

December 2008 Hybrid Market Dashboard

read more online at <http://www.hybridcars.com/market-dashboard.html>

Overview

Overall 2008 auto sales ended down 18 percent compared with 2007, with hybrid sales down by 10 percent. Most of the pain came in the fourth quarter, when sales of all vehicles (hybrids included) plummeted by more than a third to levels not seen since the early 1990s.

While dismal sales are predicted to continue well into 2009, automakers are betting that the way out of this mess lies in green, high-tech offerings. Nearly every major automaker showcased new electric-drive vehicles at the Detroit show, including hybrids (Toyota Prius, Honda Insight, and Ford Fusion), plug-in hybrids (Daimler E-Cell Plus, Cadillac Converj, and Chrysler Town & Country EV) and electric vehicles (Toyota FT-EV, Dodge Circuit EV, and Ford Focus EV). Finally, the auto industry seems to be getting the message that there is a market for more than just horsepower, towing capacity, and cup holders: electrification is widely accepted as the next big thing.

But the area to watch in 2009 is not vehicle launches or high-tech concepts: it's production volumes. Introducing new hybrid and electric vehicle models is fine, but those vehicles will only have a real impact on oil consumption and emissions if they are produced and sold in large volumes.

Consider the relative hybrid "take rates" for three hybrid makers. Honda sold 1.4 million vehicles this year in the US, and roughly 31,500 hybrids—equal to 2.2 percent of the total. Almost 11 percent of the Toyota's US sales were hybrids.

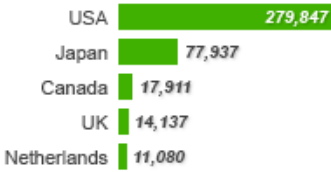
General Motors, offer an impressive number of hybrid models, but produce them in such small quantities that hybrids amount to an insignificant fraction of the companies' overall vehicle offerings. If automakers like GM are truly betting their future on hybrids and other electric-drive technologies, they have put surprisingly few chips on the table to-date. Whether this changes in 2009 remains to be seen.

The way to tell will be to look beyond this week's flashy product announcements and the slick advertising copy that follows. Instead, scrutinize next year's production numbers, and you'll be able to tell who is serious about electrification, and who is simply trying to steal momentum from the latest automotive trend.

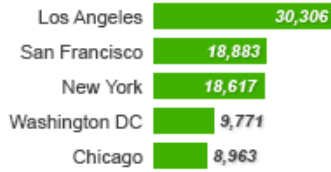
2008 global hybrid registrations



Top 5 global hybrid markets



Top 5 US hybrid markets



SOURCE: R. L. POLK & CO.

US Sales

Our information is based on hybrid sales as reported by the manufacturers. For each model, this month's sales are shown compared to sales in the previous month and at the same time last year. We also examine hybrid market share by model and manufacturer.

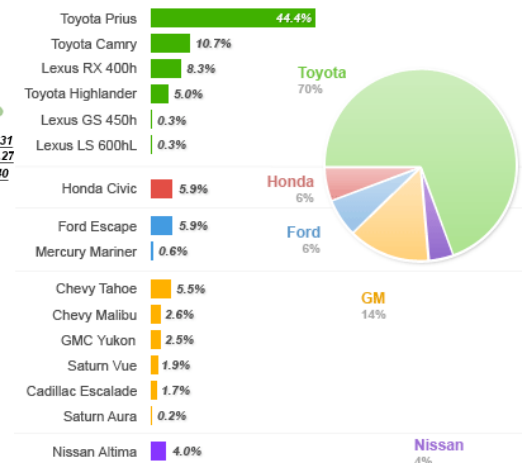
Hybrids sold in the U.S. (December 2008): **17,697**

US Hybrid Sales for December 2008

| Model | Units | vs. 11/08 | vs. 12/07 |
|--------------|---------|-----------|-----------|
| Prius | 7,859 | -9.2% | -44.7% |
| Camry | 1,888 | -13.2% | -62.0% |
| Highlander | 890 | -1.9% | -68.1% |
| RX400h | 1,463 | 134.5% | -28.0% |
| LS600hL | 50 | 35.1% | -61.2% |
| GS450h | 51 | 21.4% | -62.5% |
| Civic | 1,036 | -0.7% | -67.9% |
| Escape | 1,043 | -12.0% | -47.6% |
| Mariner | 106 | -39.8% | -61.6% |
| Yukon | 442 | 132.6% | n/a |
| Malibu | 454 | 132.8% | n/a |
| Vue | 338 | 3.0% | 1,509.5% |
| Tahoe | 981 | 142.8% | n/a |
| Aura | 34 | -24.4% | 3.0% |
| Altima | 710 | 101.1% | -26.3% |
| Escalade | 306 | 56.9% | n/a |
| Aspen* | 46 | n/a | n/a |
| All hybrids | 17,697 | 7.0% | -42.8% |
| All vehicles | 894,967 | 19.7% | -35.6% |

*Aspen Hybrid sales number includes sales for both Chrysler two-mode SUV models

U.S. Hybrid Sales for October 2008 by Manufacturer and Model



Regional Data

Curious where hybrid buyers live? We present the data in two ways. First, we list the 15 cities and states that boast the largest numbers of new hybrids on their roads within the past year. For example, residents in the New York City area put over 8,000 new hybrids on the road in 2007. Second, we adjust for population and look at hybrids per person (in states) or per household (in metro areas). This lets us include cities like Portland, OR: a city that has fewer overall vehicles (and thus fewer hybrids) but has more hybrids per capita than anywhere else.

States with the Most Hybrid Sales

| Rank | State | New Hybrids* |
|------|------------|--------------|
| 1 | California | 67,923 |
| 2 | New York | 15,435 |
| 3 | Texas | 14,430 |
| 4 | Florida | 14,387 |
| 5 | Illinois | 11,252 |

Most Popular States for Hybrids

| Rank | State | New Hybrids per 1000 residents* |
|--------------------|----------------------|---------------------------------|
| 1 | California | 1.880 |
| 2 | District of Columbia | 1.793 |
| 3 | Oregon | 1.494 |
| 4 | Washington | 1.461 |
| 5 | Vermont | 1.406 |
| U.S. State Average | | 0.887 |

Cities with the Most Hybrid Sales

| Rank | Metropolitan Area | New Hybrids* |
|------|-------------------|--------------|
| 1 | Los Angeles | 30,306 |
| 2 | San Francisco | 18,883 |
| 3 | New York | 18,617 |
| 4 | Washington DC | 9,771 |
| 5 | Chicago | 8,963 |

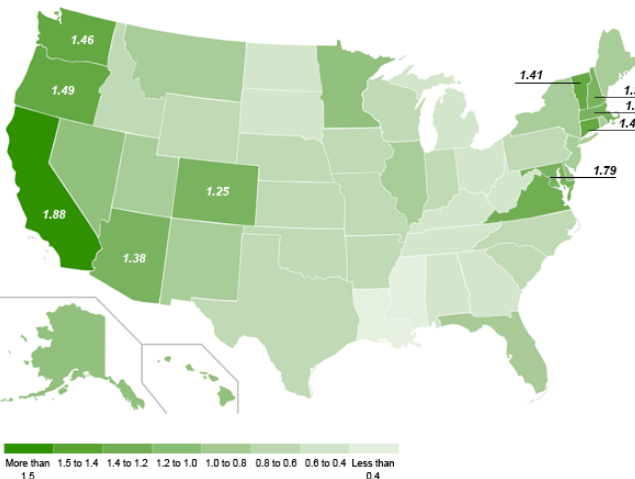
Most Popular Cities for Hybrid

| Rank | Metropolitan Area | New Hybrids per 1000 residents* |
|-------------------------|-------------------|---------------------------------|
| 1 | Portland, OR | 11.141 |
| 2 | San Francisco | 8.016 |
| 3 | Monterrey, CA | 6.621 |
| 4 | Santa Barbara, CA | 6.295 |
| 5 | San Diego | 5.947 |
| U.S. Metro Area Average | | 1.962 |

*Registrations CYTD October 2008

Hybrid Sales Intensity for US States

New Hybrids per 1000 Residents - 2008 (Through October)



SOURCE: R. L. POLK & CO.