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FORUM.ASC

MAGAZINE

Volvo Wheel Loaders
HybriPower™

VOLVO'S FUTURE IS GREEN

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2007 WAS A GOOD YEAR!

Sales for all our companies totaled more than 610 million euros in 2007, equivalent to 950 million dollars, and earnings were up by 16% over 2006.

P.06/10 VOLMAQUINARIA DEALERS' MEETING IN SPAIN

STRATEGIC OBJECTIVES

On march 5, 6, and 7, 2008, we attended the volmaquinaria spanish dealers' meeting in madrid, at which the previous year's earnings and this year's objectives were presented...

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VOLVO CE AT CONEXPO 2008

Volvo Construction Equipment (Volvo CE) was one of the biggest exhibitors at this year's CONEXPO, occupying nearly 43,000 sq. ft. of space at the world's largest construction equipment trade show in 2008 which had 137,000 visitors...

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MAGAZINE

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EDITORIAL



ANGELA VIEIRA

Corporate Image
and Communication Director
Grupo Auto-Sueco (Coimbra), Lda

Quality, Safety, and Environmental Care are the three values that define the VOLVO Brand.

Volvo aims to be a "green choice" in trucks and construction equipment.

And speaking of green, Volvo's color is our color, too!

The growing social awareness of all things "green" and the underlying environmental concerns have experienced a boom in recent years. It is still going full force in 2008 and shows no signs of abating. An influential figure in all this has been Nobel Prize winner Al Gore, in the award-winning documentary "An Inconvenient Truth." Many environmental experts consider his efforts in this field fundamental, which is why he was honored by the Nobel committee.

In more developed countries, expressions like "green initiatives" and "greening" are no longer specialized jargon from a particular movement but have entered the vocabulary of consultants and decision makers. It is the buzz word of the day. Society at large did not, as one might expect, ignore this environmental awareness boom. The public is more conscious that their decisions as consumers can affect the world environment, and this has made them much more demanding of their suppliers.

At the 1st European Dealer Market Communication Conference, held in Rimini, Italy the first week in April, we had the pleasure of attending the presentation about Volvo CE's hard work to build the Volvo brand's reputation in Construction Equipment markets worldwide.

We were also given a copy of the study that led to development of the HybriPower concept and "Green Intelligence," and the plans for the L220F hybrid wheel loader.

It was also announced that this wheel loader is a hybrid, since the engine consists of an electric motor and a diesel motor. The next decade will bring radical changes in engines and machine designs alike, because these new engines are smaller and take up less room. The Volvo CE booth at the next Bauma trade show is scheduled to feature a concept model of the Volvo wheel loader for the 2020s: the Gryphin, unquestionably futuristic yet recognizable as a Volvo wheel loader.

The Future is green!

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A LETTER FROM RICARDO MIEIRO



RICARDO MIEIRO
Executive Manager of Auto-Sueco Coimbra
Administrator of VMCE
Chairman of the Board of ASC USA

In the U.S. last year was rough but positive, and 2008 will be even more problematic (the dollar has fallen more than 20% against the euro in one year), in spite of which our market shares continue to rise in a market that dropped considerably (more than 50%) for the second year in a row. Still, on an organizational level, we are now better prepared than ever, which gives us the peace of mind we need to face the future with renewed ambition.

Spain saw its highest sales, market shares, and earnings since the division was founded (1980), with exceptional performance from every team. However, 2008 will be the first year in a less favorable cycle, which we hope will not last long, since our investment plan is truly ambitious.

In Portugal, the companies had fairly good performance in an economy that is starting to show signs of bouncing back after the past two very gray years. The Machinery, Truck, and Rental businesses responded positively, and sales and earnings both reflect that improvement.

In 2008, as if the “worldwide crisis” were not enough, we still need to do even better in every area. In our opinion, our teams’ maturity and unity will be decisive factors for our success.

Unfortunately, ever since the summer of 2007 we have been hearing about a “crisis,” and some indicators suggest that the crisis is, in fact, real:

2007 WAS A GOOD YEAR!

SALES FOR ALL OUR COMPANIES TOTALED MORE THAN 610 MILLION EUROS IN 2007, EQUIVALENT TO 950 MILLION DOLLARS, AND EARNINGS WERE UP BY 16% OVER 2006.

- There has been an increase in unemployment, inflation, interest rates (except in the U.S.), etc.
- There has been a decrease in economic growth (GDP), purchasing power, consumer confidence and the confidence of business owners, among other indicators.

Our main supplier, Volvo, still considers us one of its best customers; our shareholders have expressed satisfaction; and on a day-to-day basis we have all managed to promote customer loyalty while convincing new clients to make us their preferred provider.

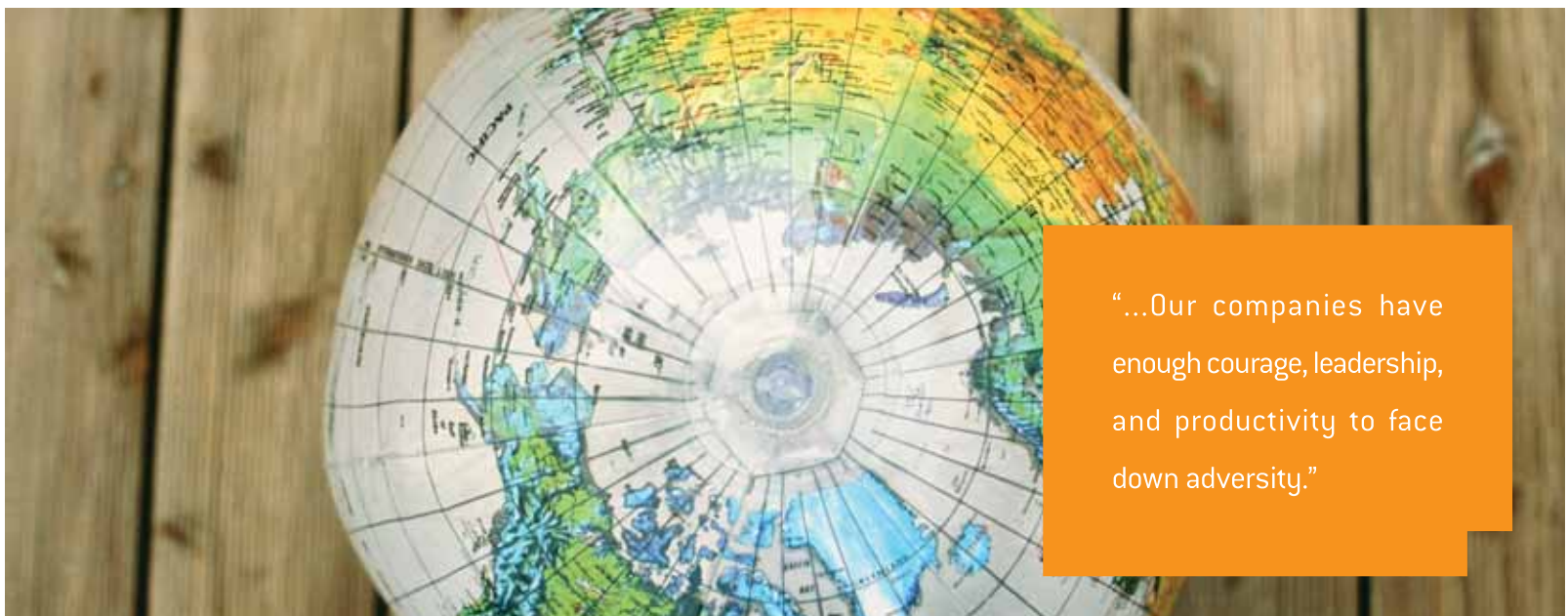
Our companies have enough courage, leadership, and productivity to face down adversity. The vast majority of our 1,200 employees are competent, dedicated, tireless, respectful and even caring. We know how to create wealth!

All these are ample reasons to feel proud.

Our future and success still depend on every one of us.

Thank you all and congratulations!

Ricardo Mieiro



“...Our companies have enough courage, leadership, and productivity to face down adversity.”

OPEN LETTER

VOLMAQUINARIA



JOÃO MIEIRO
CEO Volmaquinaria

“I ENJOY DISCUSSING PLANS FOR THE FUTURE MORE THAN I LIKE REVIEWING THE PAST. IT'S JUST MY NATURE: GIVEN A CHOICE BETWEEN PURSUING NEW CHALLENGES AND PONDERING PAST ACHIEVEMENTS, I PREFER THE FORMER.”

“SO WHEN MY COUSIN ANGELA ASKED ME TO WRITE A FEW LINES ABOUT VOLMAQUINARIA'S EXPERIENCE FOR FORUM ASC, I QUICKLY REALIZED IT WOULD BE HARD TO AVOID TALKING ABOUT THE NEXT FEW YEARS.”

BUT LET'S START WITH THE PAST.

Since June 1999 when ASC acquired what was then Volvomaquinaria from Volvo, we have certainly experienced continuous growth:

- In 1999 we invoiced 90,000,000 euros, which rose to 210,000,000 in 2007;
- We started with 64 employees and are now up to 276;
- Profits rose from 5,000,000 euros to last year's 19,000,000;
- We were originally one company and today we are eight different subsidiaries;
- In 1999 we delivered 653 machines, as opposed to 1350 last year;
- We had one branch while today we have 14 different locations.

The credit for this remarkable progress belongs to the 64 original staff members and the many others who have joined us over the years to form a true team. Together, we made the most of opportunities as they arose in the market, always with the support of our Directors and Shareholders, especially as regards the huge investments that led to a major qualitative transformation of the Volvo organization in Spain.

Today, we can safely say that Volvo has the best distribution network in the construction/public works industry, resulting in our GPPE market leadership since 2004.

What's next?

Well, we all know that the next couple of years look decidedly less promising, which is no surprise. A long expansion cycle is always followed by a downturn.

This is, in fact, the major challenge Volmaquinaria and its team is facing:

- How to maintain market leadership?
- How to maintain current profitability and financial strength?
- How to maintain employee satisfaction?
- How to keep up with the ambitious investment plan that foresees opening five new branches, in addition to the Volrental network development?
- How to improve customer satisfaction?
- How to prepare the organization for the new growth cycle expected in the second half of 2010?

THESE ARE CLEARLY OUR MAIN CHALLENGES FOR THE NEXT TWO YEARS, AND WE WILL FACE THEM WITH INCREASED CONFIDENCE AND ENERGY, CERTAIN THAT WE CAN SUCCEED AND CONTINUE TO CONTRIBUTE DECISIVELY TO THE GREATNESS OF GRUPO ASC.



EUROPEAN PRODUCT LAUNCH FOR VOLVO ROAD MACHINERY DIVISION

“VOLVO ROAD MACHINERY DIVISION PRODUCTS”

On February 4 and 5, 2008, nearly 150 employees from ASC and Volmaquinaria de Construcción España took part in the European Product Launch sponsored by Volvo CE. The two-day event focused on three topics – Launches, Updates, and Segments – each of which comprised four subtopics. Twelve groups rotated through twelve zones, in which product specialists explained Volvo’s current and future directions.

THE SLOGAN “SHAPING OUR FUTURE TOGETHER” INTRODUCED AN EXCLUSIVE SNEAK PEEK AT PRODUCTS FROM THE NEW VOLVO ROAD MACHINERY DIVISION: ASPHALT PAVERS AS WELL AS SOIL OR ASPHALT COMPACTORS.

Sales tools, the new models of compact excavators and large-scale crawler excavators, control systems, and so on. During those two days, the Iberian Peninsula sales network enjoyed a steady stream of information and socializing.



SPOTLIGHT

VOLMAQUINARIA DEALERS' MEETING IN SPAIN

STRATEGIC OBJECTIVES

1. REMAIN THE MARKET LEADER
2. DEVELOP RENTAL BUSINESS
3. DEVELOP BUSINESS STRUCTURES
4. PROMOTE NEW PRODUCTS

ON MARCH 5, 6, AND 7, 2008, WE ATTENDED THE VOLMAQUINARIA DEALERS' MEETING IN MADRID, AT WHICH THE PREVIOUS YEAR'S EARNINGS AND THIS YEAR'S OBJECTIVES WERE PRESENTED. THE GATHERING ALSO ALLOWED US TO EXCHANGE IDEAS AND PROPOSALS TO HELP US CREATE CONSISTENT CRITERIA AND ACHIEVE PREVIOUSLY ESTABLISHED OBJECTIVES AND GOALS.

This year brought a deliberate change in the meeting's traditional format. In keeping with the chosen location - the Hotel Puerta de América, a different, creatively designed venue - the new format led to a dynamic meeting, as expected, with greater, more intense participation than in years past. As a result, we all left stronger and more competitive at the end of the meeting.

We had the pleasure of being addressed by Mr. Jesús Elorz in his special role as meeting coordinator. He shared his experience and knowledge of this market, where he has worked for more than 50 years. Mr. Elorz is a role model throughout Spain for those who want an overview of the market that only he can give, based on his experience as founder and editor of Potencia magazine in 1964, and his work in the association of public works machinery dealers (ANDICOP).



Volmaquinaria dealers' meeting



Hotel Puerta de América



Inside the Hotel Puerta de América



Mr. Jesús Elorz

We also heard comments from outside the company that gave us food for thought and a different perspective than we are used to. It took us outside our “box,” where we only see ourselves from our own viewpoint, and let us look at ourselves through the customer’s eyes. Customer interviews and opinions revealed how they see us and rate us, what traits they perceive in us, what traits they want us to have, what they need, and what we can give them. The results will help us focus on retaining our strong points while striving to improve the weak ones, as we leverage our knowledge of the market in various ways. We can achieve this by interacting with customers; growing the company without losing personalized service and customers’ access to us; by making our products available and providing ongoing information about new items; by making

ourselves available as consultants with quick response at every level, whether making a sale or providing post-sales support with highly qualified mechanics; and by keeping spare parts in stock for quick, efficient, well organized repairs. Customers pointed out the need for a good line of GPPE rental machinery in addition to solutions that make it cost effective for them to buy our products. Such solutions could include fixed-fee service contracts that let the customer know in advance what maintenance will cost, and the increase in the machine’s residual value. All this allowed us to reexamine whether we were headed in the right direction, and the answer was yes. It confirmed that we must not let down our guard if we want to remain the leaders in the Spanish market.



One highlight was the talk by Mr. Juan José Potti Cuervo, director of ASEFMA, an association of manufacturers of asphalt road paving compounds. The group's associate members include concrete distributors as well as distributors of machines relating to any of the preparation and application processes, and research and monitoring companies and other bodies associated with the planning phase, construction, and maintenance of highways, city streets, airport runways, and all other activities that use asphalt compounds.

Mr. Juan José Potti cleared the way for us to enter a market where we previously had no involvement until last year when Volvo CE bought Ingersoll Rand's road development equipment division. This is an expanding market that will see much public bidding over the next few years, and public works that are already approved and for which contracts are yet to be awarded. Since the Spanish market is served by more than 400 factories with a production capacity of 100 million metric tons per year, Spain is a leading investor and one of Europe's top producers of asphalt. This is a major market for our company to explore, in this time of plummeting markets, bearing in mind that we were the leaders in motor graders in 2007 and we are positioned among the top vendors of compacting and paving equipment in Spain.



Let me take a moment to say how much fun we had at the meeting, freeing up our minds and bodies as we all took part in a surprise activity. Once we found out what it was, and after the initial gasps of amazement, it turned into a surprising, novel, energetic project. All the participants made a huge effort to produce impressive, Oscar-worthy results... an apt analogy given the nature of the activity: we had to produce one-minute commercials. After we split into groups, people worked together quickly and smoothly and came up with ad concepts, scripts, casting, and props; arranged access to the right spaces and

settings for their ideas; and began taping as if they had been doing this all their lives. Imagine the hotel guests' faces as they sipped their coffee and suddenly saw a gorilla run past, or a six-foot-tall nun, a beautiful princess with two days' growth of beard, or a baby with an enormous cigar. This incredibly fun activity helped us get to know one another and brought us closer together in order to meet the assigned challenges.



“Imagine the hotel guests' faces as they sipped their coffee and suddenly saw a gorilla run past, or a six-foot-tall nun, a beautiful princess with two days' growth of beard, or a baby with an enormous cigar.”

We should congratulate the organizers of the gala dinner, where we had the honor of hearing from one of Spain's champion professional wine tasters, Mrs. Kasia. She taught us how to appreciate wine with all five senses, how to distinguish different approaches to wine tasting, the key traits of different types of wines, the various designations of origin, master specialized wine-tasting techniques, and enjoy and choose wines.

We also enjoyed the show put on by the special wait-staff, who entertained us frequently throughout the dinner and drew us into their performances. These actors, who masqueraded as part of the serving team, helped us enjoy a lovely meal that ended with a screening of the short videos we had produced. Then prizes were awarded for Best Short Film, Best Actor and Best Actress. Overall, the videos were admirable for their originality and quality. As we were told by the organizing company that allowed us to carry out this idea, *"These are the best video shorts we've ever seen. They were completely unexpected and very well made."*

"These are the best video shorts we've ever seen. They were completely unexpected and very well made."



The next day we heard a presentation titled

"Leadership and... Growth? Managing Talent in Tough Times." The speaker, Mr. Antonio Moya (Manager of 2GROW, a company that teaches new coaching methods and approaches to operating Human Resources departments), asked us not once but several times to think about the people who contribute to a company's growth: the employees. In a weak market, it is a key objective of Human Resources departments to retain and/or attract highly talented people while moving toward the company's objectives, discovering new niches from which we can hire qualified people, and showing us how the profile of new workers entering the job market (Generation Y) has changed. These reflections taught us to value the people in our companies and work decisively together for the best corporate results.



One objective discussed at the meeting was to create consistent criteria and publicize, throughout Volvo's network in Spain, the corporate successes and alternative approaches created by various distribution centers in that country. It was also considered important to share with the network all the information, debates and comments made during the previous days. To that end, working groups were established to address seven main topics:

- Rental of GPPE production machines
- Distribution of compact equipment
- Recruiting and attracting mechanics
- Road Machinery Division
- Approaching the rental market
- Influencing potential buyers
- The spare parts market.



Participation and involvement by Volvo's entire Spanish network in developing these topics allows us to manage the company's overall global objectives, based on the experience of all the Spanish distribution centers. This way we can work together and share common bonds, achieving extraordinary participation levels as well as impressive results and conclusions.

As happens every year, awards were given out on the last day for the dealerships or branch offices that contributed most effectively to keeping this company at the top of the market. We announced the prizes and winners to give them greater recognition and so they can serve as role models so that we can all improve and be in the running for these prizes in the coming years.

THE AWARD FOR BEST MANAGEMENT OF PRODUCTION EQUIPMENT - in recognition of a job well done over several years in achieving the highest penetration in all four product lines, laying the groundwork for future success - went to **Maquiobras, S.L.**

Cligena, S.A. won the award for best management of construction equipment, after achieving the best results in all five product lines. This reflects their dual management of sales and rentals, heading up a pilot project for our organization.

The award for best management of technical support highlights the outstanding efforts to constantly improve the quality of customer service in 2007. The winning dealership did this through technical support, achieving an optimal balance between baseline functions and quality of service, with the corporate vision of quality which should excel as a way to grow in a profitable fashion in a truly aggressive, highly competitive environment... all of which was achieved by **Auto Industria de Cartagena, S.L.**

The **Central Office** took home THE AWARD FOR BEST MANAGEMENT OF SPARE PARTS IN 2007, which it won thanks to a modern vision of spare part sales combined with outstanding "know-how" regarding the basic tasks involved. This let it achieve an all-time record in both business volume and customer retention, which we trust will continue to grow over the next few years.



Last but not least was THE AWARD FOR BEST MANAGEMENT OF MAINTENANCE CONTRACTS, MEANING THE PROMOTION and volume of the maintenance/repair contracts that the winning office achieved last year. As we have seen, this is an essential element for our companies' future, allowing us to offer a service that will ensure us a considerable volume of business even when the market is weak. It allows us to offer our customers better pricing, as we handle these tasks for them so they can concentrate on their own primary businesses. The award went to the **Central Office** for having signed 114 contracts in 2007.

In conclusion, we can safely say that the meeting achieved its predefined objectives: innovation, creativity, vitality, greater and more intensive participation. It gave us answers, solutions, and very thorough information that we can use together, to know what path to follow as we pursue our greatest goal: retaining the number one spot in the Spanish market for what is probably "the best distribution network for heavy machinery and public works in Spain."

VOLVO'S FUTURE IS GREEN

The Day After Tomorrow...

No doubt about it: Volvo's future is green!

Hybrid engines are now a certainty in Trucks and Construction Equipment.

Volvo cares about the environment and, in planning for the future, decided that worldwide petroleum production has already peaked and that climate change is undeniable. And so, since 1995, the company has invested heavily in developing hybrid and biofuel engines.

Volvo Construction Equipment and Volvo Trucks will undergo radical changes in the next decade. Hybrid motors are now a certainty.

Volvo has developed a technology that it calls HybriPower

Last March at the ConExpo in Las Vegas, Volvo unveiled a preproduction prototype: the L220F wheel loader.

Offering more power, better performance, and a 10% reduction in fuel consumption, the L220F Hybrid's increased efficiency and cost saving potential will offer customers a much greater return on their investment over the lifecycle of the machine.

Leveraging its position as the world's largest manufacturer of heavy-duty diesel engines in the 9 to 18-liter class, the L220F's parallel hybrid technology was developed within the Volvo Group and uses as its platform the proven and reliable D12 engine. While much of the technology remains confidential, subject to patents pending, the heart of the hybrid system is an ISG - Integrated Starter Generator. Fitted between the engine and the transmission, the ISG is coupled to a state-of-the-art battery that has many times the power capacity of a normal lead acid battery. The ISG works in a number of ways:

Power when you need it - and only when you need it

Firstly, up to 40% of a wheel loader's time can be spent with the engine idling. The ISG allows the diesel engine to be turned off when the loader is stationary - and then almost instantly restarted by rapidly spinning the engine up to optimum working speed using a burst of energy from the high power battery.

Secondly, the ISG can also overcome diesel engines' traditional problem (low torque at low engine speeds) by automatically offering a massive electric torque "boost" - as the ISG's electric motor offers torque of up to 700 Nm (516 lbf-ft) from standstill. Put in engine power terms - the ISG adds up to 50 kW of instant mechanical energy.

The combination of these two attributes of the ISG means that the diesel engine will remain off for long periods when it would otherwise be idling. The operator does not need to over-rev the engine in order to get sufficient torque to work, as peak torque will be offered at almost tick-over engine speeds. The battery is then replenished automatically without reducing productivity, with the ISG acting as a dynamo/alternator.

While the ISG is the heart of the system, there are other energy saving innovations in the L220F Hybrid loader, such as an electrically powered climate control system (rather than being powered directly by the engine). When coupled to the non-hybrid L220F's already efficient V-ACT Volvo engine and hydraulic

systems, the L220F Hybrid's additions make for dramatic improvements in efficiency and economy without a reduction in reliability.

The best of both worlds

The Volvo L220F Hybrid will be Volvo's - and probably the industry's - first commercially available wheel loader when deliveries begin in late 2009. This first-generation machine will spearhead a sea change in the industry, highlighting to customers that buying hybrids offers much more than "just" environmental benefits. The key advantage of the Volvo Hybrid system is that of much lower fuel costs combined with improved performance. Volvo hybrid equipment will come to be recognized as truly the best of both worlds.

Greater productivity and lower fuel consumption without sacrificing any of the values associated with Volvo in terms of quality and safety. The Volvo L220F Hybrid loader means higher efficiency, reduced fuel consumption and less impact on the environment.



CONEXPO LAS VEGAS 2008

VOLVO CE AT CONEXPO 2008

Volvo Construction Equipment (Volvo CE) was one of the biggest exhibitors at this year's CONEXPO, occupying nearly 43,000 sq. ft. of space at the world's largest construction equipment trade show in 2008 which had 137,000 visitors.

On show was the rebranded range of road machinery, its revolutionary hybrid wheel loader, and nearly 30 other recently introduced machines from across the company's product range.

Held from March 11 to 15, one of the industry's most anticipated new products at the show was on display: the prototype Volvo Hybrid Wheel Loader. The "mild" diesel-electric hybrid drive system fitted to a L220F wheel loader is the first iteration of Volvo's ongoing development process - but its reduced levels of emissions and fuel consumption are impressive indicators of the potential environmental and economic benefits such hybrid systems offer.

Technical innovation was joined by design innovation on the stand: Volvo designers were tasked with imagining the articulated hauler of the year 2020 - the radical "Centaur" concept design was the result.

Another highlight of Volvo's participation at CONEXPO was the official unveiling to a global audience of the company's new-look road machinery product range, now marketed in the Volvo corporate livery of yellow/grey and carrying the Volvo brand.

Volvo CE's indoor exhibition space was home to 28 of Volvo CE's latest machines: including F-Series wheel loaders, C-Series excavators (including the new ECR models), Volvo PL-Series pipe layers and E-Series articulated haulers, featuring the revolutionary "Full-Suspension" systems. The company exhibited its growing compact equipment product line where an additional 18 compact machines were on display.

The Volvo CE exhibit at CONEXPO 2008 also included a fully-equipped Volvo Rents rental center and a Volvo CE Merchandise Store. Volvo Financial Services were also well-represented.



MANAGEMENT AND PROCESSES

UNIFIED COMMUNICATIONS PROJECT

THE GOAL OF OUR NEW COMMUNICATIONS PROJECT IS TO IMPLEMENT IP TECHNOLOGY AT ASC, WHICH WILL HELP IMPROVE ADMINISTRATIVE MANAGEMENT, INCREASE AVAILABLE SERVICES AND REDUCE COSTS. IN THE INITIAL PHASE, COSTS WILL BE REDUCED BY 20%. THE PROJECT WAS CONCLUDED IN THE END OF 2007 IN PORTUGAL.

Today, various communication technologies are converging into one single technology, thereby reducing costs, increasing available services, simplifying administrative management and making technical management of infrastructure more flexible. IP technology has modified the concept of communications by using a single line and a single piece of equipment to transfer data, voice and image; so instead of having various suppliers as we currently do, we will have only one, as the various technologies converge into one, helping to simplify management within ASC and relations with suppliers.

The first step has already been taken, resulting in savings of over 20%. We have decided to restructure and renegotiate infrastructure costs related to Local Area Networks (LANs) and group communications via Wide Area Networks (WANs), as well as fixed voice communication (telephone exchanges and land-line phones), mobile voice (cellular phones), mobile data communications, faxes, ATMs, email, data centers (computer rooms), website hosting, security, and videoconferencing systems.

Another major goal involves technical remodeling of our infrastructure. The elements most visible to ASC employees are:

- IP phones with enhanced functionality
- Faxes via email
- Cell phones with a new carrier

GRYPHIN THE PROTOTYPE LOADER FOR THE YEAR 2020



HARDMÁQUINAS INTERVIEW



MÁRIO PRIETO

COUNTRY . PORTUGAL

COMPANY . HARDMÁQUINAS

JOB TITLE . BUSINESS MANAGER

“QUALITY IS ALWAYS OUR OBJECTIVE”

MÁRIO PRIETO IS THE BUSINESS MANAGER OF HARDMÁQUINAS, A REMARKETING COMPANY WITH A VERY CLEAR OBJECTIVE: TO BE A BENCHMARK FOR QUALITY IN THE SEMI-NEW MACHINERY MARKET.

HOW DO YOU DEFINE HARDMÁQUINAS?

Mário Prieto - It is a company dedicated to remarketing used machines in nearly new condition. It's our job to buy those machines, which we refurbish and sell. Besides sales, we also provide multi-brand technical support.

WHERE DO YOU BUY THE MACHINES YOU SELL?

MP - In various markets, at present essentially from subsidiaries of Grupo Auto Sueco Coimbra in the United States. However, we also buy in Ireland and Holland. Often, we also get them domestically in Portugal, from known customers. We assess the machines and buy directly from customers.

WHAT TYPE OF MACHINES ARE AT THE CORE OF YOUR BUSINESS?

MP - Earthmoving machines. Our current core businesses are essentially dump trucks, excavators, and wheel loaders.

COULD YOU GIVE US SOME BACKGROUND ON THE COMPANY?

MP - The company is four years old. It started out in Santo Tirso, last year we moved to Torres Novas, and now we're in Alverca. I've been involved in the project about a year. Now we have an additional advantage: incredible visibility, since we're next to highway A1 in an ideal location. Eleven people work at the company. It's interesting to recall that a year ago we had a staff of four. So we're growing in that way, too.

IN WHAT MARKETS DO YOU SELL?

MP - Our goal is to be a trading company. We already sell a fair amount in Angola and Morocco, and we're starting to explore the Spanish market. We also sell in Mozambique, Guinea, the Portuguese-speaking countries, and we hope to become an iconic brand in the used machinery market and sell to all of Europe.

WHAT IS THE STRATEGY OR PATH YOU'RE FOLLOWING RIGHT NOW?

MP - Quality, of course, but also to maintain a firm customer focus. The strategy also involves branching out internationally into new markets. We've scheduled a visit to Morocco, which is a growing market. The goal is always to get customers to see us as an alternative to new equipment.

WHAT IS THE COMPANY'S MARKET SHARE IN PORTUGAL?

MP - There are no statistics on the used equipment market. We don't know for certain how many machines are sold in Portugal. But I can predict that we're going to grow.

WHY DO CUSTOMERS CHOOSE YOUR COMPANY AND SEMI-NEW MACHINES? WHAT ARE HARDMÁQUINAS' STRONGEST SALES PITCHES?

MP - The price and the operating cost are lower with us. We can't replace new machines. We want to be a company that is about excellence, which is why we try not to buy machines that are more than five years old. That was the big strategy we introduced recently. And before we purchase a machine it is thoroughly inspected, which ensures quality.

BESIDES SALES, YOU ALSO STILL PROVIDE SUPPORT SERVICES...

MP - We support the machines and we sell support services abroad. We provide support for machines we don't sell, for a contractor or construction company that buys our services. We have vans and mechanics in various countries that go to the work site and provide multi-brand repair service. I've seen how this activity helps us bond with the customer and build loyalty. It's gratifying because it means we're providing good service, that we're actually different and won't leave the customer stranded.

WHAT'S IT LIKE TO HEAD UP THIS PROJECT?

MP - I've sold machines my whole life. For me, this is a very interesting experience, because every day is a challenge. Selling a new machine is fine... But here every transaction is different in terms of purchasing, preparation, and sales. Because no two machines we have are ever the same. Each case is different. It winds up being very motivating and much more challenging. A lot always happens along the way. From the purchase onward, nothing is the same. It's much less routine and forces you to use your head more...



NEW FACES

**JESS BUTCHER****COUNTRY** . U.S.A.**COMPANY** . ASC CONSTRUCTION EQUIPMENT**JOB TITLE** . EXECUTIVE VICE PRESIDENT

President, Thompson Machinery Commerce Corp. Also served as President of Thompson Power, and V.P. Parts & Service for Taylor. President and Chief Operating Officer, Truck Center South, Jackson, MS, 1988 - 1998.

Jess Butcher's career in the heavy equipment industry spans nearly forty years and includes extensive dealer sales and management experience with both Caterpillar, Inc. and Mack Truck.

He and his wife Cynthia have relocated to Charlotte from Dallas where he served as President of Continental Equipment, the Komatsu Distributor in North Texas. Has 2 sons, aged 20 and 25.

Butcher joined ASC Construction Equipment in December, 2007.

**ED HARRIS****COUNTRY** . U.S.A.**COMPANY** . ASC CONSTRUCTION EQUIPMENT**JOB TITLE** . GENERAL MANAGER CENTRAL NC AND EASTERN SC REGION

Born in Reidsville, NC in 1952

BA degree East Carolina University in 1974

Married Carol Howard in 1975 whom he met in college

Worked for 2 years for a Steel Service Center in Greensboro as an inside salesman

Entered the Equipment Sales field in 1977 as an outside salesman and moved to Hickory, NC

Raised 3 children, Todd (born 1978), Courtney (1979), and Erin (1980)

Figured out children were expensive and stopped having them in 1980

Named Salesman of the Year twice

Promoted to division management in 1988 and named Vice President in 1989

Named Dealer of the Year 2003

Worked closely with Brad Stimmel for 5 years where we were both division managers

Left major fork lift truck distributor and joined equipment wholesaler in 2004-2005

Recruited by a large construction equipment distributor and joined as Vice President in 2005- 2007

Joined ASC Volvo in 2007 as General Manager for Charlotte, NC and Piedmont, SC

Ed Harris is an Elder in the Presbyterian Church and really enjoy people.

**JACK EVANS****COUNTRY** . U.S.A.**COMPANY** . ASC CONSTRUCTION EQUIPMENT**JOB TITLE** . GENERAL MANAGER ATLANTA REGION

Grew up as son of a contractor operating equipment since mid-teens

Became factory sales rep for International Harvester following college

Left IH for job with largest dealer (IH) and held various positions in marketing, sales and sales management

In 1979, left dealer and went to work as marketing rep for CAT dealer in N.Carolina (for next 12+ years) in sales and management roles including general sales manager.

Moved to Virginia as E. Region manager for Carter Machinery (CAT dealer in Va.)

In 1995 moved to Georgia and have been w/ Yancey Bros. Co. where held various positions in management up to and including Director of Sales. (This is through December of 2007 when he came to ASC)

Have wife and seven (yes...?) children ages 30-10.

Live in Greensboro GA.

Hobbies include: golf, tennis, skiing, boating, hunting and family activities.

NEW FACES



FORMER EMPLOYEES OF INGERSOLL RAND HAVE JOINED THE STAFF OF VOLMAQUINARIA DE CONSTRUCCIÓN ESPAÑA. THIS FOLLOWS VOLVO CE'S PURCHASE OF INGERSOLL'S ROAD DEVELOPMENT DIVISION AND THE CREATION OF A NEW BUSINESS LINE: VOLVO ROAD MACHINERY

THE NEW EMPLOYEES ARE: (see photo)

Left to right, standing: Oscar Alonso, Cristina Etreros, Antonio Ruiz. Seated: Enrique Torras.

CRISTINA ETREROS - Machine Purchasing, Road and Construction Equipment

OSCAR ALONSO - Spare parts purchasing

ENRIQUE TORRAS - Head of Sales for the Northern Region

ANTONIO RUIZ - Head of Support

Have joined the San Fernando Sales Department

Have joined the San Fernando Technical Department

AFAEL GONZÁLEZ - Warehouse Assistant

NICOLÁS MARQUEZ - Mechanic

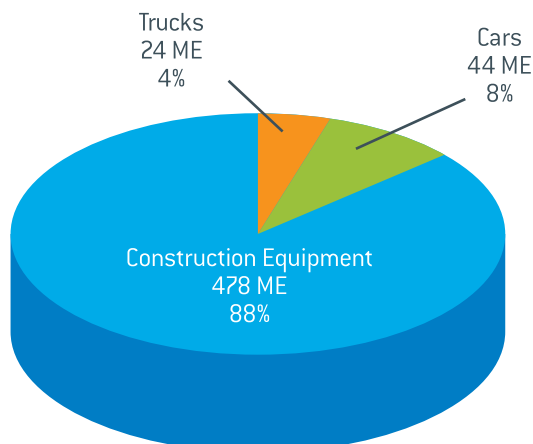
MANUEL MARTINEZ - Mechanic

Have joined the Central Office's Maintenance Shop

INDICATORS

GRUPO ASC PROJECTED SALES VOLUME FOR 2008

546
MILLION EUROS



DATES AND EVENTS

PORTUGAL

May 10 and 11

Volvo Open House Weekend at our facilities in Coimbra, in partnership with the Holmes Place gym.
"Get a fitness evaluation for yourself and your Volvo."

July 1 and 2

Construction Equipment Conference

SPAIN

April 10-12, 2008

Trip to Hamelin, Germany
Dealers' field trip to the paver and roller factory

April 22-26, 2008

SMOPYC

At SMOPYC, Volmaquinaria will introduce:
Volvo Road Machinery division
Motor graders
ABG Pavers
Soil and asphalt compactors

Crawler excavators ECR235C and ECR48C
Wheeled excavator EW210C
Introduction of the new hybrid powertrain