

# 2012 Toyota Prius PHV Media Preview - Bob Carter

September 16, 2011

## 2012 Toyota Prius PHV Media Preview

### Green Drive Expo

Craneway Pavilion, Richmond, Calif.

Sept. 16, 2011

**Bob Carter – Toyota Division Group Vice President and General Manager**

Good morning everyone, and thanks again for spending the day with us at the Craneway Pavilion, as we debut a unique vehicle for a unique owner.

As some of you know, Toyota is a major sponsor of tomorrow's Green Drive Expo – just as we were last year during the event's inaugural year – and it is a great opportunity for us to showcase our environmental efforts to an enthusiastic group of people. It's those enthusiasts who really helped make the Prius the success it is today. This unique facility is an example of automotive contrasts. The Craneway opened in 1932 as a Ford assembly plant, the same year the company introduced the flathead V8. It was a freewheeling time in the auto industry, when there were no emissions regulations and gas was 10 cents a gallon. Total vehicle sales that year were around 920,000.

While this building is a ghost of the past, the Prius Family is the spirit of the future.

Ultimately, it is our customers who will be making Prius a family. All family members will have the same Prius DNA that you've come to know well over the last decade, but each will have distinct differences that deliver unique benefits to a variety of ages and lifestyles. And all four Prius models will hold a unique place in the family.

Here's a spot that will start running nationally next Monday that captures the unique characteristics of the Prius Family.

While each will have their own personality, they will have a "family resemblance" that will be distinctly Prius. Besides sharing our tried and true Hybrid Synergy Drive technology, we expect every Prius to have class-leading fuel economy.

Unlike 1932, CO2 emissions and energy policies are now a big factor, and Toyota is the industry leader in environmental and fuel-conservation technology.

Toyota made a commitment to the environment more than 20 years ago by investing in hybrid technology, and the first Prius went on sale in Japan in 1997. Three years later, Prius reached the U.S., and there were some in our industry that didn't give it a serious thought.

But it was those enthusiastic early adopters I spoke of before, who had a passion and advocacy for the Prius, who helped quickly make it an enthusiast's car for a new kind of enthusiast. One who wasn't drawn to horsepower or 0-60 times, but had a passion for new technology that was not just cleaner and more efficient, but by a large margin!

The Bay Area was home to many of those early Prius enthusiasts. The first buyers of Prius included environmentally conscious people but also technology engineers in and around Silicon Valley. Early on, 1 of 3 Prius was sold in California; popularity still remains high with 1 of 4 today. While Camry is widely known for being our best selling model in the U.S., Prius has actually outsold Camry in Northern California the last four years and so far this year as well.

If I asked you to guess which dealership was the first to sell more Prius than Camry, you probably wouldn't be surprised to find out it was a dealership here in the east Bay. But if you had to guess when that first occurred, most of you would be surprised that it was as early as 2001... the second year of Prius existence here in

America.

Last year, our San Francisco Region, which works with all the area dealerships, sold 32 percent more Prius than Camry, while the rest of the U.S. was only selling half as many Prius as Camry.

It's due to this success of Prius that we will have four distinct family members within the next 6-9 months ...the Prius Liftback, Prius v, Prius Plug-in and the Prius c. As a family with four distinct members, I could see Prius outselling Camry throughout the U.S. by the end of the decade, just like they do here in the Bay Area.

Prius has the highest brand awareness of any hybrid, literally defining what a "hybrid vehicle is," with one out of every two hybrids sold in the U.S. being a Prius. Since it first went on sale, more than two million have been sold worldwide, including more than 1 million here in the U.S. And one of the things I'm most proud of, and an area some early skeptics questioned, is that in the U.S., 97-percent of all Prius sold are still on the road today. In addition to helping set the path for all other hybrids by building consumer trust in hybrid technology, the Prius has truly changed what a vehicle's impact, or lack of impact, can really be.

For instance, compared to the average car, Prius has saved an estimated \$2.5 billion on fuel in the U.S. since 2000. According to a recent study, if everyone in the U.S. drove a Prius, we could reduce our dependence on foreign oil by 70 percent. In addition to the approximately 900-million gallons of gas saved since its launch, Prius has also saved more than 14-millions tons of CO2 emissions based on the EPA's estimates.

These are many of the reasons why we are going to expand Prius into a family of vehicles, and the first new model to join the flagship Liftback is the Prius v, which goes on sale the end of next month.

During the 11 years Prius has been on sale in the U.S, we've listened to our customers and also those who considered Prius but decided not to buy one. Some of those people told us that they loved the Prius, they wanted something with more space.

Since we first showed the Prius v in January, the feedback we've received has been outstanding. The "v" will be an unmatched combination of versatility and fuel efficiency in a midsize package that's a perfect fit for young families who value space, comfort, fuel efficiency and technology. With 58-percent more cargo space than the Liftback to meet the needs of these young families, the Prius v has more cargo space than 80-percent of the small SUVs on the road today.

In addition to meeting their needs, the Prius v will also be a great value to them. Today, we're announcing for the first time the pricing for the "v", which will start at \$26,400.

With all the additional useable space and convenience, the Prius v will be competitively priced compared to cross-shopped vehicles while getting twice the fuel economy.

The Prius v will be followed by the Prius Plug-in next March, and the Prius c will follow in the Spring. The Prius c will offer expressive styling in a city-friendly vehicle that we believe will be the most fuel efficient hybrid without a plug in the U.S. While we showed you a "c Concept" at this year's Detroit Auto Show, we will be debuting the production Prius c for the first time in Detroit this coming January.

Today, in addition to the Prius Plug-in, we're also showing for the first time in the U.S. third-generation Prius Liftback, which gets a strong refresh for the new model year. It will continue to be a highly advanced vehicle that delivers a combined 50 miles-per-gallon, the best fuel economy of any cordless vehicle sold in the U.S. Since it was launched in May of 2009, more than 300,000 have been sold, and it continues to be a benchmark for all hybrids that follow.

This iconic vehicle will be the patriarch of the Prius Family and the flagship of its nameplate. In 2012, the Prius Liftback will receive a new look in the front, including the front fascia, bumper and lower grill opening. In addition, the headlamps and tail lamps are also restyled. The popular Prius Two grade will get newly styled 15-inch wheel covers and standard daytime Running Lights.

Inside, the Prius driver will see new unique additions and improvements to the Multi-information Display, including revised graphics and colors in the Energy Monitor.

The Prius Liftback – like the Prius v – will receive our new Display Audio System. In addition to great features like a 6.1-inch touch screen and an optional integrated back-up camera, Display Audio will allow the Prius to offer our acclaimed Entune multimedia system.

With features that many consumers have grown accustomed to with their smart phones, Entune offers seamless integration into their vehicle. It features unique apps that help make owners lives easier... like Open Table or

MovieTickets.com... and more enjoyable... with music selections from Pandora and I-heart-radio. Here's a short video to show you how it works.

In case you haven't had a chance to experience Entune, we have some vehicles today that will allow you to see it for yourself.

And based on customer feedback over the last two years since its launch, the Prius Liftback will now include some available features at higher trim levels that buyers strongly requested, like Heads-Up Display, a Power Driver's Seat, and SofTex-trimmed seats.

While we think Prius' new changes this year will help it maintain its hybrid leadership, the main reason we invited you here today was to be the first to see and experience the production Prius Plug-in Hybrid.

The Plug-in will be the Prius family member that represents the best of both worlds: superior fuel economy of the Prius with added EV driving capability.

We call it the car with no compromises: When the EV power runs out, the proven Prius Hybrid Synergy Drive System takes over, giving the driver the same fantastic Prius out on the road today. It's a better overall package, with more passenger convenience, comfort and utility than other plug-ins or EVs on the market today.

The Prius Plug-in that will go on sale next March can be driven about 15 miles on battery power alone, which is about 15-percent more than the demonstration vehicles that have been out on the road this past year, and at speeds up to 62 miles-per-hour on pure EV. An EV drive-mode button will conveniently allow the driver to select when battery power is used, giving them more flexibility.

In our internal testing, the Plug-in has achieved at least 87 miles-per-gallon equivalent (MPGe), and when the gas-electric Hybrid Synergy Drive takes over, the Prius Plug-in still gets an outstanding 49 mpg combined. The Plug-in will also earn an enhanced AT-PZEV emissions rating, which qualifies it for California HOV lane access.

The new lighter weight, more compact Lithium-ion battery can be fully recharged from depletion in just three hours on standard 120 Volt and about half that time on 240 Volt, significantly shorter charge times than any other plug-in or EV on the market today.

We've also made it easier for Prius Plug-in owners on the go to cut their charge time in half. Last month, we announced our selection of Leviton as an approved provider of Level 2 Electric Vehicle Supply Equipment for our customers and dealers. Leviton will offer a variety of charging solutions, as well as a certified installation team, industry-leading warranty, and extensive customer service center. The Leviton 240-volt product will be available at an industry-best price starting at \$999 for the 16 amp, level 2 charging station, including installation. And they will be available to our customers through Leviton beginning in early October.

The Prius Plug-in will mirror the 2012 Prius in the new styling features, but it will have its own unique details to help differentiate it as the Plug-in. It will feature a new Hybrid Synergy Drive Plug-in badge and a uniquely styled 15-inch alloy wheel. The Plug-in will have unique chrome grille and bumper garnishes, as well as blue-accent headlamps.

The Prius Plug-in will also receive the Multi-information Display changes that were included in the Liftback, along with an EV icon that will indicate when the gas engine is off, and an EV state-of-charge indicator will let the driver know how much pure-electric capacity is available.

Like the 2012 Liftback, the Prius Plug-in will receive the Display Audio system and Entune capability.

The Plug-in will also launch our newest telematics applications for Entune, specifically designed for Plug-in Hybrid needs. We'll have more details to share with you in the future, but the new applications will include Charge Management, Remote Air Conditioning System, Charging Station Map, Vehicle Finder and Eco Dashboard, all available from the owner's smart phone.

One of the reasons we're announcing specific details about the Prius Plug-in today is that we'll begin taking online orders for the first cars next month.

Last April, we launched the Priority Registration site on Earth Day, and received a great response with 42,000 people expressing strong interest in the Prius Plug-in. Our goal was to provide a great customer experience for our early adopters and provide the first steps leading to picking up their new Plug-in at their local Toyota dealer.

Here's a video, which will go live today on Toyota.com that shows you how easily the ordering process will work.

As we've mentioned in the past, the Prius Plug-in will initially be available in 14 west and east coast states at launch next Spring. And it will become available in all 50 States in 2013.

The Plug-in will be for a specific Prius buyer. It's a perfect car for someone like me who commutes just 7 miles a day but also wants to be able to visit family in Santa Barbara on the weekends. And, for those consumers who make regular trips of 15 miles or less and then recharge, it's possible they wouldn't ever use any gas. We expect to sell about 15,000 Prius Plug-ins the first full year.

When it goes on sale, the Plug-in will be the lowest-priced plug-in hybrid or pure EV vehicle on the market, starting at \$32,000. But when you deduct the \$2,500 federal tax credit, it will come in under \$30,000.

I've said in the past, that I see the Prius Family meeting customer needs so well that it collectively will eventually pass Camry as our top selling nameplate, but were not stopping there when it comes to new products. Our comprehensive portfolio of hybrid and electric vehicles will include the new Camry Hybrid – which will arrive later this fall – and the RAV4 EV next year.

While the iQ EV will be a fleet vehicle providing urban driver's a specific need, the Rav4 EV will have a wider application in its second generation.

The first-generation RAV4 EV launched in 1997, and about 1,500 were sold and leased. Nearly 50-percent of those units are still in operation.

In July of last year, Toyota and Tesla announced a partnership and plans to jointly develop an electric version of the RAV4, and last November the first pre-production prototype Rav4 EV debuted at the LA Auto Show.

Beginning in February of this year, Tesla delivered the first of 31 converted demonstration vehicles. The design and technical features of the vehicle on display here today are targets for the fully engineered production version that will be offered next year.

The Bay Area has embraced battery electric vehicles in the past, including the first-generation Rav4 EV. And we plan on launching the first phase of the RAV4 EV program here in California, where we see the early adopters living and working.

I want to thank you again for spending the day with us. You'll be the first to drive the new Prius Plug-in, and we're also happy to offer our other hybrids as well, including the new Camry Hybrid, our Prius Liftback, and the Highlander Hybrid, all of which have the top mpg in their respective segments.

I'd like to turn it over to Dave Lee from the University of Toyota, who will give you a closer look at the Prius Plug-in and refreshed 2012 Prius Liftback.

###