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**J.D. Power and Associates Reports:
Hybrid Vehicle Market Share Expected to Peak at 3 Percent**

Thirty-Eight Hybrid Vehicle Models to be Available by 2011

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WESTLAKE VILLAGE, Calif.—Despite rapid growth in hybrid-electric vehicle sales forecasted over the next few years, hybrid market share is expected to top out at 3 percent of the U.S. automotive market by 2010, according to the J.D. Power-LMC Automotive Forecasting Services Hybrid-Electric Vehicle OutlookSM released today.

Nearly 88,000 hybrid-electric vehicles were sold in the United States in 2004, comprising 0.52 percent of the total U.S. light-vehicle market. With the number of vehicle models utilizing a hybrid-electric powertrain in the U.S. market expected to increase from 8 to 11 in 2005, J.D. Power-LMC anticipates hybrid sales will surge to more than 200,000 units this year, resulting in a market share increase to 1.19 percent.

Seventeen hybrid-electric models will be available in the U.S. market by 2006, when sales are expected to climb to more than 260,000 units and market share to reach 1.53 percent. J.D. Power-LMC anticipates that number to grow to 38 hybrid models—17 cars and 21 light trucks—by 2011, with sales reaching 535,000 units, or 3 percent of U.S. sales.

“Despite the significant growth in the number of models and annual sales over the next five years, we anticipate hybrid market share to reach a plateau of approximately 3 percent near the end of the decade,” said Anthony Pratt, senior manager of global powertrain forecasting at J.D. Power-LMC

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“This is related primarily to the price premium of \$3,000 to \$4,000 that consumers must pay for a hybrid vehicle, compared with a comparable non-hybrid option, and to competing technologies such as more fuel-efficient gasoline and diesel options that will be available after 2006.”

Among automotive nameplates, Toyota—which currently holds more than 60 percent of the hybrid market in the United States—is expected to maintain the greatest hybrid share through 2011, when it likely will hold 40 percent of the hybrid market. Honda currently holds 31 percent of the hybrid market share but is expected to see its share slip to 20 percent by 2011. Chevrolet is expected to be the largest domestic brand in the hybrid market, growing its market share to nearly 15 percent by the end of the decade.

Released quarterly, the Hybrid-Electric Vehicle Outlook examines the sales and market share forecast for hybrid vehicles in the U.S. market. J.D. Power-LMC Automotive Forecasting Services is a division of J.D. Power and Associates.

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