



Eicher growing strong in UP

June 26, 2012: Eicher trucks and buses continues to grow strongly in UP. It sold close to 2300 vehicles in the year 2011. It has consolidated its position in the Uttar Pradesh market with a 40% market share of the Light and Medium Duty segment and also made significant growth in Heavy duty trucks and in Buses. Uttar Pradesh is one of the key markets for Eicher, wherein it has made consistent and impressive gains in the Volume and market shares.

Eicher today has transformed itself into a complete CV manufacturer with a wide product range from 5t to 40t GVW trucks and 15 to 65 seater buses. The first Eicher branded truck was rolled out from its state of the art manufacturing plant in 1986 and over the past 26 years, the products have got endorsement from happy customers of over 300,000 vehicles. In the truck segment, the company has gained market share with its “VE” series of Fuel Efficient heavy duty trucks and trucks in the 5 to 14 T segment. All Eicher trucks in the Heavy duty VE Series carry the inherent advantages accrued from the dual- parentage of Volvo and Eicher. Volvo's technology prowess, quality systems and advanced production processes are intrinsic to the design and manufacturing of these products and so is the fuel-efficiency edge that Eicher continues to champion. Moreover, with access to global expertise in testing and validation, it is ensured that all products of the VE series are engineered for superior performance, reliability and uncompromising durability. Eicher also pioneered the 12 tyre segment in heavy duty trucks in India and its VE 35.31 trucks with 12 tyres is doing extremely well in Uttar Pradesh. Eicher has been launching new products for the UP market. The most recent launch was of the “First Ever 14 ton Truck” in India – The Eicher 11.14. This truck is a game changer in the industry and provides tremendous value and benefits to the transport operator. Eicher 11.14 continues to garner strong numbers in the UP market.

Eicher has started gaining good customer acceptance in the heavy and medium duty bus segment. The year 2011 saw Eicher improve its bus market share from 7 to 10% nationally. Eicher also gained significant entry into State transport undertaking segments during the year. It received an order of 600 buses from Andhra Pradesh State Road Transport Corporation which was successfully executed. Successful executions of orders have also taken place with Rajasthan State Transport Corporation, GSRTC and UKSRTC, reflecting the growing confidence of the STU's on the Eicher brand. An Investment of Rs 125 crore has also been earmarked for setting up of an Eicher bus manufacturing plant which will take the brand to the next level of growth trajectory. The plant will have a capacity to produce 10,000 buses when fully operational.

Eicher has a wide service network across the state with service centres at all key locations. Currently Eicher has 12 touch points in UP. As part of its commitment towards after sales service, Eicher promise initiative too has been launched to ensure enhanced service coverage for its “VE Series” of heavy duty trucks & Heavy duty buses which help in maximizing uptime and thereby better the operating economics for the operator. Besides “Eicher Promise” the other initiatives by Eicher to help increase the vehicle utilization leading to higher profitability include: Eicher freedom, mobile service camps, Eicher on road service, cashless insurance in association with insurance companies and driving training programmes.

As a testimony to the strong alignment between Volvo and Eicher, VE Powertrain facility is also being set up. The facility will be a global hub for the medium-duty automotive engine requirements of Volvo globally for five- and eight-litre engines. The plant will go on stream in July 2013 and will have the capacity to manufacture 100,000 units per annum. The Euro 6-compliant diesel engines to Volvo Europe will be adapted to Euro 3 and 4 engine technologies for VECV requirements. This is possibly the largest such project in India and certainly the most technologically advanced which will catapult VECV into one of the largest commercial vehicle engine manufacturers in India. It will give VECV capability well beyond any of its competitors

About VE Commercial Vehicles Ltd (VECV):

VE Commercial Vehicles Limited (VECV) is a 50-50 joint venture between the Volvo Group and Eicher Motors Limited. In operation since July 2008, the company includes the complete range of Eicher branded trucks and buses, VE Powertrain, Eicher's components and engineering design services businesses as well as the sales and distribution business of Volvo trucks within India. VECV aims to become a full-range commercial vehicle company whose products will drive modernization in commercial transportation in India and other emerging world markets.

www.vecv.in

Media contact: Ashim Gupta: agupta7@vecv.in

Disclaimer:

All statements included or incorporated by reference in this media release, other than statements or characterizations of historical fact, are forward-looking statements. These forward-looking statements are based on our current expectations, estimates and projections about our industry, management's beliefs and certain assumptions made by us. Although VE Commercial Vehicles believes that the expectations reflected in such forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct. Any forward-looking statement speaks only as of the date on which such statement was made, and VE Commercial Vehicles undertakes no obligation to Update or revise any forward- looking statements, whether as a result of new information, future events or otherwise. No assurance can be given that actual results, performance or achievement expressed in, or implied by, forward-looking statements within this disclosure will occur, or if they do, that any benefits may be derived from them.