



AB Volvo

## Press Information

### VOLVO REPORTS POSITIVE SALES TREND

**The sales trend for the Volvo Group has remained positive during the third quarter of 1999. This was revealed during presentations by the Volvo's Group Executive Committee in conjunction with Volvo's Capital Market Day, held today in Göteborg, Sweden (September 29).**

Volvo Trucks' deliveries through week 38 this year have increased by 3% compared with the year-earlier period. The production rate in North America and Europe has increased to cope with the very strong demand. Volvo Trucks' deliveries during the period were distributed as follows:

	January – September		Change
	1998	1999	
Europe, total	28,951	29,838	+ 3
Western Europe	25,943	27,903	+ 8
Eastern Europe	3,008	1,935	- 36
North America	21,207	25,765	+ 21
South America	5,059	2,607	- 48
Asia	2,932	1,609	- 45
Rest of the world	1,417	1,283	- 9
Total	59,566	61,102	+ 3
Of which, weight>16 tons	56,152	58,046	+ 3
<16 tons	3,414	3,056	- 10
Mitsubishi	1,179	2,100	+ 78

The world market for large buses is declining due mainly to the economic situation in South America and Asia. Volvo estimates that the total market for heavy buses will decline from slightly more than 65,000 buses (>16 tons total weight) to 60,000 buses this year. Volvo Buses' deliveries of buses and bus

chassis to date this year (through week 38) are virtually unchanged compared with the corresponding period in the preceding year.

The second quarter of 1999 was the best in the history of Volvo Construction Equipment and according to the company's president, Tryggve Sthen, there is also reason for optimism throughout the remainder of the year.

"Excluding divestments, I expect that our sales during the third quarter will increase a couple of percent compared with the year-earlier period. At the same time, I project that the total market for large machines, which account for about 90% of our sales, has declined slightly while growth in the lighter segment remains favorable," says Tryggve Sthen.

Volvo Penta shows a higher level of order bookings during the third quarter compared with the corresponding period in the preceding year. Volvo Penta's sales will also be higher in the third quarter than in the year-earlier period.

Volvo Aero's sales during the third quarter this year will be somewhat higher than in the corresponding period of 1998. The previously announced cooperation with Boeing is developing favorably and during the third quarter Volvo Aero has also received several significant orders, including the JAS Gripen sale in South Africa and from China Airlines.

September 29, 1999

*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.*