

REPORT ON THE THIRD QUARTER 2015



- » In the third quarter net sales increased by 9% to SEK 73.3 billion (67.2). Adjusted for currency movements and acquired and divested units sales increased by 1%.
- » Operating income amounted to SEK 5,087 M (2,908) excluding restructuring charges of SEK 434 M (659). Currency exchange rates had a positive impact of SEK 831 M.
- » The operating margin excluding restructuring charges amounted to 6.9% (4.3).
- » Operating cash flow in the Industrial Operations amounted to SEK –3.3 billion (0.9).
- » Truck order intake decreased by 15% and order intake of construction equipment decreased by 34%.

	Third quarter		First nine months	
	2015	2014	2015	2014
Net sales, SEK M	73,309	67,222	232,879	205,469
Operating income excl. restructuring charges, SEK M	5,087	2,908	20,270	9,822
Operating margin excl. restructuring charges, %	6.9	4.3	8.7	4.8
Restructuring charges, SEK M	(434)	(659)	(1,462)	(1,739)
Operating income, SEK M	4,653	2,250	18,808	8,082
Operating margin, %	6.3	3.3	8.1	3.9
Income after financial items, SEK M	4,188	2,285	16,517	7,375
Income for the period, SEK M	3,073	1,545	12,502	5,219
Diluted earnings per share, SEK	1.51	0.74	6.14	2.49
Operating cash flow in Industrial Operations, SEK bn	(3.3)	0.9	3.6	(4.2)
Return on shareholders' equity, 12 months rolling, %			11.7	7.4
Net order intake, number of trucks	42,648	50,449	148,969	158,569
Net order intake, number of machines	7,898	11,935	35,298	48,519

CEO'S COMMENTS

Strengthened profitability on flat volumes



We continue to strengthen our profitability in the third quarter of the year. Operating income excluding restructuring charges amounted to SEK 5.1 billion. This is an improvement of 75 percent compared with the corresponding quarter in 2014 and the operating margin improved by 2.6 percentage points to 6.9 percent. Sales amounted to SEK 73.3 billion, which was an increase of 9 percent. Adjusted for currency movements, sales increased by 1 percent.

The development in the truck market is largely in line with our expectations. We see a continued improvement in Europe. As we noted after the second quarter, demand in North America is declining, albeit from a very high level. Brazil remains weak and Asia, with the exception of China, is relatively stable. Order intake during the quarter was 15 percent lower than in the third quarter of 2014, mainly driven by the slowdown in North and South America. In total we delivered 47,338 trucks during the quarter, which is an increase of 3 percent. Sales amounted to SEK 50.2 billion, which is an improvement of 11 percent. Earnings for the truck operations were SEK 3.6 billion, an improvement of 65 percent.

Sales of construction equipment declined during the quarter. The number of delivered machines was 25 percent lower than in the year-earlier period. Volvo CE, however continued to gain market shares on larger machines. Despite the low demand in many markets, Volvo CE generated an operating income of SEK 576 M for the quarter, after further provisions for expected credit losses in China of SEK 293 M. Currency effects and product mix, combined with reduced costs, contribute to the result.

We delivered largely the same number of buses as in the preceding year. A favorable product mix meant that net sales grew 20 percent. Operating income increased to SEK 337 M, with a margin of 6.1 percent.

Volvo Penta had yet another strong quarter, with a renewed and expanded, innovative product portfolio. Sales were SEK 2.3 billion – up 18 percent. The operating margin was 13.5 percent and order bookings grew by 10 percent.

The work on the efficiency program is running according to plan measured in local currencies. As announced earlier, we intend to divest the external IT business and outsource the operation of our own IT infrastructure, effective from the second quarter of 2016. This is part of the efficiency program and leads to a capital gain of approximately SEK 900 M as well as significantly lower running costs. At the same time, 2,600 employees at Volvo IT will transfer to a business in which IT-infrastructure is the core business.

The Industrial Operation's operating cash flow during the third quarter is negative in an amount of SEK 3.3 billion due to the normal seasonal reduction of trade payables.

Jan Gurander
Acting President and CEO during the third quarter of 2015

FINANCIAL SUMMARY OF THE THIRD QUARTER

Net sales

In the third quarter of 2015, net sales for the Volvo Group amounted to SEK 73,309 M (67,222) with growth coming from North America and Europe. However, this was partly offset by a significant decline in South America. Adjusted for changes in currency exchange rates net sales increased by 1% compared to last year.

Operating income

Operating income amounted to SEK 4,653 M (2,250), including restructuring charges of SEK 434 M (659). Excluding restructuring charges, operating income amounted to SEK 5,087 M (2,908) corresponding to an operating margin of 6.9% (4.3).

Compared with the third quarter of 2014, gross income was positively impacted by favorable currency development, somewhat higher sales as well as higher profitability in North America and Europe. This was partly offset by significantly lower earnings in Brazil and China. Earnings were also positively impacted by lower operating

expenses for research and development, selling and administrative expenses in an amount of SEK 301 M, partly as an effect of increased R&D capitalization. Adjusted for negative currency development the decrease of operating expenses was SEK 630 M.

Operating income includes a negative impact from a provision for expected credit losses in Volvo CE China in amount of SEK 293 M in Volvo CE.

Operating income in the third quarter of 2014 was negatively impacted by a provision for a litigation of SEK 422 M.

The total impact on operating income from changes in currencies was favorable in an amount of SEK 831 M compared to the same quarter last year.

Net financial items

Compared with the third quarter of 2014, net interest expense increased due to higher interest rates on outstanding debt. Net interest expense amounted to SEK 510 M (395). Net interest expense in the second quarter of

Consolidated income statement, Volvo Group SEK M	Third quarter		First nine months	
	2015	2014	2015	2014
Net sales	73,309	67,222	232,879	205,469
Cost of sales	(56,042)	(51,991)	(178,896)	(159,129)
Gross income	17,266	15,231	53,983	46,340
Research and development expenses	(3,497)	(3,803)	(11,524)	(12,220)
Selling expenses	(6,460)	(6,539)	(20,560)	(20,193)
Administrative expenses	(1,223)	(1,139)	(4,240)	(3,888)
Other operating income and expenses	(1,348)	(1,511)	(3,411)	(2,003)
Income (loss) from investments in joint ventures and associated companies	(75)	9	(43)	29
Income from other investments	(10)	3	4,603	17
Operating income	4,653	2,250	18,808	8,082
Interest income and similar credits	58	83	204	250
Interest expense and similar charges	(568)	(478)	(1,683)	(1,477)
Other financial income and expenses	45	430	(811)	520
Income after financial items	4,188	2,285	16,517	7,375
Income taxes	(1,115)	(740)	(4,015)	(2,156)
Income for the period*	3,073	1,545	12,502	5,219
*Attributable to:				
Equity holders of the parent company	3,071	1,500	12,469	5,055
Minority interests	3	45	33	164
	3,073	1,545	12,502	5,219
Basic earnings per share, SEK	1.51	0.74	6.14	2.49
Diluted earnings per share, SEK	1.51	0.74	6.14	2.49

Net sales by market area SEK M	Third quarter		Change in %	First nine months		Change in %
	2015	2014		2015	2014	
Western Europe	22,734	20,464	11	74,466	63,116	18
Eastern Europe	4,403	4,272	3	12,965	13,798	(6)
North America	24,851	19,364	28	77,232	54,664	41
South America	4,320	6,423	(33)	12,492	19,778	(37)
Asia	12,163	11,405	7	40,320	38,508	5
Other markets	4,837	5,293	(9)	15,405	15,605	(1)
Volvo Group	73,309	67,222	9	232,879	205,469	13

2015 amounted to SEK 468 M.

Other financial income and expenses were positively impacted in an amount of SEK 4 M from realized result and unrealized revaluation of derivatives, compared to a positive impact of SEK 376 M in the third quarter last year.

Income taxes

The tax expense amounted to SEK 1,115 M (740) corresponding to a tax rate of 27% (32).

Income for the period and earnings per share

Income for the period amounted to SEK 3,073 M (1,545). Diluted earnings per share amounted to SEK 1.51 (0.74).

Operating cash flow in the Industrial Operations

In the third quarter of 2015, operating cash flow in the Industrial Operations was negative in amount of SEK 3.3 billion. Cash flow in the third quarter is seasonally weak due to a reduction of trade payables related to low production during the vacation period, which is normally reversed in the fourth quarter.

Volvo Group financial position

The total assets in the Volvo Group have decreased by SEK 0.7 billion since year-end 2014. In the beginning of January, 2015 the Volvo Group completed the acquisition of 45% of the shares in Dongfeng Commercial Vehicles for SEK 7.0 billion. Other shares and participations have decreased significantly since year-end 2014 mainly driven by the disposal of shares in Eicher Motors Limited. Currency effects from revaluation of foreign subsidiaries have decreased assets by SEK 0.5 billion.

At the end of the third quarter net financial debt, excluding provisions for post-employment benefits, in the

Industrial Operations amounted to SEK 14.0 billion, an increase of SEK 2.7 billion compared to the end of second quarter and equal to 19.5% of shareholders' equity. Including provisions for post-employment benefits, the Industrial Operations net financial debt amounted to SEK 29.8 billion which is equal to 41.5% of shareholders' equity. The increase is mainly explained by a negative operating cash flow of SEK 3.3 billion and remeasurements of the defined benefit pension obligations of SEK 1.1 billion. During the third quarter, currency movements decreased net financial debt by SEK 0.7 billion.

At the end of the third quarter the shareholders' equity for the Volvo Group amounted to SEK 82.1 billion compared to SEK 80.0 billion at year-end 2014. The equity ratio was 21.5% compared to 20.9% on December 31 2014. At the same date the equity ratio in the Industrial Operations amounted to 26.5% (25.7).

Number of employees and efficiency program

On September 30, 2015 the Volvo Group had 102,408 employees including temporary employees and consultants, which was a decrease of 4,480 employees compared with September 30, 2014.

During the third quarter of 2015, the number of white-collar employees and consultants was reduced by 499 persons while blue-collar employees were reduced by 1,417 persons.

The work on the efficiency program is running according to plan measured in local currencies. As of the third quarter, savings in the program amount to SEK 4.2 billion on a 12-month rolling basis when compared with 2012. Measured in local currencies the savings amount to SEK 6.2 billion.

Number of employees	Sep 30 2015	Jun 30 2015	Mar 31 2015	Dec 31 2014	Sep 30 2014
Blue-collar	49,328	50,745	50,554	50,138	51,349
Of which temporary employees and consultants	5,528	5,802	6,072	4,801	5,792
White-collar	53,080	53,579	53,828	54,433	55,539
Of which temporary employees and consultants	6,841	6,861	6,914	6,948	7,658
Total number of employees	102,408	104,324	104,382	104,571	106,888
Of which temporary employees and consultants	12,369	12,663	12,986	11,749	13,450

BUSINESS SEGMENT OVERVIEW

Net sales SEK M	Third quarter				First nine months				12 months rolling	Jan-Dec 2014
	2015	2014	Change in %	Change in %*	2015	2014	Change in %	Change in %*		
Trucks	50,182	45,059	11	3	158,900	137,083	16	4	212,721	190,904
Construction Equipment	11,884	12,582	(6)	(14)	40,041	40,578	(1)	(15)	52,318	52,855
Buses	5,492	4,575	20	13	16,291	12,716	28	14	22,219	18,645
Volvo Penta	2,344	1,981	18	12	7,177	5,787	24	15	9,180	7,790
Corporate Functions, Group Functions & Other	1,843	1,678	10	8	5,611	5,793	(3)	(1)	7,979	8,162
Eliminations	(585)	(538)	-	-	(1,868)	(1,598)	-	-	(2,626)	(2,356)
Industrial operations	71,160	65,337	9	1	226,153	200,360	13	1	301,793	275,999
Customer Finance	2,825	2,578	10	5	8,439	7,397	14	5	11,153	10,111
Reclassifications and eliminations	(676)	(694)	-	-	(1,713)	(2,288)	-	-	(2,587)	(3,162)
Volvo Group	73,309	67,222	9	1	232,879	205,469	13	1	310,359	282,948

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

Operating income excl. restructuring charges SEK M	Third quarter		First nine months		12 months rolling	Jan-Dec 2014
	2015	2014	2015	2014		
Trucks ¹	3,615	2,193	16,403	6,164	15,861	5,622
Construction Equipment	576	648	2,281	2,046	1,466	1,231
Buses	337	50	552	156	494	98
Volvo Penta	316	253	962	638	1,052	729
Corporate Functions, Group Functions & Other	(266)	(694)	(1,399)	(598)	(1,981)	(1,180)
Eliminations	8	6	(1)	170	5	176
Industrial operations	4,586	2,456	18,798	8,577	16,897	6,676
Customer Finance	501	452	1,472	1,245	1,944	1,717
Volvo Group excl. restructuring charges	5,087	2,908	20,270	9,822	18,841	8,393

Restructuring charges (see Note 6 Efficiency program)

Trucks	(368)	(578)	(1,196)	(1,266)	(1,394)	(1,464)
Construction Equipment	5	-	(87)	(1)	(665)	(579)
Buses	(9)	-	(14)	(6)	(14)	(6)
Volvo Penta	-	-	(16)	(5)	(16)	(5)
Corporate Functions, Group Functions & Other	(62)	(81)	(149)	(457)	(201)	(510)
Industrial operations	(434)	(659)	(1,462)	(1,735)	(2,292)	(2,564)
Customer Finance	-	-	-	(5)	-	(5)
Volvo Group restructuring charges	(434)	(659)	(1,462)	(1,739)	(2,292)	(2,569)
Volvo Group	4,653	2,250	18,808	8,082	16,549	5,824

¹ Including a capital gain of SEK 4,608 M from a sale of shares in Eicher Motors Limited of which SEK 2,471 M in the first quarter of 2015 and SEK 2,137 M in the second quarter of 2015.

Operating margin excl. restructuring charges %	Third quarter		First nine months		12 months rolling	Jan-Dec 2014
	2015	2014	2015	2014		
Trucks ¹	7.2	4.9	10.3	4.5	7.5	2.9
Construction Equipment	4.8	5.1	5.7	5.0	2.8	2.3
Buses	6.1	1.1	3.4	1.2	2.2	0.5
Volvo Penta	13.5	12.8	13.4	11.0	11.5	9.4
Industrial operations	6.4	3.8	8.3	4.3	5.6	2.4
Volvo Group excl. restructuring charges	6.9	4.3	8.7	4.8	6.1	3.0
Volvo Group	6.3	3.3	8.1	3.9	5.3	2.1

TRUCKS

Improved profitability

- » Recovery in Europe, weakening demand in North America and continued weak market in Brazil
- » Order intake decreased by 15%, book-to-bill of 90%
- » Operating margin excluding restructuring charges improved to 7.2% (4.9)

**Market development**

The third quarter continued to show a positive trend in the European truck markets, while demand is slowing in the North American market. The Brazilian market conditions remained severe with a total market decline of 53% so far this year. In Asia, demand continued to be on a low level throughout the region, with the exception of the Japanese and Indian truck markets, where demand is good.

During the third quarter, the retail activity in the dealerships in North America remained solid on the back of a good freight environment and customer profitability. The total market forecast for 2015 remains at close to record level of 310,000 heavy-duty trucks. For 2016 we expect demand to continue on a good, but lower, level. The market for 2016 is forecasted to be at about 280,000 trucks.

In Latin America, truck demand in Brazil continued to decline as a consequence of negative economic development and low overall business confidence. The total market forecast in Brazil for 2015 remains at the low level of approximately 40,000 heavy-duty trucks based on a combination of a modern truck fleet and slow economic development. For 2016 the market is forecasted to remain on roughly the 2015 level.

In Europe, truck demand continued to develop favorably with the exception of Russia. Freight activity in Europe continued to increase, resulting in good capacity utilization in the truck fleets. Good customer profitability combined with the need for fleet renewal contribute to increased

demand for trucks. The total European heavy-duty truck market (Europe 30) for 2015 is estimated at 265,000 vehicles (previous forecast 250,000). Based on the expectation of a continued economic recovery in Europe, the market is expected to be about 275,000 heavy-duty trucks in 2016.

For the Middle East and Africa, the economic growth is expected to moderate on the back of low demand for commodities and low commodity prices, resulting in a slowing demand for trucks.

In China demand for trucks is declining, particularly in the construction segment. The total market in China for medium-duty and heavy-duty trucks is forecasted to 720,000 vehicles in 2015 (previous forecast 830,000) and is expected to be at about the same level in 2016. For India, the total market forecast for medium-duty and heavy-duty trucks in 2015 is 265,000 trucks (unchanged forecast) and about 315,000 trucks for 2016 driven by a favorable economic development.

In Japan, the market for heavy-duty trucks is expected to be about 45,000 trucks both in 2015 (unchanged forecast) and in 2016.

Order intake

Total net orders decreased by 15% in the third quarter compared with the year-earlier period. Net orders of 42,648 trucks and deliveries of 47,338 trucks resulted in a book-to-bill ratio of 90% for the Group's wholly-owned operations.

Total market development	First nine months		Change in %	Full year 2014	Forecast 2015	Change vs. previous forecast	Forecast 2016
	2015	2014					
Registrations, number of trucks							
Europe 30 ¹ heavy-duty (as of Aug)	169,508	141,141	20	227,600	265,000	+15,000	275,000
North America heavy-duty	228,246	194,092	18	270,300	310,000	Unchanged	280,000
Brazil heavy-duty	32,020	67,993	(53)	92,700	40,000	Unchanged	40,000
China heavy-duty	408,798	582,267	(30)	743,700	525,000	-95,000	525,000
China medium-duty	135,606	180,858	(25)	243,500	195,000	-15,000	195,000
India heavy-duty	157,074	112,516	40	154,800	200,000	Unchanged	245,000
India medium-duty	49,225	46,445	6	62,300	65,000	Unchanged	70,000
Japan heavy-duty	34,249	31,755	8	42,200	45,000	Unchanged	45,000
Japan medium-duty	34,562	34,519	0	46,200	45,000	Unchanged	45,000

¹EU minus Bulgaria plus Norway and Switzerland

Net order intake per market	Third quarter		Change in %	First nine months		Change in %
	2015	2014		2015	2014	
Number of trucks						
Europe	18,715	16,843	11	67,219	58,336	15
Volvo	10,401	10,625	(2)	35,792	33,152	8
Renault Trucks	8,314	6,218	34	31,427	25,184	25
North America	10,745	17,772	(40)	40,564	47,092	(14)
whereof Volvo	6,600	9,412	(30)	25,951	27,109	(4)
whereof Mack	4,013	8,258	(51)	14,321	19,729	(27)
South America	2,176	4,765	(54)	6,722	15,993	(58)
Asia	7,556	6,922	9	24,751	24,492	1
Other markets	3,456	4,147	(17)	9,713	12,656	(23)
Total Trucks	42,648	50,449	(15)	148,969	158,569	(6)
Non-consolidated operations						
VE Commercial Vehicles (Eicher)	11,341	7,574	50	33,993	22,927	48
Dongvo (Hangzhou) Truck Company (UD)	4	34	(88)	65	79	(18)
Total volumes	53,993	58,057	(7)	183,027	181,575	1

Orders in Europe rose by 11% with a continued positive trend from low levels for Renault Trucks. Order intake for Volvo remains on good levels, but is compared with an unusually strong vacation quarter in 2014 when demand recovered after a weak start to the year in connection with the introduction of Euro 6. The downturn in the Russian market also affects order intake.

In North America orders came down by 40% in total, with Volvo orders down 30% and Mack orders down by 51%. The decline is an effect of dealers focusing on reducing their inventories and the comparison with a good quarter last year.

Orders in South America declined by 54% as a result of

continued low economic activity and decreased business confidence.

Compared with the third quarter of 2014 orders in Asia increased by 9%.

Deliveries

In the third quarter of 2015, truck deliveries rose by 13% in Europe and by 10% in North America. Deliveries in South America were down by 40%. In total the Volvo Group's wholly-owned operations delivered 47,338 trucks, which was 3% higher than in the third quarter of 2014.

Deliveries per market	Third quarter		Change in %	First nine months		Change in %
	2015	2014		2015	2014	
Number of trucks						
Europe	18,408	16,259	13	60,531	51,653	17
North America	15,329	13,972	10	49,118	41,956	17
South America	3,060	5,121	(40)	7,961	17,564	(55)
Asia	7,173	6,598	9	23,221	23,461	(1)
Other markets	3,368	3,989	(16)	10,446	12,373	(16)
Total Trucks	47,338	45,939	3	151,277	147,007	3
Non-consolidated operations						
VE Commercial Vehicles (Eicher)	9,373	7,495	25	25,207	22,771	11
Dongvo (Hangzhou) Truck Company (UD)	17	29	(41)	85	58	47
Dongfeng Commercial Vehicle Company (Dongfeng Trucks) ¹	24,654	-	-	77,395	-	-
Total volumes	81,382	53,463	52	253,964	169,836	50

¹ Year-to-date August volumes.

Net sales by market area	Third quarter		Change in %	First nine months		Change in %
	2015	2014		2015	2014	
SEK M						
Europe	18,721	16,760	12	60,611	52,126	16
North America	17,720	13,422	32	55,614	38,319	45
South America	3,047	4,515	(33)	8,576	14,465	(41)
Asia	7,284	6,530	12	23,259	20,880	11
Other markets	3,410	3,831	(11)	10,841	11,293	(4)
Total	50,182	45,059	11	158,900	137,083	16

Net sales and operating income

During the third quarter of 2015, the truck operation's net sales amounted to SEK 50,182 M, which was 11% higher than in the third quarter of 2014. Adjusted for changes in exchange rates net sales increased by 3%.

Operating income in the third quarter improved to SEK 3,615 M (2,193) excluding restructuring charges of SEK 368 M (578), corresponding to an operating margin of 7.2% (4.9).

The improvement compared with the third quarter of 2014 is a result of a favorable currency development, somewhat higher sales of new vehicles and spare parts and services as well as lower operating expenses.

Earnings improved significantly in North America and were somewhat higher in Europe. This was partly offset by significantly lower earnings in South America.

Changes in currency exchange rates had a positive impact on operating income of SEK 381 M compared to the third quarter of 2014.

The Volvo Group is evaluating a sale of its North American used truck business, Arrow Truck Sales, including its customer finance portfolio. Arrow Truck Sales has 250 employees and a finance portfolio of approximately USD 250 M.

CONSTRUCTION EQUIPMENT

Operating margin stable on lower sales

- » Volumes down by 25%
- » Operating margin stable on 4.8% (5.1%) despite credit provision of SEK 293 M
- » Market share gains on large machines
- » Efficiency program implemented according to plan



Market development

The European market was down 7%, mainly driven by a sharp drop in the Russian market as well as a slowdown in the French market. Excluding Russia, the European market was up by 3%.

Growth in the North American market was 4%, but with a slowing trend. The decrease in South America (-36%) continues to be caused by Brazil (-45%), which is affected by slow economic development and low overall business confidence.

The Chinese market has continued to decline sharply (-50%). In China total sales of excavators were down 44% and wheel loaders 57%, mainly caused by reduced mining, construction and infrastructure projects resulting in low machine utilization. This is putting pressure on customers' ability to pay leasing installments.

Deliveries

In the third quarter, deliveries decreased by 25%

compared to the same period in 2014. This was mainly driven by lower demand in China, Brazil and Russia, impacting both the Volvo and the SDLG brand. However, in most markets Volvo CE continued to gain market shares in the segment for large machines.

Order intake

In the third quarter of 2015, net order intake was 34% lower than in the same period last year.

In North America order intake was 25% lower driven by a decline in compact equipment and the decision to exit some unprofitable product ranges. Order intake for large machines declined by 1%.

In Europe, order intake was 3% below last year driven by lower order intake in Russia. Excluding Russia other European markets were 8% above last year.

In South America order intake was 79% below last year, driven primarily by the low demand in the Brazilian market.

Order intake in Asia was significantly below last year,

Total market development	Year-to-date Aug			
	2015	Forecast 2015	Previous forecast	Forecast 2016
Change in % measured in units				
Europe	(7)	-10% to 0%	-10% to 0%	-5% to +5%
North America	4	-5% to +5%	-5% to +5%	-5% to +5%
South America	(36)	-40% to -30%	-30% to -20%	-10% to 0%
Asia excl. China	(1)	-10% to 0%	-10% to 0%	-10% to 0%
China	(50)	-55% to -45%	-45% to -35%	-20% to -10%

Net order intake per market	Third quarter		Change in %	First nine months		Change in %
	2015	2014		2015	2014	
Number of machines						
Europe	2,579	2,650	(3)	10,041	10,578	(5)
North America	1,003	1,333	(25)	4,359	5,548	(21)
South America	248	1,196	(79)	1,523	2,922	(48)
Asia	3,661	6,205	(41)	17,848	27,465	(35)
Other markets	407	552	(26)	1,527	2,007	(24)
Total orders	7,898	11,935	(34)	35,298	48,519	(27)
Of which:						
Volvo	5,225	7,489	(30)	23,942	28,322	(15)
SDLG	2,643	4,398	(40)	11,233	20,149	(44)
Of which in China	1,965	3,402	(42)	9,157	16,651	(45)

down 41%, mainly driven by the continued significant slowdown in China impacting both brands.

Net sales and operating income

In the third quarter of 2015, net sales decreased by 6% to SEK 11,884 M (12,582). Adjusted for currency movements net sales decreased by 14%.

Operating income excluding restructuring charges decreased to SEK 576 M (648), corresponding to an operating margin of 4.8% (5.1). Earnings were negatively

impacted by lower sales, additional reserves for expected credit losses in China in an amount of SEK 293 M and lower capacity utilization in the industrial system. This was partly compensated for by favorable currency movements in an amount of SEK 455 M compared to the third quarter last year, a favorable gross margin improvement as a result of a better product mix as well as lower operating expenses.

The earlier announced efficiency program is running on schedule.

Deliveries per market	Third quarter		Change in %	First nine months		Change in %
	2015	2014		2015	2014	
Number of machines						
Europe	3,041	3,462	(12)	9,740	11,472	(15)
North America	1,551	1,954	(21)	4,697	5,617	(16)
South America	422	997	(58)	1,608	2,646	(39)
Asia	4,245	6,128	(31)	18,098	27,476	(34)
Other markets	495	537	(8)	1,600	2,028	(21)
Total deliveries	9,754	13,078	(25)	35,743	49,239	(27)
Of which:						
Volvo	7,091	8,504	(17)	24,399	29,042	(16)
SDLG	2,633	4,526	(42)	11,221	20,149	(44)
Of which in China	1,965	3,413	(42)	9,157	16,651	(45)

Net sales by market area	Third quarter		Change in %	First nine months		Change in %
	2015	2014		2015	2014	
SEK M						
Europe	4,247	4,354	(2)	13,424	13,191	2
North America	3,065	2,874	7	9,464	8,188	16
South America	477	872	(45)	1,731	2,391	(28)
Asia	3,444	3,724	(8)	13,224	14,499	(9)
Other markets	651	758	(14)	2,198	2,309	(5)
Total	11,884	12,582	(6)	40,041	40,578	(1)

BUSES

Improved profitability

- » Bus deliveries on the same level as in 2014
- » Operating income excluding restructuring charges increased to SEK 337 M (50)
- » Order intake increased by 21 %



The European bus market has recovered slightly during the first eight months of 2015. In North America the city, coach and commuter segments show a positive development. In South America's largest market, Brazil, demand is low as a result of the negative economic development. The Asian market is recovering gradually, including the Indian bus and coach market. In China the bus market is declining.

Volvo Buses delivered 2,080 buses and coaches during the third quarter 2015, compared to 2,068 units in the third quarter of 2014. Order intake in the third quarter totaled 2,147 buses and coaches, compared to 1,780 in the third quarter 2014. Major orders in the quarter were 191 buses to Mexico City and 176 units to Singapore.

Volvo Dynamic Steering stabilization system and the Volvo 7900 Electric were highlighted at the Bus world exhibition in Kortrijk, Belgium in October. Volvo Dynamic Steering provides substantially better directional stability, comfort and safety.

The system is currently being integrated into several of Volvo's coach models. Volvo 7900 Electric is Volvo Buses' first series-produced city bus powered exclusively by electricity. Volvo 7900 Electric is quiet, emission free and around 80% more energy-efficient than a conventional diesel bus.

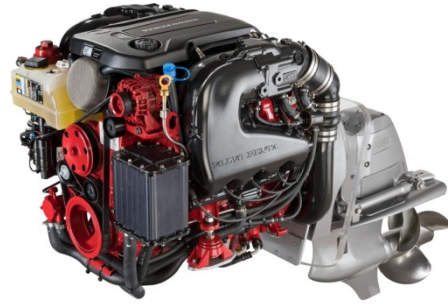
Net sales in the third quarter increased by 20% to SEK 5,492 M (4,575). Adjusted for currency fluctuations, sales increased by 13%. Buses reported an operating income of SEK 337 M (50) excluding restructuring charges of SEK 9 M (-). The operating margin excluding restructuring charges was 6.1% (1.1%). Earnings in the quarter were impacted by a very favorable product and market mix, a stabilization of the production and internal efficiency programs. Compared with the third quarter of 2014, operating income was negatively impacted by currency exchange rates in an amount of SEK 26 M.

Net sales by market area SEK M	Third quarter		Change in %	First nine months		Change in %
	2015	2014		2015	2014	
Europe	1,511	1,343	12	4,797	4,240	13
North America	2,437	1,730	41	7,399	4,343	70
South America	448	645	(30)	1,076	1,832	(41)
Asia	696	506	38	1,711	1,364	25
Other markets	400	351	14	1,308	936	40
Total	5,492	4,575	20	16,291	12,716	28

VOLVO PENTA

Strong sales and earnings

- » Sales increase of 18% compared to last year
- » Strong earnings – operating margin of 13.5%
- » Industry-leading V8 and V6 gasoline engines launched



The marine leisure market remains stable, but Volvo Penta's market shares have increased slightly. In September, Volvo Penta Forward Drive captured strong market interest during its European reveal at the Cannes Boat Show. Forward Drive's patented design – forward-facing dual counter-rotating propellers and adjustable-trim drive – pulls the boat through the water rather than pushing it. New gasoline engines were also launched – a 5.3 liter V8 line and a new 280 horsepower V6 – both with significantly improved fuel economy and lower emissions.

The marine commercial market is lingering on low levels, but there are positive signs in sub-segments, such as wind farming. For industrial off-road engines, there are mixed signs. The market for industrial power generation engines has a positive growth rate, with stable development in North America and Europe while China is deteriorating.

The net order intake during the third quarter 2015 was 8,328 units (7,570).

Net sales in the third quarter of 2015 increased by 18% compared to last year and amounted to SEK 2,344 M (1,981). Adjusted for exchange-rate fluctuations, net sales increased by 12%. Sales in the third quarter were distributed between business segments as follows: Marine 1,344 M (1,070) and Industrial 1,000 M (860).

Operating income amounted to 316 M (253). The operating margin was 13.5% (12.8). Earnings were positively impacted by higher volumes and positive currency effects partly offset by an unfavorable product mix. Compared with the third quarter of 2014, operating income was impacted positively by changes in currency exchange rates in an amount of SEK 83 M.

Net sales by market area SEK M	Third quarter		Change in %	First nine months		Change in %
	2015	2014		2015	2014	
Europe	1,070	877	22	3,433	2,862	20
North America	550	456	21	1,594	1,176	36
South America	70	101	(31)	276	262	5
Asia	495	417	19	1,449	1,178	23
Other markets	159	130	22	425	309	37
Total	2,344	1,981	18	7,177	5,787	24

VOLVO GROUP'S CUSTOMER FINANCE

Solid results

- » Profitable portfolio growth
- » Continued good portfolio performance
- » Improved profitability



The customer finance business recorded good levels of new business volume and the credit portfolio reached a new all-time high during the quarter, on a currency adjusted basis. This profitable growth, along with good portfolio performance, generated improved results for the quarter.

The gross credit portfolio increased on a currency-adjusted basis by 7% when compared to the third quarter of 2014. The portfolio continued to perform well during the quarter, highlighted by strong performance in North

America and most of Europe. The portfolio in Brazil continues to be impacted by the challenging economic situation.

Operating income improved to SEK 501 M (452) mainly due to profitable growth, good portfolio performance and operating expense control.

During the quarter, Volvo Financial Services syndicated approximately SEK 1.4 billion of the credit portfolio across a number of markets, effectively reducing concentration risks and freeing up credit capacity to support sales.

Customer finance SEK M	Third quarter		First nine months	
	2015	2014	2015	2014
Number of financed units	11,922	13,315	35,668	39,159
Total penetration rate ¹ , %	26	29	25	28
New financing volume, SEK billion	13.3	13.6	39.9	38.6
Credit portfolio net, SEK billion	-	-	122	111
Credit provision expenses	172	227	588	650
Operating income, excl. restructuring charges	501	452	1,472	1,245
Credit reserves, % of credit portfolio	-	-	1.40	1.34
Return on shareholders' equity, rolling 12 months, %	-	-	13.4	11.8

¹Share of unit sales financed by Volvo Financial Services in relation to the total number of units sold by the Volvo Group in markets where financial services are offered.

IMPORTANT EVENTS

New CEO of the Volvo Group

On October 22, 2015 Martin Lundstedt, 47, assumed the position of President and Chief Executive Officer of the Volvo Group. His most recent role was as President and CEO of the Scania Group.

Previously reported important events

- Completion of the acquisition of 45% of Dongfeng Commercial Vehicles
- Volvo sold holding in the listed Indian company Eicher Motors Limited
- Annual General Meeting of AB Volvo
- Volvo sold remaining holding in Eicher Motors Limited

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

CONSOLIDATED INCOME STATEMENT THIRD QUARTER

SEK M	Industrial operations		Customer Finance		Eliminations		Volvo Group	
	2015	2014	2015	2014	2015	2014	2015	2014
Net sales	71,160	65,337	2,825	2,578	(676)	(694)	73,309	67,222
Cost of sales	(55,021)	(51,182)	(1,698)	(1,502)	676	694	(56,042)	(51,991)
Gross income	16,139	14,155	1,127	1,076	-	-	17,266	15,231
Research and development expenses	(3,497)	(3,803)	-	-	-	-	(3,497)	(3,803)
Selling expenses	(6,008)	(6,120)	(453)	(419)	-	-	(6,460)	(6,539)
Administrative expenses	(1,213)	(1,129)	(10)	(10)	-	-	(1,223)	(1,139)
Other operating income and expenses	(1,184)	(1,315)	(164)	(196)	-	-	(1,348)	(1,511)
Income (loss) from investments in joint ventures and associated companies	(75)	9	-	-	-	-	(75)	9
Income from other investments	(10)	2	-	1	-	-	(10)	3
Operating income	4,153	1,798	501	452	-	-	4,653	2,250
Interest income and similar credits	58	83	-	-	-	-	58	83
Interest expense and similar charges	(568)	(478)	-	-	-	-	(568)	(478)
Other financial income and expenses	45	430	-	-	-	-	45	430
Income after financial items	3,688	1,833	501	452	-	-	4,188	2,285
Income taxes	(967)	(604)	(148)	(136)	-	-	(1,115)	(740)
Income for the period*	2,721	1,229	353	316	-	-	3,073	1,545
*Attributable to:								
Equity holders of the parent company							3,071	1,500
Minority interests							3	45
							3,073	1,545
Basic earnings per share, SEK							1.51	0.74
Diluted earnings per share, SEK							1.51	0.74
Key operating ratios, %								
Gross margin	22.7	21.7	-	-	-	-	23.6	22.7
Research and development expenses in % of net sales	4.9	5.8	-	-	-	-	4.8	5.7
Selling expenses in % of net sales	8.4	9.4	-	-	-	-	8.8	9.7
Administrative expenses in % of net sales	1.7	1.7	-	-	-	-	1.7	1.7
Operating margin	5.8	2.8	-	-	-	-	6.3	3.3

CONSOLIDATED OTHER COMPREHENSIVE INCOME THIRD QUARTER

SEK M	2015	2014
Income for the period	3,073	1,545
<i>Items that will not be reclassified to income statement:</i>		
Remeasurements of defined benefit pension plans	(682)	(742)
<i>Items that may be reclassified subsequently to income statement:</i>		
Exchange differences on translation of foreign operations	(1,720)	1,208
Share of OCI related to joint ventures and associated companies	13	35
Accumulated translation difference reversed to income	53	17
Available-for-sale investments	14	1,160
Change in cash flow hedges	(11)	13
Other comprehensive income, net of income taxes	(2,333)	1,690
Total comprehensive income for the period*	740	3,235
*Attributable to:		
Equity holders of the parent company	740	3,068
Minority interests	0	167
	740	3,235

CONSOLIDATED INCOME STATEMENT FIRST NINE MONTHS

SEK M	Industrial operations		Customer Finance		Eliminations		Volvo Group	
	2015	2014	2015	2014	2015	2014	2015	2014
Net sales	226,153	200,360	8,439	7,397	(1,713)	(2,288)	232,879	205,469
Cost of sales	(175,585)	(157,098)	(5,024)	(4,319)	1,713	2,288	(178,896)	(159,129)
Gross income	50,568	43,262	3,415	3,078	-	-	53,983	46,340
Research and development expenses	(11,524)	(12,220)	-	-	-	-	(11,524)	(12,220)
Selling expenses	(19,171)	(18,951)	(1,389)	(1,242)	-	-	(20,560)	(20,193)
Administrative expenses	(4,210)	(3,858)	(30)	(30)	-	-	(4,240)	(3,888)
Other operating income and expenses	(2,889)	(1,435)	(522)	(568)	-	-	(3,411)	(2,003)
Income (loss) from investments in joint ventures and associated companies	(43)	29	-	-	-	-	(43)	29
Income from other investments	4,605	16	(2)	2	-	-	4,603	17
Operating income	17,336	6,842	1,472	1,240	-	-	18,808	8,082
Interest income and similar credits	204	250	-	-	-	-	204	250
Interest expense and similar charges	(1,684)	(1,477)	-	-	-	-	(1,683)	(1,477)
Other financial income and expenses	(811)	520	-	-	-	-	(811)	520
Income after financial items	15,045	6,135	1,472	1,240	-	-	16,517	7,375
Income taxes	(3,546)	(1,707)	(469)	(449)	-	-	(4,015)	(2,156)
Income for the period*	11,499	4,428	1,003	791	-	-	12,502	5,219
*Attributable to:								
Equity holders of the parent company							12,469	5,055
Minority interests							33	164
							12,502	5,219
Basic earnings per share, SEK							6.14	2.49
Diluted earnings per share, SEK							6.14	2.49

Key operating ratios, %

Gross margin	22.4	21.6	-	-	-	-	23.2	22.6
Research and development expenses in % of net sales	5.1	6.1	-	-	-	-	4.9	5.9
Selling expenses in % of net sales	8.5	9.5	-	-	-	-	8.8	9.8
Administrative expenses in % of net sales	1.9	1.9	-	-	-	-	1.8	1.9
Operating margin	7.7	3.4	-	-	-	-	8.1	3.9

CONSOLIDATED OTHER COMPREHENSIVE INCOME FIRST NINE MONTHS

SEK M	2015	2014
Income for the period	12,502	5,219
<i>Items that will not be reclassified to income statement:</i>		
Remeasurements of defined benefit pension plans	749	(1,551)
<i>Items that may be reclassified subsequently to income statement:</i>		
Exchange differences on translation of foreign operations	(1,266)	3,918
Share of OCI related to joint ventures and associated companies	48	94
Accumulated translation difference reversed to income	43	40
Available-for-sale investments	(3,954)	2,021
Change in cash flow hedges	(28)	29
Other comprehensive income, net of income taxes	(4,408)	4,551
Total comprehensive income for the period*	8,094	9,770
*Attributable to:		
Equity holders of the parent company	7,981	9,484
Minority interests	113	286
	8,094	9,770

CONSOLIDATED BALANCE SHEET

SEK M	Industrial operations		Customer Finance		Eliminations		Volvo Group Total	
	Sep 30 2015	Dec 31 2014	Sep 30 2015	Dec 31 2014	Sep 30 2015	Dec 31 2014	Sep 30 2015	Dec 31 2014
Assets								
Non-current assets								
Intangible assets	36,257	37,010	102	105	-	-	36,360	37,115
<i>Tangible assets</i>								
Property, plant and equipment	54,227	55,087	62	94	-	-	54,289	55,181
Assets under operating leases	20,734	19,484	18,106	17,872	(6,246)	(6,138)	32,594	31,218
<i>Financial assets</i>								
Investments in joint ventures and associated companies	11,784	4,821	-	-	-	-	11,784	4,821
Other shares and participations	813	5,004	8	13	-	-	821	5,017
Non-current customer-financing receivables	1,247	1,205	51,961	51,380	(1,282)	(1,254)	51,926	51,331
Prepaid pensions	166	126	-	-	-	-	166	126
Non-current interest-bearing receivables	1,426	1,041	215	22	(215)	378	1,426	1,441
Other non-current receivables	3,305	3,528	128	150	(139)	(165)	3,295	3,513
Deferred tax assets	13,376	15,022	873	809	-	-	14,249	15,831
Total non-current assets	143,336	142,328	71,456	70,445	(7,883)	(7,179)	206,909	205,594
Current assets								
Inventories	47,966	45,364	208	169	-	-	48,174	45,533
<i>Current receivables</i>								
Customer-financing receivables	675	623	52,355	48,063	(830)	(850)	52,200	47,836
Tax assets	3,765	2,918	355	496	-	-	4,120	3,414
Interest-bearing receivables	2,772	1,736	16	345	(1,136)	(968)	1,652	1,113
Internal funding	6,512	4,374	-	-	(6,512)	(4,374)	-	-
Accounts receivable	30,629	30,495	452	400	-	-	31,081	30,895
Other receivables	14,029	13,950	1,039	1,984	(862)	(1,265)	14,205	14,669
Non interest-bearing assets held for sale	379	288	-	-	-	-	379	288
Marketable securities	5,640	6,927	-	385	-	-	5,640	7,312
Cash and cash equivalents	14,934	24,178	3,086	2,470	(200)	(406)	17,819	26,242
Total current assets	127,302	130,853	57,510	54,312	(9,540)	(7,863)	175,272	177,301
Total assets	270,637	273,181	128,966	124,757	(17,422)	(15,042)	382,181	382,896
Equity and liabilities								
Equity attributable to the equity holders of the parent company								
Minority interests	1,839	1,723	-	-	-	-	1,839	1,723
Total equity	71,792	70,105	10,304	9,943	-	-	82,095	80,048
<i>Non-current provisions</i>								
Provisions for post-employment benefits	16,018	16,580	81	103	-	-	16,099	16,683
Provisions for deferred taxes	130	201	2,404	2,595	-	-	2,534	2,796
Other provisions	13,168	12,463	218	231	4	46	13,391	12,740
<i>Non-current liabilities</i>								
Bond loans	52,231	68,877	-	-	-	-	52,231	68,877
Other loans	19,325	27,395	12,821	13,013	(1,286)	(1,254)	30,860	39,154
Internal funding	(44,914)	(59,955)	42,241	42,997	2,673	16,958	-	-
Other liabilities	19,398	17,549	627	607	(4,464)	(4,424)	15,561	13,732
Current provisions	13,316	12,390	71	76	43	7	13,431	12,473
<i>Current liabilities</i>								
Loans	55,745	32,130	8,946	9,266	(1,940)	(1,443)	62,751	39,953
Internal funding	(37,134)	(20,267)	46,835	42,002	(9,701)	(21,735)	-	-
Non interest-bearing liabilities held for sale	-	130	-	-	-	-	-	130
Trade payables	50,929	56,351	423	296	-	-	51,352	56,647
Tax liabilities	3,085	2,558	636	135	-	-	3,721	2,693
Other liabilities	37,549	36,674	3,358	3,493	(2,752)	(3,197)	38,155	36,970
Total equity and liabilities	270,637	273,181	128,966	124,757	(17,422)	(15,042)	382,181	382,896
Key ratios, %								
Total equity in % of total assets	26.5	25.7	8.0	8.0	-	-	21.5	20.9
Shareholders' equity per share, excluding minority interests, SEK	-	-	-	-	-	-	39.5	38.6
Return on operating capital, 12 months rolling	16.8	4.5	-	-	-	-	-	-
Return on shareholders' equity, 12 months rolling	-	-	13.4	12.5	-	-	11.7	2.8

CONSOLIDATED CASH FLOW STATEMENT **THIRD QUARTER**

SEK bn	Industrial operations		Customer Finance		Eliminations		Volvo Group Total	
	2015	2014	2015	2014	2015	2014	2015	2014
Operating activities								
Operating income	4.2	1.8	0.5	0.5	0.0	0.1	4.7	2.3
Depreciation tangible assets	1.6	1.8	0.0	0.0	-	0.0	1.6	1.8
Amortization intangible assets	0.8	0.9	0.0	0.0	-	0.0	0.8	0.9
Depreciation leasing vehicles	0.6	0.3	1.0	0.9	0.0	(0.1)	1.6	1.2
Other non-cash items	0.4	0.2	0.2	0.2	0.0	0.1	0.5	0.6
Total change in working capital whereof	(8.3)	(1.9)	(1.0)	(2.9)	(0.1)	0.1	(9.4)	(4.7)
Change in accounts receivables	1.4	2.7	(0.1)	(0.1)	0.0	0.0	1.3	2.7
Change in customer financing receivables	0.1	(0.1)	(1.2)	(2.9)	(0.1)	0.2	(1.2)	(2.8)
Change in inventories	1.9	(0.1)	0.0	0.0	0.1	0.0	2.0	(0.1)
Change in trade payables	(8.7)	(2.9)	0.0	0.0	0.0	0.0	(8.8)	(2.9)
Other changes in working capital	(2.9)	(1.5)	0.3	0.1	0.0	(0.1)	(2.6)	(1.5)
Interest and similar items received	0.1	0.1	-	-	0.0	0.0	0.1	0.1
Interest and similar items paid	(0.3)	(0.4)	-	-	0.0	0.0	(0.3)	(0.3)
Other financial items	(0.1)	0.0	-	-	-	0.1	(0.1)	0.0
Income taxes paid	(0.3)	(0.3)	(0.3)	(0.2)	0.0	(0.1)	(0.6)	(0.5)
Cash flow from operating activities	(1.4)	2.6	0.4	(1.5)	(0.1)	0.2	(1.1)	1.4
Investing activities								
Investments in tangible assets	(1.4)	(1.8)	0.0	0.0	-	0.0	(1.4)	(1.8)
Investments in intangible assets	(0.5)	(0.2)	0.0	0.0	-	0.0	(0.5)	(0.2)
Investment in leasing vehicles	(0.1)	(0.1)	(2.5)	(1.9)	0.0	0.0	(2.6)	(2.0)
Disposals of fixed assets and leasing vehicles	0.1	0.4	1.3	0.7	0.0	0.0	1.4	1.0
Operating cash flow	(3.3)	0.9	(0.8)	(2.7)	(0.1)	0.2	(4.2)	(1.6)
Investments and divestments of shares, net							0.2	0.0
Acquired and divested operations, net							(0.1)	0.0
Interest-bearing receivables incl. marketable securities							0.8	(0.1)
Cash flow after net investments							(3.4)	(1.7)
Financing activities								
Change in loans, net							3.8	3.5
Dividend to minority shareholders							0.0	-
Other							0.0	(0.1)
Change in cash and cash equivalents excl. translation differences							0.5	1.7
Translation difference on cash and cash equivalents							(0.4)	0.4
Change in cash and cash equivalents							0.1	2.1

CONSOLIDATED CASH FLOW STATEMENT FIRST NINE MONTHS

SEK bn	Industrial operations		Customer Finance		Eliminations		Volvo Group Total	
	2015	2014	2015	2014	2015	2014	2015	2014
Operating activities								
Operating income	17.3	6.8	1.5	1.2	0.0	0.1	18.8	8.1
Depreciation tangible assets	4.8	5.0	0.0	0.0	0.0	0.0	4.8	5.0
Amortization intangible assets	2.5	2.6	0.0	0.0	0.0	0.0	2.5	2.6
Depreciation leasing vehicles	2.0	1.9	3.0	2.5	0.0	(0.1)	5.0	4.3
Other non-cash items	(2.5)	0.0	0.6	0.7	0.0	0.0	(1.9)	0.7
Total change in working capital whereof	(11.7)	(12.2)	(6.1)	(2.3)	0.5	(5.8)	(17.4)	(20.3)
<i>Change in accounts receivables</i>	(0.6)	1.6	0.0	(0.2)	0.0	0.0	(0.7)	1.4
<i>Change in customer financing receivables</i>	0.0	(0.1)	(6.7)	(2.2)	0.0	(5.8)	(6.7)	(8.1)
<i>Change in inventories</i>	(4.4)	(4.6)	(0.1)	(0.1)	0.0	0.0	(4.5)	(4.7)
<i>Change in trade payables</i>	(6.2)	(7.0)	0.1	0.2	0.0	-	(6.1)	(6.8)
<i>Other changes in working capital</i>	(0.6)	(2.1)	0.6	0.0	0.5	0.0	0.5	(2.1)
Interest and similar items received	0.3	0.3	-	-	0.0	0.0	0.3	0.3
Interest and similar items paid	(1.3)	(1.4)	-	-	0.0	0.0	(1.3)	(1.4)
Other financial items	(0.2)	(0.2)	-	-	-	0.1	(0.2)	(0.1)
Income taxes paid	(2.2)	(1.7)	(0.2)	(0.4)	0.0	(0.1)	(2.4)	(2.2)
Cash flow from operating activities	9.1	1.1	(1.3)	1.7	0.5	(5.8)	8.3	(3.0)
Investing activities								
Investments in tangible assets	(4.4)	(4.6)	0.0	0.0	0.0	0.0	(4.4)	(4.6)
Investments in intangible assets	(1.3)	(1.3)	0.0	0.0	0.0	0.0	(1.4)	(1.3)
Investment in leasing vehicles	(0.3)	(0.3)	(6.7)	(6.2)	0.0	0.1	(7.0)	(6.4)
Disposals of fixed assets and leasing vehicles	0.5	0.9	3.9	2.7	0.0	-	4.4	3.6
Operating cash flow	3.6	(4.2)	(4.1)	(1.7)	0.5	(5.8)	0.0	(11.7)
Investments and divestments of shares, net							(2.0)	0.0
Acquired and divested operations, net							0.3	7.2
Interest-bearing receivables incl. marketable securities							1.1	(3.4)
Cash flow after net investments							(0.6)	(7.9)
Financing activities								
Change in loans, net							(1.6)	2.8
Dividend to AB Volvo shareholders							(6.1)	(6.1)
Dividend to minority shareholders							0.0	-
Other							0.1	(0.1)
Change in cash and cash equivalents excl. translation differences							(8.3)	(11.3)
Translation difference on cash and cash equivalents							(0.2)	0.7
Change in cash and cash equivalents							(8.4)	(10.6)

CONSOLIDATED NET FINANCIAL POSITION

SEK bn	Industrial operations		Volvo Group	
	Sep 30 2015	Dec 31 2014	Sep 30 2015	Dec 31 2014
Non-current interest-bearing assets				
Non-current customer-financing receivables	-	-	51.9	51.3
Non-current interest-bearing receivables	1.4	1.0	1.4	1.4
Current interest-bearing assets				
Customer-financing receivables	-	-	52.2	47.8
Interest-bearing receivables	2.8	1.7	1.7	1.1
Internal funding	6.5	4.4	-	-
Marketable securities	5.6	6.9	5.6	7.3
Cash and cash equivalents	14.9	24.2	17.8	26.2
Total interest-bearing financial assets	31.3	38.3	130.7	135.3
Non-current interest-bearing liabilities				
Bond loans	(52.2)	(68.9)	(52.2)	(68.9)
Other loans	(19.3)	(27.4)	(30.9)	(39.2)
Internal funding	44.9	60.0	-	-
Current interest-bearing liabilities				
Loans	(55.7)	(32.1)	(62.8)	(40.0)
Internal funding	37.1	20.3	-	-
Total interest-bearing financial liabilities	(45.3)	(48.2)	(145.8)	(148.0)
Net financial position excl post-employment benefits	(14.0)	(9.9)	(15.2)	(12.7)
Provisions for post-employment benefits, net	(15.9)	(16.5)	(15.9)	(16.6)
Net financial position incl post-employment benefits	(29.8)	(26.4)	(31.1)	(29.3)
Key ratios, %				
Net financial position excl. pensions in % of total equity	(19.5)	(14.2)		
Net financial position in % of total equity	(41.5)	(37.6)		

CHANGES IN NET FINANCIAL POSITION, INDUSTRIAL OPERATIONS

SEK bn	Third quarter 2015	First nine months 2015
Beginning of period	(26.1)	(26.4)
Cash flow from operating activities	(1.4)	9.1
Investments in fixed assets	(2.0)	(6.0)
Disposals	0.1	0.5
Operating cash-flow	(3.3)	3.6
Investments and divestments of shares, net	0.2	(2.0)
Acquired and divested operations, net	(0.1)	0.3
Capital injections to/from Customer Finance operations	0.0	0.1
Currency effect	0.7	0.4
Dividend paid to AB Volvo shareholders	0.0	(6.1)
Remeasurements of defined benefit pension plans	(1.1)	0.9
Pension payments and costs, net	0.0	(0.1)
Other changes	(0.1)	(0.5)
Total change	(3.7)	(3.4)
Net financial position at end of period	(29.8)	(29.8)

CONSOLIDATED CHANGES IN TOTAL EQUITY

SEK bn	Sep 30 2015	Dec 31 2014
Total equity at end of previous period	80.0	77.4
Shareholders' equity attributable to equity holders of the parent company at beginning of period	78.3	76.0
Income for the period	12.5	2.1
Other comprehensive income	(4.5)	6.2
Total comprehensive income	8.0	8.3
Dividend to AB Volvo's shareholders	(6.1)	(6.1)
Share-based payments	0.0	0.1
Shareholders' equity attributable to equity holders of the parent company at end of period	80.3	78.3
Minority interests at beginning of period	1.7	1.3
Income for the period	0.0	0.1
Other comprehensive income	0.1	0.3
Total comprehensive income	0.1	0.4
Minority interests at end of period	1.8	1.7
Total equity at end of period	82.1	80.0

QUARTERLY FIGURES

Income statement, Volvo Group						First nine months	First nine months
SEK M unless otherwise stated	3/2014	4/2014	1/2015	2/2015	3/2015	2015	2014
Net sales	67,222	77,480	74,788	84,783	73,309	232,879	205,469
Cost of Sales	(51,991)	(60,883)	(57,450)	(65,403)	(56,042)	(178,896)	(159,129)
Gross income	15,231	16,597	17,337	19,379	17,266	53,983	46,340
Research and development expenses	(3,803)	(4,436)	(4,086)	(3,941)	(3,497)	(11,524)	(12,220)
Selling expenses	(6,539)	(7,255)	(6,925)	(7,175)	(6,460)	(20,560)	(20,193)
Administrative expenses	(1,139)	(1,520)	(1,424)	(1,594)	(1,223)	(4,240)	(3,888)
Other operating income and expenses	(1,511)	(5,694)	(536)	(1,528)	(1,348)	(3,411)	(2,003)
Income (loss) from investments in joint ventures and associated companies	9	17	2	31	(75)	(43)	29
Income from other investments	3	32	2,469	2,144	(10)	4,603	17
Operating income	2,250	(2,258)	6,837	7,317	4,653	18,808	8,082
<i>Whereof restructuring charges</i>	<i>(659)</i>	<i>(830)</i>	<i>(229)</i>	<i>(799)</i>	<i>(434)</i>	<i>(1,462)</i>	<i>(1,739)</i>
<i>Operating income excl. restructuring charges</i>	<i>2,908</i>	<i>(1,429)</i>	<i>7,066</i>	<i>8,116</i>	<i>5,087</i>	<i>20,270</i>	<i>9,822</i>
Interest income and similar credits	83	78	66	80	58	204	250
Interest expense and similar charges	(478)	(517)	(567)	(548)	(568)	(1,683)	(1,477)
Other financial income and expenses	430	411	(369)	(487)	45	(811)	520
Income after financial items	2,285	(2,286)	5,967	6,362	4,188	16,517	7,375
Income taxes	(740)	(698)	(1,731)	(1,169)	(1,115)	(4,015)	(2,156)
Income for the period*	1,545	(2,984)	4,236	5,193	3,073	12,502	5,219
*Attributable to:							
Equity holders of the parent company	1,500	(2,957)	4,248	5,150	3,071	12,469	5,055
Minority interests	45	(27)	(12)	43	3	33	164
	1,545	(2,984)	4,236	5,193	3,073	12,502	5,219
Key operating ratios, Volvo Group, %							
Gross margin	22.7	21.4	23.2	22.9	23.6	23.2	22.6
Research and development expenses in % of net sales	5.7	5.7	5.5	4.6	4.8	4.9	5.9
Selling expenses in % of net sales	9.7	9.4	9.3	8.5	8.8	8.8	9.8
Administrative expenses in % of net sales	1.7	2.0	1.9	1.9	1.7	1.8	1.9
Operating margin excl. restructuring charges	4.3	(1.8)	9.4	9.6	6.9	8.7	4.8
Operating margin	3.3	(2.9)	9.1	8.6	6.3	8.1	3.9
Key operating ratios, Industrial operations, %							
Gross margin	21.7	20.5	22.4	22.1	22.7	22.4	21.6
Research and development expenses in % of net sales	5.8	5.9	5.6	4.8	4.9	5.1	6.1
Selling expenses in % of net sales	9.4	9.0	8.9	8.1	8.4	8.5	9.5
Administrative expenses in % of net sales	1.7	2.0	2.0	1.9	1.7	1.9	1.9
Operating margin excl. restructuring charges	3.8	(2.5)	9.1	9.2	6.4	8.3	4.3
Operating margin	2.8	(3.6)	8.8	8.3	5.8	7.7	3.4
EBITDA, Industrial operations, %							
Operating income Industrial operations	1,798	(2,731)	6,363	6,821	4,153	17,336	6,842
Product and Software development, amortization	813	851	823	728	702	2,253	2,323
Other intangible assets, amortization	86	89	90	90	90	269	239
Tangible assets, depreciation	2,173	2,334	2,298	2,347	2,198	6,843	6,837
Total depreciation and amortization	3,072	3,275	3,210	3,165	2,990	9,365	9,399
Operating income before depreciation and amortization (EBITDA)	4,870	544	9,573	9,986	7,143	26,701	16,241
<i>EBITDA margin, %</i>	<i>7.5</i>	<i>0.7</i>	<i>13.2</i>	<i>12.1</i>	<i>10.0</i>	<i>11.8</i>	<i>8.1</i>
Net capitalization of research and development							
Capitalization	196	225	326	516	433	1,275	1,054
Amortization	(715)	(715)	(751)	(662)	(635)	(2,048)	(2,005)
Net capitalization and amortization	(519)	(490)	(425)	(146)	(202)	(773)	(951)

QUARTERLY FIGURES

Net sales						First nine months	First nine months
SEK M	3/2014	4/2014	1/2015	2/2015	3/2015	2015	2014
Trucks	45,059	53,821	51,657	57,062	50,182	158,900	137,083
Construction Equipment	12,582	12,277	12,737	15,419	11,884	40,041	40,578
Buses	4,575	5,928	4,748	6,051	5,492	16,291	12,716
Volvo Penta	1,981	2,003	2,250	2,584	2,344	7,177	5,787
Corporate Functions, Group Functions & Other	1,678	2,369	1,687	2,080	1,843	5,611	5,793
Eliminations	(538)	(758)	(607)	(677)	(585)	(1,868)	(1,598)
Industrial operations	65,337	75,640	72,473	82,520	71,160	226,153	200,360
Customer Finance	2,578	2,714	2,811	2,803	2,825	8,439	7,397
Reclassifications and eliminations	(694)	(874)	(496)	(541)	(676)	(1,713)	(2,288)
Volvo Group	67,222	77,480	74,788	84,783	73,309	232,879	205,469

Operating income excl. restructuring charges						First nine months	First nine months
SEK M	3/2014	4/2014	1/2015	2/2015	3/2015	2015	2014
Trucks	2,193	(542)	6,246	6,542	3,615	16,403	6,164
Construction Equipment	648	(815)	352	1,353	576	2,281	2,046
Buses	50	(58)	104	111	337	552	156
Volvo Penta	253	90	292	353	316	962	638
Corporate Functions, Group Functions & Other	(694)	(582)	(407)	(726)	(266)	(1,399)	(598)
Eliminations	6	6	5	(13)	8	(1)	170
Industrial operations	2,456	(1,901)	6,592	7,619	4,586	18,798	8,577
Customer Finance	452	472	474	497	501	1,472	1,245
Volvo Group excl. restructuring charges	2,908	(1,429)	7,066	8,116	5,087	20,270	9,822

Restructuring charges (see Note 6 Efficiency program)							
Trucks	(578)	(199)	(127)	(701)	(368)	(1,196)	(1,266)
Construction Equipment	-	(579)	(75)	(17)	5	(87)	(1)
Buses	-	-	-	(5)	(9)	(14)	(6)
Volvo Penta	-	-	(16)	-	-	(16)	(5)
Corporate Functions, Group Functions & Other	(81)	(52)	(11)	(76)	(62)	(149)	(457)
Industrial operations	(659)	(830)	(229)	(799)	(434)	(1,462)	(1,735)
Customer Finance	-	-	-	-	-	-	(5)
Volvo Group restructuring charges	(659)	(830)	(229)	(799)	(434)	(1,462)	(1,739)
Volvo Group	2,250	(2,258)	6,837	7,317	4,653	18,808	8,082

Operating margin excl. restructuring charges						First nine months	First nine months
%	3/2014	4/2014	1/2015	2/2015	3/2015	2015	2014
Trucks	4.9	(1.0)	12.1	11.5	7.2	10.3	4.5
Construction Equipment	5.1	(6.6)	2.8	8.8	4.8	5.7	5.0
Buses	1.1	(1.0)	2.2	1.8	6.1	3.4	1.2
Volvo Penta	12.8	4.5	13.0	13.7	13.5	13.4	11.0
Industrial operations	3.8	(2.5)	9.1	9.2	6.4	8.3	4.3
Volvo Group excl. restructuring charges	4.3	(1.8)	9.4	9.6	6.9	8.7	4.8
Volvo Group	3.3	(2.9)	9.1	8.6	6.3	8.1	3.9

QUARTERLY FIGURES

Share data						First nine	First nine
	3/2014	4/2014	1/2015	2/2015	3/2015	months 2015	months 2014
Earnings per share, SEK ¹	0.74	(1.46)	2.09	2.54	1.51	6.14	2.49
Earnings per share, SEK ¹ , 12 months rolling	2.73	1.03	2.59	3.91	4.68	-	-
Diluted earnings per share, SEK	0.74	(1.46)	2.09	2.53	1.51	6.14	2.49
Number of outstanding shares in millions	2,029	2,029	2,030	2,030	2,030	2,030	2,029
Average number of shares before dilution in millions	2,028	2,029	2,030	2,030	2,030	2,030	2,028
Average number of shares after dilution in millions	2,031	2,031	2,031	2,032	2,032	2,032	2,031
Number of own shares in millions	100	99	98	98	98	98	100
Average number of own shares in millions	100	99	99	98	98	98	100

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

NOTE 1 | 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 Volvo Group Annual Report 2014 note 1 (available at www.volvogroup.com). There are no new accounting principles applicable from 2015 that significantly affects the Volvo Group.

This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act.

The parent company applies the Swedish Annual Accounts Act and RFR 2 Reporting for legal entities.

NOTE 2 | RISKS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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 is 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 elaborate account of these risks, please refer to the Risk Management section on pages 83-85 in the Volvo Group Annual Report 2014 (available at www.volvogroup.com).

Risk updates for the period

Short-term risks, when applicable, are also described in the respective segment section of this report.

An increase in demand could potentially result in delivery disturbances due to suppliers' financial instability or shortage of resources.

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

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 surplus value differs between the business areas and they are, to a varying degree, sensitive to changes in the business environment. 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. Total contingent liabilities as of September 30, 2015, amounted to SEK 14.5 billion compared to SEK 15.9 billion as of December 31, 2014. The gross exposure of SEK 14.5 billion is partly reduced by counter guarantees and collaterals. A significant part of the contingent liabilities are related to credit guarantees issued as a result of sales in emerging markets, in particular sales of construction equipment in China, where SEK 293 M was recognized as cost for expected future credit losses in China in the third quarter.

Please refer to the Volvo Group Annual Report 2014 note 21 for a description of provisions for legal proceedings and investigations and note 24 for a description of the nature of contingent liabilities including information on the legal proceedings and investigations that the Group is currently involved in and subject to.

In the second quarter, the Supreme Court of the United States announced that a review of the EPA case will not be granted. Volvo Powertrain has paid the penalties and interest of approximately USD 72 M in the third quarter 2015. The cost has been fully provided for since the third quarter 2014. The other legal proceedings and investigations mentioned in the Volvo Group Annual report 2014 are progressing but no material change has occurred in these matters in the third quarter 2015 compared to the descriptions provided in note 21 and note 24 of the Volvo Group Annual Report 2014.

NOTE 3 | CORPORATE ACQUISITIONS AND DIVESTMENTS

Acquisitions and divestments

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

In the beginning of January 2015 Volvo Group completed the acquisition of 45% of the shares in Dongfeng Commercial Vehicles Co., Ltd, DFCV, in China. The ownership in DFCV is classified as an associated company and consolidated with the equity method and included in the Trucks segment. The result of DFCV is, from the beginning, included in the Volvo consolidation with a time lag of one month. When Volvo and DFCV have

aligned the book closing procedures a catch up will take place and the result will then be recognized without a time lag. Consequently, when the catch up occurs, the result of four separate months will be included within one quarter.

The purchase consideration amounted to approximately SEK 7 billion and is recognized as Investments in joint ventures and associated companies within Financial assets.

Assets and liabilities held for sale

Assets amounting to SEK 379 M classified as held for sale at the end of the third quarter 2015, mainly pertain to planned property divestments.

NOTE 4 | CURRENCY AND FINANCIAL INSTRUMENTS

Fair value of financial instruments

Valuation principles and principles for hedge accounting for Volvo Group financial instruments, as described in Volvo Group Annual Report 2014 Note 30 (available at volvogroup.com), have been consistently applied throughout the reporting period.

Financial instruments in the Volvo Group reported at fair value through profit and loss consist mainly of marketable securities (see balance sheet) and interest-, currency- and raw material derivatives. Derivatives with positive fair values amounted to SEK 2.6 billion and derivatives with negative fair values amounted to SEK 1.7 billion as of September 30, 2015. The derivatives are accounted for on

gross-basis, with the exception of derivatives with positive fair values amounting to SEK 0.7 billion, netted against a fair value of a loan of negative SEK 0.7 billion, related to hedge accounting.

Financial liabilities valued at amortized cost, reported as Current and non-current bond loans and other loans, amounted to SEK 144.6 billion in reported carrying value with a fair value of SEK 147.0 billion. In the Volvo Group consolidated financial position, financial liabilities include loan-related derivatives with negative fair values amounting to SEK 1.3 billion.

Currency effect on operating income Industrial operations	Compared to third quarter 2014			Compared to second quarter 2015		
	Third quarter 2015	Third quarter 2014	Change	Third quarter 2015	Second quarter 2015	Change
SEK M						
Net flow in foreign currency			956			(43)
Realized gains and losses on hedging contracts	3	2	1	3	(2)	4
Unrealized gains and losses on receivables and liabilities in foreign currency	(154)	117	(271)	(154)	(424)	270
Unrealized gains and losses on hedging contracts	(6)	(8)	2	(6)	2	(8)
Translation effect on operating income in foreign subsidiaries			143			(99)
Total currency effect on operating income Industrial operations			831			124

Applicable currency rates	Quarterly exchange rates		Close rates	
	Third quarter 2015	Third quarter 2014	Sep 30 2015	Sep 30 2014
BRL	2.42	3.06	2.07	2.96
CNY	1.35	1.13	1.32	1.18
EUR	9.44	9.22	9.42	9.19
USD	8.48	6.95	8.39	7.24
JPY	0.0694	0.0669	0.0699	0.0662

NOTE 5 | TRANSACTIONS WITH RELATED PARTIES

Sales to associated companies amounted to SEK 544M (566) and purchases from associated companies amounted to SEK 537 M (511) during the third quarter of 2015. As of September 30, 2015, receivables from associated companies amounted to SEK 457 M (598) and liabilities to associated companies to SEK 453 M (510).

Sales to joint ventures amounted to SEK 518 M (277) and purchases from joint ventures amounted to SEK 177 M (103) during the third quarter of 2015. As of September 30, 2015, receivables from joint ventures amounted to SEK 565 M (178) and liabilities to joint ventures to SEK 168 M (78).

NOTE 6 | EFFICIENCY PROGRAM

The ambition is to reduce the Group's structural costs by SEK 10 billion and have all activities implemented by the end of 2015, resulting in a full-year savings-effect in 2016 compared to 2012.

The total restructuring charges are expected to amount to approximately SEK 6-7 billion. A significant part of the restructuring charges still to be recognized, currently amounting to SEK 0.7-1.7 billion, are expected to impact earnings in 2015. The non-cash portion of the total restructuring charges is expected to be approximately SEK 1.5-2.0 billion.

As of the third quarter 2013 operating cost related to the efficiency program is presented separately, when relevant for operational follow-up. As a result, in this report operating income and operating margin is presented both

including and excluding restructuring charges. The program includes all restructuring cost, not only cost that meet the definition of restructuring provisions. The cost is recognized as Other operating income and expense in the Group's Income statement.

In the third quarter 2015, SEK 434 M related to the efficiency program is presented separately. The costs are mainly related to the reorganization within the truck sales organization and the optimization of the truck manufacturing in Europe.

As of the third quarter, savings in the program amount to SEK 4.2 billion on a 12-month rolling basis when compared with 2012. Measured in local currencies the savings amount to SEK 6.2 billion.

Follow-up of the program

SEK bn	2012	2013	2014	Q3 2015*	Target reduction 2016 vs 2012
Structural cost reduction in Gross income	-	-	(1.0)	(2.1)	
Cash R&D ¹	16.9	15.9	15.2	14.7	
Selling expenses	27.9	28.5	27.4	27.8	
Administrative expenses	5.6	5.9	5.4	5.8	
Total reduction vs. 2012		(0.1)	(3.3)	(4.2)	(10.0)

*12 months rolling

¹Cash R&D is research and development expenses including capitalization and excluding amortization.

Efficiency program cost, provision and cash-flow

SEK bn		Whereof items with no cash-flow effect
Total restructuring cost, efficiency program		
Announced total restructuring cost	6.0 - 7.0	1.5 - 2.0
Cost recognized		
Previous quarters ¹	4.9	1.4
Current quarter	0.4	0.0
Total cost recognized	5.3	1.4
Remaining restructuring cost	0.7 - 1.7	0.1 - 0.6

Restructuring provision, efficiency program third quarter 2015

Opening balance	1.2
Utilized	(0.2)
New provision	0.1
Reversals	(0.0)
Closing balance	1.1

¹From fourth quarter 2012

PARENT COMPANY

During the year 45% of the Chinese automotive manufacturer Dongfeng Commercial Vehicles Co., Ltd was acquired by SEK 7,197 M. The acquisition is recognized as Investment in associated company. Repayment of equity was made from Blue Chip Jet II HB by SEK 151 M, and is recognized as a reduction of the carrying value.

Divestment of Eicher Motors Limited has reduced the value of Other shares and participations by SEK 4,228 M. Investments in tangible assets amounted to SEK 7 M (29). Financial net debt amounted to SEK 42,577 M (35,967) at the end of the third quarter.

Income Statement	Third quarter		First nine months	
	2015	2014	2015	2014
SEK M				
Net sales¹	218	168	614	462
Cost of sales ¹	(218)	(168)	(614)	(462)
Gross income	0	0	0	0
Operating expenses ¹	(273)	(215)	(1,094)	(707)
Income from investments in Group companies	(179)	6,188	55	5,975
Income from investments in joint ventures and associated companies	-	-	55	46
Income from other investments	-	-	4,615	7
Operating income (loss)	(452)	5,973	3,631	5,321
Interest income and expenses	(283)	(222)	(909)	(775)
Other financial income and expenses	3	-	(4)	(14)
Income after financial items	(732)	5,751	2,718	4,532
Income taxes	133	(120)	502	214
Income for the period	(599)	5,631	3,220	4,746

¹ Of net sales in the third quarter, SEK 188 M (131) pertained to Group companies, while purchases from Group companies amounted to SEK 168 M (123).

Other comprehensive income				
Income for the period	(599)	5,631	3,220	4,746
<i>Items that may be reclassified subsequently to income statement:</i>				
Available-for-sale investments	-	1,162	(3,995)	2,018
Other comprehensive income, net of income taxes	-	1,162	(3,995)	2,018
Total comprehensive income for the period	(599)	6,793	(775)	6,764

Balance Sheet	Sep 30	Dec 31
SEK M	2015	2014
Assets		
Non-current assets		
Intangible assets	12	23
Tangible assets	49	54
Financial assets		
Shares and participations in Group companies	61,282	61,283
Receivables from Group companies	33	59
Investments in joint ventures and associated companies	10,368	3,322
Other shares and participations	15	4,241
Deferred tax assets	2,694	2,191
Other long-term receivables	-	27
Total non-current assets	74,453	71,200
Current assets		
Short-term receivables from Group companies	281	11,682
Other short-term receivables	157	300
Cash and bank accounts	-	0
Total current assets	438	11,982
Total assets	74,891	83,182
Shareholders' equity and liabilities		
Shareholders' equity		
Restricted equity	9,891	9,891
Unrestricted equity	21,578	28,395
Untaxed reserves	4	4
Provisions	128	142
Non-current liabilities ¹	13,973	7
Current liabilities ²	29,317	44,743
Total shareholders' equity and liabilities	74,891	83,182

¹ Of which SEK 13,973 M (7) pertains to Group companies.

² Of which SEK 28,813 M (44,269) pertains to Group companies.

EVENTS AFTER THE BALANCE SHEET DATE

No significant events have occurred after the end of the third quarter 2015 that are expected to have a substantial effect on the Volvo Group.

Göteborg October 23, 2015
AB Volvo (publ)

Jan Gurander
Chief Financial Officer

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

DELIVERIES

Delivered trucks	Third quarter		Change in %	First nine months		Change in %
	2015	2014		2015	2014	
Trucks						
Europe	18,408	16,259	13	60,531	51,653	17
Western Europe	14,907	12,837	16	49,952	40,214	24
Eastern Europe	3,501	3,422	2	10,579	11,439	(8)
North America	15,329	13,972	10	49,118	41,956	17
South America	3,060	5,121	(40)	7,961	17,564	(55)
Asia	7,173	6,598	9	23,221	23,461	(1)
Other markets	3,368	3,989	(16)	10,446	12,373	(16)
Total Trucks	47,338	45,939	3	151,277	147,007	3
Heavy duty (>16 tons)	40,831	39,136	4	129,178	125,677	3
Medium duty (7-16 tons)	3,204	3,251	(1)	10,789	10,853	(1)
Light duty (<7 tons)	3,303	3,552	(7)	11,310	10,477	8
Total Trucks	47,338	45,939	3	151,277	147,007	3
Non-consolidated operations						
VE Commercial Vehicles (Eicher)	9,373	7,495	25	25,207	22,771	11
Dongvo (Hangzhou) Truck Company (UD)	17	29	(41)	85	58	47
Dongfeng Commercial Vehicle Company (Dongfeng Trucks)	24,654	-	-	77,395	-	-
Total non-consolidated operations	34,044	7,524	352	102,687	22,829	350
Heavy duty (>16 tons)	19,356	1,759	1,000	59,901	5,775	937
Medium duty (7-16 tons)	13,166	4,561	189	38,916	13,324	192
Light duty (<7 tons)	1,522	1,204	26	3,870	3,730	4
Total non-consolidated operations	34,044	7,524	352	102,687	22,829	350
Total volumes	81,382	53,463	52	253,964	169,836	50
Of which:						
Volvo						
Europe	9,389	8,988	4	32,628	30,255	8
Western Europe	6,913	6,308	10	24,627	21,113	17
Eastern Europe	2,476	2,680	(8)	8,001	9,142	(12)
North America	9,147	8,136	12	30,134	24,658	22
South America	2,701	4,777	(43)	6,769	16,221	(58)
Asia	3,048	2,742	11	9,525	9,053	5
Other markets	1,210	1,326	(9)	3,809	4,440	(14)
Total Volvo	25,495	25,969	(2)	82,865	84,627	(2)
Heavy duty (>16 tons)	24,916	25,595	(3)	81,036	83,141	(3)
Medium duty (7-16 tons)	579	374	55	1,829	1,486	23
Light duty (<7 tons)	-	-	-	-	-	-
Total Volvo	25,495	25,969	(2)	82,865	84,627	(2)
UD						
Europe	-	-	-	-	-	-
North America	28	30	(7)	67	59	14
South America	46	45	2	138	268	(49)
Asia	3,543	3,481	2	11,670	11,934	(2)
Other markets	1,040	1,394	(25)	2,868	3,685	(22)
Total UD	4,657	4,950	(6)	14,743	15,946	(8)
Heavy duty (>16 tons)	3,105	2,507	24	9,282	8,332	11
Medium duty (7-16 tons)	1,366	1,975	(31)	4,955	6,442	(23)
Light duty (<7 tons)	186	468	(60)	506	1,172	(57)
Total UD	4,657	4,950	(6)	14,743	15,946	(8)

DELIVERIES CONT.

Delivered trucks	Third quarter		Change in %	First nine months		Change in %
	2015	2014		2015	2014	
Of which:						
Renault Trucks						
Europe	9,019	7,271	24	27,903	21,398	30
Western Europe	7,994	6,529	22	25,325	19,101	33
Eastern Europe	1,025	742	38	2,578	2,297	12
North America	49	35	40	168	103	63
South America	26	117	(78)	170	524	(68)
Asia	501	367	37	1,814	2,463	(26)
Other markets	900	984	(9)	3,089	3,467	(11)
Total Renault Trucks	10,495	8,774	20	33,144	27,955	19
Heavy duty (>16 tons)	6,119	4,788	28	18,335	15,725	17
Medium duty (7-16 tons)	1,259	902	40	4,005	2,925	37
Light duty (<7 tons)	3,117	3,084	1	10,804	9,305	16
Total Renault Trucks	10,495	8,774	20	33,144	27,955	19
Mack						
Europe	-	-	-	-	-	-
North America	6,105	5,771	6	18,749	17,136	9
South America	287	182	58	884	551	60
Asia	13	6	117	41	9	356
Other markets	218	285	(24)	680	781	(13)
Total Mack	6,623	6,244	6	20,354	18,477	10
Heavy duty (>16 tons)	6,623	6,244	6	20,354	18,477	10
Medium duty (7-16 tons)	-	-	-	-	-	-
Light duty (<7 tons)	-	-	-	-	-	-
Total Mack	6,623	6,244	6	20,354	18,477	10

DELIVERIES CONT.

Delivered buses	Third quarter		Change in %	First nine months		Change in %
	2015	2014		2015	2014	
Europe	439	449	(2)	1,543	1,506	2
Western Europe	418	443	(6)	1,443	1,409	2
Eastern Europe	21	6	250	100	97	3
North America	546	399	37	1,514	1,037	46
South America	419	739	(43)	1,000	2,090	(52)
Asia	483	309	56	1,119	899	24
Other markets	193	172	12	679	505	34
Total buses	2,080	2,068	1	5,855	6,037	(3)
Non-consolidated operations						
VE Commercial Vehicles	2,217	2,053	8	9,567	7,914	21
Shanghai Sunwin Bus Corporation	694	739	(6)	1,405	2,776	(49)
Dongfeng Commercial Vehicle Company	1,269	-	-	2,960	-	-
Total non-consolidated operations	4,180	2,792	50	13,932	10,690	30
Total volumes	6,260	4,860	29	19,787	16,727	18

AB Volvo (publ) is obliged to disclose the information provided herein pursuant to the Securities Markets Act and/or the Financial Instruments Trading Act. The information was submitted for publication at 07.20 a.m. October 23, 2015.

This report contains forward-looking statements that reflect the Board of Directors' and management's current views with respect to certain future events and potential financial performance. Although the Board of Directors and the management believe 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 Nasdaq Stockholm, if and when circumstances arise that will lead to changes compared to the date when these statements were provided.

Financial calendar

Report on the fourth quarter 2015	February 5, 2016
Annual Report 2015	March 2016
Annual General Meeting 2016	April 6, 2016
Report on the first quarter 2016	April 22, 2016
Report on the second quarter 2016	Changed to July 19, 2016
Report on the third quarter 2016	October 21, 2016

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