



Volvo Bus Corporation

## Press Information

# Volvo Buses and SAIC Motors form joint company for new energy driveline systems

**Volvo Buses and Chinese SAIC Motors have agreed to form a new joint venture company. It is a company for driveline systems for new energy buses such as hybrids and electric buses. The new company will be owned by SAIC with 60% and by Volvo with 40%.**

Volvo will invest 40M RMB and SAIC 60M RMB in the new company that will be named Shanghai Green Bus Drive System Co. and will be based in Shanghai, China. For the past 10 years, Volvo and SAIC have together successfully operated the joint venture company Sunwin Bus, one of the largest city bus manufacturers in China.

After securing approval from the relevant governmental authorities, a new facility will be constructed featuring a plant and offices for Shanghai Green Bus Drive System Co which is scheduled to be fully operational in the fourth quarter of 2011.

Accelerating the development of the strategic new energy vehicle industry is a top priority for the Chinese government. The government wants to develop a sustainable automotive industry and facilitate strategic leaps into the future for the Chinese auto industry. It aims to form a new energy vehicle industry chain, and to build industrial bases in a number of cities including Shanghai.

Today, Chinese companies are already at the cutting edge in new energy buses. The World Expo in Shanghai successfully demonstrated the commercial operation of new energy vehicles on the largest global scale to date, featuring more than 1,000 new energy vehicles (pure electric, hybrids and fuel cell vehicles).

They were mainly based on SAIC Motors' technology and fulfilled the aim of zero emission inside the expo park. Sunwin Bus delivered a total of 332 new energy buses, which provided flawless service at the Expo.

SAIC Motors has decided on the technological roadmap for the development of new energy vehicles under the Chinese energy strategy. It aims to increase the use of electric vehicles and later also fuel cell vehicles, while also supporting the industrialization of hybrid and pure-electric vehicles.

Volvo Buses has commenced serial production of its Volvo 7700 Hybrid and the double-decker Volvo B5L Hybrid buses. To date, the company has received orders from major global bus operators. The reports from customers are very positive. Hybrid bus availability is equally as high as the level for diesel buses, and in terms of fuel consumption it is very clear that Volvo has the most fuel-efficient hybrid solution in the world.

Volvo has a long-term technological roadmap for the development of new energy vehicles for the world market. Near term development plan have a strong focus on various types of hybrid vehicles.

One of SAIC's core businesses is to support and advance new energy bus operations in the aim of being the leading manufacturer at the Chinese domestic market, and to explore the export opportunities in overseas market. Volvo is focused on capturing a leading position in development of new energy bus markets all around the world.

To realize these targets in partnership, the parties have agreed to establish the new joint venture company in China. The new company will act as the carrier for the new energy bus industrialization. Research and development projects within SAIC Motors and Volvo Buses regarding new energy driveline systems, will be industrialized in the new company.

The new company will concentrate on assembling new energy driveline systems and complete vehicle matching, prototype manufacturing and testing new energy driveline systems.

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