



Volvo CE to move motor grader business as part of North American consolidation plan

Volvo Construction Equipment (Volvo CE) will move the majority of its motor grader activities currently located in Goderich, Ontario, Canada, to the company's facility in Shippensburg, Pennsylvania, USA. Volvo CE will incur an estimated restructuring cost of approximately 45 MUSD, which will be recorded in the third quarter of 2008.

The decision to consolidate the industrial operations for road machinery in North America to Shippensburg was taken to improve the competitiveness and profitability of the total road machinery business and will also reduce our exposure to exchange rate fluctuations within North America. The move, which will affect 500 employees in total, will take place in various phases, concluding no later than 2010.

The adjustment measures to be adopted for employees represented by the International Association of Machinists and Aerospace Workers will be the subject of discussions to be held with the Union.

The central parts warehouse currently located in Goderich will be relocated to the Volvo Parts warehouse in Columbus, Ohio, USA.

A comprehensive Human Resources plan will be developed in collaboration with the local union and government agencies. This plan will include, but will not be limited to, training programs, counseling support and help in the search for new employment.

September 30, 2008

For more information, please contact:

Beatrice Cardon
Vice President, Corporate Communication
Volvo Construction Equipment
Road Machinery
312 Volvo Way
Shippensburg, PA 17257 USA
Phone +1 717 530 3030
Cell +1 717 422 7967
beatrice.cardon@volvo.com

Klas Magnusson
Senior VP, Corporate Communication
Volvo Construction Equipment
Hunderenveldlaan 10
1082 Brussels, Belgium
Phone +32 2 482 5065
Cell +32 475 576 214
klas.magnusson@volvo.com

Volvo Construction Equipment is a major international company developing, manufacturing and marketing equipment for construction and related industries. Its products, leaders in many world markets, include a comprehensive range of wheel loaders, hydraulic excavators, articulated haulers, motor graders and compact equipment. Volvo Construction Equipment is part of the Volvo Group,

one of the world s leading manufacturers of trucks, buses and construction equipment, drive systems for marine and industrial applications, aerospace components and services. The Group also provides complete solutions for financing and service.