Volvo Car Corporation Records Profits In 2010 – And The Positive Trend Continues In Q1 2011

The full year result for 2010 shows an operating EBIT (earnings before interest and taxes) of 2,340 million SEK, an improvement of 7,525 million SEK compared to prior year. "I am very pleased to see that all of the dedication and efforts within the company is generating bottom line results. During 2010, we witnessed a turn-around in the car market and we have now returned to profitability", says Stefan Jacoby, President & CEO, Volvo Car Corporation.

The operating improvement of 7.5 billion SEK is explained primarily by higher volumes and favourable net pricing, partially offset by increased costs. 2010 revenue was 113 billion SEK, a 17.4 billion SEK increase from a year ago.
Retail sales increased by 11.6 percent to 373,525 units, compared to 334,808 units in 2009. In China sales improved versus 2009 by 36.2 percent and in Nordic region by 29 percent. Europe grew by 10.4 percent and market share improved by 0.14 percentage points to 1.2 percent. In the US, volumes decreased by 12.2 percent to 53,952 units, compared to 61,246 in 2009.

Improved sales are mainly driven by an excellent product portfolio and strong market strategies:

- Successful launch of the all new S60 and V60
- Continued global success for the XC60 crossover, Volvo Car Corporation’s best selling model
- Strong demand for Volvo Car Corporation’s range of fuel efficient DRIVe vehicles in Europe

For the first quarter 2011, Volvo Car Corporation recorded an operating EBIT of 640 million SEK. This is an improvement of 280 million SEK compared with quarter 1 2010, explained primarily by improved sales, marketing efficiency and a controlled increase of costs. Cost development is explained by investments in marketing and engineering to support Volvo Car Corporation’s expansion plans. Retail sales improved by 13.7 percent to 106,827 units.
Volume growth was recorded in all regions - Nordic improved by 22.9 percent, China by 10.5 percent, North America by 9.1 percent, Europe by 9.7 percent and Rest of World by 27.6 percent, compared to 2010. Market share increased in Nordic and in Europe by 1.09 percentage points and 0.09 percentage points respectively.

For full year 2011, sales are forecasted to continue to grow. Volatility in exchange rates and an uncertain development of raw material prices may impact results. Production in both the Torslanda plant and Gent plant will be increased, and Volvo Car Corporation recently announced the need to recruit 1,200 new employees to support expansion plans, mainly within Research & Development.
In China, Volvo Car Corporation plans a new factory in Chengdu, a new Chinese head office with support functions in Shanghai, and a strengthened dealer structure.

For questions please call:
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Keywords:
Press Releases,Sales Volumes,Corporate

Descriptions and facts in this press material relate to Volvo Cars' international car range. Described features might be optional. Vehicle specifications may vary from one country to another and may be altered without prior notification.

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