

Press Release
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Ferronordic Machines AB (publ)

CHANGES TO VOLVO CONSTRUCTION EQUIPMENT'S PRODUCT LINE

Earlier today the Volvo Group announced that it has decided to discontinue development and production of its current product line of Volvo-branded backhoe loaders and motor graders in Europe and Americas and transfer these operations to its Chinese company SDLG. The target is to ramp down the production of these products by the end of 2015.

Sales of new backhoe loaders and motor graders represent approximately 18% of Ferronordic Machines' revenue from new machine sales.

Given that the target is to ramp down production gradually we expect the short-term impact of this decision to be limited. The long-term consequences will be assessed as part of the company's continuous review of its product portfolio.

About Ferronordic Machines

Ferronordic Machines is the authorized dealer of Volvo Construction Equipment in Russia. The company began its operations in June 2010 and has expanded rapidly across Russia and is today well established in all federal districts with over 70 outlets and over 750 employees. In addition to distributing and providing aftermarket support to Volvo Construction Equipment machines, the company has also been appointed aftermarket dealer for Volvo and Renault Trucks as well as dealer for Volvo Penta in certain parts of Russia. The company has also signed up some other high quality brands such as Logset and several attachment manufacturers. The vision of Ferronordic Machines is to be regarded as the leading service- and sales company in the CIS markets. The preference shares of Ferronordic Machines are listed on NASDAQ OMX First North Premier. The company has appointed Avanza Bank AB as its Certified Advisor.

<http://www.ferronordic.ru>

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