



AB Volvo

## Press Information

# Moody's changing credit rating for AB Volvo to Baa1 with stable outlook

**AB Volvo's long-term corporate credit rating has been changed by Moody's to Baa1 with a stable outlook. The P-2 short-term rating is maintained with a stable outlook.**

According to Moody's the change was triggered by "the severe and rapid downturn in demand for most of Volvo's products on a global basis" and this is expected to result in "a weakening of Volvo's financial flexibility" that is no longer commensurate with the former rating.

Moody's acknowledges that the Volvo Group "has taken early corrective measures which will ensure that the company retains its solid business profile and comfort its competitive position", and that "within the Baa1 rating category Volvo has a comfortable cushion to withstand an even more pronounced or extended downcycle than currently anticipated ...".

Moody's also believes that "Volvo's business position in its key divisions Trucks and Construction equipment remains strong, enabling the company to emerge more powerful from a future upturn of demand longer term".

"Even if a stable Baa1 rating is good in today's macro economic situation, we believe we have the qualifications to regain the A3 rating, which is the corresponding rating level that Standard & Poor's recently announced for the Volvo Group", says Mikael Bratt, CFO of the Volvo Group.

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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 100,000 people, has production facilities in 19 countries and sells their products in more than 180 markets. Annual sales of the Volvo Group amount to about SEK 300 billion. The Volvo Group is a publicly-held company headquartered in Göteborg, Sweden. Volvo shares are listed on OMX Nordic Exchange Stockholm.

AB Volvo (publ) may be required to disclose the information provided herein pursuant to the Securities Markets Act. The information was submitted for publication at 16.15 p.m. CET, February 13, 2009.