



AB Volvo

Press release

Volvo sells holding in the listed Indian company Eicher Motors Limited

The Volvo Group has sold 1,270,000 shares in the listed Indian automotive manufacturer, Eicher Motors Limited, for an amount totaling approximately SEK 2,5 billion. The divestment of shares has no effect on ownership or the development of the longstanding joint venture, VE Commercial Vehicles. The sale will have a positive impact on the Volvo Group's cash flow after net investments and net financial debt in a corresponding amount in the first quarter of 2015. The sale will also generate a capital gain of approximately SEK 2,4 billion, which will impact operating income in the Trucks segment in the first quarter of 2015.

The share disposal will have no impact on either the ownership or control of the truck and bus manufacturer, VE Commercial Vehicles (VECV) in India, where the Volvo Group will remain as owner. Since 2008, VECV has been owned by Eicher Motors Limited (EML) and the Volvo Group and is currently the third largest manufacturer of commercial vehicles in the Indian market. In recent years, VECV has made a number of major investments in product development and production, for example, a new plant for medium duty engines, a new bus plant and a new paint facility. In early 2014, Pro series a completely new series of Eicher trucks and buses was introduced adapted for the market in India and other emerging markets. India is a key market and the Volvo Group will continue to focus on developing and strengthening VECV as part of the Group's strategy to expand in Asia and in other emerging markets.

Eicher Motors Limited is a leading player in the Indian automotive industry and is active in two areas: commercial vehicles and motorbikes. In parallel with its joint venture with the Volvo Group, EML owns the renowned Royal Enfield motorbike brand.

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For more news from the Volvo Group, please visit <http://www.volvogroup.com/globalnews>.

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 about 100,000 people, has production facilities in 19 countries and sells its products in more than 190 markets. In 2014 the Volvo Group's sales amounted to about SEK 283 billion (EUR 31 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 or www.volvogroup.mobi if you are using your mobile phone.