



Volvo Bus Corporation

ONE THOUSAND VOLVO BUSES TO SHANGHAI

Volvo Bus Corporation's Joint Venture for city buses in China - Shanghai Sunwin Bus Corporation - marked a major breakthrough today with the signing an order for 500 Volvo city buses with one of the leading Shanghai Operators, the Shanghai Ba-shi (Group) Industrial Co.Ltd. The buses will be delivered over the next 12 months. The order is valued at approximately SEK 500 M. The agreement includes an option an additional 500 Volvo buses, with deliveries scheduled during the second half of 2003 and 2004.

The total deliveries of Volvo buses and coaches to China including Hong Kong will thereby this year reach more than 1.000 vehicles. The market for heavy-duty buses and coaches in China is around 12.000 units per year, making it one of the largest markets in the world. The demand for modern, clean and efficient buses and coaches is expected to grow in the coming years.

The deal is a follow up of the last year's order for 200 Volvo city buses for delivery to several operators in Shanghai. Operators and passengers have received these buses very well.

"We have already a strong position on the luxury coach market in China. With this order we make a major breakthrough also on the city bus market. We are happy and honoured by the fact that the leading bus operator in Shanghai has now bought Volvo products again based on their experience and evaluation of our buses. We have chosen to establish our joint venture for city buses in Shanghai, which is a leading commercial and industrial region prepared to take advantage of our state of the art buses," says Jan Engström, President and CEO of Volvo Bus Corporation.

The Shanghai Ba-shi Industrial Co.Ltd. is a leading transportation company for urban, suburban, tourist and inter-city passenger transportation, taxi services and logistics. Their total fleet is around 14.000 vehicles, of which nearly 8.000 city buses.

The Sunwin Joint Venture was started in September of 2000 with Shanghai Automotive Industry Corporation (Group), SAIC, as the Chinese partner. SAIC is one of the three

leading automotive groups in China. The joint venture company manufactures and sells Volvo city and commuter buses as well as Sunwin domestic city buses.

The Volvo 12 meter city buses now sold are based on the Volvo B7R chassis with a reliable and durable driveline including Volvo's environmentally friendly engine. Certain chassis components are imported from Sweden but the chassis as well as the complete buses are assembled in Shanghai.

August 15, 2002

For more information please contact:

Heléne Mellquist
Vice President, Corporate Communication
Volvo Bus Corporation
Tel: +46 31 66 12 06
Fax: +46 31 66 72 88
E-mail: helene.mellquist@volvo.com

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 2001 amounted to more than USD 19 billion, with about 71000 employees. Volvo Bus Corporation is the world's second-largest manufacturer of large buses and coaches. The range comprises complete vehicles, chassis, bus bodies, transport system solutions for metropolitan traffic, leasing, financing and service contract maintenance.

Volvo Bus Corporation
Corporate Communication
<http://www.volvo.com>
SE-405 08 Göteborg
Sweden

Telephone
+46-31-66 80 00

WWW