

Press Release

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Growing demand for AWD a factor in Volvo sales success

For immediate release

From a standing start just a few years ago, the Volvo all-wheel drive feature has gained market traction and a legion of devoted fans that today can enjoy the benefits of secure, all-road traction in every model in the company's range in 2005.

Since its quiet introduction on the Volvo 850 wagon line in the late 1990s, sales of vehicles with the all-wheel drive feature have steadily grown as a percentage of the sales of Volvo vehicles in Canada. By the end of 2004, nearly two-thirds of vehicles sold by Volvo Cars of Canada Ltd. were delivered with the AWD badge. The percentage continues to grow, making Canada one of the most successful markets for Volvo AWD in the world.

Sales of all-wheel drive Volvos have also clearly out-paced the growth in popularity of the feature in the market. In the period 2000-2003 inclusive, sales of premium all-wheel and four-wheel drive vehicles grew from about 28,300 units to more than 54,400 units – nearly double. Volvo AWD sales have grown at an even greater rate.

Back in 1999, barely 14 per cent of the Volvo cars (less than 1,200 units) sold that year were equipped with AWD, when the S70 sedan and V70 wagon offered the feature as an available option. The figure slipped to 10 per cent the next year, when Volvo Car Corporation began the transition to its new large car platform. From 2001, the numbers grew dramatically: 18 per cent of vehicles had AWD that year, leaping to 31 per cent of sales in 2002. By the end of 2003, fully 52 per cent of new Volvos (more than 5,600 units) were delivered with AWD. In 2004, about 60 per cent of Volvo vehicles (more than 6,500 units) were equipped with AWD as either standard equipment or as an available option.

During that same five year period, Volvo sales in Canada grew from 8,526 units to 11,135 units in 2004, an increase of 30 per cent.

“We identified all-wheel drive as an important part of the security of ownership that many of our buyers seek in a Volvo,” says Larry Futers, vice president of marketing for Volvo Canada. “But its appeal goes far beyond peace of mind on a snowy road. All-wheel drive gives families the ability to unlock a host of recreation and sporting adventures that are increasingly a part of an active lifestyle. Sure, it's security, but the appeal of AWD is also safety and performance and adventure.”

More than any other model, the popular Volvo XC70 Cross Country embodies that unique blend of security, safety and adventure, so it is no surprise that the XC70 with standard AWD was a significant factor in the growth of all-wheel drive sales. The introduction of the award-winning XC90 sport utility vehicle also helped propel the growth of AWD. (The AWD feature is also an option in the all-new V50 T5 wagon, and in the V70 2.5T wagon.) But the appeal of AWD goes beyond rugged, versatile and sophisticated wagons: the entire Volvo line offers AWD as standard equipment or an available option in 2005.

“Security and luxury make perfect sense together,” says Futers, “so the S80 AWD is an obvious extension of our all-wheel drive strategy. But performance and all-wheel drive are natural together,

too, so the S60 R (and V70 R) represents the perfect execution of a vision of driving excitement that is uniquely Volvo.”

“Volvo and all-wheel drive just go together,” says Futers.

While the sales of Volvo all-wheel drive vehicles has grown everywhere across Canada, urban areas have experienced some of the greatest growth. In the 2000-2003 period, sales of Volvo AWD vehicles improved six-fold in Vancouver and the Lower Mainland of B.C.; Metro Toronto sales improved at a similar rate. Sales in the greater Montreal area, the best market for Volvo AWD, accelerated at about the same pace.

“That says to us that the appeal of all-wheel drive goes far beyond security in winter driving,” says Futers. “We see growth in almost every market, and that says that buyers see AWD for all its virtues. Different customers may see AWD differently. Some may value it for security, some for performance, and some simply because it gets them to where the fun is. But whatever their view of Volvo AWD, we know its appeal to customers grows more every year.”

Volvo Cars of Canada Ltd. is part of the Volvo Car Corporation of Göteborg, Sweden. The company provides marketing, sales, parts, service, technology and training support to the 44 Volvo automobile retailers across the country. The company’s product range includes the flagship S80 luxury sedan, the versatile V70 wagon, the S60 sports sedan, and an XC-line of vehicles that includes the rugged XC70 and the award-winning XC90 sport utility vehicle. For 2005, the company is introducing the completely redesigned S40 sports sedan and V50 sportswagon, providing performance for a new generation.

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