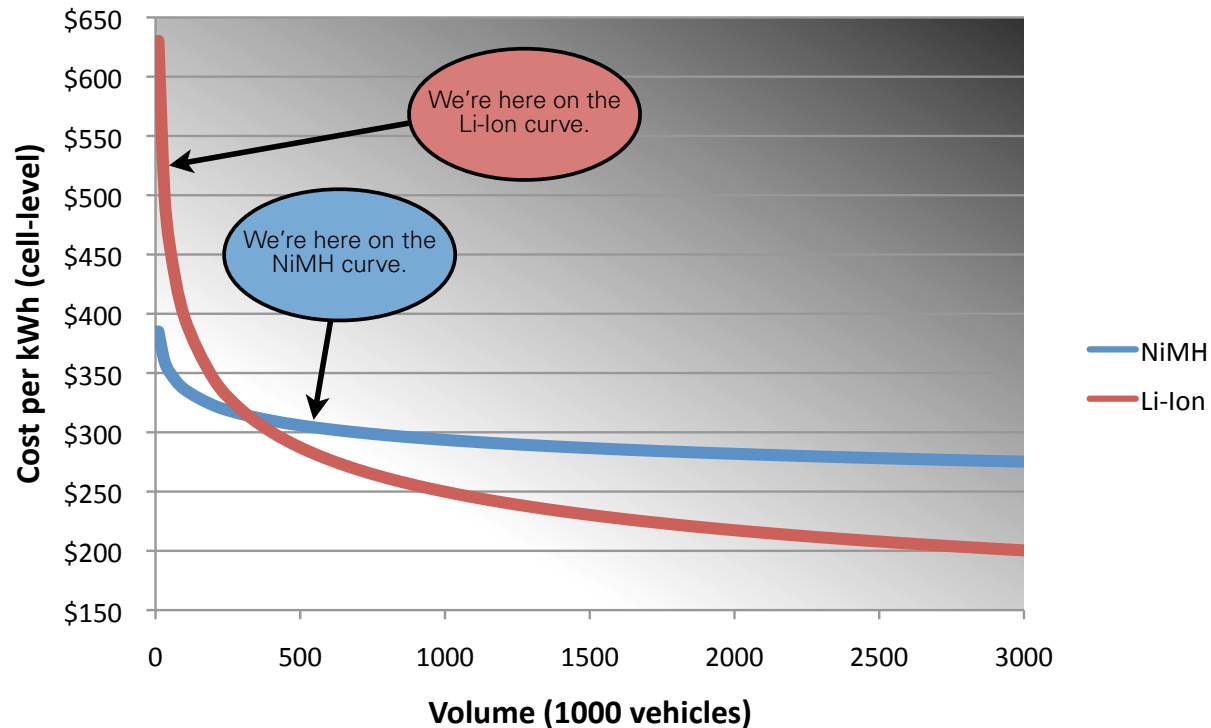


Industry Analysis: Li-Ion Scales More Readily Than NiMH



Experience Curve for NiMH & Li-Ion Batteries



Source: Kromer et al (2007), & RMI Analysis

NiMH is a mature chemistry that has virtually reached the end of technological advancement. Similarities between NiMH cells for consumer electronics and HEV applications have resulted in reduced costs due to economies of scale, but little opportunity remains for further cost reduction or performance improvement. Still, it is a proven, reliable, safe technology that will continue to dominate the standard HEV market in the near term.

Industry consensus is that Li-Ion is the next phase in battery development. Differences in Li-ion technology for consumer electronics and xEV applications implies numerous opportunities for cost reduction with economies of scale. Additional cost reductions will come from materials leverage, the use of lower-cost materials, process improvements, and improved yields.