

May 2008 Hybrid Market Dashboard

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

Overview

May hybrid sales were a mystery. Gas prices soared, so you would expect the most fuel-efficient vehicles to be selling at record numbers. Instead, May 2008 hybrid sales fell by nearly 25 percent compared to last year. Didn't Toyota and the other hybrid makers see that oil broke past \$100 per barrel on the first business day of the year? Aren't they doing scenario planning to prepare for the golden opportunity of \$4 gas? Isn't Toyota trying to reach global sales of 1 million hybrids per year, as a way to reach economies of scale and lower the hybrid premium?

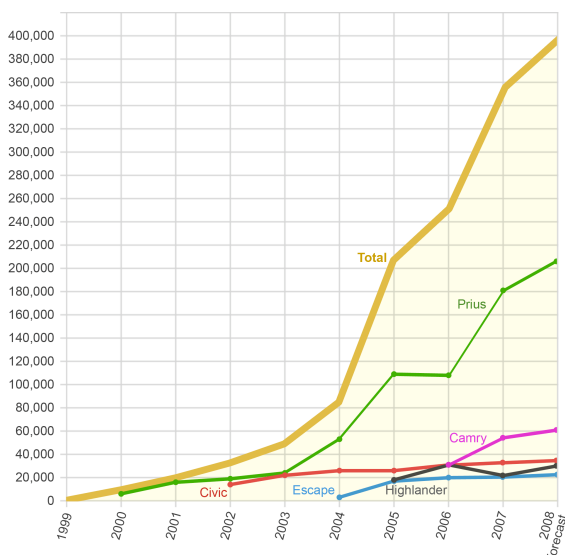
The only reasonable answer to these questions is: Yeah, but Toyota prefers to be very cautious. The company would rather neglect a short-term opportunity to pump up hybrid sales—in favor of slow and steady growth according to well-established plans. The result? Prius sales were down 38 percent compared to last year and Camry Hybrid sales dropped by 13 percent. Bear in mind that last year at this time, gas prices were relatively low, and industry pundits were declaring the death of hybrids as Toyota put consumer incentives on hybrids for the first time.

Honda, Ford, and General Motors were also locked into a pattern of limited availability. High oil and gas prices didn't budge their lackluster commitment to hybrids. The general malaise in the car market didn't help. Year-to-year sales of all vehicles were down 11 percent as fewer buyers visit showrooms in tough economic times.

Although the carmakers are unable to capitalize on this year's hybrid fever, they used the opportunity to announce new future hybrids in the works. Honda's global compact hybrid is due in 2009. The redesigned Prius is also expected in 2009. And all varieties of gas-electric, plug-in hybrid, diesel, and all-electric models are promised in 2010 and beyond. This will further stimulate consumer thirst for groundbreaking fuel-efficient options during the current oil shock.

In the meanwhile, where will consumers go to satisfy their appetites? For those who can't wait and those on a tight budget, the answer is small conventional cars. In May, the Honda Civic beat out the F-150 pickup truck to become the top-selling vehicle in America. Small cars will remain hot throughout the year. And for those with patience, get to the back of the hybrid waiting list and expected to wait for several months.

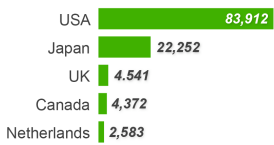
U.S. Hybrid Market Sales (1999 - 2007 with 2008 forecast)



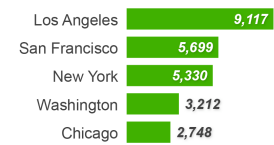
2008 global hybrid registrations



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 March 2008.

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

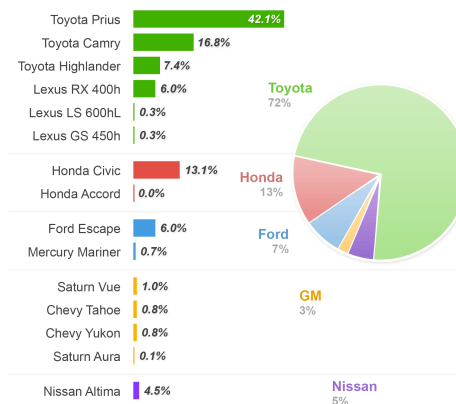
Hybrids sold in the U.S. (May 2008): **35,661**

US Hybrid Sales for May 2008

Model	Units	vs. 4/08	vs. 5/07
Altima	1,607	100.6%	95.7%
Prius	15,011	-31.0%	-37.5%
Civic	4,676	8.1%	3.5%
Accord	16	-36.0%	-96.4%
Camry	5,999	-10.2%	-12.5%
Highlander	2,644	2.6%	-20.2%
RX400h	2,155	32.7%	23.4%
GS450h	98	19.5%	-45.9%
LS600hL	112	-8.2%	n/a
Escape	2,139	27.2%	-20.2%
Mariner	239	6.2%	-55.2%
Vue	340	750.0%	-81.4%
Aura	36	800.0%	-78.8%
Tahoe	295*	326.8%	n/a
Yukon	295*	501.0%	n/a
All hybrids	35,661	-11.0%	-24.3%
All vehicles	1,397,410	11.9%	-10.7%

* Estimated

U.S. Hybrid Sales for May 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	20,213
2	Florida	4,951
3	New York	4,553
4	Texas	4,341
5	Illinois	3,438

Most Popular States for Hybrids

Rank	State	New Hybrids per 1000 residents*
1	Washington DC	0.836
2	California	0.559
3	Washington	0.473
4	Oregon	0.452
5	Vermont	0.427
U.S. State Average		0.266

Cities with the Most Hybrid Sales

Rank	Metropolitan Area	New Hybrids*
1	Los Angeles	9,117
2	San Francisco	5,699
3	New York	5,330
4	Washington DC	3,212
5	Chicago	2,748

Most Popular Cities for Hybrids

Rank	Metropolitan Area	New Hybrids per 1000 residents*
1	Portland, OR	3.388
2	San Francisco	2.419
3	Santa Barbara	1.922
4	Monterey, CA	1.889
5	San Diego	1.770
U.S. Metro Area Average		0.572

*Registrations CYTD March 2008