



AB Volvo

## Press Information

### **VOLVO CONSTRUCTION EQUIPMENT INVESTS IN POLAND**

**Volvo CE has decided to establish an industrial platform in Poland. The assembly of Volvo CE products will be utilising some of the facilities in Volvo's existing plant in Wroclaw. In parallel, Volvo Trucks will close it's Polish production and concentrate all truck assembly in Europe to Gent and Gothenburg.**

Volvo's main operation in Wroclaw today is the city bus and the intercity bus production with 1,100 employees. Volvo's industrial activities in Poland started with truck assembly in the present facilities 1995. The truck operation has 160 employees and delivered 1,080 trucks 1999.

Volvo CE has now taken a decision to invest approximately 5 MUSD by 2004 to create an industrial hub in Poland. This new industrial hub will be well placed to take advantage of the opportunities provided by the emerging markets of Central and Eastern Europe as well as adding to Volvo CE's global industrial presence and providing an additional marketing platform.

Volvo CE will use existing facilities in the factory currently used by Volvo Truck Corporation. Volvo CE has already started some limited assembly of Articulated Haulers at the plant. Volvo CE will employ 50 to 60 people during 2001 and gradually increase this number to approximately 200-250 by the year 2004

Commenting on the announcement, Volvo CE President and CEO Tony Helsham says "By utilising assembly facilities and the competence that has already been developed in Wroclaw, this investment will allow us to create both an industrial hub and a good marketing platform in this strategically important part of the Europe."

The truck assembly will be gradually phased out during 2001 and co-ordinated with the Volvo CE production start. "The Polish transport sector is rapidly developing, making this market very important for us, also with regard to the transit traffic between eastern and western Europe. We are closing our industrial base but instead intensifying our market efforts, to build a stronger sales and

service organisation in Poland” says Nils Arthur, Senior Vice President and head of Europe Division.

Volvo Truck’s main assembly plants in Gothenburg and Gent had a production last year of 15,350 and 25,350 respectively. Rationalisations in these units have now made it possible to absorb the former production volumes in Wroclaw.

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*Volvo is a world-leading manufacturer of trucks, buses and construction equipment, marine and industrial power systems and aerospace components. Volvo is strongly associated with quality, safety and concern for the environment. Volvo's head-office is in Göteborg, Sweden. Sales in 1999 amounted to more than USD 15 billion, with about 52,000 employees.*