



PRESS RELEASE

Volvo Group has detected premature degradation of emissions control component

The Volvo Group has detected that an emissions control component used in certain markets is degrading more quickly than expected, which could cause the engines to exceed emissions limits for nitrogen oxides (NOx). All products equipped with the component meet emissions limits at delivery; the degradation is due to a materials issue that occurs over time. A full analysis of the issue is not completed and it is not possible to assess the financial impact at this stage; however, the cost could be material.

The Volvo Group has detected that an emissions control component used in certain markets with stringent emissions standards is degrading more quickly than expected, reducing its ability to convert nitrogen oxides (NOx) as efficiently as intended, which in turn could cause the engines or vehicles to exceed emissions limits for NOx. The investigation so far indicates that the degradation does not seem to affect all vehicles and engines in the same way and to the same extent. The company is now in the process of informing the appropriate authorities in various markets, and beginning discussions regarding remediation plans.

The degradation of the component does not pose a product safety issue, nor does it negatively affect vehicle or engine performance in areas other than emissions control. The degradation is a result of a materials issue that occurs over time. All engines and vehicles equipped with the component meet emissions limits at delivery. The largest volume of potentially affected engines has been sold in North America and Europe. A full analysis of the issue and plans with regulatory authorities are not completed and the company is therefore not yet able to estimate the volume of engines or vehicles that may need to be addressed. Consequently it is not possible to assess the financial impact at this stage; however the cost to redeem the issue could be material.

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Journalists who would like further information, please contact: Claes Eliasson, head of Media Relations +46 76-553 72 29.



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For more information, please visit volvogroup.com/press

The Volvo Group is one of the world's leading manufacturers of trucks, buses, construction equipment and marine and industrial engines. The Group also provides complete solutions for financing and service. The Volvo Group, which employs almost 100,000 people, has production facilities in 18 countries and sells its products in more than 190 markets. In 2017 the Volvo Group's sales amounted to about SEK 335 billion (EUR 35 billion). The Volvo Group is a publicly-held company headquartered in Göteborg, Sweden. Volvo shares are listed on Nasdaq Stockholm.