



AB Volvo

Press Information

Unfavorable court ruling in the US pertaining to Volvo Penta engines of model year 2005

Volvo Powertrain Corporation and the US Environmental Protection Agency are in a dispute pertaining to emission compliance of 8,354 model year 2005 Volvo Penta engines under a 1999 Consent Decree entered between the parties. On April 13, 2012, the US District Court for the District of Columbia issued an order directing Volvo to pay a total of USD \$72,006,337 in penalties and interest. The decision will be appealed.

The Court recognized that Volvo Penta is not a party to the Consent Decree but ruled that the Volvo Penta engines are subject to the Decree requirements. Volvo believes the Consent Decree covers only the engines specifically referenced, which are certain specified Volvo Powertrain on-highway engines and Volvo Construction Equipment non-road engines.

Volvo has accounted for the dispute as a contingent liability and has consequently not reserved the amount. Volvo will analyze the ruling and evaluate appropriate accounting treatment in connection to its financial report for the first quarter. More detailed information related to the dispute can be found in the Volvo Group annual report 2011.

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