



AB Volvo

Press Information

Hybrid vehicles from Volvo Group exceed expectations

The Volvo Group's proprietary developed platform for hybrid operation of heavy vehicles has been installed in several different types of vehicles and has been used to propel the Group's buses in traffic operations in Göteborg since this spring and, as of next week, also in London. The experiences gained to date from the Group's parallel hybrid technology indicate excellent fuel savings.

"We knew that the technology had potential but the vehicles that have been used in traffic operations have actually exceeded our expectations by a broad margin," says Anders Kellström, Product Planning Manager for hybrid vehicles at Volvo Powertrain.

The Volvo Group has been testing various types of hybrid solutions since the 1980s and Volvo unveiled the first commercially viable hybrid solution for heavy vehicles in March 2006. The Volvo Group's solution is based on a concept known as I-SAM – Integrated Starter, Alternator Motor. This solution entails that an electric motor and a diesel engine work in parallel, whereby each of them can be used in the areas where they are most effective. This increases the capacity compared with series hybrids, while reducing fuel consumption and improving driving characteristics – simultaneously.

To date, the Volvo Group has developed about 20 different hybrid vehicles based on the Group's hybrid solution, including wheel loaders, buses and refuse collection trucks. In April, the Volvo 7700 Hybrid city bus had its world premier, when the bus was deployed in traffic carrying passengers in Göteborg in a field test. As a result of the hybrid technology, energy savings per passenger increase by up to 50-75% compared with if the passengers had chosen to drive by car.

Since it is based on a platform solution, the market prospects for the Volvo Group's hybrid technology are favorable. The solution can be used for many different Volvo Group products and applications, thus reducing production costs and facilitating volume manufacturing. This is one of the most promising and competitive hybrid technologies for commercial vehicles and it has been assigned high priority within the Volvo Group. Despite the currently difficult market conditions, the Group is

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continuing its focus on hybrid technology for various types of Volvo Group products. The hybrid technology, with its substantial potential for fuel savings, represents reduced costs and increased profitability for our customers, while simultaneously generating considerable environmental benefits, not least in terms of emissions of climate-damaging carbon dioxide. Previous calculations indicate fuel savings of 20-30% for trucks, up to 30% for buses and 10% for wheel loaders.

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For further information, contact Mårten Wikforss, +46 (0)31-66 11 27 or +46 (0)705-59 11 49

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.

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 service. The Volvo Group, which employs about 100,000 people, has production facilities in 19 countries and sells their products in more than 180 markets. Annual sales of the Volvo Group amount to about SEK 300 billion. The Volvo Group is a publicly-held company headquartered in Göteborg, Sweden. Volvo shares are listed on OMX Nordic Exchange Stockholm.

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