



AB Volvo

Press Information

VOLVO DIVESTS ITS INTERESTS IN MITSUBISHI

Volvo and DaimlerChrysler have reached an agreement covering Volvo's cooperation with Mitsubishi Motor Corporation (MMC) whereby Volvo is transferring its 3.3 percent shareholding in MMC and all rights and obligations with relation to MMC for a total purchase consideration of approx. USD 297 M (SEK 3,000 M).

The book value of the assets being transferred to DaimlerChrysler amounts to SEK 2,350 M. Volvo intends to reserve the gain that arises to cover costs for development of a future medium-heavy truck program.

"I am pleased that we succeeded in reaching an agreement with DaimlerChrysler and MMC," says Volvo CEO Leif Johansson. "DaimlerChrysler's major holding in MMC and the possibility to increase this holding would have made it difficult to achieve a successful long term cooperation between Volvo and MMC.

"The acquisition of Renault V.I. provides the same volumes in the medium-heavy segment that MMC would have generated. By coordinating Volvo's and Renault's development resources in the medium heavy segment, we gain a less complex and quicker process and can cut development time significantly.

"In most of our business areas we have established a significant presence in Asia in recent years. During the past year we more than doubled our truck sales, in Japan as well as in Asia as a whole. Particularly considering this background, I am convinced that we will be successful in our continued focus on Asia on our own behalf," concludes Leif Johansson.

The distribution of MMC's Canter light truck, which currently is made through Volvo's dealers, will be taken over by DaimlerChrysler during November.

The transaction requires the approval of DaimlerChrysler's Supervisory Board and the requisite authorities.

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The Volvo Group is one of the world's leading manufacturers of trucks, buses and construction equipment, drive systems for marine and industrial applications and aircraft engine components. The Group also provides complete solution for financing and service. The Group has about 78,000 employees, production in 25 countries and operations are carried out in more 185 markets. Annual sales of the Volvo Group amount to nearly SEK 200 billion.