



Volvo Car Corporation

## Press Information

### **VOLVO CLOSES FINAL ASSEMBLY PLANT IN HALIFAX, CANADA**

**Volvo Car Corporation has made the decision to close the final assembly plant in Halifax, Canada, and cease production as of December 18, 1998. The background is that Volvo Car Corporation during the past months has reviewed its industrial structure. This with the focus on a global industrial structure matching VCC's future product and marketing strategy. The main objective has been to optimize the present two main and fully developed assembly plants (Torslanda in Sweden, Gent in Belgium and Born in The Netherlands) in order to optimize capital investments, increase flexibility and reduce total assembly cost.**

The Halifax plant was established 1963 in order to serve the Canadian market. At present the facility has 200 employees assembling the Volvo S70 and V70 with a total production last year of 8,200 cars.

"Our analysis has determined that it is not economically viable to produce cars for the Canadian market in Halifax as we expand our product line," says Curt Germundsson, Senior Vice President and Head of Manufacturing, at Volvo Car Corporation.

Volvo established its first business in Canada 1963. The Volvo activities of today covers sales organizations for cars, trucks, marine engines as well as production of heavy construction equipment, (Volvo Construction Equipment) and urban and highway bus manufacturing, (Volvo Bus owner of Prevost Car Inc., including Nova Bus).

1986 Volvo Olofstrom Automation Ltd. in Toronto was established by Volvo Car Corporation. Today it is a joint venture with ABB.

During the period from now until closing date, Volvo will give an active support to its employees in Halifax to find new assignments. This by offering a comprehensive package of assistance, including severance benefits, re-employment assistance, counselling and other help.

September 9, 1998