Press release from AB Volvo´s Board of Directors

The Board of AB Volvo has today decided to withdraw the proposal to the Annual General Meeting to raise the ceiling for the performance-based variable salary from 50% to 60% of the fixed salary for the 250 most senior executives in the Volvo Group. The Board also withdraws its proposal to increase the number of shares in the long-term incentive program for these senior executives.

In a comment regarding the decision, the Chairman of AB Volvo, Finn Johnsson, states:

“The remuneration programs to senior executives in Volvo should be market adapted and in line with other comparable companies. After a thorough analysis, the Remuneration Committee of AB Volvo has concluded that the present program needs to be changed in order to achieve this."

“Simultaneously, we have noted that the proposal presented created debate, internally as well as externally. The Board has primarily taken special note of the internal viewpoints from senior executives as well as other employees. As a result, the Board does not want to present a proposal that adversely affects cooperation within the Group in these exceptional times."

Consequently, the Board will propose to the Annual General Meeting on April 1, 2009 to decide on unchanged programs for variable salary, that is, variable remuneration amounting to a maximum of 65% of fixed salary for the President and a maximum of 50% for other senior executives.

The Board will also propose unchanged terms for the long-term incentive program of a maximum 40,000 shares for the President and 10,000-20,000 for other senior executives. The program is proposed to be effective only in 2009.

March 4, 2009

For more information, please contact Finn Johnsson, Chairman of AB Volvo, tel +46 31 66 11 81.