

26 September 2011

INCENTIVES FAIL TO STIMULATE EUROPEAN ELECTRIC VEHICLE SALES

- **Germany leads market with 1,020 EV registrations in H1 2011 despite one of the lowest subsidies in the region of €380**
- **Despite having the highest potential EV tax exclusions, Denmark registered only 283 EVs in the first half of 2011**
- **Italy trails the 'Big Five' European markets with only 103 registrations in same period**
- **Oil rich Norway bucks trend with 850 registrations (1.23% of all vehicles – almost four times second placed Austria)**

New research from JATO Dynamics, the world's leading provider of automotive intelligence, finds that despite a variety of subsidy programmes electric vehicle (EV) sales remain stubbornly unresponsive to financial incentives.

The analysis finds that the incentive schemes vary widely across the region and show a lack of correlation to EV sales. It finds that:

- Although Denmark appears to be a haven for EVs in Europe with tax exclusions that can potentially amount to €20,588 per vehicle (see notes to editors for methodology), there were only 283 registrations in H1 (or 0.32% of all vehicles registered in the country)
- Spain (€6,500) and Great Britain (€6,400) have almost identical subsidies but GB registered almost five times the volume of EVs (599 versus 122) in the period
- Sweden registers an almost identical volume as Spain (111) but subsidises each vehicle by only €470
- Total EV registrations were only 5,222 in the first half of 2011

Commenting on the findings, Gareth Hession, VP for Research at JATO said:
"The discrepancies highlight the apparently low influence of price on

purchase decisions across the region. Given this it's reasonable to conclude that sales are more affected by other factors such as the degree of urban geography, market maturity and charging infrastructure than was previously thought."

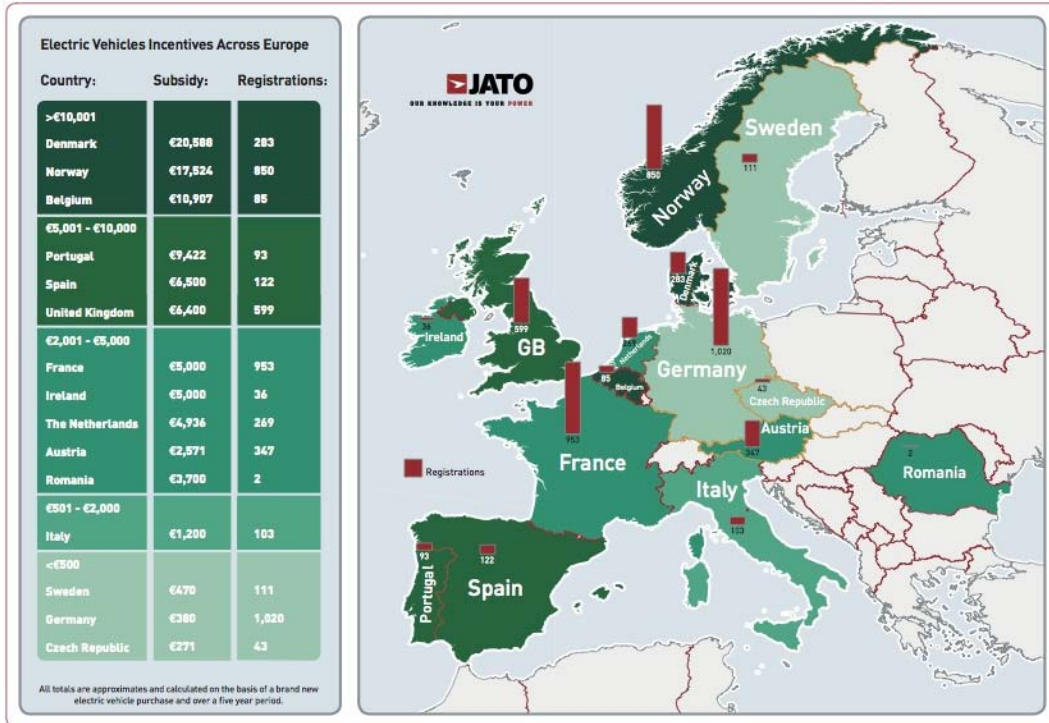
These local factors include the ability to use bus lanes and free city-centre parking in Oslo and exemption from London's Congestion Charge all of which appear to exert a greater influence than point of purchase incentives.

The research also confirms a ten-fold increase in EV registrations across the region over the same period in H1 2010 – 5,222 compared to 507.

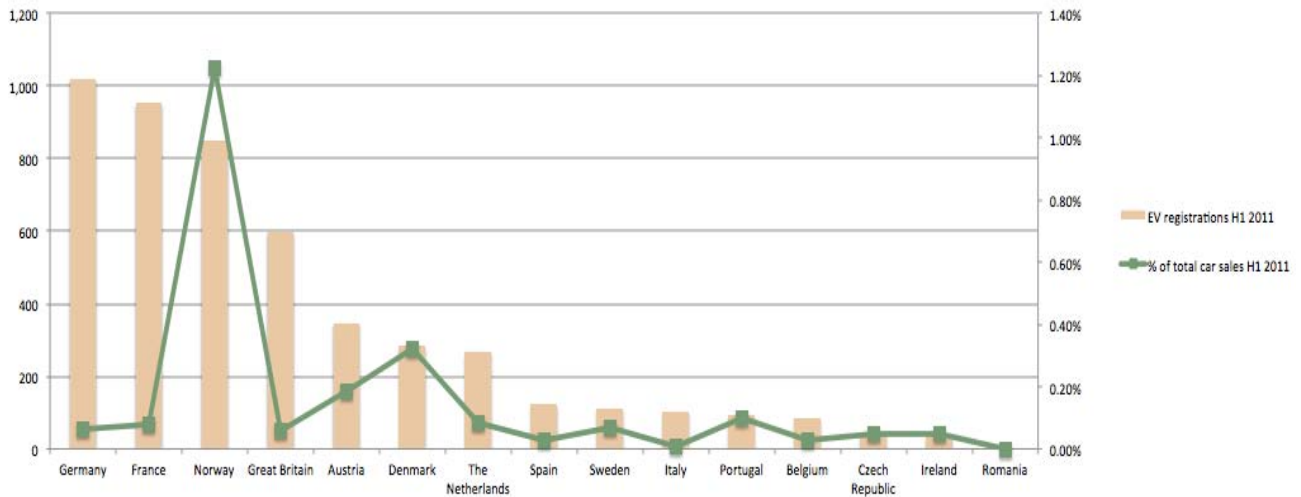
EV sales and subsidies by market

Country	Electric Car Volumes			Electric Car Market Share			Incentives (€)
	H1 2011	H1 2010	FY 2010	H1 2011	H1 2010	FY 2010	August 2011
Germany	1,020	62	185	0.06%	0.00%	0.01%	380
France	953	22	133	0.08%	0.00%	0.01%	5,000
Norway	850	140	353	1.23%	0.23%	0.28%	17,524
Great Britain	599	29	90	0.06%	0.00%	0.00%	6,400
Austria	347	46	96	0.18%	0.03%	0.03%	2,571
Denmark	283	6	15	0.32%	0.01%	0.01%	20,588
The Netherlands	269	52	87	0.08%	0.02%	0.02%	4,936
Spain	122	21	76	0.03%	0.00%	0.01%	6,500
Sweden	111	1	5	0.07%	0.00%	0.00%	470
Italy	103	9	40	0.01%	0.00%	0.00%	1,200
Portugal	93	0	18	0.10%	0.00%	0.01%	9,442
Belgium	85	11	34	0.03%	0.00%	0.01%	10,907
Czech Republic	43	0	4	0.05%	0.00%	0.00%	271
Ireland	36	15	17	0.05%	0.02%	0.02%	5,000
Romania	2	0	0	0.00%	0.00%	0.00%	3,700
Switzerland	239	88	167	0.15%	0.06%	0.06%	0
Additional markets*	67	3	16	N/A	N/A	N/A	N/A
Total	5,222	507	1,337	0.07%	0.01%	0.01%	

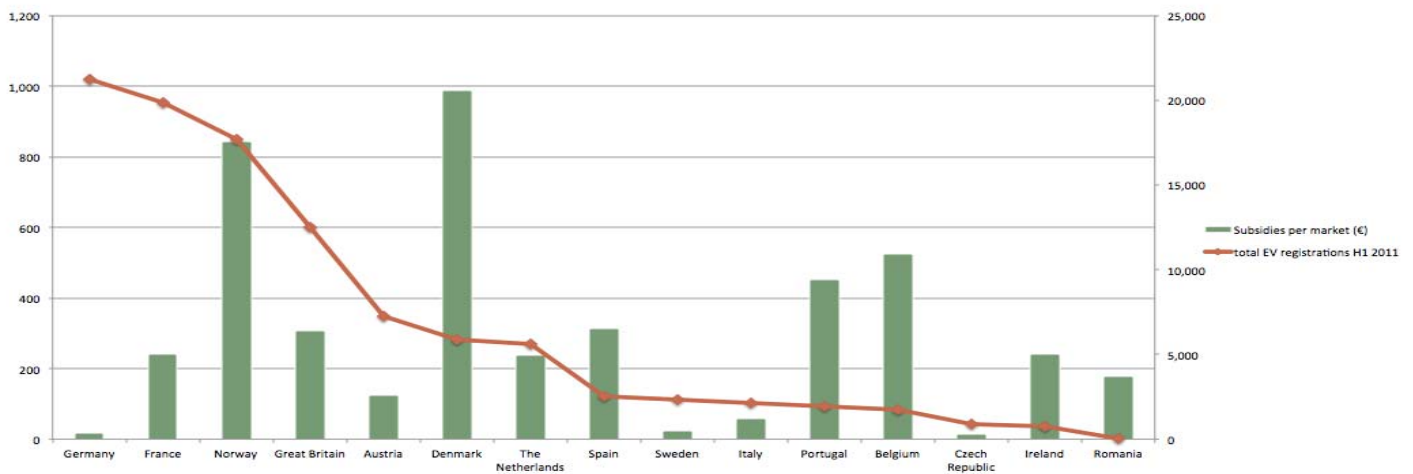
*Additional markets include Croatia, Estonia, Finland, Hungary, Luxembourg, Serbia, Slovakia and Slovenia



EV registrations and subsidies per market
Hi-res images are available on request



EV registrations as percentage of total registrations



EV registrations compared with total five year subsidies period

Gareth Hession, says: "It's clear that the EV market is set for significant growth and we are at the early stages of its development. As the market matures we might expect subsidies to exert greater influence as other considerations such as charging infrastructure are addressed. As it stands today, even the large subsidies don't address the majority of end user concerns around real world application, flexibility and fitness for purpose. It will be critical for manufacturers to better understand these factors if they are to maximise customer engagement and sales growth."

He concludes: "The research might suggest that the price of EVs is still too high to be accessible to the mainstream market in Europe. In addition at this early stage in the market's development the current sales figures could also be skewed by contracts between manufacturers, local government, and large institutions designed to raise the profile of EVs."

-Ends-

Notes to Editor:

- Calculations are based on the maximum subsidy allowable per market
- Company car purchases are excluded and may attract different subsidies
- All calculations are based on 'typical' EV ownership of five years although ongoing subsidies in kind (such as road tax reductions) may continue to accrue
- No calculations have been made to allow for inflation or for increases to road/circulation taxes
- Calculations have focused the financial benefit predicted at point of purchase
- Local market tax calculations are based (where appropriate) on the Volkswagen Golf 1.4 TSI 122bhp or market equivalent
- The € equivalent is the combination of tax deductions and cash (where applicable) over a five-year period of new car ownership
- The calculations do not factor in the true cost of EV's in each market i.e. despite the large amount of tax savings in Denmark, Danish EVs could be more expensive than in other markets
- Hi-res versions of the images embedded in the release are available on request

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About JATO

JATO was founded in 1984 and provides the world's most timely, accurate and up-to-date information on vehicle specifications and pricing, sales and registrations, news and incentives.

The company has representation in over 40 countries, providing unique local market expertise. The JATO client base includes all of the world's volume vehicle manufacturers, giving them the ability to react to short-term market movements, plan for long-term developments and ultimately to meet consumers' needs.

JATO's intelligence has also been adapted for consumer use in motoring web portals where customers can see the advantages and disadvantages of a specified model against any other.

Major leasing companies use JATO's intelligence to drive the vehicle quotation process.

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