



Volvo Construction Equipment

Press Information

VOLVO CE ANNOUNCES WORKFORCE REDUCTION

Volvo Construction Equipment (Volvo CE) today announced it will reduce its current workforce of around 8,500 by approximately 950 white and blue collar employees in the different entities throughout the world.

In North America, Volvo CE will reduce its workforce by around 140 employees, in Asia by 190, in South America by 20, in Europe by 600, of which around 390 are in Sweden. This reduction program has already started in some of the areas mentioned.

The main reason for this redundancy program is the negative development in the construction equipment's major markets. The North American market has been deteriorating a number of quarters and is estimated to continue to do so, whilst in Europe this trend has just started. At the same time the Company needs to strengthen its long term competitiveness.

"We need to take these difficult, but necessary measures to adapt to the current market conditions and to increase our productivity at the same time," states Mr. Tony Helsham, President & CEO of Volvo CE.

"When the market normalizes, we have huge potential to develop our business and regain good margins thanks to our strong product range backed by the extraordinary Volvo brand," Mr. Tony Helsham continues.

When the redundancy program is implemented, the total cost reduction for Volvo CE will be between 30 and 40 MUSD on a yearly basis.

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