

# AVI Rolls Out First Volvo Truck at KAEC

*Breakthrough in diversification of the Kingdom's industrial capabilities offers new career opportunities for Saudi nationals*

JEDDAH, June 15, 2015: Arabian Vehicles & Trucks Industry Ltd (AVI), a joint venture between Zahid Tractor & Heavy Machinery Co. Ltd and Volvo Truck Corporation, a world-renowned manufacturer of heavy-duty trucks, has commenced production at its new facility located in the Industrial Valley of King Abdullah Economic City (KAEC). The first Volvo truck that rolled off the AVI assembly line today became the first truck of any kind to be assembled in KAEC.

AVI's state-of-the-art facility was designed by a Volvo/Renault Trucks project team comprising engineers and process owners from both brands. Implementing a new concept for an efficient and cost-effective truck assembly, the AVI facility will be one of the first in the world to assemble both Volvo and Renault trucks on the same line.

"This is a memorable day indeed in AVI's long and rich history. The new AVI facility represents a significant breakthrough in the diversification of Saudi Arabia's industrial capabilities and highlights Zahid Group's role as a leading B2B group in the Kingdom," said Wafaa Zawawi, Chairman of the Board of Managers of AVI.

"This facility also underlines Zahid Group's commitment to developing local talent by providing employment, training

and growth opportunities for the Saudi youth. With a current Saudization rate in excess of 30%, further employment opportunities for Saudi nationals will arise as the plant increases production to meet local demand.”

Mr. Zawawi went on to note that the working environment in AVI is excellent, and he expects the new facility with its well-crafted, ergonomic design to enhance this.

He added, “At AVI, we have an engrained culture of Excellence, Pride, Integrity and Respect, where Saudis and expatriates work together efficiently, effectively and in harmony, adhering to our motto of Swedish Expertise, Saudi Hands.”

“The decision to relocate the AVI facility from Jeddah to KAEC was driven by KAEC’s ability to provide a business-friendly environment, strong governance and fast-track employment opportunities,” Mr. Zawawi stated. “All of these facets of KAEC will be essential in running AVI’s large scale plant efficiently.”

Mr. Fahd Al-Rasheed, Managing Director and Group CEO of King Abdullah Economic City, said, “This is also a great day for KAEC since the start of production at AVI’s assembly plant truly fulfills the original concept of King Abdullah Economic City as a key driver in Saudi Arabia’s diversification into non-oil sectors, providing alternative sources of revenue and reducing reliance on imports. We are happy to see the first Volvo truck roll out from the assembly line, and share AVI’s pride that Saudi nationals are an integral part of this great achievement, giving full credence to the words ‘Made in Saudi Arabia’.”

Adding his comments, Mr. Anders Olausson, Vice President of Volvo Global Manufacturing and AVI Board Member, said, “We believe King Abdullah Economic City

augers well for the future of the Kingdom in that it combines a modern infrastructure and a professional work environment with attractive living. Equally important, KAEC's location on the Red Sea is a strategic advantage for AVI. The close proximity to the new sea port and road access to the rest of the Kingdom are essential for serving our specific local and regional markets with great efficiency."

Mr. Olausson stated that the principles followed in designing the production processes and the general layout of the new AVI facility were derived from the Volvo Production System, which utilizes "Lean Manufacturing" principles. He went on to explain that various "Lean Tools" would be applied in assembling the most sophisticated trucks in Saudi Arabia, thereby ensuring both quality and zero defects for customers.

The new facility is fully air-conditioned and has been ergonomically designed. Tooling, fixtures, equipment, drive line, crane structure, special racking on the assembly line, ergonomically proven tightening tools, and different lifting and moving fixtures help keep the facility running at optimum performance.

AVI is a member of Zahid Group, representing a diverse range of companies, strategic partnerships, and world-renowned brands. Headquartered in Jeddah, Saudi Arabia, the Group is in its 5th generation of leadership under an established family whose commercial roots date back over a century.