



Volvo Bus Corporation

Record year for Volvo Buses

The year 2011 was a record year for Volvo Buses! Deliveries were up 29%, which means 4200 units delivered in the fourth quarter. Volvo Buses almost delivered 1000 units more than the same quarter 2010, though hard market conditions. Net sales increased by 19% in Q4, mainly due to South America.

Weak markets in North America and Europe, growth in South America

During the fourth quarter, the European bus market was at the same low levels as in 2010. In North America, the total bus market remained weak. The city-bus market declined 17% in 2011, when cities' investments in new buses were very restricted. The coach market in North America increased 25% from an exceptionally low volume in 2010.

In South America, demand remained strong, with approximately 30% higher volumes in heavy buses, compared with 2010. In Mexico, the total bus market increased from very low levels in 2010.

The market for heavy buses in China grew 13% in 2011, compared with the year-earlier period.

Record deliveries in fourth quarter

Deliveries in the fourth quarter of 2011 totaled 4,172 buses, up 29% compared with 3,230 in the year-earlier quarter. South America accounted for the largest increase. Order intake for the fourth quarter amounted to 3,941 buses, up 7% compared with 3,677 in the year-earlier period.

During the quarter, Volvo Buses signed its largest order ever in Columbia, 688 buses for Bogota. A new bus range, consisting of one city bus and two coaches, was launched in India.

Sales and earnings increased

Net sales for the fourth quarter increased 19% to SEK 6,680 M (5,602). Adjusted for currency fluctuations, net sales rose 22%.

Operating income improved to SEK 295 M (221). Compared with the year-earlier period, operating income was positively impacted by higher volumes, and improved market mix. Compared to the fourth quarter of 2010, operating income was negatively impacted by changes in currency exchange rates in an amount of SEK 22 M. The operating margin increased to 4.4% (3.9).

- Deliveries increased 29%
- Continued negative market trend in North America and Europe, but growth in South America
- New bus range launched in India

| Net sales by market area | Fourth quarter | | | Year | | |
|--------------------------|----------------|--------------|-------------|---------------|---------------|-------------|
| | 2011 | 2010 | Change in % | 2011 | 2010 | Change in % |
| Europe | 2,225 | 1,581 | 41 | 7,009 | 6,242 | 12 |
| North America | 2,167 | 1,885 | 15 | 7,541 | 7,200 | 5 |
| South America | 1,001 | 582 | 72 | 2,721 | 1,737 | 57 |
| Asia | 833 | 947 | (12) | 3,027 | 3,299 | (8) |
| Other markets | 454 | 607 | (25) | 1,991 | 2,038 | (2) |
| Total | 6,680 | 5,602 | 19 | 22,289 | 20,516 | 9 |

For further information, please contact Christina Fjellman, VP, Corporate Communications, tel. +46-70-2696010, e-mail: christina.fjellman@volvo.com