



TO: Western Area Dealers

Date: December 20, 2011

SUBJECT: 2013 GS 350 Pricing Announcement

Lexus is excited to announce the introduction of the all-new 2013 GS 350. The new GS combines bold, dynamic styling, precise handling, innovative technology and luxurious amenities in a spacious interior. And to take GS driving performance to a new level, a factory engineered GS 350 F SPORT is available to appeal to the most discriminating driving enthusiast. The 2013 GS 350 has a starting price of \$46,900, the same price as the current model. The new GS series will give mid-size luxury buyers what they want, an engaging driving experience and styling that makes a big statement.

GS 350

The 2013 GS expresses a new generation of Lexus' design philosophy and will lead the rest of the Lexus lineup in a new, bold direction. The GS signature front grille evolved from current Lexus styling and fully integrates into the aggressive front bumper. This distinctive design feature combined with high-tech headlamps and L-shaped LED daytime running lamps provides the GS with a confident and dynamic style.

Along with the new design direction, the GS 350 delivers spirited driving confidence, with a redesigned chassis and a wide, strong stance. Inspired by the LFA super car, key elements are carried over to the new GS to provide a more engaging driving experience, including a completely new platform with a stiffer structure, a transmission with quicker shifts, distinctive engine sound and exhaust notes, and better seat support. The new suspension system is specifically designed to help guide the 2013 GS through corners with precision.

The GS is powered by a 3.5-liter V6 with dual Variable Valve Timing with intelligence (VVT-i). At 306 horsepower, it's one of the most powerful base engines in the segment. It propels the GS from 0-60 mph in 5.7 seconds and at the same time, fuel economy has been improved. The six-speed sequential shift automatic transmission has paddle shifters and sport driving functions as standard equipment.

The GS' new transmission adopts features from the IS F high performance sedan to support four driving modes operated by toggling the new Lexus Drive Mode selector. In addition to the Normal mode, the driver can customize the driving experience using ECO, Sport S and Sport S+ (available on some models). The GS also offers an electronically controlled all-wheel-drive system designed to enhance traction in a variety of driving conditions.

GS 350 F SPORT

The all-new GS 350 F SPORT offers customers more agility and an aggressive appearance. Racing-inspired F SPORT components were precision engineered providing quality performance without compromise. The GS 350 F SPORT Sport S+ mode engages handling enhancements via a sport setting of the adaptive variable suspension, steering system, and vehicle stability control (VSC) together with the powertrain enhancements of Sport S mode.

The GS 350 F SPORT separates itself in the GS line-up with distinctive exterior details. To display its aggressive attitude, the F SPORT model is outfitted with a sport bumper, and rear lower valence, rear lip spoiler, unique mesh grille inserts and F SPORT badging. Unique to the F SPORT are 19-inch wheels and F SPORT-tuned Adaptive Variable Suspension (AVS). In addition, the rear-wheel drive model is equipped

with 19-inch staggered tires, 235mm front / 265mm rear - the widest rear tires ever on a Lexus sedan, Variable Gear Ratio Steering (VGRS) and new larger front brakes with high friction pads. The GS FSPORT interior features a new 16-way driver's seat and an aluminum interior design treatment.

GS LUXURY

The 2013 GS provides more overall space for all passengers with a balance of luxurious and technological amenities that loyal Lexus owners expect. Standard luxury features on the new GS are perforated leather-trimmed interior, 10-way front passenger power seats with driver's seat memory, premium contrast stitching on instrument panel, seats and door panels, next-generation Remote Touch with one-push confirmation that operates climate, audio, phone controls, TFT multi-information display and an auto climate control system called S-Flow that uses occupant-detection sensors to focus air flow to the front area where passengers are actually seated, a first-in-class feature.

To elevate GS luxury, the available Luxury Package features include semi-aniline leather, 18-way power front seats with passenger seat memory, wood and leather trimmed steering wheel, three-zone automatic climate control, rear climate and audio controls and rear door side sunshades and Adaptive Variable Suspension (AVS). And, the new GS will introduce the world-first 12.3-inch high-resolution split screen display for the available navigation system with next-generation Lexus Enform.

Pricing

Lexus is pleased to announce that base MSRP remains the same for the new GS 350 at \$46,900. The base MSRP is an incredible value with over \$1,400 of spec added as standard equipment like bi-xenon HID headlamps with LED DRLs, paddle shifters, back-up camera, a new multimedia system and much more (see Attachment for more features). The GS 350 AWD model starts at \$49,450 MSRP which is below MBE350 and BMW 535i. This strong base price position will appeal to our loyal owners while providing great conquest opportunities that will continue to bring in new buyers.

Model	MSRP
GS 350	\$46,900
GS 350 AWD	\$49,450

See the Attachment for more pricing and features detail.

Marketing Campaign

Pre-launch marketing plans focused on increasing GS awareness with media and consumers. Pre-launch activities started in April 2011 with the LF-Gh concept reveal in New York City, followed by "Meet the Engineer" media drives and the GS World Premiere at Pebble Beach. These events created 8.3 million consumer impressions, garnered positive early media reviews and generated 600K video views and total of 36K handraisers.

The second phase of pre-launch focused on building consideration and converting handraisers. From October, the GS was displayed at consumer events across the country. In early November, the GS FSPORT was revealed at SEMA in Las Vegas which included a media and consumer ride-along activity followed by the GS series debut at the L.A. Auto Show.

To support a successful launch, the new GS will have a fully integrated marketing launch campaign (4 launch TV spots, radio, print, OOH, banners). The campaign will kickoff with an exciting TV spot to air on February 5th for Super Bowl XLVI. To take advantage of the buzz created from the launch campaign, we will conduct GS Consumer Performance Drives in multiple cities nationwide beginning in mid-February.

Effective Timing

- Pricing announcement to the public is scheduled for Wednesday, December 21, 2011.
- Tentative launch date of the GS 350 is February 2, 2012.

Pricing Summary Documents

Updated price guides will be available in the "Secure Area" for Dealer Principals on Dealer Daily. Please contact your District Sales Manager with any questions.

Sincerely,

A handwritten signature in black ink, appearing to be 'Jon Heriford', written in a cursive style.

Jon Heriford
Vehicle Supply Manager