

January 2012 Sales Conference Call

February 01, 2012

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Wednesday, Feb. 1, 2012

Toyota Corporate Manager of Media Relations Steve Curtis:

Good afternoon and thank you for joining us today to review Toyota's January sales.

Speaking today will be:

- Bob Carter, Group Vice President and General Manager of the Toyota Division
- And Mark Templin, Group Vice President and General Manager of the Lexus Division

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 Bob for a look at Toyota's January results.

Bob Carter:

Thank you Steve.

Good day everyone, and thank you for joining us.

The momentum we saw building during the fourth quarter of last year picked up speed in January.

Industry sales should come in with a SAAR of about 14 million, up from December.

That's the industry's best start to the New Year since 2008 and another reason we're optimistic about the coming year.

For Toyota Motor Sales, total Toyota, Lexus and Scion sales of 124,540 were up 7.5 percent from a pretty good January of last year.

The Toyota Division was up 9 percent, thanks in part to a 56 percent jump in the all-new Camry.

Frankly, the Camry results could have been even better.

Not only is Camry retaining owners at record levels, the Camry SE is bringing in new and younger buyers at levels we have not previously experienced, with a median age of 45.

As a result, demand for the SE model continues to top the Camry lineup and we could have sold more in January if we had them.

So we're adjusting our SE production mix in order to better meet customer demand in the months ahead, going from about 8 percent for the previous generation Camry, to more than 40 percent for the current production mix.

And even though the new Camry hybrid didn't start arriving at dealerships until late last year, January sales of more than 2,100 were up 146 percent.

Those of you who have driven the Camry Hybrid know it's a special car.

And I'm sure being named best family sedan by Consumer Reports has provided an added boost.

We expect Camry Hybrid volume will continue to grow as availability improves, with a target this year of about 50,000 units.

Prius also had a good month, with sales up 8.7 percent.

Prius will add a new family member in March, when the new Prius c goes on sale.

I've been attending the Prius c launch meetings the past couple of days and the response has been very positive.

Value will be a big story, with prices starting under \$19,000.

That's about \$4,000 less than the current Prius Liftback, and less than the original Prius when it went on sales 12 years ago.

On the truck side, the Tacoma has been on a roll since it was updated last fall, and helped push total Toyota pickup truck sales up 9 percent in January.

Looking ahead, the marketing focus will continue on Camry in February.

It will be featured on two of the year's biggest sporting events, the Super Bowl and the Daytona 500.

The reinvented Camry will be the star of our first two Super Bowl commercials in three years.

A 60-second version of one commercial, which takes a tongue-in-cheek look at future reinventions we'd like to see, is currently available on our websites and YouTube.

Then later this month the best-selling car in America will serve as the pace car of the great American race, the Daytona 500.

The focus on new products will continue throughout the year as we introduce 19 new and updated products, more than at any time in our history.

As a result, about 40 percent of the vehicles we sell this year will be all new or significantly updated models, compared to just 7 percent last year.

In closing, January was an encouraging start to the year for both the industry and Toyota.

We expect the gradually improving economy will continue to bring buyers back into the marketplace, at the same time our influx of new models are arriving at dealership.

Now I'd like to turn this over to Mark Templin for a look at the Lexus results.

Mark Templin:

Thank you Bob and good day everyone.

Coming off our strong December to Remember, when we turned our inventory faster than we have in 2 ½ years, January sales for Lexus were pretty good.

We sold 12,274 vehicles, down 4.6 percent from last January. While SUV sales were down 15 percent due to low inventory, our car sales were up 9 percent.

The best news is that today is the first day of February, which means that our plans for the year are kicking into high gear.

If you remember, we said we'd launch nine new or updated models plus three F SPORT vehicles this year. Well, three of those new arrivals are at dealerships now.

The LX luxury utility vehicle that we showed in Detroit, the GS sports sedan and the GS F SPORT are being delivered right now and customers soon will be driving them off dealers' lots.

Customers will be introduced to the GS in a big way this weekend when our first-ever Super Bowl spot airs.

While the GS is the star of the spot, it also showcases the new look of Lexus and hints that there's much more to come.

In a way, the commercial is a 30-second version of our priorities for the first quarter of 2012.

Through the first three months of this year, we'll be focusing on three things:

- Launching the all-new 2013 GS, GS F SPORT and LX
- Showing the bold new Lexus, which includes our dedication to creating more emotional designs, and incorporating improved driving dynamics into our cars
- and elevating the customer experience even more as we prepare for new products throughout the year.

Keep an eye on us because we've got an exciting year ahead with lots of good news to share.

Now I'll open it up to questions.