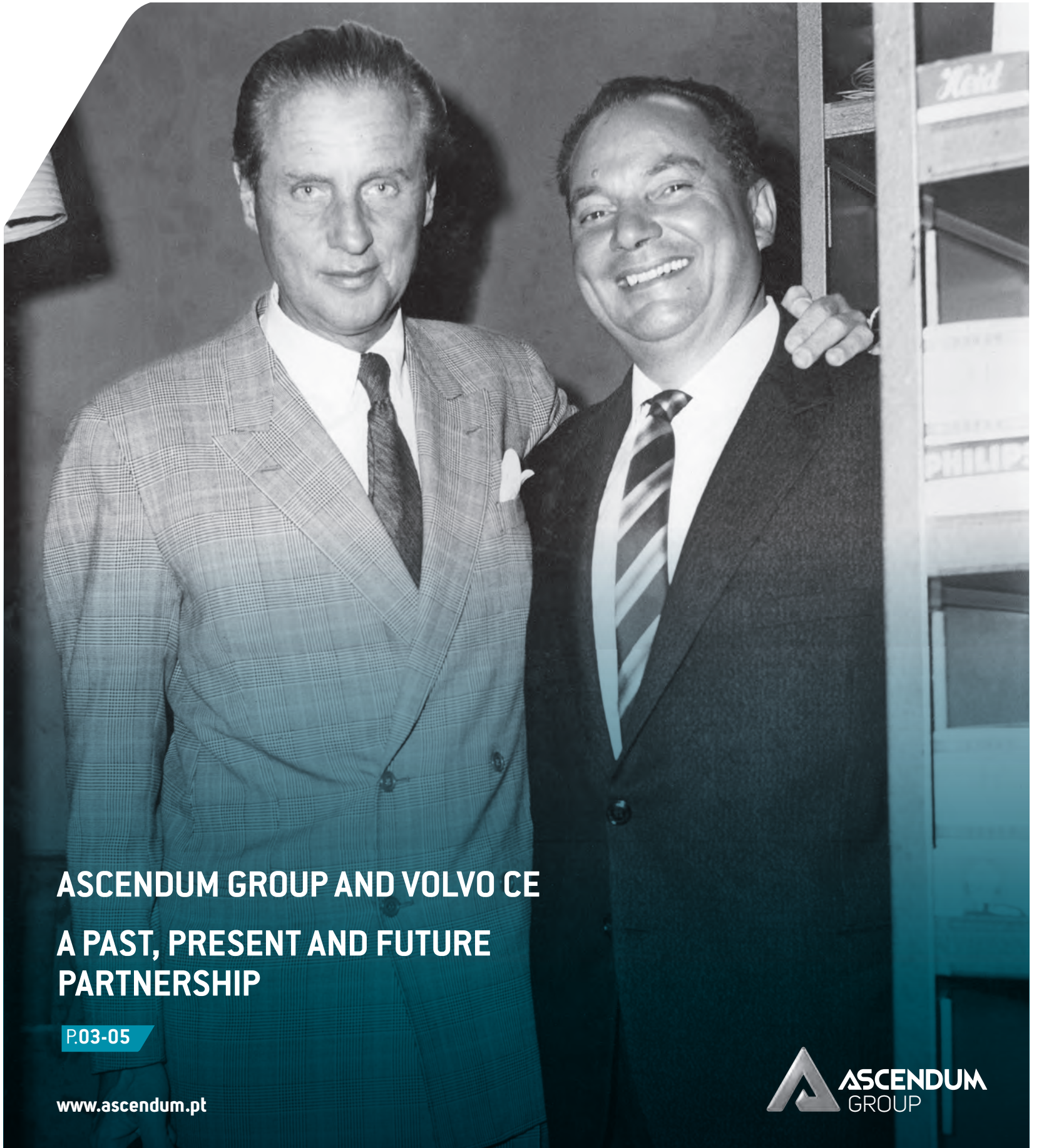


ASCENDUM

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ASCENDUM GROUP AND VOLVO CE A PAST, PRESENT AND FUTURE PARTNERSHIP

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GUNNAR ENGELLAU WITH ERNESTO RODRIGUES VIEIRA

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Editorial



RICARDO MIEIRO
President of the Executive Board

THE HERITAGE AND THE FUTURE

2013, at least according to macroeconomic projections and the pundits, will not be an easy year. But since history is written only by the victors, we at the ASCENDUM Group are accustomed to rolling up our sleeves and getting to work. Working smart and better. This is the "stuff" we're made of, and we wouldn't have it any other way. Therefore, we are approaching 2013 with optimism and high expectations. And this is the approach that our customers and partners expect from us.

We ended 2012 by unveiling our facilities in Mexico with the firm belief that our commitment to that country is a winning bet. By 2014, we plan to have opened 20 operational bases in this vast country, and expect to achieve a sales volume of €100 million by 2015. But we want to go even farther.

The ASCENDUM Group Executive Board is now studying new growth opportunities in regions that could serve as yet another catalyst of growth for us, based on their respective development and the expansion of their industries. In parts of the world where our experience and knowledge can create value.

Regardless of the opportunity found and the distance involved, we will continue to pursue this path along with our long-time partner – Volvo Construction Equipment – whose equipment and reliability both stimulate and guide us throughout this diaspora.

Dating back more than a half century, this relationship with Volvo is also commemorated in the current edition of ASCENDUM Magazine, including an interview with Eberhard Wedekind, Vice President of Volvo CE, and traces a path from the Group's roots through the great milestones that have marked this history of success. With our history "arm in arm" with Volvo, each success at ASCENDUM also represents a step forward for the Volvo brand.

We will continue along the same course of shared success and sustained growth. Without ignoring the difficulties and uncertainties – because they certainly exist – we enter the new year with the same strength with which we closed out 2012: with a positive spirit, committed to reaching greater heights, to increasing profitability without losing sight of the excellent quality of service that has always been part of our DNA.

Interview with Eberhard Wedekind, Vice President of Volvo CE

“WE BELIEVE IN THE ASCENDUM GROUP’S SUCCESS IN ANY CULTURE OR LANGUAGE”



EBERHARD WEDEKIND
VICE PRESIDENT OF VOLVO CE

EBERHARD WEDEKIND, VICE PRESIDENT OF VOLVO CE SINCE JULY 2011, HAS BEEN WITH THE COMPANY FOR 17 YEARS, AND REFERS TO THE ASCENDUM GROUP IN THE FIRST PERSON WHEN DESCRIBING ABOUT THE QUALITIES THAT UNITE THEM, THE OUTLOOK FOR NEW TERRITORIAL EXPANSION AND HIS ADMIRATION FOR THE COMPANY WITH WHOM THEY HAVE BEEN WORKING SINCE 1959. WEDEKIND SHARES THE SECRET OF THIS LONG-TIME PARTNERSHIP: “THE SECRET TO THE SUCCESS OF THIS PARTNERSHIP IS THE SHARING OF THE SAME VALUES BETWEEN THE TWO COMPANIES. BOTH VOLVO CE AND THE ASCENDUM GROUP ARE COMPANIES WHERE THE CUSTOMER IS THE NUMBER ONE PRIORITY. THE QUALITY AND EFFICIENCY OF SERVICE ARE “TOP OF MIND” FOR US.

HOW WOULD YOU DESCRIBE THE PARTNERSHIP BETWEEN VOLVO CE AND THE ASCENDUM GROUP?

It’s a special and lasting relationship between two companies in a sector that has been highly competitive, especially as of late. I can attest that the connection between Volvo CE and the ASCENDUM Group is based on a strategic partnership leveraged by a relationship founded on a strong friendship of permanent collaboration, always characterized by an amicable environment with profound mutual respect.

The secret to the success of this partnership is that both companies share the same values. Both Volvo CE and the ASCENDUM Group are companies where the customer is the number one priority. The quality and efficiency of service are “top of mind” for us. Therefore, it is easier to achieve success under these circumstances.

WHAT QUALITIES ABOUT THE ASCENDUM GROUP DO YOU ADMIRE MOST AND WHY?

I truly admire the excellence and professionalism of ASCENDUM’S Executive Board, which has been

responsible for the results achieved, in line with its strategic capacity and international approach. It is very difficult to find all of these qualities in a single partner, and they are especially critical to a business like ours.

The ASCENDUM Group demonstrates exceptional quality of management and very high standards of excellence, which have played a large part in assuring its standing as one of the three largest Volvo CE dealers in the world.

Interview with Eberhard Wedekind, Vice President of Volvo CE

“I TRULY ADMIRE THE EXCELLENCE AND PROFESSIONALISM OF THE ASCENDUM GROUP’S EXECUTIVE COMMITTEE, WHICH HAS CONTRIBUTED TO THE RESULTS THAT THE GROUP HAS ACHIEVED.”

WHAT ARE VOLVO CE’S EXPECTATIONS FOR THE NEWEST MARKET IN WHICH ASCENDUM IS OPERATING, I.E. MEXICO?

Mexico is a country that has presented a very interesting economic growth. Naturally, Volvo CE wants to position itself strategically in this country. We definitely intend to grow our market share, and the positioning of our brand is also an important aspect in this market, where trends are looking very positive. But the top priority for us is keeping our customers happy. So our new focus will definitely revolve around offering excellent service to our customers based upon trust and strong, lasting relationships. We’re confident that we will succeed. In fact, the ASCENDUM Group has proven that it is fully capable of rising to these challenges.

THESE ARE MARKETS WHERE VOLVO CE ENTRUSTS ASCENDUM WITH THE RESPONSIBILITY OF REPRESENTING IT. WHAT IS THE REASON FOR THIS CHOICE?

I don’t think having operations in different countries is as critical as having leaders who have an international perspective and approach. However, I also believe it’s important to have a certain level of awareness towards cultural issues. In this respect,

ASCENDUM is clearly a winning choice. We are confident that the ASCENDUM Group will be successful in any culture or language.

WHAT IS THE ASCENDUM GROUP’S IMPACT ON VOLVO CE’S BUSINESS?

The ASCENDUM Group is responsible for an important share of the business, and has a large impact on the company’s revenues. It’s a major partner, and we’re extremely proud to have them as a member of our “family”.

HOW MANY PARTNERS SIMILAR TO THE ASCENDUM GROUP DOES VOLVO CE HAVE?

All of our partners are important to Volvo CE. Their contributions to making Volvo CE a highly successful brand are critical. However, I can tell you that there are three or four partners with size and strategic positioning similar to the ASCENDUM Group.

PLEASE FINISH THE FOLLOWING STATEMENT: “WE ARE COUNTING ON THE ASCENDUM GROUP TO...”

... continue being a fantastic partner that we’re thrilled to work with!”

“THE ASCENDUM GROUP HAS PROVEN THAT IT IS FULLY CAPABLE OF RISING TO THESE CHALLENGES [IN DEVELOPING THE MEXICAN MARKET].”

EBERHARD WEDEKIND

PROFILE OF A LEADER

EBERHARD WEDEKIND HAS 17 YEARS OF EXPERIENCE IN VARIOUS POSITIONS IN VOLVO’S UPPER-LEVEL MANAGEMENT. HE WAS VICE PRESIDENT OF MARKETING & SALES WITHIN THE COMPACT EQUIPMENT BUSINESS LINE, AND AT VOLVO CE AS SENIOR VICE PRESIDENT OF GLOBAL MARKETING AND SENIOR VICE PRESIDENT OF SYSTEMS.

HE WAS THE CHAIRMAN OF THE ASIAN REGION FROM 2005 TO JULY 2011. BASED IN SINGAPORE, HE SUCCESSFULLY HEADED UP THIS

REGION DURING AN ERA OF TREMENDOUS GROWTH, WITH GAINS IN MARKET SHARE AS WELL AS IMPROVED PROFITABILITY.

EBERHARD HOLDS A MASTER OF COMPUTER SCIENCE AND A PHD IN BUSINESS ADMINISTRATION FROM THE UNIVERSITIES BONN/MIT.

BEFORE JOINING VOLVO, EBERHARD WEDEKIND HELD SENIOR ROLES IN ARTHUR D. LITTLE AND THE LINDE GROUP FROM 1987 TO 1990 IN ITALY AND GERMANY, RESPECTIVELY.

“WE ARE COUNTING ON THE ASCENDUM GROUP TO CONTINUE BEING A FANTASTIC PARTNER THAT WE’RE THRILLED TO WORK WITH!”

A PAST, PRESENT AND FUTURE PARTNERSHIP



ERNESTO RODRIGUES VIEIRA, FOUNDER OF THE ASCENDUM GROUP WITH GUNNAR ENGELLAU, PRESIDENT OF AB VOLVO, COIMBRA, PORTUGAL - 1968

IT'S A LONG-STANDING BUT BY NO MEANS MONOTONOUS RELATIONSHIP. ESTABLISHED 54 YEARS AGO, THE PARTNERSHIP IS POISED FOR NEW GROWTH. THE ASCENDUM GROUP AND VOLVO CONSTRUCTION EQUIPMENT HAVE JOINT OPERATIONS IN FIVE REGIONS AND FUTURE PLANS GO EVEN FARTHER AFIELD.

It all started 54 years ago, when Auto-Sueco invites Ernesto Rodrigues Vieira, a businessmen with ties to the auto industry, to create a new Volvo truck and car dealership in six districts of central Portugal. The family-owned Auto-Sueco Coimbra, Lda., now the ASCENDUM Group, was born from this proposition in 1959.

The sale of Volvo trucks for cargo transport and public works, as well as the sale of Volvo passenger vehicles, lay at the core of the ASCENDUM Group's business through the late 1960s. Then, in 1970, the Group received an invitation from Volvo to import and distribute Volvo Construction Equipment in Portugal. The opportunity is seized with a strong professional ethos and a commitment to the creation of stable relationships with customers. In 1981, these principles lead to the opening of three new subsidiaries: Viseu, Albergaria-a-Velha and Castelo Branco. During the 1980s and 1990s, the quality of sales and after sales-services continues to bear fruit, and the

ASCENDUM Group receives high praise for its partnership. At the 20-year anniversary party for Volvo BM in Portugal, Hans Carlsson, President of Volvo ME International Sales, cites the Portuguese company's success. "Auto-Sueco Coimbra is a private distributor of Volvo ME with one of the highest market penetration rates, and these factors are certainly the product of the dedication, professionalism and efforts of Auto-Sueco Coimbra's management, all contributing to the development of quality and efficiency both for the company and on behalf of Volvo ME".

INTERNATIONALIZATION: PAST THE POINT OF NO RETURN

The late 1990s saw the need and opportunity to think beyond the borders of Portugal. Volvo proposes that the ASCENDUM Group assume machinery imports for all of Spain, including the local retail establishment and a network of 14 dealers.

ASCENDUM Group and Volvo CE

In 1999, Volmaquinaria España is incorporated as an asset of the portuguese company, and sales double within three years, with market share growing from 14% to 20%.

In 2004, it's time for a new step across borders – this time to the United States. The mission is to revitalize the distribution business in five states in that country, which is ultimately accomplished thanks to the dynamic nature of the Volvo commercial network and a new image for dealers, with market share increasing from 9% to 15%.

Six years later, the destination is Turkey. In 2010, ASCENDUM acquires Volvo Otomotiv Turk and succeeds in an emerging market with commercial and financial results that exceed expectations, also reflecting in the number of employees, which increased from 110 employees to 165, with total sales growing from 74 million euros to a current level of 235 million euros. The most recent joint venture is in Mexico where, unlike the other stages of our international expansion, the operation is built from scratch. After three prior attempts to establish a presence in that country, ASCENDUM moved forward in March 2012 with very specific plans: open 20 operational bases by 2014, to achieve a sales volume of €100 million in 2015, and deliver of the greatest possible volume of machinery to the market with the objective of establishing a good after-sales business.

New joint ventures with Volvo CE are being examined in order to reinforce past and present activities, with an even stronger future that will materialize in the fact that we will be the largest Volvo CE dealer.

TIMELINE

1959

Foundation of Auto-Sueco Coimbra obtaining the concession for Volvo cars and trucks dealerships in 6 districts of central Portugal



1970

Invitation from Volvo to import and distribute Volvo Construction Equipment in Portugal



1999

Entry into Spain

Acquisition of Volmaquinaria de Construcción España, SA from Volvo for the import and distribution of Volvo Construction Equipment (VCE) products in Spain



2004

Entry into U.S.A.

Acquisition of VCE operations in five U.S. states (North Carolina, Georgia, South Carolina, Alabama and Tennessee)



2010

Entry into Turkey

Acquisition of Volvo Otomotiv Turk for the import and distribution of VCE products



2012

Entry into Mexico

ASCENDUM Portugal

LARGE PORTUGUESE CONSTRUCTION COMPANIES EMBARKED ON AN INTERNATIONAL GROWTH STRATEGY YEARS AGO TO BUILD INFRASTRUCTURE OUTSIDE PORTUGAL, PARTICULARLY IN AFRICA. IN ORDER TO SUPPORT THESE COMPANIES INTERNATIONALLY, INCLUDING IN CERTAIN COUNTRIES WHERE BOTH THE SPECIALIZED PERSONNEL WITH THE SKILLS TO REPAIR MACHINERY AND THE PARTS NEEDED TO COMPLETE SUCH WORK ARE IN SHORT SUPPLY, ASCENDUM PORTUGAL CREATED FOLLOW THE CUSTOMER.

JOSÉ LUÍS MENDES
ASC MACHINERY CHIEF OPERATIONS OFFICER



“FOLLOW THE CUSTOMER” WHEREVER THEY GO... EVEN TO THE OTHER SIDE OF THE WORLD!

Following customers wherever they go in order to offer them the equipment and services – anywhere in the world – to which they would have access in Portugal, with comparable response times and standards of quality. This is the Follow the Customer concept, a service geared towards large companies as well as mid-sized contractors that have entrusted the management of their equipment to ASCENDUM for years.

According to José Luís Mendes, Chief Operations Officer of ASC Machinery and the lead for Follow the Customer initiative, “These are normally customers with whom we have a solid partnership. Our team maintains a close relationship with site managers and has extensive knowledge of their needs. These customers recognize the importance of our work and know that they

can entrust an aspect essential to execution of their plans which is, however, not part of their core business.” All of the almost one dozen current Follow the Customer contracts cover Portuguese and Brazilian companies possessing logistical platforms in Portugal with major projects underway – highways, ports, airports, etc. – in several African countries ranging from Algeria to Ghana to Mozambique. Supported by out technicians in-loco.

The few construction equipment representatives in such countries offer a rather incomplete range of products and services. Essential machinery is not always available, and in the event of damage or breakdown, replacement parts may not be received until months later. These situations create time and cost overruns that speak to the benefits of Follow

the Customer. And these very benefits make Follow the Customer account for a significant share of overall Portuguese after-sales services: nearly 70% for parts and 80% to 90% for machinery.

“Our team has the capacity and resources to provide support anywhere in the world,” says José Luís Mendes. In fact, there is a concrete possibility of implementing Follow the Customer on another continent, since one of our customer is currently in the latter stages of a tender process in India. If awarded the project, this customer will definitely need ASCENDUM’s support. “Our technicians’ full commitment and dedication are directly responsible for the success of the Follow the Customer program. It would have been impossible without them.”

HANDS-ON, CUSTOMIZED SERVICE

“The process usually starts with a visit to the prospective customer’s facilities in order to understand their needs and come up with a proposal. When the project is awarded, we are poised to immediately deliver the necessary equipment to the construction site and to train personnel to operate this equipment,” explains José Luís Mendes.

Machinery and parts can come from Portugal or anywhere in the world, always chosen so as to address the customer with the best cost/benefit ratio.

Throughout the project, ASCENDUM technicians remain on site to provide daily support to equipment and operators, and hands-on, customized service from the management team is guaranteed throughout the process.

“LARGE CLIENTS IN PORTUGAL THAT RELY ON US TO SUPPLY, MANAGE AND MAINTAIN CONSTRUCTION EQUIPMENT ARE AWARE THAT OUR SERVICES ARE EVEN MORE VALUABLE IN PARTS OF THE WORLD WHERE SUPPLY IS CONSTRAINED.”

Volmaquinaria

VOLMAQUINARIA COMES FACE TO FACE WITH CRISIS



CRISES ARE BOTH CYCLICAL AND INEVITABLE. THE ONLY UNKNOWNs ARE WHEN THEY WILL OCCUR AND HOW LONG THEY WILL LAST. TO BE ABLE TO ADDRESS THE CRISIS, THE COMPANIES MUST PREPARE THEMSELVES DURING GOOD TIMES IN ORDER TO WEATHER THE STORM. THIS IS THE POSITION OF JUAN ANTÓNIO ZURERA, CEO OF VOLMAQUINARIA, WHICH CONTINUES TO BATTLE THE RECESSION WITH A HIGHLY COHESIVE AND INTEGRATED TEAM THAT HAS ADAPTED TO A MARKET IN WHICH SALES HAVE FALLEN 95%.

JUAN ANTÓNIO ZURERA
VOLMAQUINARIA CEO

Over the past five years, Spanish market conditions have changed radically. One half of clients have shuttered their operations, machinery sales have fallen to 5% from previous highs and the levels of equipment in operation are well below installed capacity, with a dramatic impact on demand for after-sales services.

"Spain has become a price-driven market in which many are unwilling or unable to pay for services," says Zurera, describing the overhang in supply of equipment and the surplus of labor available and ready to provide services at unthinkable prices, encompassing a parallel market with which it is impossible to compete.

Given this reality, Volmaquinaria has restructured its operations without neglecting the standards of quality to which its customers have become accustomed, pursuing the complex task of re-engineering on a daily basis with the aim of eliminating even the smallest expenses and concentrating solely on value-generating activities.

Its activity is now centered on two essential aspects: on one hand, identifying key clients in order to serve them directly, in a customized fashion and without

faults – encouraging dealers to adhere to the same guidelines; on the other hand, increasing operational competitiveness, involving suppliers and all team members to achieve price flexibility essential to obtaining new projects.

"Also feeling the crisis, suppliers must work with us to respond to pricing changes, which affect each of us here at Volmaquinaria. This dedication and involvement are necessary for analyzing the market, evaluating supply offered by the competition and adapting prices in all areas, offer by offer," Zurera maintains, also pointing out the need for very tight controls on a company's financial operations and treasury, to closely monitor customer payment terms and limit expenses and investments to a bare minimum.

And because the crisis itself contains a window of opportunity, Volmaquinaria is taking this opportunity to diversify its range of products and services, expanding its portfolio of brands at competitive prices. Lannen, Solmec and Taurus are examples of this diversification, with the aim of spreading risk and expanding the capacity to respond in a market that continues to face pressure.

TO BE IMPLEMENTED DURING GOOD TIMES

ADVICES FROM JUAN ANTÓNIO ZURERA ON HOW TO WEATHER THE STORM

- Analyze and be vigilant against everything that could compromise our future: "when operations are running on cruise control, we tend to neglect details that become critical in times of crisis. It is necessary to ensure that such details garner proper attention before they become risks, and, accordingly, this principle must be applied to the provisions of contracts that we sign."

- Be conservative when evaluating a company's assets: "the company's assets do not retain their value during times of crisis, including theoretically tangible assets such as our facilities and equipment."

- Pay attention to management metrics that typically govern us: for example, it's not sufficient to have 100% absorption (in which the after-sales revenues cover the company's costs) because when the market falters, it's impossible to reduce operating costs in line with the decline in revenues. In order to assure a relatively comfortable position, this ratio must be about 170%.

- Customer loyalty is our foundation for sustainability: only a satisfied, loyal customer who values and depends upon Volmaquinaria's services will stay on board when the storm worsens. It is essential to do this work permanently and proactively in the field, and in a customized manner... without waiting for the customer to come to us for assistance in times of crisis.

- Don't put all your eggs in one basket: diversification is a key word because no company can depend on a single supplier or a single customer. We must spread operational risk across various segments, preferably with products in different activity cycles such that some products will generate value while others are losing it.

ASC USA

ASC AND SANDVIK AT THE NORFOLK SOUTHERN INTERMODAL TERMINAL IN CHARLOTTE, NORTH CAROLINA



JACK EVANS
ASC'S MANAGING DIRECTOR IN BUFORD – ATLANTA

The new Norfolk Southern Intermodal Terminal is being built alongside the Charlotte International Airport and railway lines that serve this part of North Carolina. ASC has a presence there from its Atlanta-based business line, which provides assistance to Plateau Excavation, the construction firm responsible for the project, and provides three Sandvik DX800s, which, day after day, continue to shape the granite formation that will eventually give rise to an enormous intermodal platform.

A \$92 million investment, construction of the project has begun at the 80-hectare site, which upon completion will be capable of handling nearly 200,000 containers of cargo per year. There are currently more than 50 pieces of heavy machinery on site, including three hydraulic surface drilling rigs. The Sandvik DX800s – one Ranger 800 (2007) and two DX800s (2012) – are being operated there by LK Gregory Construction Inc., a company subcontracted by Plateau Excavation.

Until January 2012, Sandvik Mining and Construction was a direct distributor of such machinery throughout this region of the United States. During the same month, ASC took over Sandvik's local distribution activities. When it became known that this massive infrastructure project in Charlotte needed drilling equipment, ASC in Atlanta did not want to miss out on this opportunity, especially because its facilities, only 15 minutes from the site,

would allow it to deliver support and maintenance services that any other competitor would have difficulty matching.

"Though Sandvik was relatively new to us, our team at ASC immediately concluded that this would be an excellent opportunity for us to become partners with a leading company like Plateau Excavation," says Jack Evans, ASC's Managing Director in Buford – Atlanta.

229,366 CUBIC METERS OF ROCK TO REMOVE

The extensive surface area and type of rock formation native to the entire Piedmont made the Sandvik DX800 the clear choice for equipment, as its versatility could meet to the challenge of removing no less than 229,366 cubic meters of rock.

According to Camp, Vice President of LK Gregory Construction Inc., the company handling ground work, the DX800s rotate 180 degrees, allowing them to drill more surface in less time without a change of location. Moreover, they are capable of drilling at any angle from both a vertical and horizontal position, and are equipped to work over any terrain, regardless of how irregular it may be. The new 2012 models also are more environmentally friendly, thanks to their lower emission levels.

"With features quite different from those of Volvo excavators and articulated dumpers, this very spe-

cialized equipment responds to drilling needs of very specific projects involving rocks and mines, for example, and we intend to serve those markets," says Evans.

"ONCE THIS PROJECT IS COMPLETED, WE WILL BE POISED TO WORK ALONGSIDE PLATEAU EXCAVATION WHEREVER THEY MAY GO AND SERVE THEM IN THE BEST WAY POSSIBLE."

CAMP
VICE PRESIDENT OF LK GREGORY CONSTRUCTION

ASC TURK

ASC TURK PROMOTES MAINTENANCE AGREEMENTS WITH VISA



AT ASC TURK, VISA STANDS FOR VOLVO IMPROVED SERVICE AGREEMENT, THE DESIGNATION CREATED FOR MAINTENANCE AGREEMENTS THAT PROVIDE CUSTOMERS WITH ALL OF THE TECHNICAL CONTROL AND MONITORING NEEDED TO BOOST THEIR EQUIPMENT'S EFFICIENCY AND PROFITABILITY. THE OBJECTIVE IS FOR ASCENDUM TO HANDLE ALL MAINTENANCE ISSUES, ALLOWING CUSTOMERS TO SPEND MORE TIME ON WHAT REALLY MATTERS: THEIR PROJECTS.

FROM LEFT TO RIGHT
HURŞİT YILMAZ , İLKER UMUR, AHMET ÇETİN, SERHAN ÖZKAN.

In all regions where it operates, the ASCENDUM Group provides maintenance agreements that allow equipment monitoring to be delegated to the company's technical teams, clearly benefiting the customer in terms of machinery productivity and overall cost. Known as VISA, in Turkey this concept has earned brand stature.

"Our objective is to help the customer benefit from the gains resulting from different aspects inherent to VISA, namely MATRIS, Caretrack, Oil Analysis and More Care Inspection, showing them the added value compared to normal maintenance service," explains Serhan Özkan, ASCENDUM'S Soft Product Manager in Turkey. Customers have come to appreciate these distinct features and their capacity to improve efficiency, thereby bolstering VISA's visibility, which has become a more significant part of the business.

According to Serhan Özkan, "these maintenance agreements are at the core of our business, and our structure is oriented to support them. All of our operational and dealership centers have a specialized technician who is solely responsible for this monitoring and the submission of reports to customers."

At year-end 2012, Turkey had no less than 1,560 active VISA agreements, a number that continues to grow on a daily basis while generating a return

of 8 million euros during the past fiscal year, equal to approximately 25% of overall after-sales service revenues.

VISA BUILDS TRUST IN ASCENDUM

Experience has shown that when services are outsourced, the results aren't always optimal, and failures tend to occur that undermine the machinery's integrity. "It is essential for our customers to recognize this," emphasizes Özkan, and this in turn helps to showcase the know-how of our teams and the use of original Volvo parts and lubricants.

In fact, the customer is fully apprised of the work conducted, of the reduced downtime and of the cumulative hours of operation, and also receives a set of recommendations aimed at boosting equipment performance that reflects the benefits of a VISA, i.e., the direct reduction of overall costs and the gains that result from the machinery's increased efficiency.

"This evidence leads customers to continue trusting us to manage their machinery in order to allow them to dedicate more time to their core business, i.e. projects or contract work," says Serhan Özkan.

VISA UP CLOSE

VISA IS BASED ON FOUR ASPECTS THAT PROVIDE INFORMATION AT ALL TIMES ON THE CONDITION OF EQUIPMENT, AND ALLOW FOR A COMPLETE PREVENTIVE MAINTENANCE APPROACH:

- **Matris – Machine Tracking Information System:** information system that describes how Volvo equipment has been used and its general state of repair.
- **Caretrack:** telematic system that not only locates equipment, but also interacts with the Volvo machinery diagnostics system.
- **Oil Analysis:** proactively monitors oil quality, verifies the existence of contaminants that may accelerate wear and tear of components, while diagnosing the failure of these components, facilitating replacement or preventive repair as quickly as possible, and avoiding the worsening of any problem and the costs arising from more prolonged downtime.
- **More Care Inspection:** inspection that includes a complete listing of the verifications and measurements that indicate service intervention needs, which are evaluated to ensure the equipment's safety and upkeep and its maximum productivity.

VISA OFFERS TWO LEVELS OF SERVICE: BLUE OR GOLD. BOTH PROVIDE THE ABOVEMENTIONED ASPECTS, WHILE ONLY THE GOLD AGREEMENT PROVIDES AN EXTENDED WARRANTY.

ASCENDUM Mexico



FROM LEFT TO RIGHT
IVETTE OSORIO, EUGENIO OSORIO, DULCE ORDUÑA,
MANUEL CARVALHO, ISAAC VILCHIS, JUAN CARLOS GALICIA,
DANIEL CAMACHO, ELVIRA LAURIA

ASCENDUM MEXICO COMMITS TO EXPANSION, TRAINING AND THE CONCEPT OF A PARTNERSHIP TO GUIDE CUSTOMER SERVICE

ASCENDUM Mexico has at least 300 good reasons to celebrate its first anniversary, or rather, the number of customers that the company has added in its inaugural year; however, challenges remain, and Eugenio Osorio, Director of After-Sales Service for the most Group's newest operation, has a clear vision of the course to be taken in order to become the leader in the customer service market.

Osorio has outlined three major pillars in the strategy to achieve that objective: territorial expansion to new Mexican regions necessary to get closer to customers; training of professionals who strengthen and position the team as a Volvo equipment specialist; and the clear proposition that ASCENDUM must be viewed by the customers as a business partner.

In a market that spans nearly 2 million square kilometers, and where a service call may mean hours or even days of travel, the opening of new operating centers and dealers is absolutely essential. "We are studying the market and its dynamics in order to determine which regions to target in terms of our presence so we can ensure optimal market coverage and faster response time for our customers," says Osorio, emphasizing that his team is also committed to expanding its parts inventory to levels that allow service to be provided more quickly and efficiently.

In parallel, there is a strong focus on the training of service mechanics in order to guarantee that they develop extensive knowledge of all Volvo machinery,

since this is the only way to create specialized teams that can be recognized as such.

Hiring follows these initial strategic commitments in order to ensure that personnel can support this territorial expansion. "At current staffing levels, we are covering 25% to 30% of the territory. If we intend to cover the entire country, we have to quadruple the size of our payroll, and are planning to do so within two or three years," says Osorio, explaining that such hiring includes new mechanics, customer service managers and parts sales professionals.

The third pillar is the conviction that service is essential, and is the only way for ASCENDUM to secure its reputation as a valued partner, recognized for its capacity to develop their business and add value to their activities. "Our main competitor takes a more haughty approach, underscoring our opportunity to show customers that we are here to support them, available to serve them with the capacity not only to deliver machinery and parts, but also to manage and maintain machinery in use," he explains.

GETTING TO KNOW ASCENDUM AND BUILDING RELATIONSHIPS OF TRUST

The entire Mexico management team has carried out important work in building closer relationships with Volvo customers, introducing them to these new commitments and the efforts to improve the quality and coverage of services. "Volvo has never offered full national coverage, and some customers were

a bit lost during the transition between the company's prior representative and the start-up of our operations. Therefore, this public relations work is critical to regaining their trust," says Osorio.

ASCENDUM's outreach efforts also target prospective customers, and have been successful on the whole, as demonstrated by some of the contracts signed with large companies such as Matérias Primas and Peñoles, in addition to some major projects with which the company is involved, such as the by-pass in the city of Guadalajara or the Coal Mines in the state of Coahuila.

MEXICO 2013: INSECURITY AND GROWTH

After a slight slowdown last year, which essentially corresponded to the elections and political transition, the Mexican market is expected to continue expanding. The construction sector is forecast to grow 3% to 4% this year.

Insecurity, Eugenio Osorio tells us, continues to be one of the country's main drawbacks, which impacts the activities of both individuals and companies: "in such a big country, which requires extensive travel on the job, we have to know which routes to choose and avoid traveling at night."

ASCENDUM Group Vision

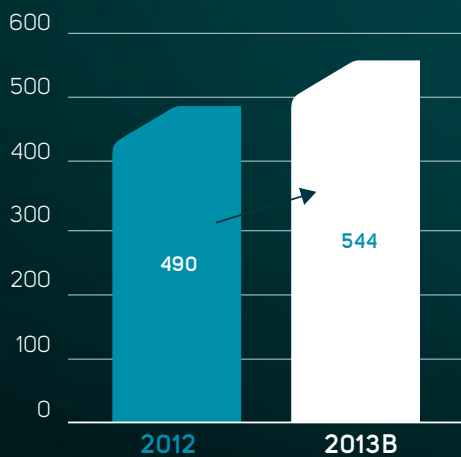


TO BE ONE OF THE BIGGEST
WORLDWIDE GLOBAL
SOLUTIONS PROVIDER
OF INFRASTRUCTURES
AND CONSTRUCTION
EQUIPMENT.

KEY PERFORMANCE INDICATORS 2013 ASCENDUM GROUP

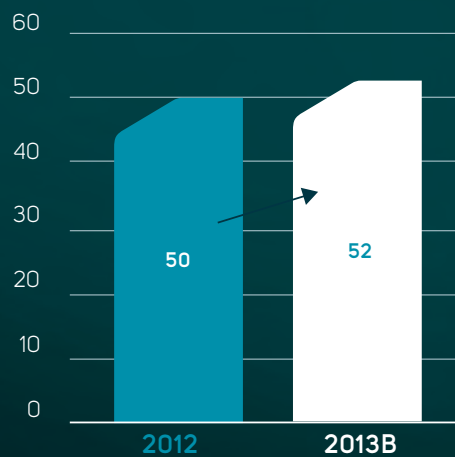
TURNOVER

MILLIONS OF EUROS



EBITDA

MILLIONS OF EUROS



VOLVO UNITS SOLD

UNITS

