



FEDERATION INTERNATIONALE DE L'AUTOMOBILE

Press Information

2014 Austrian Grand Prix Friday Press Conference Transcript

20.06.2014

TEAM REPRESENTATIVES – Eric BOULLIER (McLaren), Monisha KALTENBORN (Sauber), Franz TOST (Toro Rosso), Toto WOLFF (Mercedes), Christian HORNER (Red Bull Racing), Marco MATTIACCI (Ferrari)

PRESS CONFERENCE

The World Motor Sport Council meets next week, it's the deadline for regulations for 2015. In yesterday's press conference with the drivers they all said that cost control was the first order of priority for the sport. Are you where you hoped to be on that subject as the deadline approaches? A question for all of you. Eric maybe you'd like to start.

Eric BOULLIER: Well, I think it depends on where you want to put the shift. There were some discussions, they was some real will to do something for the sport from some teams and I think at the end we achieved some decisions. I don't know yet obviously how much we are going to save. Is it enough, is it not enough? I think it's a bit to early to say. But at least let's say there was a commitment to do something and we tried to.

Monisha?

Monisha KALTENBORN: Well, in my view we are clearly not there, where we should be and where we wanted to be, at least from our team's perspective. I also don't think we have achieved so far any measurable cost cutting. For us the situation is a little unclear actually at the moment, at least in my understanding if you mention the World Motor Sport Council there was a decision taken last year by the Council in which they endorsed cost-cutting as a target and they also agreed in principle to the cost cap and the FIA was mandated to implement that. Since then other decisions have been taken by other groups going in a different direction. Following that amongst other teams, ours as well, the non-Strategy Group teams I'd say were asked to bring proposals in about how you can achieve a sustainable cost base while still promoting competition. We did that, we also didn't get anywhere on that. In my understanding I really wonder what the FIA is now going to do and how Formula One is going to be governed in this respect.

Christian, do you have any comment on that?

Christian HORNER: We spent quite a while talking about things and so on and we've agreed a couple of things next year which will save money. Testing is reduced, testing will be in Europe rather than overseas, wind tunnel time and CFD ratios have been further reduced. But I think what's important to say is that everything that was agreed in the Formula One Commission meeting earlier this

week was agreed unanimously. That means every team was around the table and every team had the right to vote against it but everything that went through went through on a unanimous basis. We've got what we've got. I think the most important thing now going forward is stability.

Marco, are you where you hoped to be on cost control?

Marco MATTIACCI: First of all, I think it is remarkable that the drivers are underlining this point. At the same time, yes, I think we did some progress. Probably we could have achieved some more. But I keep stressing the point that according to me Formula One should focus at the same time on how to appeal to a broader audience, because I think there is a huge potential for this sport. So I guess even cost reduction has to be faced in a much more complex point of view, a large point of view: how to make this product more appealing, how to attract more sponsors. I guess yes we are working extremely hard to see where are the opportunities to reduce the cost. I would like to work even harder to see where we can increase the appeal to wider audience.

Toto?

Toto WOLFF: Yeah, we had lots of meeting about finding out where we could reduce costs. It's an ongoing saga. You know it's not the case that some teams are against cutting costs and other are for. We are all for sensible cost cutting because even the big teams need to make sure we keep it within a certain framework. We need to make sure that Christian is not running away with the costs. Christian needs to make sure that Ferrari is not running away with the costs. This is why we are all in favour, but it is a tricky thing and it's difficult to get everybody under one umbrella. So I guess that what we have done for next year in reducing the in-season testing again, probably to even less the following year. We came back to Europe. All these are sensible steps and this must be on our constant agenda to further reduce the costs.

Thank you for that. And finally Franz: your thoughts?

Franz TOST: We have achieved some goals to reduce costs, like Christian mentioned before, with less testing and testing only in Europe and the reduced costs on the aerodynamic side. And we will also in future discuss possibilities to reduce costs. I think this is a longer process because this year we are coming up with a new regulation, and as we all know a regulation change is always in connection with costs increasing. I just hope that in the future we will always continue to discuss how to reduce costs and I am convinced that sooner or later we will come to a target where all the teams are satisfied.

OK and second one to all you. There have been extensive discussions on wider changes on things to things like format and regulations in recent weeks, things like altering the Friday programme at race weekend and tyre blankets – all that kind of thing. Which measure would you personally most like to see implemented? Maybe we'll start with Marco.

MM: Again I want to have a wider view about how to improve Formula One and the appeal. According to me, if I could push the button tomorrow, I would like to see a much deeper, wider engagement toward the audience with the drivers. In the end, Formula One is innovation but at the same it's entertainment and I think that it has huge opportunity for improvement, for revenues, in engaging the audience, the fan more to Formula One. All the other initiatives sound to me OK to reduce some costs but they sound to me tactical and they don't see the bigger picture, the bigger potential in Formula One.

Christian?

CH: I think foremost and utmost Formula One is a show and it has to entertain. I think a race like we had in Montreal is Formula One at it's best. That's what we need to have and more of it – week in, week out. We need to give the public more access, more behind-the-scenes information and engage them more in what we do. I think we need more of Montreal. How we achieve that of course is the difficulty.

Franz?

FT: The most important thing about Formula One, which we should not forget, is the entertainment and when we came back to the Friday running which we have in this year and as we had it in the past, this is something which was quite important for the organisers. We have to think how we can bring the cars together, because as we can see today there are two cars far ahead and as long as the parity of the power units is not at a similar level it is difficult to achieve interesting races, apart from the fact if something happens, which was unforeseen. Once more it's a new regulation, it's the first year that we are in there. I think we also have to work for the public to understand it better, what we have produced; how this new power unit works and how the new regulation has to be interpreted. I think we will do this in future just to increase the interest of the people in Formula One.

Two silver cars out in front, that's something I'm sure you wouldn't want to change Toto, but what would you like to see implemented.

TW: You know I find it amazing that we are starting this press conference with two questions about cost reduction and cost savings and talking the sport down. We are in a fantastic new venue, we have just come back to Austria to an historic race, this is the most amazing place now. We have had some exciting races. I admit that lucky for us we are quite dominant, similar to how Red Bull has been in a couple of years and we must talking stop talking ourselves down. I cannot imagine any other sport that would start the press conference in the way like we do, just talking about what it not good. But coming back to your question: I think that what is important is the show and the entertainment and engaging with the audience, to what Marco said. Probably if I could pinpoint it to a single item, I would say let's stop testing. This is not to maintain our advantage. This is our own little agenda but it's not important in the broader view of Formula One. But it's something which is not important for the spectators. I think they want to have a good show at the weekends. Can we do less testing at the beginning of the season? Probably we can but then there is a new engine manufacturer you need to take of him as well to get enough miles. Then, some of us wanted to get rid of testing completely during the season. Why not go back to zero. But it was not possible and you would be surprised who was actually in favour of in-season testing. If I could make a decision I would say let's not test in season any more.

Monisha?

MK: I agree with Toto that we have an excellent product here. We have a great platform, it's very attractive. I think it's high time that we really focused on the people we are doing this for. For a team it's mainly the fan and for companies its consumers, customers at the end. We need to really pick up these people, give them a great moment – that they want to come with their kids, the next generation, and see that they are having a great show here. They need to remember this kind of a moment, which is not really happening that much. Now race in the past have been exciting or not exciting. We've gone through years where one team dominated, so we've had all that before and we're still here. So we really need to get out to the fans, to these consumers and make sure that they keep their attention to Formula One and that's something we have not been doing recently.

OK and finally, Eric?

EB: Well, I'm the same as everybody. It's the start of a new regulation so obviously there was a lot of change over the last winter. We just want to see closer which makes the entertainment better which will allow us to engage more with the fans and keep the fans happy and I think by having closer racing first you have to bring some stability to the regulation.

QUESTIONS FROM THE FLOOR

Q: (Kate Walker – Crash.net): In relation to the answers you've all just given, we've just an awful lot about fan engagement and solidifying F1's profile in various territories. Now Red Bull have got the showcar team. I would like to know from each of you, and Christian if you want to answer as well, what it is specifically to boost Formula One's profile in your own country and in other territories that we visit away from a race weekend?

CH: Red Bull are extremely active in that area. We have a showcar team that visits countries all around the world, goes to towns or places that Formula One hasn't been before, isn't expected to be seen. This year it will run in 25 different venues. We engage with the fan base – we have more than 8 million fans worldwide that are following us through social media, our digital platforms and so on. We're generating a huge amount of hits, whether it's through a regulation change or to demonstrate the build of a car. So we are engaging with our fans and we see our fanbase growing. What else are Red Bull doing? They've brought Formula One here. It's fantastic to be back in Austria. It's fantastic to have a home grand prix and I think what Dietrich Mateschitz has done in achieving this race and the amount of fans and spectators that there are here this weekend is great to see and it's great to see the enthusiasm that there is for Formula One in Austria.

Marco?

MM: It can be done more, definitely. But we have a tradition, we have a thousand of Ferrari fan clubs worldwide, we are dramatically increasing our digital experience, we have almost 12 million people on Facebook. But I think that has to be all the teams, a force, because working together in a synergic probably we can sell the product more. Definitely in the real life we have showcase car but I think today the younger audience spend a lot of time on the web, so I think probably to create an experience, even from a brand perspective, on the web is fundamental and we are working on this. So, that's important.

Franz, what are you doing?

FT: I think there's rarely a company involved in Formula One doing more than Red Bull. As Christian already mentioned Dietrich Mateschitz, Red Bull, bought the grand prix back to Europe, thanks and congratulations for this really fantastic event and for this extraordinary facility. And we from Toro Rosso are very closely linked to Red Bull and we have, for the next month, a couple of showcar runs in Russia – because we prepare Russia for the Grand Prix – Formula One is not very well known over there and we sent Daniil Kvyat there. In addition to this, next weekend he will be in Moscow for a press conference, there's also the Renault World Series race where he will be, just to promote the race for Russia. And we have a lot of sponsor activities in Europe with CEPSA but also in America and Canada with Nova Chemicals and I think Toro Rosso is pushing quite hard to satisfy the fans and make Formula One popular.

Monisha?

MK: Well, with the size of team we have, we don't have a demo team that we can go around and do these things – but we try to do whatever we can, particularly with our partners – like with the Telmex Group in Latin America, a lot of activities down there and that's where we try to support, of course, Formula One also with the race also coming up hopefully in Mexico to do something there. I think where we could do more is particularly around a race weekend. The smaller teams could get together with the others and make the crowds then benefit here more if our drivers would maybe do more – or we could just interact more with people.

Eric?

EB: Well, it's similar, y'know. We are engaging a lot through social media. We are doing some events, we have a demo team running. Jenson was doing a Russian tour as well last week to meet with the media and press conference – so we are almost activating the same.

Toto?

TW: Yeah, I'd like to add to that, social media is growing at an exponential rate with us. On good days we have more than 50,000 new likes on our Facebook site. We are almost having the size of the Mercedes audience and this shows that that audiences are probably transitioning towards other platforms. Whether you can monetise it in the same way, I doubt it...yet. In terms of activation, we do a lot. We have show car runs everywhere. Mercedes is just launching a big, global campaign around Formula One. You can see much more activation around Mercedes-Benz's motorsport activities globally – and this of course is to promote the team but also to promote Formula One everywhere in the world.

Q: (Kate Walker – crash.net) A lot of you mentioned social media in your responses. Now we saw in the Montreal weekend that the commercial rights holder had said that he viewed social media as a flash in the pan and something that didn't have the longevity to require our support. If we have the commercial rights holder working against social media, what can the teams do in the face of that opposition?

MM: This impression that the commercial rights holder is working against media, I think as every evolution, you need to do this carefully, considering that there is a financial model behind, to be migrated to a different way. Not necessarily you need to embrace everything without a proper thinking. There is a certain audience that can be interested that is present on social media and another audience that cannot be interested. So, I believe that there is work in progress and probably that will come up with some kind of solution in the short term but I didn't have the perception that he's working against social media.

Monisha, anything to add?

MK: I'm also not aware that he's so much against it. We know that it's taken a while for Formula One to do more in social media and it's a fact of life today. You can't ignore it. And since we do have a product which is characterised also that much by exclusivity, I think we have to be careful and assess very carefully how we open it and how we can still monetise on it because these are revenue streams which, if they come in correctly and the distribution is also the right way, it has, of course, an impact on all the other issues we are combating right now. So, it's all somehow connected – but you have to be careful when you open up to these kind of mechanisms.

Toto?

TW: What Monisha says is very true, because we have exclusive content and the commercial rights holder needs to have a long-term strategy about how to monetise the content and if you generate a billion out of traditional TV, you of course are struggling in the short term to give everything to the social media, or into the digital world where you can't generate revenue yet. So, I think we are at the verge of probably entering into a new era, where it's going to transition into the digital world – but you have to be very careful, you have to plan and you need to balance the interests of your current partners, and value your current partners, and at the same time make sure that you're transitioning the business case and the business model into the future.

Q: (Luke Smith – NBC Sports) Marco, we saw that Gene Haas was spending a lot of time in the Ferrari garage over the Montreal weekend. How are talks going regarding an engine supply and could I get maybe some views on his entry for 2016 with Haas Formula?

MM: We are doing some progress and naturally to enter in Formula One, it's a challenge. You need to be competitive and so I think there is, again, work in progress and probably a decision will be made in the coming weeks – but it is important, the positive thing I believe is to have Americans who start to look at investing in Formula One, it's really an important topic to stress – because this is, at the moment, the largest and most important economy in the world. So, it's a good sign that Americans start to look at investing in Formula One. Aside, if you look at Haas or someone else, I really welcome United States to look in Formula One.

Q: (Mikhail Rudoï – Autodigest Belarus) Question for Marco. When you have any difficulty or problems or working questions, do you call to Stefano Domenicali to get some maybe advice or do you do everything by your self?

MM: I think maybe the main characteristic of a good manager is to listen and to ask question. I think Stefano has been an asset of the company and is an important asset for me – so definitely I ask questions to Stefano. I listen to Stefano. At the same time I'm the one that makes the choice to bring a new direction within the team.

Q: (Dieter Rencken – Racing Lines) Gentleman and lady, after about a year's worth of meetings across the world, Formula One Commissions, whatever, the best that that the best brains in the most cerebral sport in the world could come up with was a couple of savings on wind tunnel time, a reduction on race team headcount of two, curfews increased by one or two hours per race weekend... and yet we're supposed to be talking about cost saving. Is this honestly the best that can be done and what sort of figure have you come up with. You're all business people, you must know roughly what the savings will be.

CH: Dieter, you're very ill-informed because we didn't reduce the number of people by two, we kept it at the same, so... Look, it's an interesting topic and you've followed this and written a lot of column-inches about it – but costs in Formula One are one element, the show is another and I think that you have to be careful not to make decisions that affect the show. And there were a lot of things that were tabled that, when put in front of promoters and other people that have a vested interest in the sport said, 'well hang on a second,' You shorten Fridays – and you guys were moaning about it as much as anyone – to say well that damages the show, that damages the promoters ability to sell tickets and put bums on seats. So, when you put a group in the room who all have vested interests, whether it's the commercial rights holder, the teams and the governing body, and you talk things through, then you realise well actually, while there is cost associated with it, by reducing it, we'll

create more harm than good. So, therefore, some decisions were made on Wednesday which I believe were in the best interests of the sport. Now, some of them aren't going to save any money – well, most of them aren't going to save any money but hopefully what we will get out of it will ultimately be a better show.

Monisha?

MK: Well, I said in the beginning that in my view not any measurable cost-reduction has been achieved so far – but I think we have to look at a bigger picture here which is that it's also been said before, we have to focus at the end of the day on the fans and on the consumers and we have to start right there: what image does Formula One have with them? And that's not a good image right now and that's where it all starts. So, if you find out what it is, you probably come at some point of time, then to points like the cost, that why do they think we may be burning money here. It's very difficult for somebody new to come into the sport today because the financial levels are very, very high. It's very difficult for established teams – private teams – to stay in the sport, even if you've done that for 20 years or more. So we have to try to tackle it from there and see, can we, can we do something on the costs? That's just one aspect of it. What can we do on the show? Because the revenues at the end of the day matter. If they are right. They are generated by the fans and the consumers, not by us teams – we're just spending the money out there. If that's right, all these other areas again will come into place because probably you're at a sensible level of costs, you can make it exciting again, keep a diversity in the sport, which the sport needs. So I think we have to just change a bit our view and having a bigger view on it than just focussing on costs.

Eric?

EB: Not much to say.

Anything to add Franz?

FT: No. As I mentioned already before, we had a regulation change, and a regulation change always will increase the costs. We have not to see how in the future it will come down, on parts or whatever with the costs. The most expensive part currently is the power unit. And once the manufacturers have stopped the research and development work because they have reached a certain level, I expect that these costs will come down, then we have some cost savings on the aerodynamic side and, as Monisha mentioned, that we get a balance with the interest of the people, that we don't lose people, because that's very, very important. Formula One has to stay on this very, very high level and then I don't see any problems for the future.

Q: (Ian Parkes – Press Association) You spoke well at the start about the need to engage with fans and then you touched on what you're currently doing with regard to that, but I've not really heard much so far by way of potential solutions as to what you could do for the future to draw the fans in. Obviously one of the successes in the past was the fans forum – for arguments' sake – which was run by the now defunct FOTA. Is there a possibility of somebody picking up that baton and running it again across all eleven teams, not just previously the FOTA teams? As I say, I'm looking for potential solutions now as to what you could do rather than what you're currently doing? To anybody who would like to start off.

TW: You're right, we need to explore all avenues and all opportunities. We had some pretty good discussions in the last meeting, engaging with the promoters and I think we need to continue to discuss that with the major stakeholders and Mr Montezemolo has started an initiative to put the most important stakeholders on the

table and evaluate all these opportunities. I guess besides a fan forum which for sure was a good idea, there are many other possibilities, be it in real life, be it on the internet or the media. We should look at everything.

MM: The digital world is changing every day. Every day there is a new opportunity. Definitely, it is important, as Toto will say, as our president Montezemolo has been saying, we need some kind of workshop, all the stakeholders, sponsors, teams to take time and to come up with a business model or strategy to engage more with the young generation, with a wider audience, which kind of channel to use. You can go to Twitter, to Google, every kind of new media. I don't think it's rocket science but you need to do things in a calibrated way because it's a very competitive arena where you have impressive sports like champions league, NBA or NFL that do a remarkable job so I think that you need not just say OK, let's embrace new media, you need to have a very clear marketing strategy that is going to make sure that all the stakeholders will have a return on it, so I think it requires time, it's a serious exercise and I think we started a process. So I'm extremely confident that we started a journey to go in that direction.

EB: There is no magic wand, you know, there are no secrets. You're obviously going to have to dig it out, you know, so you need to work and as long as we keep the discussion open and we know what we want to achieve we need to adjust to all the actions which is individual actions or around the track as well. As you said, there were some forums organised in the past, maybe it's going to come up again. It's just that we obviously need to adjust during this process where we are changing F1 for the future.

Q: (Christian Nimmervoll – Motorsport Total.com) To the representatives of the bigger four teams: the Le Mans 24 hrs last week generated a huge following, probably bigger than in previous years. Is any one of you guys considering a Le Mans programme in the future, or can you imagine to consider it?

TW: Well, you know, for Mercedes it's a tricky one. Past attempts weren't really successful. It's a serious exercise, if you consider the resources which are deployed to be competitive in Le Mans, it is at Formula One level, but nevertheless, as a racer, I must admit it's an amazing race. I spent three hours in front of the live timing and I couldn't move away because it was so exciting in the night, detrimental to my family life but very exciting indeed.

CH: How did your wife feel about you looking at live timing in the middle of the night?

TW: She was quite upset with me, actually.

CH: I bet she was.

CH: She was quite upset with me. And, erm... Now you've put me off. You've derailed me. So no plans to do Le Mans from our side.

CH: I was not looking at the live timing in the middle of the night. It was obviously a great race, exciting race. It shows that different technology can produce close racing. You've got a normally aspirated, a diesel engine very similar to what we have here and it was still close racing, so maybe there's a few things that Formula One can learn from it but I think that Le Mans was an exciting race, it was great to see our old driver, Mark Webber, doing very well. Unfortunate for him, with a couple of hours to go that obviously they ran into difficulties but it's a different thing. Le Mans is one race, it's a spectacle, it's a 24 hour race. Formula One is a totally different kettle of fish, it's a sprint race that happens 18/19 times a year but of course there's always things you can learn from other activities.

MM: First of all we were at Le Mans and we won the category with car 51, with a 458 so it was a remarkable achievement. Having said that, it's good to look at other series, what can be migrated to Formula One but Formula One is 19 races and I

believe that it is a worldwide platform so we need to consider that there is a very good base to start from. Having said that, myself, personally and my team, we are 100 percent focused on Formula One. I have to do my job here at the moment so I can't have this distraction.

EB: So no to your question, but it's true that Le Mans is a one event in itself. Obviously I've passed some years there so I know a little bit how it works and I did show up there on Friday just to have a look but there are a couple of things that we should look at how they run their hybrid energy storage and stuff like this. Maybe there is something we could learn and get into F1 but it's different racing.

Q: (Silvia Arias – Parabrisas) Talking about Le Mans, there are some rumours that maybe for the next year the races will start with the safety car in front. Would you like something like that, to improve the show or whatever?

MK: Well, not too long ago we've had quite a discussion on safety car starts and things like that so I think what we've now managed to agree there is the right thing I think. We should focus on what now we have changed for next year and see how that's going to affect the viewers and the show and then let's take it from there, so let's not just start getting wildly into actions and trying to just change because we need to do some action.

Q: (Flavio Vanetti – Corriere della Sera) To Marco Mattiacci: we had an interview by Luca di Montezemolo in the Wall Street Journal, then he dismissed the intention of Ferrari to quit Formula One but in case you don't see the changes you'd like to see in Formula One, can you consider the possibility to leave this world or not?

MM: I don't want to work with that perspective. I know that Formula One is about Ferrari, and that Ferrari is about Formula One. I want to work, we will work, the president will work in order to improve and to make sure that we will have a Formula One that will appeal to a wider audience, so at the moment I will not consider the scenario.

Q: (Peter Vamosi – Vas Nepe Kiadoi KFT) To all of you: how do you like Mr Montemolo's idea of introducing third cars in each team? Do you have a driver for that?

FT: First of all, we currently have eleven teams, 22 cars and as long as these eleven teams stay in Formula One, there's no reason and no need to bring in a third car.

MK: I agree with Franz. Were there to be a need, it wouldn't first of all be a good thing for Formula One because obviously then some teams would no longer be there. I think it's an interesting idea. The idea has always been coming up since a long while and maybe we could even use that to improve the show. I think there could be smart ways to see how you could actually use that car but the least problem I think we'd all have would be with the drivers. I think we all have enough.

EB: First, there is a limitation on the number of cars per race, so obviously if you would go, as Franz said, if you would go three cars per team now, there will be too many cars and that means that some cars would not race. I think the idea to run a third car is... unfortunately, if we had less teams, that could be a means to obviously run enough cars on the grid, but your question about drivers, don't worry, there are enough around.

TW: Yeah, I agree with what all three have said. At the moment we have eleven teams and hopefully they stay in Formula One but the past has shown, the last 50 years have shown that some teams come, some teams go. Nevertheless, if it falls below a critical level, which we estimate as a critical level, having a third car could be a way of filling up the grid and there could be interesting discussions about

promoting that, putting young drivers into the cars and we've had many of those discussions and I think you need to have a fallback scenario in case we are really running into difficulties, but our agenda right now needs to be to keep the grid as it is.

CH: Nothing really to add, it's not relevant at the moment.

MM: We have always been... we are in favour to have a third car, in particular if we understand the opportunity to give this car to a young driver, the other driver for different geography. I think looking to improve the show, I think it could be a great opportunity and we are in favour of this.

Ends