



AB Volvo

## Press release

# Volvo intends to divest external IT business and outsource IT infrastructure operations to HCL Technologies

**The Volvo Group intends to divest its external IT business and to outsource IT infrastructure operations to HCL Technologies. The transaction is to be closed during the second quarter of 2016 and will provide both cost savings and a capital gain.**

**“I am convinced that this will benefit personnel, suppliers and customers”, says Jan Gurander, Volvo’s CFO and Acting President and CEO.**

**In conjunction with the closing, the Volvo Group’s operating income and net financial debt are expected to be positively impacted by an amount of approximately SEK 900 M.**

In April, the Volvo Group announced its intention to find an external partner to assume responsibility for its external IT business and its IT infrastructure operations. The transaction is part of the efficiency program announced previously, which aims to reduce the Group’s structural costs with 10 billion SEK.

“This has been a thorough process and I am pleased with the outcome. Not only will our cooperation with HCL Technologies provide significant cost-savings. We will also make a capital gain when the contract is signed,” says Jan Gurander.

“An equally important aspect is that we will have a partner who can ensure that the operation of our IT infrastructure is developed in a manner that will enable us being at the forefront of our industry,”

The Volvo Group and HCL have signed a Letter of Intent, awaiting the signing of the final contract. Approximately 2.600 Volvo personnel globally will be affected by the transaction. They will be given the offer to move over to HCL Technologies and will continue to work closely with their colleagues in Volvo’s IT services division.

“This means that employees within the IT business who join HCL Technologies will have a new affiliation in an environment in which information technology is the core business. I am convinced that this will benefit personnel, supplier and customers,” says Jan Gurander.

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HCL Technologies is a global IT services provider with extensive experience of providing IT services to some of the largest global enterprises. HCL focuses on transformational IT outsourcing, with an integrated service portfolio that includes software-driven solutions, infrastructure and application management services, engineering and R&D services. HCL Technologies also aims to transition and deliver services to all existing customers of Volvo IT external business.

“HCL’s engagement with Volvo is especially satisfying given that we have the opportunity to create additional value for such a forward looking organization. It is also pleasing to note that skilled personnel will be joining HCL and our culture will further flourish globally. I take this opportunity to welcome Volvo and its customers to the large network of value-creating relationships we already have in the Nordics”, said Anant Gupta, President & CEO, HCL Technologies.

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