



Press release December 27, 2017

Geely Holding to acquire Cevian Capital's shares in AB Volvo

- **In an agreement announced today, Cevian Capital has agreed to sell its entire shareholding in AB Volvo ("Volvo" or the "Company") and Zhejiang Geely Holding Group ("Geely Holding") has committed to acquire the shares following necessary regulatory approvals.**
- **The acquisition of AB Volvo shares comprises 88.47 million A-shares and 78.77 million B-shares, corresponding to 8.2 per cent of the capital and 15.6 per cent of the votes, which represents the largest ownership in AB Volvo by capital and the second largest by votes¹.**
- **Nomura International Plc and Barclays Capital Securities Limited have agreed to acquire Cevian Capital's shares in AB Volvo and committed to sell the shares to Geely Holding, following necessary regulatory approvals.**

Cevian Capital's co-founder, Christer Gardell, said:

"Today's announcement concludes over 11 years' ownership in AB Volvo by Cevian Capital. During Cevian Capital's ownership, AB Volvo has been transformed into a more competitive and valuable company, through strengthened governance, improved efficiency and increased focus on its core business. This is reflected in structurally improved profitability and a higher market value. We are proud to have played a role in this positive development."

"AB Volvo is now leading the industry into a new era. The agreement will not only give AB Volvo a new large and committed shareholder, but one with significant expertise in strategically important areas for future value-creation, such as electrification, autonomous driving, connectivity and the Chinese market."

Geely Holding Chairman Li Shufu said:

"We are delighted to have reached agreement with Cevian to acquire its holding in AB Volvo, making us the largest shareholder by capital in a company that leads the world in many aspects of commercial vehicle development, manufacturing and sales. Given our experience with Volvo Car Group, we recognise and value the proud Scandinavian history and culture, leading market positions, breakthrough technologies and environmental capabilities of AB Volvo. We will support the Board of Directors and the management of AB Volvo in their continued execution of the current strategy."

¹ Per cent refers to outstanding shares excluding treasury shares.

Daniel Donghui Li, Executive Vice President and Chief Financial Officer of Geely Holding, added:

“Geely Holding is a well-recognised strategic long-term investor, and as such we aim to contribute positively to the long-term development of AB Volvo. Geely Holding will be able to contribute its global knowledge, Chinese market expertise and leading research and development capabilities especially in the fields of electrification, autonomous driving and connectivity, to AB Volvo to further its global development, and strengthen the Volvo brand.”

Additional Information

Under the terms of the agreement, Cevian Capital has agreed to sell all of its 88.47 million A-shares and 78.77 million B-shares in AB Volvo to both Nomura International Plc and Barclays Capital Securities Limited. Nomura International Plc and Barclays Capital Securities Limited have committed to sell the shares to Geely Holding, and Geely Holding has committed to acquire the shares following necessary regulatory approvals.

About Cevian Capital

Cevian Capital is the largest and most experienced activist fund manager in Europe. It invests only in European public companies. It manages c. USD 16 billion of long-term capital for c. 450 pension funds, endowments, foundations, sovereign wealth funds and other investors from North America, Europe and other regions.

As a constructive activist, Cevian Capital's strategy is to help its companies become better and more competitive over the long term, and to earn its return through an increase in the real long-term value of the companies. Cevian Capital regularly becomes a reference or anchor shareholder, and its professionals often join company boards. Its professionals currently serve on the boards of nine portfolio companies in six different countries.

Cevian Capital is a long-term investor and its investments have an average holding period of c. five years. It is a major owner of some of the largest industrial companies in Europe, including ABB, Ericsson and ThyssenKrupp.

About Geely Holding

Zhejiang Geely Holding Group (Geely Holding) is a global automotive group that owns several well-known international automotive brands, with operations spanning the automotive value chain, from research, development and design to production, sales and servicing.

Founded in 1986 by Li Shufu, the company's Chairman, in the city of Taizhou in China's Zhejiang province, Geely Holding launched its automotive business in 1997 and is now headquartered in Hangzhou, China. The Group comprises three businesses: Geely Auto Group, Volvo Car Group and Geely Commercial Vehicles Company. Its brands include Geely Auto, LYNK & CO, Volvo Car, Polestar, the London Electric Vehicle Company (LEVC), Yuan Cheng Auto, PROTON, Lotus and Terrafugia.

Geely Holding sold a combined 1.3 million vehicles in 2016, with Volvo Car sales reaching historic highs of 534,332 cars globally and Geely Auto Group sales growing over 50% to reach 765,851 units in total, exceeding the group's targets. In the first nine months of 2017, Geely Auto Group sold a combined 1,093,491 units, an increase of 66% over the same period in 2016 and completing 99% of the groups revised 2017 sales goal of 1.1 million units. Volvo

Cars is also on course for another record breaking year with sales in the first eleven months of 2017 reaching 513,051 units, an increase of 8.3% over the same period last year.

Zhejiang Geely Holding Group has over 80,000 employees across the world and has been listed in the Fortune 500 for the past six years. For more information regarding Zhejiang Geely Holdings please refer to the official website at www.geelyholding.com.

Advisers

Nomura International Plc acted as exclusive financial adviser to Cevian Capital. Linklaters and Freshfields acted as legal advisers to Cevian Capital and Geely Holding, respectively. Identity AB and Hallvarsson & Halvarsson AB have acted as communication advisers to Cevian Capital.

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