

(version for foreign market)

PRESS RELEASE : DRAFT

Volvo Bus and Autodromo sign long-term Cooperation Agreement

Volvo Bus Corporation and Carrozzeria Autodromo Modena have signed a co-operation agreement for the marketing of Midibuses in the European market and for the marketing of City and Intercity buses in Italy.

Volvo Bus Corporation and the Italian company Autodromo (based in Modena and officially known as Carrozzeria Autodromo Modena Scarl) have decided to pool their experience and skills in the Citybus segment by signing a co-operation agreement for the development, production and marketing of Midibuses on the European market, as well as for the marketing of City and Intercity buses in Italy.

The co-operation foresees that Volvo Bus Corporation will supply engines and components to Autodromo and, in turn, will market complete midibuses from Autodromo across the European market, through the Volvo Bus sales network. Volvo Bus Corporation will also take care of all Aftersales activities across Europe.

The Volvo Bus Corporation is already active in Italy in the luxury coach segment through its wholly-owned subsidiary Volvo Autobus Italia, based in Mirandola, not far from Modena. As a part of the co-operation, the Volvo Bus range of City and Intercity Buses will be marketed through Autodromo. The vehicles, built in Volvo Bus's factory in Poland, will be finished in Modena where Autodromo will adapt them to the specific requirements of the Italian market.

The Autodromo company has been producing and marketing vehicles for public transport since the 1950's and in the last ten years has invested considerable resources into research and development of short, technically advanced, citybuses. Autodromo's current product range includes both conventional midibuses with diesel engines as well as special application midibuses, featuring electrical, hybrid and CNG drivelines.

In recent years, Autodromo has also developed a dynamic production and commercial organization. The HQ is in the renowned automotive city of Modena, where a total of 150 people are employed in design, development, testing and production. A further 300 workers, located in a further 20 specialised production units, either collaborating with or controlled by Autodromo, carry out sub-assembly and production support activities. This very flexible structure and the innovative ability to anticipate market trends has allowed Autodromo to become one of the most dynamic and capable medium-size bodybuilders in Europe.

Volvo Autobus Italia will continue to concentrate on the coach segment and will support Autodromo for technical and aftersales needs in the city and intercity segments.

Commenting on this co-operation, Lars Blom, Vice President in charge of European Marketing at Volvo Bus Corporation said: "In Autodromo, we have found an innovative partner that shares our values and our determination to exceed our customers' expectations. The synergy across our product ranges will enhance our total offering and I look forward to a very successful cooperation".

Dr Mauro Cavaletti, President of Autodromo, said "Volvo Bus is one of the leading bus and coach manufacturers in the world, and I believe that we can add a significant contribution to their product portfolio with our attractive Midibuses and also develop a stronger position on the Italian market. This is good news for the customers and for the employees".

The first products arising from the cooperation will be shown at the leading Bus and Coach Exhibitions in the Autumn of this year and vehicle deliveries should commence early in 2002.

Volvo Bus Corporation
Lars Blom – Vice President

Carrozzeria Autodromo Modena scarl
Mauro Cavaletti – President