



Volvo Bus Corporation

Press Information

Volvo Buses to close plant in Tampere, Finland

After finalizing the negotiations with employee representatives, Volvo Buses has decided to close the bus body plant in Tampere, Finland. The company will also reorganize operations at the body plant in Turku to increase the competitiveness. In total, 237 employees will be given notice.

Currently, Volvo Buses has an overcapacity in its European bus body production system and foresees that this will be the case also in the coming years. The intention is to adjust production capacity as a part of the strategy to strengthen Volvo Buses' profitability.

Volvo Buses European bus body production system consists of the two plants in Finland, in Wroclaw, Poland, and in Säffle, Sweden. The plants in Tampere and Wroclaw both manufacture the Volvo 8700 bus model. The plant in Poland has spare capacity and by concentrating the production of the Volvo 8700 to Wroclaw, Volvo Buses can obtain more cost-efficient production.

In Turku, the operations will be reorganized to enhance the competitiveness. The production of the Volvo 9700 coach model in Turku will be focused on the Nordic markets.

The production in Tampere will end in August. Volvo Bus Finland has, together with the representatives for the employees, negotiated various supporting measures for the affected employees.

During the first quarter, earnings were charged with provisions related to above amounting to SEK 120 million.

April 24, 2008

For further information, please contact Per-Martin Johansson, Press Officer, +46 31 322 52 00 per-martin.johansson@volvo.com

Visit <http://www.thenewsmarket.com/volvogroup> to access broadcast-standard video from Volvo Group. You can preview and request video, and choose to receive as a MPEG2 file or by Beta SP tape. Registration and video is free to the media.

Volvo Bus Corporation is one of the world's largest manufacturer of large buses and coaches. The range comprises complete vehicles, chassis, bus bodies, transport system solutions for metropolitan traffic, leasing, financing and service contract maintenance. Volvo Bus Corporation is 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 complete solutions for financing and service.