



AB Volvo

Press release

Changes to Volvo's Group Executive Board and truck organization with clearer commercial accountability

The Volvo Group is introducing a brand-based organization with clearer commercial accountability for the Group's various truck brands. Four separate units will be created: Volvo Trucks, UD Trucks, Renault Trucks and Mack Trucks, each with profit and loss responsibility for their respective business. Volvo's Group Executive Board will be changed to include representatives from some of the Group's business areas.

"This is an important change in how we conduct our truck business, with an expanded mandate for our sales organizations to control and develop their businesses with an explicit responsibility for profitability and organic growth," says Martin Lundstedt, President and CEO of Volvo. "We will gain a simpler organization in which decisions are made more quickly and in closer cooperation with the customer, while each truck brand will be represented on the Group Executive Board with shared responsibility for optimizing Volvo Group's overall truck business."

After several years of growth through acquisitions, followed by major restructuring programs and cost savings, the Volvo Group is now gradually entering a new phase with more intense customer focus and focus on organic growth and improved profitability.

"The efforts in recent years to realize synergies between our various brands have yielded results and created the possibility to now make the Volvo Group the most desired transport solution provider in the world," says Martin Lundstedt. "The goal of the new governance model is for all of the Group's business areas to be driven along the same distinct business principles, whereby each area can follow and optimize its own earnings performance in both the short and long term."

The Group's technology and product development organization and production organization for trucks will remain responsible for common development and production. In addition specific resources will be allocated to each brand. At the same time, purchasing for the truck operation will form a separate unit and will join the

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Group Executive Board. These organizational changes will not have any planned effect on the number of employees in the Group.

The new organization will come into effect on March 1, 2016, when the Volvo Group will comprise ten business areas:

Volvo Trucks, UD Trucks, Mack Trucks, Renault Trucks, Value Truck & JV:s, Volvo Construction Equipment, Volvo Buses, Volvo Penta, Governmental Sales and Volvo Financial Services.

From March 1, 2016, Volvo's Group Executive Board will comprise the following members:

Martin Lundstedt, President and CEO
Jan Gurander, Deputy CEO and CFO
Claes Nilsson, Volvo Trucks
Joachim Rosenberg, UD Trucks
Bruno Blin, Renault Trucks
Dennis Slagle, Mack Trucks
Martin Weissburg, Volvo CE
Torbjörn Holmström, Group Trucks Technology
Mikael Bratt, Group Trucks Operations
(Under recruitment), Group Trucks Purchasing
Sofia Frändberg, Group Legal & Compliance
Kerstin Renard, Group Human Resources
Henry Sténson, Group Communication & Sustainability Affairs

For a complete organizational chart, see Appendix.

Teleconference for media and investors

Media and investors can listen to a presentation by Martin Lundstedt, President and CEO, today, January 27, 2016, at 10:00-10:30 a.m. To participate in the teleconference, please call:

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Journalists who would like additional information, please contact Kina Wileke at +46 (0)31 323 7229 or +46 (0)76 553 7229.

For more stories from the Volvo Group, please visit <http://www.volvogroup.com/globalnews>.

The Volvo Group is one of the world's leading manufacturers of trucks, buses, construction equipment and marine and industrial engines. The Volvo Group also provides complete solutions for financing and service. Volvo, which employs about 100,000 people, has production facilities in 19 countries and sells its products in more than 190 markets. In 2014, the Volvo Group's sales amounted to about SEK 283 billion (EUR 31 billion). The Volvo Group is a publicly-held company headquartered in Gothenburg, Sweden. Volvo shares are listed on Nasdaq Stockholm. For more information, visit www.volvokoncernen.se or www.volvogroup.mobi if you are using your mobile phone.

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