



AB Volvo

Press Information

Volvo invests in U.S. powertrain facility

AB Volvo, one of the world's largest producers of heavy-duty diesel engines, today announced that Volvo Powertrain will make its U.S. facility in Hagerstown, Maryland, the Centre of Excellence for the North American market. A four-year investment program will prepare the facility for delivering the next generation diesel engine family for the Volvo Group's two North American truck brands - Mack and Volvo.

"The decision represents an important commitment to the North American truck market," said Leif Johansson, president and CEO of the Volvo Group. "Backed by our considerable global resources and expertise, Hagerstown will ensure that demanding Mack and Volvo customers in this market can expect industry-leading quality and performance for years to come."

The Hagerstown plant has been producing Mack engines since 1961 and did recently deliver its 1.000.000 engine. The Volvo truck engines currently in operation in North America are built at Volvo Powertrain's plant in Skövde, Sweden.

"We are very pleased to have reached this final decision after a very extensive analysis on the best way to deliver products of the highest quality and performance to the market", said Denis Leblond, senior vice president of Volvo Powertrain's North American division. "This investment will further enhance our ability to leverage the high skill level and commitment of our US workforce to serve the unique needs of each brand's customers with a full application excellence focus."

Located about 75 miles northwest of Washington, DC, the Hagerstown facility has a total area under roof of about 1.5 million square feet. It includes all design functions in addition to manufacturing, has earned registration of its quality system to the ISO 9000:2000 international standard, and the ISO 14001 international environmental standard. It currently employs just over 1,200 people.

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For further information, please contact:

Media Relations:

Marten Wikforss, AB Volvo, +46 31 66 11 27

Jörgen Gustafsson, Volvo Powertrain, +46 31 322 28 49

Jim McNamara, Volvo Trucks North America, +1 336 393 2143

Bob Martin, Mack Trucks, Inc. +1 610 709 2670

Investor Relations:

Fredrik Brunell, AB Volvo, +46 31 66 11 91

The Volvo Group is one of the world's leading manufacturers of trucks, buses and construction equipment, drive systems for marine and industrial applications, aerospace components and services. The Group also provides complete solutions for financing and service. The Volvo Group, which employs about 71,000 people, has production facilities in 25 countries and sells their products in more than 185 markets. Annual sales of the Volvo Group amount to 18 billion euro. The Volvo Group is a publicly-held company headquartered in Göteborg, Sweden. Volvo shares are listed on the stock exchanges in Stockholm, London and Frankfurt and on NASDAQ in the US.