



AB Volvo

Press release

AB Volvo signs letter of intent to divest plant in Spain

AB Volvo has signed a letter of intent with MAPE to divest the crankshaft plant in Leganes, Spain. The plant has 150 employees.

The Volvo Group plans to divest the Leganes plant for structural reasons. At present, part of the plant's production capacity is used to manufacture crankshafts for the Volvo Group's automotive medium-duty engine platform. This production will be relocated in conjunction with the switch to a new generation of engines in 2013.

"This comprises part of our effort to develop an improved industrial footprint, in line with our new strategy," says Mikael Bratt, Executive Vice President of Volvo Group Trucks Operations.

"I believe MAPE will be a good owner of the Leganes plant," he continues. "The company is a machining specialist with the potential, expertise and ambition to further develop and expand the plant. It is also important for us to secure continued supply from the plant for some of our heavy-duty engines."

MAPE is a leading mechanical integrator specialized in crankshafts, balance shafts, camshafts and connecting rods and is already a supplier to the Volvo Group. The company has operations in Italy, Sweden and the US.

"This is a very good opportunity for us to expand our business in the heavy-duty engine segment. Leganes is a well-maintained modern plant and, most importantly, has a very experienced and dedicated workforce," says Giuseppe Pederzini, Chairman of the Board of MAPE. "The available capacity will allow us to add additional customers that are considering outsourcing crankshafts."

The letter of intent contains conditions regulating the sale of the plant, leasing of the building and the continued supply of crankshafts to the Volvo Group.

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The transaction is not expected to have any material impact on the Volvo Group's earnings or financial position.

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Reporters who want more information, please contact Volvo Group Media Relations at: +46 31 66 11 81

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The Volvo Group is one of the world's leading manufacturers of trucks, buses and construction equipment, as well as drive systems for marine and industrial applications. The Group also provides complete solutions for financing and service. The Volvo Group, which employs about 115,000 people, has production facilities in 20 countries and sells its products in more than 190 markets. In 2011, annual sales of the Volvo Group amounted to about SEK 310 billion. The Volvo Group is a publicly-held company headquartered in Göteborg, Sweden. Volvo shares are listed on OMX Nordic Exchange Stockholm. For more information, please visit www.volvogroup.com or www.volvogroup.mobi for mobile devices.