



## PRESS INFORMATION

## Volvo Construction Equipment (Volvo CE) to consolidate North American industrial operations

**In a move to improve the competitiveness and overall industrial efficiency of Volvo Construction Equipment (Volvo CE), the company has decided to consolidate its North American industrial operations by removing excess industrial capacity in the Americas.**

As a result, the company's Asheville, NC, USA manufacturing facility will stop its activities by 31<sup>st</sup> March 2010. The closing will affect 228 employees. Volvo CE will incur an estimated restructuring cost of 100 MSEK (16 MUSD), which will be recorded mainly in the fourth quarter of 2009.

The production from Asheville will be moved to other existing Volvo CE locations while at the same time ensuring uninterrupted supply to our North American dealers and customers. The manufacturing of wheel loaders will move to Arvika, Sweden; excavators will be produced in Changwon, South Korea and Cabs for motor graders will be moved to Shippensburg, PA, USA.

“Although the decision was necessary from a business standpoint, we fully understand that the affected employees – who in the current downturn are already going through challenging times – will face additional difficulties,” said Patrick Olney, Executive VP, Global Operations. “We will do what we can to help our employees through the transition.”

“Volvo CE's commitment to the US market remains strong,” said Olof Persson, President and CEO of Volvo Construction Equipment, “This decision has no impact on the ongoing significant investments in Shippensburg, PA, USA, where the Volvo CE plant is being expanded to receive the motor grader production and the manufacturing of grader cabs.”

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A small number of employees from the Asheville plant will be offered positions in the company's Shippensburg, PA manufacturing operation. Employment opportunities in other North American Volvo Group companies will also be investigated.

A comprehensive Human Resources plan has been developed which will include, but will not be limited to, counseling support and assistance in the search for new employment.

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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 liter 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.