AB Volvo

Press Information

Volvo - nine months ended September 30, 2000

First nine months	2000	1999
Net sales, SEK M	94 138	89 806
Operating income, excluding items affecting comparability, SEK M	4 465	4 601
Items affecting comparability, SEK M*	-	26 695
Operating income, SEK M	4 465	31 296
Income after financial items, SEK M	4 859	32 180
Net income, SEK M	3 522	30 564
Income per share excluding items affecting comparability and gains on sales of shares during most recent 12-months period, SEK	11.90	12.40
Return on shareholders' equity, excluding items affecting comparability and gains on sales of shares, %	5.4	8.0

**Items affecting comparability for 1999 concerns gain on sale of Volvo Cars to Ford Motor Company.*

- The Volvo Group's net sales increased by 5%, to SEK 30,142 M, in the third quarter of 2000. A continuing weak trend of business in North America was offset by favorable trends in Europe, Asia and South America.

- Operating income in the third quarter amounted to SEK 654 M, compared with SEK 1,198 M in the year-earlier period. The decrease relates primarily to North America.

- Volvo Trucks' turn-around program is proceeding according to plan and began to show results in the third quarter.

- Volvo Penta's operating income was the best ever in the first three quarters of the year.

- Continued aggressive product renewal including several important product launches during the third quarter.

- The European Union’s competition authority approved Volvo's acquisition of Renault’s truck business, Renault V.I./Mack.

Comments by the Chief Executive Officer

Volvo's sales in South America, Asia and Eastern Europe increased very sharply in the third quarter. Business in Western Europe continued to be strong, while the North American market decreased further.

We are continuing to maintain a high pace of product renewal and during the third quarter we introduced a number of new products; A new series of vocational trucks, the VHD, was presented in the North American market, and the FL model, a medium-heavy truck, in Europe. Volvo Buses presented a new product platform, the TX, which will serve as the basis for the planned model changes in the years immediately ahead. Volvo Construction Equipment strengthened its product line with two new articulated haulers, the A35D and A40D models as well as with a new excavator, the EC150, and Volvo Penta introduced a new 12-liter diesel engine. Through an agreement with Mitsubishi Heavy Industries we expanded the commercial marine-engine program to also include engines in the 25- to 65-liter range.

Volvo Trucks’ continued to report unsatisfying earnings, mainly caused by the sharp decline in the North American market. We are well prepared for further adjustments of the business and we are avoiding inventory build-ups.

Gratifying is that the turn-around program initiated by the new Trucks management in July is beginning to yield some results and that the trend of profitability in Europe is positive. Sales in Asia are very strong and were doubled in the third quarter.

Volvo Construction Equipment was also affected by the weaker market in North America. The operating margin was lower than in the third quarter of 1999, which had been a very strong period. Sales in Europe continue to be strong, although we see tendencies toward increased price competition. The excavator business is developing favorably and the compact-machine segment is growing rapidly in both Europe and North America.

Our finance operations has been affected adversely by the downturn in Trucks' business in North America, but the credit losses are limited and are being largely offset by improved earnings in the other segments of the business.

Volvo Buses' sales rose in the third quarter, resulting in a larger share of the market in Europe, among other gains. The company's profitability is continuing to improve, relative to earnings in 1999, due in part to lower purchasing costs, but is not yet in level with our targets. We are expanding our bus operations geographically in China, through the joint venture agreement with SAIC in Shanghai.

Marine and Industrial power systems reports record-high earnings in the first nine months. Growth is strong and the business area continues to capture market shares. This is also valid for the North America market, where sales of diesel-powered and gasoline-powered engines for leisure marine craft are increasing sharply, which also helps to improve Volvo Penta's margins.

Volvo Aero had a strong third quarter in both the commercial and military components sectors, but was affected negatively in the engine maintenance segment, due mainly to the fact that high oil prices are imposing a strain on aviation-company margins. The AGES Group in North America reversed the trend and improved its profitability.

Regarding the acquisition of Renault V.I./Mack, we are planning for an approval from the American fair trade authorities before year-end. We plan for a rapid integration of the companies and intend to have a resolute line organization in place immediately following final approval of the acquisition.

In broad terms, this new organization is based on three separate brand-name companies. The line of products offered by the brand-name companies will be broadened and strengthened, starting from a common industrial base, which will include a merged engine unit, among others. We are very pleased with the work performed by the groups preparing the integration. The atmosphere between the three truck companies is fine – and it is not without a certain amount of impatience that we are looking forward to putting our plans into action.

Leif Johansson

Important events and structural transactions during the third quarter

The European Union's competition authority approves Volvo's acquisition of Renault V.I./Mack

In April of this year AB Volvo and Renault announced a Memorandum of Understanding whereby Volvo will acquire all the shares of Renault's truck operations, Renault V.I./Mack, in exchange for 15 percent of AB Volvo's shares. This Memorandum of Understanding was confirmed by a final agreement signed by the two parties on July 18. The agreement between Volvo and Renault is conditional on the receipt of the required approvals from the competition authorities.

During the third quarter the European Union’s competition authority concluded its investigation of AB Volvo's proposed acquisition of Renault's truck business, Renault V.I./Mack, and decided to approve the transaction after Volvo and Renault had made certain concessions. The concessions mean that AB Volvo will divest its holding in Scania within three years from the conclusion of the deal, that Renault V.I. will sell its 50% interest in RS Hansa Auto Oy, a Finnish truck distributor, and that Renault's and Iveco's cooperation in the jointly owned Irisbus bus company will cease.

Now that approval has been received from the EU's competition authority, approval has to be obtained from the American fair trade authority, among others.

This year, Volvo's Board of Directors has effected the repurchase of shares amounting to 10 percent of the total number of Volvo shares. When Volvo receives the required approvals by the authorities, these shares will be transferred to Renault as payment for Renault V.I./Mack shares. Volvo then plans to repurchase additional shares in order to be able to transfer the remaining 5 percent of the Company's shares to Renault.

The acquisition of Renault V.I./Mack is expected to be completed towards the end of the current year.

Volvo's repurchase of Company shares

At the Annual General Meeting on April 26, 2000 AB Volvo's shareholders voted to authorize the Board of Directors to decide on repurchase of Volvo’s own shares, in order to be able to continuously adjust Volvo's capital structure to the Company's capital needs, and to be able to transfer shares in connection with fulfillment of incentive programs undertaken within Volvo, or as a means of financing company acquisitions.

On May 18, 2000 the Board of Directors of AB Volvo voted to acquire a maximum of 10 percent – 44,152,082 shares – of the total number Company's shares through an offer to Volvo's shareholders to tender each tenth share held for a cash amount of SEK 264 per Series A share and SEK 271 per Series B share, equal to a premium of approximately 30 percent. The repurchase offer expired on June 30, 2000.

In all, 43,285,237 shares, of which 13,628,789 were Series A shares and 29,656,448 were Series B shares, were tendered. Acceptance of the repurchase offer thus amounted to 98.0% of the share capital and 98.3% of the voting rights, equal to 9.8% of the total number of Volvo shares. Payment for the repurchased shares was made on July 18, 2000.

During the third quarter, Volvo has acquired 866.851 of the Company's shares – of which 231,705 were Series A shares and 635,146 were Series B shares – on the OM Stockholm Exchange. Today Volvo owns 13,860,494 of the Company's Series A shares and 30,291,594 Series B shares, equal to 10% of the number of shares and voting rights.

As a result of Volvo's repurchase of Company shares, a total of SEK 11.8 billion was transferred to Volvo's shareholders.

Following the repurchase of 10% of the Company's shares, the number of Volvo shares outstanding is 397.368,797 of which 124.744,450 are Series A shares and 272.624,346 are Series B shares. Following the transfer of the repurchased shares to Renault, the number of Volvo shares outstanding will be unchanged, compared with the number prior to the repurchase.

Agreement reached pertaining to Volvo's acquisition of an interest in Mitsubishi Fuso Truck and Bus Company

Volvo and Mitsubishi have signed an agreement setting forth the terms for Volvo's acquisition of 19.9% of the shares of Mitsubishi Motors' truck and bus company, Mitsubishi Fuso Truck & Bus Company. In connection with the conversion of its bus and truck division into a subsidiary of Mitsubishi Motors next June, a directed issue of new shares is being implemented. Volvo will then make a capital contribution of approximately SEK 3.2 billion to Mitsubishi Fuso Truck and Bus Company and will receive newly issued shares equal to 19.9% of the total number of shares and voting rights in the company. In accordance with the original timetable, this transaction will be effected July 1, 2001.

In addition to the above fixed portion of the purchase price, Volvo may also pay a supplementary amount, depending on the trend of Mitsubishi Fuso Truck & Bus Company's earnings during the years 2002 through 2005.

Volvo Construction Equipment invests in e-commerce

During the third quarter Volvo Construction Equipment decided to invest in IronPlanet Inc., an American company whose business concept is based on auctioning used construction equipment via the Internet.

IronPlanet (www.ironplanet.com), which was formed in 1999, is located in Pleasanton, California. The company offers a marketplace on the Internet for sellers and buyers of second-hand construction equipment. By using IronPlanet, the time and costs of selling equipment are minimized, while the risk to the buyer is reduced since the equipment undergoes an independent quality inspection.

Volvo is participating in the second round of funding of IronPlanet Inc. along with other participants in the industry. Volvo Construction Equipment's investment in IronPlanet Inc. amounts to approximately USD 5 M.

The Volvo Group in the first three quarters of 2000

Net sales

Net sales of the Volvo Group in the first three quarters of 2000 amounted to SEK 94,138 M (89,806), an increase of 5% compared with sales in the first three quarters of 1999. Adjusted for the effects of foreign exchange movements, the increase was 3%.

All business areas except Trucks reported an increase in net sales. The increases in Buses and in Marine and Industrial power systems amounted to nearly 20%. Volvo Trucks' net sales in the first three quarters amounted to SEK 44,545 M, which was slightly lower than in the year-earlier period, due to the declining market in North America. Volvo Trucks' net sales fell by approximately 4% in the third quarter, compared with third-quarter 1999 sales. The rate of growth for the Group as a whole recovered in the third quarter and net sales amounted to SEK 30,142 M (28,829), an increase of 5%. The increase was attributable primarily to Construction Equipment, whose sales rose by 17%.

Sales were higher in the greater part of Volvo's market areas in the first three quarters of 2000, compared with the year-earlier period. During the third quarter the Group's net sales developed strongly in all markets except in North America, where sales decreased by 15%. The decline in the third quarter was attributable primarily to Trucks. In Western Europe net sales increased by 4% during the first three quarters, and all business areas except Aero reported an increase in sales. The favorable trend in Asia continued and Group sales rose by 44% – from a low level – during the first nine months of 2000. Volvo Trucks, in particular, benefited from the economic recovery in Asia, where its deliveries more than doubled. Group sales in South America have increased strikingly during the year, and the increase relative to sales in the preceding year amounted to 37%, with Buses showing a gain of 84%. Group sales in Eastern Europe have stabilized during the year and the increase relative to the first three quarters of 1999 was 26%.

Net sales attributable to Asia, Eastern Europe and South America, as a percentage of overall sales, continued to rise and amounted to 13% of the Group total. The comparable figure for the first three quarters of 1999 was 10%.

Operating income

Group operating income in the first three quarters of 2000 amounted to SEK 4,465 M (1999: SEK 4,601 M, excluding the gain on sale of Volvo Cars). Operating income, which was affected negatively in the third quarter by Volvo Trucks' weak results, amounted to SEK 654 M (1,198).

Volvo Trucks' operating income in the first three quarters amounted to SEK 729 M (2,131), of which SEK 53 M (442) was attributable to operations in the third quarter. Deliveries in the declining North American market decreased by more than half in the third quarter compared with the year-earlier period, and the competition stiffened. Demand in Europe continued to be strong and the volume of business and margins increased slightly in the third quarter despite the price competition and a euro that continued to be weak. The high costs of product development in connection with the launching of new products were reduced in the third quarter and this factor, combined with Trucks' turn-around program, had a favorable impact.

Construction Equipment's operating income is principally unchanged compared to the first three quarters last year, and all the other business areas report improved operating income.

Operating income for the first three quarters included a refund of SEK 683 M from SPP (see also page 19). In addition, it includes SEK 145 M pertaining to a favorable adjustment of the gain from the sale of Volvo Cars, as well as SEK 610 M in capital gains on the sale of the remaining securities portfolio in Volvia. The adjustment of the gain from the sale of Volvo Cars was due to the fact that one of the reserves established for restructuring costs has proved to be necessary. Operating income was also charged with the allocation of reserves during the second quarter of approximately SEK 160 M. Operating income in the preceding year included a capital gain of SEK 180 M on the sale of a marketing company in Construction Equipment.

The Group's operating margin in the first three quarters amounted to 4.7%, compared with 5.1% in the first three quarters of 1999 and to 2.2% (4.2) in the third quarter this year.

Income from investments in associated companies

Income from investments in associated companies – primarily Scania, Bilia and Volvofinans – amounted to SEK 430 M. On March 14, 2000 the European Union Commission rejected Volvo's application for approval of Volvo's proposed acquisition of Scania. As a result, effective in the second quarter of 2000, Volvo's holding in Scania is no longer reported in accordance with the equity method. However, the dividend of SEK 637 M received from Scania in the second quarter reduced the book value of the holding.

Net interest income/expense

Net interest expense in the first nine months of the year amounted to SEK 20 M, compared with interest income of SEK 169 M in the year-earlier period. The decrease was due largely to lower net financial assets. This was offset in part by a higher return on financial assets, reduced borrowing in Brazil and South Korea, and lower costs of borrowing in Brazil. Net interest expense in the third quarter amounted to SEK 133 M, compared with interest income of SEK 2 M in the second quarter. The decrease was due mainly to lower net financial assets as a result of the repurchase of AB Volvo's shares.

Taxes

Tax expense in the first three quarters of the year amounted to SEK 1,316 M (1,556). The average tax rate was 27%, equal to the level during the first nine months of 1999, adjusted for the gain on the sale of Volvo Cars. Tax expense consists of both current and deferred taxes.

Net sales by market area	**Third quarter**		**First nine months**		**Change**
SEK M	**2000**	**1999**	**2000**	**1999**	**in %**
Western Europe	15 052	13 795	48 781	47 042	+4
Eastern Europe	803	659	2 525	2 011	+26
North America	9 795	11 487	30 609	31 669	-3
South America	1 512	746	3 864	2 819	+37
Asia	1 863	1 383	5 835	4 052	+44
Other countries	1 117	759	2 524	2 213	+14
Total	**30 142**	**28 829**	**94 138**	**89 806**	**+5**

Consolidated income statements	Third quarter		First nine months	
SEK M	**2000**	**1999**	**2000**	**1999**
Net sales	**30 142**	**28 829**	**94 138**	**89 806**
Cost of sales	(24 533)	(23 255)	(75 938)	(71 534)
Gross income	**5 609**	**5 574**	**18 200**	**18 272**
Research and development expenses	(1 122)	(1 104)	(3 585)	(3 383)
Selling expenses	(2 497)	(2 130)	(7 248)	(6 486)
Administrative expenses	(1 269)	(1 214)	(3 671)	(3 729)
Other operating income and expenses	(67)	72	769	(73)
Items affecting comparability *	-	-	-	26 695
Operating income	**654**	**1 198**	**4 465**	**31 296**
Income from investments in associated companies	25	371	430	478
Income from other investments	12	8	103	198
Interest income and similar credits	333	386	1 276	1 394
Interest expenses and similar charges	(466)	(217)	(1 296)	(1 225)
Other financial income and expenses	(17)	(103)	(119)	39
Income after financial items	**541**	**1 643**	**4 859**	**32 180**
Taxes	(166)	(571)	(1 316)	(1 556)
Minority interests in net (income) loss	(6)	(5)	(21)	(60)
Net income	**369**	**1 067**	**3 522**	**30 564**

**Items affecting comparability for 1999 concerns gain on the sale of Volvo Cars.*

Condensed income statement - Finance	Third quarter		First nine months	
SEK M	**2000**	**1999**	**2000**	**1999**
Net sales	**2 231**	**2 211**	**6 983**	**6 344**
Operating income	**173**	**283**	**1 269**	**641**
Income from associated companies	48	20	79	51
Income (loss) after financial items	**221**	**303**	**1 348**	**692**
Taxes	(107)	(98)	(430)	(211)
Net income	**114**	**205**	**918**	**481**

Gross and operating margins	Third quarter		First nine months	
%	**2000**	**1999**	**2000**	**1999**
Gross margin	18.6	19.3	19.3	20.3
Research and development expenses in % of net sales	3.7	3.8	3.8	3.8
Selling expenses in % of net sales	8.3	7.4	7.7	7.2
Administrative expenses in % of net sales	4.2	4.2	3.9	4.2
Operating margin, excluding items affecting comparability	2.2	4.2	4.7	5.1
Operating margin	2.2	4.2	4.7	34.8

Consolidated balance sheets	Volvo Group excl Finance 1)		Finance		Volvo Group total	
SEK M	000930	991231	000930	991231	000930	991231
Assets						
Intangible assets	6 925	6 518	142	100	7 067	6 618
Property, plant and equipment	19 613	17 318	2 587	2 470	22 200	19 788
Assets under operating leases	4 056	1 611	10 892	10 726	14 948	12 337
Shares and participations	37 033	35 296	829	744	30 481	29 213
Long-term sales finance receivables	7	0	21 458	17 817	21 465	17 817
Long-term interest-bearing receivables	6 354	17 605	78	0	6 432	17 605
Other long-term receivables	2 773	2 337	55	147	2 828	2 484
Inventories	24 894	21 053	555	385	25 449	21 438
Short-term sales finance receivables	6	9	17 947	16 487	17 953	16 496
Short-term interest bearing receivables	15 088	1 012	-	-	15 088	1 012
Other short-term receivables	22 830	18 738	2 552	2 797	25 382	21 535
Marketable securities	6 667	17 990	3 647	2 966	10 314	20 956
Cash and bank	1 353	6 475	2 402	1 838	3 755	8 313
Total assets	**147 599**	**145 962**	**63 144**	**56 477**	**203 362**	**195 612**
Shareholders' equity and liabilities						
Shareholders' equity	87 648	97 692	7 381	6 827	87 648	97 692
Minority interests	615	544	0	0	615	544
Provision for post-employment benefits	2 581	2 118	14	12	2 595	2 130
Other provisions	9 377	9 861	6 486	4 971	15 863	14 832
Loans	17 914	12 206	46 209	41 139	64 123	53 345
Other liabilities	29 464	23 541	3 054	3 528	32 518	27 069
Shareholders' equity and liabilities	**147 599**	**145 962**	**63 144**	**56 477**	**203 362**	**195 612**

1) The new business unit, Finance, is reported in accordance with the equity method. Internal receivables and liabilities related to the finance operations are excluded.

Total assets of the Volvo Group as of September 30, 2000 amounted to SEK 203.4 billion, an increase of SEK 7.8 billion since December 31, 1999. Of the total increase, SEK 8.1 billion was attributable to foreign exchange movements, with the sharp increase in the U.S. dollar exchange rate in the third quarter accounting for the greater part. Growth in the Finance business unit, investments in shares and fixed assets, as well as larger amounts of capital tied up in inventories and receivables contributed to the higher assets. The Group's liquid funds decreased by SEK 15.2 billion since December 31, 1999, due primarily to dividends paid and the repurchase of Company shares in the third quarter.

Shareholders' equity amounted to SEK 87.6 billion as of September 30, 2000. Net income during the period increased shareholders' equity by SEK 3.5 billion, while it was reduced by SEK 3.1 billion pertaining to dividends paid and by SEK 11.8 billion for the repurchase of Company shares. The remaining increase of SEK 1.4 billion pertained largely to the translation effects of foreign exchange movements.

Net financial assets declined by SEK 14.2 billion, to SEK 9.0 billion, in the third quarter. Details of the change are shown in the accompanying table.

Change of Net financial assets*		**Third quarter**		**First nine months**
Beginning of period		**23.2**		**28.8**
Cash flow from operating activities	1.2		1.7	
Investments, net	(1.1)		(3.3)	
Operating cash flow, excluding Finance		**0.1**		**(1.6)**
Acquisition of shares in Scania		-		(1.3)
Dividend paid		-		(3.1)
Repurchase of own shares		(11.8)		(11.8)
Other		(2.5)		(2.0)
Total change		**(14.2)**		**(19.8)**
Net financial assets at 000930		**9.0**		**9.0**

**Effective in 2000, the Group's net financial assets are calculated excluding the Finance business unit, since interest income and interest expense in Group operations are reported in consolidated operating income. The change resulted in a decrease of SEK 2.2 billion in net financial assets as of January 1, 2000.*

Key ratios **12 month figures unless otherwise stated**	**Oct 99** **Sept 00**	**Jan - Dec** **1999**
Income per share, SEK	12.00	73.00
Income per share, excluding items affecting comparability and gain on sales of shares, SEK	11.90	12.40
Return on shareholders' equity	5.4	34.9
Return on shareholders' equity excluding items affecting comparability and gain on sales of shares, %	5.4	8.0
Net financial assets at end of period, SEK billion	9.0	28.8
Net financial assets at end of period as percentage of shareholders' equity and minority interests	10.2	29.3
Shareholder' equity and minority interests as percentage of total assets	43.4	50.2
Shareholders' equity and minority interests as percentage of total assets, excluding Finance	59.8	67.3

Cash flow statements, SEK billions	Volvo Group excl Finance		Finance		Volvo Group total	
First nine months	2000	1999	2000	1999	2000	1999
Operating activities						
Operating income 1)	3.2	4.0	1.3	0.6	4.5	4.6
Depreciation and amortization	2.7	2.3	1.8	1.6	4.5	3.9
Other non-cash items	(0.7)	0.1	0.3	0.2	(0.4)	0.3
Change in working capital	(3.1)	0.1	0.0	0.3	(3.1)	0.4
Financial items and income taxes	(0.4)	(1.8)	0.1	0.2	(0.3)	(1.6)
Cash flow from operating activities	**1.7**	**4.7**	**3.5**	**2.9**	**5.2**	**7.6**
Investing activities						
Investments in fixed assets	(3.5)	(3.4)	(0.3)	(0.1)	(3.8)	(3.5)
Investment in leasing vehicles	0.0	(0.4)	(3.2)	(3.5)	(3.2)	(3.9)
Disposals of fixed assets and leasing vehicles	0.2	0.7	1.0	0.5	1.2	1.2
Sales finance receivables, net	0.0	0.0	(2.0)	(4.8)	(2.0)	(4.8)
Operating cash-flow	**(1.6)**	**1.6**				
Investments in shares, net	(1.6)	(23.1)	0.0	0.0	(1.6)	(23.1)
Loans to external parties, net	(1.7)	(0.7)	0.0	0.0	(1.7)	(0.7)
Acquired and divested operations	(0.4)	31.3	0.0	0.0	(0.4)	31.3
Cash flow after net investments	**(5.3)**	**9.1**	**(1.0)**	**(5.0)**	**(6.3)**	**4.1**
Financing activities						
Increase in bond loans and other loans					5.6	4.5
Repurchase of Company shares					(11.8)	-
Dividends paid to AB Volvo's shareholders					(3.1)	(2.6)
Other					0.0	0.1
Increase/decrease in liquid funds excl translation differences					**(15.6)**	**6.1**
Translation difference on liquid funds					0.4	(0.3)
Increase/decrease in liquid funds					**(15.2)**	**5.8**

1) For 1999, excluding the gain on sale of Volvo Cars.

In the cash flow statements, the effects of major acquisitions and divestments of subsidiaries are excluded from other changes in the balance sheet. The effects of foreign exchange movements in connection with the translation of the accounts of foreign subsidiaries to Swedish kronor have been excluded since they do not affect cash flow.

Cash flow

Excluding Finance, the Volvo Group's operating cash flow in the first nine months of 2000 was negative in the amount of SEK 1.6 billion. The weaker result, compared with the preceding year, was attributable primarily to lower operating income and an increase in the amount of capital tied up in inventory and receivables.

During the third quarter, an action program was initiated in order to improve the Group’s cash flow. The action program, which among other measures includes reconsideration of earlier plans for production and investments, showed some effects in the third quarter through a positive cash flow of SEK 0.1 billion, despite the weak income development.

Including Finance, the Group's cash flow after net investments was negative in the amount of SEK 6.3 billion. Apart from the operating cash flow, this item included investments in shares and financial placements with long maturities, as well as the continued expansion within the Finance business unit.

Financial review by business area

Net sales SEK M	Third quarter 2000	 1999	First nine months 2000	 1999	Change in %	12 months moving values	Jan-Dec 1999
Trucks	13 635	14 222	44 545	44 970	(1)	62 585	63 010
Buses	3 883	3 360	12 277	10 324	+19	16 666	14 713
Construction Equipment	4 804	4 107	14 891	14 094	+6	19 679	18 882
Marine and Industrial Power Systems	1 610	1 400	4 920	4 170	+18	6 511	5 761
Aero	2 814	2 412	7 831	7 111	+10	10 673	9 953
Finance	2 231	2 211	6 983	6 344	+10	9 276	8 637
Other	2 959	2 884	9 204	8 505	+8	12 633	11 934
Eliminations	(1 794)	(1 767)	(6 513)	(5 712)	-	(8 672)	(7 871)
Volvo Group	**30 142**	**28 829**	**94 138**	**89 806**	**+5**	**129 351**	**125 019**

Operating income SEK M	Third quarter 2000	 1999	First nine months 2000	 1999	12 months moving values	Jan-De 1999
Trucks	53	442	729	2 131	1 845	3 247
Buses	65	13	278	68	434	224
Construction Equipment	282	389	1 333	1 356	1 686	1 709
Marine and Industrial Power Systems	121	92	421	265	470	314
Aero	72	80	460	394	650	584
Finance	173	285	1 269	641	1 605	977
Other	(112)	(103)	(25)	(254)	(100)	(329)
Operating income*	**654**	**1 198**	**4 465**	**4 601**	**6 590**	**6 726**
Items affecting comparability	-	-	-	26 695	-	26 695
Operating income	**654**	**1 198**	**4 465**	**31 296**	**6 590**	**33 421**

**) excluding items affecting comparability 1999*

Operating margin %	Third quarter 2000	 1999	First nine months 2000	 1999
Trucks	0.4	3.1	1.6	4.7
Buses	1.7	0.4	2.3	0.7
Construction Equipment	5.9	9.5	9.0	9.6
Marine and Industrial Power Systems	7.5	6.6	8.6	6.4
Aero	2.6	3.3	5.9	5.5
Finance	7.8	12.9	18.2	10.1
Operating margin*	**2.2**	**4.2**	**4.7**	**5,1**
Operating margin	**2.2**	**4.2**	**4.7**	**34.8**

**) excluding items affecting comparability 1999*

Trucks

Net sales by market area SEK M	Third quarter 2000	 1999	First nine months 2000	 1999	Change in %
Europe	7 818	6 817	25 731	24 823	+4
North America	3 648	6 193	12 876	16 437	(22)
South America	896	469	2 196	1 517	+45
Asia	707	353	2 379	1 077	+121
Other countries	566	390	1 363	1 116	+22
Total	**13 635**	**14 222**	**44 545**	**44 970**	**(1)**

The total market for heavy trucks in Western Europe continued to increase and reached a new record level. Demand for heavy trucks also rose sharply in Southeast Asia, Eastern Europe and Brazil.

The total market for heavy (Class 8) trucks in North America continued to decline during the third quarter. As a result of the decline in the market and large inventories of used trucks, the competitive situation worsened, causing reductions in production and personnel on the part of many manufacturers.

Volvo delivered 58,691 (61,106) medium-heavy and heavy trucks during the first nine months of the year, including 16,941 (19,353) in the third quarter. Deliveries in Europe rose by 8%, to 32,291 (29,871) trucks in the first three quarters. Deliveries in Europe in the third quarter amounted to 9,416 (7,697) vehicles, an increase of 18%.

Volvo's deliveries in North America declined by 31%, to 17,672 (25,640) trucks, in the first three quarters, compared with the year-earlier deliveries. Deliveries in North America in the third quarter amounted to 4,554 (9,795) trucks. Deliveries in South America rose by 29%, to 3,450 (2,674) vehicles, in the first nine months of 2000, and deliveries in Asia in the same period amounted to 3,937 (1,651) trucks.

Total orders booked by Volvo Trucks in the nine-month period ended September 30, 2000 decreased by 5%, to 55,964 units, compared with the 1999 period. Orders booked in North America in the third quarter were 48% lower than a year earlier.

Volvo Trucks' backlog of orders as of September 30, 2000 amounted to 28,303 trucks, 14% less than on the same date in 1999. The decrease was related to the sharp decline in the market in North America.

At the end of August 2000, Volvo had a 14.8% (15.0) share of the market in Western Europe. Volvo Trucks' European production facilities, which were fully utilized, could not completely satisfy the very high demand in the market in Western Europe. At the end of September Volvo's share of the market for Class 8 trucks in the United States amounted to 10.1% (11.1) and its share of the market in Brazil was 28.1% (26.9). The decrease in market share in the U.S is partly explained by the fact that Volvo has refrained from low profitable business.

Volvo Trucks' net sales in the first three quarters amounted to SEK 44.545 M (44,970), including SEK 13,635 M (14,222) in the third quarter. Operating income in the first three quarters declined to SEK 729 M (2,131), including SEK 53 M (442) in the third quarter. The decrease in income was due to continuing sharp reductions in deliveries and severe pressure on prices in North America. Demand in Europe continued to be strong and Volvo Trucks increased the volume of its business and improved its margins slightly, despite the pressure on prices and a euro that continued to be weak. Operating income included a refund of SEK 192 M from SPP in the second quarter.

Volvo Trucks' operating margin declined to 1.6% (4.7) in the first nine months of the year. The margin in the third quarter was 0.4% (3.1).

The turn-around program that was initiated at midyear to strengthen Volvo Trucks' long-term earning capacity is developing according to plan and began to yield results in the third quarter. Among other measures, improvements in efficiency were implemented in production and product-development costs have been reduced to a more normal level following two important product introductions. Prices were also increased in Western Europe, among other markets.

Demand for heavy trucks in Western Europe is expected to remain high during the remainder of the year. The increase in demand in Eastern Europe and Asia is expected to continue. The total market for heavy trucks in North America is expected to continue to decline during the remaining months of the year and the decrease for the full year is expected to amount to more than 20%, compared with the market in 1999.

Volvo Trucks introduced a new model, the Volvo VHD, in North America in the third quarter. The model, which is based on Volvo's global-module program, is being developed initially for construction site hauling, but over the long term it will also be suitable for many other applications. The Volvo VHD, which was very well received when it was introduced, will strengthen Volvo's position in the important construction segment in the North American market. This segment has not experienced the same sharp decline in the market that has affected the segment for long-haul transport vehicles during the year.

Volvo's deliveries of trucks in the medium-heavy class (less than 16 tons total weight) increased by 76% during the first three quarters of the year. The new Volvo FL model that was introduced in March and which was well received in the market contributed substantially to the increase. The Volvo FL has many technical features in common with the heavy-model program.

Buses

Net sales by market area	Third quarter		First nine months		Change
SEK M	**2000**	**1999**	**2000**	**1999**	**in %**
Europe	1 472	1 228	4 830	4 146	+16
North America	1 743	1 672	5 672	4 782	+19
South America	223	109	568	309	+84
Asia	316	245	844	769	+10
Other countries	129	106	363	318	+14
Total	**3 883**	**3 360**	**12 277**	**10 324**	**+19**

The total market for heavy buses increased slightly in the first three quarters of 2000 compared with the year-earlier period. The largest increases were noted in South America, Asia and Europe. Volvo delivered 8,040 (6,599) buses and bus chassis during the first nine months this year, 22% more than in the 1999 period. A total of 2,636 (2,271) buses and bus chassis were delivered in the third quarter. The percentage of deliveries of complete buses produced by Volvo was 46% (51) in the first three quarters.

Volvo's shares of an increasing market in Europe improved to 18% compared with 16% in the year-earlier period. There was a favorable trend of business in Great Britain, in particular, where Volvo regained market shares with the aid of new products, including double-decker buses.

As of September 30, 2000, the orderbook was 18% lower than on the same date in 1999. The lower level compared to last year is mainly explained by an unusually high orderbook at September 30, 1999, which included a very large order to Mexico.

Net sales increased to SEK 12,277 M (10,324), due to strong sales in Europe and North and South America. Net sales in the third quarter amounted to SEK 3,883 M (3,360). Operating income in the first three quarters rose to SEK 278 M (68), as a result of higher sales, lower costs of purchased material and generally unchanged level of overhead costs despite increased sales. Operating income included a refund of SEK 22 M from SPP in the second quarter. Of the total operating income, SEK 65 M (13) was booked in the third quarter.

The operating margin in the first three quarters was 2.3% (0.7). The comparable figure for the third quarter was 1.7% (0.4).

The new TX product platform, which was introduced during the third quarter, represents a modernization of Volvo Buses' product program that will result in the replacement of many of the company's present model in the years ahead. With the new platform, the market is being offered an improved, broader and more flexible line of products. In the development process for the new platform Volvo Buses has focused on quality, safety and environmental features.

Parallel with the presentation of the new product platform, a number of soft products in the service and financing fields that are adapted to customers' specific needs are being introduced. This approach makes possible a higher degree of vehicle dependability, increased safety and improved cost control for the customer.

Construction Equipment

Net sales by market area	Third quarter		First nine months		Change
SEK M	**2000**	**1999**	**2000**	**1999**	**in %**
Europe	2 423	2 137	7 675	7 380	+4
North America	1 439	1 278	4 427	4 457	(1)
South America	194	111	552	382	+45
Asia	583	425	1 706	1 364	+25
Other countries	165	156	531	511	+4
Total	**4 804**	**4 107**	**14 891**	**14 094**	**+6**

The total market for heavy construction equipment increased by approximately 6% during the first three quarters of 2000, compared with the first nine months of 1999. The total market in Western Europe increased by about 14%, while the market in NAFTA decreased by slightly more than 10%. The increase in other markets amounted to approximately 15%.

The total world market for compact equipment expanded by approximately 8%, with the increase in North America and Europe amounting to around 25% and 20%, respectively.

The total market for heavy construction equipment and compact machines increased by approximately 3% in the third quarter.

Volvo Construction Equipment's net sales during the first nine months of the year rose 6%, to SEK 14,891 M (14,094), including SEK 4,804 M (4,107) in the third quarter, an increase of 17%.

Operating income amounted to SEK 1,333 M (1,356), of which SEK 282 M (389) was booked in the third quarter. Operating income in the second quarter of 2000 included a refund of SEK 147 M from SPP, and income in the second quarter of 1999 included a capital gain of SEK 180 M on the sale of Volvo Construction Equipment's Spanish marketing company.

The operating margin for the first three quarters was 9.0% (9,6). The comparable figure for the third quarter was 5.9% (9.5).

The value of the order backlog at September 30, 2000 was 15% higher than on the year-earlier date. However, compared to the end of the second quarter, the value of the order backlog has decreased by approximately 6%.

In the third quarter, the launch of a new generation of articulated haulers – the A35D and A40D models – was begun, which will strengthen Volvo’s leading position in this segment. The new products are characterized by further improved productivity with greater total economy for the customer, as well as by modern design. The products have been very well received by dealers, customers and the trade press and the first haulers are now on their way to customers. During the third quarter, Volvo’s product range within excavators was extended through a new excavator, the Volvo EC150.

In September, Volvo Construction Equipment decided to begin production of construction equipment in Volvo's bus plant in Wroclaw, Poland. In addition to the industrial benefits, the venture involves a greater presence for the company in the increasingly important markets in Eastern Europe.

During the third quarter it was also decided to invest approximately USD 5 M in IronPlanet Inc., whose business concept is based on auctioning used construction equipment – that has been subjected to an independent quality inspection – via the Internet.

Marine and Industrial Power Systems

Net sales by market area	Third quarter		First nine months		Change
SEK M	**2000**	**1999**	**2000**	**1999**	**in %**
Europe	754	645	2 442	2 175	+12
North America	597	469	1 733	1 288	+35
South America	37	37	110	89	+24
Asia	183	198	530	489	+8
Other countries	39	51	105	129	(19)
Total	**1 610**	**1 400**	**4 920**	**4 170**	**+18**

The world market for marine engines continued to grow during the third period. The total market in North America continued to develop favorably, but some weakening could be detected at the end of the quarter. Orders booked in Europe for engines used in recreational craft continued to be very substantial. Order books of builders of recreational craft in Italy, Germany and Great Britain, among other markets, are well filled. The total market for industrial engines increased in Europe, North America and Asia.

Volvo Penta continued to increase it share of the market for marine engines and maintained its strong position in the industrial-engine field in Europe. Sales of industrial engines in Asia, as well as in North America, continued to develop favorably. Net sales amounted to SEK 4,920 M (4,170), of which SEK 1,610 M (1,400) was booked in the third quarter.

Operating income, which was the best ever for Volvo Penta, continued to be affected by the larger volume of sales and increased by 59%, to SEK 421 M (265), of which SEK 121 M (92) was booked in the third quarter. Operating income included a refund of SEK 41 M from SPP in the second quarter.

The operating margin amounted to 8.6% (6.4), with the margin in the third quarter amounting to 7.5% (6.6).

A number of new products were introduced in the third quarter, continuing Volvo Penta's aggressive investment in a new product program. In July the company introduced a new 5- and 7-liter diesel engine program designed for generator systems.

In the beginning of August AB Volvo Penta and Mitsubishi Heavy Industries Ltd. concluded a global agreement covering the distribution of diesel engines ranging in size from 25- to 65-liter units. The new product program carrying the Volvo Penta brand name was displayed for the marine commercial market in September. At the same time the company presented the marine commercial version of the new 12-liter D12 diesel engine with two power ratings, 615 hp and 650 hp.

A number of large orders for industrial engines for use in irrigation system pumping stations were received in Saudi Arabia in the third quarter; the orders represented increased shares of the market.

Aero

Net sales by market area	Third quarter		First nine months		Change
SEK M	**2000**	**1999**	**2000**	**1999**	**in %**
Europe	880	998	3 048	3 219	(5)
North America	1 812	1 239	4 232	3 252	+30
South America	31	13	92	151	(39)
Asia	67	115	366	383	(4)
Other countries	24	47	93	106	(12)
Total	**2 814**	**2 412**	**7 831**	**7 111**	**+10**

Air traffic continued to increase throughout the world during the third quarter. The accumulated growth amounted to 8.2% at the end of July. As expected, the level of deliveries of large commercial aircraft has been somewhat below the record-high 1999 figures. In contrast, order bookings continue to be higher than last year. During the first nine months of the year orders were placed for 780 aircraft, compared with 497 in the same period in 1999.

Following seven quarters of declining results for American aviation companies, their operating income rose by 9% in the second quarter this year. Despite this, there are continuing problems in the after-sales market, which is characterized by excess capacity in the form of unutilized aircraft and low demand for spare parts.

Volvo Aero's net sales in the first three quarters increased by 10%, to SEK 7,831 M (7,111), of which SEK 2,814 M (2,412) was booked in the third quarter.

Operating income in the first three quarters amounted to SEK 460 M (394). Income included a refund of SEK 106 M from SPP in the second quarter. The Aerospace Components and Military Engines business areas, in particular, are showing strong results.

Operating income in the third quarter amounted to SEK 72 M (80). The decrease was due mainly to profitability problems within after market services. Targeted areas of improvement include reducing through-put times for engine services and cutting costs, in part through an expanded logistics organization and an increased level of integration with The AGES Group within purchasing.

The AGES Group, which was affected by the decline in the after-sales market, reported weak – but improved – profitability. AGES is attempting to increase its market shares at the same time that it is taking various steps to reduce its costs. The number of employees, including consultants, was reduced by more than 15% during the first nine months of the year, among other measures.

During the third quarter Volvo Aero and Dresser-Rand concluded an agreement whereby Aero’s business area Land & Marine Gas Turbines is assuming all responsibility for the DR990 gas turbine in the after-sales market. The agreement is important strategically since it will open up new opportunities for sales of Volvo Aero's own gas turbines.

Finance

Since January 1, 2000 the Finance business unit has consisted of Volvo's sales-financing operations, Volvo's insurance operations, Volvo Treasury and Danafjord, the Group's real estate company, as well as the associated company Volvofinans.

In the markets where Finance is offering financing, the degree of penetration in the new-truck segment was 28% in the first nine months of the year, compared with penetration of 26% in the same period of the preceding year.

As of September 30, 2000, total assets amounted to SEK 63.1 billion, including SEK 50.6 billion in the credit portfolio. Adjusted for the effects of foreign exchange movements, the credit portfolio increased by 7% during the first three quarters. Approximately 73% of the credit portfolio pertained to truck-related financing, 12% to financing of construction equipment, and 12% to bus financing. The remaining 3% involved primarily the continuing financing of passenger cars.

Operating income in the first nine months amounted to SEK 1,269 M (641), of which SEK 610 M pertained to income from the sale of Volvia's securities portfolio and SEK 38 M consisted of a refund from SPP. Effective in the second quarter, income from Volvo Treasury is included in operating income of the Finance unit. (See also page 20.)

Operating income in the third quarter amounted to SEK 173 M (285). Operating income in the third quarter of 1999 included approximately SEK 55 M that pertained to the liquidation of reserves that had been established earlier for operations in Eastern Europe, among other purposes. The decrease in income compared with the preceding year is due primarily to larger credit losses in the third quarter from truck-financing operations in North America. An action program has been initiated, which resulted in both lower costs and higher margins on new truck financing in the quarter. Another factor that contributed to the weaker results in the third quarter was that the comparable figure for the third quarter 1999 includes gain on the sale of Volvia's stock portfolio.

Adjusted for the sale of sale of securities, including the lower return from Volvia's portfolio compared with the preceding year, the refund from SPP, Volvo Treasury's income and the liquidation of reserves in 1999, Finance's operating income declined by 7%, compared with income in the first nine months last year.

Total reserves amounted to 2.9% of the credit portfolio, of which the reserve for residual-value risk amounted to 0.5%. Realized credit losses in the first nine months of the year amounted to SEK 293 M, as against SEK 159 M in the year-earlier period. The effect of this year’s result regarding changes in reserves and known credit losses was SEK 258 M (194).

Number of employees

The Volvo Group had 55,657 employees as of September 30, 2000, compared with 53,469 at December 31, 1999. The increase was attributable primarily to employees in acquired companies.

Göteborg, October 25, 2000

AB Volvo (publ)
Leif Johansson
President and Chief Executive Officer

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

Quarterly figures

Volvo Group SEK M unless otherwise specified	3/1999	4/1999	1/2000	2/2000	3/2000
Net sales	**28 829**	**35 213**	**30 546**	**33 450**	**30 142**
Cost of sales	(23 255)	(27 967)	(24 561)	(26 844)	(24 533)
Gross income	**5 574**	**7 246**	**5 985**	**6 606**	**5 609**
Research and development expenses	(1 104)	(1 142)	(1 182)	(1 281)	(1 122)
Selling expenses	(2 130)	(2 379)	(2 297)	(2 454)	(2 497)
Administrative expenses	(1 214)	(1 062)	(1 229)	(1 173)	(1 269)
Other operating income and expenses	72	(538)	148	688	(67)
Operating income	**1 198**	**2 125**	**1 425**	**2 386**	**654**
Income from investments in associated companies	371	89	365	40	25
Income from other investments	8	(28)	10	81	12
Interest income and similar credits	386	418	500	443	333
Interest expenses and similar charges	(217)	(280)	(389)	(441)	(466)
Other financial income and expenses	(103)	92	(23)	(79)	(17)
Income after financial items	**1 643**	**2 416**	**1 888**	**2 430**	**541**
Taxes	(570)	(715)	(629)	(521)	(166)
Minority interests	(5)	(44)	8	(23)	(6)
Net income	**1 068**	**1 657**	**1 267**	**1 886**	**369**

Depreciation and amortization included above					
Volvo Group excl Finance	756	784	922	893	908
Finance	569	493	612	704	468
Total	**1 325**	**1 277**	**1 534**	**1 597**	**1 376**

Income per share, SEK	**2.40**	**3.80**	**2.90**	**4.20**	**1.10**
Average number of shares, million	441.5	441.5	441.5	441.5	406.3

Income per share is calculated as net income divided by the weighted average number of shares outstanding during the period.

Gross and operating margin %	3/1999	4/1999	1/2000	2/2000	3/2000
Gross margin	19.3	20.6	19.6	19.7	18.6
Research and development expenses in % of net sales	3.8	3.2	3.9	3.8	3.7
Selling expenses in % of net sales	7.4	6.8	7.5	7.3	8.3
Administrative expenses in % of net sales	4.2	3.0	4.0	3.5	4.2
Operating margin	**4.2**	**6.0**	**4.7**	**7.1**	**2.2**

Net sales **SEK M**	**3/1999**	**4/1999**	**1/2000**	**2/2000**	**3/2000**
Trucks	14 222	18 040	15 129	15 781	13 635
Buses	3 360	4 390	3 838	4 556	3 883
Construction Equipment	4 107	4 788	4 649	5 438	4 804
Marine and Industrial Power Systems	1 400	1 591	1 585	1 725	1 610
Aero	2 412	2 842	2 286	2 731	2 814
Finance	2 211	2 293	2 206	2 546	2 231
Other	2 884	3 429	3 087	3 158	2 959
Eliminations	(1 767)	(2 160)	(2 234)	(2 485)	(1 794)
Net sales	**28 829**	**35 213**	**30 546**	**33 450**	**30 142**

Operating income **SEK M**	**3/1999**	**4/1999**	**1/2000**	**2/2000**	**3/2000**
Trucks	442	1 116	645	31	53
Buses	13	156	33	180	65
Construction Equipment	389	353	311	740	282
Marine and Industrial Power Systems	92	49	103	197	121
Aero	80	190	110	278	72
Finance	285	335	398	698	173
Other	(103)	(74)	(175)	262	(112)
Operating income	**1 198**	**2 125**	**1 425**	**2 386**	**654**

Operating margins **%**	**3/1999**	**4/1999**	**1/2000**	**2/2000**	**3/2000**
Trucks	3.1	6.2	4.3	0.2	0.4
Buses	0.4	3.6	0.9	4.0	1.7
Construction Equipment	9.5	7.4	6.7	13.6	5.9
Marine and Industrial Power Systems	6.6	3.1	6.5	11.4	7.5
Aero	3.3	6.7	4.8	10,2	2.6
Finance	12.9	14.6	18.0	27.4	7.8
Other	(3.6)	(2.2)	(5.7)	8.3	(3.8)
Operating margin	**4.2**	**6.0**	**4.7**	**7.1**	**2.2**

Accounting for the surplus funds from SPP

During the mid-1990s and subsequent years, a surplus arose in the SPP insurance company because the yield from management of the ITP insurance program exceeded the rate of increase in the corresponding pension obligations. Through a resolution in December 1998, SPP divided, by company, the surplus that had accumulated up to and including 1998.

Based on a statement by The Urgent Issues committee of the Swedish Financial Accounting Standards Council, the surplus funds that were collected in SPP should be reported in companies, when their amounts can be valued in a reliable manner.

Basic rules governing how the surplus funds were to be refunded were established in the spring of 2000, and Volvo has reported the surplus funds in its accounts as of June 30, 2000. The discounted present value of the surplus funds has been reported as operating income in the income statement. The claims is reported as a long-term interest-bearing receivable in the balance sheet; however. the portion that is expected to be received within a year in shown as a short-term interest-bearing receivable.

Changes in the Volvo Group's financial reporting as a result of the new business unit, Finance

As of January 1, 2000, all of Volvo's operations in customer financing, insurance, treasury and real estate were organized in a separate business unit, Finance. When presenting the Volvo Group's sales and operating income per segment, Finance is reported separately from the five business areas. Comparable figures for 1999 have been adjusted to reflect the new organization.

Income statements for Finance comprise Volvo's total customer financing operations, Volvo's insurance operations, Danafjord, the Group's real estate company, the Volvofinans associated company and Volvo Treasury's income, as defined below.

Balance sheets and cash flow analyses for Finance comprise all of Volvo's customer financing operations, Volvo's insurance operations, Danafjord, the Group real estate company and the Volvofinans associated company.

In connection with the formation of the Finance business unit, the principles for classification of income and expense in Volvo's insurance and real estate operations have also been adapted. As of January 1, 2000, financial income and expense in these operations are being reported in the Volvo Group 's operating income. Earlier, the items were included in the Group's net interest/expense. Comparable figures for 1999 have been adjusted in accordance with the new classification principle. As a result of the above, the definition of the Volvo Group's net financial assets has also been modified. As of January 1, 2000, the Group's net financial assets are calculated excluding the Finance business unit since financial income and expense in Finance is reported in Group operating income. At the beginning of 2000, as a result of the new definition, Volvo's net financial assets were reduced by SEK 2.2 billion

Effective in the second quarter of 2000, Volvo Treasury's income is being reported as part of the operating income in Finance. Volvo Treasury's income includes interest income and similar credits, interest expense and similar charges, and overhead costs of Volvo Treasury's operations. However,Finance’s income excludes the effects of the equity capital base in Volvo Treasury. Based on the above definition. Volvo Treasury's income for the first three quarters of 2000 amounted to SEK 121 M. Of this amount, SEK 149 M was reported under the Group’s net interest income in accordance with the earlier principle, and a deficit of SEK 28 M was reported among other financial income.

Change in identification of overhead costs in Volvo's spare-parts operations

Effective January 1, 2000, the method of calculating Volvo's product costs related to spare parts has been revised. Beginning in 2000, overhead costs of the Group's spare-parts business, which earlier were included among administrative costs, are being included among costs of products sold. Comparable figures for 1999 have been adjusted to conform to the changed classification.

Trucks, units invoiced	Third quarter 2000	Third quarter 1999	First nine months 2000	First nine months 1999	Change in %
Europe	9,416	7,697	32,291	29,871	+8
Western Europe	8,688	7,118	29,648	27,962	+6
Eastern Europe	728	579	2,643	1,909	+38
North America	4,554	9,795	17,672	25,640	(31)
South America	1,404	877	3,450	2,674	+29
Asia	1,026	530	3,937	1,651	+138
Other markets	541	454	1,341	1,270	+5
Total trucks	**16,941**	**19,353**	**58,691**	**61,106**	**(4)**

Volvo buses/bus chassis, units invoiced	Third quarter 2000	Third quarter 1999	First nine months 2000	First nine months 1999	Change in %
Europe	890	755	2,899	2,450	+18
North America	935	980	2,900	2,557	+13
South America	321	169	745	464	+61
Asia	353	251	1,178	760	+55
Other markets	137	116	318	368	(14)
Total, buses/bus chassis	**2,636**	**2,271**	**8,040**	**6,599**	**+22**