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## VOLVO CAR GROUP

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### Press Release

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### **Volvo Cars reports record sales in 2017**

Volvo Cars, the premium car maker, reports record sales in 2017, as global sales rose 7.0 per cent compared to 2016 to 571,577 cars, driven by growth in all regions.

Sales of the new XC60 and the 90-series cars were the main drivers, highlighting the effect of Volvo Cars' in-house developed Scalable Product Architecture, a modular vehicle architecture, in terms of design, technology and brand.

In the Asia Pacific region, sales grew by a strong 20.9 per cent on the back of a record performance in China, Volvo's largest market, where sales increased 25.8 per cent compared with 2016. Meanwhile sales in the Europe, Middle East and Africa region grew by 3.3 per cent in 2017 compared to 2016, while the Americas region grew by 0.7 per cent.

2017 was an important year for Volvo Cars in many ways. The new XC60, which replaced the company's best-selling model and the best-selling mid-sized SUV in Europe, premiered at the Geneva Auto Show in March.

Volvo Cars also announced that it would place electrification at the core of its future business and stated that every car it launches from 2019 will have an electric motor, marking the end of cars that only have an internal combustion engine.

In a further commitment to electrification, Volvo also launched Polestar, a new stand-alone electrified car brand fully consolidated within the Volvo Car Group.

During the course of the year, Volvo Cars also deepened its partnership with Geely Holding via the creation of a joint venture technology company to provide the economies of scale that will allow them to more rapidly develop next generation electrified vehicle technology. Volvo also announced it would take a 30 per cent stake in Geely's new LYNK & CO car brand, based on the two entities' joint Compact Modular Architecture.

September saw the introduction of the XC40, Volvo's first offering in the fast growing small SUV

segment. Volvo also invented a new model of car access with its 'Care by Volvo' subscription service, making having a car as transparent, easy and hassle free as having a phone. A concept introduced with the new XC40.

Volvo Cars continued construction on a new manufacturing plant in South Carolina, its first in the United States, and it was announced that the plant would, in addition to the upcoming S60 mid-sized sedan, build the next generation XC90 from 2021. This takes Volvo Cars' total investment in its US manufacturing operations to over USD 1.1 billion and will raise the total of new jobs created at the Charleston site to nearly 4,000.

Late in the year, Volvo Cars opened up an entirely new market as it signed a framework agreement with Uber to sell tens of thousands of autonomous driving compatible base cars to the ride-hailing company between 2019 and 2021.

Retail sales status (deliveries to end customers) for Volvo Car Group is as follows:

	December			January - December		
	<u>2016</u>	<u>2017</u>	<u>Change</u>	<u>2016</u>	<u>2017</u>	<u>Change</u>
<b>Region EMEA</b>	35,450	32,905	-7.2%	310,821	320,988	3.3%
Sweden	7,726	7,698	-0.4%	70,268	74,397	5.9%
<b>Region Asia-Pacific</b>	13,834	14,279	3.2%	126,314	152,668	20.9%
China	10,171	10,066	-1.0%	90,930	114,410	25.8%
<b>Region Americas</b>	11,520	11,342	-1.5%	97,197	97,921	0.7%
USA	10,127	9,679	-4.4%	82,720	81,504	-1.5%
<b>TOTAL</b>	60,804	58,526	-3.7%	534,332	571,577	7.0%

### **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).*