



Volvo Bus Corporation

Press Information

INCREASED DELIVERIES OF VOLVO BUSES TO ISRAEL

Volvo is strengthening its position as market leader in the heavy bus and coach segment on the Israeli market. The largest bus operator in Israel, EGGED, has placed orders for 130 Volvo bus chassis for delivery this year. In total, Volvo has received 350 orders for bus chassis to be delivered during 1999. Most of the chassis will be bodied by Merkavim, the largest bus body manufacturer in Israel, owned by Volvo to 26 percent since 1996.

Volvo has now received the final orders for bus chassis for this year's delivery to EGGED Transport Co-Operative in Israel. EGGED operates more than 4,200 buses in Israel, and - out of a total of 220 units - EGGED has ordered 130 Volvo bus chassis for delivery during 1999. Volvo delivered 100 bus chassies during the first half of 1999 and these are now gradually being put into operation. The chassies are of the model B10B, intercity specification. Most of the bus bodies are produced by Merkavim Metal Works Ltd, owned by Volvo to 26 percent since 1996, by Koor Industries to 50% and by Volvo's importer Mayers Car and Truck to 24%.

The first city bus of the model Volvo 7000, a new generation of low floor city buses presented by Volvo in October last year, and produced in stainless steel has now been delivered for testing by EGGED in Jerusalem, Tel Aviv and Haifa. The test in city bus operation will start in September, and the low floor concept will for the first time in Israel be evaluated by passengers as well as by the traffic planners.

350 Volvo chassis for buses and coaches in all has so far been ordered for delivery 1999 on the Israeli market. Volvo is strengthening its position as market leader in Israel as regards heavy buses and coaches and Volvo's strong and determined involvement in the body building industry in Israel since 1996

has been very well accepted by the market. Merkavim Metal Works Ltd has recently inaugurated a completely new body building factory close to Tel Aviv. The production is entirely based on the Finnish bus body manufacturer Carrus Oy concept of stainless steel. The production capacity is 450 bodies per year.

Carrus Oy, the largest bus body manufacturer in Scandinavia, was acquired by Volvo Bus Corporation on January 1, 1998. The management of Carrus has participated with technology transfer and production know-how in the planning of the new production facility of Merkavim.

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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.