

5th June 2015: In May 2008 AB Volvo and Eicher Motors Limited (EML) entered into a Joint Venture agreement to create VE Commercial Vehicles Limited (VECV) with the intent to drive modernization in the commercial vehicle industry in India and the developing world.

As a part of the transaction, in addition to acquiring 45.6% of the shareholding of VECV, AB Volvo had also acquired 22.75 lac shares of EML representing 8.4% of equity capital of the company. Now this 8.4% percent in Eicher Motors which was not having any impact on the Joint Venture, has been divested.

This divestment will have no bearing whatsoever on VECV, which will continue to be governed as an equal partnership venture. The shareholding pattern and governance framework of VECV remains unchanged. Both partners - EML and AB Volvo are equally committed to grow the business together.

As far as Volvo's commitment and their focus on the development and strengthening of the Joint Venture is concerned, it continues to remain same. It is part of their overall group strategy to become strong in Asia as well as emerging markets. For example, they have made available to VECV their entire group technology for development of new line of products. Similarly they have made VECV as the global hub for supply of medium duty engines for their entire automotive needs.

While Volvo continues to focus on VECV, on the other hand the investment in EML which they had not considered as strategic has been divested.

Since its formation, VECV has been growing from strength to strength, outpacing the industry across various segments and gaining market share with breakthrough products and unique go to market processes.

VECV has made many strategic investments. These investments along with other strategic initiatives have shaped VECV into a highly differentiated company. It has an extremely unique business model that ensured that it was the only commercial vehicle player in India to have remained profitable throughout the prolonged downturn. Both the Joint Venture partners are committed to nurture this further in the exciting period that lies ahead, as the commercial vehicle industry looks to revive after a long period of downturn.

About VE Commercial Vehicles Limited (VECV):

VE Commercial Vehicles Limited (VECV) is a joint venture between the Volvo Group and Eicher Motors Limited. In operation since July 2008, the company includes the complete range of Eicher branded trucks and buses, VE Powertrain, Eicher's components and engineering design services businesses, the sales and distribution business of Volvo Trucks as well as aftermarket support to Volvo Buses in India. VECV's vision is to be recognized as the industry leader driving modernization in commercial transportation in India and the developing world.

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Disclaimer: All statements included or incorporated by reference in this media release, other than statements or characterizations of historical fact, are forward-looking statements. These forward-looking statements are based on our current expectations, estimates and projections about our industry, management's beliefs and certain assumptions made by us. Although VE Commercial Vehicles believes that the expectations reflected in such forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be



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