

**FOCUS ON FRANCE:
ELECTRIC, HYBRID &
PLUG-IN HYBRID VEHICLES
FY2015 MARKET OVERVIEW**

Analysis completed: January 2016

INTRODUCTION

The automotive industry is evolving faster than ever. There's a shift towards green technologies all over the world, driven by both regulation and consumer demand. Sustainable transport is now one of the main objectives for governments and manufacturers, driven in part by legislation to reduce its impact on the environment. Our infrastructure is evolving, and new technologies are emerging. Many key players in the automotive industry are impacted, including manufacturers, wholesalers, retailers, customers and drivers.

Demand for electric vehicles is growing rapidly around the world, and we are also seeing fast increases in uptake of other greener technologies, such as hybrid and plug-in hybrid vehicles. Despite this trend, there is often still a gap between growing awareness of alternative fuel types and the customer's final decision. Nevertheless, in a few years from now it won't be surprising to see manufacturers offer an "alternative" version (electric, hybrid, plug-in hybrid) of each car they have on the market.

Through this market report, we will look at what happened in the French market in 2015 for alternative fuel types, analysing volumes, market shares, trends and legislation.

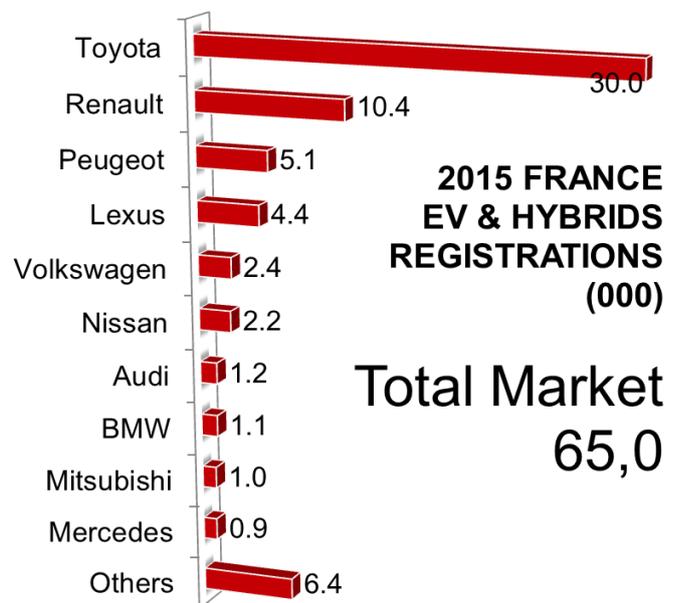
ELECTRIC (EV) & HYBRIDS MARKET OVERVIEW

HYBRIDS LOSING GROUND TO ELECTRIC AND PLUG-IN VEHICLES

Alternative drivetrains represent slightly more than 3% of all new vehicles in France, which is similar to the global market. However, hybrid vehicles' market share has fallen from 2.57% in 2013 to 2.18% last year, while EV and Plug-in market shares jumped up to 0.91% (2013: 0.48%) and 0.30% (2013: 0.05%) respectively.

TOYOTA - UNDISPUTED LEADER

Toyota represents 46% of the French market for electric vehicles (EVs), hybrids and plug-in hybrids (64,966 units in total), ahead of Renault and Peugeot. Lexus benefits from Toyota's technologies to secure 4th place. Volkswagen Group is starting to offer alternative technologies such as plug-in hybrids (Golf GTE, A3 e-tron), helping the manufacturer to move towards the top of the ranking.



Source: JATO Dynamics Limited



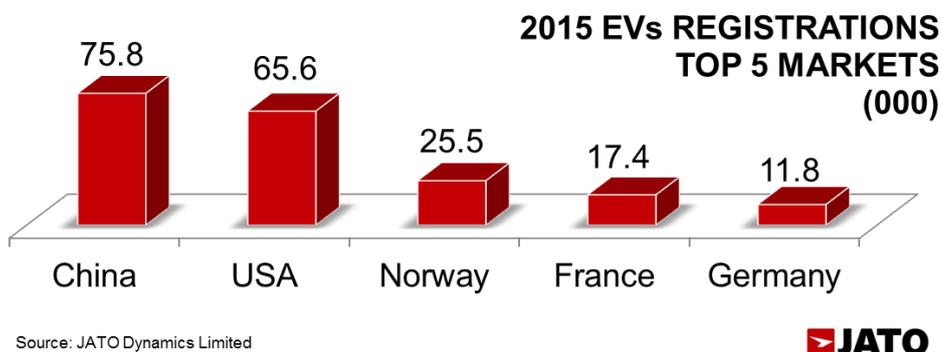
FRENCH MARKET ANALYSIS: ELECTRIC VEHICLES

BEST-SELLING MODELS



RENAULT-NISSAN DOMINATES FRENCH ELECTRIC VEHICLE MARKET

In France, more than 72% of electric cars are sold by the Renault-Nissan Alliance: the Renault Zoe represents 60% of total sales, while the Nissan Leaf currently holds a 13% market share.



FRANCE, A KEY PLAYER ON THE ELECTRIC VEHICLE MARKET

China and USA are currently the two biggest EV markets. France is the fourth largest EV market in the world, just behind Norway, the leading European country.

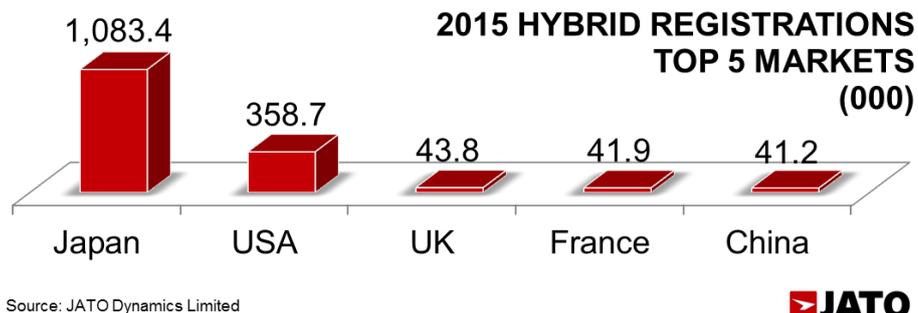
FRENCH MARKET ANALYSIS: HYBRID VEHICLES

BEST-SELLING MODELS



TOYOTA: PIONEER AND LEADER OF HYBRID TECHNOLOGY

The Japanese manufacturer, a pioneer of hybrids for 15 years with the original Prius, dominates the French market with a number models currently available (Yaris, Auris, Prius+). Along with Lexus, it has 82% combined market share.



FRANCE, SECOND IN EUROPE FOR HYBRID TECHNOLOGIES

France is a key market for hybrid technologies. Manufacturers such as Peugeot and Toyota have a strong presence in the country, producing hybrid vehicles in the French city of Valenciennes.

FRENCH MARKET ANALYSIS

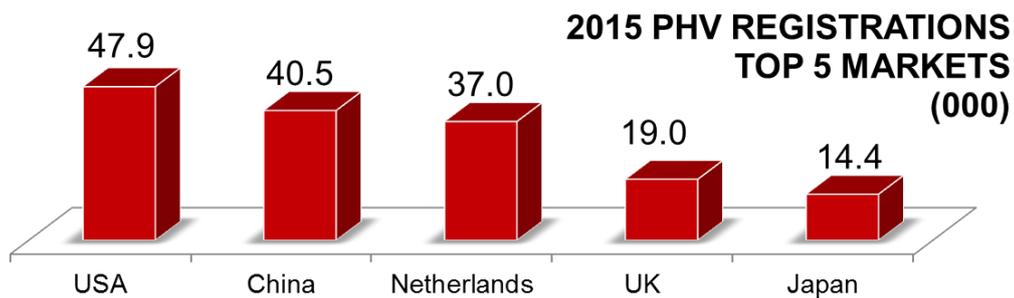
PLUG-IN HYBRID VEHICLES

BEST-SELLING MODELS



VOLKSWAGEN GROUP LEADS PLUG-IN HYBRID MARKET

In a fast-growing market (+58% vs. 2014), the Volkswagen Golf GTE was the best-selling PHV in France with 34% market share, ahead of Audi's A3, making Volkswagen the leading group in this niche market.



Source: JATO Dynamics Limited



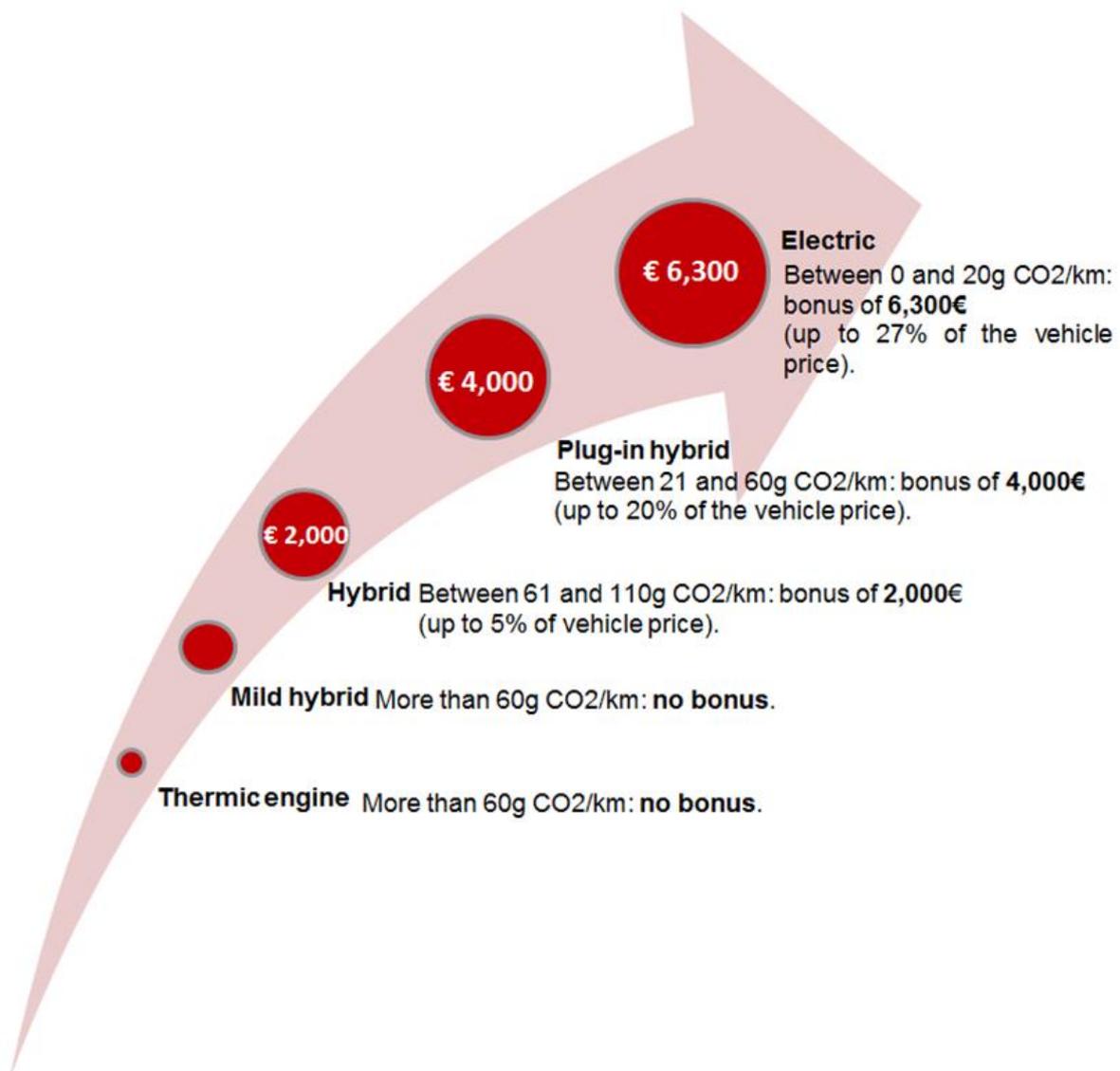
USA AND CHINA AHEAD OF EUROPE

Despite the increasing sales, France remained behind the leading markets – not just the USA and China but also other European countries. It occupied the 9th position with 5,700 units.

FRENCH MARKET ANALYSIS

FRENCH LEGISLATION: BONUS-MALUS

“Bonus-malus” is a French scheme created in 2007 to reward via bonuses new car buyers that purchase the lowest CO2 emissions vehicles, and to penalize with ‘maluses’ (higher taxes) those who opt for more polluting models.



CONCLUSION

Electric, hybrid and plug-in hybrid vehicles are fairly recent products that are helping to reduce vehicle fuel consumption and CO2 emissions, but they come with an extra purchasing cost compared to cars with traditional petrol and diesel engines. Overall, these newer types of vehicles are contributing to improved efficiency and are providing economic benefits to customers, society, carmakers, and lawmakers throughout their life cycles.

Despite fast-rising sales and global interest from all parts, vehicles with alternative drive trains still struggle to win over car buyers. Consumers are aware of low emission and environmentally friendly technologies, show interest in such products, and are concerned about climate and health issues, but still do not commit to purchasing them in large numbers. Many barriers could explain this phenomenon: lack of available charging points, high prices, fear of breakdowns, limited driving range (especially on electrics), and the future used car value.

A lot of effort is being made in all countries to resolve this trust issue, with the introduction of reward and incentive schemes (for example in France with “bonus-malus” scheme) and the development of suitable infrastructure (partnerships between governments and car makers). Car manufacturers are also working on extended driving ranges, shorter charging times, and reducing costs of battery maintenance and production to reduce selling prices.

A range of different alternative options are available today through EVs, hybrids and plug-in hybrids. With air pollution getting worse and the continued volatility of the price of oil, car manufacturers are constantly looking for alternative fuels.

So what will power tomorrow's cars? One answer with promise is hydrogen technology, which is now just round the corner (the Toyota Mirai is due to launch in some European countries next year). But the public and private sectors will have to keep exploring other ways too, such as solar energy or biofuels, in our search for truly sustainable transport.



JATO DYNAMICS SAS
GREEN OUEST BÂT A
2, RUE GEORGE SAND
78112 FOURQUEUX
FRANCE

T +33 (0) 1 61 06 22 00

JATO DYNAMICS LTD
HEAD OFFICE
CAR SPECS HOUSE
BESSBOROUGH ROAD
HARROW, MIDDLESEX
HA1 3XW, UK

enquiries@jato.com
T +44 (0) 20 8423 7100
F +44 (0) 20 8423 2233

www.jato.com
