

VOLVO PENTA

Volvo Penta of the Americas

Press Information

Volvo Penta Begins Final Assembly of Industrial Engines in United States

Company to Leverage Existing Tennessee Production Facility

(CHESAPEAKE, Va.) – May 7, 2018 – [Volvo Penta](#) today announced the commencement of a final assembly line for production of industrial versatile - or variable speed - diesel engines at its established engine factory in Lexington, Tennessee. The move will improve customization of engine orders based on specific requirements and reduce delivery lead times for Volvo Penta's growing customer base in the North American market.

Since introduction of its Tier 4 Final range in 2014, Volvo Penta has experienced significant growth in the industrial market including segments such as materials handling, construction, raw material exploration, ground support, agriculture, forestry, specialty applications and power generation. A key contributor to this growth is the fuel efficiency of the engines, as well as the company's SCR emission-reduction technology that reduces downtime and cost of ownership.

“Over the past three years, our industrial business has increased substantially and we're confident our penetration into the market will only become stronger,” said Ron Huibers, president of Volvo Penta of the Americas. “The decision to begin final assembly at our wholly-owned facility right here in the United States was made not just to improve flexibility and lessen lead times for our customers today, but also to put us in a better position to support future customer needs as we expand our business and enter new industrial segments.”

Previously, Volvo Penta either had to maintain a stock of finished industrial diesel engines, or order them from Volvo Group facilities outside of the U.S. with a 12- to 14- week lead time. Now, a stock of base engines will be maintained at the Volvo Penta facility in Tennessee, as well as all components for the company's D5, D8, D11, D13 and D16 engines. When a customer order is placed, the engine and components are pulled from the shelves and the engine is built, programmed and tested to the unique specifications required. Orders will be delivered within two weeks.

“Catering to the versatility of our customers' individual specifications, we're now able to provide them with far greater flexibility to order exactly what they need, while significantly shortening the window of delivery,” said Darren Tasker, vice president of industrial sales for Volvo Penta of the Americas.

Volvo Penta made significant investments and improvements within its 210,000 square-foot Tennessee production facility to support this endeavor, including a state-of-the-art diesel engine test cell that enables the company to perform on-site testing and specification certification.

“As part of the Volvo Group, we are investing further to leverage our established manufacturing operations – both in the areas of assets and skillsets,” said Huibers. “The Volvo Penta engine factory was a natural fit for this particular operation, utilizing our existing, dedicated resources along with some new enhancements, and giving employees an opportunity to expand their expertise.”

The start of final assembly is part of Volvo Penta's ambition to improve its global supply chain for solutions with competitive lead times. Volvo Penta will continue to produce gasoline engines for worldwide distribution at the Tennessee facility as well.

For high-resolution images, visit:

<https://www.dropbox.com/sh/r2rcwa0t5ng8ifp/AABQFZ8JSyuS4OAKK6wmEz6Pa?dl=0>.

Photo captions:

1. Volvo Penta final assembly production line in Lexington, Tennessee.
2. Volvo Penta's state-of-the-art diesel engine test cell.

About Volvo Penta

Volvo Penta, with approximately 3,500 dealers in over 130 countries, is a world-leading and global manufacturer of engines and complete power systems for boats, vessels and industrial applications. The engine program comprises diesel and gasoline engines with power outputs of between 10 and 1,000 hp. Volvo Penta is part of the Volvo Group, one of the world's leading manufacturers of heavy trucks, buses and construction equipment.

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