



AB Volvo

Press release

AB Volvo acquires shares in Deutz AG

AB Volvo has signed an agreement under which the company is offered the opportunity to increase its shareholding in Deutz AG from 6.7% to just over 25% by acquiring a total of 22,117,693 shares from Same Deutz-Fahr Group at a price of EUR 5.88 per share. Completion of the transaction is subject to the fulfillment of a number of conditions, including the approval of the relevant competition authorities. The transaction would make AB Volvo the largest shareholder in Deutz AG.

“Deutz AG has been an important supplier and partner for many years,” says Olof Persson, Volvo’s CEO. “The increase in our shareholding in the company is a natural step in light of our plans to expand our commercial cooperation in medium-duty engines.”

Earlier this year, AB Volvo and Deutz AG signed a non-binding memorandum of understanding with the intention to explore the potential to extend the companies’ long-term cooperation through joint development of the next generation of medium-duty engines for off-road applications. The memorandum of understanding also aims at analyzing the conditions for establishing a joint venture in China for the production of medium-duty engines for off-road applications.

The transaction is scheduled to be finalized in the third quarter and is not expected to have any material impact on the Volvo Group’s earnings or financial position. At the date of negotiation, the price was set at EUR 5.88 per share, corresponding to the average price for the share for the three months preceding the date at which the price for the shares were agreed, plus a premium of 12%.

AB Volvo currently owns 8,097,754 shares in Deutz AG, corresponding to a 6.7% shareholding.

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