



Volvo Bus Corporation

Press Information

MAJOR BUS ORDERS FOR VOLVO'S NEW JOINT VENTURE IN SHANGHAI

Volvo Buses has received orders for 200 buses from major bus operators in the city of Shanghai. On 30 June 2000, it was announced that the Volvo Bus Corporation and local industrial group Shanghai Automotive Industry Corporation (SAIC) had signed agreements concerning the establishment in Shanghai of a joint-venture company for the manufacture and sale of city and commuter buses. Since then the new company, Shanghai Sunwin Bus Corporation (Sunwin Bus) has been established and production of Volvo buses has started. The orders symbolise a breakthrough for the Shanghai joint venture.

As a result of the earlier joint venture, Xian Silver Bus Corporation, the Volvo brand already has a strong position on the Chinese coach market. "The large orders that Sunwin Bus has secured prove that our new company has an attractive range of modern city buses to offer emerging markets. We are extremely happy about these milestone orders," says Jan Engström, President and CEO of the Volvo Bus Corporation.

Following the signing of the agreements on 30 June 2000, the joint venture company was established in September. Employees were recruited in the autumn and the new joint Volvo and SAIC management team was formed.

The production of Volvo buses got under way in the past few months. The new buses consist of Volvo B7R chassis and bodies which have been developed jointly by Sunwin Bus and Volvo, based on an earlier Chinese body model.

The municipal authorities and local Shanghai bus operators are anxious that as many new Volvo buses as possible are delivered before the APEC summit

meeting, which will take place in Shanghai in October this year. "This request is an honour as well as a challenge for Sunwin Bus" says Mr Jan Engström.

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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. Volvo Bus Corporation is the world's second-largest manufacturer of large buses and coaches. The range comprises complete vehicles, chassis, bus bodies, transport system solutions for metropolitan traffic, leasing, financing and service contract maintenance.