

 **Volvo Bus Corporation**

Press Information

# Higher sales for Volvo Buses

Volvo Buses reported a substantial increase in deliveries for the third quarter, compared with the year-earlier period. A total of 2,954 buses were delivered, which is an increase of 37%.

The total bus market in North America and Europe continues to display a negative trend, while South America and Asia expands rapidly.

The bus market in Europe remains weak, with tough competition and is not expected to recover during 2011. In North America, the city-bus market declined as a result of the budget restrictions that still prevailed in the cities. There are indications of some increase in the coach market but at a lower rate than anticipated.

In Mexico, the total bus market rose significantly during the year but from a very low level in 2010. The total bus market in Brazil increases, driven partly by prebuying before the transition to Euro V, and several on-going BRT (Bus Rapid Transit) tenders in the cities. In the rest of South America, the city-bus market is also positive.

## Higher deliveries but lower order intake

Deliveries during the third quarter of 2011 amounted to 2,954 buses, compared with 2,151 in the year-earlier period, up 37%, with South America accounting for the largest increase. The order intake for the third quarter amounted to 2,580 buses, compared with 2,845 buses in the year-earlier period, down 9%.

During the quarter, a number of significant orders were received, including 90 buses for commuter traffic in New York City. This means a step into a completely new bus segment in New York City. In Mexico, an order was received for 54 buses, of which eight hybrid buses. These are the first Volvo hybrids in traffic in Mexico and outside Europe. In addition, another order was signed for 91 buses to Nobina in Norway, of which 32 hybrid buses, which will be put in operation in Tromsö.

## Improved sales

Net sales in the third quarter rose 12% to SEK 5,157 M (4,594). Adjusted for currency fluctuations, net sales rose 21%. Operating income for the third quarter amounted to SEK 185 M (155). Compared to the third quarter of 2010, operating income was negatively impacted by changes in currency exchange rates in an amount of SEK 46 M. The operating margin was 3.6% (3.4).

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