



Global Trucks

Press Information

VOLVO AGREES TO SELL ITS LOW CAB-OVER-ENGINE BUSINESS TO GRAND VEHICLE WORKS HOLDINGS, LLC.

Volvo Trucks North America has agreed to sell its Xpeditor® low-cab-over-engine (LCOE) truck product line to Grand Vehicle Works Holdings, LLC. By divesting its LCOE operations, Volvo meets the condition imposed by the U.S. Department of Justice for approval of its December 2000 acquisition of Renault V.I./Mack.

Under the terms of the agreement, a newly formed Grand Vehicle Works Holdings subsidiary, known as Autocar, LLC, will acquire the assets with which Volvo assembles and sells heavy-duty LCOE trucks and aftermarket parts which are unique to them. It will also acquire rights to the Autocar® brand name, under which it will market the LCOE products.

Volvo Trucks North America's LCOE line consists of the Xpeditor WX and WXL range of vehicles, which are used for vocational applications, such as refuse collection. This product represents 8% of Volvo Trucks North America's sales.

Grand Vehicle Works Holdings will eventually move assembly of the LCOEs to its own facility. However, for up to two years, Volvo Trucks North America will assemble LCOE's for Grand Vehicle Works Holdings on a contract basis at its New River Valley, Virginia, plant. Even after Grand Vehicle Works Holdings moves LCOE assembly to its own facility, there will not be a material impact on the volume or production capabilities at Volvo's plant, and no layoffs are anticipated as a direct result of this transaction.

"We are pleased to have found such a suitable buyer for Xpeditor," says Tryggve Sthen, president of Volvo Global Trucks. "Grand Vehicle Works Holdings has an excellent reputation in the automotive industry, and will be able to ensure a smooth transition for all parties, especially our LCOE customers."

July 26, 2001

For further information, please contact:

Jennifer Downes, Volvo Global Trucks, Tel +46-70-206 70 21

Joe Cacopardo, Volvo Trucks North America, Tel+1-336-393 2343