



**Construction Equipment**

## **Press Information**

**Volvo Construction Equipment plans to spend 100 million USD in its North American operations and bring its regional sales and rental activities to Shippensburg, PA, USA.**

**Over the next couple of years, Volvo CE plans to spend 100 million USD in its Shippensburg, PA, USA manufacturing facility and start production of Volvo wheel loaders, excavators and articulated haulers in North America. Also, the Volvo CE North American sales headquarters and Volvo Rents will relocate from Asheville, NC to Shippensburg, PA by September 2012.**

“It makes sense, when possible, to manufacture products close to where our customers are,” said Olof Persson, President and CEO of Volvo Construction Equipment. “The global demand for Volvo construction equipment is rapidly increasing and we need to make investments to meet future demands in the region. Producing Volvo wheel loaders, articulated haulers and excavators in Shippensburg will result in shorter lead times for our customers. We will work closely with local suppliers to increase the North American content of our products. This will further reduce our exposure to exchange rate fluctuations, which will already be positively affected by our bringing more production to the USA”.

A world class Customer and Demonstration Center will be built in Shippensburg. In addition, Volvo CE will put up a new office building on the campus to house its Regional Sales Headquarters, its Volvo Rents offices, and its Training Center.

All Asheville, North Carolina based employees will be given the opportunity to relocate to Shippensburg. The move, which will affect about 220 employees, will be concluded no later than September 2012. A comprehensive plan to assist with relocation is under development. For those employees who are unable or not prepared to relocate, an extensive human resources plan is currently being put in place.

Since the acquisition of the Shippensburg facility in 2007, Volvo Construction Equipment has continuously invested in the existing plant. In June 2010, a 200,000 square foot, 30 million USD expansion of the facility was finalized, to improve

manufacturing flow and increase production space to incorporate the production of Volvo motor graders.

Manufacturing Volvo wheel loaders, articulated haulers and excavators in Shippensburg, PA will have no significant impact on the current production in other Volvo locations. It will also further improve the competitiveness and profitability of the total business.

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Visit <http://www.thenewsmarket.com/volvogroup> to access broadcast-standard video from the Volvo Group. You can preview and request video material as MPEG2 files or on Beta SP tapes. Registration and video material are free for the media.

*Volvo Construction Equipment (Volvo CE) is a major international company developing, manufacturing and marketing equipment for construction and related industries. Its products, leaders in many world markets, include a comprehensive range of wheel loaders, hydraulic excavators, articulated haulers, motor graders, soil and asphalt compactors, pavers, milling machines and compact equipment. Volvo CE is part of the Volvo Group, one of the world's largest manufacturers of heavy duty diesel engines (9 to 18 liter). Volvo Group is one of the world's leading manufacturers of trucks, buses and construction equipment, drive systems for marine and industrial applications, aerospace components and services. The Group also provides complete solutions for financing and related services. The Volvo Group, which employs more than 90,000 people, has production facilities in 19 countries and sells its products in more than 180 markets. Volvo Group sales for 2010 amounted to 36.7 BUSD\*. The Volvo Group is a publicly-held company headquartered in Gothenburg, Sweden. Volvo Shares are listed on Nasdaq OMX Nordic Exchange and are traded OTC in the US.*

*\* \$1 = SEK 7.206*