



AB Volvo

Press Information

SUPREME ADMINISTRATIVE COURT UPHOLDS ADVANCED RULING REGARDING SALE OF VOLVO CAR CORPORATION

The Supreme Administrative Court ruled on November 25, 1999 to uphold the advanced ruling issued by the Swedish Council for Advanced Tax Rulings pertaining to AB Volvo's sale of the Volvo Car Corporation. As a result, based on Volvo's calculations, the sale does not generate any taxable capital gain.

As announced previously, AB Volvo applied for an advanced ruling regarding capital gains tax on the sale of the shares in Volvo Car Corporation to Ford Motor Company. Earlier this year, the Swedish Council for Advanced Tax Rulings confirmed in a unanimous decision Volvo's interpretation of the principles of how the taxable gain should be calculated.

The Swedish National Tax Board appealed the ruling to the Supreme Administrative Court, which now in its decision has upheld the advanced ruling of the Council for Advanced Tax Rulings. The decision of the Supreme Administrative Court was unanimous.

November 25, 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.