

## PRESS INFORMATION

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### AB Volvofinans terminates its rating at Standard & Poor's

AB Volvofinans (publ) has submitted a request the Standard & Poor's rating agency to withdraw all its credit ratings for the company. The credit ratings will be withdrawn with immediate effect.

The decision was prompted by the direct linkage – that the rating agency chose to apply – of Volvofinans's own rating to that of Ford Motor Company. In the opinion of Volvofinans, this linkage does not adequately reflect Volvofinans's stand-alone credit quality, which is based on the following facts:

- Volvofinans is a true joint venture and is owned in equal part by the Swedish Volvo dealers (50 %) and Ford Credit International Inc (50 %).
- The Board is composed of three representatives from each owner plus a neutral chairman.
- Volvofinans is not consolidated.
- As an authorized credit market company, Volvofinans is subject to the supervision of the Swedish Financial Supervisory Authority.
- Under Swedish law, our owners' creditors have no access to Volvofinans's assets.
- Volvofinans conducts diversified lending operations and financing of new Volvo cars accounts for 35 % of total lending.
- Volvofinans's operations are conducted without any notable Ford involvement, and the company maintains its own, independent borrowing operations.
- Volvofinans's operations are flourishing, with a very low level of loan losses and a stable earnings trend.

Volvofinans will continue to obtain ratings from Moody's Investors Service, which emphasize Volvofinans's stand-alone credit quality to a greater extent. This is based, among other factors, on the company's legal structure, governance, risk management and funding. Currently, Volvofinans has an A3 credit rating from Moody's for long-term borrowing and a P-2 rating for short-term borrowing.

Information about this change will also be provided to investors via the Swedish Central Securities Depository (VPC).

Gothenburg, 30 August 2005

**AB VOLVOFINANS (publ)**

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