

August 2012 Sales Conference Call

September 04, 2012

**August 2012 Sales Conference Call
Tuesday, Sept. 4, 2012**

[August 2012 Sales Conference Call \(Audio Clip\)](#)

Toyota National Manager of Business and Field Communications Celeste Migliore:

Hello everyone and thank you for joining us to review Toyota's August sales.

Speaking today will be:

- Bill Fay, group vice president and general manager of the Toyota Division;
- And Tim Morrison, vice president of Lexus sales and dealer development.

Following the call, our communications team will be available to field any additional questions you may have.

Now I'd like to turn it over to Bill for a look at August results.

Bill Fay:

Thank you Celeste, and thank you all for joining us today.

I hope everyone had a great Labor Day Weekend.

The auto industry continued to outperform the general economy in August, with sales of nearly 1.28 million light vehicles, up 19 percent from year ago levels, on an unadjusted volume basis.

The seasonally adjusted annual rate should come in at a strong 14.5 million, matching February as the best month this year.

The retail sales story is even better, with the industry posting its best month in more than four-and-a-half years, with a retail SAAR of 12.4 million.

It should also be noted that August sales closed Friday night, so the Labor Day Weekend results – which were excellent for us by the way – will be included in the September reports.

Toyota, Lexus and Scion dealers outperformed the industry with sales of 188,520, up 45.6 percent.

For the second straight month, TMS was No. 1 in retail sales, as fleet sales made up just 2.7 percent of our total volume.

Now as we've noted the past several months, a portion of our growth reflects the recovery from Japan's earthquake and tsunami last year.

But the driving force behind our growth continues to be strong consumer response to the new models we've launched over the past 12 months.

Tim will fill you in on the big month for the new Lexus ES, GS and RX in just a moment.

For the Toyota Division, August sales of 164,283 were up 47.5 percent from last year.

Toyota also repeated as the industry's No. 1 retail brand for the sixth consecutive month.

One year after the new Camry was introduced, it continues to thrive in the industry's most competitive segment, and lead the Toyota surge.

August sales of 36,720 were up close to 22 percent from an excellent month last year.

For the year, Camry remains the best-selling car in America, with sales of more than 280,000, up 37 percent.

We packed the new Camry with added value when it was introduced a year ago and consumers continue to respond by buying more Camry for their dollar.

In fact, we noted early-on that the sporty Camry SE was the best-selling model in the lineup. It also was attracting new and younger buyers to the Toyota family with a median age of 45, fully eight years younger, than the previous model.

As a result we adjusted the production mix to improve SE availability and it now accounts for more than 40 percent of all Camry sales, replacing the LE as the best-selling model.

Prius, the other half of the new model one-two punch this year, saw sales top 21,000 in August, up 122 percent.

It was the first time since April that Prius topped the 20,000 mark and sales were up 26 percent from July, an indication rising gas prices had an impact on Prius results.

Corolla also benefitted from consumers looking for better fuel economy, combined with an improved inventory situation from a year ago. Sales of more than 24,300 were up 48 percent.

At Scion, the new FR-S continues to create excitement, with total brand sales up nearly 112 percent for the month.

Not only was the FR-S the fastest turning car in our lineup, it was the fastest turning car in the industry, according to Edmunds.com.

The tC led the rest of the division, with sales up 113 percent.

While concerns about gas prices had an impact on passenger car sales, the strengthening housing market is giving pickup sales a boost.

We had our best pickup month in four years as total sales topped 20,000 units for the fourth straight month.

Sales remained nicely balanced in August, with Tacoma coming in at just over 12,000 and Tundra at nearly 11,500.

Tundra also recorded its best month in four years, with sales up 68 percent from last August, a further indication of the growing full-sized pickup segment.

SUV sales were strong as well, RAV4 leading the way, with sales up 141 percent.

Finally, Toyota Certified Used Vehicle sales continue to lead the industry and set a new August record at nearly 29,000 for the month.

As I mentioned earlier, September is off to a great start and we're looking to keep the momentum going by adding to the Camry value story.

I can announce today we're making zero percent financing available on Camry this month.

Consumers have been responding to zero percent financing and it will continue to be available on Corolla, Avalon, Tundra, Venza, RAV4, Highlander and Sienna.

And thanks to strong residuals, Camry will continue to be available at lease rates of less than \$200 a month in most parts of the country.

In addition, virtually every model in our lineup will be available with great lease rates. In closing, August was a good month for the industry and a great month for Toyota.

September has opened strong, with excellent Labor Day Weekend results, and we're looking forward to the month ahead.

Now for a look at the Lexus results; I'll turn it over to Tim Morrison.

Tim.

Tim Morrison:

Thanks, Bill....

And thanks to all of you for joining us today.

August was an excellent month for Lexus.

We sold 24,237 vehicles, an increase of 34 percent over last year and 33 percent over July on a volume basis.

In fact, August was our best sales month so far this year.

Our newly launched cars and luxury utility vehicles continue to lead the way.

In its first month on sale, the all-new ES got off to a great start with sales of 7,557, more than 800 of which were the first-ever ES hybrid.

As hybrid production catches up, we expect it to comprise an even greater portion of the ES mix.

Dealers are turning ESs as fast as they can get them as loyal and new customers alike discover the unique combination of luxury, technology and value offered by the ES.

We sold over 8,600 RXs in August as the industry's best selling luxury utility vehicle continued to thrive in what has become an increasingly competitive segment.

But the strength wasn't limited to our high volume vehicles.

Virtually every Lexus model enjoyed significant sales increases over July on a volume basis.

Our LS flagship sedan enjoyed a resurgence with an increase of 47 percent over July.

Similarly, our LX luxury utility vehicle tallied increases of 68 percent over July and 66 percent over last August.

GS sales were 1,831 as our performance sedan continued to win new customers for Lexus.

Sales for GS are tracking at more than five times the levels of the model it replaced.

Year to date, we have sold over 150,000 vehicles, including more than 22,000 hybrids, putting us right on plan to reach our annual sales goals.

With a strong Labor Day weekend, the momentum continues into September, and we expect another strong month as we head into the Fall.

With that, we'll open it up to any questions you might have.