



AB Volvo

## Press release

# Volvo Group presents details on the financial effects of the strategy program

**At the Volvo Group's capital markets day in Gothenburg today, CEO Olof Persson presents the details of how the company's previously established strategy program aims to have a positive impact of 3 percentage points on the Group's operating margin by the end of 2015, corresponding to a total of SEK 9 billion based on net sales of SEK 300 billion.**

According to Olof Persson's presentation, the implementation of the strategy is expected to have an accumulated positive impact on the Group's operating income of about SEK 2 billion by the end of 2013, about SEK 6 billion by the end of 2014 and about SEK 9 billion by the end of 2015, excluding previously announced restructuring costs of SEK 5 billion. The figures provided include the previously communicated yearly savings of SEK 4 billion that are attributable to the Group-wide efficiency program.

The presentation is a follow-up on the progress in implementing the strategy for 2013-2015. The strategy was presented at the company's capital markets day in 2012 and contains among other things 20 objectives for the Group's truck business. To achieve the established objectives, a large number of measures have been identified and work to implement these is under way.

In addition, Mikael Bratt, head of the Group's industrial system for truck production, reports on all the activities in progress to reduce fixed and variable costs in production. Among the measures being implemented are the restructuring of the industrial system for truck manufacturing in Europe, optimization of the industrial structure in Japan and a review of the structure for spare parts inventories globally.

### **New products**

At the capital markets day, there is also a presentation of the new and competitive truck program launched by the Group during 2012 and 2013 which is the result of the largest product renewal in the Group's history. For example, participants are able to view the complete new range of Volvo trucks, the entire new series of vehicles from Renault Trucks and the recently launched range of heavy-duty trucks for emerging markets, UD Quester. Participants also get to see a new truck from the Group's Indian

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joint venture, Eicher, which in the last few days has launched the Pro Series, comprising a range of 11 completely new products.

December 4, 2013

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The Volvo Group is one of the world's leading manufacturers of trucks, buses, construction equipment and marine and industrial engines. The Group also provides complete solutions for financing and service. The Volvo Group, which employs about 115,000 people, has production facilities in 19 countries and sells its products in more than 190 markets. In 2012 the Volvo Group's sales amounted to about SEK 304 billion. The Volvo Group is a publicly-held company headquartered in Göteborg, Sweden. Volvo shares are listed on OMX Nordic Exchange Stockholm. For more information, please visit [www.volvogroup.com](http://www.volvogroup.com) or [www.volvogroup.mobi](http://www.volvogroup.mobi) if you are using your mobile phone.

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