



## Press information

# Volvo Trucks withdraw the given notice in Gothenburg

**The management and the local union have come to an agreement to deal with the low utilization at the assembly plant in Gothenburg. The agreement includes reduced working time and salary which has made it possible to avoid the previously announced reduction of 335 jobs in Gothenburg.**

“The low demand for trucks has already forced us to cut many jobs and we are today very pleased with this solution, which means that we can pull back the latest announced reductions in Gothenburg. This agreement helps us to deal with the low utilization in a way that is beneficial for both the employees and the company”, says Staffan Jufors, President and CEO at Volvo Truck Corporation.

The employees in the Tuve Plant are already today working with a flexibility system. The basic principles are that you work more when the demand is high and less when the demand is low, with unchanged salary. This system has allowed the company to manage the variation in demand without job reductions for several years.

This new agreement is an extension of the flexibility system to avoid further job reductions during this extreme drop in demand. The main elements in the agreement are;

- The employee can work up to 10% less per month, in addition to the two stop-days that are presently being utilized based on the customer flexibility system.
- The gross salary is reduced by a maximum of 4 percent.
- This year's 3.3 percent agreed salary raise is postponed until 31 March 2010.
- The company will not make the ordinary payments to the company's Pension Funds for 2009.
- This equals to 500 kronor per month and employee.
- The company guarantees that no new notices will be given during the period for the agreement, until 31 March 2010.

“ I am very pleased that we in a constructive dialogue with the Swedish union IF Metall have managed to find alternatives to further reductions. This agreement allows the company to keep valuable competence and 335 people can keep their jobs. At the same



time this agreement helps us to reach the necessary cost reductions. Together, we are better prepared for the upturn that will come sooner or later”, says Staffan Jufors.

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Volvo Trucks provides complete transport solutions for professional and business-driven customers. The company offers a full range of medium to heavy duty trucks, with a strong global network of 3,000 service points in more than 140 countries. In 2008 Volvo Trucks sold more than 106,000 trucks worldwide. Volvo Trucks is a part of the Volvo Group, one of the world's leading manufacturers of trucks, buses and construction equipment, drive systems for marine and industrial applications, aerospace components and services. The Group also provides solutions for financing and service.