



AB Volvo

Press Information

VOLVO RENEWS PERSONNEL STOCK OPTIONS PROGRAM

The Board of AB Volvo has decided to again renew the personnel stock options program established in 2000, and renewed in 2001 and 2002, and through which senior executives in the Volvo Group are allotted options on B shares in AB Volvo. Precisely as previously, the program is earnings oriented.

The renewed program, just as last year's program, involves approximately 150 senior executives. The allotment can be a maximum of 1,135,000 options, of which the CEO and President Leif Johansson may receive a maximum of 50,000 options. The size of the allotment is determined by how well certain financial goals for 2003 are achieved. It is expected that the options will be allotted in April or May 2004. The lifetime of the options is five years and the options may be exercised during the last two years, whereby one option carries the right to acquire one B share in AB Volvo at an exercise price that will correspond to 100% of the share price at the time of the allotment. For persons not domiciled in Sweden, each option carries the right to receive a cash amount corresponding to the difference between the actual share price at the time of exercise and the exercise price.

The senior executives do not make any payment for the options. The options are not transferable and are invalidated if the senior executive resigns from the company on his own accord during the lifetime of the options. The options program involves solely existing shares. Additional information about the program will be provided in conjunction with any allotment of the options in April-May 2004.

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The Volvo Group is one of the world's leading manufacturers of trucks, buses and construction equipment, drive systems for marine and industrial applications, aerospace components and services. The Group also provides complete solutions for financing and service. The Volvo Group, which employs about 71,000 people, has production facilities in 25 countries and sells their products in more than 185 markets. Annual sales of the Volvo Group amount to 18 billion euro. The Volvo Group is a publicly-held company headquartered in Göteborg, Sweden. Volvo shares are listed on the stock exchanges in Stockholm, London, Brussels and Frankfurt and on NASDAQ in the US.