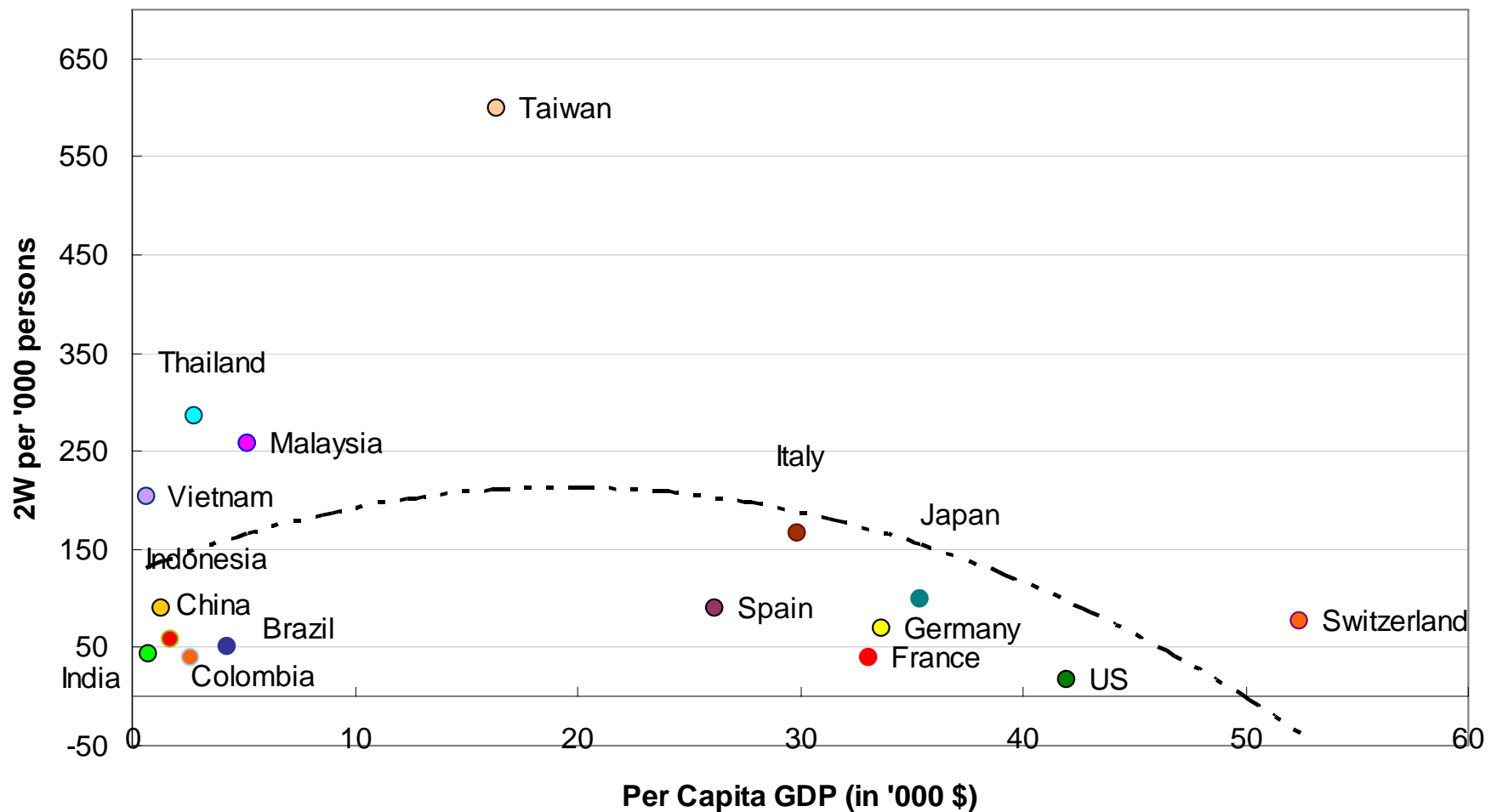
Source: SIAM Estimates

Fleet: motorcycle fleet in Asia



Source: Honda World Motorcycle Facts & Figures 2007 & SIAM Estimates

Fleet: motorcycles & per capita GDP 2006



Production: top 10 countries

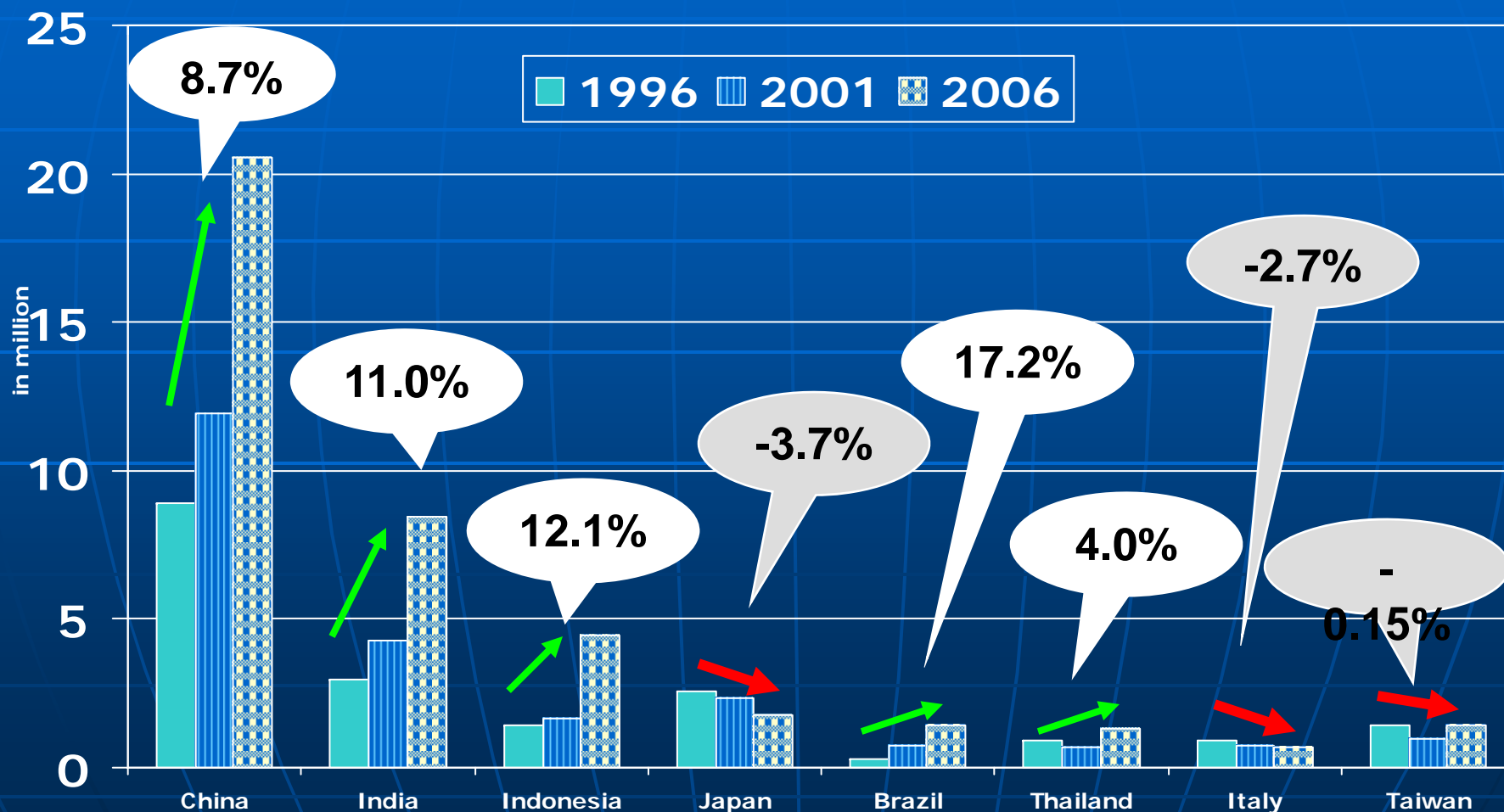
All figures in millions for 2006

Key Players	Production (in millions)
China	20.54
India	8.38
Indonesia	4.46
Japan	1.77
Taiwan	1.41
Brazil	1.41
Thailand	1.33
Vietnam	0.79
Italy	0.70
Malaysia	0.43

41.22

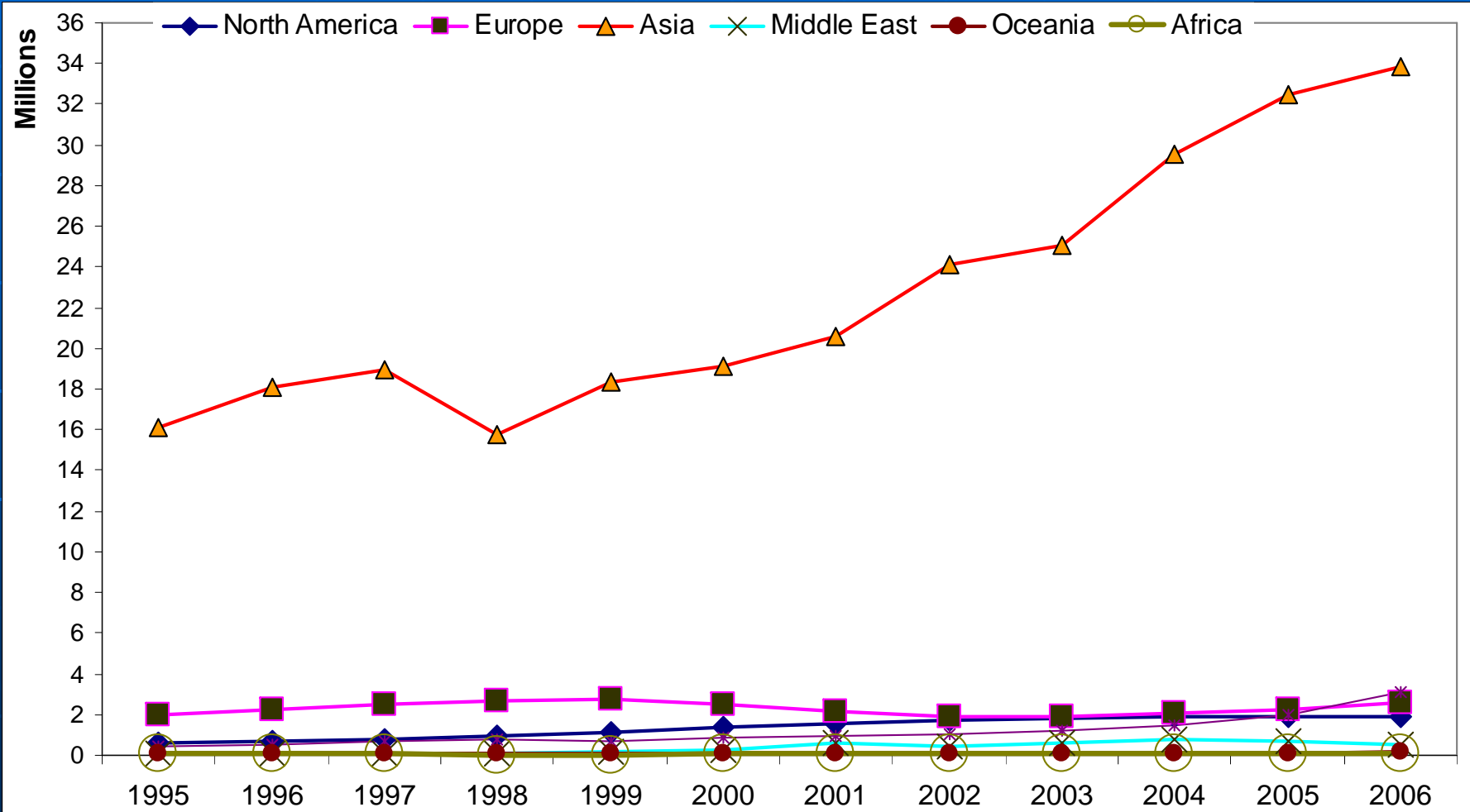
Production: comparison of top players

Production in million and 10-year average growth rate



Source: Honda's 2007 World Motorcycle Facts & Figures

Sales: regional motorcycle trends

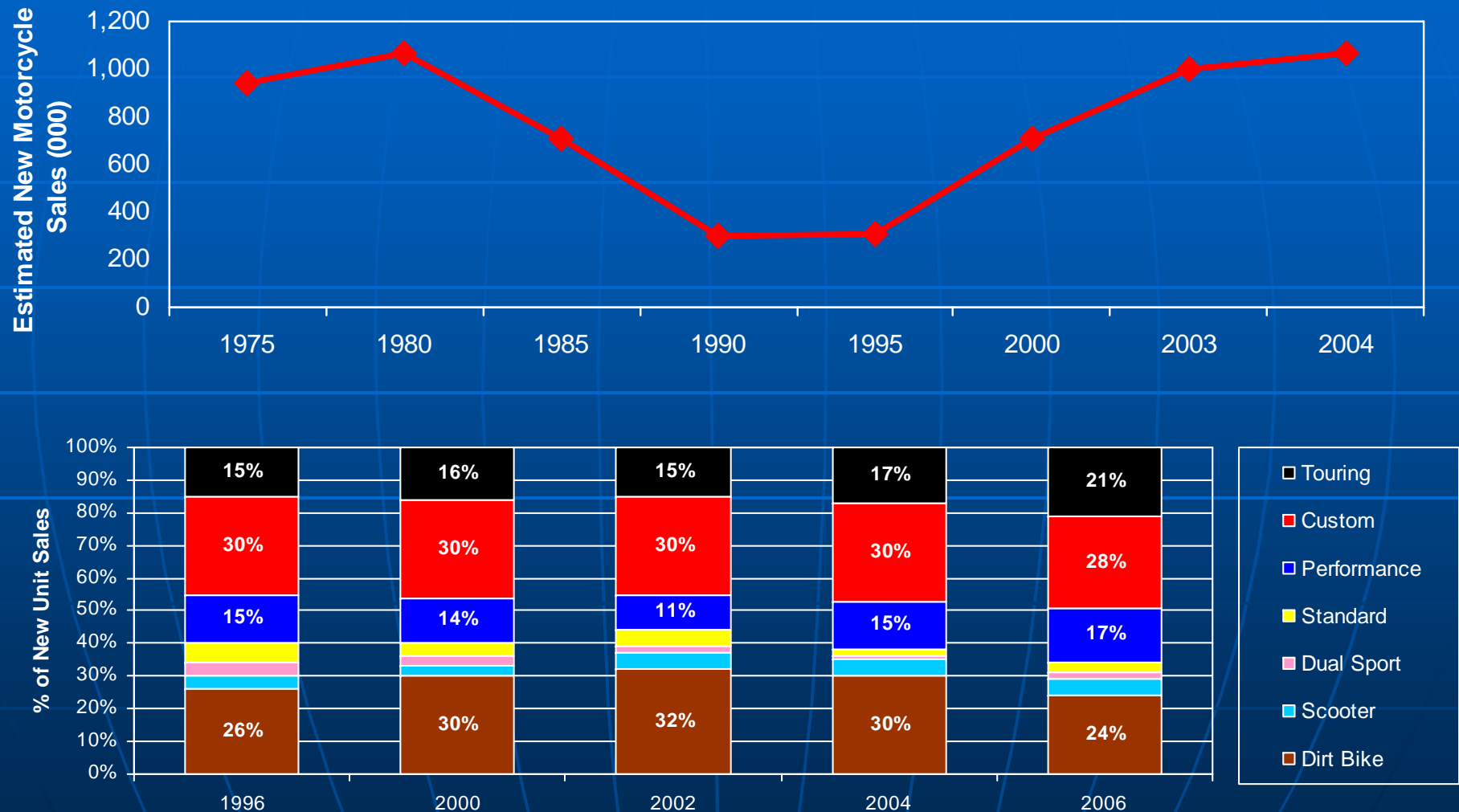


Source: SIAM Estimates 8

Sales: the main market segments

- Types and use vary with markets:
 - Developed Countries:
 - leisure vehicle
 - higher cc motorcycles
 - Emerging & Developing Countries:
 - means of mobility
 - low & medium cc motorcycles & scooters

Sales: trends in US market

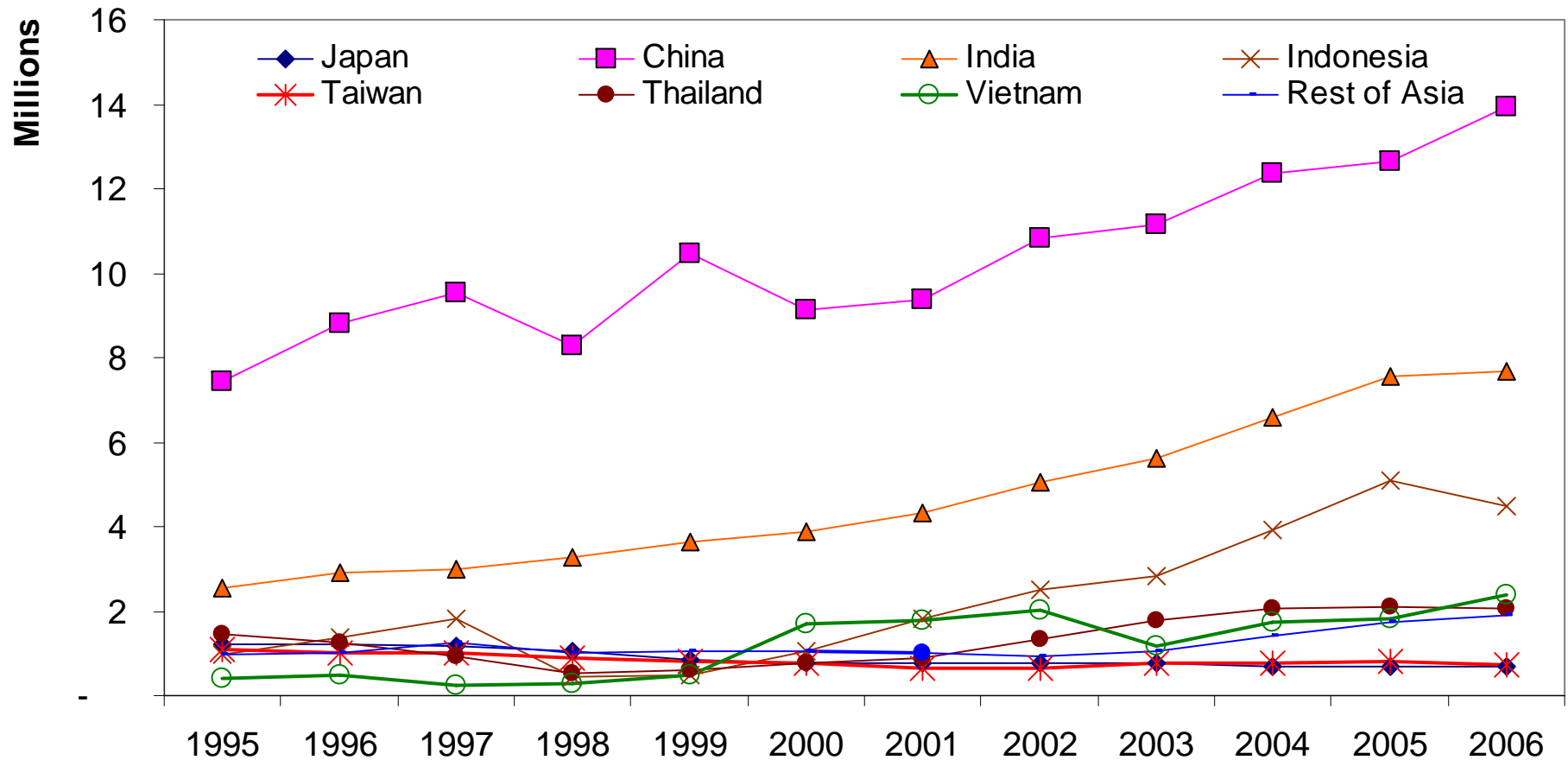


Source: Motorcycle Industry Council (MIC)

Factors influencing US market

- Motorcycles are a “discretionary income good” in the USA.
- Economic growth boosts sales.
- Baby Boomers are the largest population group (40-60). Have income and time to ride motorcycles, the “born-again bikers”.
- Motorcycling is now more accepted as a mode of transport.
- Increase in the number of female riders from 2% in 1990 to 10% in 2005.

Sales: trends in the Asian market



Source: Honda World Motorcycle Facts & Figures 2007 & SIAM Estimates

Sales: trends in Japan

1978

- 6 million units produced
 - Less than 50 cc 38%
 - 51 - 125 cc 42%
 - Over 250 cc **13%**

1994

- 2.72 million units produced
 - Less than 50 cc 32%
 - 51 - 125 cc 38%
 - Over 250 cc **20%**

2006

- 1.7 million units produced
 - Less than 50 cc 17%
 - 51 - 125 cc 8%
 - Over 250 cc **59%**

Increasing
share of
over 250 cc
segment

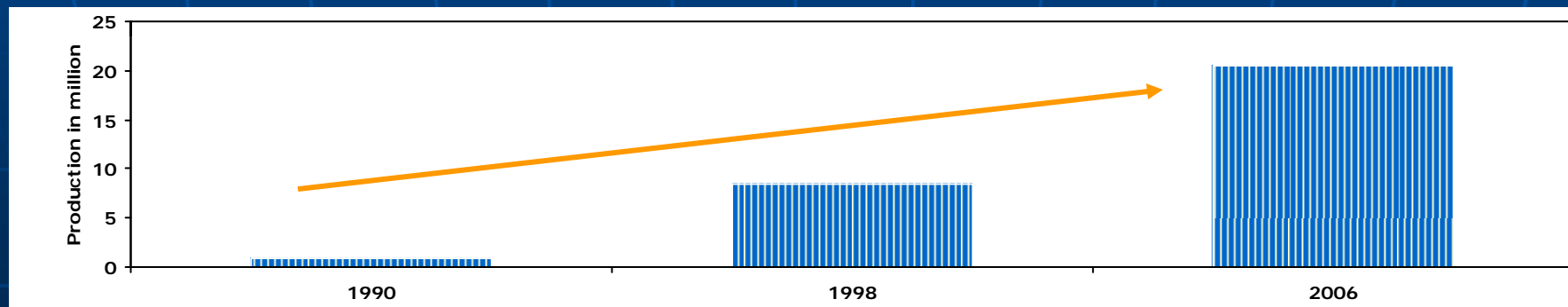
Factors influencing Japanese market

- Mature motorcycle market.
- Motorcycle sales have been falling since 1982.
- Young population is shrinking (smaller potential market).
- Alternative lifestyles emerging, reduced interest in MCs.
- However, growth in enthusiast market (> 250 cc).
- Like Europe, shift from utility (mopeds) to leisure (motorcycles)
- Unlike Europe, congestion has not boosted sales

Sales : trends in China

- Until 1990 (0.89 million)
 - 'Less than 125 cc' was the main segment (85%)
 - 45% 'less than 50 cc'
- 2006 (20.5 million)
 - 50% of market '125 cc'
 - emergence of above 250 cc (1%)

- Growing Income levels.
- Increased use of two wheelers.

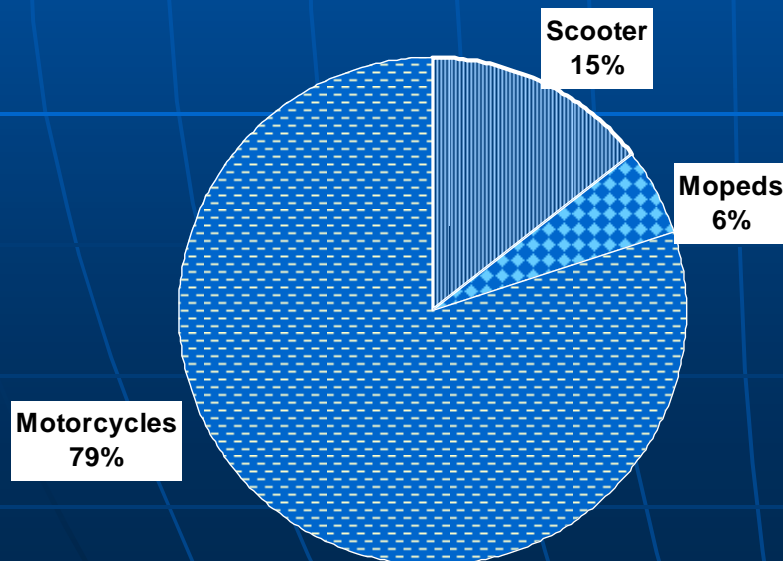


Source: Honda World Motorcycle Facts & Figures 2007 & SIAM Estimates

Sales: trends in India

- Second largest market in the world
- 5 times the size of Indian passenger car market
- Mainly motorcycles.

<u>1990</u>	<u>1996</u>	<u>2006</u>
1.4 million units	2.9 million units	8.4 million units



5-year CAGR

- | | |
|---------------|-----|
| ■ Scooters | 5% |
| ■ Motorcycles | 11% |
| ■ Mopeds | 4% |

Factors influencing Indian market

- Infrastructure development, especially in rural areas
- Increase in disposable income
- Innovation- development and introduction of new products, new technology, etc.
- Product characteristics like greater utility (in terms of road space, parking space, low cost of acquisition, etc.)
- Current low penetration rate (MC/1'000 pop)

Reasons for Growth

1. Ease
2. Efficiency / Economy
3. Employment / Entrepreneurship
4. Enjoyment

Ease



Argentina



China



Cambodia



Africa



Mexico



India

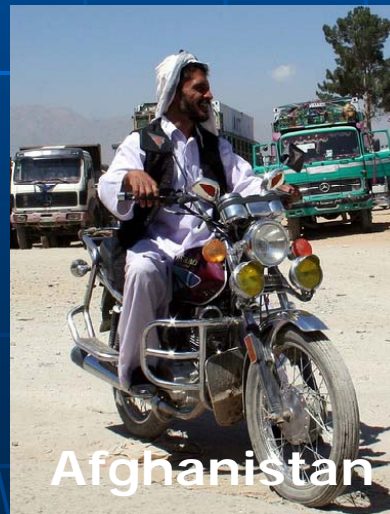
Ease



Efficiency / Economy



Efficiency / Economy



Employment / Entrepreneurship



Employment / Entrepreneurship



Enjoyment



Thank you!