VOLVO REPORT ON OPERATIONS 2005

Net sales for the full year 2005 increased by 14% to SEK 231,191 M (202,171)
Net sales in the fourth quarter 2005 increased by 15% to SEK 65,287 M (56,977)

For 2005, income for the period increased by 32% to SEK 13,106 M (9,907)
In the fourth quarter, income for the period declined by 15% to SEK 2,994 M (3,504), impacted by a capital gain from the divestiture of Celero (+430) and a write-down of the holding in Blue Bird (–550)

Income per share for the full year 2005 rose by 37% to SEK 32.21 (23.58)
Income per share for the fourth quarter declined by 13% to SEK 7.37 (8.45)

The Group's operating margin for the full year 2005 amounted to 7.9% (7.3)
In the fourth quarter, operating margin decreased to 6.5% (8.2), due among other factors to extensive product launches and realignment of production

Full year operating cash flow, excluding Financial Services, amounted to SEK 6.8 billion (11.4) after transfers to pension plans of SEK 4.4 billion (1.1)
Fourth quarter operating cash flow, excluding Financial Services, amounted to SEK 5.8 billion (9.2) after transfers to pension plans of SEK 0.8 billion (0)

The Board of Directors proposes the Annual General Meeting an ordinary dividend of SEK 16.75 per share (12.50)

	Fourth quarter		Year	
	2005	2004	2005	2004
Net sales, SEK M	65,287	56,977	231,191	202,171
Operating income, SEK M[1]	4,261	4,697	18,151	13,859
Revaluation of shares	–	–	–	820
Operating income, SEK M	4,261	4,697	18,151	14,679
Income after financial items, SEK M	4,143	4,604	18,014	13,036
Income for the period, SEK M	2,994	3,504	13,106	9,907
Income per share, SEK[1]	7.37	8.45	32.21	21.62
Income per share, SEK	7.37	8.45	32.21	23.58
Return on shareholders' equity, %			17.8	13.9

1) Excluding revaluation of shares in Scania AB and Henlys Group Plc in 2004.

As of January 1, 2005 AB Volvo complies with International Financial Reporting Standards (IFRS), previously known as IAS, as adopted by the European Union. Figures for the corresponding periods in the preceding year have been restated according to IFRS. In the comments on earnings on pages 1-20, Volvo Financial Services is reported in accordance with the equity method. Reporting in accordance with IAS 1 begins on page 21.

VOLVO

CEO Comments – strong and profitable growth in 2005

The year 2005 was highly pleasing, with strong and profitable growth. Sales rose for the second consecutive year by about 15%, which means that we have grown a third in two years – and tripled operating income.

All business areas increased their operating income during 2005. The Group's operating margin rose from 7.3% to 7.9%. Income per share increased by nearly 40% to SEK 32.21.

The new industrial structure is in place

As related earlier, the Group is in an intensive phase with product renewal and industrial realignment, which will continue for a little more than a year. As we have often pointed out, the timetable for these comprehensive changes is to a large extent determined by the new emissions standards being established in Europe (October 1, 2006) and in the US (January 1, 2007).

Naturally, these major changes result in increased costs in the entire industrial system during a period in which we are using old and new production systems in parallel. Among other actions, Renault Trucks is moving from three to two assembly plants and Volvo Powertrain is shifting from 18 to two engine families.

Favorable period for changes

Implementing these major changes in a period with strong demand is a challenge for our employees and suppliers. We expect strain on the industrial system and are maintaining a high level of readiness. But it is also a favorable period, considering that high earnings make it possible to implement changes with good profitability.

Within a year, we will have a top-modern truck range and a new generation of engines produced in a more efficient industrial system. We can already be pleased by a strong interest in the new trucks we presented in the fourth quarter.

Strengthened positions in all business areas

The other operations also hold strong positions: Volvo CE with favorable growth and increased profitability, as well as Volvo Aero, which secured strategically important aircraft engine contracts. Volvo Penta's competitiveness was strengthened with new engines and drive systems. Financial Services increased volumes with retained strict credit discipline. Buses' improvement program continues in all regions. The wholly owned bus companies in North America are developing well, while we terminated our ownership in the partly owned school bus manufacturer Blue Bird, due to its profitability problems. Accordingly, we wrote the shareholding down to zero, which affected fourth quarter earnings negatively by SEK 550 M.

Continued growth in the fourth quarter

The Group's growth continued in the fourth quarter and sales reached slightly more than SEK 65 billion, up 15% compared with the corresponding period in 2004. Volvo CE, Volvo Aero, Mack Trucks and Volvo Trucks in North America grew rapidly with favorable profitability during the quarter.

In Europe, costs for the ongoing product changes impacted within Volvo Powertrain and Trucks, which is the main reason that operating income declined compared with the fourth quarter of 2004.

Order bookings were strong at year-end for largely the entire Group.

Stronger truck market than expected

We expect continued high demand in the next quarters. The markets for heavy trucks were larger in 2005 than previously estimated in both Europe and North America. We retain the forecast of 270,000 trucks during 2006 in Europe and raise the forecast for North America to 330,000-340,000 (320,000 in 2005).

With the rapid pace of change and a top-modern product range, we are preparing for the future. I wish to thank the work teams and employees throughout the Group for the excellent effort. The year 2006 will also be exciting

Leif Johansson
President and CEO

Continued growth but lower profit in the fourth quarter of 2005

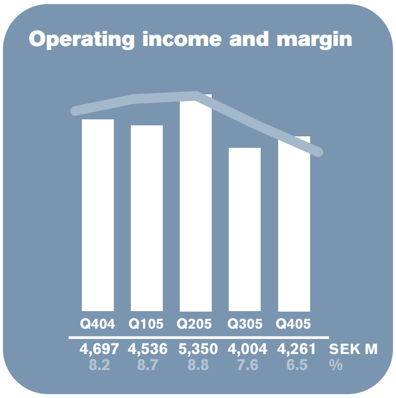
The Volvo Group's net sales rose by 15% to SEK 65,287 M in the fourth quarter of 2005, compared with SEK 56,977 M in the fourth quarter of 2004. Net sales increased in all of the Group's main markets and in all business areas. Adjusted for currency effects and for the effects of acquired and divested units, net sales increased by 5%.

Trucks' net sales rose 10% to SEK 43,441 M (39,504), Buses' increased 45% to SEK 5,260 M (3,631), Construction Equipment's by 30% to SEK 10,301 M (7,899), Volvo Penta's by 11% to SEK 2,428 M (2,179) and Volvo Aero's by 16% to SEK 2,110 M (1,814).

For the full year, the Volvo Group's net sales increased by 14% to SEK 231,191 M (202,171).

Operating income declined

In the fourth quarter of 2005, operating income declined by 9% to SEK 4,261 M (4,697), resulting in an operating margin of 6.5% (8.2%). Operating income was adversely affected by increased costs of



Net sales by market area

SEK M	Fourth quarter 2005	Fourth quarter 2004	Change in %	Year 2005	Year 2004	Change in %
Western Europe	**29,172**	27,892	5	**106,479**	102,498	4
Eastern Europe	**3,711**	3,188	16	**11,401**	10,556	8
North America	**18,245**	14,728	24	**67,233**	52,426	28
South America	**3,989**	2,113	89	**11,901**	6,949	71
Asia	**6,418**	6,406	0	**22,598**	20,699	9
Other markets	**3,752**	2,650	42	**11,579**	9,043	28
Total	**65,287**	**56,977**	**15**	**231,191**	**202,171**	**14**

Volvo Group Income Statements

SEK M	Fourth quarter 2005	Fourth quarter 2004	Year 2005	Year 2004
Net sales	**65,287**	**56,977**	**231,191**	**202,171**
Cost of sales	**(51,677)**	(44,842)	**(180,823)**	(158,453)
Gross income	**13,610**	**12,135**	**50,368**	**43,718**
Research and development expenses	**(1,972)**	(1,938)	**(7,557)**	(7,614)
Selling expenses	**(5,687)**	(4,944)	**(19,616)**	(18,317)
Administrative expenses	**(1,614)**	(1,361)	**(6,147)**	(5,310)
Other operating income and expenses	**(30)**	392	**(399)**	7
Income from Financial Services[1]	**479**	434	**2,033**	1,365
Income from investments in associated companies	**(517)**	1	**(568)**	2
Income from other investments	**(8)**	(22)	**37**	828
Operating income	**4,261**	**4,697**	**18,151**	**14,679**
Interest income and similar credits	**155**	266	**816**	993
Interest expenses and similar charges	**(296)**	(332)	**(1,134)**	(1,426)
Other financial income and expenses	**23**	(27)	**181**	(1,210)
Income after financial items	**4,143**	**4,604**	**18,014**	**13,036**
Income taxes	**(1,149)**	(1,100)	**(4,908)**	(3,129)
Income for the period*	**2,994**	**3,504**	**13,106**	**9,907**
* Attributable to:				
Equity holders of the parent company	**2,980**	3,512	**13,052**	9,867
Minority	**14**	(8)	**54**	40
	2,994	**3,504**	**13,106**	**9,907**
Income per share, SEK	**7.37**	8.45	**32.21**	23.58
Diluted earnings per share, SEK	**7.36**	8.44	**32.16**	23.55
Number of shares outstanding, million	**404.5**	415.8	**404.5**	410.1
Average number of shares during period, million	**404.5**	415.8	**405.2**	418.5
Average diluted number of shares during period	**405.1**	416.3	**405.9**	419.0
Number of company shares, held by AB Volvo	**21.2**	31.4	**21.2**	31.4

1) Financial Services reported in accordance with the equity method.

about SEK 500 M for extensive product launches and production starts, mainly in Trucks' and Volvo Powertrain's European businesses, and increased selling and administrative expenses.

Operating income includes a write-down of the value of the holding of the American school bus manufacturer Blue Bird by approximately SEK 550 M and a capital gain from the sale of Celero Support of approximately SEK 430 M. The total effect of changed exchange rates affected operating income positively by approximately SEK 400 M in the fourth quarter of 2005, compared with the same period in 2004.

During the fourth quarter of 2005, operating income rose for Construction Equipment to SEK 736 M (425), for Volvo Aero to SEK 219 M (13) and for Financial Services to SEK 479 M (434). However, operating income decreased for Trucks to SEK 2,742 M (3,312), for Buses to SEK 134 M (189) and for Volvo Penta to SEK 205 M (238). Detailed comments on trends are provided in the business area sections.

For the full year 2005, the Volvo Group's operating income rose by 24% to SEK 18,151 M (14,679). All business area's operating income improved. As an effect of the Group's good profitability in 2005, SEK 450 M of the year's profits has been reserved for the Group's employee profit-sharing program.

Key operating ratios, Volvo Group	Fourth quarter		Year	
%	**2005**	2004	**2005**	2004
Gross margin	**20.8**	21.3	**21.8**	21.6
Research and development expenses in % of net sales	**3.0**	3.4	**3.3**	3.8
Selling expenses in % of net sales	**8.7**	8.7	**8.5**	9.1
Administrative expenses in % of net sales	**2.5**	2.4	**2.7**	2.6
Operating margin[1]	**6.5**	8.2	**7.9**	6.9
Operating margin	**6.5**	8.2	**7.9**	7.3

1) Excluding revaluation of shares in Scania AB and Henlys Group. Reversal of write-down of shares in Scania AB amounted to SEK 915 in 2004. Write-downs of shares in Henlys Group amounted to SEK 95 M in 2004.

Condensed income statement – Financial Services, %	Fourth quarter		Year	
	2005	2004	**2005**	2004
Net sales[1]	**1,956**	2,427	**7,549**	9,598
Income after financial items	**479**	434	**2,033**	1,365
Income taxes	**(150)**	(139)	**(609)**	(430)
Income for the period	**329**	**295**	**1,424**	**935**

1) The decrease in net sales is due to the change in classification of leasing contracts in the segment reporting of Volvo Finanical Services.

Key ratios – Financial Services 12-month rolling figures unless otherwise stated	**Dec 31 2005**	Dec 31 2004
Return on shareholders' equity, %	**15.3**	11.1
Equity ratio at end of period, %	**11.2**	11.6
Asset growth, %	**20.0**	7.0

Higher net interest expense

Net interest expense in the fourth quarter was SEK 141 M, compared with an expense of SEK 66 M in the year-earlier period and an expense of SEK 88 M in the third quarter of 2005. Revaluation effects due to higher interest rates in Sweden affected net interest negatively.

Other financial income and expenses

Other financial income and expenses amounted to SEK 23 M (expense: 27). During the quarter Other financial income and expenses includes a positive effect of approximately SEK 110 M from a market valuation of derivatives in accordance with IAS 39.

Income taxes

Tax expenses relating to both current and deferred tax amounted to SEK 1,149 M (1,100) during the fourth quarter of 2005. The tax rate for the quarter was 28% (24).

Income for the period and income per share decreased

Income for the period decreased to SEK 2,994 M (3,504) in the fourth quarter. Earnings per share (excluding minority interests) amounted to SEK 7.37 (8.45). Conditional upon all outstanding options being exercised, earnings per share after full dilution amounted to SEK 7.36 (8.44).

In 2005, income for the period amounted to SEK 13,106 M (9,907) and earnings per share after full dilution amounted to SEK 32.16 (23.55).

Number of employees

On December 31, 2005, the number of employees in the Volvo Group was 81,856, compared with 81,078 at year-end 2004.

The Volvo Group's financial position

Total assets in the Volvo Group amounted to SEK 257.1 billion at December 31, 2005 – up SEK 33.1 billion over the preceding year – of which SEK 18.8 billion was a result of currency movements. Assets also increased as a result of growth in Financial Services' credit portfolio, higher inventory levels and receivables as a result of increased production and higher sales.

Volvo Group Balance Sheets

SEK M	Volvo Group excl. Financial Services[1]		Financial Services		Volvo Group total	
	Dec 31 2005	Dec 31 2004	**Dec 31 2005**	Dec 31 2004	**Dec 31 2005**	Dec 31 2004
Assets						
Intangible assets	**20,348**	17,570	**73**	42	**20,421**	17,612
Property, plant and equipment	**31,263**	27,260	**3,738**	3,891	**35,001**	31,151
Assets under operating leases	**10,260**	8,477	**700**	773	**20,839**	19,534
Shares and participations	**10,357**	10,116	**28**	193	**751**	2,003
Long-term customer finance receivables	**725**	147	**39,083**	33,887	**31,184**	25,187
Long-term interest-bearing receivables	**1,399**	1,797	**60**	5	**1,433**	1,741
Other long-term receivables	**7,237**	6,492	**271**	212	**7,021**	6,100
Inventories	**33,583**	28,291	**342**	307	**33,937**	28,598
Short-term customer finance receivables	**652**	83	**38,907**	29,531	**33,282**	26,006
Short-term interest bearing receivables	**6,292**	10,330	**0**	0	**464**	1,643
Other short-term receivables	**36,750**	30,043	**1,607**	1,628	**35,855**	29,647
Marketable securities	**28,662**	25,839	**172**	116	**28,834**	25,955
Cash and bank	**7,385**	8,789	**868**	914	**8,113**	8,791
Total assets	**194,913**	**175,234**	**85,849**	**71,499**	**257,135**	**223,968**
Shareholders' equity and liabilities						
Shareholders' equity[2]	**78,768**	70,155	**9,634**	8,306	**78,768**	70,155
Provisions for post-employment benefits	**11,966**	14,677	**20**	26	**11,986**	14,703
Other provisions	**17,164**	14,115	**1,264**	845	**18,556**	14,993
Loans	**13,097**	13,968	**69,993**	57,860	**74,885**	61,807
Other liabilities	**73,918**	62,319	**4,938**	4,462	**72,940**	62,310
Shareholders' equity and liabilities	**194,913**	**175,234**	**85,849**	**71,499**	**257,135**	**223,968**

1) Financial Services reported in accordance with the equity method.
2) Whereof minority interests SEK 260 M (229).

Changes in Net financial position

SEK billion	Fourth quarter		Year	
Beginning of period		**10.9**		**18.1**
Cash flow from operating activities excl Financial Services	9.0		16.1	
Investments in fixed assets, net	(3.2)		(9.3)	
Operating cash-flow, excluding Financial Services		**5.8**		**6.8**
Investments and divestments of shares, net		0.1		0.1
Acquired and divested operations		0.6		0.6
IFRS transition effect		0.0		(3.3)
Change in provision for post-employment benefits[1]		0.8		4.4
Repurchase of own shares		0.0		(1.8)
Dividend paid to AB Volvo shareholders		0.0		(5.1)
Currency effect		0.0		(1.6)
Other		0.5		0.5
Total change		**7.8**		**0.6**
Net financial position at end of period		**18.7**		**18.7**

1) Includes transfer to premium based plan and contribution to pension plans, which reduced provisions for post-employment benefits by SEK 0.2 billion and SEK 4.2 billion, respectively.

Shareholders' equity at December 31, 2005 amounted to SEK 78.8 billion, corresponding to an equity ratio of 40.4%, excluding Financial Services. Changes in shareholders' equity during the period are specified in the adjoining table. The Group's net financial assets at the same date amounted to SEK 18.7 billion, corresponding to 23.7% of shareholders' equity. Changes in net financial position are specified on page 5. The consolidated balance sheet is affected by the adoption of IAS 39. See page 23 for further information.

During the fourth quarter, Volvo wrote down its shareholding in Peach County Holdings, Inc. by about SEK 550 M. At December 31, 2005 Volvo held 42.5% of the US-based company, which in turn owns the American school bus manufacturer Blue Bird. Since its reconstruction in the preceding year, Blue Bird has not developed well. The write-down was made as a consequence of Volvo's decision not to participate in continued financing efforts. After the write-down, the value is zero. In January 2006, Peach County Holdings entered into reconstruction proceedings (Chapter 11) and as a consequence of Volvo choosing not to participate in the continued reconstruction, Volvo's shares in the company were cancelled.

Total contingent liabilities at December 31, 2005, amounted to SEK 7.9 billion, a reduction of SEK 1.3 billion compared with the preceding year. The decrease is mainly attributable to credit guarantees.

Changes in shareholders' equity SEK billion	Jan–Dec **2005**	 2004
Beginning of period	**70.2**	**72.4**
IFRS Transition effect, January 1, 2004	**–**	0.1
IFRS Transition effect IAS 39	**0.3**	–
Translation differences	**3.6**	(0.1)
Translation differences on hedge instruments of net investments	**(0.2)**	0.1
Minority interest	**0.0**	0.0
Investments in listed companies	**0.1**	–
Fair value on derivatives	**(1.4)**	–
Dividend to Volvo's shareholders	**(5.1)**	(9.7)
Repurchase own shares	**(1.8)**	(2.5)
Income for the period, attributable to equity holders of the parent company	**13.1**	9.9
Other changes	**0.0**	0.0
Balance at end of period	**78.8**	**70.2**

Key ratios 12-month rolling figures unless otherwise stated	**Dec 31** **2005**	Dec 31 2004
Income per share, SEK	**32.21**	23.58
Income per share, SEK[1]	**32.21**	21.62
Shareholders' equity per share, SEK at end of period	**195**	171
Return on shareholders' equity, %	**17.8**	13.9
Return on shareholders' equity, %[1]	**17.8**	12.8
Net financial position at end of period, SEK billion	**18.7**	18.1
Net financial position at end of period as percentage of shareholders' equity	**23.7**	25.8
Shareholders' equity at end of period as percentage of total assets	**30.6**	31.3
Shareholders' equity as percentage of total assets, excluding Financial Services	**40.4**	40.0

1) Excluding revaluation of shares in Scania AB and Henlys Group.

Positive cash flow

In the fourth quarter of 2005, operating cash flow, excluding Financial Services, amounted to SEK 5.8 billion (9.2). Working capital decreased by SEK 3.7 billion (5.2) in the fourth quarter. During the quarter a transfer was made to pension plans, which is reported in the item "Change in working capital," in a negative amount of SEK 0.8 billion.

For the full year 2005, operating cash flow, excluding Financial Services, amounted to SEK 6.8 billion (11.4).

The layout of the cash-flow statement has been modified, compared with the preceding year. As an effect of the adoption of IAS 39 for derecognition of financial assets and as an effect of the segment reporting, certain dealer financing transactions between Volvo Financial Services and the other business areas are eliminated on the line Operating cash-flow, eliminations.

The segment reporting in the cash-flow statement is changed to Operating cash-flow. Consequently there is no segment reporting of Investments in shares, net, Acquired and divested operations, net and Loans to external parties, net.

Cash-flow statement SEK billion	Fourth quarter 2005	Fourth quarter 2004	Year 2005	Year 2004
Operating activities				
Operating income[1]	**3.8**	4.2	**16.1**	13.3
Add depreciation and amortization	**2.1**	1.7	**7.3**	7.1
Other non-cash items	**0.3**	0.0	**0.2**	(0.6)
Change in working capital	**3.7**	5.2	**(5.6)**	(1.4)
Financial items and income taxes paid	**(0.9)**	0.4	**(1.9)**	(0.2)
Cash flow from operating activities	**9.0**	**11.5**	**16.1**	**18.2**
Investing activities				
Investments in fixed assets	**(3.4)**	(2.4)	**(9.9)**	(7.2)
Investment in leasing vehicles	**(0.1)**	(0.1)	**(0.3)**	(0.3)
Disposals of fixed assets and leasing vehicles	**0.3**	0.2	**0.9**	0.7
Operating cash flow excl. Financial Services	**5.8**	**9.2**	**6.8**	**11.4**
Operating cash flow, Financial Services	**(3.0)**	(3.1)	**(4.4)**	(5.5)
Operating cash flow, Eliminations	**0.1**	0.0	**(0.6)**	0.0
Operating cash flow, Volvo Group total	**2.9**	**6.1**	**1.8**	**5.9**
Investments and divestments of shares, net	**0.1**	0.1	**0.3**	15.1
Acquired and divested operations, net	**0.4**	(0.1)	**0.7**	(0.1)
Interest-bearing receivables incl. marketable securities, net	**(4.9)**	0.3	**(1.3)**	(6.4)
Cash flow after net investments	**(1.5)**	**6.4**	**1.5**	**14.5**
Financing activities				
Change in loans, net	**0.7**	(1.4)	**3.6**	(8.8)
Dividend to AB Volvo shareholders	**0.0**	0.0	**(5.1)**	(3.4)
Repurchase of own shares	**–**	(2.5)	**(1.8)**	(2.5)
Other	**0.0**	0.0	**0.0**	0.0
Change in liquid funds excl. translation differences	**(0.8)**	**2.5**	**(1.8)**	**(0.2)**
Translation difference on liquid funds	**0.1**	(0.4)	**1.1**	(0.2)
Change in liquid funds	**(0.7)**	**2.1**	**(0.7)**	**(0.4)**

1) Excluding Financial Services

Customer-financing receivables have been moved from Investing activities to Operating activities, for further information see Accounting principles at the end of the report. As a consequence, Change in working capital 2004 has increased by SEK 0.1 billion for the fourth quarter and the full year. For 2005, the corresponding amount was a negative SEK 0.2 billion in the fourth quarter and a negative SEK 0.3 billion for the full year.

Condensed cash-flow statement, Financial Services SEK billion	Fourth quarter 2005	Fourth quarter 2004	Year 2005	Year 2004
Cash flow from operating activities	**(2.9)**	(2.2)	**(4.2)**	(2.5)
Net investments	**(0.1)**	(0.9)	**(0.2)**	(3.0)
Operating cash-flow	**(3.0)**	**(3.1)**	**(4.4)**	**(5.5)**

The cash flow presentation has been somewhat changed, referring to the classification of financial versus operational leases in the segment Financial Services and the move of Customer finance receivables, net, in the cash flow statement from Cash flow from investing activities to Cash flow from operating activities. More information is available under Accounting principles on page 22.

Financial review by business area

Net sales SEK M	Fourth quarter 2005	Fourth quarter 2004	Year 2005	Year 2004	Change in %
Trucks	**43,441**	39,504	**155,396**	136,879	14
Buses	**5,260**	3,631	**16,589**	12,722	30
Construction Equipment	**10,301**	7,899	**34,816**	29,360	19
Volvo Penta	**2,428**	2,179	**9,776**	9,057	8
Volvo Aero	**2,110**	1,814	**7,538**	6,925	9
Other units and eliminations	**1,747**	1,950	**7,076**	7,228	(2)
Net sales	**65,287**	**56,977**	**231,191**	**202,171**	**14**

Operating income SEK M	Fourth quarter 2005	Fourth quarter 2004	Year 2005	Year 2004	Change in %
Trucks	**2,742**	3,312	**11,717**	8,992	30
Buses	**134**	189	**470**	253	86
Construction Equipment	**736**	425	**2,752**	1,898	45
Volvo Penta	**205**	238	**943**	940	0
Volvo Aero	**219**	13	**836**	403	107
Financial Services	**479**	434	**2,033**	1,365	49
Other units	**(254)**	86	**(600)**	8	–
Operating income[1]	**4,261**	**4,697**	**18,151**	**13,859**	**31**
Revaluation of shares	**–**	–	**–**	820	–
Operating income	**4,261**	**4,697**	**18,151**	**14,679**	**24**

1) Excluding revaluation of shares in Scania AB and Henlys Group.

Operating margin %	Fourth quarter 2005	Fourth quarter 2004	Year 2005	Year 2004
Trucks	**6.3**	8.4	**7.5**	6.6
Buses	**2.5**	5.2	**2.8**	2.0
Construction Equipment	**7.1**	5.4	**7.9**	6.5
Volvo Penta	**8.4**	10.9	**9.6**	10.4
Volvo Aero	**10.4**	0.7	**11.1**	5.8
Operating margin[1]	**6.5**	**8.2**	**7.9**	**6.9**
Operating margin	**6.5**	**8.2**	**7.9**	**7.3**

1) Excluding revaluation of shares in Scania AB and Henlys Group.

Trucks – production changeovers had a negative effect on profits

- **Continued favorable demand in Europe and North America**
- **The new products well-received by the market**
- **Favorable order bookings in Europe**

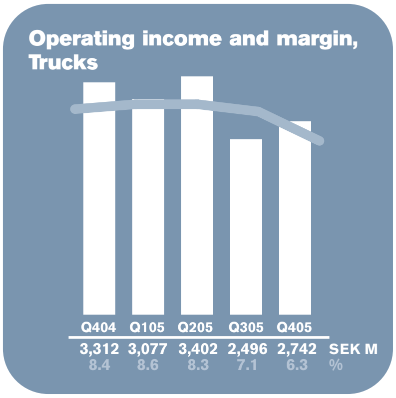
Growing total market for heavy trucks

The markets for heavy trucks continue to be at high levels in Europe and North America. In Europe the total number of registrations for the full year rose by 8% to 277,000 heavy trucks (256,000), which is the highest level ever. Registrations increased substantially in France, Spain and the Nordic countries. The UK and Germany also saw registrations grow, but at a more moderate pace.

In 2005, sales of heavy trucks (Class 8) in North America increased by 29% to 329,000 trucks (255,000), which also is the highest level ever.

The Brazilian market decreased by 9% to 44 000 trucks (48 000).

The market for heavy trucks was larger in 2005 than previously estimated in both Europe and North America. The demand in Europe is expected to remain strong during the first half of 2006, as an effect of pre-buys ahead of the new emission standards coming into effect on October 1, 2006, but demand is expected to weaken during the second half of the



year. The forecast of a market of 270,000 trucks during 2006 in Europe is retained. The forecast for North America is raised to 330,000–340,000 (the previous forecast was 320,000).

Order bookings increased

During the fourth quarter of 2005, the Volvo Group's truck operations' total order bookings rose to 57,308 trucks (55,102). In Europe, South America and Other markets, order bookings increased significantly. On the other hand, decreased order bookings were recorded in North America and Asia, where low order bookings in the Middle East had a negative impact.

In Europe, order bookings were affected positively by the new products being well-received by customers and by the decision of several customers to order new trucks ahead of the new emission standards coming into effect on October 1, 2006. In North America order bookings from owners of large truck fleets increased toward the end of the year, in accordance with the pattern of recent years. Customers in North America are also choosing to renew their truck fleets prior to the new emission regulations becoming effective in January 2007. In contrast, primarily in the construction sector, customers are waiting to order new trucks, partly as a result of the long delivery times.

For the full year 2005, total order bookings for the Volvo Group's truck operations remained at a high level.

Net sales by market area, Trucks

	Fourth quarter		Change	Year		Change
SEK M	**2005**	2004	in %	**2005**	2004	in %
Europe	**22,579**	21,646	4	**79,706**	77,431	3
North America	**12,583**	10,020	26	**46,129**	35,154	31
South America	**2,156**	1,565	38	**7,657**	5,223	47
Asia	**3,483**	4,437	(22)	**13,551**	12,378	9
Other markets	**2,640**	1,836	44	**8,353**	6,693	25
Total	**43,441**	**39,504**	**10**	**155,396**	**136,879**	**14**

Order intake per market

	Fourth quarter		Change	Year		Change
Number of trucks	**2005**	2004	in %	**2005**	2004	in %
Europe	**28,343**	21,520	32	**104,850**	104,184	1
North America	**18,843**	22,149	(15)	**72,919**	72,962	0
South America	**3,871**	2,519	54	**11,921**	9,732	22
Asia	**3,690**	6,687	(45)	**24,278**	26,146	(7)
Other markets	**2,561**	2,227	15	**9,783**	8,371	17
Total	**57,308**	**55,102**	**4**	**223,751**	**221,395**	**1**

Deliveries per market

	Fourth quarter		Change	Year		Change
Number of trucks	**2005**	2004	in %	**2005**	2004	in %
Europe	**29,823**	30,214	(1)	**103,622**	102,666	1
North America	**16,709**	15,044	11	**64,974**	49,273	32
South America	**2,883**	2,684	7	**11,248**	9,190	22
Asia	**6,627**	9,338	(29)	**25,706**	24,881	3
Other markets	**2,511**	2,144	17	**8,829**	7,209	22
Total	**58,553**	**59,424**	**(1)**	**214,379**	**193,219**	**11**

Deliveries on a continued high level

During the fourth quarter, the Volvo Group's truck operations maintained their high rate of delivery and delivered 58,553 trucks (59,424). Deliveries increased in North America, South America and Other markets, while they declined in Asia. In Europe deliveries were largely unchanged. In general, capacity utilization in the production plants is high.

For the full year 2005, total deliveries rose 11%, with substantial increases in North America, South America and Other markets.

Increased sales but lower operating income

The truck operation's net sales increased by 10% to SEK 43,441 M (39,504) during the fourth quarter. Adjusted for currency movements, net sales rose 1%.

Operating income decreased by 17% to SEK 2,742 M (3,312) and operating margin declined to 6.3% (8.4). The lower income is attributable to higher selling and administrative expenses and increased costs in the magnitude of SEK 500 M relating to the extensive product launches and production start-ups that were carried out, primarily in the European business. In North America, profitability develops very well, as a consequence of continued favorable demand and good productivity development and price realization. The businesses outside of North America and Europe decreased their profitability, due to fewer trucks being delivered and negative currency effects.

Net sales for the full year 2005 amounted to SEK 155,396 M, an increase of 14% compared with SEK 136,879 M in 2004. Operating income amounted to SEK 11,717 M (8,992) and the operating margin was 7.5% (6.6).

Change to new products and changeover in production

The new products that were launched during the third quarter went into serial production during the last quarter of the year, which meant production changes in Volvo Trucks' plants in Tuve, Sweden and Gent, Belgium. The engine plant in Skövde, Sweden started production of Volvo's new 13-liter engine for the new trucks Volvo FH and Volvo FM.

At the plant in Vénissieux, France production of the new 11-liter engine began in conjunction with the start of deliveries of Renault Trucks' new truck for national transports, Renault Premium Route. The truck is manufactured at the plant in Bourg en Bresse, France, where production was changed over and now runs in the same assembly line as Renault Magnum.

In Brazil, a widening of the product range was launched with a new three-axle model in the Volvo VM-series, that went into production in January 2006. A new Volvo FH16, with a new, more powerful 660-hp engine, was launched in Europe at the beginning of February 2006.

The year 2006 will continue to be characterized by a high level of activity with product launches and realignment of the production flows. The high demand results in high capacity utilization in the industrial system, which will continue to be a challenge. At the same time that the product launches are in an intensive phase, work is under way to shift to a new and even more efficient industrial structure, particularly within Volvo Powertrain as well as within Renault Trucks. In addition, Renault Trucks is investigating the possibility of divesting certain parts of its dealership operations in France while at the same time working with strengthening the distribution network in other markets

As new products are launched with engines from the Group's new platforms, parallel production of old engines can be terminated. The Volvo Group's truck operations and Volvo Powertrain will thus focus on these changeovers and product launches, which will characterize 2006 and the beginning of 2007.

Buses – important contracts in emerging markets

- Increased deliveries
- Improved order bookings
- Contract for 2,000 city buses in China

Continued total market growth

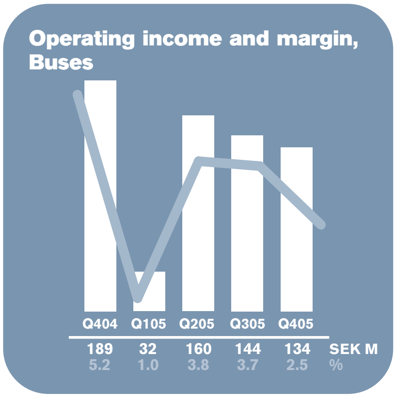
The global bus market continues to grow slowly. Owing to the high price of fuel, some customers are hesitating to purchase new vehicles. The European bus market grew by 5% until October, while in North America the coach market grew by 8% in 2005. Demand is lower, however, in the market for motorhomes. In South America, the number of registrations increased by 9%. In Mexico, the coach market was unchanged compared with 2004. The strong interest of many cities for BRT systems, where buses operate in traffic lanes separated from other traffic, was ongoing. In India and Southeast Asia, the number of registrations increased, while in China an increase was reported for city buses.

Net sales by market area, Buses

SEK M	Fourth quarter 2005	Fourth quarter 2004	Change in %	Year 2005	Year 2004	Change in %
Europe	**1,819**	1,728	5	**7,142**	6,948	3
North America	**1,246**	1,135	10	**4,247**	2,960	43
South America	**1,396**	200	598	**2,641**	521	407
Asia	**547**	423	29	**1,612**	1,632	(1)
Other markets	**252**	145	74	**947**	661	43
Total	**5,260**	**3,631**	**45**	**16,589**	**12,722**	**30**

Higher order bookings

During the fourth quarter, the number of orders rose by 61% to 3,765, compared with 2,343 for the same period in the preceding year. Order bookings rose in all markets apart from Mexico and the Middle East. At year-end, the order backlog contained 5,128 buses, compared with 4,450 for the preceding year. The order backlog includes 1,200 vehicles from the order for a total of 2,000 vehicles to Shanghai, China.



Increased deliveries

During the fourth quarter of 2005, 3,344 buses and bus chassis (2,359) were delivered. This is 42% more than in the corresponding period in 2004. Increases were reported for most markets in South America, the large order for Santiago, Chile, accounting for a significant proportion.

Lower operating income

Net sales in the fourth quarter amounted to SEK 5,260 M, an increase of 45% compared with SEK 3,631 M in the preceding year. Adjusted for currency movements, net sales increased by 33%. Operating income amounted to SEK 134 M, lower than in the preceding year (189). Earnings were affected positively by the major order to Santiago, Chile, however this could not offset the temporarily increased production costs related to lower capacity utilization at plants in Europe, an unfavorable market- and product mix and unsatisfactory earnings in China. The operating margin declined to 2.5% (5.2).

For the full year 2005, net sales amounted to SEK 16,589 M, up 30% over 2004, when it amounted to SEK 12,722 M. Operating income was SEK 470 M (253), including costs of SEK 95 M relating to the closure of the plant in Heilbronn, Germany. The operating margin was 2.8% (2.0).

Continued focus on improvement activities

Improvement activities within Volvo Buses to achieve stable, long-term profitability in all regions are ongoing. Volvo Buses focuses on improving efficiency in sales and industrial systems on a global basis. Efforts to increase the percentage of components purchased locally are under way, in order to reverse the trend of earnings in China. Serial production of engines that meet the Euro4/5 emissions requirements is proceeding according to plan and is a top priority for 2006.

Several significant orders were signed in the fourth quarter. Volvo Buses acquired its largest order to date – for 2,000 B6R city buses for Shanghai, China. In December, Chinese company Silver Bus launched the new Volvo 9300 coach – of which to date 150 coaches have been sold and will be delivered during 2006.

Construction Equipment – sharp increase in sales and earnings

- **Sales growth of 30%**
- **Operating income up 73%**
- **Strong order bookings – value of order backlog up 35%**

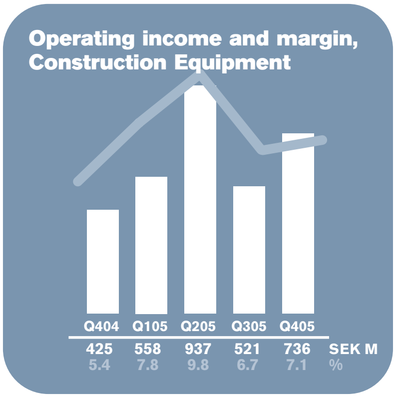
Total world market up 7%

The total world market for heavy and compact equipment within the business area's product segments increased by 7% during the fourth quarter of 2005, compared with the corresponding period a year earlier. In Europe, the total market was up 7%, North America increased by 2% and International markets, strongly driven by China, was up 12%. For the full year 2005 the combined total world market increased by 10%.

Over all, market conditions in 2006 are expected to remain favorable. North America is expected to flatten out on a historically high level. Europe is expected to grow 0–5%, while Other markets and Asia are expected to grow in the area of 5–10%, driven mainly by a favorable trend in Asia.

Continued strong order bookings and increased deliveries

At December 31, 2005, the value of the order backlog was 35% higher than on the same date a year earlier. Deliveries rose 13% in 2005 to slightly more than 33,000 machines, the highest level to date.



Net sales by market area, Construction Equipment

SEK M	Fourth quarter 2005	2004	Change in %	Year 2005	2004	Change in %
Europe	**4,537**	3,731	22	**15,524**	13,453	15
North America	**2,731**	2,181	25	**10,337**	8,601	20
South America	**343**	262	31	**1,238**	922	34
Asia	**1,905**	1,147	66	**5,717**	4,961	15
Other markets	**785**	578	36	**2,000**	1,423	41
Total	**10,301**	**7,899**	**30**	**34,816**	**29,360**	**19**

Total market development in the fourth quarter

%	Europe	North America	Asia	Other markets	Total
Heavy equipment	+4	+4	+12	+9	**+7**
Compact equipment	+9	+2	+13	+13	**+7**
Total	**+7**	**+2**	**+13**	**+11**	**+7**

Sales and operating income rose considerably

Construction Equipment's net sales rose 30% and amounted to SEK 10,301 M (7,899) in the fourth quarter. The increase is mainly attributable to higher volumes, improved distribution and a favorable geographical and product mix. Adjusted for currency movements and acquisitions and divestments, net sales rose by 17%. Operating income increased by 73% to SEK 736 M (425). The operating margin was 7.1% (5.4). The income and margin improvement is due to a favorable product and market mix, good pricing conditions, increased productivity and good control over selling and administrative expenses.

For the full year 2005, net sales amounted to SEK 34,816 M, up 19% compared with SEK 29,360 M in 2004. Operating income was SEK 2,752 M (1,898), while the operating margin was 7.9% (6.5).

Continued focus on reduced costs and strengthened distribution channels

Volvo CE will continue to focus on reducing selling and administration expenses. Dedicated activities will also continue to grow the aftermarket business, which rose by almost 20% in 2005. Volvo CE Rents has now 116 opened stores, 65 of which are in North America and 51 in Europe. Another 50 are expected to be opened during 2006.

On the product offering side, Volvo CE will continue to capitalize on investments in research and development and production facilities. In November, Volvo CE launched a completely new range of motor graders. The new series, G900, comprises seven new models from 15 to 21 tons. The four smaller models are equipped with a 7.2-liter Volvo D7 engine, while the larger motor graders have the 9.4-liter D9 engine.

Volvo Penta – continued strong demand

- Continued good sales and strong earnings
- Strong order bookings for marine engines and industrial engines
- Launch of new joystick for boats

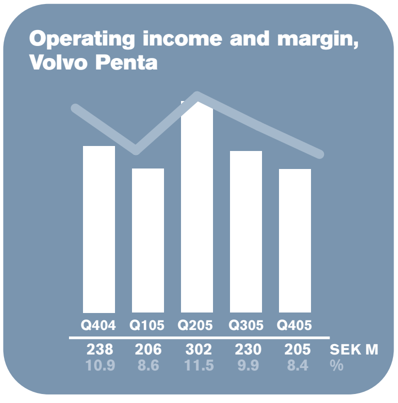
Net sales by market area, Volvo Penta

SEK M	Fourth quarter 2005	2004	Change in %	Year 2005	2004	Change in %
Europe	**1,309**	1,229	7	**5,102**	4,907	4
North America	**628**	530	18	**2,832**	2,500	13
South America	**55**	53	4	**208**	142	46
Asia	**385**	310	24	**1,427**	1,324	8
Other markets	**51**	57	(11)	**207**	184	13
Total	**2,428**	**2,179**	**11**	**9,776**	**9,057**	**8**

Strengthened demand for industrial engines; favorable trend in marine engines continues

The total market for marine engines continued to be strong in Europe, and remained unchanged overall in North America. The trend was also favorable in many other parts of the world, such as Brazil and the Middle East.

The strengthening of demand for industrial engines continued in the fourth quarter of 2005. The world market gradually recovered from the weak trend of the beginning of the year, which was caused by various measures taken to slow the growth of the Chinese economy.



Increased order bookings

Volvo Penta strengthened its order situation in the fourth quarter. The value of the order backlog at year-end was approximately 15% higher than at the same time in the preceding year. The increase is attributable to strong trends for industrial engines and marine engines. Demand for the Volvo Penta IPS increased steadily during the year at a pace with the increasing number of introductions of boat models equipped with the new drive system. The trend was further strengthened during the last quarter of the year.

Sales increased

Volvo Penta's sales rose during the fourth quarter by 11% to a total of SEK 2,428 M (2,179). Sales were distributed among the three business segments as follows: Marine Leisure: SEK 1,463 M (1,310); Marine Commercial: SEK 310 M (258); and Industrial: SEK 655 M (611). Adjusted for currency movements, sales rose by 3%.

Operating income amounted to SEK 205 M (238). The operating income was affected by increased development costs and marketing investments, causing the operating margin to decline to 8.4% (10.9).

For the full year 2005, net sales amounted to SEK 9,776 M, up 8% over 2004, when it amounted to SEK 9,057 M. Operating income was SEK 943 M (940), while the operating margin was 9.6% (10.4).

Innovative new products

In conjunction with the large boat trade shows in London and Düsseldorf, Volvo Penta launched the next major innovation in the marine industry: a joystick function to simplify maneuvering at slow speeds. The joystick, which fits boats equipped with the Volvo Penta IPS, makes docking and low-speed maneuvering much simpler and safer. The new joystick, which was immediately given an extremely strong reception by end-customers and large international boat builders, helps strengthen Volvo Penta's position in the inboard segment.

Volvo Aero – strong increase in operating income

- Strong demand for components and spare parts
- Important long-term contracts signed
- Continued strong operating income

Net sales by market area, Volvo Aero

SEK M	Fourth quarter 2005	Fourth quarter 2004	Change in %	Year 2005	Year 2004	Change in %
Europe	**904**	808	12	**3,406**	3,179	7
North America	**1,037**	850	22	**3,612**	3,127	16
South America	**49**	32	53	**168**	138	22
Asia	**98**	89	10	**284**	400	(29)
Other markets	**22**	35	(37)	**68**	81	(16)
Total	**2,110**	**1,814**	**16**	**7,538**	**6,925**	**9**

More orders for new aircraft than ever before

World airline passenger traffic grew by 5% in November and by 6% in the first eleven months of 2005, according to Airline Traffic Monthly. Overall passenger load factor continued to improve in November, to 74.6%. Industry fundamentals have improved as airlines have succeeded in cutting non-fuel costs and increasing revenues. Strong demand from Asian airlines and Low-Cost Carriers resulted in order levels for new aircraft never before experienced in the industry. Airbus and Boeing announced a combined order intake of 2,140 orders in 2005 compared with 647 in 2004. Aircraft deliveries increased by 10% from 605 in 2004 to 668 in 2005. Aircraft deliveries are expected to rise to more than 800 aircraft this year.

Component business contributed to strong rise in profits

The favorable trend continues for Volvo Aero. Net sales rose by 16% to SEK 2,110 M (1,814) in the fourth quarter. Adjusted for currency movements, sales rose by 7%. Operating income rose to SEK 219 M, compared with SEK 13 M in the preceding year. The operating margin was 10.4% (0.7). The outcome is largely attributable to continued favorable profitability in sales of components and spare parts for commercial aircraft engines. Underlying factors continued to be an advantageous product mix and the high level of capacity utilization at the production plants. The increased income was offset, however, by increased costs for raw materials. Aftermarket services, including sales of spare parts through Volvo Aero Services in the US, reports continued sales increases and improved earnings. Profitability in engine overhaul continues to be unsatisfactory.

For the full year, net sales amounted to SEK 7,538 M, which is 9% more than in 2004 (6,925). Operating income amounted to SEK 836 M (403), and the operating margin was 11.1% (5.8).

Broadened agreement on GEnx engine

In the fourth quarter, Volvo Aero and General Electric signed an agreement extending Volvo Aero's program share in the new GEnx engine, to be installed on

aircraft such as Airbus A350 and Boeing 787 and 747-8. The sales generated by the extended agreement are expected to approximately SEK 6 billion over a 30-year period.

Volvo Aero and Carlton Forge Works have signed a contract regarding the manufacture of the largest component in an aircraft engine, the fan case for the Rolls-Royce Trent 1000. The engine will be installed on the Boeing 787 aircraft. The contract's sales value is estimated at approximately SEK 1.1 billion over a period of 15–20 years.

During the quarter, it was also established that Volvo Aero will produce parts of the world's largest aircraft engine, the GE90-115B, used on the Boeing 777-200LR and 777-300ER. According to the agreement with General Electric, Volvo Aero will produce components for an estimated sales value of about SEK 2 billion over the next ten years.

In December, a new maintenance agreement was signed with Skyways Express. The contract applies to the entire Skyways fleet of Fokker 50 aircraft with PW125B engines. The agreement, which initially applies for a three-year period, is valued at approximately SEK 120 M.

New financing and penetration by business area	New financing, SEK M Fourth quarter		Penetration, % Fourth quarter	
	2005	2004	**2005**	2004
Volvo Trucks	**4,350**	4,041	**25**	28
Renault Trucks	**1,507**	1,262	**16**	14
Mack Trucks	**942**	498	**12**	8
Buses	**281**	263	**12**	12
Construction Equipment	**1,991**	1,629	**35**	35
Other	**235**	89	**–**	–
Total	**9,306**	**7,782**	**21**	**21**

Financial Services – good returns and profitability

- **Good returns and profitability**
- **Stable credit risks**
- **Steady portfolio growth and good volumes**

New volume financing rose 9%

Total new volume financing in the fourth quarter of 2005 amounted to SEK 9.3 billion, a 20% increase compared with SEK 7.8 billion in the fourth quarter of 2004. Adjusted for currency effects, volume grew by 9%. The volume increase is seen in all business areas where financing is offered. In total, 10,946 units (10,393) were financed during the quarter, resulting in an average financing per contract of SEK 0.85 M (0.75).

In the markets where financing is offered, the average penetration rate in the fourth quarter was 21% (21).

The credit portfolio grew by 10%

Total assets at December 31, 2005 amounted to SEK 85.8 billion (71.5), of which SEK 79 billion (64) is attributable to the credit portfolio. Adjusted for exchange-rate movements, the credit portfolio grew by 10% during 2005 (11). Volvo Trucks accounts for 48% of the credit portfolio, Construction Equipment for 20%, Renault Trucks 15%, Mack Trucks 10% and Buses for 6%. The remaining 1% is mainly attributable to Volvo Aero and Volvo Penta.

Good returns and profitability

Operating income in the fourth quarter amounted to SEK 479 M (434). Return on shareholders' equity for the year was 15.3% (11.1). Excluding the effect from the sale of non-strategic properties in VFS' real estate company Danafjord, the return on shareholders' equity for the year was 12.9%. The equity ratio at the end of the fourth quarter was 11.2% (11.6).

Write-offs in the fourth quarter amounted to SEK 91 M (117). The annualized write-offs ratio through December 31, 2005, was 0.40% (0.66). On December 31, 2005, the total credit reserves were 2.17% of the credit portfolio, compared with 2.23% at September 30, 2005.

All business segments continued to perform well in the fourth quarter.

For the full year 2005, operating income amounted to SEK 2,033 M (1,365).

Activities in focus

Volvo Financial Services continues to work on the Commercial Focus initiative developed during the year, while maintaining the credit and portfolio discipline that has strengthened the financial performance. In addition, Volvo Financial Services are looking to the emerging markets for further potential for growth.

Significant events

Volvo CE launched new series of motor graders

In November, Volvo Construction equipment launched an entire new series of motor graders, G900. The series comprises two platforms totaling seven models from 15 to 21 tons. The four smaller models are equipped with 7.2-liter engines, Volvo D7, while the larger graders have the 9.4-liter engine, Volvo D9. The engines feature the new technology, VAC-T (Volvo Advanced Combustion Technology), which gives low emissions corresponding to standards in accordance with EU Stage IIIA and US Tier 3.

Volvo Buses received order for 2,000 city buses in China

In December it was announced that Volvo Buses received its largest order to date in China. Shanghai's largest transit company Shanghai Ba-Shi (Group) Industrial Co. Ltd., ordered 2,000 Volvo B6R, a new 10.5-meter city bus. Some 1,000 buses will be delivered through to summer 2006 and the remaining 1,000 through summer 2007. The chassis will be provided as package modules from Volvo Buses' plant in Borås, Sweden. They will be assembled at the Sunwin bus plant in Shanghai, where the bodies are also being manufactured.

Volvo Aero signed major contracts

It was announced in December that Volvo Aero in Trollhättan, Sweden will produce parts of the world's largest aircraft engine, GE90-115B, which is on the Boeing 777-200LR and 777-300ER- In accordance with a new agreement with General Electric, Volvo Aero will manufacture components to the GE90-115B for an estimated order value of about SEK 2 billion during the next ten years. Volvo Aero will start production of several components of the engine in 2006.

Volvo Aero reported in January 2006 that it had signed a contract covering production of the largest component in an aircraft engine, the fan case, for the Rolls-Royce Trent 1000 engine. The engine will be mounted on Boeing's new aircraft, the 787 Dreamliner. The fan case will be produced in titanium and have a diameter of three meters. The sales value of the contract is estimated at SEK 1.1 billion during a period of 15–20 years.

It was also announced in January 2006, that Volvo Aero and General Electric have agreed that Volvo Aero will increase its part of the GE's new engine, GEnx. Volvo Aero will manufacture additional components for the engine. The new agreement is expected to generate sales of SEK 6 billion over a 30-year period.

New Volvo FH16 – strongest truck on the market

In the beginning of February 2006, Volvo Trucks launched a new Volvo FH16 with a Volvo D16E engine rated at 660 hp. As the result of a newly developed engine brake, braking power was increased by 15%. The powerful driveline features Volvo's I-Shift gearbox system dimensioned to handle trailer weights of 60 tons or more.

US Supreme Court supports Volvo Trucks in antitrust case

In January 2006, the US Supreme Court issued a ruling in favor of Volvo Trucks in a dispute with one of its dealers regarding competitive pricing practices. The US Supreme Court found that under US law there is no obligation to provide the same discounts to dealers in conjunction with them participating in different negotiations. Volvo's position in the case, which has broad implications beyond the heavy-truck industry, was supported by the US Department of Justice and the US Federal Trade Commission.

Write-down of holding in Blue Bird

During the fourth quarter, Volvo wrote down its shareholding in Peach County Holdings, Inc. by about SEK 550 M. At December 31, 2005, Volvo held 42.5% of the US-based company, which in turn owns the American school bus manufacturer Blue Bird. Since its reconstruction in the preceding year, Blue Bird has not developed well. The write-down was made as a consequence of Volvo's decision not to participate in continued financing efforts. After the write-down, the value is zero. In January 2006, Peach County Holdings entered into reconstruction proceedings (Chapter 11) and as a consequence of Volvo choosing not to participate in the continued reconstruction, Volvo's shares in the company were cancelled.

Changes in Group Executive Committee

Former Senior Vice President of AB Volvo, Karl-Erling Trogen, who had been a member of the Group Executive Committee since 1994, left the Group Executive Committee on November 30, 2005, in conjunction with his retirement.

Stefan Johnsson, Volvo's Senior Vice President and Chief Financial Officer since 1998, left this position on November 30, 2005, to assume responsibility for a number of Volvo's central business units. Stefan Johnsson continues to be a member of the Group Executive Committee. Pär Östberg, former Chief Financial Officer of Renault Trucks, has been appointed Chief Financial Officer and member of the Group Executive Committee.

Michel Gigou, member of the Group Executive Committee since 2002, has announced that he will retire on April 30, 2006. Within the Group Executive Committee, Michel Gigou's responsibilities included Volvo's operations in China, a responsibility that will now be assumed by Jorma Halonen.

During 2006, Volvo's Group Executive Committee will be expanded through the addition of Jan-Eric Sundgren, currently President of Chalmers University of Technology. This transition will occur when a successor has been appointed at Chalmers. Jan-Eric Sundgren's responsibilities will include contacts with public authorities, universities and colleges. He will also focus on technological and research-related matters within the Volvo Group and have Group-wide responsibility for emissions, environmental and safety matters.

It was announced in December that Olof Persson will become the new President of Volvo Aero. Volvo Aero's current President, Fred Bodin, has announced his intention to retire at the end of 2006 in conjunction with his 60th birthday. Olof Persson, 41, is currently President of the Canadian aircraft and train manufacturer Bombardier's Mainline and Metro division for trains and subways. He will assume his new position as President on July 1, 2006 and will also be included in the Volvo Group Executive Committee.

Significant events earlier in the year

- Repurchase of own shares, in accordance with mandate from the AGM 2004, completed
- Sales of property yielded capital gain of SEK 188 M
- Volvo Trucks launched a new flagship, Volvo VT 880, in North America
- Tax rulings contribute SEK 300 M to Volvo
- Volvo Buses to close factory in Heilbronn, Germany
- Annual General Meeting approved dividend and re-elected the Board
- Cancellation of shares and new repurchase mandate
- Allotment of shares in incentive program
- Volvo Trucks launches its cleanest and most fuel-efficient trucks ever
- Renault Trucks launches new Renault Premium Route and Renault Magnum
- Breakthrough order for Volvo's new gas bus
- Volvo to sell Celero Support service company
- Mack Trucks launches new engines and trucks: Mack Pinnacle and Mack Granite

For further information regarding previously reported significant events, please refer to Volvo Group's report on the first three months of 2005, the report on the first six months 2005 and the report on the first nine months 2005. Detailed information is also available at www.volvo.com.

Quarterly figures

Volume Group SEK M unless otherwise specified	4/2004	1/2005	2/2005	3/2005	4/2005
Net sales	**56,977**	**52,253**	**61,119**	**52,532**	**65,287**
Cost of sales	(44,842)	(40,559)	(47,982)	(40,605)	**(51,677)**
Gross income	**12,135**	**11,694**	**13,137**	**11,927**	**13,610**
Research and development expenses	(1,938)	(1,934)	(1,860)	(1,791)	**(1,972)**
Selling expenses	(4,944)	(4,381)	(4,829)	(4,719)	**(5,687)**
Administrative expenses	(1,361)	(1,585)	(1,630)	(1,318)	**(1,614)**
Other operating income and expenses	392	173	1	(543)	**(30)**
Income from Financial Services[1]	434	587	483	484	**479**
Income from investments in associated companies	1	(27)	15	(39)	**(517)**
Income from other investments	(22)	9	33	3	**(8)**
Operating income	**4,697**	**4,536**	**5,350**	**4,004**	**4,261**
Interest income and similar credits	266	226	284	151	**155**
Interest expenses and similar charges	(332)	(273)	(326)	(239)	**(296)**
Other financial income and expenses	(27)	114	(55)	99	**23**
Income after financial items	**4,604**	**4,603**	**5,253**	**4,015**	**4,143**
Income taxes	(1,100)	(1,355)	(1,324)	(1,080)	**(1,149)**
Income for the period*	**3,504**	**3,248**	**3,929**	**2,935**	**2,994**
* Attributable to					
Equity holders of AB Volvo	3,512	3,234	3,911	2,927	**2,980**
Minority interests	(8)	14	18	8	**14**
	3,504	**3,248**	**3,929**	**2,935**	**2,994**
Depreciation and amortization included above					
Industrial and Commercial	1,721	1,583	1,631	1,694	**1,984**
Financial Services	804	125	148	100	**56**
Classification Group versus segment Financial Services	–	575	681	673	**644**
Total	**2,525**	**2,283**	**2,460**	**2,467**	**2,684**
Income per share, SEK[2]	8.45	7.93	9.67	7.24	**7.37**
Number of shares outstanding, million	410.1	404.4	404.5	404.5	**404.5**
Average number of shares during period, million	415.8	407.6	404.4	404.4	**404.5**
Number of company shares, held by AB Volvo, million	31.4	37.1	21.2	21.2	**21.2**

1) Financial Services reported according to equity method.
2) Income per share is calculated as Income for the period (excl minority interests) divided by the weighted average number of shares.

Key operating ratios %	4/2004	1/2005	2/2005	3/2005	4/2005
Gross margin	21.3	22.4	21.5	22.7	**20.8**
Research and development expenses in % of net sales	3.4	3.7	3.0	3.4	**3.0**
Selling expenses in % of net sales	8.7	8.4	7.9	9.0	**8.7**
Administrative expenses in % of net sales	2.4	3.0	2.7	2.5	**2.5**
Operating margin	8.2	8.7	8.8	7.6	**6.5**

Net sales SEK M	4/2004	1/2005	2/2005	3/2005	**4/2005**
Trucks	39,504	35,911	41,095	34,949	**43,441**
Buses	3,631	3,196	4,219	3,914	**5,260**
Construction Equipment	7,899	7,182	9,555	7,778	**10,301**
Volvo Penta	2,179	2,391	2,624	2,333	**2,428**
Volvo Aero	1,814	1,647	1,784	1,997	**2,110**
Other	1,950	1,926	1,842	1,561	**1,747**
Net sales Volvo Group	**56,977**	**52,253**	**61,119**	**52,532**	**65,287**
Financial Services	2,426	1,778	1,939	1,876	**1,956**
Eliminations and other	(176)	405	486	485	**443**
Net sales total	**59,227**	**54,436**	**63,544**	**54,893**	**67,686**

Operating income SEK M	4/2004	1/2005	2/2005	3/2005	**4/2005**
Trucks	3,312	3,077	3,402	2,496	**2,742**
Buses	189	32	160	144	**134**
Construction Equipment	425	558	937	521	**736**
Volvo Penta	238	206	302	230	**205**
Volvo Aero	13	210	168	239	**219**
Financial Services	434	587	483	484	**479**
Other	86	(134)	(102)	(110)	**(254)**
Operating income (loss)	**4,697**	**4,536**	**5,350**	**4,004**	**4,261**

Operating margin %	4/2004	1/2005	2/2005	3/2005	**4/2005**
Trucks	8.4	8.6	8.3	7.1	**6.3**
Buses	5.2	1.0	3.8	3.7	**2.5**
Construction Equipment	5.4	7.8	9.8	6.7	**7.1**
Volvo Penta	10.9	8.6	11.5	9.9	**8.4**
Volvo Aero	0.7	12.8	9.4	12.0	**10.4**
Operating margin	**8.2**	**8.7**	**8.8**	**7.6**	**6.5**

Financial Information in accordance with IAS 1

In the comments on earnings on previous pages Volvo Financial Services is reported in accordance with the equity method. From this page and forward, reporting is in accordance with IAS 1.

Consolidated income statements	Fourth quarter		Year	
SEK M	**2005**	2004	**2005**	2004
Net sales	**67,686**	**59,226**	**240,559**	**211,076**
Cost of sales	**(53,134)**	(46,266)	**(186,662)**	(164,170)
Gross income	**14,552**	**12,960**	**53,897**	**46,906**
Research and development expenses	**(1,972)**	(1,939)	**(7,557)**	(7,614)
Selling expenses	**(5,992)**	(5,203)	**(20,778)**	(19,369)
Administrative expenses	**(1,657)**	(1,409)	**(6,301)**	(5,483)
Other operating income and expenses	**(150)**	304	**(590)**	(618)
Income from investments in associated companies	**(512)**	4	**(557)**	27
Income from other investments	**(8)**	(20)	**37**	830
Operating income	**4,261**	**4,697**	**18,151**	**14,679**
Interest income and similar credits	**114**	214	**654**	821
Interest expenses and similar charges	**(255)**	(280)	**(972)**	(1,254)
Other financial income and expenses	**23**	(27)	**181**	(1,210)
Income after financial items	**4,143**	**4,604**	**18,014**	**13,036**
Taxes	**(1,149)**	(1,100)	**(4,908)**	(3,129)
Income for the period*	**2,994**	**3,504**	**13,106**	**9,907**
* Attributable to:				
Equity holders of the parent company	**2,980**	3,512	**13,052**	9,867
Minority	**14**	(8)	**54**	40
	2,994	**3,504**	**13,106**	**9,907**

Consolidated Balance Sheets	Dec 31	Dec 31
SEK M	**2005**	2004
Assets		
Non-current assets		
Intangible assets	**20,421**	17,612
Tangible assets	**55,840**	50,685
Financial assets	**40,389**	35,031
Total non-current assets	**116,650**	**103,328**
Current assets		
Inventories	**33,937**	28,598
Short-term receivables	**69,601**	57,296
Marketable securities	**28,834**	25,955
Cash and bank accounts	**8,113**	8,791
Total current assets	**140,485**	120,640
Total assets	**257,135**	**223,968**
Shareholders' equity and liabilities		
Shareholders' equity[1]	**78,768**	70,155
Non-current provisions[2]	**21,263**	22,514
Non-current liabilities	**48,814**	45,064
Current provisions	**9,279**	7,182
Current liabilities	**99,011**	79,053
Total shareholders' equity and liabilities	**257,135**	**223,968**

1) Of which, minority interests amounted to SEK 260 M (229).
2) Pension obligations and deferred taxes regarded as non-current provisions.

Cash-flow statement	Fourth quarter		Year	
SEK billion	**2005**	2004	**2005**	2004
Operating activities				
Operating income	**4.3**	4.7	**18.2**	14.7
Depreciation and amortization	**2.7**	2.5	**9.9**	10.0
Other non-cash items	**0.3**	(0.2)	**0.4**	(0.1)
Change in working capital	**3.7**	4.9	**(4.7)**	(1.4)
Customer Finance receivables, net	**(2.9)**	(3.0)	**(7.8)**	(7.4)
Financial items and income taxes	**(0.7)**	0.3	**(2.0)**	(0.5)
Cash flow from operating activities	**7.4**	**9.2**	**14.0**	**15.3**
Investing activities				
Investments in fixed assets	**(3.6)**	(2.5)	**(10.3)**	(7.4)
Investment in leasing vehicles	**(1.5)**	(1.2)	**(4.5)**	(4.4)
Disposals of fixed assets and leasing vehicles	**0.6**	0.6	**2.6**	2.4
Operating cash flow	**2.9**	**6.1**	**1.8**	**5.9**
Investments in shares, net	**0.1**	0.1	**0.3**	15.1
Acquired and divested operations	**0.4**	(0.1)	**0.7**	(0.1)
Interest-bearing receivables incl. marketable securities	**(4.9)**	0.3	**(1.3)**	(6.4)
Cash flow after net investments	**(1.5)**	**6.4**	**1.5**	**14.5**
Financing activities				
Change in loans, net	**0.7**	(1.4)	**3.6**	(8.8)
Dividend paid to AB Volvo shareholders	**0.0**	0.0	**(5.1)**	(3.4)
Repurchase of own shares	**–**	–	**(1.8)**	(2.5)
Other	**0.0**	0.0	**0.0**	0.0
Change in liquid funds excl. translation differences	**(0.8)**	**5.0**	**(1.8)**	**(0.2)**
Translation difference on liquid funds	**0.1**	(0.4)	**1.1**	(0.2)
Change in liquid funds	**(0.7)**	**4.6**	**(0.7)**	**(0.4)**

Accounting principles

As of January 1, 2005 AB Volvo complies with International Financial Reporting Standards (IFRS), in accordance with IFRS as adopted by the European Union. This interim report has been prepared in accordance with IAS 34, Interim Financial Reporting. The accounting principles applied in preparing this report are described in Note 1, in applicable sections, and the section "Expected effects of IFRS," included in the Volvo 2004 Annual Report. In the section "Expected effects of IFRS," the anticipated full-year effects on the income statement and balance sheet are reported in tables that show the full-year change regarding shareholders' equity and the period's earnings. This report includes comparable tables for the fourth quarter of 2004 prepared in accordance with IFRS compared with the fourth quarter of 2004 prepared in accordance with Swedish GAAP. All comparative figures in this report for 2004 are restated to currently prevailing accounting standards in accordance with IFRS.

Impact of IFRS

The impact of IFRS on the balance sheet

In total, the impact on the balance sheet of adopting IAS 39 was SEK 3.9 billion at January 1, 2005. The consolidated balance sheet increased by SEK 1.9 billion as a result of the application regarding financial assets. However, the Group's net financial position was affected negatively by SEK 3.3 billion mainly due to the internal balance between Financial Services and the Volvo Group excluding Financial Services. The market valuation of derivatives increased total assets by SEK 2.5 billion, while the market valuation of shares and participation reduced total assets by SEK 0.5 billion.

Classification of leasing contracts in segment reporting for Volvo Financial Services

In accordance with IFRS, operational leasing contracts with end customers are defined in Volvo Financial Services reporting as financial leasing contracts, if the residual value in these contracts is guaranteed by one of the other Volvo business areas to Volvo Financial Services. In the Volvo Group's consolidated balance sheet, these leasing contracts are still reported as operational leasing contracts. Reclassification from operational to financial leasing contracts also affects the income statement with regard to sales and depreciation. Volvo Financial Services' sales are reduced due to the reclassification as well as depreciation, which affect the cash flow from operating activities. However, the Volvo Group's consolidated income statements and balance sheets continue to report them as operational and as a result show higher sales as well as depreciation.

Summarized reconciliation of shareholders' equity	**Dec 31, 2004**
Equity under Swedish GAAP	**69,409**
IFRS adjustments:	
Capitalization and amortization of development costs and software	340
Minority interest	229
Non-amortization of goodwill	665
Post employee benefits	(473)
Consolidation of temporary investments	0
Share based payments	14
Deferred taxes on IFRS adjustments	(29)
Total adjustments to IFRS	**746**
Equity under IFRS	**70,155**

Summarized reconciliation of income for the period, 2004	Fourth quarter	Year
Income of the period under Swedish GAAP	**3,494**	**9,355**
IFRS adjustments:		
Capitalization and amortization of development costs and software	(90)	(382)
Minority interest	(8)	40
Non-amortization of goodwill	(1)	684
Post employee benefits	1	13
Consolidation of temporary investments	133	142
Deferred taxes on IFRS adjustments	(25)	55
Total adjustments to IFRS	**10**	**552**
Income for the period under IFRS	**3,504**	**9,907**

Change in liquid funds	Jan 1, 2004	Dec 31, 2004	Change in liquid funds 2004
Liquid funds reported under Swedish GAAP	28,735	34,746	
Less: Amounts with maturity > 3 months	19,529	25,955	
Liquid funds according to IFRS	**9,206**	**8,791**	**(415)**

Cash-flow statement	According to previous presentation		According to present presentation	
SEK billion	**2005**	2004	**2005**	2004
Operating activities				
Operating income	**18.2**	14.2	**18.2**	14.2
Depreciation and amortization	**9.9**	10.3	**9.9**	10.3
Other non-cash items	**0.4**	0.1	**0.4**	0.1
Change in working capital	**(4.7)**	(1.4)	**(4.7)**	(1.4)
Customer Finance receivables, net			**(7.8)**	(7.4)
Financial items and income taxes	**(2.0)**	(0.5)	**(2.0)**	(0.5)
Cash flow from operating activities	**21.8**	**22.7**	**14.0**	**15.3**
Investing activities				
Investments in fixed assets	**(10.3)**	(7.4)	**(10.3)**	(7.4)
Investment in leasing vehicles	**(4.5)**	(4.4)	**(4.5)**	(4.4)
Disposals of fixed assets and leasing vehicles	**2.6**	2.4	**2.6**	2.4
Customer Finance receivables, net	**(7.8)**	(7.4)		
Operating cash flow	**1.8**	**5.9**	**1.8**	**5.9**

The impact of IFRS on the Group cash-flow statement

Under Swedish GAAP, all investments in marketable debt securities have been included in the definition of liquid funds for the purpose of the cash-flow statement. In accordance with Volvo's financial risk policy, all such securities should fulfill requirements regarding low risk and high liquidity. Under IFRS, investments in marketable debt securities are excluded from the definition, if these instruments have maturity dates beyond three months from the date of investment. For 2005 and 2004 no marketable securities are defined as cash equivalents according to IFRS. In the Group's 2004 cash-flow statement, the change in liquid funds has been restated according to the table below. The reclassified amount is included in Interest-bearing receivables including marketable securities, net.

In conjunction with preparing the 2005 Annual Report, the first to apply to IFRS, Volvo determined to make the following reclassifications in the Volvo cash-flow statement. Receivables in customer financing operations, net, should be reported within Cash flow from operating activities, instead of as previously being reported as Cash flow from investing activities. Cash flow related to customer financing operations arises mainly within Volvo Financial Services (VFS). Changes in customer financing are currently reported in Volvo's cash-flow statement with VFS consolidated in accordance with the equity method as changes in working capital, since Volvo's operations excluding VFS do not have any significant customer financing operations. Changes in customer financing operations are reported on a separate line in Volvo's cash-flow statement including VFS. Volvo's reported Cash flow from operating activities is not affected by the reclassification. See adjoining table for reclassifications in the consolidated cash-flow statement.

Parent Company AB Volvo

Income from investments in Group companies includes dividends amounting to SEK 9,161 M (101), transfer price adjustments and Group contributions, net, of SEK 5,360 M (5 673) and write-downs of shareholdings of SEK 8,420 M (1 364). All shares in Volvo Lastvagnar AB, SEK 8,678 M, were received as dividend from Volvo Global Trucks, after which shares in Volvo Global Trucks AB were written down by SEK 8,420 M.

As of January 1, 2005, the Parent Company applies the Swedish Financial Accounting Standards Council's RR 32 Accounting for legal entities, with retroactive restatement from January 1, 2004. The recommendation means that legal entities whose securities on the closing date are listed on a Swedish stock exchange or other authorized marketplace as main rule shall apply the IFRS/IAS as applied in the consolidated accounting. The Parent Company applies IAS39 as of January 1, 2005 and the effects of this transition are charged against shareholders' equity.

The accounting principles applied are described in more detail in Note 1, in appropriate parts, and in the section Expected effects of IFRS, included in the Volvo Group's 2004 Annual Report and in this year-end report on page 24. The effects on the Parent Company will be described in the 2005 Annual Report.

Parent Company, AB Volvo Income statements

SEK M	2005	2004
Net sales	**663**	**531**
Gross income	**0**	**0**
Operating expenses	(1,004)	(466)
Income (loss) from investments in Group companies	6,620	4,409
Income (loss) from investments in associated companies	0	(1)
Income (loss) from other investments	(1)	851
Operating income (loss)	**5,615**	**4,793**
Interest income and expenses	83	56
Other financial income and expenses	(108)	111
Income (loss) after financial items	**5,590**	**4,960**
Allocations	0	1,524
Income taxes	(1,230)	(1,338)
Net income (loss)	**4,360**	**5 146**

Proposed ordinary dividend SEK 16.75 per share

The Board of Directors proposes an ordinary dividend of SEK 16.75 per share, which equals 52% of income for the year, or in total SEK 6,775 M is transferred to the shareholders of Volvo. The proposed dividend per share is an increase of 34% compared to last year.

Incentive program

The Board of Directors intends to propose to the Annual General Meeting to approve a share-based incentive program for senior executives within the Volvo Group. The structure of the program corresponds to the programs approved by the Annual General Meetings in 2004 and 2005. The program results in a broadening of the number of eligible senior executives from about 165 to 240 persons and an increase in the maximum number of Volvo shares that may be allotted to 518,000. The number of shares to be allotted is proposed to depend upon the fulfillment of certain financial goals during the financial year 2006. Assuming the said goals are fulfilled in full and that the Volvo share price is SEK 370, Volvo's costs for the program, including social fees, will be around SEK 230 M.

Göteborg, February 3, 2006
AB Volvo (publ)

The Board of Directors

Deliveries

Delivered trucks	Fourth quarter 2005	Fourth quarter 2004	Change in %	Full year 2005	Full year 2004	Change in %
Volvo Group						
Europe	**29,823**	30,214	(1)	**103,622**	102,666	1
Western Europe	**25,689**	26,631	(4)	**91,087**	90,746	0
Eastern Europe	**4,134**	3,583	15	**12,535**	11,920	5
North America	**16,709**	15,044	11	**64,974**	49,273	32
South America	**2,883**	2,684	7	**11,248**	9,190	22
Asia	**6,627**	9,338	(29)	**25,706**	24,881	3
Middle East	**5,523**	8,086	(32)	**21,836**	20,751	5
Other Asia	**1,104**	1,252	(12)	**3,870**	4,130	(6)
Other markets	**2,511**	2,144	17	**8,829**	7,209	22
Total Volvo Group	**58,553**	**59,424**	**(1)**	**214,379**	**193,219**	**11**
Mack Trucks						
Europe	**–**	3	–	**1**	3	(67)
Western Europe	**–**	3	–	**1**	3	(67)
Eastern Europe	**–**	–	–	**–**	–	–
North America	**7,941**	6,886	15	**32,346**	22,981	41
South America	**854**	483	77	**2,503**	1,105	127
Asia	**1**	91	(99)	**121**	154	(21)
Middle East	**1**	91	(99)	**119**	150	(21)
Other Asia	**–**	–	–	**2**	4	(50)
Other markets	**335**	383	(13)	**1,251**	1,226	2
Total Mack Trucks	**9,131**	**7,846**	**16**	**36,222**	**25,469**	**42**
Renault Trucks						
Europe	**17,698**	17,372	2	**60,988**	59,453	3
Western Europe	**15,931**	15,803	1	**55,526**	54,096	3
Eastern Europe	**1,767**	1,569	13	**5,462**	5,357	2
North America	**146**	78	87	**477**	257	86
South America	**336**	161	109	**1,022**	505	102
Asia	**2,491**	2,584	(4)	**7,907**	7,399	7
Middle East	**2,423**	2,444	(1)	**7,592**	7,059	8
Other Asia	**68**	140	(51)	**315**	340	(7)
Other markets	**1,047**	1,009	4	**4,067**	2,872	42
Total Renault Trucks	**21,718**	**21,204**	**2**	**74,461**	**70,486**	**6**
Volvo Trucks						
Europe	**12,125**	12,839	(6)	**42,633**	43,210	(1)
Western Europe	**9,758**	10,825	(10)	**35,560**	36,647	(3)
Eastern Europe	**2,367**	2,014	18	**7,073**	6,563	8
North America	**8,622**	8,080	7	**32,151**	26,035	23
South America	**1,693**	2,040	(17)	**7,723**	7,580	2
Asia	**4,135**	6,663	(38)	**17,678**	17,328	2
Middle East	**3,099**	5,551	(44)	**14,125**	13,542	4
Other Asia	**1,036**	1,112	(7)	**3,553**	3,786	(6)
Other markets	**1,129**	752	50	**3,511**	3,111	13
Total Volvo Trucks	**27,704**	**30,374**	**(9)**	**103,696**	**97,264**	**7**

Delivered Buses	Fourth quarter		Change	Full year		Change
	2005	2004	in %	**2005**	2004	in %
Europe	**926**	927	0	**3,723**	3,417	9
Western Europe	**822**	791	4	**3,385**	3,073	10
Eastern Europe	**104**	136	(24)	**338**	344	(2)
North America	**459**	492	(7)	**1,546**	1,388	11
South America	**1,008**	228	342	**2,297**	624	268
Asia	**842**	628	34	**2,554**	2,341	9
Other markets	**109**	84	30	**555**	462	20
Total Buses	**3,344**	**2,359**	**42**	**10,675**	**8,232**	**30**

Publication dates

Annual Report 2005	March, 2006
Three months ended March 31, 2006	April 25, 2006
Six months ended June 30, 2006	July 21, 2006
Nine months ended September 30, 2006	October 24, 2006

Annual Report

AB Volvo's annual report is expected to be distributed in March 2006 to those shareholders who have requested it. It is expected to be available at the Group head office and at www.volvo.com from March 7, 2006.

Annual General Meeting

Volvo's 2006 Annual General Meeting will be held on April 5, 2006 in Göteborg.

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