

June 2008 Hybrid Market Dashboard

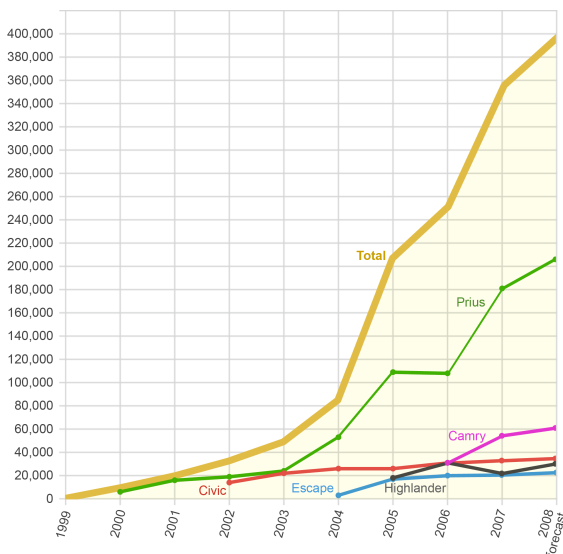
read more online at <http://www.hybridcars.com/market-dashboard.html>

Overview

As gasoline prices climbed further and economic conditions worsened, fewer Americans considered putting a new car in the garage last month. Overall automobile sales fell by 18% compared with last June, a sales environment that many industry executives characterized as the worst they've seen in a decade. Buyers who were in the market for new vehicles were thinking about fuel efficiency, which should have fueled hybrid sales growth. But instead every hybrid model saw sales declines from last month, and nearly all hybrids (with the exception of the Nissan Altima Hybrid) saw sales fall below June 2007 levels. The main culprit was availability - precisely at the time that customers were demanding fuel-efficient hybrid cars, hybrid inventories were reaching new lows. Toyota reported just a one-day supply of the Prius and a two-and-a-half-day supply of the Camry hybrid (60 days is the industry average). Dealers are now reporting waiting lists as long as six months for new Priuses, and Toyota acknowledged that production may not catch up with demand until early 2009.

Automakers are blaming hybrid shortages on the limited supply of batteries and hybrid powertrain components. But this month's results also illustrate automakers' overly-cautious outlooks regarding future hybrid sales. Case in point is Toyota: after record sales in 2007, it would have seemed logical for Toyota to initiate at least modest production increases for its hybrid models. Instead, in 2008 Toyota has produced roughly the same number of Camry Hybrids as it did last year, and slightly fewer Priuses. The situation is similar for Ford: this year's production of Escape and Mariner hybrids trails last year's output by 15%. The immediate problem may be that suppliers can't churn out more battery packs, but the larger issue is that automakers didn't forecast much hybrid growth in 2008, so suppliers didn't expand their production capabilities. That was the wrong bet, and automakers are now seeing red for two reasons: the North American car market is contracting, and those models that are in demand (including hybrids) are the ones the industry hadn't planned on building.

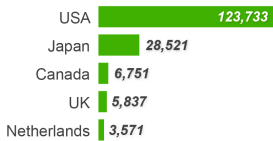
U.S. Hybrid Market Sales (1999 - 2007 with 2008 forecast)



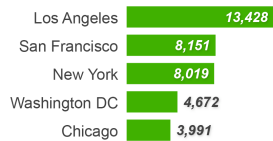
2008 global hybrid registrations



Top 5 global hybrid markets



Top 5 US hybrid markets



SOURCE: R. L. POLK & CO.

"Top 5 global hybrid markets" based on vehicle registrations CYTD April 2008.

and "Top 5 US hybrid markets" based on vehicle registrations CYTD April 2008.

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. The historical sales graph for top-selling hybrid models shows final 2007 volumes with a 2008 forecast.

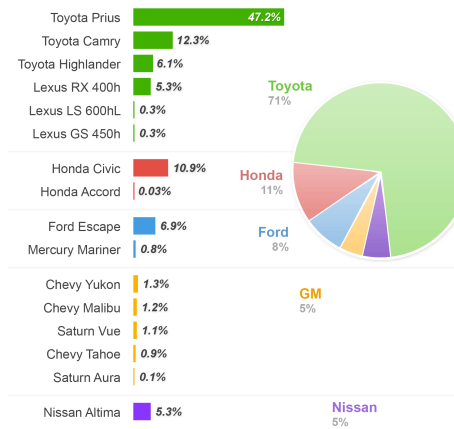
Hybrids sold in the U.S. (June 2008): **24,917**

US Hybrid Sales for June 2008

Model	Units	vs. 5/08	vs. 6/07
Prius	11,765	-21.6%	-33.7%
Camry	3,054	-49.1%	-44.8%
Highlander	1,511	-42.9%	-37.1%
RX400h	1,330	-38.3%	-14.9%
LS600hL	73	-34.8%	n/a
GS450h	73	-25.5%	-44.3%
Civic	2,710	-42.0%	-16.5%
Accord	7	-56.3%	-98.0%
Escape	1720*	-19.6%	-42.5%
Mariner	192*	-19.6%	-21.5%
Yukon	227*	-7.1%	n/a
Malibu	295	n/a	n/a
Vue	277	-18.5%	-40.2%
Tahoe	320*	-7.1%	n/a
Aura	30	-16.7%	-75.4%
Altima	1,333	-17.1%	65.8%
All hybrids	24,917	-30.1%	-28.6%
All vehicles	1,189,108	-14.9%	-18.3%

* Estimated sales

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



Regional Data

We present the data in two ways. First, we list the cities and states that boast the largest numbers of new hybrids on their roads within the past year. 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	29,749
2	Florida	7,037
3	New York	6,862
4	Texas	6,517
5	Illinois	5,029

Most Popular States for Hybrids

Rank	State	New Hybrids per 1000 residents*
1	Washington DC	0.981
2	California	0.823
3	Washington	0.698
4	Oregon	0.670
5	Vermont	0.648
U.S. State Average		0.388

Cities with the Most Hybrid Sales

Rank	Metropolitan Area	New Hybrids*
1	Los Angeles	13,428
2	San Francisco	8,151
3	New York	8,019
4	Washington DC	4,672
5	Chicago	3,991

Most Popular Cities for Hybrids

Rank	Metropolitan Area	New Hybrids per 1000 residents*
1	Portland, OR	5.162
2	San Francisco	3.460
3	Santa Barbara	2.867
4	Monterey, CA	2.751
5	San Diego	2.685
U.S. Metro Area Average		0.849

*Registrations CYTD April 2008