



Construction Equipment

Press Information

VOLVO ACQUIRES SKIDSTEER LOADER BUSINESS FROM TEXTRON

Volvo Construction Equipment (Volvo CE) today signed an agreement to acquire the assets of Scat Trak, the skidsteer loader business of Textron's (NYSE: TXT) subsidiary OmniQuip. The assets include exclusive manufacturing and product design rights to a complete range of 8 different skidsteers ranging from 1350 lbs to 2450 lbs operating capacity, tooling and inventory. Manufacturing facilities are not part of the agreement.

The acquisition adds an important line of products to Volvo CE's compact offering and will, at the same time, strongly reinforce the Company's recently launched rental initiative. The product range will be further developed and launched globally under the Volvo brand during the fall of 2002. The products will be assembled at Volvo CE's Asheville plant (North Carolina).

"Compared to the market's leading skidsteers, the Scat Trak machine emerged as a very competitive product. Its recognized performance, together with Volvo's brand and strength in distribution, will be extremely beneficial for our dealers and customers," says Mr. Tony Helsham, President & CEO of Volvo CE.

"This is a unique opportunity for Volvo, both from a timing and a value-added point of view, without adding any manufacturing capacity, we have acquired a first class product, which is essential to the further development and broadening of our product range," says Mr. Leif Johansson, President & CEO of AB Volvo. "The recent announcements regarding the launch of the internally developed Backhoe Loader, the acquisition of the UpRight telehandler product line and now the skidsteer product line emphasize Volvo's commitment to the construction equipment business. These product additions together with the discussions with Komatsu represent a new and very exciting phase in the development of Volvo CE."

OmniQuip will supply and support the Scat Trak products in the market until the Volvo CE launch after which Volvo CE will take over the service and parts' support to the existing machines.

A skidsteer loader is a highly versatile tool carrier used across a wide range of construction applications. The total worldwide market is around 90,000 units per year.

Click here to view pictures: <http://www.newsonline.nu/imgway/index.asp?pmid=16306>

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Volvo Construction Equipment is a major international company developing, manufacturing and marketing equipment for construction and related industries. Its products, leaders in many world markets, include a comprehensive range of wheel loaders, hydraulic excavators, articulated haulers, motor graders and compact equipment. Volvo Construction Equipment is part of the Volvo Group, world-leading manufacturer of trucks, buses, construction equipment, marine and industrial engines, and aerospace systems and components.