Volvo Car Group sees realistic possibilities to reach break-even in 2013

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Operating result in first half of 2013 of SEK -577 million
Cost levels decreased in all areas following 2012 cost reduction programme
Result in line with Group target to reach break-even for the full year
Volvo Car Group today reports an operating result for the first half year of 2013 of -577 MSEK (349 MSEK). Revenue over the period amounted to 56, 364 MSEK (65,411 MSEK). The result is in line with expectations and the Group sees realistic possibilities to deliver a break-even operating result for the full year.
The first six months of 2013 were characterised by strong growth in China and continuing challenging market circumstances in the mature markets of Europe. Overall, lower volumes and higher levels of discounts as well as unfavourable exchange rate developments negatively impacted sales and earnings. During the period, the Group continued its transformation and investment programme for the future.
More information on Volvo Car Groups results over the first half of 2013 can be found in the Group's Financial Report January-June 2013. The report contains more details on developments in Volvo Car Groups various markets, as well as in-depth financial information. The full report is available for download here.
"The result is as expected and in line with the challenging targets we have set ourselves, says Håkan Samuelsson, President and CEO of Volvo Car Group. "We are adjusting to market circumstances by implementing a cost-savings programme and reviewing costs in all areas of our business. We have realistic possibilities in achieving our objectives for 2013: sales on par with last year, reaching break-even and maintaining the pace of implementation of our long-term transformation programme.
Outlook
The second half of 2013 is expected to generate higher sales volumes and margins for the Group, as the six renewed models as well as the new powertrain family Drive-E meet markets fully. For the full year, sales volumes for Volvo Car Group are expected to be in line with 2012. Growth is expected in China, whereas the European market is expected to continue to be challenging. In the US, sales are expected to remain at similar levels to last year due to a highly competitive environment.
"We are not compromising on our transformation programme, the largest of its kind in the history of Volvo Car Group, says Håkan Samuelsson. "In Sweden we are investing significantly for the start-up of the next-generation models on our new, in-house developed vehicle architecture SPA. In China we approach the start of production in our new plant in Chengdu, a milestone in Volvo Car Groups history.
About the Volvo Car Group Financial Report January-June 2013
The financials in the Financial Report January-June 2013 refer to the consolidated business result of Volvo Car Group. This includes Volvo Car Corporation, its parent company Geely Sweden AB, and all its subsidiaries. In Sweden, audited annual reports for Geely Sweden Holdings AB, Geely Sweden Automotive AB, Geely Sweden AB and Volvo Car Corporation are filed with the authorities on an annual basis. The consolidated financial statements of Geely Sweden AB represent the Volvo Car Group business performance.

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