

MAZDASPEED

GENERAL Q&A

Q. Is *MAZDASPEED* a brand?

A. *MAZDASPEED* is an existing line of components. We are expanding this line and offering the first vehicle in North America to wear the *MAZDASPEED* badge – the 2003 *MAZDASPEED* Protegé. This program will continue to evolve.

Q. Is this the global launch of *MAZDASPEED*?

A. No, this is the North American launch of the *MAZDASPEED* Protegé and *MAZDASPEED* parts, accessories and apparel. *MAZDASPEED* is well known by Mazda enthusiasts around the world; however, this is the first time a product will wear the *MAZDASPEED* name in North America.

Q. What does the *MAZDASPEED* program include?

A. The program includes the *MAZDASPEED* Protegé first and will expand to include additional competition parts, as well as street parts and apparel.

Q. Does this signal a return to Le Mans?

A. Since we became the first (and so far only) Japanese manufacturer to win the prestigious endurance race we've been asked many times when we might return to France. Mazda has no plans to enter the 24 Hours of Le Mans.

Q. When will additional *MAZDASPEED* vehicles be introduced?

A. We don't discuss future vehicles.

Q. Will *MAZDASPEED* parts be included under the Mazda warranty?

A. *MAZDASPEED* street parts will be covered under the existing Mazda warranty. Competition and off-road parts will be sold without a warranty.

Q. Do you plan to develop separate advertising for *MAZDASPEED*?

A. We plan to support the *MAZDASPEED* Protegé the same way we promote all Mazda vehicles through every marketing avenue.

Q. When will the MAZDASPEED parts and accessories program be available?

A. This program is still evolving, but we plan to have parts available in the next 18 months.

Q. What kind of MAZDASPEED apparel will be available? When?

A. We plan to offer an array of fashion-forward MAZDASPEED apparel available in the next 18 months designed to appeal to active male and female enthusiasts of all ages.

Q. Many other manufacturers have offered similar programs and haven't delivered. How will MAZDASPEED be different?

A. While still in its development stage, MAZDASPEED will deliver the complete program, including vehicle development, parts and accessories, and motorsports initiatives.

MAZDASPEED Protegé

Q. The MAZDASPEED Protegé has a lot of components from other companies, not Mazda or MAZDASPEED. Is it technically a MAZDASPEED then?

A. The MAZDASPEED Protegé wears the MAZDASPEED nameplate because it's the best balanced, highest performing Mazda sport compact sedan ever sold in the U.S. Mazda engineering in the U.S. worked with some of the world's best performance equipment manufacturers to develop the MAZDASPEED Protegé to the highest Mazda standards.

Q. What role did Callaway Cars have in the development of the MAZDASPEED Protegé?

A. Mazda and Callaway engineers set out as a team to develop the best possible turbocharged performance for the new MAZDASPEED Protegé.

Q. Will this Turbocharger find its way into other Mazda products, especially Protegé5 or Miata?

A. We do not discuss future vehicle plans.

Q. What is the pricing for MAZDASPEED Protegé?

A. The MAZDASPEED Protegé will be priced under \$25,000.

Q. What do you see as the primary competition for MAZDASPEED Protegé?

A. The sport compact market is extremely competitive. But based on the rave reviews of the MP3, we believe the turbocharged MAZDASPEED Protegé will be in a league of its own.

Q. How long has Mazda been working with Callaway Cars on the turbo project?

A. Mazda and Callaway have been working together for more than a year to develop the best powerplant for the MAZDASPEED Protegé.

Q. What was the investment required with Callaway Cars?

A. This is proprietary information and can't be discussed.

Q. What has been done to the engine, other than adding on a turbo?

A. To help provide added balance to the turbocharging system, Mazda added a Super Limited-Slip differential, larger 24mm driveshafts, a heavy-duty clutch disc and pressure plate, radiator, intercooler and several other changes.

Q. Isn't MAZDASPEED Protegé just an MP3 with a turbo?

A. Both the MP3 and MAZDASPEED Protegé share some common features, but both vehicles are quite distinct and have their own personalities. MAZDASPEED Protegé has received more than just a turbocharging system...it has received additional engine components to further assist the overall package. The limited-slip differential, air-to-air intercooler, heavy-duty clutch disc and pressure plate complete the engine and drivetrain package. MAZDASPEED Protegé also comes equipped with all-new wheels, four-wheel disc brakes, and two distinct colors exclusive for the MAZDASPEED Protegé.

Q. It appears much of the MAZDASPEED Protegé was developed in North America. How much input did MC have?

A. The MAZDASPEED Protegé was initiated by MNAO. However, when we set out to develop new products we work together, collectively, with our colleagues in Japan. MAZDASPEED Protegé is no different. Although all of the physical development was done at Mazda Research and Development in Irvine, Calif., we worked very closely with Mazda Corporation on this vehicle.

Q. Will other Mazda vehicles receive the MAZDASPEED badging (RX-8, MAZDA6, Protegé5)?

A. Although we can't comment on future products, we would like to think that *MAZDASPEED* will have a home with many of our platform vehicles. We currently have some concepts we will be showing in the future and at that time we will address the product.

Q. When will we see a full line of *MAZDASPEED* products?

A. We do not discuss future vehicle plans.

Q. Is *MAZDASPEED* truly ready to go toe-to-toe with SVT?

A. We have no plans to go toe-to-toe with SVT. The *MAZDASPEED* Protegé is developed by a group of Mazda engineers that are hard-core enthusiasts. And they developed this car with the Mazda enthusiast in mind.

Q. What's the target customer of *MAZDASPEED* Protegé?

A. The 2003 *MAZDASPEED* Protegé is targeted to the enthusiast who has a higher appreciation for balanced performance and handling vs. brute strength.

Q. What kind of volume are you expecting to build?

A. For the 2003 model year, we plan to build 2,000 cars the first year – 1,750 of those will be sold in the United States and 250 will be sold in Canada.

Q. How fast is it? Can you give us a 0-60 time? Quarter mile?

A. We do not have numbers at this time. However, based on the MP3's performance, we know this vehicle will be a top contender.

Q. Are there any options available?

A. No. This vehicle has all options included in its sticker price.

Q. Will the car be offered with an automatic transmission?

A. Again, we can't comment on future development at this point, but there are no plans to offer this vehicle in an automatic transmission.

Q. Where will this vehicle be manufactured?

A. The platform for this car is still the Protegé. Therefore, the majority of production will be done in Japan. However, there are a few modifications that will be made at Mazda ports in the U.S. when the vehicle arrives in the United States.

Q. Are there any plans for an AWD version (like the old 323 GTX) to compete with the Subaru WRX Turbo?

A. We do not discuss future vehicle plans.

Q. How big do you think the market for sport compact cars is?

A. There is a huge growing market for tuner cars. This trend has been growing during the last few years and our MP3 was proof that these cars sell. The MP3 sold out before it even hit the showroom floors.

Q. Will this car be serviceable at all Mazda dealers or only some of them?

A. Although we are currently still developing the plan, it is our goal to ensure all *MAZDASPEED* dealerships are fully staffed with specialists that understand each *MAZDASPEED* vehicle.

Q. When will be able to drive the *MAZDASPEED* Protegé?

A. Vehicles will be available in the fourth quarter of 2002.

Q. Who led the development program?

A. The Mazda Research and Development in Irvine, Calif., working in concert with leading automotive aftermarket companies like Callaway Cars and Racing Beat, engineered the *MAZDASPEED* Protegé.

Q. This car is aimed at young enthusiasts, aren't you encouraging them to speed and perhaps drive recklessly?

A. Not at all. This vehicle has been designed to cater to many types of enthusiasts. We feel you can build a well-balanced car with performance modifications, without comprising safety.

SALES PERFORMANCE

Q. Why have Mazda sales declined since the beginning of the year?

A. We saw our share of voice decline dramatically at the end of last year as our competition out-shouted us with a staggering amount of 0-percent advertising. [If pressed: As you know, reported sales are a combination of retail and fleet volumes. For 2002, we have substantially reduced our fleet sales. The result is that in February, for instance, fleet sales were down by 75 percent, which had a dramatic impact on our reported sales for the month and YTD]

Q. We see a lot of “Zoom-Zoom” advertising but your sales seem to be dropping. Is the advertising not working?

A. Our advertising message is hitting our target audience quite well. Unfortunately our share of voice fell dramatically as we were out-shouted by all of the 0-percent advertising at the end of the year. However, the latest research has shown our ads to be extremely effective. According to Alison Fisher, Mazda purchase intentions are 14 times higher for those who recall seeing our advertising than those who don't. The result has been that positive purchase intentions continue to improve over time for the Protegé line, in spite of a general downturn in the subcompact segment.

Q. Do you see continued erosion in your sales?

A. Quite the opposite. We are in the middle of the launch of our new 200-hp 2002 MPV, which is just now arriving in showrooms. Our Protegé5 sales are strong, and even in its last year, Millenia sales are up significantly. Also, our share of voice continues to grow as we've increased our Tier 1 and Tier 2 advertising expenditures, with heavy-up efforts nationally and in our major markets. And, of course, we're launching a significant new performance Protegé today, which we think will create a lot of consumer interest.

Q. What is your sales forecast for 2002?

A. Generally, we expect our sales in the U.S. to be up slightly over the 269,602 units we sold last year. However, we expect much more dramatic growth in 2003 and beyond with the launch of MAZDA6 and Mazda RX-8.

Q. Your overall sales volumes don't seem to be increasing very much over the past years. Is Mazda just standing still?

A. Quite the contrary. In spite of limited new products, for the last four years Mazda has enjoyed year-over-year sales increases. With the MAZDASPEED Protegé you see here today, the MAZDA6 midsize sedan coming at the end of the year, and the RX-8 following shortly thereafter, Mazda is poised to grow substantially in the years to come.

Q. You say you're not interested in overall numbers but can you survive being a niche player?

A. We intend to grow our volume in North America, as we have for the last four years, but we have no aspirations to grow to the size of Toyota and Honda. Mazda is and will continue to be a significant player in the U.S. and Canadian markets.