

VOLVO Safety Recall

ALERT

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Date: January 31, 2006
To: All U.S. and Canadian Distributors
Attention: Service Manager, Warranty Manager, Parts Manager, Dealer Principal
From: Regulatory Affairs Department
Subject: Safety Recall, RVXX0601, EGR Cooler Pipes

Number: SRA 06-01

OFFICE OF THE DIRECTOR
REGULATORY AFFAIRS
VOLVO TRUCKS NORTH AMERICA

Safety Recall Summary:

There exists the potential with the Volvo D12D engine that the Exhaust Gas Recirculation ("EGR") cooler inlet pipes and/or the pipes that connect the EGR valves to the cooler may fail (crack or break). If the pipes or the cooler inlet pipes fail and are left untreated, the air cleaner and inner fender may be subject to hot exhaust gases, which could potentially lead to a fire.

The number of vehicles affected is approximately 40,322 (33,102 US; 5,587 Canada; 1,633 Export).

Dealer's Responsibility:

The National Traffic and Motor Vehicle Safety Act and Canadian Motor Vehicle Safety Act requires dealers to ensure that all new and used vehicles are free of safety defects and comply with all relevant safety standards at the time of delivery to the consumer. All Safety Recalls, which affect new or used inventory, must be performed before the vehicle is sold or leased.

Additionally, Dealers should make their personnel aware of the safety recall. In the event that a dealer has a vehicle included in the safety recall in their inventory to be sold, the condition must be corrected before releasing it to a customer.

Press Release:

A press release was issued on January 26, 2006 advising that Volvo Trucks North America would initiate a safety recall on 42,000 vehicles. All questions and inquiries from the press, insurance companies, and outside attorneys should be directed to Volvo Trucks North America (media related questions are to be forwarded to james.mcnamara@volvo.com). All other questions including from insurance agencies and outside attorneys are to be forwarded to vtna.regulatoryaffairs@volvo.com) Dealers should refer to the press release (see press release at www.volvotrucks.us.com) and this alert when responding to questions from customers. If a question is not covered by these documents, the question can be forwarded to the Regulatory Affairs group for a response.

Release Schedule:

Owner Notices are scheduled to be mailed out mid-February advising the owners on the precautions that can be taken until parts are available in mid-April. The precautions are to inspect the EGR cooler inlet pipes as part of the pre-trip inspection, and to inform the drivers that a loud noise (exhaust leak) from under the hood is discernible if the pipes break. If the vehicle has a loud noise (exhaust leak), the driver should immediately stop the truck in a safe place to determine the source of the noise. If the noise is a result of an exhaust leak at the EGR cooler inlet pipes, the vehicle should not be operated.

The repair will be to address the exhaust leak. If the vehicle is under warranty, the dealer is to correct the vehicle under warranty. If repairs are not covered under warranty, contact the Regulatory Affairs Department at the below mentioned email address for further instructions.

Vehicle Lists will be available on the Trucks Dealer Portal early to mid-February

Repair Instructions will be available on the Trucks Dealer Portal late March to early April.

Parts will be available mid-April.

Questions:

Contact the Regulatory Affairs Department at vtna.regulatoryaffairs@volvo.com if you have questions.



Volvo Trucks North America

For Immediate Release

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Volvo Trucks North America Initiates Safety Recall on 42,000 Vehicles

GREENSBORO, NC (January 26, 2006) – Volvo Trucks North America has informed the National Highway Traffic Safety Administration that the company will initiate a voluntary safety recall on approximately 42,000 Volvo VN and VHD model trucks manufactured from November 2002 to January 2006 and equipped with the Volvo D12D engine.

Volvo has found there is the potential for exhaust gas recirculation (EGR) cooler inlet pipes, or the pipes that connect the EGR valve to the cooler, to crack or break. If these pipes fail and are not repaired, the air cleaner and inner fender may be subject to hot exhaust gases, which could potentially lead to a fire.

“Volvo has reports of a number of trucks suffering heat damage to the inner fender or air cleaner as a result of these failures. There have also been two confirmed instances of a fire caused by this condition. No one has been injured in any of these instances.”

Volvo Trucks North America will address the problem by inspecting the pipes, replacing any defective parts, and installing protective heat shields on all of the trucks. The heat shield has been designed to deflect direct exhaust gas in the event of a failure of these pipes. These repairs will be made by Volvo's dealer organization and by warranty-certified fleets, and the total repair time is expected to be about one hour.

Volvo Trucks is now in the process of sending letters to all affected truck owners detailing the situation and instructing them on what precautions can be taken until a repair is made, and how and when to obtain the repair from their Volvo Trucks dealer.

Customers with trucks affected by the recall can continue to normally operate their vehicles until the repair is made, but if they hear an exhaust leak or noise under the hood, they should stop the vehicle immediately and inspect the pipes.

Volvo Trucks also urges customers to examine these pipes during their pre-trip inspection, to check for any cracks or loose sealing.

Volvo Trucks North America assembles its Volvo VT, VN and VHD trucks in the United States, at the ISO14001 and ISO9001 certified New River Valley Plant in Dublin,

Virginia. Volvo engines for North America are produced in Hagerstown, Maryland. Volvo sponsors the America's Road Team national highway safety outreach program.

Volvo Trucks North America is part of the Volvo Group of companies, a publicly held company headquartered in Gothenburg, Sweden. With 2004 sales of approximately \$27 billion, Volvo's business areas include heavy trucks, buses, construction equipment, marine and industrial drive systems, aerospace, and financial services. In the United States, Volvo shares are listed on NASDAQ and are traded as ADRs (symbol: VOLVY).

www.volvotrucks.us.com

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