



Press Release

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AB Volvofinans Ratings Removed from CreditWatch and Affirmed; Outlook Stable

Standard & Poor's Ratings Services said today it removed its 'BBB/A-2' counterparty credit ratings on Sweden-based car finance company AB Volvofinans from CreditWatch, where they had been placed on Oct. 22, 2003. At the same time, all ratings on Volvofinans were affirmed. The outlook is stable. This rating action follows both a review of Volvofinans' rating link with Ford Motor Co. (Ford; BBB-/Stable/A-3), and the removal from CreditWatch and the lowering of the ratings on Ford on Nov. 12, 2003.

"The ratings on Volvofinans reflect the company's strategic role in the Swedish sales organization of Volvo Car Corp. (a subsidiary of Ford) and its satisfactory capitalization," said Standard & Poor's credit analyst Per Törnqvist.

"The ratings on Volvofinans are no longer fully linked to the rating on Ford, based on: Volvofinans' legal status as a credit market company; Volvofinans' strong track record on asset quality; and its track record of continued access to funding, despite the loss of the top rating in the Swedish CP market," continued Mr. Törnqvist.

At the current rating level, the primary driver of the ratings on Volvofinans will be the performance of the company itself.

"The stable outlook, however, reflects a continued linkage to the Ford group ratings and the potential impact on Volvofinans, either directly through Ford's ownership, or indirectly through the cooperation with Volvo Car Corp.," added Mr. Törnqvist.

Volvofinans is a captive company owned 50/50 by Ford Motor Credit Co. (BBB-/Stable/A-3) and AB Volverkinvest, which is owned by Swedish Volvo dealers.

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