



Volvo Bus Corporation

**NOVA BUS, PARTLY OWNED BY VOLVO BUS CORPORATION,
AWARDED CONTRACT FOR 825 BUSES**

Nova Bus in St. Eustache, Canada, a joint venture between Volvo Bus Corporation and Henlys, has been awarded a five-year contract for 825 buses. The customer is a purchasing consortium representing nine transit bus operators in the Province of Quebec, Canada. The deal is a base for a broad and viable business venture between the customers of the purchasing consortium and Nova Bus.

The buses to be delivered are the leading low-floor concept in the Canadian market with a proven and well-known design. The deal is for the supply of 825 buses during a period of five years from 2003 to 2007. Additionally, there is an option for 250 buses for the year 2008 and 2009 respectively and an overall option of a further 20% increase of the above volumes.

ATUQ (Association du Transport Urbain du Québec) is the purchasing consortium consisting of nine transit bus operators in the Province of Quebec, Canada. The leading member is STCUM (Société de Transport de la Communauté Urbaine de Montréal). The customer consortium operates over 3,000 vehicles, primarily Nova buses. The value of the contract is expected to be in the range of CAD 400 M to CAD 700 M, which provides a strong foundation for future profitable development of the Canadian division of Nova Bus.

Volvo Buses makes structural changes in the North American joint venture

The RTS-division of Nova Bus situated in Roswell, New Mexico provides high-floor buses, mainly for the US market. The demand for the high-floor concept has decreased significantly, which has resulted in financial losses. Therefore, Nova Bus in Roswell has announced that they are seeking a buyer who can secure its future. In the event that a divestment is not achieved, the operation will be progressively phased out. Presently there are about 400 people employed at Roswell.

In 1995, Volvo Bus Corporation and Henlys Group plc formed a joint venture to acquire Prévost Car Inc. Nova Bus LFS Division in St. Eustache, Canada, and Nova Bus RTS Division in Roswell, New Mexico were added to the venture in 1998. Volvo has held 51% and Henlys 49% of the shares. The Shareholders have decided to equalise the shareholding to a 50/50 basis to better reflect the nature of the collaboration.

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Volvo is a world-leading manufacturer of trucks, buses and construction equipment, marine and industrial engines and aerospace components. Volvo is strongly associated with quality, safety and concern for the environment. Volvo's head-office is in Göteborg, Sweden. Annual sales in 1998 amounted to more than USD 14 billion, with about 52,000 employees. 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.

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