



Volvo Treasury AB

Press Information

VOLVO ISSUES EURO BOND

Volvo will shortly be accessing the euromarkets with a • 1 billion five year transaction. Lead banks are BNP, Merrill Lynch and Salomon Smith Barney. A co-management group of five additional banks has been appointed.

UK and Continental European roadshows will take place during the week September 20. Pricing and launch will follow the week after, subject to market conditions.

This corporate benchmark will give investors a rare opportunity to invest in a highly liquid Volvo bond, and gain exposure to the commercial vehicles industry.

Volvo is now in the process of acquiring Scania, one of the leading truck manufacturers in Europe. Volvo's acquisition of Scania creates considerable opportunities to increase revenues and lower costs. It also creates a powerful entity with respect to technical know-how and development resources.

Moody's and S & P have affirmed their ratings in light of the pending Scania acquisition, A3 (stable outlook) / P-2 and A-2 respectively.

Pro forma sales and operating margin as for the period Jan-June 1999 amounts to 85,2 billion SEK, the operating margin for the same period was 6 %.

Volvo will continue to keep a conservative financial profile going forward.

September 17, 1999

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Volvo is a world-leading manufacturer of trucks, buses and construction equipment, marine and industrial engines and aerospace components. Volvo is strongly associated with quality, safety and concern for the environment. Volvo's head office is in Göteborg, Sweden. Annual sales in 1998 amounted to more than USD 14 billion, with about 52,000 employees.