



Press Information

Volvo CE to move motor grader business as part of North American consolidation plan

Volvo Construction Equipment (Volvo CE) will move the majority of its motor grader activities currently located in Goderich, Ontario, Canada, to the company's facility in Shippensburg, Pennsylvania, USA. Volvo CE will incur an estimated restructuring cost of approximately 45 MUSD, which will be recorded in the third quarter of 2008.

The decision to consolidate the industrial operations for road machinery in North America to Shippensburg was taken to improve the competitiveness and profitability of the total road machinery business and will also reduce our exposure to exchange rate fluctuations within North America. The move, which will affect 500 employees in total, will take place in various phases, concluding no later than 2010.

The adjustment measures to be adopted for employees represented by the International Association of Machinists and Aerospace Workers will be the subject of discussions to be held with the Union.

The central parts warehouse currently located in Goderich will be relocated to the Volvo Parts warehouse in Columbus, Ohio, USA.

A comprehensive Human Resources plan will be developed in collaboration with the local union and government agencies. This plan will include, but will not be limited to, training programs, counseling support and help in the search for new employment.

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For more information, please contact:

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Visit <http://www.thenewsmarket.com/volvogroup> to access broadcast-standard video from the Volvo Group. You can preview and request video material as MPEG2 files or on Beta SP tapes. Registration and video material are free for the media.



Volvo Construction Equipment (Volvo CE) is a major international company developing, manufacturing and marketing equipment for construction and related industries. Its products, leaders in many world markets, include a comprehensive range of wheel loaders, hydraulic excavators, articulated haulers, motor graders, soil and asphalt compactors, pavers, milling machines and compact equipment. Volvo CE is part of the Volvo Group, the world's largest manufacturer of diesel engines in the 9 to 18 litre category. The Volvo Group is 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 related services.