

September 2012 Sales Conference Call

October 02, 2012

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

TMS National Business and Field Communications Manager Celeste Migliore:

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

Both Bill and Tim are in Denver today for the Lexus dealer meeting, and we appreciate them making time in their schedule to join us.

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 September results.

Bill Fay:

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

The auto industry had another very encouraging month in September, with estimated sales of nearly 1.2 million light vehicles, up 12.5 percent from last year.

Even more importantly, that works out to a seasonally adjusted annual rate of 14.9 million units, the industry's best performance this year.

In fact, that's the best SAAR since March of 2008.

Toyota, Lexus and Scion dealers had an especially strong month, with total sales of 171,910, up 41.5 percent.

Our dealers got off to a great start over Labor Day weekend and that momentum carried through the rest of the month.

As a result, TMS was No. 1 in retail sales for the third straight month, with fleet sales making up just 5.6 percent of our total volume.

For the Toyota Division, September sales of 151,524 were up 42.3 percent from last year. Toyota also repeated as the industry's No. 1 retail brand, for the seventh consecutive month.

Camry led the way, with sales up 38 percent to nearly 35,000. Last September, the all-new 2012 Camry went on sale, and it has been on a roll ever since.

In the industry's largest, most competitive and fastest growing segment, buyers continue to respond to the value and innovation offered by Camry, and it has actually stretched its lead as the most popular car in America.

Camry sales now total nearly 315,000 for the year, more than we sold in all of 2011.

Now with gas prices hovering around four dollars a gallon in many parts of the country, both Corolla and Prius are benefitting from buyers in search of improved fuel economy.

Corolla sales were up 42.6 percent for the month and Prius surged 103 percent.

And Scion's blend of excitement and fuel economy pushed total sales for the brand up 76 percent.

On the truck side, RAV4 led the way, with sales up 80 percent from last year, when we had inventory shortages from the earthquake and tsunami in Japan.

Highlander wasn't far behind with sales up 45 percent.

Pickups also show continued strength with Tacoma up nearly 50 percent and Tundra up 40 percent.

Combined, pickup sales topped 20,000 units for the fifth straight month.

Finally, Toyota Certified Used Vehicles posted its second consecutive record month with sales of more than 28,000, a further indication of the overall strength of the market.

Looking ahead, we see continued stability in the marketplace with the industry on track for upwards of 14.3 million sales this year.

Buyers are responding to low financing options, and we'll be offering a wide range of zero percent and low interest rates loans in October. And thanks to strong residuals, Camry leases will once again be available at less than \$200 a month in most parts of the country.

Thank you very much for joining us today, and now for a look at the Lexus results, I'll turn it over to Tim Morrison.

Tim.

Tim Morrison:

Thanks, Bill...and thank you all for joining us today.

September was another great sales month for Lexus. The month got off to a strong start, sustaining the momentum from the August sales event, as customers continued to take advantage of the unique combination of luxury, technology and value offered throughout our lineup.

We sold 20,386 vehicles in September, a 36 percent increase over year-ago levels. In fact, this was easily our best September since 2007.

Through the first three quarters of 2012, we have sold 170,990 Lexus cars and luxury utility vehicles, a 26 percent increase over last year, keeping us right on track to reach our stated sales goal of 240,000.

On the car side, the all-new ES set the pace in its second month on sale. We sold 6,553 ES cars, and we're delighted to report that more than 20 percent of them were the first-ever ES Hybrid.

Customers are recognizing the great value of the ES hybrid, which offers 40 mpg and the lowest hybrid premium in our lineup.

The new RX led the way on the luxury utility vehicle side, with sales of 7,046 units, a 40 percent increase over last September.

Looking ahead, we have more great new product coming in the fourth quarter. Our new LS flagship sedan, including the first-ever LS F Sport, will begin arriving in dealerships in early November.

The arrival of the LS represents the culmination of a year in which we introduced nine new and significantly refreshed vehicles and three F Sport models, a near complete overhaul of the Lexus lineup. And we're just getting started.

Last week in Paris, we revealed the LF-CC coupe, the latest in a series of captivating Lexus design concepts. The response to the vehicle has been fantastic.

Stay tuned as we head into next year. We'll have more new product to share. But for now with improving business conditions, ample supply of great new product and an energized dealer body, we are very excited about the prospects for a strong finish to 2012.

Thank you, and I will now open it up to any questions you might have.