

THE ASCENDUM GROUP EXPANDS TO NINE COUNTRIES IN CENTRAL EUROPE

P.06-17



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Editorial



RICARDO MIEIRO
President of the Executive Board

A NEW VOTE OF CONFIDENCE

Let me start by welcoming each of the 280 employees from Austria, Croatia, Slovakia, Hungary, Romania and the Czech Republic who, on October 1, became part of the Ascendum family.

I don't use the term "family" lightly. Ascendum started out as a Portuguese family business over half a century ago, and today, despite the years that have passed and the internationalization into different countries, the principles of ethics, excellence, speed and sustainability that it had at the beginning are still intact.

With this expansion into Central Europe, we are undoubtedly a larger family. But just as or more important than size is maintaining our approach in the market, excelling at what we do and in the desire to do more, being agile in anticipating opportunities and sustainable to grow without compromising our future.

This is how we have managed to grow and diversify. This is how we have earned a vote of confidence from more and more customers. This is how Volvo CE continues to give us its vote of confidence. This is how we have become one of the most important – if not the most important – partner of Volvo CE.

In less than 18 months, we entered Mexico, North Dakota (USA) and we are now expanding into Central Europe. In the giant Mexican market, where other Volvo CE representatives had previously failed, we predict that in 2014 we will have 14 branches. In North Dakota, we acquired Volvo CE representation from Swanston Equipment and we want to double the business volume of the US in three years. In Central Europe, our objectives are equally ambitious.

We know that the economic context of many of these countries is conditioned by the European crisis and by the retraction of some of the sectors that have traditionally been our main growth engines. We know that the teams that have long been working in these countries have done their utmost to manage to achieve results. But we want more.

Our ambition is, however, sustained by our decades-long experience in the sector, by the management style that allows us to make timely decisions, by the innovation that we have imprinted on the sector, by the depth and quality of the after-sales services that we provide, by the ability to diversify to sectors of activity that can help us grow, constantly seeking to meet the needs of our customers. What we were missing in Central Europe, we have now with you in this family: a well structured organization, that continues to work with the Volvo CE equipment it knows so well and which meets the realities and needs of this entire region. Starting today, we all have the ability to be even more international, more able to find synergies and to have more and better practices to share.

Together, we have everything we need to write the next chapter in this history of success.

Cover photo from left to right:

Tomas Kuta, President, Sales Region EMEA, Volvo CE
Thomaz Schmitz, CEO Ascendum Central Europe
Rui Faustino, Ascendum Group Executive Board member
Ricardo Mieiro, President of the Ascendum Group Executive Board
Paulo Mieiro, Ascendum Group Executive Board member
Angela Vieira, Ascendum Group Executive Board member
João Mieiro, Ascendum Group Executive Board member
Pedro Arêde, CFO Ascendum Group
Reinhard Schachl, CFO Ascendum Central Europe
Niclas Wahlström, Vice President, EMEA Hub West Volvo CE
Mahir Hocaoglu, CEO Ascendum Turkey and Board member
Ascendum Central Europe

The Ascendum Group expands to 9 countries in Central Europe

ASCENDUM DISCOVERING THE “OLD CONTINENT”



ASCENDUM Veículos	ASCENDUM Maquinaria	ASCENDUM Machinery	ASCENDUM Makina	ASCENDUM Maquinaria México	ASCENDUM Baumaschinen Österreich
ASCENDUM Máquinas	AIR-RAIL		TRP ASCENDUM GROUP		ASCENDUM Stavební stroje Czech s.r.o.
ASCENDUM Rental			AIR-RAIL TURK		ASCENDUM Stavebne stroje Slovensko s.r.o.
TRACTORRASTOS ASCENDUM GRUPO					ASCENDUM Építőgépek Hungária Kereskedelmi Kft.
AIR-RAIL Portugal					ASCENDUM Machinery s.r.l.
					ASCENDUM gradevinski strojevi Hrvatska d.o.o.

The Ascendum Group has just strengthened its presence in the “Old Continent”, adding, along with Portugal, Spain and Turkey, nine new markets as part of the Ascendum Central European operation: Austria, Hungary, Czech Republic, Slovakia, Romania, Croatia, Slovenia, Bosnia Herzegovina and Moldavia.

The expansion is done through acquisition of the operation that Volvo CE had in this region, and Ascendum will maintain a structure similar to the

one Volvo had for their “Central European Group”, with a holding company sharing management of the different territories and six local companies, its administration and its 280 employees maintaining the operation in the six countries.

Ascendum began operating in these countries on October 1, working directly in a territory of 554 thousand square kilometers (similar to the Iberian Peninsula), with 60 million inhabitants and a GDP slightly over one billion dollars.

The acquisition, which required an investment of around 55 million euros, also allows Ascendum to provide equipment to Volvo CE sub dealers located in Bosnia, Moldavia and Slovenia

The Ascendum Group is thus reaffirmed as one of the main dealers of Volvo CE at the worldwide level, with direct activity in fourteen countries, as can be seen in the organizational chart for the Ascendum Group.

A portrait of Ricardo Mieiro, President of the Executive Board, sitting in a grey armchair. He is wearing a dark blue pinstriped suit jacket, a white shirt, and a maroon patterned tie. His hands are clasped in his lap. The background features a modern interior with a large lamp and glass partitions.

**“WE SHALL TAKE OUR BEST
PRACTICES TO CENTRAL
EUROPE. VOLVO CE
ALREADY HAD EVERYTHING
ELSE OVER THERE.”**

RICARDO MIEIRO
President of the Executive Board

Interview with Ricardo Mieiro, President of the Executive Board of the Ascendum Group

Four months after consolidating its operations in the USA, with the entry into North Dakota, the Ascendum Group is once again growing, this time in Central Europe. In order to inform the group of how this opportunity arose and what the objectives and strategy for the new region are, Ascendum magazine interviewed President of the Executive Board of the group, Ricardo Mieiro.

THE ASCENDUM GROUP HAD JUST TAKEN A GIANT STEP IN THE U.S. NOW IT WAS THE TURN OF CENTRAL EUROPE. HOW DID THIS OPPORTUNITY ARISE AND WHAT IS ITS RELEVANCE TO THE ASCENDUM GROUP?

The Ascendum Group is focused on growth, and achieving it in a consistent and sustainable manner. One of the main strategies to achieve this type of growth is geographical diversification. It is essential that we be in more markets to reduce dependence on one geographical area in particular and this is one more opportunity to achieve this. On the other hand, the excellent relationship with Volvo CE led us to analyze all of the opportunities that arose and also led Volvo to trust this distributor, with whom they have worked for over 50 years, with recognized know how, stability and financial strength, as well as the continuity that is fundamental to reduce the risks of such a change.

Our strategy is to take our best practices, the group's culture, its entrepreneurship and its quick decision making to Central Europe, aware that everything else that is equally basic to the success of the business is already there. The operations exist and are well structured and sized. The equipment exists and we are aware of its quality. The teams will continue to work and it is they who know the markets and their representatives...

CONSIDERING THE BUSINESS INTEREST OF THIS NEW REGION, WHY DID VOLVO WANT TO SELL THIS OPERATION?

Volvo CE is increasingly dedicated to its central activity, the manufacture of equipment, and maintains the distribution area only in markets with no representatives with recognized abilities. As a result of this strategy, competitive bidding was opened to selective dealers, which they believed could acquire these markets. The Ascendum Group won the bid and made the acquisition.

WHAT INVESTMENT IS THE GROUP MAKING IN THIS NEW OPERATION?

The initial investment, made in the acquisition of assets and payment of goodwill, is 55 million euros.

AMBITIOUS OBJECTIVES FOR THE NEW REGION

WHAT DOES THIS REGION REPRESENT IN TERMS OF BUSINESS AND THE POTENTIAL FOR CONSOLIDATION FOR THE ASCENDUM GROUP?

This Central European market had a business volume of 110 million euros last year and our mid-term prospective is that, in 2018, this region will add another 200 million euros to the global operation of the Ascendum Group. This would be one of the contributions we are considering to achieve the goal defined for 2018, of reaching a turnover of one billion euros.

THAT REPRESENTS A GROWTH OF ALMOST 70% IN FIVE YEARS... WHAT IS THE STRATEGY TO ACHIEVE SUCH SIGNIFICANT GROWTH?

Our strategy is to take our best practices, the group's culture, its entrepreneurship and its quick decision making to Central Europe, aware that everything else that is equally basic to the success of the business is already there. The operations exist and are well structured and sized. The equipment exists and we are aware of its quality. The teams will continue to work and it is they who know the ma-

rkets and their representatives... This is why there is a great advantage to buying operations from Volvo CE.

Besides, within this group are countries with good growth prospects, especially Romania and Hungary and, without false modesty, we are aware that our experience in other markets and our customer service are added value that will provide results in this geographical areas.

SO THERE ARE NO RELEVANT CHANGES IN THE ORGANIZATION OF CENTRAL EUROPE IN LIGHT OF WHAT WAS THE VOLVO REALITY?

The base remains exactly the same. We created Ascendum Central Europe, a sub-holding company that is the corporate center for the region and that works for all of the new geographical areas. Under it are six operating companies for each country: Ascendum Austria, Ascendum Slovakia, Ascendum Croatia, Ascendum Hungary, Ascendum Czech Republic and Ascendum Romania.

THE VOLVO CE OPERATION COVERED ANOTHER THREE COUNTRIES WITH INDEPENDENT DEALERS. WHAT HAPPENS IN THESE MARKETS?

There are 3 markets, Slovenia, Bosnia Herzegovina and Moldavia, where we will supply equipment and parts, with the local dealers providing sales to the end customers and after-sales service. In these countries, Ascendum will also provide support in the area of training and in developing a trade network, which is poorly developed.

WILL YOU REMAIN "EXCLUSIVE" TO THE VOLVO BRAND OR WILL YOU INTRODUCE OTHER BRANDS TO THE ASCENDUM PORTFOLIO?

As in the other geographical areas, we shall, whenever possible, introduce the brands that we already represent in other markets. This is equipment that Volvo does not have, which is part of the value chain of our customers and could, therefore, create synergies and contribute to growth.

ASCENDUM IN THE WORLD

**14 COUNTRIES, 1350 EMPLOYEES
AND 35 THOUSAND MACHINES IN
OPERATION**

WITH 1350 EMPLOYEES AND 35 THOUSAND MACHINES IN OPERATION, THE ASCENDUM GROUP OPERATES IN 14 COUNTRIES: PORTUGAL, SPAIN, THE UNITED STATES, TURKEY, MEXICO, AUSTRIA, HUNGARY, CZECH REPUBLIC, SLOVAKIA, ROMANIA, CROATIA, SLOVENIA, BOSNIA HERZEGOVINA AND MOLDAVIA.

PORTUGAL

Country of origin
Business Area: **Construction Equipment and Infrastructures, Cars and Trucks**
Employees: **369**
Branches: **10**

SPAIN

Since 2009
Business Area: **Construction Equipment and Infrastructures**
Employees: **142**
Branches: **17** (including dealers)

USA

Since 2004
Business Area: **Construction Equipment and Infrastructures**
Employees: **173**
Branches: **16**

TURKEY

Since 2010
Business Area: **Construction Equipment and Infrastructures**
Employees: **167**
Branches: **8** (including dealers)

MEXICO

Since 2012
Business Area: **Construction Equipment and Infrastructures**
Employees: **94**
Branches: 5 (14 until 2014)

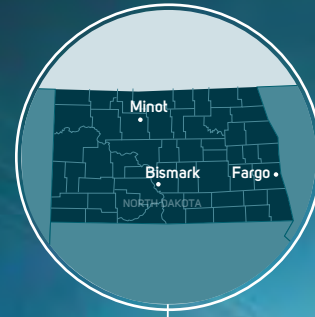
CENTRAL EUROPE:

Austria, Hungary, Czech Republic, Slovakia, Romania, Croatia, Slovenia, Bosnia Herzegovina, Moldavia
Since 2013
Business Area: **Construction Equipment and Infrastructures**
Employees: **280**
Branches: **33**

ANGOLA - MOZAMBIQUE

Tractorrastos - Aftermarket Business

NORTH DAKOTA



USA

MEXICO



PORTUGAL



SPAIN



CENTRAL EUROPE



ANGOLA - MOZAMBIQUE



TURKEY





ASCENDUM

Central Europe Group

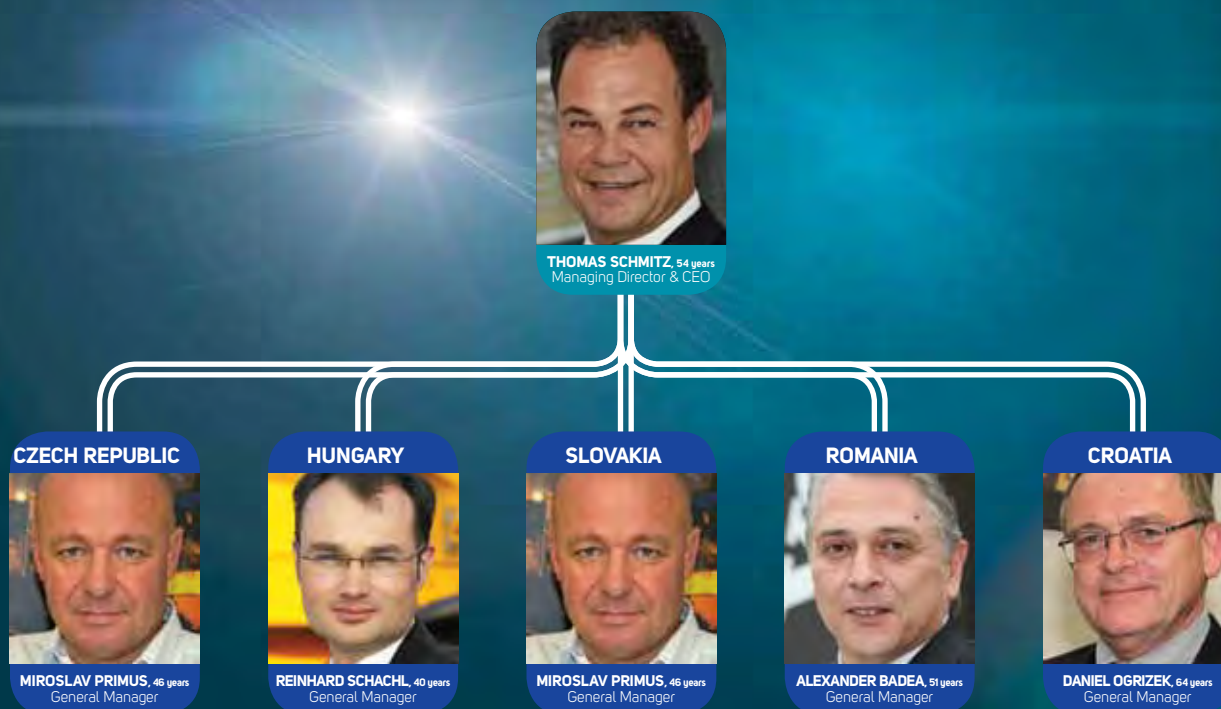


**THOMAS SCHMITZ, AGE 54
CEO OF ASCENDUM
CENTRAL EUROPE GROUP
AND MANAGING DIRECTOR
OF ASCENDUM AUSTRIA.**

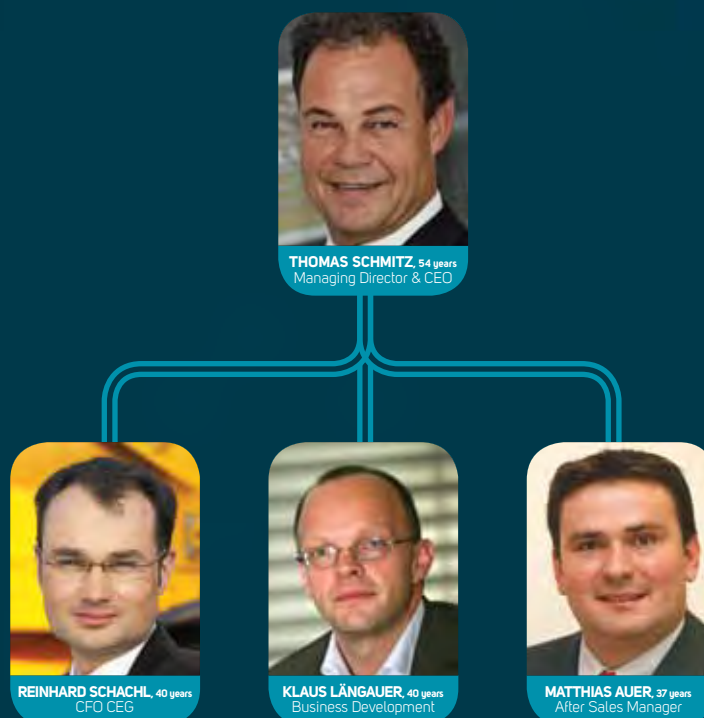
ASCENDUM CENTRAL EUROPE DISTRIBUTES DIRECTLY VOLVO CE EQUIPMENT IN 9 COUNTRIES: AUSTRIA, CZECH REPUBLIC, SLOVAKIA, HUNGARY, ROMANIA, CROATIA, BOSNIA HERZEGOVINA, SLOVENIA AND MOLDAVIA.

ASCENDUM CENTRAL EUROPE GROUP ORGANIZATIONAL STRUCTURE

ASCENDUM CENTRAL EUROPE GROUP MANAGERS



EXECUTIVE TEAM



ASCENDUM CENTRAL EUROPE

ASCENDUM AUSTRIA



AUSTRIA

Population: **8.5 million inhabitants**

Area: **83,000 km2**

Capital: **Vienna**

GDP 2012: **391 billion dollars**

Growth rate (2012/11): **0.9%**

Public debt in % of GDP: **74.3%**

Unemployment rate: **4.3%**

Sources: International Monetary Fund, October 2012; Global Insight Country Report, March, 2013

Ascendum Austria is headed by Thomas Schmitz, who is also the CEO of the sub-holding company Ascendum Central Europe.

The Austrian headquarters is in Bergheim, close to Salzburg, and there are a further five support centers in St. Marien, Gumpoldskirchen, Lieboch, Villach and Volders, which cover practically every part of the country.

In total the team has 142 employees who are dedicated to business in Austria and support the overall operation in 9 countries of that region, namely Czech Republic, Slovakia, Hungary, Romania, Croatia, Bosnia Herzegovina, Slovenia and Moldavia.

The board of directors of Ascendum Central Europe is composed by Paulo Mieiro as Chairman and Ascendum Group Executive Board member, Angela Vieira, Ascendum Group Executive Board member and head of HR Corporate and Group's Image & Communication, Mahir Hocaoglu CEO of Ascendum Turkey and Rui Miranda representing the shareholder Auto-Sueco.

Austria is the European Union's tenth largest economy and is within the single currency, it is also the country with the highest stability and an extremely low global risk (economic, financial, security, operational, legal). Its main sectors are the automotive, chemical, electronics and engineering/machinery.



THOMAS SCHMITZ
Managing Director & CEO of
Ascendum Central Europe

ASCENDUM CZECH REPUBLIC

In the second largest country of this Ascendum Central Europe operation, the managing directorship falls to Miroslav Primus, aged 46 (who also runs Slovakia) in what is also the largest team in the region, with a total of 60 employees.

The headquarters is in Lodenice, close to Prague, and the operation is backed up by six service centers that cover a large part of the Czech Republic: Lodenice, Plzen, Brno, Olomouc, Havířov and Podděbrady. In Budejovice they also work with an independent dealer.

With positive perspectives for growth, the Czech Republic is an attractive country for investment, in part thanks to its close proximity to Germany and Austria, and with an overall moderate risk. Its main sectors are energy, engineering, the car and beer industries.



CZECH REPUBLIC

Population: **10.6 million inhabitants**

Area: **79,000 km2**

Capital: **Prague**

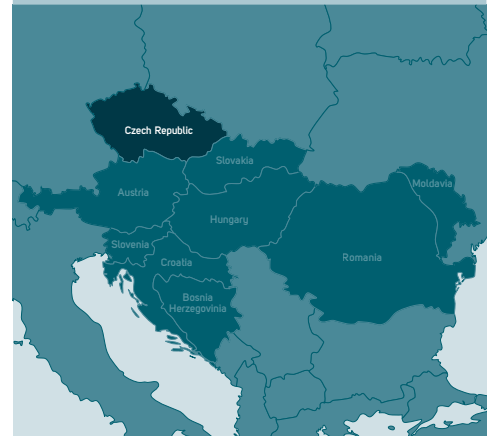
GDP 2012: **194 billion dollars**

Growth rate (2012/11): **-1.0%**

Public debt in % of GDP: **43.1%**

Unemployment rate: **7%**

Sources: International Monetary Fund, October 2012;
Global Insight Country Report, March, 2013



MIROSLAV PRIMUS
General Manager

ASCENDUM SLOVAKIA



SLOVAKIA

Population: **5.5 million inhabitants**

Area: **49,000 km2**

Capital: **Bratislava**

GDP 2012: **91 billion dollars**

Growth rate (2012/11): **2.6%**

Public debt in % of GDP: **46.3%**

Unemployment rate: **13.7%**

Sources: International Monetary Fund, October 2012; Global Insight Country Report, March, 2013

Ascendum Slovakia has its headquarters in Bratislava and has a further three service centers in Budca, Zilina and Petrovany. The work carried out at the headquarters and branch offices is achieved by a team of 20 employees who are working under the management of Miroslav Primus, aged 46, the director who also has the general management of the Czech Republic operation.

Despite being one of the smallest economies in this group of countries, Slovakia is the one which out of all of them has the highest growth rate which, added to its low overall risk, makes it an attractive proposition for investors. Part of the European Union and Single Currency, Slovakia is a small country whose main activity sectors are the automotive, metallurgy, electronic and mechanical engineering.



MIROSLAV PRIMUS
General Manager

ASCENDUM HUNGARY



HUNGARY

Population: **10.0 million inhabitants**
 Area: **92,000 km2**
 Capital: **Budapest**
 GDP 2012: **129 billion dollars**
 Growth rate (2012/11): **-1.0%**
 Public debt in % of GDP: **74%**
 Unemployment rate: **4.2%**

Sources: International Monetary Fund, October 2012; Global Insight Country Report, March, 2013

The Ascendum Hungary operation is run by Reinhard Schachl, aged 40, with a total of 20 employees, who divide their work between the headquarters in Budapest and the support and services centers in Pécs, Győrújbarát, Szarvas and Nyíregyháza.

Hungary has had some difficulty in creating growth, a reality which became more acute after the VAT rate was increased (to 27%). The negative growth

rate together with the high public debt and the highest inflation rate out of this group of countries (5.6%) has created some fears from an economic and debt point of view, although the overall risk of the country is considered to be moderate. Hungary is a country that lives particularly off agriculture and manufacturing, construction and services.



REINHARD SCHACHL
 Managing Director

ASCENDUM CENTRAL EUROPE

ASCENDUM ROMANIA



ROMANIA

Population: **21.3 million inhabitants**
 Area: **238,000 km2**
 Capital: **Bucharest**
 GDP 2012: **171 billion dollars**
 Growth rate (2012/11): **0.9%**
 Public debt in % of GDP: **34.6%**
 Unemployment rate: **7.2%**

Sources: International Monetary Fund, October 2012;
 Global Insight Country Report, March, 2013

The Romanian operation has 30 employees in a country which is part of Ascendum Central Europe and has the vastest territory and the greatest number of inhabitants. The operation is run by Alexander Badea, aged 51.

The Romanian operational headquarters is in Bucharest and is backed up by two service centers in Cluj and Timisoara, and also has a services partner in Brasov.

The team also runs the operation in neighboring Moldova, having a branch in the capital, Chisinau.

Romania is a country with a potential for significant growth which counterbalances a greater economic risk and negative outlook for long-term debt. Even so, the country's overall risk remains moderate. Agriculture, textiles, metallurgy and energy are its main activity sectors.



ALEXANDRU BADEA
 Managing Director

ASCENDUM CROATIA



CROATIA

Population: **4.4 million inhabitants**

Area: **57,000 km2**

Capital: **Zagreb**

GDP 2012: **57 billion dollars**

Growth rate (2012/11): **-1.1%**

Public debt in % of GDP: **54.3%**

Unemployment rate: **14.2%**

Sources: International Monetary Fund, October 2012;
Global Insight Country Report, March, 2013

With its headquarters in the capital Zagreb, further to the north, and a services center in Split, in the south, the Ascendum Croatia team is made up of 10 employees headed by Daniel Ogrizek, aged 64.

Currently in the process of European Union integration, Croatia is the smallest economy of this group of countries and is focused mainly on the agricultural, pharmaceutical, telecoms and tourism sectors. Its global risk is moderate.



DANIEL OGRIZEK
Managing Director

ASCENDUM CENTRAL EUROPE



Ricardo Miero, President of the Ascendum Group Executive Board, opening the first Management Team Meeting with the Executive Board members: Paulo Miero, João Miero, Angela Vieira and Rui Faustino



First meeting with the management team of Ascendum Central Europe Group

ASCENDUM GROUP MEETING IN SALZBURG



Ricardo Mieiro President of the Ascendum Group Executive Board offers symbolically a silver Moliceiro boat to Tomas Kuta President, Sales EMEA Region Volvo CE. The Moliceiro is a typical boat from Aveiro, the city where the founder Ernesto Rodrigues Vieira was born.



Paulo Mieiro - Chairman of Ascendum Central Europe Board with Thomas Schmitz CEO of Ascendum Central Europe.



Press conference - Paulo Mieiro and Thomas Schmitz with the four major Austria media.



Paulo Mieiro chairman of the Ascendum Central Europe Group offers a silver Moliceiro boat to Tomas Shmitz symbolizing the responsibility of steering of the boat.

MAHIR HOCAOGLU - INTERVIEW



MAHIR HOCAOGLU - Ascendum Turkey CEO

In 2010, Turkey lived through a transition process similar to what has now begun in Central Europe, with the operation and the Volvo CE team becoming part of the Ascendum Group. To learn how they survived this change and even overcame some of their initial concerns, which are natural in any management shift, we spoke with Mahir Hocaoglu, CEO of Ascendum Turkey.

IN 2010, WHEN YOU LEARNED OF THE MOVE TO ASCENDUM, WERE YOU FAMILIAR WITH THIS GROUP?

No, I didn't know anything. But I had an opportunity to be in Portugal for a Volvo Dealer Conference and we visited ASC Portugal in 2004. I had just a positive image after I listen to presentation and saw rental business operation which was unique in Volvo CE world during that time. That's all.

WHAT WERE YOUR MAIN CONCERNS AND EXPECTATIONS REGARDING THE TRANSITION FROM VOLVO TO ASCENDUM?

There was mainly two concerns. When the operation was done, Volvo owned dealership called Volvo Turk that was active for many years in the Turkish market.

Therefore employees and customers had collective behaviour and fellow feelings. So Volvo CE brand image was brought to very strong position during those years in the market. Therefore there was very strong common heritage and values among internal and external customers.

AND YOUR TEAMS AND CUSTOMERS... HOW DID THEY REACT?

The first reaction was harsh... Some team members and some customers criticized the change. The first group feared a reality they did not know and a management with a new style, while the second was more skeptical about having a middleman between them and the manufacturer, which they felt would create new operating barriers.

WERE THESE CONCERNS OVERCOME AS THE INTEGRATION WITH ASCENDUM WENT FORWARD, OR DID THE FACT THAT THEY WERE GOING FROM A WELL-KNOWN MULTI-NATIONAL TO A GROUP THAT HAD ITS ROOTS IN A SMALL COUNTRY, LIKE PORTUGAL, CONTINUE TO CAUSE REACTIONS?

From the start, we have had transparent and effective internal and external communication, in order to broadcast the successful history of Ascendum in the heart of the Volvo Group, and the evidence speaks for itself. Of course there were some complicated moments in the beginning, including attempts by our competitors to spread rumors about Ascendum - which only showed they were fearful of its entry - but we managed to anticipate this misinformation and kept the market and the customers clearly informed from day one.

Therefore, once we had calmed the anxieties on issues of greatest concern, we concentrated on our goals, defining strategies and deciding on how best to apply them.

When I look back, I see three years of great effort, of total commitment and hard work, done by all employees, with true team spirit. Today, the strong image of Ascendum Turkey and the growth of the business are proof that these initial concerns are in the past and that these three years of strong work were worth the effort. The business and market evidence are proof of our success.

One of the basic secrets of Ascendum is its approach, which is totally directed towards activities that create value. And in order to be able to follow this approach, we have software analysis systems which enable us to be aware of the operation at all times so that we can decide and act accordingly, quickly and with less risk. Thus, when Ascendum actually began working in Turkey, the operation took off like a car with a triple turbo engine.

WHAT ARE THE MAIN DIFFERENCES BETWEEN WORKING AT VOLVO CE AND AT ASCENDUM?

First of all, Volvo way is bringing everyone under the same umbrella on behalf of business ethics and culture. This is unique tool. On the other side the processes in the giant companies like Volvo is becoming

showstopper to grow more. The complicated and matrix organizations are making the company less flexible and slow. As it is well definition in the business life today, the speedy fish always beats slow fish. This understanding was being defined different many years ago. It was said that big fish would beat small fish. But it has changed in the current business life conditions. These are the main differences after becoming Ascendum. The Ascendum Turk is strong with lean organization, very fast by taking decisions and applying the strategies without being late and the other most remarkable and important difference is the entrepreneurship approach in all areas of the organization.

The beliefs and behaviours that determine how a company's employees and management interact and handle outside business transactions. We have seen here great change. Because all employees and management have started to act together if there is a target or challenge. I should peg down, as one of our Directors says me, all employees are working HEARTFELTY which brings us customer confidence and customer satisfaction.

WHAT ARE ASCENDUM'S SECRETS FOR SUCCESS IN THE MARKETS WHERE VOLVO PREVIOUSLY OPERATED?

The independent dealership needs some structural mind settings in the company operation. One of the most important and critical one is profit oriented business approach and way of doing business. Therefore all operation has to be analysed with supportive software systems and we acted accordin-

gly. For instance there was shared service function in the company and all Volvo business areas like VCE, Volvo Truck, Penta were getting support from it. This was real show stopper in front of the operation because there were lack of support and reports which help decision making process. Whenever Ascendum operation started it was like the car which equipped with new type turbo charged engine. Additionally Volvo as a giant manufacturer was not so active for the investments in local market. Whenever Ascendum Turkey has started we have inaugurated many investments for our business.

CENTRAL EUROPE IS NOW UNDERGOING A PROCESS OF TRANSITION SIMILAR TO THAT IN TURKEY IN 2010. WHAT ADVICE WOULD YOU GIVE TO THE 280 NEW COLLEAGUES WHO HAVE NOW JOINED ASCENDUM?

A new era is now starting in their business career. First of all this is a great opportunity to evaluate past performances and seek new ways, talents and gains to adapt ourselves into change and new environment which will bring new opportunities and new challenges. I think passion is the secret word in this path. I would like to say them welcome to Ascendum family which is now bigger and stronger family with their participation in the construction equipment industry. I am sure Ascendum will be more internationalized, more market dominated group with their participation Synchronously implementation of new synergies and the best experience sharing practices that will create many opportunities and open new horizons for all of us.

HR CORPORATE

FIRST "INTERNAL CLIENT SATISFACTION SURVEY" TO BEGIN IN OCTOBER

The first "Internal Client Satisfaction Survey" will start this month, with the gathering of information that will allow us to study how each department responds to the needs of other areas of the company and, consequently, the level of internal service we provide.

"Only with this information can we have a true notion of the processes that can be adjusted to improve the organization and internal satisfaction, making us more efficient and which will be reflected in our ability to respond and satisfy end customers", says Angela Vieira, Head of Corporate HR for the Group. Remember that this Internal Client Satisfaction Survey was started by Ascendum Turkey and, since it was considered a good practice, is being applied to the entire Group.

ANGELA VIEIRA - Head of HR Corporate



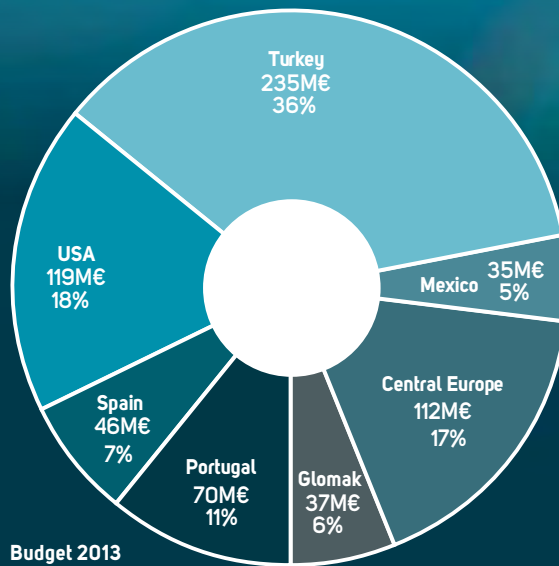
“EMPLOYEE EFFECTIVENESS SURVEY” STARTS IN NOVEMBER

The “Employee Effectiveness Survey” is also getting ready to begin in November, with the support of the Hay Group consultants, who will be in charge of administering the questionnaires online, as well as handling the data and presenting the results.

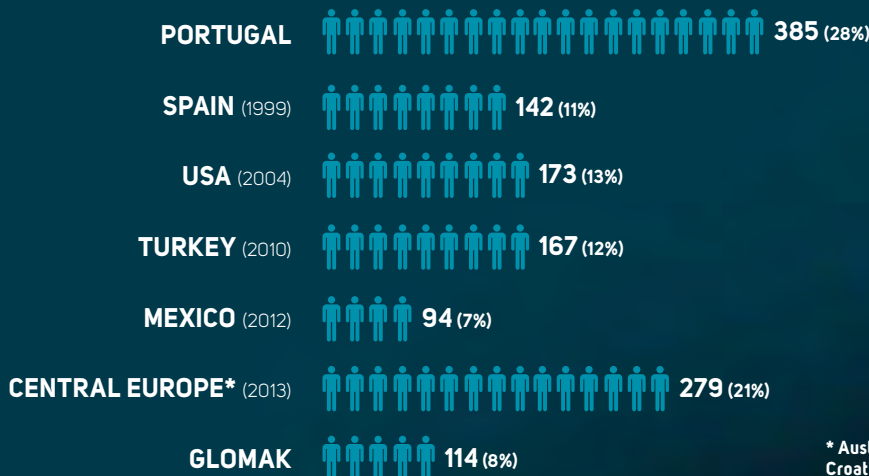
This is another transversal study of the entire organization, with the goal of understanding how each employee feels and lives within the Ascendum Group, important information to understand what is valued and what elements make up motivation and satisfaction within the organization.

“Only by knowing these perceptions can we promote overall improvement of Ascendum and only with a massive participation will these perceptions be significant”, says the Head of HR Corporate, who is asking for everyone to take part in the questionnaire on organizational climate.

TURNOVER BREAKDOWN PER GEOGRAPHIC PLATFORM



NUMBER OF EMPLOYEES PER GEOGRAPHIC PLATFORM



* Austria, Czech Republic, Slovakia, Hungary, Romania, Croatia, Bosnia Herzegovina, Slovenia and Moldavia.