

VOLVO

Third Quarter 2005

Conference Call, October 25, 2005

Highlights

Third Quarter

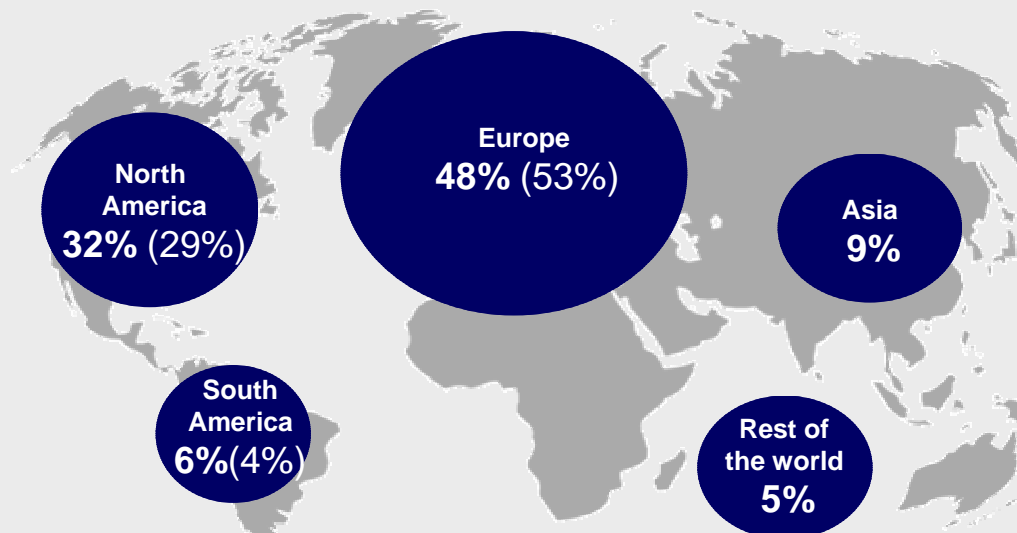
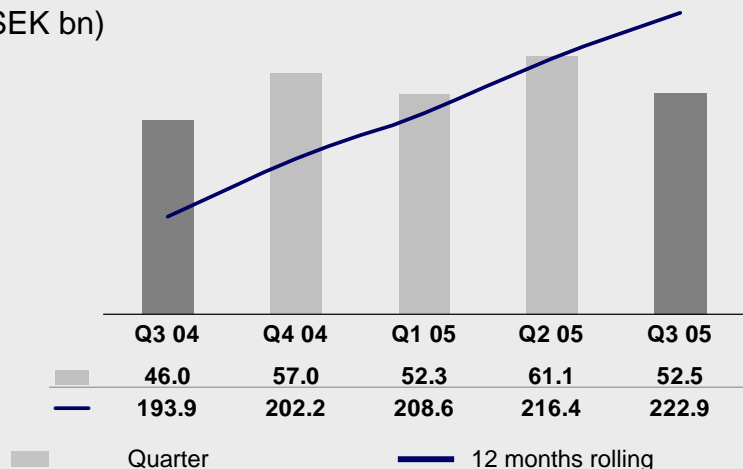
- Business environment
 - Continued strong demand in North America
 - Europe flattening out on a high level
- Continued strong sales growth: +14%
- Improved profitability in all Business Areas
 - Group operating margin 7.6% (6.3%)
 - ROE at 19.0%
- Important truck launches
 - Mack Granite and Mack Pinnacle
 - Renault Premium
 - Volvo FH and Volvo FM
- EPS in Q3 SEK 7.24 (2.75)

In Focus Going Forward

- Manage and capitalize on product introductions
- S&A costs
- Cash Flow

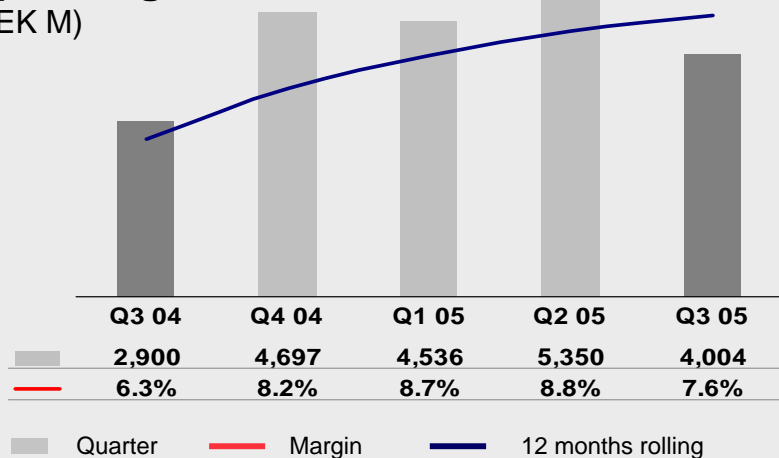
Net sales

(SEK bn)



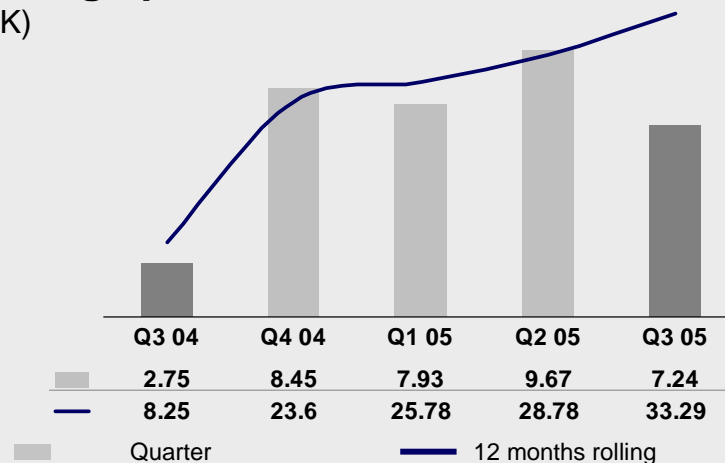
Operating income*

(SEK M)



Earnings per share

(SEK)



* Excluding effects from the holding in Scania AB

Volvo Group - Profit and Loss Statement*

SEK M	Q3-2005	Q3-2004	
Net Sales	52,532	46,024	<i>Up 10% adjusted for currency and acq./div.</i>
Gross income	11,927	10,345	
R&D expenses	(1,791)	(1,831)	
Selling expenses	(4,719)	(4,401)	
Administrative expenses	(1,318)	(1,208)	
Other op. Income & expenses	(543)	(351)	<i>2004: Industrial relocation - 400</i>
Inc. from Financial Services	484	343	
Inc. from investments in ass. companies	(39)	(3)	
Inc. from other investments	3	6	
Operating income	4,004	2,900	<i>Currency impact vs. last year approx. -200</i>
	7.6%	6.3%	
Interest income and similar credits	151	153	
Interest expenses and similar charges	(239)	(322)	<i>2004: Write-down of accrued interest of 114 for Henlys loan</i>
Other financial income and expenses	99	(1,215)	<i>2005: Derivative contracts +125 2005: Write-down of 1,196 of Henlys</i>
Financial Net	11	(1,384)	
Income after fin. Items	4,015	1,516	
Taxes	(1,080)	(349)	
Income for the period*	2,935	1,167	
*Attributable to:			
Equity holders of the parent company	2,927	1,155	
Minority interest	8	12	
EPS, SEK	7.24	2.75	
Operating cash flow, excl. Financial Services	(700)	(2,900)	<i>Pension funding 1,500</i>

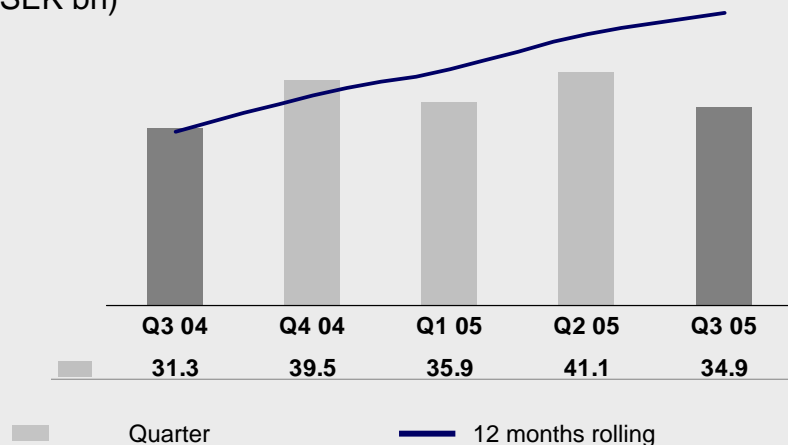
* Financial Services reported in accordance with the equity method

Trucks

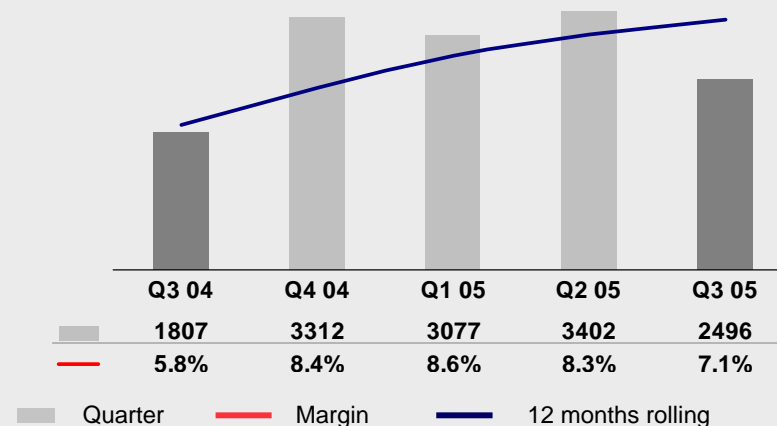
Third Quarter



Net sales (SEK bn)



Operating income (SEK M)



Highlights

- Demand at continued high level
- Improved operating income
- Important launches in all three brands

In Focus

- Manage and capitalize on product introductions

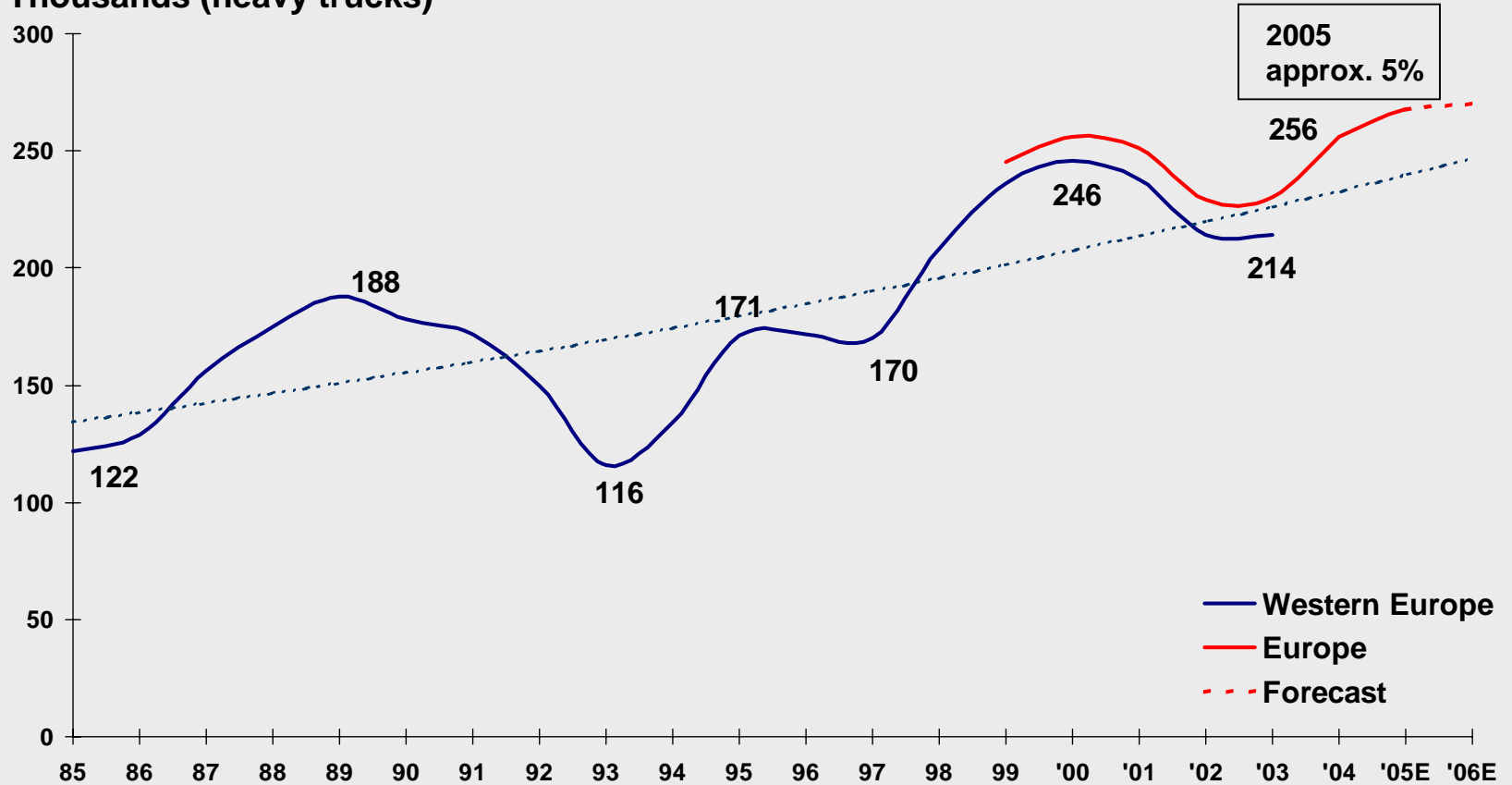
Heavy Duty Truck Market

Europe

(EU members + Switzerland and Norway)



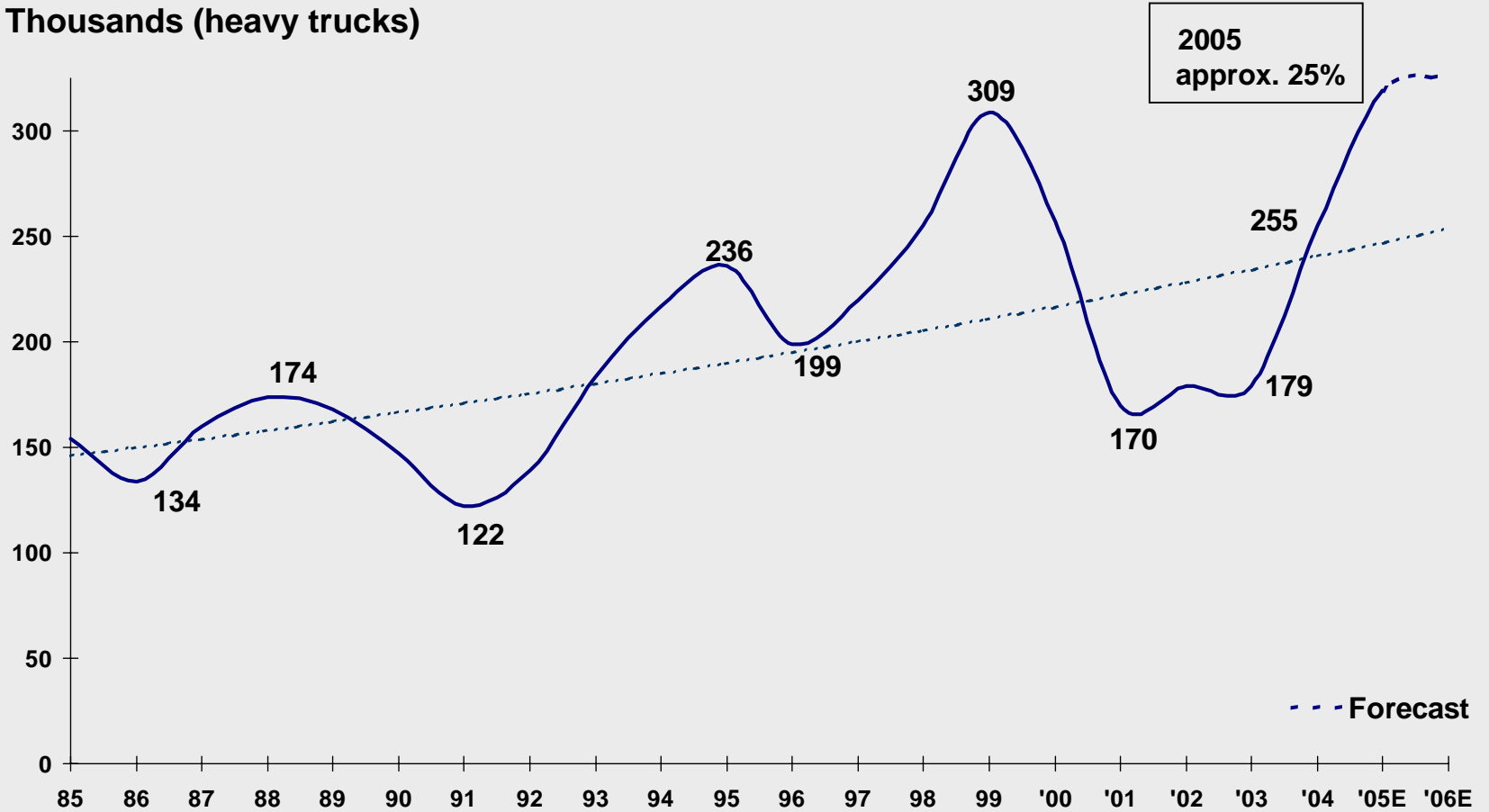
Units, Thousands (heavy trucks)



Heavy Duty Truck Market North America



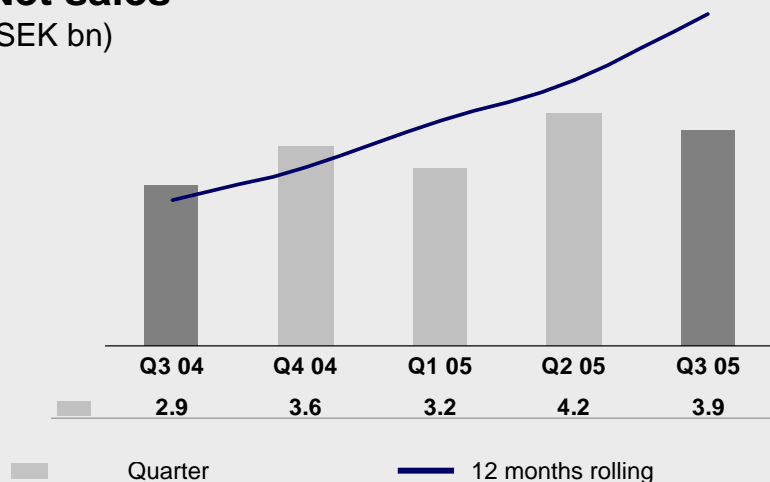
Units, Thousands (heavy trucks)



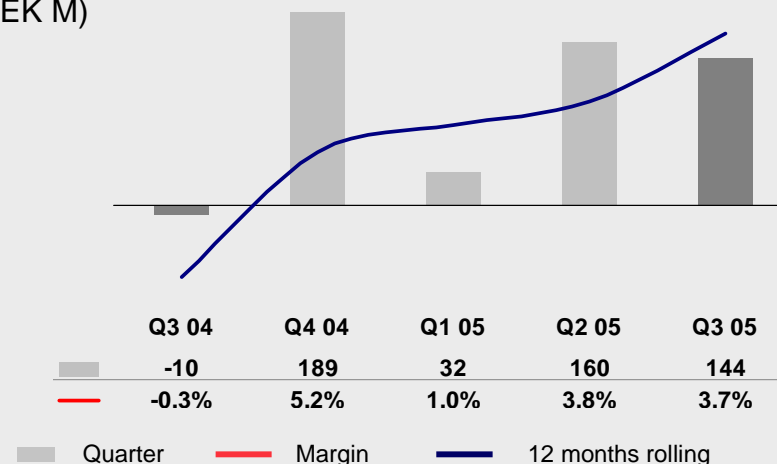
Volvo Buses Third Quarter



Net sales (SEK bn)



Operating income* (SEK M)



Highlights

- Improved profitability
- Lower order intake
- First order for the new 7700 CNG
- Heilbronn closure

In Focus

- Profitability and cash flow
- Santiago start-up
- China development
- New product introductions

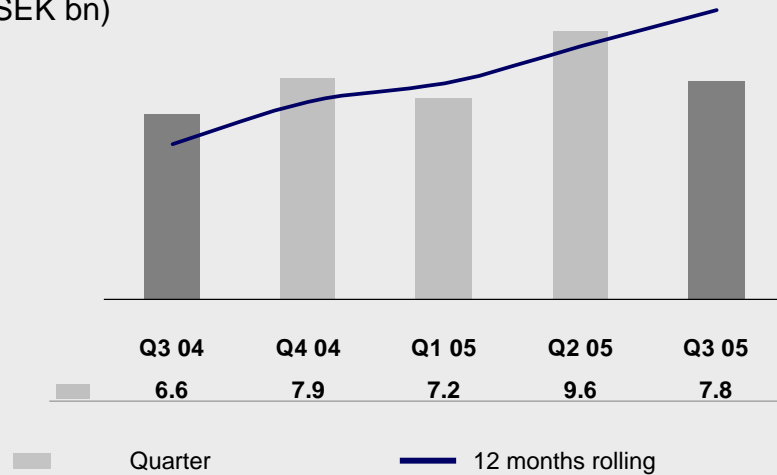
* Excluding revaluation of shares in Henlys Group.

Volvo Construction Equipment Third Quarter



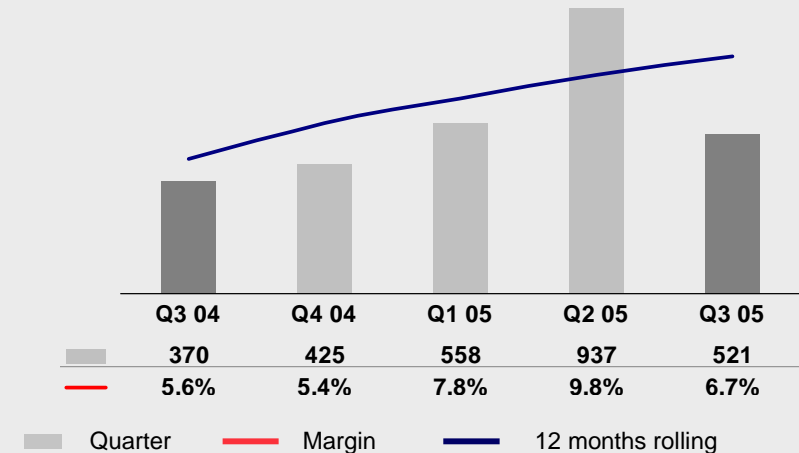
Net sales

(SEK bn)



Operating income

(SEK M)



Highlights

- Continued good demand for heavy equipment in NA (+18%), EU up 1%
- Sales growth 19%
- Operating income increased 41%
- Rental store no. 100 opened

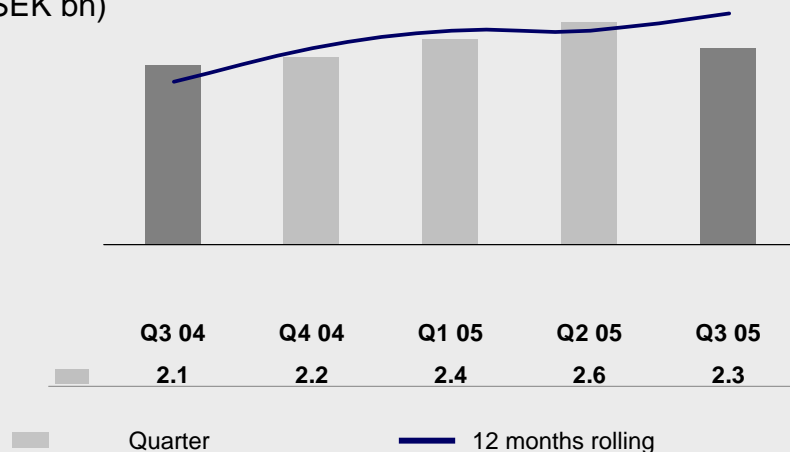
In Focus

- Operational efficiency
- Manage strong order book
- Continue to expand the aftermarket business

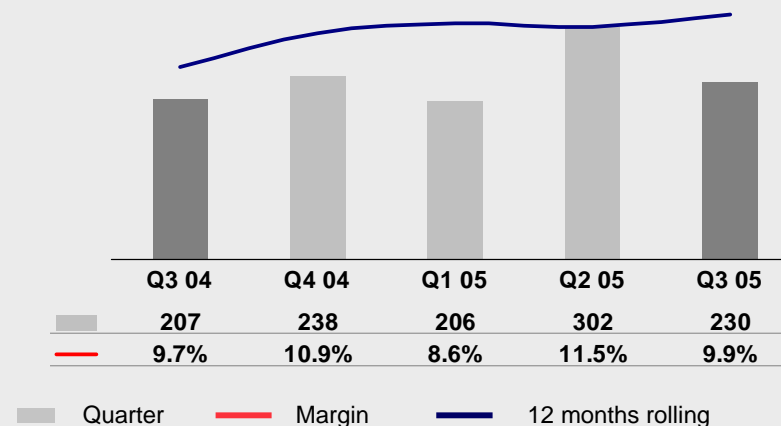
Volvo Penta Third Quarter



Net sales (SEK bn)



Operating income (SEK M)



Highlights

- Good demand for larger marine engines
- Great interest in Volvo Penta IPS
- Continued high sales and operating income

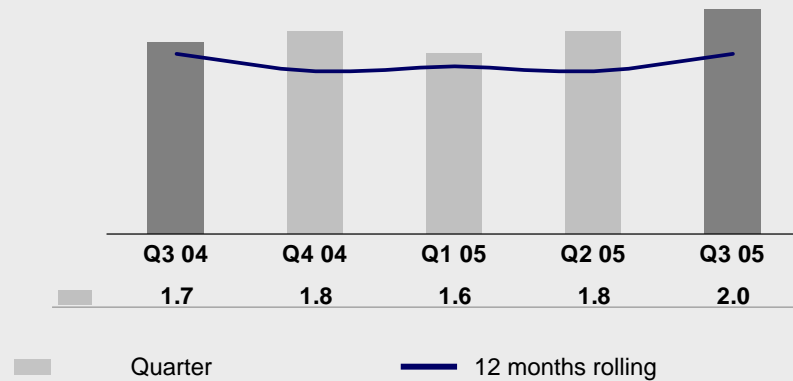
In Focus

- Production and logistics
- Continued cost control
- Manage product launches

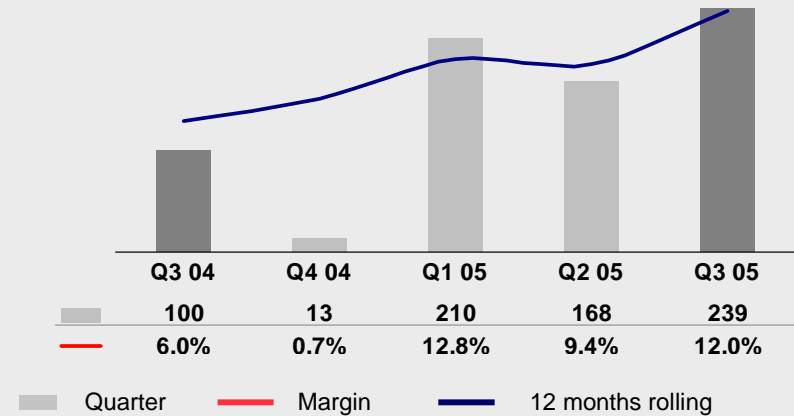
Volvo Aero Third Quarter



Net sales (SEK bn)



Operating income (SEK M)



Highlights

- Air traffic and industry order intake continue to grow
- High utilization in component manufacturing
- Improved operating margin

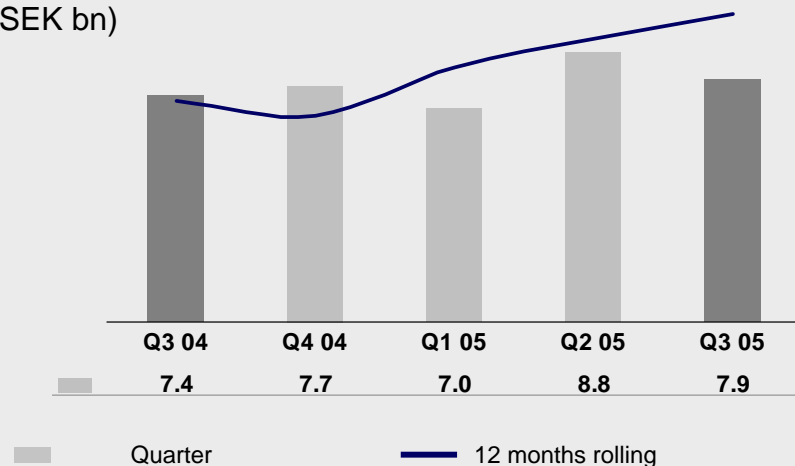
In Focus

- Upturn management in components
- Aftermarket business
- Profitable growth

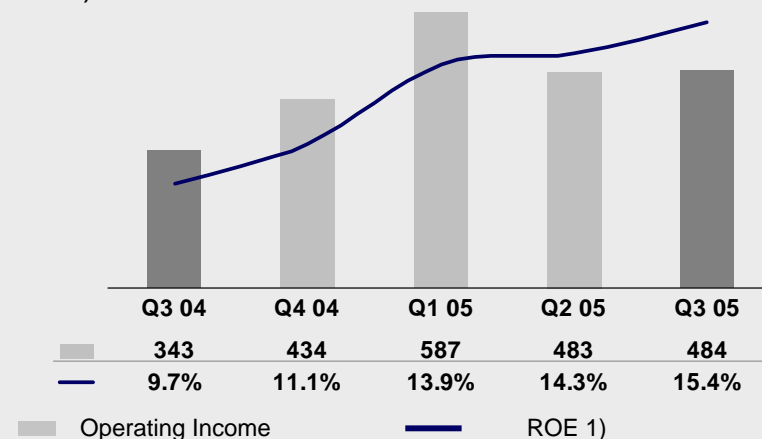
Volvo Financial Services Third Quarter



New retail financing (SEK bn)



Operating income and return on equity (SEK M)



Highlights

- Continued good profitability
- Steady market share and increased retail volumes
- Portfolio performing well

In Focus

- Closely monitor portfolio performance
- Eastern Europe and Asia
- Commercial focus

1) Calculated as a 12 month rolling average

Volvo Group Summary

- Continued good sales development +14%
- Improved profitability in all Business Areas
- Manage and capitalize on product introductions



Life at the extreme...the drama begins on November 12

VOLVO
OCEAN
RACE

2005-2006