Volvo Group

Three months ended March 31, 2009

In the first quarter, net sales decreased by 27% to SEK 56.1 billion (76.6). Adjusted for currency fluctuations, net sales decreased by more than 40%.

The first quarter operating loss amounted to SEK 4,528 M (income 6,487).

In the first quarter, basic and diluted earnings per share amounted to a negative SEK 2.09 (pos. 2.07).

In the first quarter, operating cash flow in the Industrial Operations was negative in an amount of SEK 15.7 billion (neg. 3.3), primarily driven by a reduction of trade payables amounting to SEK 16.6 billion.

New funding of approximately SEK 30 billion secured, resulting in a continued good liquidity position.

	First quarter	
	2009	2008[1]
Net sales Volvo Group, SEK M	**56,121**	76,561
Operating income Volvo Group, SEK M	**(4,528)**	6,487
Operating income Industrial operations, SEK M	**(4,132)**	6,106
Operating income Customer Finance, SEK M	**(396)**	381
Operating margin Volvo Group, %	**(8.1)**	8.5
Income after financial items, SEK M	**(5,843)**	6,141
Income for the period, SEK M	**(4,223)**	4,215
Diluted earnings per share, SEK	**(2.09)**	2.07
Return on shareholders' equity, %	**1.9**	19.2

1 Restated due to changed accounting principles. For further information, see page 25.

VOLVO

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Comments by the CEO – quick response to sharp decline in sales

Demand weakened sharply in all markets during the first quarter. The economic climate was very difficult in the Group's markets in Europe, North America and Asia. Adjusted for currency movements, sales fell by more than 40%, to SEK 56 billion in a historically weak quarter.

Actions to reduce costs

As a consequence of the sharply weakened demand, we continue to implement measures to adapt capacity and reduce costs, which unfortunately has forced us to reduce personnel. Although we are maintaining a high pace it will take a few quarters before the actions taken will reduce costs by about SEK 9 billion annually.

Our activities to reduce selling and administrative expenses are gaining traction, and adjusted for currency these expenses came down by 9% and 17% respectively in the first quarter. Research and development expenses declined by 7% adjusted for currency, but they are still at a high level, primarily as a consequence of extensive projects ahead of new emission standards. It is of great importance to invest in projects that will fulfill these standards with competitive products, but we are prioritizing among all other development projects to reduce costs further.

Operating loss in the first quarter

The Volvo Group posted an operating loss of SEK 4.5 billion in what cannot be characterized as anything other than a very difficult quarter, while it is also compared with the first quarter of 2008, which from a profitability perspective is one of the strongest quarters to date. The sharply lower volumes impact earnings, both as lower income and in the form of very low capacity utilization in our production facilities.

During the quarter, we managed to reduce the inventory of new trucks and construction equipment by 10%. To further reduce inventories and protect prices on our products, which is key for our long-term profitability, we will further reduce production rates in most plants during the second quarter.

The truck market in the Group's main markets in Europe, North America and Japan continued to weaken but the rate of decline slowed down gradually during the quarter. The truck operations reported an operating loss of SEK 2.4 billion. Deliveries of new trucks fell 51% and order intake by 65% compared to the strong first quarter of 2008. However, when compared to the very weak fourth quarter of 2008, net order intake increased by 48%. Against the backdrop of current macroeconomic conditions it is difficult to make forecasts, but taking into account the weak development at the beginning of the year, we are now reducing our forecast for markets in Europe and assess that the total market for heavy trucks will be at least halved in 2009. The North American market is projected to decline by 30–40%.

Construction equipment has been impacted by the significant slowdown in construction activity globally. The business area reports a loss of SEK 1.4 billion as a result of lower sales and low capacity utilization. However, the good progress of inventory reduction from the fourth quarter continued into the first quarter with a positive effect on cash flow.

The bus market is also now being impacted by the global recession, although city buses fared better than coaches.

Also Volvo Penta is impacted with demand for marine engines down sharply. Volvo Aero had a positive operating income, in spite of lower demand for aircraft engine components.

The customer financing operations in Volvo Financial Services posted a loss in the quarter due to increased provisions for credit losses, particularly in Eastern Europe. We have a strict position with regard to granting credit, but considering the dramatic weakening in many economies, especially in Eastern Europe, the portion of delinquencies, repossessions of financed trucks and write-offs increased significantly during the first quarter.

Strong liquidity position

Operating cash flow in the industrial operations is seasonally weak in the first quarter and this year it was negative in an amount of SEK 15.7 billion, mainly attributable to an effect of trade payables declining by SEK 16.6 billion.

We have carried out many important funding activities during the beginning of the year and, despite the negative cash flow in the quarter, the Group has a continued favorable financial position. In terms of liquidity, we are strong, with close to SEK 25 billion in liquid assets and SEK 27 billion in unutilized credit facilities. In addition, the refinancing need in the industrial operations is low in the years immediately ahead.

The substantial economic stimulus measures put in place combined with interest rate cuts by central banks around the world, will over time contribute to drive demand for our products. So far we have seen that the measures taken in China have led to improved demand for construction equipment there towards the end of the quarter. Although these are positive signs, it is too early to talk about a sustainable recovery.

However, I am convinced that we will return to more normal market levels. I am also optimistic about the future possibilities for the Volvo Group. We have the products that customers want, as evidenced by continued high market shares, and we are active in industries characterized by long-term growth.

Leif Johansson
President and CEO

Important events

The Volvo Group secures SEK 30 billion in funding

During the first quarter, the Volvo Group completed a number of important funding transactions. In February, a 5-year EUR 700 M bond was issued, followed by a 3-year SEK 4.2 billion bond in March. In March, the Group received a 7-year loan from the European Investment Bank equivalent to EUR 400 M. Furthermore during the first quarter the Group raised additional medium- and long-term funds equivalent to approximately SEK 6 billion.

In early April, backed by a large number of banks, a new 2-year revolving credit facility of EUR 775 M was signed.

New generation of diesel engines

The Volvo Group is introducing a new generation of diesel engines with extremely low emissions of air pollutants. The engines meet the new EuroV regulations that come into effect in the EU in October 2009. Several of the new engines are also available in variants tailored for the EEV norm (Enhanced Environmentally friendly Vehicle).

The new generation of engines is the Volvo Group's most fuel-efficient and cleanest ever launched in Europe. A number of technical improvements with the focus on optimized combustion and a new SCR catalytic converter have made it possible to combine increased power with decreased emissions and 3% lower fuel consumption.

Annual General Meeting

The Annual General Meeting of AB Volvo held on April 1, 2009 approved the Board's proposal to pay an ordinary dividend to the shareholders of SEK 2.00 per share.

Peter Bijur, Leif Johansson, Finn Johnsson, Louis Schweitzer, Ravi Venkatesan, Lars Westerberg and Ying Yeh were re-elected members of the Board of AB Volvo and Jean-Baptiste Duzan and Anders Nyrén were newly elected. Finn Johnsson was elected Chairman of the Board. Tom Hedelius and Philippe Klein did not stand for re-election.

The Chairman of the Board, Finn Johnsson, Carl-Olof By, representing AB Industrivärden, Lars Förberg, representing Violet Partners LP, Lars Öhrstedt, representing AFA Försäkring, and Thierry Moulonguet, representing Renault s.a.s., were elected members of the Election Committee. The meeting resolved that no fee should be paid to the members of the Election Committee.

Detailed information about the events is available at www.volvogroup.com

Financial summary of the first quarter

Volvo Group

Net sales

The Volvo Group's net sales decreased by 27% to SEK 56,121 M during the first quarter of 2009, compared to SEK 76,561 M in the corresponding quarter a year earlier. Adjusted for changes in exchange rates and acquired and divested operations, net sales decreased by more than 40%.

Operating income

The Volvo Group's operating loss amounted to SEK 4,528 M in the first quarter (Income SEK 6,487 M). The Industrial Operations' operating loss amounted to SEK 4,132 M, compared to an operating income of SEK 6,106 M in the preceding year. The Volvo Group's Customer Finance operations reported an operating loss of SEK 396 M (Income SEK 381 M). For detailed information on the development, see separate sections below.

Income Statement Volvo Group

SEK M	First quarter 2009	First quarter 2008
Net sales Volvo Group	**56,121**	76,561
Operating Income Volvo Group	**(4,528)**	6,487
Operating income Industrial operations	***(4,132)***	*6,106*
Operating income Customer Finance	***(396)***	*381*
Interest income and similar credits	**120**	281
Interest expense and similar credits	**(808)**	(343)
Other financial income and expenses	**(627)**	(284)
Income after financial items	**(5,843)**	**6,141**
Taxes	**1,620**	(1,926)
Income for the period	**(4,223)**	**4,215**

Net financial items

Net interest expense in the first quarter was SEK 688 M, compared to an expense of SEK 62 M for the same period in the preceding year. Interest expenses increased mainly due to an increased debt level and increased net interest expense for post-employment benefits amounting to SEK 198 M compared to SEK 38 M in the first quarter of 2008. The Volvo Group's industrial debt is managed in order to achieve a 3-month interest rate duration. Although short-term interest rates in all major currencies have decreased, this has been offset by increased risk premiums demanded by lenders, which has increased the interest rates on new loans taken during the first quarter of 2009. Interest income decreased due to lower interest rates.

During the quarter, market valuation of derivatives used for hedging interest-rate exposure had a negative effect on Other financial income and expenses amounting to SEK 551 M compared to a negative impact of SEK 294 M in the first quarter of 2008. The negative impact is mainly due to European long-term interest rates decreasing during the quarter.

Income taxes

The tax income in the first quarter amounted to SEK 1,620 M (Expense: SEK 1,926 M), mainly as a consequence of the loss after financial items.

Income for the period and earnings per share

The loss for the period amounted to SEK 4,223 M in the first quarter of 2009 compared to an income for the period of SEK 4,215 M in the first quarter of 2008.

Basic earnings per share in the first quarter amounted to a negative SEK 2.09 (positive SEK 2.07). Assuming that the current incentive program is fully exercised earnings per share after full dilution was a negative SEK 2.09 (positive SEK 2.07).

Volvo Group's Industrial Operations – reporting an operating loss

In the first quarter, net sales for the Volvo Group's Industrial Operations decreased by 28% to SEK 53,448 M (74,412). Adjusted for changes in exchange rates and acquired and divested units net sales decreased by 42%.

In Europe the rapid decline in sales continued during the quarter, particularly in Eastern Europe where business conditions have deteriorated significantly. Demand in North America weakened further from already low levels. Asia showed decreasing sales with a considerable slowdown in Japan.

In the first quarter, Trucks' net sales decreased by 26% to SEK 37,384 M (50,758), Construction Equipment's by 46% to SEK 8,172 M (15,115) and Volvo Penta's by 35% to SEK 2,037 M (3,151). On the other hand Buses net sales increased by 10% to SEK 4,006 M (3,647) and Volvo Aero's net sales increased by 9% to SEK 2,030 M (1,870).

Net sales by market area

SEK M	First quarter 2009	First quarter 2008	Change in %	Share of industrial operations' net sales, %
Western Europe	**23,329**	34,494	(30)	44
Eastern Europe	**2,192**	6,796	(68)	4
North America	**10,040**	11,303	(11)	19
South America	**3,105**	3,516	(12)	6
Asia	**10,922**	15,157	(28)	20
Other markets	**3,860**	4,146	(7)	7
Total Industrial operations	**53,448**	**74,412**	**(28)**	100

Income Statement Industrial operations

Mkr	First quarter 2009	First quarter 2008
Net sales	**53,448**	**74,412**
Cost of sales	**(45,428)**	(56,699)
Gross income	**8,020**	**17,713**
Gross margin, %	***15.0***	*23.8*
Research and development expenses	**(3,463)**	(3,334)
Selling expenses	**(6,423)**	(6,195)
Administrative expenses	**(1,727)**	(1,839)
Other operating income and expenses	**(527)**	(258)
Income from investments in associated companies	**(15)**	5
Income from other investments	**3**	13
Operating income	**(4,132)**	**6,106**
Operating margin, %	*(7.7)*	*8.2*
Operating income before depreciation and amortization (EBITDA)	**(893)**	8.729
EBITDA margin, %	***(1.7)***	*11.7*

Operating loss in the first quarter

In the first quarter of 2009, the operating loss for the Volvo Group's Industrial Operations amounted to SEK 4,132 M, compared to an operating income of SEK 6,106 M in the first quarter of 2008. The operating margin for the Industrial Operations was a negative 7.7% (Positive 8.2%).

The lower sales of trucks and construction equipment had a significant negative impact on operating income. As a consequence of the continued weak demand in all markets, the Group is adjusting capacity and cost levels. Focus continues to be on reducing inventories with the ambition to maintain prices on new products.

Production rates have been reduced at a more rapid pace than the adaptation of the cost structure within manufacturing. This has resulted in an exceptionally low capacity utilization and an under absorption of costs equal to approximately SEK 3 billion in the quarter. Production rates will be reduced further in most plants during the second quarter of 2009 in order to adjust to the low demand and to further reduce inventories.

The cost structure can only gradually be adapted to the lower production rates, which will lead to continued under absorption of costs. Layoff related costs had a negative impact of approximately SEK 600 M during the first quarter.

During the first quarter of 2009, operating income was negatively impacted by high costs for raw materials and components, estimated at approximately SEK 500 M compared with the first quarter of 2008.

During the quarter provisions for residual-value commitments amounted to approximately SEK 300 M as a consequence of lower prices for used trucks.

In the first quarter of 2009, research and development expenses amounted to SEK 3,463 M (3,334). The continued high expenses are primarily a consequence of spending related to new emission regulations in Europe, USA and Japan in 2009, 2010 and 2011. Adjusted for changes in exchange rates research and development expenses decreased by 7%. The net of capitalization and amortization of research and development expenses had a positive impact of SEK 266 M compared to the first quarter of 2008. During the quarter SEK 604 M (154) of development costs were capitalized while costs of SEK 678 M (494) were amortized.

Selling expenses increased by 4% compared to the first quarter of 2008 driven by the weakening of the Swedish krona. Excluding currency effects, selling expenses decreased by 9%. Administrative expenses decreased by 6% compared to the first quarter of 2008. Excluding currency effects, administrative expenses decreased by 17%.

The combined effect of changed exchange rates had a negative effect on operating income of approximately SEK 1.8 billion in the first quarter of 2009, compared with the same quarter in 2008. In the quarter, the negative effects from forward exchange-rate contracts were larger than the positive effect from flows, due to the sharp decline in volumes leading to less inflow than expected while the outflow has been high as a consequence of continued high payments of trade payables. The revaluation of the operating income in foreign subsidiaries also had an adverse impact on the exchange rate effects.

In the first quarter of 2008, the operating income included costs of SEK 120 M relating to the restructuring of the Volvo Buses operation in Finland and of costs amounting to SEK 250 M relating to a strike in the truck assembly plant New River Valley in the U.S.

Negative operating cash flow driven by lower trade payables

In the first quarter of 2009, operating cash flow from the Industrial Operations was negative in an amount of SEK 15.7 billion compared to a negative SEK 3.3 billion in the first quarter of 2008. The negative cash flow is mainly a consequence of a significant reduction in trade payables amounting to SEK 16.6 billion. The reduction is an effect of payments made for material and components purchased in September and October 2008 in combination with significant production cutbacks in the first quarter of 2009, which has resulted in a low build-up of new trade payables.

Cash flow effect from changes in the Industrial Operations' working capital during the first quarter of 2009, SEK bn

Decrease in receivables	6.1
Decrease in inventories	1.5
Decrease in trade payables	(16.6)
Other	(2.4)
Total	**(11.4)**

Volvo Group's Customer Finance
– significantly higher credit provisions resulting in operating loss

The first quarter of 2009 has been challenging, particularly in Eastern Europe as the economic situation worsened dramatically in many countries. This has led to a deterioration in the portfolio performance when it comes to delinquencies, repossessions and used units in inventory. This is clearly evident in the overall financial results for the quarter as provisions for credit losses were increased significantly to cover the level of impairments in the credit portfolio that has developed in this region. In the rest of Europe some customer segments and markets are suffering more than others, with Spain and Poland, as well as customers linked to the manufacturing supply chain logistics of cars in the region, being particularly affected. Delinquencies and repossessions have increased, but remain within manageable levels.

In North America, repossessions remain relatively high but comparable to prior downturns as Volvo Financial Services (VFS) has been able to contain the situation with good collection, modification, repossession and remarketing procedures. In South America, Brazil continues to perform well, but with some signs of weakening as the global crisis deepens.

VFS has increased the credit provisions primarily in Eastern Europe during the first quarter of 2009. Total credit provision expenses amounted to SEK 780 M (61) which was higher than the write-off level of SEK 439 M (68). This resulted in an increase in the credit reserve from 1.37% at December 31, 2008 to 1.72% of the credit portfolio at March 31, 2009. The annualized write-off ratio through March 31, 2009 was 1.51% (0.29).

Income Statement Customer Finance

	First quarter	
SEK M	**2009**	2008
Finance and lease income	**3,156**	2,655
Finance and lease expenses	**(2,349)**	(1,840)
Gross income	**807**	**815**
Selling and administrative expenses	**(423)**	(375)
Credit provision expenses	**(780)**	(61)
Other operating income and expenses	**0**	3
Operating income	**(396)**	**381**
Income taxes	**56**	(114)
Income for the period	**(340)**	**268**
Return on Equity, 12 months rolling values, %	***5.0***	*16.2*

The operating loss in the first quarter amounted to SEK 396 M, compared to an operating income of SEK 381 M in the previous year. The loss is the result of the significantly higher credit provision expenses. Return on shareholders' equity for the rolling 12 months was 5.0% (16.2). The equity ratio at the end of the first quarter was 8.2% (8.3).

Total new financing volume in the first quarter of 2009 amounted to SEK 7.5 billion (9.9). Adjusted for changes in exchange rates, volume decreased by 33% compared to the first quarter of 2008. In total, 6,858 new Volvo Group units (10,978) were financed during the quarter. In the markets where financing is offered, the average penetration rate in the first quarter was 28% (22).

At March 31, 2009 total assets in Customer Finance amounted to SEK 116 billion (92). The credit portfolio grew by 5.9% net (14.1) over the last twelve months, adjusted for exchange-rate movements.

Managing a sharp downturn

Actions taken in the fall to bolster collection and loss mitigation procedures have been supplemented with increased efforts and reallocated resources during the first three months of 2009. Management attention is focused on working very closely with the customers in each market to ensure the maximum opportunity to collect as well as pursuing contract modifications where this is deemed appropriate. Where it is necessary to repossess equipment, VFS is doing this swiftly, and is working very closely with the other Volvo Group business areas and the extensive dealer networks in each country. Among some of the important actions being taken is an even more integrated approach between VFS and the business areas with regard to the remarketing of used equipment as well as the development of financing programs and campaigns to encourage the sale of products in inventory.

Volvo Group financial position

The negative operating cash flow during the first quarter increased the Volvo Group's Industrial Operations net financial debt by SEK 15.7 billion. The net financial debt amounted to SEK 45.3 billion at March 31, 2009, an increase of SEK 15.5 billion compared to the year-end of 2008, and equal to 63.2% of shareholders' equity. Excluding provision for post-employment benefits the Volvo Group's Industrial Operations net debt amounted to SEK 35.6 billion, which is equal to 49.6% of shareholders' equity.

The Volvo Group's liquid funds, cash and cash equivalents and marketable securities combined, amounted to SEK 24.7 at March 31, 2009. In addition to this, granted but unutilized credit facilities amounted to SEK 27 billion, excluding the new 2-year revolving credit facility of EUR 775 M that was signed in April.

During the first quarter the Volvo Group's total inventories remained at the same level compared to the year-end of 2008. The Volvo Group's trade payables decreased during the same period of time by SEK 16.1 billion. During the first quarter, the Volvo Group's accounts receivable decreased by SEK 6.0 billion compared to December 31, 2008.

The Volvo Group's customer financing receivables decreased by SEK 1.4 billion compared to December 31, 2008. Currency adjusted, the customer financing receivables decreased by SEK 4.0 billion. During the first quarter, currency increased the Volvo Group's total assets amounting to SEK 6.7 billion.

At the end of the first quarter, the equity ratio in the Industrial Operations was 27.0% (28.4) and in the Volvo Group 22.2% (22.7). At March 31, 2009 shareholder's equity in the Volvo Group amounted to SEK 81.3 billion.

Related-party transactions

Sales to associated companies amounted to SEK 183 M and purchasing from associated companies amounted to SEK 49 M during the first quarter of 2009. On March 31, 2009, receivables from associated companies amounted to SEK 253 M and liabilities to associated companies to SEK 52 M. Sales to related-party Renault SA amounted to SEK 17 M and purchasing from Renault SA to SEK 454 M during the first quarter of 2009. Receivables from Renault SA amounted to SEK 25 M and liabilities to Renault SA to SEK 396 M at March 31, 2009.

Number of employees

On March 31, 2009 the Volvo Group had 98,476 employees, compared with 101,381 at year-end 2008. In addition, the Volvo Group had 5,700 temporary employees and consultants on March 31, 2009 compared with 8,234 at year-end 2008.

During 2008 and 2009, 20,757 permanent employees, temporary employees and consultants have received notices that they will have to leave the Group. During 2008, a total of 5,835 people left the Group and during the first quarter of 2009 a total of 5,439 people left. The coming quarters a further 9,843 people will leave the Volvo Group.

In countries where this is possible, such as France and Belgium, the Volvo Group uses various forms of short-time work, which significantly reduces the Group's personnel costs.

Business segment overview

Net sales

SEK M	First quarter 2009	First quarter 2008	Change in %	Change in %[1]	12 months rolling value	Jan–Dec 2008
Trucks	**37,384**	50,758	(26)	(41)	190,268	203,642
Construction Equipment	**8,172**	15,115	(46)	(59)	49,334	56,277
Buses	**4,006**	3,647	10	3	17,709	17,350
Volvo Penta	**2,037**	3,151	(35)	(49)	10,404	11,518
Volvo Aero	**2,030**	1,870	9	(12)	7,785	7,625
Eliminations and other	**(182)**	(129)	–	–	(629)	(576)
Industrial operations	**53,448**	**74,412**	**(28)**	**(42)**	**274,872**	**295,836**
Customer Finance	**3,156**	2,655	19	–	11,574	11,073
Eliminations	**(483)**	(506)	–	–	(2,245)	(2,268)
Volvo Group	**56,121**	**76,561**	**(27)**	**-**	**284,201**	**304,641**

1 Adjusted for exchange rates and acquired and divested units.

Operating income (loss)

SEK M	First quarter 2009	First quarter 2008	12 months rolling value	Jan–Dec 2008
Trucks	**(2,382)**	4,432	5,353	12,167
Construction Equipment	**(1,395)**	1,301	(888)	1,808
Buses	**(95)**	(122)	(49)	(76)
Volvo Penta	**(97)**	318	513	928
Volvo Aero	**83**	136	306	359
Group headquarter functions and other	**(247)**	41	(1,020)	(732)
Industrial operations	**(4,132)**	**6,106**	**4,215**	**14,454**
Customer Finance	**(396)**	381	620	1,397
Volvo Group	**(4,528)**	**6,487**	**4,836**	**15,851**

Operating margin

%	First quarter 2009	First quarter 2008	12 months rolling value	Jan–Dec 2008
Trucks	**(6.4)**	8.7	2.8	6.0
Construction Equipment	**(17.1)**	8.6	(1.8)	3.2
Buses	**(2.4)**	(3.3)	(0.3)	(0.4)
Volvo Penta	**(4.8)**	10.1	4.9	8.1
Volvo Aero	**4.1**	7.3	3.9	4.7
Industrial operations	**(7.7)**	**8.2**	**1.5**	**4.9**
Volvo Group	**(8.1)**	**8.5**	**1.7**	**5.2**

Overview of Industrial Operations

Trucks
– considerable sales drop

• Sales down by 41% adjusted for currency
• Production system at very low capacity utilization
• Activities to reduce cost levels ongoing

Sharp decline in the world's truck markets

The European truck market is characterized by continued weakness. As of February, the total number of registrations in Europe 29 (EU, Norway and Switzerland) decreased by 45% to 32,700 heavy trucks (59,600).

The total market for heavy trucks (Class 8) in North America decreased by 37% to 27,100 trucks in the first quarter of 2009 compared to 43,000 trucks during the first quarter of 2008.

In South America demand has continued to weaken in the beginning of the year. In the first quarter of 2009, the Brazilian market fell by 20% to 14,000 heavy trucks (17,500). During the first two months of 2009 the Chinese market for trucks over 14 tons has declined by 47% to 41,300 trucks (78,100). In India the market has weakened further and in the first quarter of 2009 registrations declined by 63% to 23,800 trucks (64,100). The Japanese market for heavy trucks amounted to 4,808 vehicles (10,199), which was a decrease of 53%.

Continued weak global demand

Order intake continued to be very weak during the first quarter of 2009 and net order intake was down 65% compared to the first quarter of 2008.

With many European economies contracting, freight volumes are decreasing and as a result, truck utilization in customer fleets is coming down. In the last few years many customers have invested in new trucks and therefore the replacement need is low. Furthermore, inventories of new and used trucks have increased in the industry. Net order intake in Europe was 7,494 trucks, a decline of 71% compared to the strong first quarter of 2008. However, the rate of decline slowed down gradually during the quarter. To forecast the market demand in Europe in 2009 continues to be difficult given the uncertain macro economic outlook and the financial turmoil. For the full year 2009 the European market for heavy-duty trucks is expected to be about at least halved compared to the 2008 level of 319,000 trucks. The previous forecast was a total market of 180,000–220,000 heavy trucks.

Order intake in North America decreased by 49% in comparison to the first quarter of 2008. Prevailing economic conditions continue to weigh heavily on the market, which remains severely depressed. With the existing population of trucks quite old by historical standards, there is pent-up replacement demand in the market. Government stimulus and moves by the Federal Reserve to create greater liquidity should ultimately have a positive impact on heavy-duty truck sales, but with customers currently still hesitant to purchase new equipment in the face of economic uncertainty, low freight volumes and relatively tight credit, it remains difficult to predict exactly when the market will improve.

Net sales by market area[1)]

	First quarter		
SEK M	**2009**	2008	Change in %
Europe	**18,805**	30,295	(38)
North America	**5,696**	6,091	(6)
South America	**2,370**	2,745	(14)
Asia	**7,451**	8,954	(17)
Other markets	**3,062**	2,673	15
Total	**37,384**	**50,758**	**(26)**

Net order intake per market [1)]

	First quarter		
Number of trucks	**2009**	2008	Change in %
Europe	**7,494**	26,270	(71)
North America	**2,869**	5,680	(49)
South America	**1,731**	3,482	(50)
Asia	**5,712**	19,260	(70)
Other markets	**2,377**	3,772	(37)
Total	**20,183**	**58,464**	**(65)**

1 50% of VECV, the joint venture with Eicher Motor Limited, was consolidated in the Volvo Group on August 1, 2008.

Against the backdrop of the very weak market during the beginning of the year the North American market for heavy-duty trucks is expected to come down some 30–40% from the 2008 level of 185,000 units. The previous forecast was a total market of 165,000-185,000 units.

Also in Japan, customers have been affected by the slowdown of the Japanese economy and the strong currency impacting the Japanese export industry. Demand in Japan has weakened for 24 consecutive quarters. The Japanese market for medium-duty and heavy-duty trucks is expected to decline by 40% from the level of 74,500 vehicles in 2008. The previous forecast was a decline of 10–15%.

Deliveries per market[1]

	First quarter		
Number of trucks	**2009**	2008	Change in %
Europe	**14,596**	36,075	(60)
North America	**4,086**	7,137	(43)
South America	**2,243**	3,554	(37)
Asia	**7,691**	14,578	(47)
Other markets	**3,621**	4,547	(20)
Totalt	**32,237**	**65,891**	**(51)**

1 50% of VECV, the joint venture with Eicher Motor Limited, was consolidated in the Volvo Group on August 1, 2008.

Truck deliveries decreased significantly

The delivery pace of the truck operations continued to be low during the first quarter of 2009. In total, 32,237 trucks were delivered during the quarter, which was 51% fewer compared to 65,891 trucks in the same quarter the preceding year. All markets experienced sharp drops. Deliveries decreased by 60% in Europe and by 43% in North America. The truck operation's most important Asian market, Japan, continued to be weak with a decline of 62%.

Operating loss in the first quarter

During the first quarter of 2009, the truck operation's net sales amounted to SEK 37,384 M, which was a decline of 26% compared to SEK 50,758 M during the first quarter of 2008. Adjusted for changes in exchange rates and acquired companies, net sales decreased by 41%.

The truck operations recorded an operating loss of SEK 2,382 M in the first quarter of 2009 compared to an operating income of SEK 4,432 M in the first quarter of 2008. The operating margin amounted to a negative 6.4% (positive 8.7%).

The operating loss is an effect of considerably lower sales, significant under absorption of costs in relation to the reduction of production rates as well as continued high research and development costs ahead of new emission standards. The operating income was also impacted by SEK 300 M in layoff-related costs.

The first quarter of 2008 was impacted by costs amounting to SEK 250 M relating to a strike in the truck assembly plant New River Valley in the U.S.

In order to maintain prices on new products, the truck operations continued to implement substantial production cutbacks during the quarter. Stop days and stop weeks were taken in all plants. In Europe the stop days were implemented to adjust lower market demand and to reduce inventories of new trucks. In North America, where inventories of new trucks are lower, the stop days were implemented in order to adjust capacity to current market demand. These cutbacks had a significant, negative effect on operating income, as the cost structure in the production system could not be lowered at the same pace as the drop in production volumes. As a result, there was significant under absorption of fixed costs in the quarter.

The efforts to reduce inventories were successful and the number of new trucks in inventory was reduced by 10% during the quarter. However, the inventory of used trucks increased, particularly in Europe. Production rates will be reduced further during the second quarter of 2009 to adjust to the low demand and reduce inventories to a level more in line with the current market.

Construction Equipment
– very tough market conditions

- Total world market down 48% in the first quarter
- Sales down 46% and operating loss amounting to SEK 1,395 M
- Capacity utilization in manufacturing at only 20-25% in the quarter
- Units in inventory reduced by another 10%

Sharp decline in all markets

Measured in units, the total world market for heavy, compact and road machinery equipment decreased by 48% in the first quarter of 2009 compared to the same period last year.

In Europe the total market was down 64% and North America decreased by 48%. China was up 9% while the rest of Asia declined by 52%. Other markets declined by 64%.

The total market conditions for 2009 are expected to remain very weak. The European market is expected to decline by 40–50% for the full year of 2009 compared to 2008. The previous forecast was that the market was going to decline by 30–40%. North America is expected to decline by 20-25% compared to the previous forecast of a decline of 10–20%. The rest of the world is expected to decline with 30–40% instead of the previous forecast of 30%.

Stimulus packages that have been announced by several governments have not yet had any significant impact on the industry but may have so towards the end of this year and in 2010 and onwards.

In the present market conditions Volvo Construction Equipment (Volvo CE) gained market share in most markets and product segments thanks to a strong distribution network, a strong brand and world-class products.

Net sales by market area, Construction Equipment

	First quarter		
SEK M	**2009**	2008	Change in %
Europe	**3,089**	7,081	(56)
North America	**1,790**	2,939	(39)
South America	**388**	570	(32)
Asia	**2,456**	3,544	(31)
Other markets	**449**	981	(54)
Total	**8,172**	**15,115**	**(46)**

Total market development in the first quarter

Unit sales in , %	Europe	North America	Asia	Other markets	**Totalt**
Heavy equipment	(64)	(39)	(25)	(68)	**(45)**
Compact equipment	(66)	(53)	(26)	(68)	**(52)**
Road machinery	(48)	(37)	(25)	(39)	**(40)**
Total	**(64)**	**(48)**	**(26)**	**(64)**	**(48)**

Sales and earnings negatively impacted by the downturn

Net sales declined by 46% to SEK 8,172 M (15,115) in the first quarter. Adjusted for changes in the exchange rates and acquired and divested units, net sales decreased by 59%.

The operating loss amounted to SEK 1,395 M compared to an operating income of SEK 1,301 M in the first quarter of 2008. The operating margin was negative 17.1% (positive 8.6%). The decline was strongly driven by the sales decline as a consequence of the severe downturn in the global market for construction equipment and a negative currency impact. In an effort to reduce inventory levels, Volvo CE continued to implement aggressive production cutbacks with stop days varying from 13 to 56 days out of 65 production days in the quarter. Since the capacity utilization was only 20–25% there was significant under absorption of costs in the manufacturing system in the quarter. The operating income was also impacted by lay-off-related costs amounting to SEK 130 M.

The efforts to reduce inventories continued to be successful, and the number of units in inventory was reduced by another 10% in addition to the 20% reduction that was achieved during the autumn, leading to a positive impact on cash flow. Excluding Lingong, inventories were reduced by 29%.

Volvo CE will continue to have low levels of production during the second quarter to further reduce inventory levels. To adjust the cost structure in the production system Volvo CE has given notice to about 4,300 employees, corresponding to more than 20% of the total workforce, since September 2008.

The value of the order book at March 31 was 73% lower than the same date the previous year, excluding Lingong and the acquired Road Machinery business.

New organization implemented

In order to increase efficiency and speed of execution, Volvo CE launched a new function-based organization in the beginning of February. The top three management levels are in place and the management team will now focus on developing the strategy for the next coming years and also on making sure that the organization is prepared to quickly take advantage of the upturn in the market that will come sooner or later. Special attention is given to the distribution and vendor networks to ensure long term stability.

Expanded customer offering

Volvo CE continued to expand its customer offering. A new ultra high reach demolition excavator was launched. The EC360CHR is equipped with a hydraulically tilting cab with up to 20 degree tilt to both enhance operator visibility when working at height and reduce fatigue and neck strain on high reach jobs.

The new Volvo ECR305CL excavator responds to the need for short swing machines that offer productivity, ease of operation and safety equal to conventional excavators. The popularity of short swing excavators has grown rapidly in recent years since they perform well in confined areas like urban sites, mining duties and highway work.

Buses
–operating loss in the first quarter

• Bus market now more affected by the global economic downturn
• Significant decline in demand for coaches, city buses affected to a lesser degree
• Deliveries declined by 20%

Negative development in the bus market

The coach market in Europe declined 20% compared with the preceding year, while the city bus market declined to a lesser degree. Demand continues to rise for environmentally adapted vehicles and hybrids.

The recession in North America has resulted in a very weak coach market. In contrast, the city bus segment continues to grow and interest in hybrid vehicles remains high. The same pattern applies in Mexico as in North America, with a significant decline in coaches. However, there is still favorable potential for Bus Rapid Transit.

The bus market in South America weakened very rapidly in the first quarter and it is becoming increasingly difficult to secure financing solutions for large city bus transactions. The bus market in Asia still continues to grow, but at a lower rate. The increase is related primarily to city buses.

Lower order intake, but increase in International Region

The order intake in the first quarter was 2,394 buses and chassis, down 8% compared with 2,608 a year earlier. Order intake rose sharply in the International Region. Europe reported a slight decline, while order intake in North America weakened considerably.

Net sales by market, Buses

	First quarter		
SEK M	**2009**	2008	Change in %
Europe	**1,739**	1,709	2
North America	**1,311**	1,096	20
South America	**282**	208	36
Asia	**405**	475	(15)
Other markets	**269**	159	69
Total	**4,006**	**3,647**	**10**

During the quarter, 1,770 (2,214) buses were delivered, which is a decline of 20% compared with the first quarter of 2008.

Stable sales but operating loss

Net sales in the first quarter increased by 10% to SEK 4,006 M (3,647). Adjusted for exchange-rate movements, net sales increased by 3%.

The operating loss amounted to SEK 95 M compared to a loss of SEK 122 M in the first quarter of 2008. The operating margin was a negative 2.4% (negative 3.3%). Lower volumes, which resulted in reduced capacity utilization, and currency movements had an adverse effect on earnings in the first quarter of 2009.

In the first quarter of 2008, the operating income included a charge of SEK 120 M relating to the restructuring of the operation in Finland.

Global profitability program

Volvo Buses' global profitability program continues, with the focus on cost reduction as well as volume and resource alignment. During the first quarter, about 600 people have been given notice of redundancy globally. The decline in the global economy has resulted in the necessity to further reduce cost and to focus heavily on cash flow.

Nova Bus continues to report a favorable order intake in North America and the new plant in Plattsburgh in the US is now completed. Deliveries to customers are planned for autumn 2009.

During the quarter, Volvo Buses received a major order from India for more than 300 buses. In addition, Volvo Buses received the Automotive Technology of the Year award in India for the Volvo 9400 6x2.

Volvo Penta
– marine leisure market severely impacted

- Sharp total market decline in Europe and North America
- Weak development both for Marine and Industrial, sales down 35%
- Operating loss due to sales drop and under absorption in production

Total market

The world market for marine and industrial engines declined sharply compared with the year-earlier quarter. In Europe and North America, many of the leading boat builders closed their plants during much of January and February due to low demand. The trend was similar among most of the world's leading industrial engine customers, which were forced to implement personnel cutbacks to align operations to lower production.

Market shares

Total order intake in the first quarter was very weak due to the global slowdown, but Volvo Penta has defended and strengthened market shares in all core areas, both for marine and industrial engines. Volvo Penta IPS is today the market leading drive system in Europe and North America for planing leisure boats from about 45 feet and larger.

Net sales by market, Volvo Penta

	First quarter		
SEK M	**2009**	2008	Change in %
Europe	**1,122**	1,885	(40)
North America	**265**	619	(57)
South America	**52**	80	(35)
Asia	**518**	464	12
Other markets	**80**	103	(22)
Total	**2,037**	**3,151**	**(35)**

Financial development

Volvo Penta's total sales fell 35% to SEK 2,037 M (3,151). Adjusted for exchange-rate movements, net sales declined by 49%. Sales were distributed between the two business segments as follows: Marine SEK 1,264 M (2,201) and Industrial SEK 773 M (950).

The operating loss was SEK 97 M, compared with an operating income of SEK 318 M in 2008. Earnings were affected negatively by sharply falling sales and under absorption in the industrial system. Operating margin was a negative 4.8% (Positive 10.1%)

10,000 IPS units

Four years after the launch of the new drive system with forward-facing propellers, Inboard Performance System, Volvo Penta will deliver the 10,000th IPS unit in the second quarter of this year to a customer since the start of production. This means that the initial volume target has been exceeded substantially. With new and larger drive units based on the Group's common 11-liter engine, the total IPS offering will be broadened. Many of the world's leading boat builders now design boats adapted specifically for the new and larger IPS package, which generates sales for Volvo Penta within entirely new segments.

Volvo Aero
– preparing for the downturn

- Decreasing air traffic
- Boeing and Airbus announce decreasing production rates
- Lower capacity utilization
- Operating income negatively affected by currency

Decreasing air traffic

According to IATA (International Air Transport Association), international airline passenger traffic decreased almost 8% in the first two months of 2009, compared to same period last year. Air freight tonne kilometers declined 23% year-to-date as cargo markets saw weak demand continue. Load factors continued to decline as falling demand outpaced capacity cuts.

The backlog for large commercial aircraft decreased from 7,429 in December to 7,196 at the end of March. Airbus and Boeing announced 50 new orders in the first quarter of this year and 46 cancellations. The number of deliveries totaled 237 aircraft in the first quarter of 2009 compared to 238 in the same period 2008.

The aircraft manufacturers continue to evaluate the impact of the global financial crisis and the economic downturn. Both Boeing and Airbus have announced lower production rates for a number of aircraft. In some case, the production rate will not be increased further as previously planned.

Lower demand for aero engines

During the first quarter, Volvo Aero's net sales increased by 9% to SEK 2,030 M (1,870), mainly due to a higher US dollar rate.

Net sales by market, Volvo Aero

	First quarter		
SEK M	**2009**	2008	Change in %
Europe	**953**	939	1
North America	**977**	825	18
South America	**11**	16	(31)
Asia	**53**	71	(25)
Other markets	**36**	19	89
Total	**2,030**	**1,870**	**9**

Adjusted for currency fluctuations, net sales decreased by 12%.

Operating income was SEK 83 M (136) and the operating margin 4.1% (7.3). The income was affected by the downturn, with lower demand for new aero engine components and thereby under absorption of costs in the production system. Operating income was also impacted negatively by falling demand for new spare parts and by currency effects. Furthermore, operating income was negatively affected by lower volumes and lower margins in the US aftermarket business.

Important launch customer for the new CSeries aircraft

Volvo Aero is a risk and revenue sharing partner with the engine manufacturer Pratt & Whitney in the geared turbofan engine, PW1000G, for Bombardier's new CSeries aircraft. During the first quarter, Lufthansa signed an important agreement, whereby Lufthansa will be the launch customer for the new CSeries aircraft program, for up to 60 Cseries aircraft. The purchase agreement covers 30 CSeries model CS100 aircraft, and options for additional 30 aircraft. Bombardier has also landed another order for its CSeries, with Dublin-based Lease Corp. International Aviation, regarding a purchase agreement for 20 CSeries aircraft along with 20 CSeries options.

Income statements first quarter

	Industrial Operations		Customer Finance		Eliminations		Volvo Group	
SEK M	**2009**	2008	**2009**	2008	**2009**	2008	**2009**	2008
Net sales	**53,448**	74,412	**3,156**	2,655	**(483)**	(506)	**56,121**	76,561
Cost of sales	**(45,428)**	(56,699)	**(2,349)**	(1,840)	**483**	506	**(47,294)**	(58,033)
Gross income	**8,020**	**17,713**	**807**	**815**	**0**	**0**	**8,827**	**18,528**
Research and development expenses	**(3,463)**	(3,334)	**0**	0	**0**	0	**(3,463)**	(3,334)
Selling expenses	**(6,423)**	(6,195)	**(416)**	(375)	**0**	0	**(6,839)**	(6,570)
Administrative expenses	**(1,727)**	(1,839)	**(7)**	0	**0**	0	**(1,734)**	(1,839)
Other operating income and expenses	**(527)**	(258)	**(780)**	(59)	**0**	0	**(1,308)**	(316)
Income from investments in associated companies	**(15)**	5	**0**	0	**0**	0	**(15)**	5
Income from other investments	**3**	13	**0**	0	**0**	0	**3**	13
Operating income	**(4,132)**	**6,106**	**(396)**	**381**	**0**	**0**	**(4,528)**	**6,487**
Interest income and similar credits	**138**	325	**0**	0	**(18)**	(44)	**120**	281
Interest expenses and similar charges	**(826)**	(387)	**0**	0	**18**	44	**(808)**	(343)
Other financial income and expenses	**(627)**	(284)	**0**	0	**0**	0	**(627)**	(284)
Income after financial items	**(5,447)**	**5,760**	**(396)**	**381**	**0**	**0**	**(5,843)**	**6,141**
Income taxes	**1,564**	(1,812)	**56**	(114)	**0**	0	**1,620**	(1,926)
Income for the period*	**(3,883)**	**3,948**	**(340)**	**268**	**0**	**0**	**(4,223)**	**4,215**
* Attributable to:								
Equity holders of the parent company							**(4,228)**	4,196
Minority interests							**5**	19
							(4,223)	**4,215**
Basic earnings per share, SEK							**(2.09)**	2.07
Diluted earnings per share, SEK							**(2.09)**	2.07

Other comprehensive income		
Income for the period	**(4,223)**	4,215
Exchange differences on translation of foreign operations	**1,159**	(2,140)
Exchange differences on hedge instruments of net investments in foreign operations	**(12)**	24
Available for sale investments	**(50)**	(24)
Cash flow hedges	**(266)**	400
Other comprehensive income, net of tax	**831**	(1,740)
Total comprehensive income for the period*	**(3,392)**	**2,475**
* Attributable to		
Equity holders of the parent company	**(3,470)**	2,479
Minority interests	**78**	(4)
	(3,392)	**2,475**

Balance sheet Volvo Group

SEK M	Industrial operations March 31 2009	Industrial operations Dec 31 2008	Customer Finance March 31 2009	Customer Finance Dec 31 2008	Eliminations March 31 2009	Eliminations Dec 31 2008	Total March 31 2009	Total Dec 31 2008
Assets								
Non-current assets								
Intangible assets	**44,058**	43,909	**49**	49	**0**	0	**44,107**	43,958
Tangible assets								
Property, plant and equipment	**57,570**	57,185	**87**	86	**0**	0	**57,657**	57,270
Assets under operating leases	**16,709**	16,967	**13,280**	13,238	**(4,718)**	(4,776)	**25,271**	25,429
Financial assets								
Shares and participations	**1,846**	1,935	**19**	18	**0**	0	**1,865**	1,953
Non-current customer-financing receivables	**521**	467	**49,184**	50,460	**(551)**	(495)	**49,154**	50,432
Deferred tax assets	**11,233**	10,976	**263**	204	**0**	0	**11,496**	11,180
Prepaid pensions	**2,471**	2,431	**10**	10	**0**	0	**2,481**	2,442
Non-current interest-bearing receivables	**668**	149	**0**	0	**(100)**	545	**568**	694
Other non-current receivables	**3,571**	3,051	**36**	28	**(60)**	(56)	**3,547**	3,023
Total non-current assets	**138,647**	**137,070**	**62,928**	**64,093**	**(5,429)**	**(4,782)**	**196,146**	**196,381**
Current assets								
Inventories	**53,808**	54,084	**1,412**	961	**0**	0	**55,220**	55,045
Current receivables								
Customer-financing receivables	**588**	508	**48,215**	48,382	**(880)**	(833)	**47,923**	48,057
Tax assets	**1,515**	1,749	**74**	61	**0**	0	**1,589**	1,810
Interest-bearing receivables	**997**	2,684	**77**	21	**(742)**	(740)	**332**	1,965
Internal funding	**6,914**	792	**0**	0	**(6,914)**	(792)	**–**	–
Accounts receivable	**24,086**	30,137	**413**	386	**0**	0	**24,499**	30,523
Other receivables	**14,430**	14,673	**1,451**	1,495	**(812)**	(1,145)	**15,069**	15,024
Marketable securities	**6,249**	5,901	**1**	2	**0**	0	**6,250**	5,902
Cash and cash equivalents	**17,900**	16,674	**1,388**	2,245	**(804)**	(1,207)	**18,484**	17,712
Total current assets	**126,487**	**127,202**	**53,031**	**53,553**	**(10,152)**	**(4,717)**	**169,366**	**176,038**
Total assets	**265,134**	**264,272**	**115,959**	**117,646**	**(15,581)**	**(9,499)**	**365,512**	**372,419**
Shareholders' equity and liabilities								
Equity attributable to the equity holders of the parent company	**71,044**	74,416	**9,550**	9,594	**0**	0	**80,594**	84,010
Minority interests	**673**	630	**0**	0	**0**	0	**673**	630
Total shareholders' equity	**71,717**	**75,046**	**9,550**	**9,594**	**0**	**0**	**81,267**	**84,640**
Non-current provisions								
Provisions for post-employment benefits	**12,231**	11,677	**32**	28	**0**	0	**12,264**	11,705
Provisions for deferred taxes	**4,849**	6,557	**1,699**	1,703	**0**	0	**6,548**	8,260
Other provisions	**7,852**	7,938	**94**	148	**68**	50	**8,014**	8,136
Non-current liabilities								
Bond loans	**41,726**	35,798	**0**	0	**0**	0	**41,726**	35,798
Other loans	**44,951**	39,880	**7,502**	7,426	**(6)**	(7)	**52,447**	47,298
Internal funding	**(38,613)**	(44,934)	**46,024**	45,054	**(7,411)**	(119)	**–**	–
Other liabilities	**14,940**	13,249	**657**	674	**(3,258)**	(3,483)	**12,339**	10,442
Current provisions	**10,850**	10,723	**172**	122	**34**	38	**11,056**	10,883
Current liabilities								
Loans	**58,262**	56,178	**7,408**	7,241	**(740)**	(788)	**64,929**	62,631
Internal funding	**(38,026)**	(40,173)	**39,859**	42,784	**(1,833)**	(2,610)	**–**	–
Trade payables	**34,745**	50,622	**203**	404	**0**	0	**34,948**	51,025
Tax liabilities	**494**	1,044	**205**	160	**0**	0	**698**	1,204
Other liabilities	**39,156**	40,667	**2,554**	2,308	**(2,435)**	(2,580)	**39,276**	40,397
Total shareholders' equity and liabilities	**265,134**	**264,272**	**115,959**	**117,646**	**(15,581)**	**(9,499)**	**365,512**	**372,419**
Contingent liabilities							**9,568**	9,427

Cash flow statement for the first quarter

SEK bn	Industrial operations 2009	Industrial operations 2008	Customer Finance 2009	Customer Finance 2008	Eliminations 2009	Eliminations 2008	Volvo Group Total 2009	Volvo Group Total 2008
Operating activities								
Operating income	**(4.1)**	6.1	**(0.4)**	0.4	**0.0**	0.0	**(4.5)**	6.5
Depreciation and amortization	**3.2**	2.8	**0.8**	0.7	**0.0**	(0.2)	**4.0**	3.3
Other non-cash items	**0.3**	(0.1)	**0.7**	0.1	**0.0**	0.1	**1.0**	0.1
Change in working capital	**(11.4)**	(8.7)	**2.8**	(1.0)	**0.0**	(0.5)	**(8.6)**	(10.2)
Financial items and income taxes paid	**(1.2)**	(1.4)	**0.0**	(0.1)	**0.0**	0.0	**(1.2)**	(1.5)
Cash flow from operating activities	**(13.2)**	**(1.3)**	**3.9**	**0.1**	**0.0**	**(0.6)**	**(9.3)**	**(1.8)**
Investing activities								
Investments in fixed assets	**(2.6)**	(2.2)	**0.0**	0.0	**0.0**	0.0	**(2.6)**	(2.2)
Investment in leasing vehicles	**0.0**	0.0	**(1.2)**	(1.1)	**0.0**	0.0	**(1.2)**	(1.1)
Disposals of fixed assets and leasing vehicles	**0.1**	0.2	**0.8**	0.4	**0.0**	0.0	**0.9**	0.6
Operating cash flow	**(15.7)**	**(3.3)**	**3.5**	**(0.6)**	**0.0**	**(0.6)**	**(12.2)**	**(4.5)**
Investments and divestments of shares, net							**0.0**	0.0
Acquired and divested operations, net							**0.0**	0.2
Interest-bearing receivables incl marketable securites							**1.5**	(9.5)
Cash-flow after net investments							**(10.7)**	**(13.8)**
Financing activities								
Change in loans, net							**11.4**	10.2
Other							**0.0**	0.1
Change in cash and cash equivalents excl. translation differences							**0.7**	**(3.5)**
Translation difference on cash and cash equivalents							**0.1**	(0.4)
Change in cash and cash equivalents							**0.8**	**(3.9)**

Net financial position

SEK M	Industrial operations March 31 2009	Industrial operations Dec 31 2008	Volvo Group March 31 2009	Volvo Group Dec 31 2008
Non-current interest-bearing assets				
Non-current customer-financing receivables	**-**	–	**49,154**	50,432
Non-current interest-bearing receivables	**668**	149	**568**	694
Current interest-bearing assets				
Customer-financing receivables	**-**	–	**47,923**	48,057
Interest-bearing receivables	**997**	2,684	**332**	1,965
Internal funding	**6,914**	792	**-**	–
Marketable securities	**6,249**	5,901	**6,250**	5,902
Cash and bank	**17,900**	16,674	**18,484**	17,712
Total financial assets	**32,728**	**26,200**	**122,711**	**124,762**
Non-current interest-bearing liabilities				
Bond loans	**41,726**	35,798	**41,726**	35,798
Other loans	**44,951**	39,880	**52,447**	47,298
Internal funding	**(38,613)**	(44,934)	**-**	–
Current interest-bearing liabilities				
Loans	**58,262**	56,178	**64,929**	62,631
Internal funding	**(38,026)**	(40,173)	**-**	–
Total financial liabilities	**68,300**	**46,749**	**159,102**	**145,727**
Net financial position excl post-employment benefits	**(35,572)**	**(20,549)**	**(36,391)**	**(20,965)**
Prov for post-employm benefits, net	**9,760**	9,246	**9,783**	9,263
Net financial position incl post-employment benefits	**(45,332)**	**(29,795)**	**(46,174)**	**(30,228)**

Changes in net financial position, Industrial operations

SEK bn	First quarter 2009
Beginning of period	**(29.8)**
Cash flow from operating activities	(13.2)
Investments in fixed assets	(2.6)
Disposals	0.1
Operating cash-flow	**(15.7)**
Investments and divestments of shares, net	0.0
Acquired and divested operations, net	0.0
Capital injections to/from Customer Finance operations	0.0
Currency effect	(0.6)
Revaluation of loans	0.9
Other changes	(0.1)
Total change	**(15.5)**
Net financial position at end of period	**(45.3)**

Changes in shareholders' equity

	First quarter	
SEK bn	**2009**	2008
Total equity at beginning of period	**84.6**	**82.8**
Shareholders' equity attributable to equity holders of the parent company at beginning of period	**84.0**	**82.2**
Income for the period	**(4.2)**	4.2
Other comprehensive income	**0.8**	(1.7)
Total comprehensive income	**(3.4)**	**2.5**
Dividend to AB Volvo's shareholders	**0.0**	0.0
Share-based payments	**0.0**	0.1
Other changes	**0.0**	(0.1)
Shareholders' equity attributable to equity holders of the parent company at end of period	**80.6**	**84.7**
Minority interests at beginning of period	**0.6**	**0.6**
Income for the period	**0.0**	0.0
Other comprehensive income	**0.1**	0.0
Total comprehensive income	**0.1**	**0.0**
Cash dividend	**0.0**	0.0
Minority regarding new acquisitions	**0.0**	0.0
Other changes	**0.0**	0.0
Minority interests at end of period	**0.7**	**0.6**
Total equity at end of period	**81.3**	**85.3**

Key ratios

Industrial operations

	First quarter	
	2009	2008
Gross margin, %	**15.0**	23.8
Research and development expenses in % of net sales	**6.5**	4.5
Selling expenses in % of net sales	**12.0**	8.3
Administrative expenses in % of net sales	**3.2**	2.5
Operating margin, %	**(7.7)**	8.2

	March 31 2009	Dec 31 2008
Return on operating capital, %, 12 months rolling values	**4.4**	16.3
Net financial position at end of period, SEK billion	**(45.3)**	(29.8)
Net financial position in % of shareholders' equity at end of period	**(63.2)**	(39.7)
Shareholders' equity as percentage of total assets, end of period	**27.0**	28.4

Customer finance

	March 31 2009	Dec 31 2008
Return on shareholders' equity, %, 12 months rolling values	**5.0**	12.6
Equity ratio at end of period, %	**8.2**	8.2
Asset growth, % from preceding year end until end of period	**(1.4)**	24.2

Volvo Group

	First quarter	
	2009	2008
Gross margin, %	**15.7**	24.2
Research and development expenses in % of net sales	**6.2**	4.4
Selling expenses in % of net sales	**12.2**	8.6
Administrative expenses in % of net sales	**3.1**	2.4
Operating margin, %	**(8.1)**	8.5

	March 31 2009	Dec 31 2008
Basic earnings per share, SEK, 12 months rolling values	**0.73**	4.90
Shareholders' equity, excluding minority interests, per share, at end of period, SEK	**39.7**	41.4
Return on shareholders' equity, %, 12 months rolling values	**1.9**	12.1
Shareholders' equity as percentage of total assets, end of period	**22.2**	22.7

Share data

	First quarter	
	2009	2008
Basic earnings per share, SEK	**(2.09)**	2.07
Diluted earnings per share, SEK	**(2.09)**	2.07
Number of shares outstanding, million	**2,027**	2,027
Average number of shares during period, million	**2,027**	2,026
Average diluted number of shares during period, million	**2,027**	2,026
Number of company shares, held by AB Volvo, million	**101**	101
Average number of company shares, held by AB Volvo, million	**101**	103

Quarterly figures

SEK M unless otherwise stated

Industrial operations	1/2008	2/2008	3/2008	4/2008	1/2009
Net sales	**74,412**	**78,399**	**67,461**	**75,564**	**53,448**
Cost of sales	(56,699)	(60,132)	(53,201)	(63,481)	**(45,428)**
Gross income	**17,713**	**18,267**	**14,260**	**12,083**	**8,020**
Research and development expenses	(3,334)	(3,335)	(3,428)	(4,251)	**(3,463)**
Selling expenses	(6,195)	(6,268)	(6,075)	(7,060)	**(6,423)**
Administrative expenses	(1,839)	(1,842)	(1,710)	(1,530)	**(1,727)**
Other operating income and expenses	(257)	(75)	(269)	(493)	**(527)**
Income from investments in associated companies	5	9	(2)	11	**(15)**
Income from other investments	13	43	10	3	**3**
Operating income Industrial operations	**6,106**	**6,799**	**2,786**	**(1,237)**	**(4,132)**
Customer Finance					
Finance and lease income	2,655	2,599	2,837	2,982	**3,156**
Finance and lease expenses	(1,840)	(1,788)	(1,965)	(2,090)	**(2,349)**
Gross income	**815**	**811**	**872**	**892**	**807**
Selling and administrative expenses	(375)	(368)	(389)	(418)	**(423)**
Credit provision expenses	(61)	(59)	(124)	(239)	**(780)**
Other operating income and expenses	2	3	32	3	**0**
Operating income Customer Finance	**381**	**387**	**391**	**238**	**(396)**
Volvo Group					
Operating income	**6,487**	**7,186**	**3,177**	**(999)**	**(4,528)**
Interest income and similar credits	281	272	251	367	**120**
Interest expense and similar credits	(343)	(374)	(460)	(758)	**(808)**
Other financial income and costs	(284)	397	(70)	(1,120)	**(627)**
Income after financial items	**6,141**	**7,481**	**2,898**	**(2,510)**	**(5,843)**
Taxes	(1,926)	(2,332)	(898)	1,162	**1,620**
Income for the period*	**4,215**	**5,149**	**2,000**	**(1,348)**	**(4,223)**
* Attributable to					
Equity holders of AB Volvo	4,196	5,130	1,977	(1,361)	**(4,228)**
Minority interests	19	19	23	13	**5**
	4,215	**5,149**	**2,000**	**(1,348)**	**(4,223)**

Depreciation and amortization included above	1/2008	2/2008	3/2008	4/2008	1/2009
Product and software development, amortization	699	727	641	797	**823**
Other intangible assets, amortization	91	96	108	127	**127**
Property, plant and equipment, depreciation	2,529	2,551	2,670	2,596	**3,082**
Total	**3,319**	**3,374**	**3,419**	**3,520**	**4,032**
Of which					
Industrial operations	2,623	2,719	2,737	2,949	**3,239**
Customer Finance	696	655	682	571	**793**
Total	**3,319**	**3,374**	**3,419**	**3,520**	**4,032**

Share data	1/2008	2/2008	3/2008	4/2008	1/2009
Earnings per share, SEK[1]	2.07	2.53	0.98	(0.67)	**(2.09)**
Number of shares outstanding, million	2,027	2,027	2,027	2,027	**2,027**
Average number of shares during period, million	2,026	2,026	2,027	2,027	**2,027**
Number of company shares, held by AB Volvo	101	101	101	101	**101**

1 Earnings per share are calculated as Income for the period (excl minority interests) divided by the weighted average number of shares outstanding during the period.

Key operating ratios, Industrial operations	1/2008	2/2008	3/2008	4/2008	1/2009
Gross margin, %	23.8	23.3	21.1	16.0	**15.0**
Research and development expenses in % of net sales	4.5	4.3	5.1	5.6	**6.5**
Selling expenses in % of net sales	8.3	8.0	9.0	9.3	**12.0**
Administrative expenses in % of net sales	2.5	2.3	2.5	2.0	**3.2**
Operating margin , %	8.2	8.7	4.1	(1.6)	**(7.7)**

Quarterly figures

Net sales

SEK M	1/2008	2/2008	3/2008	4/2008	**1/2009**
Trucks	50,758	52,598	46,154	54,132	**37,384**
Construction Equipment	15,115	16,731	13,213	11,219	**8,172**
Buses	3,647	4,293	3,822	5,589	**4,006**
Volvo Penta	3,151	3,327	2,686	2,355	**2,037**
Volvo Aero	1,870	1,700	1,656	2,398	**2,030**
Eliminations and other	(129)	(250)	(70)	(129)	**(182)**
Industrial operations	**74,412**	**78,399**	**67,461**	**75,564**	**53,448**
Customer Finance	2,655	2,599	2,837	2,982	**3,156**
Eliminations	(506)	(692)	(517)	(554)	**(483)**
Volvo Group	**76,561**	**80,306**	**69,781**	**77,992**	**56,121**

Operating income

SEK M	1/2008	2/2008	3/2008	4/2008	**1/2009**
Trucks	4,432	4,825	2,653	257	**(2,382)**
Construction Equipment	1,301	1,629	134	(1,256)	**(1,395)**
Buses	(122)	46	(72)	72	**(95)**
Volvo Penta	318	458	198	(46)	**(97)**
Volvo Aero	136	4	78	141	**83**
Group headquarter functions and other	41	(163)	(205)	(405)	**(247)**
Industrial operations	**6,106**	**6,799**	**2,786**	**(1,237)**	**(4,132)**
Customer Finance	381	387	391	238	**(396)**
Volvo Group	**6,487**	**7,186**	**3,177**	**(999)**	**(4,528)**

Operating margin

%	1/2008	2/2008	3/2008	4/2008	**1/2009**
Trucks	8.7	9.2	5.7	0.5	**(6.4)**
Construction Equipment	8.6	9.7	1.0	(11.2)	**(17.1)**
Buses	(3.3)	1.1	(1.9)	1.3	**(2.4)**
Volvo Penta	10.1	13.8	7.4	(2.0)	**(4.8)**
Volvo Aero	7.3	0.2	4.7	5.9	**4.1**
Industrial operations	**8.2**	**8.7**	**4.1**	**(1.6)**	**(7.7)**
Volvo Group	**8.5**	**8.9**	**4.6**	**(1.3)**	**(8.1)**

Accounting principles

As from January 1, 2005, AB Volvo applies the International Financial Reporting Standards (IFRS) as adopted by the EU, for the group consolidation. The accounting principles, which were applied during the preparation of this report, are described in Note 1 to the consolidated financial statements, which are included in the 2008 Annual Report for the Volvo Group. This interim report has been prepared in accordance with IAS 34, Interim financial Reporting and the Annual Accounts Act.

The financial reporting of the parent company has been prepared in accordance with the Annual Accounts Act and RFR 2.2 Reporting for legal entities. Application of RFR 2.2 entails that in interim reporting for legal entities, the parent company is to apply all IFRSs and interpretations approved by the EU as far as possible within the framework of the Swedish Annual Accounts Act, the Pension Obligations Vesting Act, and taking into account the connection between accounting and taxation.

New accounting principles in 2009

In accordance with considerations presented in the Annual Report, Note 1, regarding new accounting principles for 2009, a number of new standards and IFRIC interpretations become effective from January 1, 2009.

IFRS 8 Operating segments

The implementation of the standard has not resulted in any change in the identification of segments. Volvo has however, in connection to the implementation of IFRS 8, removed the reclassification of leases from operating to finance leases within the Customer Finance segment and reports currency exchange effects in gross income that previously have been reported in Other operating income and expenses. See not 3 to the Annual Report 2008 for further details. As a consequence of these changes, the 2008 comparison numbers have been restated in this report as well as for future reports. A complete restate of 2008 by quarters is available at www.volvogroup.com.

IAS 23 amendment Borrowing costs

The amendment states that borrowing costs that are directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale, should form part of the cost of that asset. According to the previously applied accounting principle, Volvo has expensed borrowing cost. The change of accounting principle for the Volvo group has not had a significant impact on the Group's financial statements.

IAS 1 amendment Presentation of financial statements

The amendment concerns the form for presentation of financial position, comprehensive income and cash flow and includes a requirement for statement of comprehensive income. As a consequence of the amendment, Volvo reports an additional statement of the Group's comprehensive income, which includes items previously reported in the Statement of Equity.

Other new amendments to standards and IFRIC interpretations applied by the Volvo Group from January 1, 2009, have no significant effect on the financial statements of the Group, in accordance with what has been communicated in note 1 of the Annual report.

Otherwise, accounting principles and methods of calculations have remained essentially unchanged from those applied in the 2008 Annual Report.

Operating income before depreciation and amortization (EBITDA)

EBITDA is the operating income before depreciation and amortization. In the Volvo Group this key figure is calculated by adding back depreciation and amortization on the operating income of the Industrial operations.

Clarification of the connection between net debt and the balance sheet

From this report and going forward, internal lending from Industrial Operations to Customer Finance will be separately disclosed in the balance sheet. The main purpose is to facilitate the understanding for what items are included in net debt and the reconciliation to the balance sheet.

Corporate acquisitions and divestments

Volvo Group has not made any acquisitions or divestments during the period or after the end of the period, that have had a significant impact on the Group's financial statements.

Risks and uncertainties

All business operations involve risk – managed risk-taking is a condition of maintaining a sustained favorable profitability. Risk may be due to events in the world and can affect a given industry or market. Risk can be specific to a single company. Volvo works continuously to identify, measure and manage risk, and in some cases Volvo can influence the likelihood that a risk-related event will occur. In cases in which such events are beyond Volvo's control, the aim is to minimize the consequences.

The risks to which the Volvo Group are exposed are classified into three main categories:

External-related risks – such as the cyclical nature of the commercial vehicles business, intense competition, changes in prices for commercial vehicles and government regulations;

Financial risks – such as currency fluctuations, interest levels fluctuations, valuations of shares or similar instruments, credit risk and liquidity risk and;

Operational risks – such as market reception of new products, reliance on suppliers, protection and maintenance of intangible assets, complaints and legal actions by customers and other third parties and risk related to human capital. For a more elaborated account for these risks, please refer to the Risk Management section on pages 45–48 in the 2008 Annual Report for the Volvo Group. The Annual Report is available on the internet at www.volvogroup.com. Short-term risks, when applicable, are also described in the respective report per business area of this report.

The financial turmoil and credit tightening has led to an extreme cautiousness among customers when it comes to deciding on investments, which has caused a decrease in demand for Volvo products.

The development of the financial markets during the latest quarters has led to an intensification of Volvo's work with financial risks. The credit risks are continuously managed through active credit monitoring and there are regular controls that provisions are made on incurred losses for doubtful receivables, in the customer finance portfolio as well as for other accounts receivable, in accordance with applicable accounting principles.

The present market conditions also limit the accessibility to credits and loan financing, which may negatively affect customers, suppliers, dealers as well as the Volvo Group. Suppliers' financial instability could result in delivery disturbances. A sound balance between short- and long-term borrowing, as well as borrowing preparedness in the form of overdraft facilities, is intended to meet the long-term financing needs of the Volvo Group.

In the course of its operations, Volvo is exposed to residual value risks through operating lease agreements and sales combined with repurchase agreements. The estimated net realizable value of the products is continuously monitored on an individual basis. A decline in prices for used trucks and equipment may negatively affect the consolidated operating income. High inventories in the truck industry and the construction equipment industry and low demand may have a negative impact on the prices of used trucks and construction equipment.

The reported amounts for contingent liabilities reflect a part of Volvo's risk exposure. Total contingent liabilities at March 31, 2009, amounted to SEK 9,6 billion, an increase of SEK 0,2 billion compared to December 31, 2008. Included in the total is a contingent liability of SEK 0.6 billion pertaining to a claim on Volvo Powertrain to pay penalties following a demand by the US Environmental Protection Agency (EPA). The demand is a consequence of dissenting opinions on whether an agreement between EPA and Volvo Powertrain regarding lower emitting engines also should include engines sold by Volvo Penta.

The former labour agreement between Mack Trucks, Inc. and the United Auto Workers Union ("UAW") expired on September 30, 2007. Since that time, the parties have been operating under a mutually agreed upon day-by-day extension of the previous agreement. Negotiations on a new labor agreement are ongoing. Both Mack Trucks, Inc. and the UAW are parties to similar lawsuits filed in the U.S federal courts addressing the issue of retiree healthcare benefits. Mack Trucks' lawsuit, the first of the two lawsuits filed, seeks a declaration from the court that it is permitted to unilaterally amend the terms of the existing retiree health care plan. The lawsuit filed by the UAW in response to the Mack lawsuit, seeks a ruling from the court that the plan of benefits must remain unchanged. On request by Mack, the two cases have been consolidated. At present, it is not possible to estimate the outcome of the negotiations or the pending lawsuits, but there is a risk that the outcome may have a significant negative effect on the consolidated operating income.

Volvo verifies annually, or more frequently if necessary, the goodwill value of its business areas for possible impairment. The size of the overvalue differs between the business areas and they are, to a varying degree, sensitive to changes in the business environment. A continued financial turmoil and volatility in interest and currency rates may lead to indications of impairment. Changes to the assessments of the duration of the crisis could result in a significant write-down of goodwill for some business areas.

Parent company

Income Statements

SEK M	First quarter 2009	First quarter 2008
Net sales [1]	**192**	**197**
Cost of sales [1]	**(192)**	(197)
Gross income	**0**	**0**
Operating expenses [1]	**(146)**	(237)
Income from investments in Group companies	**(920)**	(587)
Income from investments in associated companies	**(3)**	(15)
Operating income	**(1,069)**	**(839)**
Interest income and expenses	**(72)**	(163)
Other financial income and expenses	**20**	12
Income after financial items	**(1,121)**	**(990)**
Income taxes	**297**	238
Income for the period	**(824)**	**(752)**

1 Of net sales in the first three months, SEK 160 M (176) pertained to Group companies, while purchases from Group companies amounted to SEK 75 M (100).

Balance Sheets

SEK M		March 31 2009		Dec 31 2008
Assets				
Non-current assets				
Intangible assets		**107**		110
Tangible assets		**16**		16
Financial assets				
Shares and participations in Group companies	**46,477**		46,122	
Other shares and participations	**2,271**		2,280	
Other long-term receivables	**540**	**49,288**	245	48,647
Total non-current assets		**49,411**		**48,773**
Current assets				
Short-term receivables from Group companies		**83**		9,561
Other short-term receivables		**417**		586
Cash and bank accounts		**0**		0
Total current assets		**500**		**10,147**
Total assets		**49,911**		**58,920**
Shareholders' equity and liabilities				
Shareholders' equity				
Restricted equity	**9,891**		9,891	
Unrestricted equity	**26,852**	**36,743**	27,678	37,569
Untaxed reserves		**704**		704
Provisions		**185**		178
Non-current liabilites				
Liabilities to Group companies		**7**		7
Currrent liabilites [1]		**12,272**		20,462
Total shareholders´equity and liabilities		**49,911**		**58,920**

1 Of which SEK 11,806 M (20,166) pertains to Group companies.

Income from investments in Group companies includes dividends amounting to – (0) and transfer price adjustments of SEK –920 M (–587).

Operating expenses included in 2008 expenses of SEK 117 M (USD 19,6 M) due to the settlements reached by AB Volvo with the US authorities. The settlements included fines and disgorgement of past profits on contracts from two of the subsidiaries´ activities in Iraq under the Oil-for-Food Program.

Investments in intangible and tangible assets amounted to SEK - M (116) and 0 M (0) respectively.

Financial net debt amounted to SEK 10,737 M at the end of the first quarter (11,510).

Events after the balance sheet date

For events after the balance sheet date, see page 4 of this report.

No other significant events have occurred after the end of the first quarter 2009 that are expected to have a substantial effect on the Volvo Group.

Göteborg April 24, 2009
AB Volvo (publ)

Leif Johansson
President and CEO

This report has not been reviewed by AB Volvo's auditors.

Deliveries

Delivered trucks

	First quarter 2009	First quarter 2008	Change in %
Trucks			
Europe	**14,596**	36,075	(60)
Western Europe	**13,618**	28,961	(53)
Eastern Europe	**978**	7,114	(86)
North America	**4,086**	7,137	(43)
South America	**2,243**	3,554	(37)
Asia	**7,691**	14,578	(47)
Middle East	**2,296**	3,791	(39)
Other Asia	**5,395**	10,787	(50)
Other markets	**3,621**	4,547	(20)
Total Trucks	**32,237**	**65,891**	**(51)**
Mack Trucks			
Europe	**-**	–	–
Western Europe	**-**	–	–
Eastern Europe	**-**	–	–
North America	**1,757**	3,050	(42)
South America	**171**	449	(62)
Asia	**144**	41	251
Middle East	**144**	32	350
Other Asia	**0**	9	(100)
Other markets	**352**	307	15
Total Mack Trucks	**2,424**	**3,847**	**(37)**
Renault Trucks			
Europe	**8,263**	19,256	(57)
Western Europe	**7,927**	16,458	(52)
Eastern Europe	**336**	2,798	(88)
North America	**58**	188	(69)
South America	**48**	275	(83)
Asia	**375**	1,107	(66)
Middle East	**355**	1,059	(66)
Other Asia	**20**	48	(58)
Other markets	**1,216**	1,201	1
Total Renault Trucks	**9,960**	**22,027**	**(55)**
Volvo Trucks			
Europe	**6,331**	16,819	(62)
Western Europe	**5,691**	12,503	(54)
Eastern Europe	**640**	4,316	(85)
North America	**2,125**	3,375	(37)
South America	**1,886**	2,630	(28)
Asia	**2,041**	2,635	(23)
Middle East	**1,524**	1,645	(7)
Other Asia	**517**	990	(48)
Other markets	**1,324**	1,069	24
Total Volvo Trucks	**13,707**	**26,528**	**(48)**

AB Volvo (publ) discloses the information provided herein pursuant to the Securities Markets Act and/or the Financial Instruments Trading Act. The information was submitted for publication at 7.30 a.m. on April 24, 2009.

This report contains forward-looking statements that reflect management's current views with respect to certain future events and potential financial performance. Although the Company believes that the expectations reflected in such forward looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct. Accordingly, results could differ materially from those set out in the forward looking statements as a result of, among other factors, (i) changes in economic, market and competitive conditions, (ii) success of business and operating initiatives, (iii) changes in the regulatory environment and other government actions, (iv) fluctuations in exchange rates and (v) business risk management.

This report does not imply that the company has undertaken to revise these forward-looking statements, beyond what is required under the company's registration contract with the OMX Nordic Exchange Stockholm if and when circumstances arise that will lead to changes compared to the date when these statements were provided.

	First quarter		
	2009	2008	Change in %
Nissan Diesel			
Europe	**2**	0	–
Western Europe	**0**	0	–
Eastern Europe	**2**	0	–
North America	**146**	524	(72)
South America	**138**	200	(31)
Asia	**3,287**	10,795	(70)
Middle East	**273**	1,055	(74)
Other Asia	**3,014**	9,740	(69)
Other markets	**729**	1,970	(63)
Total Nissan Diesel	**4,302**	**13,489**	**(68)**

Eicher[1]			
Europe	**-**	–	–
Western Europe	**-**	–	–
Eastern Europe	**-**	–	–
North America	**-**	–	–
South America	**-**	–	–
Asia	**1,845**	0	–
Middle East	**0**	0	–
Other Asia	**1,845**	0	–
Other markets	**0**	0	–
Total Eicher	**1,845**	**0**	**-**

1 50% of the joint venture together with Eicher Motor Limited was consolidated in the Volvo Group on August 1, 2008.

Delivered Buses

	First quarter		
	2009	2008	Change in %
Buses			
Europe	**755**	795	(5)
Western Europe	**692**	764	(9)
Eastern Europe	**63**	31	103
North America	**313**	368	(15)
South America	**107**	150	(29)
Asia	**466**	798	(42)
Other markets	**129**	103	25
Total Buses	**1,770**	**2,214**	**(20)**

Further publication dates

Report for the first six months 2009	July 21, 2009
Report for the first nine months 2009	October 23, 2009
Report on 2009 operations	February, 2010
Annual Report 2009	March, 2010

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