



AB Volvo

Press release

Volvo Group has entered into an agreement to divest a Chinese subsidiary holding shares in Inner Mongolia North Hauler Joint Stock

Volvo Group has entered into an agreement to divest a Chinese subsidiary, which is holding 25.2% of the shares in the Chinese company Inner Mongolia North Hauler Joint Stock Co., Ltd (NHL) for approximately SEK 0.9 billion. The transaction is subject to regulatory approvals and could be terminated by either party if regulatory procedures or changes in regulatory rules or laws preclude the parties from completing the transaction. The divestment is expected to generate a capital gain of approximately SEK 0.7 billion, which will affect the Volvo Group's operating income when the transaction is closed. Closing of the transaction is expected within six months.

The divestment will impact the Group's cash flow and net financial position positively with an amount of approximately SEK 0.9 billion at closing. NHL, which is listed on the Shanghai Stock Exchange, produces and sells among other things rigid haulers to the mining industry. Volvo Construction Equipment will continue to sell components for rigid hauler production to NHL also after the divestment.

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Journalists who would like further information, please contact: Joakim Kenndal, Volvo Group, Media Relations +46 31-323 72 29.

For more stories from the Volvo Group, please visit www.volvogroup.com/press.

The Volvo Group is one of the world's leading manufacturers of trucks, buses, construction equipment and marine and industrial engines. The Group also provides complete solutions for financing and service. The Volvo Group, which employs almost 100,000 people, has production facilities in 18 countries and sells its products in more than 190 markets. In 2017 the Volvo Group's sales amounted to about SEK 335 billion (EUR 35 billion). The Volvo Group is a publicly-held company headquartered in Göteborg, Sweden. Volvo shares are listed on Nasdaq Stockholm. For more information, please visit www.volvogroup.com.