Volkswagen Targeting Revenue Rise In 2012

The Associated Press

BERLIN (AP) — Volkswagen AG, Europe's biggest carmaker by sales, said Monday it was targeting a further increase in deliveries and revenues in 2012 despite difficult trading conditions in some European countries.

Volkswagen, which overtook Japan's Toyota last year to become the world's second biggest car company by total deliveries behind General Motors, sold nearly 8.3 million vehicles last year, a 14.7 percent rise from the previous year's figure. In doing so it pushed above 8 million for the first time ever as well as overtaking Toyota, whose supply chain was hit by the devastating earthquake and tsunami a year ago.

The company also said it expects to increase deliveries again in 2012, helped by new models across the group, which includes brands such as SEAT, Bentley, Lamborghini, and Skoda. It also said it expects higher revenue, though it gave no precise figure.

Volkswagen said its goal for operating profit this year is to match last year's €11.27 billion and that cost controls will play a key role in the face of an "increasingly stiff competition in a challenging market environment, especially in certain European countries." A number of European countries are heading for recession in light of the debt crisis that's been ravaging the single currency zone. Even Germany, Europe's richest economy, has not been immune. In the final three months of 2011, it contracted by a quarterly rate of 0.2 percent.

Volkswagen shares were 2 percent lower at €139.95 in early afternoon Frankfurt trading.

The company's latest update came as it confirmed preliminary full-year figures, which showed earnings in 2011 were boosted by accounting factors related to the company's stalled takeover of Porsche. For the whole year, Volkswagen net earnings hit €15.41 billion, more than doubling the previous year's figures. Revenues rose 26 percent to €159.34 billion.

Fourth-quarter revenues rose by a quarter to €43.06 billion from €34.33 billion but net earnings fell 32 percent against the same period last year to €2.16 billion ($2.8 billion). It didn't detail reasons for that change.

The company's record full-year performance helped nearly double CEO Martin Winterkorn's pay.

In its annual report, VW said that it totaled €17.46 million, compared with €9.33 million in 2010. The rise was fueled by an increase in Winterkorn's bonus to €11 million from €4.8 million.

The eight-member management board's total remuneration increased to €70.59 million from the previous year's €36.67 million — more than half the total in bonuses.

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