



AB Volvo

Press Information

VOLVO ACQUIRES 12.85 PERCENT OF SCANIA

Volvo has today acquired 13,613,148 A-shares and 12,089,330 B-shares, representing 13.47 percent of Scania's voting interest and 12.85 percent of its capital interest. Volvo welcomes a discussion with Scania's shareholders regarding the potential combination of Scania and Volvo.

As communicated to its investors, Volvo is committed to creating value within the automotive sector. For cars, this translates into a carefully defined niche strategy based on organic growth. For commercial vehicles, the strategy implies organic growth as well as growth through acquisitions.

The commercial vehicles industry today is faced with unprecedented consolidation pressures. Volvo is already among the leading players in the world in this industry. To further strengthen this position and Volvo's possibilities to compete globally, Volvo is committed to taking an active part in the consolidation process.

"Our analyses of different alternatives show that Scania is a very good alternative for Volvo", says Volvo's chief executive officer, Leif Johansson. A combination of Volvo and Scania would create Europe's largest and the world's second largest manufacturer of heavy trucks and buses. A manufacturer with strong brands, significant development resources and large volumes, particularly in the critical diesel engine area. In addition, Scania and Volvo are similar in terms of company culture and business values. Volvo believes that these strengths would enhance the combined entity's ability to compete globally and to create significant shareholder value.

"We believe the combination of Volvo-Scania is a natural and good alternative for the companies' shareholders, employees and customers, says Leif Johansson.

Volvo has had discussions with Scania's main shareholder, AB Investor, concerning a potential combination of Scania and Volvo. At this time, Volvo is not making a public offer for Scania. However, Volvo is interested in pursuing a constructive dialogue with Scania's shareholders.

Volvo has acquired a total of 13,613,148 A-shares and 12,089,330 B-shares. A large portion of these shares have been acquired under the condition that, in the event of a tender offer for Scania by Volvo or any third party, Volvo will pay the difference between the current acquisition price and the final price of any such tender offer. Volvo has invested approximately SEK 5.2 billion in acquiring the Scania shares.

"The acquisition of shares in Scania is an expression of our strong belief in the power created through a potential combination of Scania and Volvo", says Leif Johansson.

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