

Press Release

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VOLVO USED CAR PRICES STRENGTHEN ACROSS THE RANGE

Volvo Car UK has seen used car prices strengthen across its range over the past four months following a change in strategy for used car disposal.

Volvo has traditionally sold all of its 6-12 month old used cars direct to its dealer network through closed physical and online auctions run by British Car Auctions (BCA). Since October 2006, Volvo used cars have been available through BCA open auction, with an average of 20% being snapped up by buyers from outside the dealer network.

This positive demand is reflected in used car valuation guides from both CAP and Glass's, with increases on some models of up to £900 between December and April 1. These impressive results have immediately catapulted Volvo into BCA's top ten sellers list, with cars in auction stock for just five days on average before they are sold.

John Wallace, Volvo's Corporate Sales and Leasing Manager, comments: "Our recent used car performance demonstrates that second hand buyers clearly welcome the opportunity to buy Volvo used cars and have paid very strong prices.

"The knock-on effect of higher residual values is lower contract hire rates for company car fleets as well as reduced Personal Contract Purchase (PCP) costs for retail motorists. The high speed at which we have turned our cars into cash has also improved our used car bottom line," he added.

Future used value predictions have also improved. CAP shows that a Volvo S40 2.0D S will achieve a trade value of 46% of its original list price after three years and 60,000 miles. CAP also predicts a Volvo V50 Sportswagon 2.0D S at two and a half years and 60,000 miles will achieve 54%, boding well for the benchmark three year value. The Volvo XC90 maintains its strong residual value of 61% after three years, 60,000 miles.

Volvo's used car performance has been reinforced by recent wins at the 2007 *Auto Express* Used Car Honours. The Volvo XC90 won the off road 4x4 category and the Volvo V50 and S60 were both commended in the Estate Car and Compact Executive categories respectively.

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1. Residual value guides, April 2007

Glass's Guide values the 05/05 plated Volvo S60 D5 SE Geartronic at £14,925, a £900 increase on its December valuation and the 05/55 plated Volvo V50 1.8 petrol SE has risen by £175 to £12,800 in the same period.

Descriptions and facts in this press material relate to Volvo Car UK's car range. Described features might be optional. All information is correct at time of going to press and may be altered without prior notification.

