

## **Toyota Press Conference speech - Geneva Motor Show**

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Geneva, 02 March 2010

Good afternoon ladies and gentlemen - and welcome. I would like to open our press conference today by referring to a statement made by our founder more than 70 years ago, which we display in our dealerships across Europe.

*"I want everybody to put their efforts together and unite in finding a way to make superior quality vehicles." Kiichiro Toyoda, May 1939 - Founder, Toyota Motor Corporation.*

As you know, over the last few weeks, we have been going through the most extensive recall campaign in our history in Europe. First of all, we want to apologise to our customers for causing them any inconvenience, but at the same time I want to reiterate that we are not aware of any accident in Europe related to the accelerator pedal; and that all our organisation remains 100% committed to Superior Quality, in line with the words of our founder!

I would also like to take this opportunity to thank all our dealers as well as their technicians and salesmen who have been handling customers' enquiries and repairs with efficiency and dedication; and of course all my colleagues for their efforts, and those institutions and authorities who have been cooperating with us.

Let me now give you a brief update on the main activities we have put in place and the progress so far. In the two weeks since the recall announcements, our service capacity had reached a level of 50,000 repairs per day, enough to cope with the expected peak of the campaign. Thanks to a dedicated task force, all the vehicles in stock at our hubs will be fixed by mid-March.

We have also expanded the activities of our call centres which wherever necessary have been operating seven days a week.

Right from the start of the campaigns, we made an on-line Vehicle Identification Number list available to our customers, so they could check whether or not their vehicle was affected. In terms of repair completion, it is difficult to foresee how quickly customers will reply -- this depends market by market.

However, we set an internal target of managing as much as 90% of the involved customers by the end of July; and based on current data, we are on track. Needless to say, all the new vehicles currently being produced meet the highest safety and quality standards.

Once again, our story today is built around Hybrid Synergy Drive®, our core technology which is the most tangible sign of Toyota commitment to sustainable mobility. It provides a green solution today, but is also the basis for tomorrow's full electric and hydrogen fuel cell vehicles. Our experience with Prius and other hybrids tells us that market acceptance is growing.

Last year 530,000 customers purchased hybrid vehicles around the world, 24% more than in 2008. In Europe, in a declining market, Prius sales were up 3%, to 44,000 units. The drivers of hybrids are no longer pioneers or early adopters. They are more and more mainstream buyers.

To meet increasing demand for hybrids, we are increasing production of batteries. Before the end of 2010, our factory in joint-venture with Panasonic will have a production capacity of 1.1 million units per year.

We are also moving forward with the Prius Plug-in Hybrid (PHV). A demonstration programme has started, with 600 Prius Plug-in Hybrids on the roads. 200 are in Europe - 100 of them in the city of Strasbourg. These cars are the first Toyota vehicles equipped with lithium-ion batteries, which can be fully charged from a standard electrical socket in 90 minutes.

This Plug-in Hybrid technology leads to outstanding fuel economy, of around 2.6 litres per 100 km, with CO<sub>2</sub> emissions of just 59g. With a range of 20 km on electric power alone, PHV is ideal for city driving - shifting to hybrid power for longer drives.

This year we have also started a three-year Fuel Cell Hybrid Vehicle (FCHV) programme. This will involve 120 advanced FCHVs around the world, including Europe, demonstrating the technology's performance, reliability and everyday practicality. These cars can travel 830 km on a single tank of hydrogen - emitting only water vapour. Our goal is to introduce this technology in 2015. Of course, we can only do so once a hydrogen refuelling infrastructure is in place.

Toyota has also accumulated deep knowledge and engineering capability in electric vehicles. Ten years ago, we launched 1,900 RAV4 electric vehicles globally -- half are still on the road. Last year, at the Tokyo Motor Show, we unveiled the FT-EV II Concept. This small commuter car's top speed would be 100 km/h, with a range of more than 90 km. Our goal is to launch a similar vehicle in 2012.

That's the near future, which you can touch and feel in our Hybrid Synergy Drive® gallery. Let me now bring you back to the present - and the new Toyota Auris. Auris has seen a major change, with improvements inside and outside. It looks more dynamic, with a redesigned front grille, headlights and bonnet. The inside is more refined, featuring soft-touch materials and a more ergonomic design. The car's handling and stability has also been improved, thanks to re-tuned suspensions. And by leveraging Toyota Optimal Drive, Auris now delivers an ideal balance of performance and fuel economy.

Indeed, what really makes the new Auris unique is its flagship full hybrid version. We unveiled the concept in Frankfurt, but today marks the world premiere of the new Auris HSD. By adding a full hybrid powertrain to Auris, we are making the benefits of our HSD technology available to more considerers in the heart of the market - both private and fleet. We expect Auris HSD customers to be different from Prius'.

They want a high-tech, contemporary family car - one that delivers exceptionally low running costs, emissions and fuel consumption, without looking different. Auris HSD emits just 89g of CO<sub>2</sub> - the same as Prius. This is an outstanding achievement, setting a new benchmark in the C-segment.

Maintenance costs are another strong point. Over the first 100,000 km they will be about the same as on a Yaris 1 litre, thanks to short service times, reduced labour costs and low parts pricing. The driving experience is equally impressive, with silent sophistication in electric mode and instant power when needed.

We will start manufacturing Auris HSD in a few months, at our UK plant in Burnaston. And this is just the beginning of a long journey. In fact, Auris HSD is leading the way as we start to roll-out full hybrid technology across the entire Toyota range.

The new Auris is not the only product news we reveal today. We have also upgraded our compact SUV pioneer, the RAV4. The front is more stylish and aerodynamic, the perceived quality of the interior is further improved by the new leather and Alcantara® upholstery.

Importantly, RAV4's engine line-up now benefits from Toyota Optimal Drive technology. This means RAV4 has among the cleanest engines in its segment, with CO<sub>2</sub> emissions starting at 150 g/km. Our commitment to sustainable mobility is clearly reflected in the results of the 2009 CO<sub>2</sub> survey just published, where Toyota shows an impressive 10% reduction in average CO<sub>2</sub> emissions versus 2008.

Having introduced two new mainstream vehicles which deliver tangible customer benefits, let me end on a different note. From the Celica to the MR2, and the Supra, Toyota has created a heritage of exciting sports models. Now, with its distinctive front engine and real-wheel drive configuration, the FT-86 Concept is ready to introduce the next generation of Toyota sports cars. It is extremely light, with a low centre of gravity. This delivers an instant, precise response to even the slightest throttle and steering input. When we introduce the FT-86 Concept in early 2012, it will bring real joy in the Toyota showroom.

Ladies and gentlemen, this concludes my presentation today. I thank you very much for your attention - and please join me at the Lexus press conference, which begins in a few minutes, for another sensational world premiere.

Thank you very much.