



AB Volvo

Press Information

EXTRAORDINARY GENERAL MEETING IN VOLVO

An Extraordinary General Meeting in Volvo today approved the Board's resolution regarding a new issue of shares as a consequence of Volvo's offer to Scania's shareholders. In addition, Volvo's Board of Directors was expanded through the addition of Marcus Wallenberg, President of Investor.

An Extraordinary General Meeting in AB Volvo ("Volvo") today approved the Board of Directors' resolution of a new share issue as a consequence of Volvo's agreement with Investor AB ("Investor") and the public offer to acquire shares in Scania AB ("Scania"). As a result of the approval, Volvo, through a new share issue, will issue not more than 50,727,014 Class A shares and not more than 96,448,244 Class B shares, each with a par value of SEK 6. However, the number of new shares shall not amount to more than 96,448,244, corresponding to share capital of not more than SEK 578,689,464.

The increase in the share capital shall be conditional upon Volvo obtaining any necessary regulatory approval for the acquisition of shares in Scania pursuant to conditions acceptable to Volvo. However, the Board of Directors shall have the right to waive, in whole or in part, this condition.

The Meeting also resolved to authorize the Board of Directors, pending the Annual General Meeting of the shareholders in 2000, to adopt resolutions, on one or more occasions, in respect of new issues of Class A and Class B shares, whereupon the new shares may only be subscribed for by shareholders of Scania subject to the right and obligation of the shareholders to make payment through a transfer to Volvo of their shares in Scania.

The Meeting also resolved to increase the number of Board members by one, whereby Marcus Wallenberg was elected to the Board. It was also resolved to increase the fees to the Board of Directors in an amount, calculated over a full year, of SEK 325,000, to be paid pro rata for the period until the close of the next Annual General Meeting during which Marcus Wallenberg is a member of the Board.

The resolutions on the increase in share capital, election of Marcus Wallenberg to the Board and the increase in the Board fee is conditional upon the conditions for the acquisition of Investor's shares in Scania being met and that Volvo subsequently takes possession of the shares acquired from Investor and shall apply from the date possession was effected.

September 29, 1999

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.