



VOLVO CAR GROUP

Press Release

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Production of Volvo's first ever small premium SUV begins in Belgium

A new era starts for the Volvo Cars plant in Ghent, Belgium today as the first customer-bound XC40 small SUV is set to roll off the production line.

The new XC40, for which the company has already received over 13,000 orders, is Volvo Cars' first ever small premium SUV. The first customers can expect to take delivery of their new XC40 early next year.

With the XC40, Volvo Cars enters the fastest growing segment in the automotive industry and the car paves the way for continued sales and revenue growth for the company. Joining its larger XC60 and XC90 cousins, the XC40 completes Volvo's global SUV line-up.

The arrival of the first XC40 will be welcomed by a number of high-profile guests, including Belgian Prime Minister Charles Michel, Volvo Cars chief executive and president Håkan Samuelsson and Javier Varela, Senior Vice President Manufacturing and Logistics at Volvo Cars.

"This is a proud day for Ghent, the company and all our employees here," said Mr Samuelsson. "Our people have put in long days and many hours to prepare the plant for the start of XC40 production and they have done a great job. The XC40 represents a bright future for Ghent and for Volvo Cars."

The new XC40 is the first model on Volvo Cars' new modular small car platform, the Compact Modular Architecture (CMA), which will underpin all upcoming cars in the 40 series. The CMA platform, co-developed with Geely, will provide Volvo Cars with the necessary synergies and economies of scale for the small premium car segment.



Preparations for the production start of the XC40 in Ghent have been ongoing for a long time. Considerable investments in recent years have transformed the Ghent plant into a global export hub for CMA-based cars, including an 8,000 square metre addition to the body shop.

A total of 363 new robots have been installed, including one which has been nicknamed “the Beast” by Ghent employees. This large robot, unique within Volvo Cars’ global manufacturing system, is used to lift lower car bodies to a conveyor belt close to the ceiling of the plant.

Ghent is one of two car manufacturing plants operated by Volvo Cars in Europe and has produced Volvos since 1965. Until recently it produced the first generation of Volvo’s best-selling XC60 mid-size SUV, while the Ghent plant also builds the V40 and V40 Cross Country small hatchbacks as well as the S60 and V60.

Volvo Cars’ other European plant is located in Torslanda in its home country Sweden. The company also operates two vehicle manufacturing plants in China, while a US plant is under construction in the state of South Carolina and slated for opening in the second half of 2018.

Volvo Car Group in 2016

For the 2016 financial year, Volvo Car Group recorded an operating profit of 11,014 MSEK (6,620 MSEK in 2015). Revenue over the period amounted to 180,672 MSEK (164,043 MSEK). For the full year 2016, global sales reached a record 534,332 cars, an increase of 6.2 per cent versus 2015. The record sales and operating profit cleared the way for Volvo Car Group to continue investing in its global transformation plan.

About Volvo Car Group

Volvo has been in operation since 1927. Today, Volvo Cars is one of the most well-known and respected car brands in the world with sales of 534,332 cars in 2016 in about 100 countries. Volvo Cars has been under the ownership of the Zhejiang Geely Holding (Geely Holding) of China since 2010. It formed part of the Swedish Volvo Group until 1999, when the company was bought by Ford Motor Company of the US. In 2010, Volvo Cars was acquired by Geely Holding.

As of December 2016, Volvo Cars had over 31,000 employees worldwide. Volvo Cars head office,

product development, marketing and administration functions are mainly located in Gothenburg, Sweden. Volvo Cars head office for China is located in Shanghai. The company's main car production plants are located in Gothenburg (Sweden), Ghent (Belgium), Chengdu and Daqing (China), while engines are manufactured in Skövde (Sweden) and Zhangjiakou (China) and body components in Olofström (Sweden).