VOLVO GROUP
REPORT ON THE FIRST QUARTER 2013

- In the first quarter, net sales decreased by 25% to SEK 58.3 billion (77.8). Adjusted for currency movements and acquired and divested units, net sales decreased by 17%.
- The first quarter operating income amounted to SEK 482 M (6,240).
- Operating margin in the first quarter was 0.8% (8.0).
- In the first quarter, diluted earnings per share were a negative SEK 0.15 (positive SEK 1.99).
- In the first quarter, operating cash flow in the Industrial Operations was negative in an amount of SEK 7.6 billion (negative SEK 4.9 billion).
- Truck order intake increased by 30% compared to the fourth quarter of 2012.

	First quarter	
	2013	2012*
Net sales Volvo Group, SEK M	**58,344**	77,803
Operating income Volvo Group, SEK M	**482**	6,240
Operating income Industrial operations, SEK M	**101**	5,906
Operating income Customer Finance, SEK M	**381**	334
Operating margin Volvo Group, %	**0.8**	8.0
Income after financial items, SEK M	**(101)**	5,622
Income for the period, SEK M	**(248)**	4,125
Diluted earnings per share, SEK	**(0.15)**	1.99
Operating Cash Flow in Industrial Operations, SEK Bn	**(7.6)**	(4.9)
Return on shareholders' equity, rolling 12 months, %	**9.3**	22.5

* Restated according to new accounting principles. See Volvo Group Annual Report 2012 Note 31.

VOLVO

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Quarter 1

CEO'S COMMENTS

Significant sales drop impacted profitability

The Volvo Group's first quarter of 2013 was characterized by low sales volumes and low capacity utilization, while we continued to keep a high pace in the work to develop and launch new products.

Net sales for the first quarter declined 25% to SEK 58.3 billion, primarily as a result of the weak order intake in late 2012. The sales volumes were the lowest since the financial crisis and were on the level of the first quarter of 2009. Then, the Volvo Group reported a loss of SEK 4.5 billion, compared with a profit of SEK 0.5 billion for the first quarter this year. Even though this shows that the Volvo Group is better at handling rapid changes in demand, I believe that we still have room for considerable improvement in this respect.

The operating cash flow in the industrial operation tracked the normal, seasonal pattern and was a negative SEK 7.6 billion (negative 4.9).

Weak start to the year, but strong improvement in order intake

With the exception of South America, deliveries of trucks were generally low during the quarter. A total of 38,416 trucks were delivered, which was 23% fewer than in the year-earlier period. Net sales in the Trucks operation declined 23% to SEK 37.0 billion, while operating income fell to SEK 101 M (3,677) as a result of the significant decline in volumes and low capacity utilization in the plants. Under absorption of costs in the industrial system amounted to SEK 1.9 billion, of which SEK 1.5 billion in the truck operations.

However, we see that the order intake for trucks is rising in several of our key markets. In total, the order intake during the first quarter amounted to 61,045 trucks – up 30% from the fourth quarter 2012 and with a book-to-bill ratio of 160%.

In Europe, the order intake has gradually improved since the end of last year. There are indications that customers in some markets are planning to prebuy Euro 5 trucks prior to the transition to the new Euro 6 emission regulations in January 2014. In for instance the UK, trucking companies are taking the opportunity to renew their fleets prior to Euro 6, which carries a significant price increase for trucks. The transition to the new Volvo FH is running smoothly with good demand for both the new and the old ranges.

In North America, deliveries were low during the first quarter due to a number of stop weeks resulting from the weak order intake during the second half of last year. We now note that the order book is expanding and deliveries will therefore increase during the second quarter.

In South America, the trend is strong, with good order intake and higher deliveries, with Brazil as the driving force.

The Japanese market is positively impacted by expectations of higher economic activity following, amongst others, the incentive measures and increased optimism in the export industry as a result of the weak Japanese currency. UD Trucks has had a weak start to the year but order intake is currently improving.

The truck market in India has continued to weaken during the beginning of the year in the wake of the reduced economic growth and higher fuel prices that transporters have not yet been able to offset with increased freight rates.

Intensive product renewal

This year is one of the most intense to date in terms of new product launches. Thus far this year, we have started deliveries of the new Volvo FH truck series and launched the new Volvo FM and Volvo FMX in Europe, as well as the new Volvo VNX, which is aimed at heavy transportation in the oil and gas industry in North America. We also have in the pipeline a completely new series of trucks from Renault Trucks, a new series of trucks aimed at the lower-price segment in emerging markets, new buses, a new medium-duty engine series, as well as the development of engines prior to the new emission legislations Euro 6 for trucks and buses and Tier 4f for Volvo CE and Volvo Penta.

The high level of activity and the many launches in 2013 naturally incur high costs within development and sales. We also have higher costs because of production changeovers and in the aftermarket business, where we are currently training thousands of workshop mechanics on the new products. Thus far, the response from customers on our new products is very positive and from 2014, we will meet the markets with a product range that is the most competitive in the Group's history.

High activity in restructuring

We are also maintaining a high pace in the work aimed at increasing the Group's efficiency and profitability. The reorganization of the dealer network in Europe, which started last autumn, is progressing according to plan and is aiming at improving the aftermarket support for primarily Renault Trucks' customers in Europe, while also reducing costs.

In April, we initiated a study to determine how we shall further strengthen the competitiveness of our industrial system for trucks in Europe, including optimizing the utilization of the plants. The study also covers the possible consolidation of all medium-duty truck production from two plants to one, the relocation of the remaining assembly of cabs from Umeå, Sweden to Tuve, Sweden and a changeover from two assembly lines to one in Tuve. We expect the study to be completed in the autumn.

In Japan, we are reviewing the industrial structure to adapt capacity to the estimated long-term market demand in Japan. In addition, we have reorganized the sales organization by creating customer-facing regions and have put new management in place to drive the improvement work within the owned dealer network. These measures are important in order to reduce costs and increase competitiveness for UD Trucks in Japan going forward.

Weak demand for Volvo CE

Volvo CE was negatively impacted by the weak demand across most of its markets. Machine deliveries declined by 29% to 15,949 units when compared with the first quarter last year. Net sales fell 33% to SEK 12.1 billion and the operating profit amounted to SEK 500 M (2,089). The decline in China is not least an effect of low activity in the mining sector, which is normally a segment with good profitability for Volvo CE. Despite the major drop in sales, Volvo CE succeeded in achieving profitability, with an operating margin of 4.1% (11.6).

Demand continues to be weak, which was reflected in the order intake declining by 28% to 17,670 machines in the first quarter. However, in the first quarter of 2012, the mining industry was booming and dealers were building inventories. With pipeline inventories now in balance with demand and a book-to-bill ratio of 119% for the Volvo brand, Volvo CE has increased production to meet the spring selling season.

During the quarter Volvo CE started production of wheel loaders in the plant in Shippensburg in the US. We have invested in increased local production in order to get closer to our customers with shorter delivery times in the key North American market and also to reduce our currency exposure. In the medium-term, excavators and haulers will also be produced in the facility.

Low volumes also in other business areas

Volvo Buses is also affected by low volumes in most markets and had the lowest sales during a first quarter since 2005. The low capacity utilization in the industry has resulted in considerable pressure on prices, and Volvo Buses reported a loss of SEK 88 M in the first quarter. We are implementing structural measures in for instance Europe to reduce costs and strengthen competitiveness. On a positive note is the fact that we expect to have very good Euro 6 products on the market in 2014.

Volvo Penta reported stable results during the first quarter despite weak markets. Following a long period of weak demand, we note a slight increase in order intake in both industrial and marine engines.

Volvo Financial Services reported return on equity of 13%, with a generally favorable trend in the credit portfolio. However, we see that the weak market for construction equipment in China means that the financial situation for some customers and dealerships there remains strained.

A busy 2013

Despite uncertainty in the global economy, order intake has improved and we have many new, competitive products on their way to the market. That being said, the second quarter of 2013 will pose a challenge for us and our suppliers, with respect to the changeover to new products and the ramp-up of the industrial system to higher volumes. At the same time, we are focusing on our strategy with all the important measures aimed at improving the overall profitability for the Volvo Group.

Olof Persson
President and CEO

IMPORTANT EVENTS

New Volvo FM

The Volvo FM was launched in Europe on March 19, 2013 – with the ground-breaking innovation Volvo Dynamic Steering as one of its prominent features. Volvo Dynamic Steering combines a conventional hydraulic power steering system with an electronically regulated electric motor fitted to the steering gear. The system gives the driver effortless steering at low speeds as well as excellent directional stability on the open road.

New Volvo FMX

The new Volvo FMX truck was launched at the Bauma trade fair in Munich on April 15, 2013, setting a new standard when it comes to robustness, handling and driver comfort. The truck, which is specially designed for heavy construction duties, boasts an array of updates including a totally redesigned cab interior, new air suspension system and raised ground-clearance. The new Volvo FMX is also equipped with Volvo Dynamic Steering – an innovation designed to improve maneuverability.

Powerful news from Volvo Trucks in North America

The new heavy-haul tractor Volvo VNX, a 13-litre engine running on liquefied natural gas, the introduction of Volvo I-Shift as standard throughout the product range, and services that boost uptime were some of the new features that Volvo Trucks in North America presented at the Mid-America Trucking Show in Louisville, Kentucky, USA on March 21, 2013. Volvo VNX is a new heavy-haul tractor for the North American market. It is intended for demanding assignments such as hauling timber and heavy machinery.

Annual General Meeting of AB Volvo

The Annual General Meeting of AB Volvo held on April 4, 2013 approved the Board of Directors' motion that a dividend of SEK 3.00 per share be paid to the company's shareholders.

Peter Bijur, Jean-Baptiste Duzan, Hanne de Mora, Anders Nyrén, Olof Persson, Carl-Henric Svanberg, Ravi Venkatesan, Lars Westerberg and Ying Yeh were reelected as members of the AB Volvo Board of Directors. Carl-Henric Svanberg was reelected as Board Chairman.

Carl-Olof By, representing AB Industrivärden, Lars Förberg, representing Violet Partners LP, Håkan Sandberg, representing Svenska Handelsbanken, SHB Pension Fund, SHB Employee Fund, SHB Pensionskassa and Oktogonen, Yngve Slyngstad, representing Norges Bank Investment Management and the Chairman of the Board were elected members of the Election Committee.

A Remuneration Policy for senior executives was adopted in accordance with the Board of Directors' motion.

The Annual General Meeting adopted an amendment to the Articles of Association concerning the appointment of auditor in accordance with the Board's proposal. The amendment entails that the appointment of auditor shall apply until the close of the annual general meeting held during the fourth financial year after the appointment of the auditor.

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

FINANCIAL SUMMARY OF THE FIRST QUARTER

VOLVO GROUP

Net sales and operating income

During the first quarter of 2013, Volvo Group's net sales decreased by 25% to SEK 58,344 M (77,803) and operating income amounted to SEK 482 M (6,240). For detailed information on the development, see separate sections below.

Financial items

Net interest expense in the first quarter was SEK 460 M compared with an expense of SEK 690 M in the previous year. In the fourth quarter of 2012 net interest expense amounted to SEK 413 M.

Other financial income and expenses amounted to a negative SEK 123 M compared with a positive SEK 72 M in the first quarter of 2012. The change is primarily an effect of the market valuation of derivatives used to hedge cash flow and interest rate exposure being negative in a total amount of SEK 75 M compared to a positive SEK 139 M in the first quarter of 2012.

Income taxes

The tax expense in the first quarter amounted to SEK 147 M (1,497).

Income Statement Volvo Group	First quarter	
SEK M	**2013**	2012
Net sales Volvo Group	**58,344**	**77,803**
Operating Income Volvo Group	**482**	**6,240**
Operating income Industrial operations	***101***	*5,906*
Operating income Customer Finance	***381***	*334*
Interest income and similar credits	**98**	125
Interest expense and similar charges	**(558)**	(815)
Other financial income and expenses	**(123)**	72
Income after financial items	**(101)**	**5,622**
Income taxes	**(147)**	(1,497)
Income for the period	**(248)**	**4,125**

Income for the period and earnings per share

Income for the period amounted to a negative SEK 248 M in the first quarter of 2013 compared with a positive SEK 4,125 M in the first quarter of 2012.

Basic and diluted earnings per share in the first quarter amounted to a negative SEK 0.15 compared to basic earnings per share of a positive SEK 2.00 and diluted earnings per share of SEK 1.99 in the first quarter of 2012.

VOLVO GROUP'S INDUSTRIAL OPERATIONS
Weak sales

In the first quarter, net sales for the Volvo Group's Industrial Operations decreased by 26% to SEK 56,380 M (75,999). Adjusted for both changes in exchange rates and acquired and divested units (Volvo Aero) net sales in the Industrial Operations decreased by 18%. Sales decreased in all regions.

Significant sales drop and low production levels impact profitability

In the first quarter of 2013, operating income for the Volvo Group's Industrial Operations amounted to SEK 101 M, compared with SEK 5,906 M in the first quarter of 2012. The operating margin was 0.2% compared with 7.8% in the first quarter of 2012.

The lower operating income is a result of significantly lower sales as well as under absorption of costs in the range of SEK 1.9 billion in the industrial system as a consequence of production rates being cut in a more rapid pace than the cost levels could be reduced. All in all, gross income declined by SEK 5.8 billion. In the first quarter of 2012 under absorption of costs amounted to SEK 200 M. In the first quarter of 2012, Volvo Aero, which has been divested, contributed with an operating income of SEK 233 M.

Profitability was also affected by the current high investment pace in research and development for the upcoming comprehensive product renewal and related launch costs in the sales, production and aftermarket support organizations.

Compared with the first quarter of 2012, changes in currency exchange rates had a negative impact on operating income amounting to SEK 168 M.

Net sales by market area

SEK M	First quarter 2013	First quarter 2012	Change in %	Share of industrial operations' net sales, %
Western Europe	**17,576**	22,617	(22)	31
Eastern Europe	**3,844**	4,350	(12)	7
North America	**12,058**	18,178	(34)	21
South America	**6,400**	7,257	(12)	11
Asia	**12,260**	18,320	(33)	22
Other markets	**4,242**	5,277	(20)	8
Total Industrial operations	**56,380**	**75,999**	**(26)**	**100**

Income Statement Industrial operations

SEK M	First quarter 2013	First quarter 2012
Net sales	**56,380**	**75,999**
Cost of sales	**(44,800)**	(58,606)
Gross income	**11,580**	**17,393**
Gross margin, %	***20.5***	*22.9*
Research and development expenses	**(3,626)**	(3,670)
Selling expenses	**(6,395)**	(6,407)
Administrative expenses	**(1,295)**	(1,203)
Other operating income and expenses	**(184)**	(274)
Income (loss) from investments in Joint Ventures and associated companies	**42**	62
Income from other investments	**(20)**	6
Operating income	**101**	**5,906**
Operating margin, %	***0.2***	*7.8*
Operating income before depreciation and amortization (EBITDA)	**2,950**	8,685
EBITDA margin, %	***5.2***	*11.4*

Seasonal build-up of working capital

In the first quarter of 2013, operating cash flow from the Industrial Operations was negative in an amount of SEK 7.6 billion compared with a negative SEK 4.9 billion in the first quarter of 2012. The negative cash flow is primarily a consequence of the seasonally normal build-up of working capital, amounting to SEK 6.2 billion in the first quarter of 2013.

VOLVO GROUP'S CUSTOMER FINANCE

Solid result

During the quarter, the customer finance business delivered solid results stemming from continued stable portfolio performance in the majority of served markets.

New financing volume during the quarter amounted to SEK 9.1 billion (10.4). Adjusting for movements in exchange rates, new financing volume decreased by 5% compared to the first quarter of 2012. In total, 10,108 new Volvo Group units (11,172) were financed during the quarter. In the markets where financing is offered, the average market penetration rate in the first quarter was 28% (25).

As of March 31, 2013, the gross credit portfolio amounted to SEK 99 billion (95.8). On a currency adjusted basis, the credit portfolio increased by 8% when compared to the first quarter of 2012.

Credit provisions in the quarter amounted to SEK 161 M (127) while write-offs of SEK 112 M (117) were recorded. Credit reserves increased to 1.30% of the credit portfolio at March 31, 2013 from 1.23% at December 31, 2012. The annualized write-off ratio through March 31, 2013 was 0.45% (0.49).

Operating income in the first quarter amounted to SEK 381 M (334). The improvement compared to the previous year is driven mainly by stronger margins.

Income Statement Customer Finance	First quarter	
SEK M	**2013**	2012
Finance and lease income	**2,351**	2,367
Finance and lease expenses	**(1,413)**	(1,484)
Gross income	**937**	**883**
Selling and administrative expenses	**(403)**	(419)
Credit provision expenses	**(161)**	(127)
Other operating income and expenses	**8**	(4)
Operating income	**381**	**334**
Income taxes	**(112)**	(105)
Income for the period	**268**	**229**
Return on Equity, 12 months rolling values	***13.0%***	*8.4%*

VOLVO GROUP FINANCIAL POSITION

Net financial debt, excluding provisions for post-employment benefits, in the Industrial Operations amounted to SEK 25.4 billion at March 31, 2013, an increase of SEK 6.2 billion compared to year-end 2012, and equal to 37.7% of shareholders' equity. The increase in net financial debt is mainly an effect of the negative operating cash flow of SEK 7.6 billion offset by a favorable currency effect of SEK 1.7 billion primarily related to a reduced debt in Japanese yen. Including provision for post-employment benefits, the Industrial Operations net debt amounted to SEK 42.7 billion, which is equal to 63.4% of shareholders' equity.

The Volvo Group's liquid funds, i.e. cash and cash equivalents and marketable securities combined, amounted to SEK 28.6 billion at March 31, 2013. In addition to this, granted but unutilized credit facilities amounted to SEK 32.1 billion.

During the first quarter, currency movements decreased the Volvo Group's total assets by SEK 6.6 billion related to revaluation of assets in foreign subsidiaries.

The equity ratio in the Volvo Group amounted to 22.7% on March 31, 2013 which is unchanged compared to year-end 2012 after restatement for the amendment to IAS 19 Employee benefits (For more information about the restatement please refer to note 31 in the 2012 annual report.) On the same date, the equity ratio in the Industrial Operations amounted to 27.2% (27.0).

At March 31, 2013 shareholder's equity in the Volvo Group amounted to SEK 76.0 billion.

Number of employees

On March 31, 2013 the Volvo Group had 96,031 regular employees and 14,583 temporary employees and consultants, compared with 96,137 regular employees and 13,452 temporary employees and consultants at year-end 2012.

BUSINESS SEGMENT OVERVIEW

Net sales	First quarter					
Mkr	**2013**	2012	Change, %	Change, % *	12 months rolling values	Jan–Dec 2012
Trucks	**37,031**	48,014	(23)	(17)	178,173	189,156
Construction Equipment	**12,136**	17,999	(33)	(29)	57,695	63,558
Buses	**3,482**	5,086	(32)	(27)	17,982	19,586
Volvo Penta	**1,839**	1,933	(5)	0	7,537	7,631
Volvo Aero	**-**	1,682	–	–	3,537	5,219
Group functions and other	**2,554**	4,146	(38)	(36)	12,605	14,197
Eliminations	**(662)**	(2,861)	–	–	(4,950)	(7,149)
Industrial operations	**56,380**	**75,999**	**(26)**	**(18)**	**272,579**	**292,198**
Customer Finance	**2,351**	2,367	(1)	5	9,767	9,783
Reclassifications and eliminations	**(387)**	(563)	–	–	(1,991)	(2,167)
Volvo Group	**58,344**	**77,803**	**(25)**	**(17)**	**280,355**	**299,814**

* Adjusted for exchange rate fluctuations and acquired and divested units.

Operating income	First quarter				
SEK M	**2013**	2012	Change, %	12 months rolling values	Jan–Dec 2012
Trucks	**101**	3,677	(97)	7,203	10,779
Construction Equipment	**500**	2,089	(76)	4,078	5,667
Buses	**(88)**	46	(291)	(97)	37
Volvo Penta	**100**	114	(12)	535	549
Volvo Aero	**-**	233	–	543	775
Group functions and other	**(516)**	(241)	–	(1,388)	(1,114)
Eliminations	**4**	(14)	–	(102)	(120)
Industrial operations	**101**	**5,906**	**(98)**	**10,769**	**16,573**
Customer Finance	**381**	334	14	1,543	1,496
Volvo Group	**482**	**6,240**	**(92)**	**12,312**	**18,069**

Operating margin	First quarter			
%	**2013**	2012	12 months rolling values	Jan–Dec 2012
Trucks	**0.3**	7.7	4.0	5.7
Construction Equipment	**4.1**	11.6	7.1	8.9
Buses	**(2.5)**	0.9	(0.5)	0.2
Volvo Penta	**5.4**	5.9	7.1	7.2
Volvo Aero	**-**	13.9	15.4	14.9
Industrial operations	**0.2**	**7.8**	**4.0**	**5.7**
Volvo Group	**0.8**	**8.0**	**4.4**	**6.0**

OVERVIEW OF INDUSTRIAL OPERATIONS

TRUCKS – sharply lower sales volumes and low capacity utilization impact profitability

- Sales down by 23%
- Low capacity utilization – under absorption of costs of SEK 1.5 billion
- Strong order intake
- Comprehensive product renewal under way

Low registrations in the beginning of the year, gradual improvement expected

In the first two months of 2013, registrations of heavy-duty trucks were down by 17% in Europe 28 (EU minus Bulgaria plus Norway and Switzerland) with significant differences between the countries still being apparent. This decline is explained by the low level of demand during the second half of 2012. The steady rise in the Group's orders over the past three months suggests that pre-buy purchases will bolster demand in 2013 despite the unfavorable economic climate. We maintain the outlook that the total market for heavy-duty trucks in Europe will reach a level of about 230,000 heavy-duty trucks (unchanged forecast).

In the first quarter of 2013, the total North American retail market for heavy-duty trucks decreased 14% to 50,286 vehicles, compared with 58,254 in the first quarter of 2012. Volvo Group market shares in North America came down in the beginning of the year, reflecting additional down weeks that were implemented in production. The construction segment is showing signs of recovery after years of weak performance, but the primary market driver continues to be replacement demand in the highway segment, which is tempered by lingering caution regarding the economy. In 2013, the total market for heavy-duty trucks in North America is expected to stay at a level of about 250,000 trucks (unchanged forecast).

In the first quarter of 2013, the Brazilian market for heavy-duty trucks decreased by 3%. The Brazilian market is expected to grow in 2013 driven by ongoing low financing rates, infrastructure investments and a strong crop season. The total Brazilian market for heavy-duty trucks is expected to increase and reach a level of about 105,000 trucks in 2013 (unchanged forecast).

In China, the total market for heavy-duty trucks is expected to reach a level of about 630,000 trucks in 2013 compared with 636,000 trucks in 2012. The total market for medium-duty trucks in China is expected to reach a level of about 305,000 trucks in 2013, compared with 290,000 trucks in 2012.

In India, the total market for heavy-duty trucks in the first three months of 2013 declined by 38% to 42,978 trucks (69,306). Demand is expected to pick up and the outlook for the total market for heavy-duty trucks in India is 195,000 trucks in 2013 compared with 185,000 trucks in 2012. The total Indian market for medium-duty trucks is expected to reach a level of about 95,000 trucks in 2013, compared with 94,000 trucks in 2012.

The Japanese heavy-duty truck market kept a good momentum in the first quarter and increased by 17% compared to the fourth quarter 2012. Economic measures by the new government have started in the beginning of the year and the significant ongoing investment in the public works project of more than 5 trillion yen is likely to stimulate Japanese GDP. For 2013, the total Japanese market for heavy-duty trucks is expected to increase to about 35,000 trucks (unchanged forecast).

Net sales by market area

	First quarter		
Mkr	**2013**	2012	Change in %
Europe	**14,846**	19,330	(23)
North America	**7,749**	11,376	(32)
South America	**5,155**	5,105	1
Asia	**6,207**	8,372	(26)
Other markets	**3,073**	3,831	(20)
Total	**37,031**	**48,014**	**(23)**

Deliveries per market

	First quarter		
Number of trucks	**2013**	2012	Change in %
Europe	**15,215**	19,996	(24)
North America	**7,707**	12,848	(40)
South America	**6,041**	5,137	18
Asia	**6,010**	7,851	(23)
Other markets	**3,443**	4,250	(19)
Total Trucks	**38,416**	**50,082**	**(23)**
Non-consolidated operations			
Eicher (100%)	**10,095**	11,954	(16)
DND (100%)	**54**	105	(49)
Total volumes	**48,565**	**62,141**	**(22)**

Sharp decline in deliveriesr

In the first quarter of 2013, the Volvo Group delivered a total of 38,416 trucks, which was 23% less than in the first quarter of 2012.

Continued improvement in orders

The truck operation's total net order intake continued to improve during the first three months. Orders were up by 11% in the first quarter compared with the year-earlier period, and compared with the fourth quarter 2012 orders improved by 30%.

In the first quarter of 2013 European orders reached 25,853 trucks, which was 10% higher than in the first quarter last year and 39% higher than in the fourth quarter of 2012. Orders for Volvo-branded trucks increased by 39% compared with the first quarter last year and by a full 59% compared with the fourth quarter last year. Despite the unfavorable economic climate, the increasing order intake over the past three months indicates that some customers are choosing to invest in new trucks ahead of the new emissions legislation Euro 6, which will be implemented on January 1, 2014. Compared with the first quarter of 2012 Renault Trucks' order intake declined by 17% reflecting continued weak demand in Southern Europe as well as high order intake in the first quarter of 2012. However, compared with the fourth quarter of 2012 order intake increased by 16%.

In North America, order intake during the first quarter increased by 34% compared with the fourth quarter of 2012. Compared to the first quarter last year order intake was down by 2%.

In South America, orders continued to improve, partly due to favorable financing rates and improved economic outlook in Brazil. Order intake in the first quarter increased by 61% compared with the same quarter last year and by 21% compared with the fourth quarter 2012.

Compared with the first quarter of 2012, orders in Asia and to Other markets increased by 4% and 9% respectively.

Net order intake per market	First quarter		
Number of trucks	**2013**	2012	Change in %
Europe	**25,853**	23,416	10
Volvo	**16,000**	11,536	39
Renault Trucks	**9 853**	11,880	(17)
North America	**13,436**	13,766	(2)
Volvo	**8,305**	7,768	7
Mack	**4,924**	5,865	(16)
South America	**9,025**	5,603	61
Asia	**8,109**	7,807	4
Other markets	**4,622**	4,232	9
Total Trucks	**61,045**	**54,824**	**11**
Non-consolidated operations			
Eicher (100%)*	**10,135**	11,766	(14)
DND (100%)	**57**	46	24
Total volumes	**71,237**	**66,636**	**7**

*For Eicher, order intake is calculated as the number of trucks delivered.

Operating margin of 0.3% due to sharply lower volumes, low capacity utilization and costs related to product renewal

During the first quarter of 2013, the truck operation's net sales amounted to SEK 37,031 M, which was 23% lower than in the first quarter of 2012. Adjusted for changes in exchange rates net sales declined by 17%. Lower sales were experienced in all regions except in South America.

The truck operations posted an operating income of SEK 101 M in the first quarter of 2013 compared with an operating income of SEK 3,677 M in the first quarter of 2012. The operating margin was 0.3%, compared with 7.7% in the year-earlier period. The lower operating income is a result of sharply lower sales as well as under absorption of costs in the range of SEK 1.5 billion due to low capacity utilization in the industrial system as a consequence of production rates being cut in a more rapid pace than the cost levels could be reduced. In the first quarter of 2012 under absorption of costs amounted to SEK 200 M.

The significantly lower profitability was also due to the high investment pace in research and development for the upcoming comprehensive product renewal and related launch costs in the sales, production and aftermarket support organizations. In all, these investments will increase competitiveness and improve industrial efficiency. Among the projects are the new Volvo FH series, the new Volvo FM series and the new Volvo FMX truck, a new Renault Trucks range, a new Value Truck range, a new medium-duty engine range and legislation-driven research and development for Euro 6.

Compared with the first quarter of 2012, operating income was negatively impacted by changes in currency exchange rates in an amount of SEK 326 M.

CONSTRUCTION EQUIPMENT – improved profitability over the fourth quarter on flat sales

- Continued weak demand in the global mining industry
- Volvo CE pipeline inventories in good balance
- Number one position in China maintained
- First wheel loader produced in Shippensburg, USA

Net sales by market area

SEK M	First quarter 2013	2012	Change in %
Europe	**3,479**	3,834	(9)
North America	**1,965**	3,318	(41)
South America	**749**	993	(25)
Asia	**5,299**	8,949	(41)
Other markets	**644**	905	(29)
Total	**12,136**	**17,999**	**(33)**

Deliveries per market

Number of machines	First quarter 2013	2012	Change in %
Europe	**2,810**	3,085	(9)
North America	**1,091**	1,807	(40)
South America	**733**	1,004	(27)
Asia	**10,639**	15,977	(33)
Other markets	**676**	580	17
Total deliveries	**15,949**	**22,453**	**(29)**
Of which:			
Volvo	**8,866**	11,528	(23)
SDLG	**7,083**	10,925	(35)
Of which in China	**6,055**	9,891	(39)

Most markets in decline

Measured in units, the total market for construction equipment in Europe decreased by 18% year-to-date February 2013 compared to the same period a year earlier. North America decreased by 7% while South America was down 20%. Asia excluding China decreased by 7% while China was down 42%.

The downturn in China has mainly been driven by considerable lower activities in the mining industry. However, Volvo CE has been able to maintain its strong position as the market leader with 14.8% share of the wheel loader and excavator market through February according to China Construction Machinery Association.

For 2013 the total market in Europe is expected to decline by 5% to 15% measured in units. North America, South America and China are all expected to be in the range of minus 5% to plus 5%. Asia, excluding China is expected to decline in the range of 0% to 10%. All forecasts are unchanged.

The big drop in deliveries in the first quarter of 2013 reflects that the global mining industry was booming in the first half of 2012, while there was a steep drop in demand during the second half and that the market has remained on a low level thereafter. Also, in the first quarter of 2012, there was an inventory build-up in the dealer channel that boosted deliveries. After significant destocking of the pipeline in the second half of 2012, inventories for Volvo CE and its dealers are currently in balance with demand.

In North America, the significant drop in deliveries is primarily a consequence of extraordinary high deliveries during 2012, as Volvo Rents as well as dealers both expanded and renewed their rental fleets following improving prospects for the construction sector. The drop in China can be traced to the slowdown in the mining segment, but also to measures taken by the government to cool down the real estate market.

The same explanation factors can also be found for the order intake. During the first quarter order intake for Volvo-branded machines amounted to 10,587 machines, compared to 8,866 delivered machines, which resulted in a book-to-bill ratio of 119%.

Significant drop in sales - down 33%

In the first quarter of 2013, net sales decreased by 33% to SEK 12,136 M (17,999). Adjusted for currency movements net sales decreased by 29%.

Sales were negatively impacted by lower volumes due to a softer world market in general and lower activities in the global mining industry in particular affecting sales of larger and more expensive products. The global mining industry, which was booming in the first half of 2012 and had a steep decline in the second half of 2012, is still on a low level, particularly in Asia.

Operating income decreased to SEK 500 M (2,089) and operating margin was 4.1% (11.6). Earnings in the first quarter were negatively impacted by considerably lower sales and a negative product mix due to lower sales into the higher margin mining segment.

Production in the first quarter was increased from a low level in order to balance inventories and meet spring season demand. However, capacity utilization was still low, which resulted in an under absorption of costs in the industrial system in an amount of approximately SEK 400 M. In the first quarter of 2012 there was no under absorption of costs.

Compared with the first quarter of 2012, operating income was positively impacted by changes in currency exchange rates in an amount of SEK 38 M.

Net order intake per market

Number of machines	First quarter 2013	First quarter 2012	Change in %
Europe	**3,256**	3,276	(1)
North America	**1,663**	3,152	(47)
South America	**832**	1,235	(33)
Asia	**10,861**	15,904	(32)
Other markets	**1,058**	900	18
Total orders	**17,670**	**24,467**	**(28)**
Of which:			
Volvo	**10,587**	13,542	(22)
SDLG*	**7,083**	10,925	(35)
Of which in China	**6,055**	9,891	(39)

*For SDLG-branded machines, order intake is calculated as the number of machines delivered.

Important events during the quarter

Volvo CE's USD 100 M investment program at its North American production hub passed an important milestone during the quarter. As well as the inauguration of a new headquarters building for its Americas sales region, the company also celebrated the start of wheel loader production at the company's expanded manufacturing facility in Shippensburg, Pennsylvania. Initially making L60-L90 wheel loaders, localized production will help the company become more flexible and responsive to its customers in the region as well as reducing the currency exposure.

BUSES –weak demand generating pricing pressure

» Lower sales volumes
» Operating loss of SEK 88 M
» Strategic orders secured

Global bus market remains on low levels

For the full year 2013 the European bus market is expected to remain on the same low level as in 2012. Price pressure is severe in most tenders in Europe as utilization of the production capacity in the industry remains very low.

In North America there are early indicators of a recovery in the transit market. The situation could however be affected by cuts in the US federal spending. Coach operators are still cautious in making new purchases due to pending tax raises.

In South America quoting activity has increased, mainly driven by low financing rates (FINAME) as well as World Cup tenders in Brazil and tenders for Bus Rapid Transit systems.

The Asian bus market continues to grow, but on lower levels. Tender activity remains healthy in China, while in India, the coach market has slowed down in the beginning of the year. In India, the government has announced a government grant for purchase of buses, JnNurm, valid 2013-2016.

Net sales by market area	First quarter		
SEK M	**2013**	2012	Change in %
Europe	**1,307**	1,198	9
North America	**1,124**	1,831	(39)
South America	**432**	1,110	(61)
Asia	**364**	530	(31)
Other markets	**255**	417	(39)
Total	**3,482**	**5,086**	**(32)**

Deliveries hampered by weak market development

Deliveries during the first quarter of 2013 amounted to 1,825 buses, compared to 2,565 units for the same period in 2012, which is a decrease of 29%. In a majority of the main markets deliveries were on a lower level compared to the same period in the previous year.

Order intake in the first quarter totaled 2,109 buses, which was 6% higher than the same period last year.

Volvo Buses further strengthened its position as a world leader in sales of hybrid buses. During the first quarter the first hybrid buses were delivered to the city of Luxembourg, along with an additional 44 Volvo hybrid buses to the UK. Perth in Australia also received the first hybrid bus of its kind in the Asia-Pacific region in January 2013. An order for 300 buses to Chicago was also signed, with an option of 150 units.

Operating loss in the first quarter

Net sales in the first quarter decreased by 32% to SEK 3,482 M (5,086). Adjusted for currency fluctuations, sales decreased by 27%. Buses reported an operating loss of SEK 88 M compared to an operating income of SEK 46 M during the first quarter of 2012. The main reasons for the lower earnings are the decline in sales and price pressure. Compared with the first quarter of 2012, operating income was positively impacted by changes in currency exchange rates in an amount of SEK 29 M. Operating margin was a negative 2.5% (positive 0.9%).

VOLVO PENTA –profitable on low sales levels

- Signs of some market improvements
- Launch of new range of industrial engines
- Operating margin of 5.4% (5.9)

Signs of markets improving from low levels

Global sales of marine engines remained weak during the first quarter of the year, although signs of increased activity were noted in certain parts of the leisure-boat market in Europe. In the US, boat sales in the quarter gradually improved, primarily in the outboard segment, but also other parts of the market reported a positive trend from low levels.

The total market for industrial engines strengthened slightly in Europe, while demand in many other major industrial engine markets, such as China and the Middle East, was stable to increasing.

Launch of new industrial engines

In conjunction with the Bauma International Trade Fair in Munich in April, Volvo Penta presented a complete product program comprising off-road industrial engines that meet legal requirements on emissions for 2014. Prototype deliveries of these high-technology five to 16-liter diesel engines are in progress and will contribute to strengthening positions for Volvo Penta within the strategically important off-road segment.

The volume in the order book as at March 31, 2013 was 16% higher than the year-earlier period.

Stable operating margin on low sales levels

Net sales for the first quarter of 2013 fell 5% year-on-year to SEK 1,839 M (1,933). Adjusted for currency fluctuations, sales were on the same level as last year. Sales were distributed between both business segments as follows: Marine SEK 1,029 M (1,103) and Industrial SEK 808 M (830).

The operating income amounted to SEK 100 M, compared with SEK 114 M in the year-earlier period. Earnings were negatively impacted by SEK 29 M in currency fluctuations, which were offset by a more favorable product mix. Costs for research and development remained at a high level to meet the expansion of the product program. The operating margin was 5.4% (5.9).

Net sales by market area	First quarter		
SEK M	**2013**	2012	Change in %
Europe	**935**	985	(5)
North America	**361**	336	7
South America	**67**	65	4
Asia	**382**	451	(15)
Other markets	**94**	95	(1)
Total	**1,839**	**1,933**	**(5)**

CONSOLIDATED INCOME STATEMENT
First quarter

	Industrial operations		Customer Finance		Eliminations		Volvo Group Total	
SEK M	**2013**	2012	**2013**	2012	**2013**	2012	**2013**	2012
Net sales	**56,380**	**75,999**	**2,351**	**2,367**	**(387)**	**(563)**	**58,344**	**77,803**
Cost of sales	**(44,800)**	(58,606)	**(1,413)**	(1,484)	**387**	563	**(45,827)**	(59,528)
Gross income	**11,580**	**17,393**	**937**	**883**	**0**	**0**	**12,517**	**18,275**
Research and development expenses	**(3,626)**	(3,670)	**0**	0	**0**	0	**(3,626)**	(3,670)
Selling expenses	**(6,395)**	(6,407)	**(393)**	(410)	**0**	0	**(6,789)**	(6,816)
Administrative expenses	**(1,295)**	(1,203)	**(10)**	(9)	**0**	0	**(1,305)**	(1,212)
Other operating income and expenses	**(184)**	(274)	**(153)**	(130)	**0**	0	**(337)**	(404)
Income from investments in joint ventures and associated companies	**42**	62	**0**	0	**0**	0	**42**	62
Income from other investments	**(20)**	6	**0**	0	**0**	0	**(20)**	6
Operating income	**101**	**5,906**	**381**	**334**	**0**	**0**	**482**	**6,240**
Interest income and similar credits	**98**	164	**0**	0	**0**	(40)	**98**	125
Interest expenses and similar charges	**(557)**	(855)	**0**	0	**0**	40	**(558)**	(815)
Other financial income and expenses	**(123)**	72	**0**	0	**0**	0	**(123)**	72
Income after financial items	**(481)**	**5,287**	**381**	**334**	**0**	**0**	**(101)**	**5,622**
Income taxes	**(35)**	(1,391)	**(112)**	(105)	**0**	0	**(147)**	(1,497)
Income for the period*	**(516)**	**3,896**	**268**	**229**	**0**	**0**	**(248)**	**4,125**
* Attributable to:								
Equity holders of the parent company							**(304)**	4,046
Minority interests							**56**	79
							(248)	**4,125**
Basic earnings per share, SEK							**(0.15)**	2.00
Diluted earnings per share, SEK							**(0.15)**	1.99

CONSOLIDATED OTHER COMPREHENSIVE INCOME
First quarter

SEK M	**2013**	2012
Income for the period	**(248)**	4,125
Items that will not be reclassified to income statement:		
Remeasurements of defined benefit pension plans	**668**	1,070
Items that may be reclassified subsequently to income statement:		
Exchange differences on translation of foreign operations	**(1,435)**	(1,247)
Share of OCI related to joint ventures and associated companies	**14**	(15)
Exchange differences on hedge instruments of net investment in foreign operations	**0**	0
Accumulated translation difference reversed to income	**0**	(66)
Available for sale investments	**(23)**	240
Cash flow hedges	**9**	(7)
Other comprehensive income, net of income taxes	**(767)**	(25)
Total comprehensive income for the period*	**(1,015)**	**4,100**
* Attributable to		
Equity holders of the parent company	**(1,072)**	4,064
Minority interests	**57**	35
	(1,015)	**4,100**

CONSOLIDATED BALANCE SHEET

SEK M	Industrial operations Mar 31 2013	Industrial operations Dec 31 2012	Customer Finance Mar 31 2013	Customer Finance Dec 31 2012	Eliminations Mar 31 2013	Eliminations Dec 31 2012	Volvo Group Total Mar 31 2013	Volvo Group Total Dec 31 2012
Assets								
Non-current assets								
Intangible assets	**38,078**	38,592	**103**	106	**0**	0	**38,181**	38,698
Tangible assets								
Property, plant and equipment	**52,948**	54,084	**100**	105	**0**	0	**53,048**	54,189
Assets under operating leases	**20,783**	21,263	**12,282**	12,543	**(4,916)**	(4,784)	**28,149**	29,022
Financial assets								
Investments in joint ventures and associated companies	**4,490**	4,523	**0**	0	**0**	0	**4,490**	4,523
Other shares and participations	**1,621**	1,614	**7**	6	**0**	0	**1,628**	1,620
Non-current customer-financing receivables	**600**	600	**46,704**	47,329	**(6,753)**	(6,773)	**40,551**	41,156
Deferred tax assets	**12,139**	15,106	**756**	770	**0**	0	**12,895**	15,876
Prepaid pensions	**184**	0	**0**	0	**0**	0	**184**	0
Non-current interest-bearing receivables	**1,281**	653	**0**	0	**(855)**	(316)	**426**	337
Other non-current receivables	**3,057**	3,334	**127**	127	**(190)**	(373)	**2,994**	3,088
Total non-current assets	**135,181**	**139,769**	**60,079**	**60,986**	**(12,714)**	**(12,246)**	**182,546**	**188,510**
Current assets								
Inventories	**41,683**	39,741	**248**	352	**0**	0	**41,931**	40,093
Current receivables								
Customer-financing receivables	**620**	797	**38,866**	39,946	**(909)**	(910)	**38,577**	39,833
Tax assets	**958**	978	**41**	35	**0**	0	**999**	1,013
Interest-bearing receivables	**1,988**	3,038	**950**	0	**(1,366)**	(464)	**1,572**	2,574
Internal funding	**571**	4,612	**0**	0	**(571)**	(4,612)	**0**	0
Accounts receivable	**27,374**	26,395	**178**	121	**0**	0	**27,552**	26,516
Other receivables	**12,212**	11,753	**1,343**	2,651	**(939)**	(2,114)	**12,616**	12,290
Marketable securities	**4,329**	3,129	**31**	1	**0**	0	**4,360**	3,130
Cash and cash equivalents	**22,959**	23,465	**1,623**	2,116	**(391)**	(374)	**24,191**	25,207
Total current assets	**112,694**	**113,908**	**43,280**	**45,222**	**(4,176)**	**(8,474)**	**151,798**	**150,656**
Total assets	**247,875**	**253,678**	**103,359**	**106,208**	**(16,890)**	**(20,720)**	**334,344**	**339,166**
Equity and liabilities								
Equity attributable to the equity holders of the parent company	**66,089**	67,227	**8,635**	8,558	**0**	0	**74,724**	75,785
Minority interests	**1,325**	1,266	**0**	0	**0**	0	**1,325**	1,266
Total equity	**67,414**	**68,493**	**8,635**	**8,558**	**0**	**0**	**76,049**	**77,051**
Non-current provisions								
Provisions for post-employment benefits	**17,486**	18,772	**73**	63	**0**	0	**17,559**	18,835
Provisions for deferred taxes	**413**	2,971	**1,833**	1,879	**0**	0	**2,246**	4,850
Other provisions	**5,917**	5,545	**182**	187	**17**	8	**6,116**	5,740
Non-current liabilities								
Bond loans	**43,493**	43,092	**0**	0	**0**	0	**43,493**	43,092
Other loans	**32,375**	33,351	**14,900**	11,630	**(6,495)**	(6,553)	**40,780**	38,428
Internal funding	**(29,666)**	(33,990)	**31,471**	34,298	**(1,805)**	(308)	**0**	0
Other liabilities	**13,069**	13,828	**579**	742	**(3,590)**	(3,856)	**10,058**	10,714
Current provisions	**10,004**	10,916	**50**	50	**14**	10	**10,068**	10,976
Current liabilities								
Loans	**44,952**	45,456	**7,412**	6,393	**(1,883)**	(1,836)	**50,481**	50,013
Internal funding	**(34,590)**	(33,746)	**35,348**	38,600	**(758)**	(4,854)	**0**	0
Trade payables	**44,401**	46,313	**177**	159	**0**	0	**44,578**	46,472
Tax liabilities	**409**	614	**164**	(154)	**0**	0	**573**	460
Other liabilities	**32,198**	32,063	**2,535**	3,803	**(2,390)**	(3,331)	**32,343**	32,535
Total equity and liabilities	**247,875**	**253,678**	**103,359**	**106,208**	**(16,890)**	**(20,720)**	**334,344**	**339,166**

CONSOLIDATED CASH FLOW STATEMENT
First quarter

	Industrial operations		Customer Finance		Eliminations		Volvo Group Total	
SEK bn	**2013**	2012	**2013**	2012	**2013**	2012	**2013**	2012
Operating activities								
Operating income	**0.1**	5.9	**0.4**	0.3	**0.0**	0.0	**0.5**	6.2
Depreciation tangible assets	**1.3**	1.4	**0.0**	0.0	**0.0**	0.0	**1.3**	1.4
Amortization intangible assets	**0.8**	0.7	**0.0**	0.0	**0.0**	0.1	**0.8**	0.8
Depreciation leasing vehicles	**0.7**	0.6	**0.7**	0.6	**0.0**	0.1	**1.4**	1.3
Other non-cash items	**(0.1)**	0.2	**0.1**	0.1	**0.0**	0.0	**0.0**	0.3
Total change in working capital whereof	**(6.2)**	(8.0)	**(0.3)**	(2.1)	**0.0**	(1.2)	**(6.5)**	(11.3)
Change in accounts receivable	***(1.2)***	*(3.7)*	***(0.1)***	*0.0*	***0.0***	*0.0*	***(1.3)***	*(3.7)*
Change in customer financing receivables	***0.2***	*0.2*	***(0.3)***	*(2.3)*	***(0.1)***	*(1.0)*	***(0.2)***	*(3.1)*
Change in inventories	***(2.7)***	*(3.9)*	***0.1***	*0.2*	***0.0***	*0.1*	***(2.6)***	*(3.6)*
Change in trade payables	***(1.3)***	*0.7*	***0.0***	*0.1*	***0.0***	*0.0*	***(1.3)***	*0.8*
Other changes in working capital	***(1.2)***	*(1.3)*	***0.0***	*(0.1)*	***0.1***	*(0.3)*	***(1.1)***	*(1.7)*
Interest and similar items received	**0.1**	0.2	**0.0**	0.0	**0.0**	0.0	**0.1**	0.2
Interest and similar items paid	**(0.5)**	(0.6)	**0.0**	0.0	**0.0**	0.0	**(0.5)**	(0.6)
Other financial items	**(0.1)**	(0.1)	**0.0**	0.0	**0.0**	0.0	**(0.1)**	(0.1)
Income taxes paid	**(0.6)**	(2.1)	**0.2**	(0.1)	**(0.1)**	0.0	**(0.5)**	(2.2)
Cash flow from operating activities	**(4.5)**	**(1.8)**	**1.1**	**(1.2)**	**(0.1)**	**(1.0)**	**(3.5)**	**(4.0)**
Investing activities								
Investments in tangible assets	**(1.6)**	(1.5)	**0.0**	0.0	**0.1**	0.0	**(1.5)**	(1.5)
Investments in intangible assets	**(1.3)**	(1.2)	**0.0**	0.0	**0.0**	0.0	**(1.3)**	(1.2)
Investment in leasing vehicles	**(0.3)**	(0.6)	**(1.3)**	(1.3)	**0.0**	0.0	**(1.6)**	(1.9)
Disposals of fixed assets and leasing vehicles	**0.1**	0.2	**0.5**	0.5	**0.0**	0.0	**0.6**	0.7
Operating cash flow	**(7.6)**	**(4.9)**	**0.3**	**(2.0)**	**0.0**	**(1.0)**	**(7.3)**	**(7.9)**
Investments and divestments of shares, net							**(0.1)**	0.0
Acquired and divested operations, net							**0.4**	(0.5)
Interest-bearing receivables incl marketable securites							**(1.4)**	(2.4)
Cash-flow after net investments							**(8.4)**	**(10.8)**
Financing activities								
Change in loans, net							**7.6**	8.8
Other							**0.0**	0.0
Change in cash and cash equivalents excl. translation differences							**(0.8)**	**(2.0)**
Translation difference on cash and cash equivalents							**(0.2)**	(0.4)
Change in cash and cash equivalents							**(1.0)**	**(2.4)**

CONSOLIDATED NET FINANCIAL POSITION

SEK M	Industrial operations Mar 31 2013	Industrial operations Dec 31 2012	Volvo Group Mar 31 2013	Volvo Group Dec 31 2012
Non-current interest-bearing assets				
Non-current customer-financing receivables	**-**	–	**40,551**	41,156
Non-current interest-bearing receivables	**1,281**	653	**426**	337
Current interest-bearing assets				
Customer-financing receivables	**-**	–	**38,577**	39,833
Interest-bearing receivables	**1,988**	3,038	**1,572**	2,574
Internal funding	**571**	4,612	**-**	–
Marketable securities	**4,329**	3,129	**4,360**	3,130
Cash and cash equivalents	**22,959**	23,465	**24,191**	25,207
Total financial assets	**31,128**	**34,897**	**109,677**	**112,237**
Non-current interest-bearing liabilities				
Bond loans	**(43,493)**	(43,092)	**(43,493)**	(43,092)
Other loans	**(32,375)**	(33,351)	**(40,780)**	(38,428)
Internal funding	**29,666**	33,990	**-**	–
Current interest-bearing liabilities				
Loans	**(44,952)**	(45,456)	**(50,481)**	(50,013)
Internal funding	**34,590**	33,746	**-**	–
Total financial liabilities	**(56,564)**	**(54,163)**	**(134,754)**	**(131,533)**
Net financial position excl post-employment benefits	**(25,436)**	**(19,266)**	**(25,077)**	**(19,296)**
Provisions for post-employment benefits, net	**(17,302)**	(18,772)	**(17,375)**	(18,835)
Net financial position incl post-employment benefits	**(42,738)**	**(38,038)**	**(42,452)**	**(38,131)**

CHANGES IN NET FINANCIAL POSITION, INDUSTRIAL OPERATIONS

SEK bn	First quarter 2013
Beginning of period	**(38.0)**
Cash flow from operating activities	(4.5)
Investments in fixed assets	(3.2)
Disposals	0.1
Operating cash-flow	**(7.6)**
Investments and divestments of shares, net	(0.1)
Acquired and divested operations, net	0.0
Capital injections to/from Customer Finance operations	0.1
Currency effect	1.7
Remeasurements of defined benefit pension plans	1.4
Other changes	(0.2)
Total change	**(4.7)**
Net financial position at end of period	**(42.7)**

CONSOLIDATED CHANGES IN TOTAL EQUITY

	First quarter	
SEK bn	**2013**	2012
Total equity at end of previous period	**77.1**	**85.7**
IFRS transition effect	**-**	**(8.8)**
Total equity at beginning of period	**77.1**	**76.9**
Shareholders' equity attributable to equity holders of the parent company at beginning of period	**75.8**	**75.8**
Income for the period	**(0.3)**	4.1
Other comprehensive income	**(0.8)**	0.0
Total comprehensive income	**(1.1)**	**4.1**
Dividend to AB Volvo's shareholders	**0.0**	0.0
Share-based payments	**0.0**	0.0
Transactions with minority interests	**0.0**	0.0
Other changes	**0.0**	0.0
Shareholders' equity attributable to equity holders of the parent company at end of period	**74.7**	**79.9**
Minority interests at beginning of period	**1.3**	**1.1**
Income for the period	**0.1**	0.1
Other comprehensive income	**(0.1)**	(0.1)
Total comprehensive income	**0.0**	**0.0**
Dividend	**0.0**	0.0
Minority regarding acquisitions and divestments	**0.0**	0.0
Other changes	**0.0**	0.0
Minority interests at end of period	**1.3**	**1.1**
Total equity at end of period	**76.0**	**81.0**

KEY RATIOS

Industrial operations	First quarter 2013	First quarter 2012
Gross margin, %	**20.5**	22.9
Research and development expenses in % of net sales	**6.4**	4.8
Selling expenses in % of net sales	**11.3**	8.4
Administrative expenses in % of net sales	**2.3**	1.6
Operating margin, %	**0.2**	7.8
	Mar 31 2013	Dec 31 2012
Return on operating capital, %, 12 months rolling values	**10.8**	16.7
Net financial position at end of period, SEK billion	**(42.7)**	(38.0)
Net financial position excl. pensions at end of period, SEK billion	**(25.4)**	(19.3)
Net financial position in % of total equity at end of period	**(63.4)**	(55.5)
Net financial position excl. pensions in % of total equity at end of period	**(37.7)**	(28.1)
Total equity as percentage of total assets, end of period	**27.2**	27.0

Customer Finance	Mar 31 2013	Dec 31 2012
Return on shareholders' equity, %, 12 months rolling values	**13.0**	12.5
Equity ratio at end of period, %	**8.4**	8.1
Asset growth, % from preceding year end until end of period	**(2.7)**	7.1

Volvo Group	First quarter 2013	First quarter 2012
Gross margin, %	**21.5**	23.5
Research and development expenses in % of net sales	**6.2**	4.7
Selling expenses in % of net sales	**11.6**	8.8
Administrative expenses in % of net sales	**2.2**	1.6
Operating margin, %	**0.8**	8.0

	Mar 31 2013	Dec 31 2012
Basic earnings per share, SEK, 12 months rolling values	**3.43**	5.61
Shareholders' equity, excluding minority interests, per share, at end of period, SEK	**36.8**	42.2
Return on shareholders' equity, %, 12 months rolling values	**9.3**	14.7
Total equity as percentage of total assets, end of period	**22.7**	22.7

SHARE DATA

	First quarter 2013	First quarter 2012
Basic earnings per share, SEK	**(0.15)**	2.00
Diluted earnings per share, SEK	**(0.15)**	1.99
Number of shares outstanding, million	**2,028**	2,028
Average number of shares during period, million	**2,028**	2,027
Average diluted number of shares during period, million	**2,030**	2,028
Number of company shares, held by AB Volvo, million	**101**	101
Average number of company shares, held by AB Volvo, million	**101**	101

QUARTERLY FIGURES

SEK M unless otherwise stated **Industrial operations**	1/2012	2/2012	3/2012	4/2012	**1/2013**
Net sales	**75,999**	**80,977**	**66,289**	**68,934**	**56,380**
Cost of sales	(58,606)	(61,425)	(52,422)	(55,292)	**(44,800)**
Gross income	**17,393**	**19,552**	**13,867**	**13,642**	**11,580**
Research and development expenses	(3,670)	(3,883)	(3,277)	(3,805)	**(3,626)**
Selling expenses	(6,407)	(6,755)	(6,104)	(6,964)	**(6,395)**
Administrative expenses	(1,203)	(1,488)	(1,304)	(1,540)	**(1,295)**
Other operating income and expenses	(274)	(97)	(671)	(496)	**(184)**
Income from investments in joint ventures and associated companies	62	18	4	16	**42**
Income from other investments	6	(25)	21	(44)	**(20)**
Operating income Industrial operations	**5,906**	**7,322**	**2,536**	**809**	**101**
Customer Finance					
Finance and lease income	2,367	2,487	2,421	2,507	**2,351**
Finance and lease expenses	(1,484)	(1,521)	(1,501)	(1,530)	**(1,413)**
Gross income	**883**	**966**	**920**	**977**	**937**
Selling and administrative expenses	(419)	(446)	(421)	(408)	**(403)**
Credit provision expenses	(127)	(194)	(135)	(184)	**(161)**
Other operating income and expenses	(4)	61	20	6	**8**
Operating income Customer Finance	**334**	**387**	**384**	**391**	**381**
Volvo Group					
Operating income	**6,240**	**7,709**	**2,920**	**1,200**	**482**
Interest income and similar credits	125	35	9	284	**98**
Interest expense and similar charges	(815)	(703)	(605)	(826)	**(558)**
Other financial income and expenses	72	(244)	45	49	**(123)**
Income after financial items	**5,622**	**6,796**	**2,370**	**706**	**(101)**
Income taxes	(1,497)	(1,823)	(958)	163	**(147)**
Income for the period*	**4,125**	**4,972**	**1,412**	**869**	**(248)**
* Attributable to					
Equity holders of AB Volvo	4,046	4,891	1,400	821	**(304)**
Minority interests	79	81	11	48	**56**
	4,125	**4,972**	**1,412**	**869**	**(248)**
Key operating ratios, Industrial operations					
Gross margin, %	22.9	24.1	20.9	19.8	**20.5**
Research and development expenses in % of net sales	4.8	4.8	4.9	5.5	**6.4**
Selling expenses in % of net sales	8.4	8.3	9.2	10.1	**11.3**
Administrative expenses in % of net sales	1.6	1.8	2.0	2.2	**2.3**
Operating margin , %	7.8	9.0	3.8	1.2	**0.2**
Depreciation and amortization, included above					
Product and Software development, amortization	647	634	707	741	**706**
Other intangible assets, amortization	93	90	88	133	**81**
Tangible assets, depreciation	2,695	2,703	2,832	3,266	**2,766**
Total	**3,434**	**3,427**	**3,627**	**4,140**	**3,553**
Of which					
Industrial operations	2,779	2,733	2,924	3,423	**2,849**
Customer Finance	656	693	703	716	**705**
Total	**3,434**	**3,427**	**3,627**	**4,140**	**3,553**
Research and development expenses					
Capitalization	996	1,128	1,224	1,304	**1,172**
Amortization	(580)	(577)	(574)	(635)	**(610)**
Net capitalization of research and development expenses	**416**	**551**	**651**	**669**	**562**

QUARTERLY FIGURES

Share data	1/2012	2/2012	3/2012	4/2012	**1/2013**
Earnings per share, SEK*	2.00	2.41	0.69	0.41	**(0.15)**
Number of shares outstanding, million	2,028	2,028	2,028	2,028	**2,028**
Average number of shares during period, million	2,027	2,027	2,027	2,028	**2,028**
Number of company shares, held by AB Volvo, million	101	101	101	101	**101**

* 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.

Net sales SEK M	1/2012	2/2012	3/2012	4/2012	**1/2013**
Trucks	48,014	50,518	43,634	46,990	**37,031**
Construction Equipment	17,999	19,715	13,272	12,572	**12,136**
Buses	5,086	5,040	4,076	5,384	**3,482**
Volvo Penta	1,933	2,224	1,720	1,754	**1,839**
Volvo Aero	1,682	1,945	1,592	–	**-**
Group Functions and other	4,146	4,742	2,589	2,718	**2,554**
Eliminations	(2,861)	(3,206)	(594)	(485)	**(662)**
Industrial operations	**75,999**	**80,977**	**66,289**	**68,934**	**56,380**
Customer Finance	2,367	2,487	2,422	2,507	**2,351**
Reclassifications and eliminations	(563)	(522)	(452)	(630)	**(387)**
Volvo Group	**77,803**	**82,943**	**68,256**	**70,811**	**58,344**

Operating income SEK M	1/2012	2/2012	3/2012	4/2012	**1/2013**
Trucks	3,677	4,284	1,815	1,002	**101**
Construction Equipment	2,089	2,742	602	235	**500**
Buses	46	188	(64)	(132)	**(88)**
Volvo Penta	114	279	144	13	**100**
Volvo Aero	233	315	228	–	**-**
Group Functions and other	(241)	(439)	(143)	(290)	**(516)**
Eliminations	(14)	(47)	(43)	(17)	**4**
Industrial operations	**5,906**	**7,322**	**2,536**	**809**	**101**
Customer Finance	334	387	384	391	**381**
Volvo Group	**6,240**	**7,709**	**2,920**	**1,200**	**482**

Operating margin %	1/2012	2/2012	3/2012	4/2012	**1/2013**
Trucks	7.7	8.5	4.2	2.1	**0.3**
Construction Equipment	11.6	13.9	4.5	1.9	**4.1**
Buses	0.9	3.7	(1.6)	(2.5)	**(2.5)**
Volvo Penta	5.9	12.5	8.4	0.7	**5.4**
Volvo Aero	13.9	16.2	14.3	–	**-**
Industrial operations	**7.8**	**9.0**	**3.8**	**1.2**	**0.2**
Volvo Group	**8.0**	**9.3**	**4.3**	**1.7**	**0.8**

ACCOUNTING PRINCIPLES

The Volvo Group applies International Financial Reporting Standards (IFRS) as endorsed by the EU. The accounting principles adopted are consistent with those described in the 2012 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 parent company applies the Annual Accounts Act and RFR 2 Reporting for legal entities. Application of RFR 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 2013

As from January 1, 2013 Volvo applies the following new accounting standards:

IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements, IFRS 12 Disclosures of Interest in Other Entities, IFRS 13 Fair value measurement, revised *IAS 27 Separate Financial Statements,* revised *IAS 28 Investments in Associates and Joint Ventures,* revised *IAS 1 Presentation of financial statements,* amendment to *IFRS 7 Financial instrument: Disclosures* and the amendment to *IAS 19 Employee Benefits.*

The major accounting changes are:

– The joint ventures of the Volvo Group are accounted for using the equity method, as the formerly applied proportional method is no longer a valid accounting choice according to IFRS 11. The equity share in the joint venture VE Commercial Vehicles (VECV) is recognised at 45.6%. The 8.4% share in the other joint partner, the listed company Eicher Motors Ltd., is accounted for as other shares and participations and is revalued over other comprehensive income.

– The Volvo Group ceases to account for defined pension liabilities using the so called corridor method in accordance with IAS 19. Changes in the net defined pension liability or asset are instead recognized in profit or loss and other comprehensive income when they occur.

– The Volvo Group changes the presentation of the hedging effects on firm flows to be included in the finance net. They were previously reported within operating income.

The new accounting principles are applied retrospectively and hence the income statement and balance sheet for 2012 have been adjusted accordingly. Note 31 in the Volvo Group Annual Report 2012 describes the content of the new accounting principles, that are material for the Volvo Group, in more detail and presents the effect of the new principles on the quarterly consolidated income statement and balance sheet, net financial position and segment reporting for the comparative year 2012. The Annual Report is available at www.volvogroup.com

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 72-73 in the 2012 Annual Report for the Volvo Group. The Annual Report is available at www.volvogroup.com.

Risk updates for the period

Short-term risks, when applicable, are also described in the respective report per business area of this report.

Uncertainty regarding customers' access to the financing of products might have a negative impact on demand.

Due to the present market conditions Volvo sees increased supplier risks where some suppliers are under financial pressure. Consequences thereof could be increased cost for Volvo or disruptions in production.

Volvo verifies annually, or more frequently if necessary, the goodwill value of its business areas and other intangible assets 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. This is the case for Rents, included in segment Group functions and Other. Instability in the business recovery and volatility in interest and currency rates may lead to indications of impairment.

The reported amounts for contingent liabilities reflect a part of Volvo's risk exposure. Note 24 of the Volvo Group Annual Report 2012, describes the legal proceedings and investigations the Group is currently involved in and subject to, which are of such nature that the Group could not exclude that they may affect the Group's result and cash flow with an amount that may be material. The on-going legal proceedings and investigations are progressing but during the first quarter no material change has occurred in these matters compared to the description provided in note 24 of the Volvo Group Annual Report 2012. Total contingent liabilities as of March 31, 2013, amounted to SEK 17.3 billion, a decrease of SEK 0.5 billion compared to December 31, 2012. A major part of the total contingent liabilities is related to credit guarantees issued as a result of sales in emerging markets.

CORPORATE ACQUISITIONS AND DIVESTMENTS

Volvo has not made any acquisitions or divestments during the first quarter that have had a significant impact on the Volvo Group.

The letter of intent with MAPE to divest the crankshaft plant in Leganes, Spain, as communicated on October 5, 2012 has been cancelled and the sales process has been discontinued. The intended transaction was not expected to have any material impact on the Volvo Group's earnings or financial position.

EXTENDED CURRENCY DISCLOSURES

Currency effect on operating income Industrial operations	Compared to first quarter 2012			Compared to fourth quarter 2012		
Mkr	First quarter 2013	First quarter 2012	**Change**	First quarter 2013	Fourth quarter 2012	**Change**
Net flows in foreign currency			**(567)**			**(348)**
Realized gains and losses on currency risks derivates [1]	8	0	**8**	8	3	**5**
Unrealized gains and losses on receivables and liabilites in foreign currency	245	(255)	**500**	245	16	**229**
Unrealized gains and losses on currency risks derivates [1]	(6)	5	**(11)**	(6)	1	**(7)**
Translation effect on operating income in foreign subsidiaries			**(98)**			**6**
Total currency effect on operating income Industrial operations			**(168)**			**(115)**

The currency effect from Volvo Aero has been excluded in the first quarter 2012.

[1] Unrealized and realized gains and losses on currency risks derivatives has been moved to other financial income and expense with SEK 156 M in the first quarter 2012 and a negative SEK 96 M in the fourth quarter 2012.

Applicable currency rates	Quarterly exchange rates		Close rates	
	First quarter 2013	First quarter 2012	March 31, 2013	Dec 31, 2012
BRL	3.22113	3.82171	3.22870	3.18850
CNY	1.03375	1.06964	1.04790	1.04560
EUR	8.50635	8.86246	8.34735	8.62585
JPY	0.06994	0.08525	0.06926	0.07569
USD	6.43459	6.75073	6.51745	6.51685

FINANCIAL INSTRUMENTS

SEK M	March 31, 2013 Carrying value	Fair value
Assets		
Financial assets at fair value through profit and loss [1]		
The Volvo Group's outstanding interest and currency risk derivatives	3,012	3,012
The Volvo Group's outstanding raw materials derivatives	4	4
Marketable securities	4,360	4,360
	7,376	**7,376**
Loans receivable and other receivables		
Accounts receivable	27,552	–
Customer financing receivables [2]	79,128	–
Other interest-bearing receivables	925	–
	107,605	**-**
Financial assets available for sale		
Holding of shares in listed companies	1,095	1,095
Holding of shares in non-listed companies	533	–
	1,628	**1,095**
Cash and cash equivalents	**24,191**	**24,191**
Liabilities		
Financial liabilities at fair value through profit and loss [1]		
The Volvo Group's outstanding interest and currency risk derivatives [3]	3,484	3,484
The Volvo Group's outstanding raw materials derivatives	54	54
	3,538	**3,538**
Financial liabilities valued at amortized cost [4]		
Long term bond loans and other loans	84,179	88,590
Short term bank loans and other loans	48,283	46,763
	132,462	**135,353**
Trade Payables	**44,578**	**-**

[1] IFRS 7 classifies financial instruments based on the degree that market values have been utilized when measuring fair value. All financial instruments measured at fair value held by Volvo are classified as level 2 with the exception of shares and participations, which are classified as level 1 for listed instruments and level 3 for unlisted instruments. Refer to Note 5 in the Volvo Group Annual Report 2012 for more information regarding valuation principles. None of these individual shareholdings is of significant value for Volvo. The valuation of level 2 instruments is based on market conditions using quoted market data existing at each balance sheet date. The basis for the interest is the zero-coupon-curve in each currency which calculates the present value of all the estimated future cash-flows. The fair value of forward exchange contracts is discounted to balance sheet date based on the forward rates for each currency as per balance sheet date.

[2] Volvo does not estimate the risk premium for the customer financing receivables and chooses therefore not to disclose fair value for this category.

[3] Includes a fair value of a loan related to hedge accounting negative SEK 1,328 M, netted against the derivative used to hedge the risk positive SEK 1,310 M.

[4] In the Volvo Group consolidated financial position, financial liabilities include loan-related derivatives amounting to a negative SEK 2,292 M. These derivatives are presented as financial liabilities at fair value through profit and loss in the table above.

In accordance with Volvo Group policy, Volvo Group enters into netting agreement (primarily so called ISDA agreements) with all counterparts eligible for derivative transactions. The netting agreements provide the possibility for assets and liabilities to be set off under certain circumstances, such as in the case of the counterpart's insolvency. These netting agreements have no effect on the financial result and position of the Volvo Group, since derivative transactions are accounted for on a gross-basis. The Volvo Group is actively working with limits per counterpart in order to reduce risk for high net amounts towards individual counterparts. The table above presents financial instruments in gross amounts with a note on a net presentation of a loan and derivative related to hedge accounting.

RELATED-PARTY TRANSACTIONS

Sales to associated companies amounted to SEK 656 M (409) and purchases from associated companies amounted to SEK 535 M (14) during the first quarter of 2013. As of March 31, 2013, receivables from associated companies amounted to SEK 278 M (242) and liabilities to associated companies to SEK 568 M (632). Sales to joint ventures amounted to SEK 155 M (188) and purchases from joint ventures amounted to SEK 29 M (17) during the first quarter of 2013. As of March 31, 2013, receivables from joint ventures amounted to SEK 64 M (91) and liabilities to joint ventures to SEK 55 M (108).

PARENT COMPANY

Income Statement	First quarter	
SEK M	**2013**	2012
Net sales [1]	**96**	**146**
Cost of sales [1]	**(96)**	(146)
Gross income	**0**	**0**
Operating expenses [1]	**(286)**	(174)
Income from investments in Group companies	**(297)**	(358)
Income from investments in joint ventures and associated companies	**31**	36
Income from other investments	**-**	5
Operating income (loss)	**(552)**	**(491)**
Interest income and expenses	**(248)**	(401)
Other financial income and expenses	**(54)**	(11)
Income after financial items	**(854)**	**(903)**
Income taxes	**187**	248
Income for the period	**(667)**	**(655)**

[1] Of net sales in the fourth quarter, SEK 95 M (119) pertained to Group companies, while purchases from Group companies amounted to SEK 82 M (93).

Other comprehensive income		
Income for the period	**(667)**	**(655)**
Items that may be reclassified subsequently to income statement:		
Available-for-sale investments	**(75)**	210
Other comprehensive income, net of income taxes	**(75)**	**210**
Total comprehensive income for the period	**(742)**	**(445)**

Balance Sheet SEK M	**March 31 2013**	Dec 31 2012
Assets		
Non-current assets		
Intangible assets	**48**	52
Tangible assets	**73**	74
Financial assets		
Shares and participations in Group companies	**61,011**	56,832
Receivables from Group companies	**104**	83
Investments in joint ventures and associated companies	**3,374**	3,374
Other shares and participations	**716**	791
Deferred tax assets	**2,150**	1,964
Total non-current assets	**67,476**	**63,170**
Current assets		
Short-term receivables from Group companies	**12,056**	12,406
Other short-term receivables	**875**	1,078
Cash and bank accounts	**0**	0
Total current assets	**12,931**	**13,484**
Total assets	**80,407**	**76,654**
Shareholders' equity and liabilities		
Shareholders' equity		
Restricted equity	**9,891**	9,891
Unrestricted equity	**31,162**	31,889
Untaxed reserves	**4**	4
Provisions	**171**	175
Non-current liabilities [1]	**7**	7
Currrent liabilities [2]	**39,172**	34,688
Total shareholders´equity and liabilities	**80,407**	**76,654**

[1] Of which SEK 7 M (7) pertains to Group companies.
[2] Of which SEK 38,655 M (34,164) pertains to Group companies.

As from January 1, 2013 the holding in the listed company Eicher Motor Ltd was revaluated to market value. Revaluation during the first quarter decreased the value by SEK 75 M, recognized in other comprehensive income. The comparative figures for 2012 have been restated, which in the first quarter resulted in an increase in the comprehensive income of SEK 149 M. Restatement of the value of the holding in Eicher Motors Ltd as of December 31 2012 has resulted in an increase of Other shares and participations and Unrestricted shareholders´ equity with SEK 543 M.

VE Commercial Vehicles Ltd, previously classified as an associated company in the Parent company, is from January 1, 2013 reclassified as a joint venture. This reclassification has not had any financial impact.

During the first quarter subscription in Volvo Group Japan Co has been made by SEK 3,392 M and shareholders' contribution has been given to VNA Holding Inc. by SEK 787 M, in form of total shares in Prévost Car (US) Inc.

Investments in tangible assets amounted to SEK 5 M (74).

Financial net debt amounted to SEK 32,361 M at the end of the first quarter (27,042).

Events after the balance sheet date

See Important events on page 5 of this report. No other significant events have occurred after the end of the first quarter 2013 that are expected to have a substantial effect on the Volvo Group.

Göteborg, April 25, 2013
AB Volvo (publ)

Olof Persson
President and CEO

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

DELIVERIES

Delivered Trucks	First quarter 2013	First quarter 2012	Change in %
Group Trucks[1]			
Europe	**15,216**	19,996	(24)
Western Europe	**11,992**	15,931	(25)
Eastern Europe	**3,224**	4,065	(21)
North America	**7,707**	12,848	(40)
South America	**6,041**	5,136	18
Asia	**6,010**	7,851	(23)
Other markets	**3,440**	4,251	(19)
Total Group Trucks	**38,416**	**50,082**	**(23)**
Light duty (< 7 tons)	**2,861**	4,200	(32)
Medium duty (7-16 tons)	**3,655**	5,256	(30)
Heavy duty (>16 tons)	**31,900**	40,626	(21)
Total Group Trucks	**38,416**	**50,082**	**(23)**
Non-consolidated operations			
Eicher (100%)	**10,095**	11,954	(16)
DND (100%)	**54**	105	(49)
Total volumes	**48,565**	**62,141**	**(22)**
Mack Trucks			
Europe	**1**	–	–
Western Europe	**1**	–	–
Eastern Europe	**-**	–	–
North America	**3,558**	6,142	(42)
South America	**555**	438	27
Asia	**-**	2	(100)
Other markets	**205**	340	(40)
Total Mack Trucks	**4,319**	**6,922**	**(38)**
Light duty (< 7 tons)	**-**	–	–
Medium duty (7-16 tons)	**-**	–	–
Heavy duty (>16 tons)	**4,319**	6,922	(38)
Total Mack Trucks	**4,319**	**6,922**	**(38)**
Renault Trucks			
Europe	**7,228**	10,006	(28)
Western Europe	**6,651**	8,974	(26)
Eastern Europe	**577**	1,032	(44)
North America	**22**	32	(31)
South America	**166**	207	(20)
Asia	**452**	817	(45)
Other markets	**1,019**	1,232	(17)
Total Renault Trucks	**8,887**	**12,294**	**(28)**
Light duty (< 7 tons)	**2,541**	3,737	(32)
Medium duty (7-16 tons)	**1,615**	1,808	(11)
Heavy duty (>16 tons)	**4,731**	6,749	(30)
Total Renault Trucks	**8,887**	**12,294**	**(28)**

[1] 2012 restated for new accounting rules, effective January 1, 2013, where 50/50 joint-ventures are consolidated using the equity method instead of the proportionate method.

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 7.20 a.m. on April 25, 2013.

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		
	2013	2012	Change in %
Volvo Trucks			
Europe	**7,987**	9,990	(20)
Western Europe	**5,340**	6,957	(23)
Eastern Europe	**2,647**	3,033	(13)
North America	**3,973**	6,498	(39)
South America	**5,297**	4,464	19
Asia	**2,650**	2,643	0
Other markets	**1,154**	1,419	(19)
Total Volvo Trucks	**21,061**	**25,014**	**(16)**
Light duty (< 7 tons)	**-**	–	–
Medium duty (7-16 tons)	**319**	418	(24)
Heavy duty (>16 tons)	**20,742**	24,596	(16)
Total Volvo Trucks	**21,061**	**25,014**	**(16)**
UD Trucks [1]			
Europe	**-**	–	–
Western Europe	**-**	–	–
Eastern Europe	**-**	–	–
North America	**154**	176	(13)
South America	**23**	27	(15)
Asia	**2,908**	4,389	(34)
Other markets	**1,064**	1,260	(16)
Total UD Trucks	**4,149**	**5,852**	**(29)**
Light duty (< 7 tons)	**320**	463	(31)
Medium duty (7-16 tons)	**1,721**	3,030	(43)
Heavy duty (>16 tons)	**2,108**	2,359	(11)
Total UD Trucks	**4,149**	**5,852**	**(29)**
Non-consolidated operations			
DND (100%)	**54**	105	(49)
Total volumes	**4,203**	**5,957**	**(29)**
Eicher (100%) [2]			
Europe	**-**	–	–
Western Europe	**-**	–	–
Eastern Europe	**-**	–	–
North America	**-**	–	–
South America	**-**	–	–
Asia	**10,095**	11,954	(16)
Other markets	**-**	–	–
Total Eicher	**10,095**	**11,954**	**(16)**
Light duty (< 7 tons)	**1,202**	1,515	(21)
Medium duty (7-16 tons)	**6,611**	8,060	(18)
Heavy duty (>16 tons)	**2,282**	2,379	(4)
Total Eicher	**10,095**	**11,954**	**(16)**

[1] 2012 restated for new accounting rules, effective January 1, 2013, where 50/50 joint-ventures are consolidated using the equity method instead of the proportionate method.

[2] As of 2013 Eicher is reported under the equity method and consequently sales and deliveries are not consolidated in the Volvo Group.

Delivered Buses	First quarter		
	2013	2012	Change in %
Buses			
Europe	**462**	479	(4)
Western Europe	**449**	462	(3)
Eastern Europe	**13**	17	(24)
North America	**286**	581	(51)
South America	**664**	863	(23)
Asia	**293**	423	(31)
Other markets	**120**	219	(45)
Total Buses	**1,825**	**2,565**	**(29)**

Further publication dates

Report on the second quarter 2013	July 24, 2013
Report on the third quarter 2013	October 25, 2013

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