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BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Proceeding	91207836
Party	Plaintiff Volvo Trademark Holding AB
Correspondence Address	LEIGH ANN LINDQUIST SUGHRUE MION PLLC 2100 PENNSYLVANIA AVENUE NW WASHINGTON, DC 20037-3202 UNITED STATES tm@sughrue.com, llindquist@sughrue.com
Submission	Testimony For Plaintiff
Filer's Name	LEIGH ANN LINDQUIST
Filer's e-mail	tm@sughrue.com, vmullineaux@sughrue.com
Signature	/Leigh Ann Lindquist/
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Net provision for post-employment benefits	Sweden Pensions	United States Pensions	France Pensions	Great Britain Pensions	US Other benefits	Other plans	Total
Funded status at December 31, 2009	(3,451)	(3,492)	(1,897)	(46)	(3,669)	(2,905)	(15,460)
Unrecognized actuarial (gains) and losses	3,030	4,373	232	635	384 ¹	501	9,155
Unrecognized past service costs	-	(81)	405	-	(6)	(15)	303
Net provisions for post-employment benefits at December 31, 2009	(421)	800	(1,260)	589	(3,291)	(2,419)	(6,002)
of which reported as							
Prepaid pensions and other assets	-	1,254	-	588	120	87	2,049
Provisions for post-employment benefits	(421)	(454)	(1,260)	1	(3,411)	(2,506)	(8,051)
Funded status at December 31, 2010	(2,066)	(3,463)	(1,605)	167	(3,417)	(2,783)	(13,167)
Unrecognized actuarial (gains) and losses	1,475	4,054	113	388	322	643	6,995
Unrecognized past service costs	-	(65)	380	-	(5)	-	310
Net provisions for post-employment benefits at December 31, 2010	(591)	526	(1,112)	555	(3,100)	(2,140)	(5,862)
of which reported as							
Prepaid pensions and other assets	-	900	-	555	110	83	1,648
Provisions for post-employment benefits	(591)	(374)	(1,112)	-	(3,210)	(2,223)	(7,510)

1 A decrease by 194 from reclassification to financial liability in Mack Trucks.

Plan assets by category	2009	%	2010	%
Shares and participation, Volvo	195	1	403	2
Shares and participations, other	10,893	48	11,494	50
Bonds and interest-bearing securities.	10,167	45	9,100	40
Property	319	1	440	2
Other	1,036	5	1,517	6
Total	22,610	100	22,954	100

Actual return on plan assets amounted to 2,259 (2,821).

Actuarial gains and losses	2009	2010
Experience-based adjustments in obligations		(110)
Experience-based adjustments in plan assets		1,463
Effects of changes in actuarial assumptions		(1,696)
Actuarial gains and (losses), net	(343)	1,389

Volvo's pension foundation in Sweden was formed in 1996 to secure obligations relating to retirement pensions for salaried employees in Sweden in accordance with the ITP plan (a Swedish individual pension plan). Plan assets amounting to 2,456 were contributed to the foundation at its formation, corresponding to the value of the pension obligations at that time. Since its formation, net contributions of 1,472 have been made to the foundation. The plan assets in Volvo's Swedish pension foundation are invested in Swedish and foreign stocks and mutual funds, and in interest-bearing securities, in accordance with a distribution that is determined by the foundation's Board of Directors. At December 31, 2010, the fair value of the foundation's plan assets amounted to 7,059 (6,408), of which 57% (46) was invested in shares or mutual funds. At the same date, retirement pension obligations attributable to the ITP plan amounted to 8,794 (9,465).

Swedish companies can secure new pension obligations through balance sheet provisions or pension fund contributions. Furthermore, a credit insurance must be taken for the value of the obligations. In addition to benefits relating to retirement pensions, the ITP plan also includes, for example, a collective family pension, which Volvo finances

through insurance with the Alecta insurance company. According to an interpretation from the Swedish Financial Reporting Board, this is a multi-employer defined-benefit plan. For fiscal year 2009, Volvo did not have access to information from Alecta that would have enabled this plan to be reported as a defined-benefit plan. Accordingly, the plan has been reported as a defined-contribution plan. Alecta's funding ratio is 143% (141).

Volvo's subsidiaries in the United States mainly secure their pension obligations through transfer of funds to pension plans. At the end of 2010, the total value of pension obligations secured by pension plans of this type amounted to 11,378 (12,923). At the same point in time, the total value of the plan assets in these plans amounted to 9,535 (9,866), of which 59% (59) was invested in shares or mutual funds. The regulations for securing pension obligations stipulate certain minimum levels concerning the ratio between the value of the plan assets and the value of the obligations. As a consequence of the Master Agreement 2009 between Mack Trucks and United Auto Workers (UAW) an independent trust has been established that will completely eliminate Mack's commitments for providing healthcare to

retired employees. Instead Mack Trucks has an obligation to fund the newly established fund over five years. As a result of the agreement the 2009 operating income of Mack Trucks was charged by 877 (USD 110 M), of which 1,194 concerning settlement of post-employment benefits other than pensions and 317 in reduced pension costs from a change in past service costs. The obligation increased with the same amount. Interest on the obligation started accruing from October 1, 2009. By that, SEK 4,015 billion (USD 525 M), formerly reported

as obligation was reclassified a financial liability. Accordingly, the obligation decreased by 4,282, the plan assets by 73 and unrecognized actuarial losses by 194. During 2010, Volvo contributed 156 (0) to the American pension plans.

During 2010 Volvo has made extra contributions to the pension plans in Great Britain in the amount of SEK 103 M (113).

In 2011, Volvo estimates to transfer an amount of about SEK 1 billion to pension plans.

NOTE 25 OTHER PROVISIONS

	Value in balance sheet 2009	Provisions	Reversals	Utilizations	Acquired and divested companies	Translation differences	Reclassi- fications	Value in balance sheet 2010	Of which due within 12 months	Of which due after 12 months
Warranties	7,947	6,080	(805)	(5,160)	(4)	(333)	116	7,841	4,844	2,997
Provisions in insurance operations	505	154	(103)	(75)	0	(31)	0	450	3	447
Restructuring measures	707	72	(75)	(419)	0	(36)	(2)	247	188	59
Provisions for residual value risks	1,061	319	(40)	(461)	0	(25)	5	859	134	725
Provisions for service contracts	465	296	(42)	(228)	0	(41)	(6)	444	192	252
Dealer bonus	1,315	2,245	(64)	(1,684)	5	(142)	(24)	1,651	1,435	216
Other provisions	3,847	3,088	(1,035)	(2,714)	1	(202)	(7)	2,978	1,738	1,240
Total	15,847	12,254	(2,164)	(10,741)	2	(810)	82	14,470	8,534	5,936

Long-term provisions as above is expected to be settled within 2 to 3 years.

NOTE 26 NON-CURRENT LIABILITIES

The listing below shows the Group's non-current liabilities in which the largest loans are distributed by currency. Most are issued by Volvo Treasury AB. Information on loan terms is as of December 31, 2010.

Volvo hedges foreign-exchange and interest-rate risks using derivative instruments. See Note 36.

Bond loans	Actual interest rate, Dec 31, 2010, %	Effective interest rate, Dec 31, 2010, %	2009	2010
EUR 2007-2010/2012-2017	2.19-9.92	2.21-9.92	26,428	20,384
SEK 2007-2009/2012-2017	1.59-8.63	1.60-8.91	16,174	12,553
JPY			79	-
USD 2009/2015	5.98	5.98	5,381	5,075
NOK 2009/2012	5.64	5.76	557	229
GBP 2009/2014	6.28	6.43	572	525
Total¹			49,191	38,767

¹ Of which loans raised to finance the credit portfolio of the customer financing operations 14,940 (12,302).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Other loans	Actual interest rate, Dec 31, 2010, %	Effective interest rate, Dec 31, 2010, %	2009	2010
USD 2007-2010/2012-2018	0.52-7.50	0.52-7.76	17,281	13,433
EUR 2004-2009/2012-2027	3.25-6.50	3.28-6.50	5,995	1,485
GBP 2008/2012-2013	1.19	1.2	1,664	337
SEK 2007-2010/2012-2017	2.00-3.00	2.02-3.00	1,915	2,942
CAD 2006-2010/2012-2013	1.53-2.84	1.54-2.87	2,067	2,928
MXN 2007-2009/2012-2014	5.00-9.04	5.11-9.42	2,145	2,186
JPY 2005-2010/2012-2016	0.65-3.52	0.65-3.52	16,374	12,405
CHF			696	-
BRL 2003-2009/2012-2017	6.58-7.0	6.86-7.0	5,940	5,348
Other loans	1.7-7.5	1.71-7.64	1,189	1,871
Revaluation of outstanding derivatives to SEK			769	2,392
Total other non-current loans²			56,035	45,327
Deferred leasing income			1,965	1,778
Residual value liabilities			3,109	3,170
Accrued expenses service contracts			1,422	1,273
Other non-current financial liabilities			1,672	1,114
Other non-current liabilities			1,720	1,896
Total			115,114	93,325

2 Of which loans raised to finance the credit portfolio of the customer financing operations 21,064 (26,551) and financial derivatives 2,392 (769).

Of the above long-term loans, 1,288 (270) was secured.
See note 28 for a description of changes of assets pledged.

Long-term loans mature as follows:	
2012	23,530
2013	13,836
2014	17,591
2015	10,190
2016	6,476
2017 or later	12,471
Total	84,094

See note 16 for maturities of long-term customer financing receivables.

Of other non-current liabilities the majority will mature within five years.

At year-end 2010, credit facilities granted but not utilized and which can be used without restrictions amounted to approximately SEK 35.3 billion (33.2). These facilities consisted of stand-by facilities for loans with varying maturities through the year 2013. A fee is normally charged for the unused portion of credit facilities and is reported in the income statement under other financial income and expenses.

NOTE 27 CURRENT LIABILITIES

Balance sheet amounts for loans were as follows:

	2009	2010
Bank loans	14,083	12,261
Other loans	37,543	27,340
Total¹	51,626	39,601

1 Of which loans raised to finance the credit portfolio of the customer financing operations 29,690 (40,766) and derivatives 458 (178).

Bank loans include current maturities, 3,246 (4,713), of long-term loans. Other loans include current maturities of long-term loans, 22,007 (25,108), and commercial paper, 1,416 (8,640).

Non-interest-bearing current liabilities accounted for 84,457 (70,955), or 68% (58) of the Group's total current liabilities.

Balance sheet amounts for other current liabilities were as follows:

	2009	2010
Advances from customers	3,556	3,416
Wages, salaries and withholding taxes	8,504	8,824
VAT liabilities	1,511	2,023
Accrued expenses and prepaid income	11,756	12,626
Deferred leasing income	1,725	1,640
Residual value liability	2,730	2,154
Other financial liabilities	783	242
Other liabilities	3,540	4,416
Total	34,105	35,341

Current liabilities also include trade payables that amounted to 47,250 (35,955), current tax liabilities of 1,732 (623) and non interest-bearing liabilities held for sale reported within Note 4. Secured bank loans at year-end 2010 amounted to 216 (329). The corresponding amount for other current liabilities was 1,442 (58).

NOTE 28 ASSETS PLEDGED

	2009	2010
Property, plant and equipment – mortgages	297	168
Assets under operating leases	109	107
Chattel mortgages	25	-
Receivables	451	2,964
Cash, marketable securities	76	100
Total	958	3,339

The liabilities for which the above assets were pledged amounted at year-end to 2,946 (658).

In 2010 an asset-backed securitization was completed. Under the terms of the transaction, USD 616 M of securities were issued tied to

US-based loans with trucking and construction equipment assets as collaterals.

NOTE 29 CONTINGENT LIABILITIES

	2009	2010
Credit guarantees issued for customers and others	2,173	3,709
Tax claims	824	490
Other contingent liabilities	6,610	6,804
Total	9,607	11,003

Tax claims amounted to 490 (824) pertain to charges against the Volvo Group for which provisions are not considered necessary.

Other contingent liabilities includes residual value guarantees and legal proceedings.

The reported amounts for contingent liabilities reflect the Volvo Group's risk exposure on a gross basis. The reported amounts have thus not been reduced because of counter guarantees received or other collaterals in cases where a legal offsetting right does not exist. At December 31, 2010, the estimated value of counter guarantees received and other collaterals, for example the estimated net selling price of used products, amounted to 3,893 (3,832). They are mainly pertaining to credit guarantees and residual value guarantees.

Legal proceedings

The former labor agreement between Mack Trucks, Inc. and the United Auto Workers Union (UAW), expired on September 30, 2007. Thereafter Mack Trucks and UAW have entered into a new 40-month Master Agreement. The agreement includes the establishment of an independent trust that will completely eliminate Mack's commitments for providing healthcare to retired employees. The trust must be approved by the U.S. District Court for the Eastern District of Pennsylvania, which is currently scheduled for the last six months of 2011. The Volvo Group will fund the trust with USD 525 M, paid out during a five-year period as from 2010. The funding obligation is reported as a financial liability and amortizations will be reported as cash flow from financing activities.

In July 1999, Volvo Truck Corporation and Volvo Construction Equipment entered into a Consent Decree with the U.S. Environmental Protection Agency (EPA). The Consent Decree included, among other provisions, that new stricter emission requirements for certain engines that would come into force on January 1, 2006, should be applied by VTC and VCE from January 1, 2005. The Consent Decree was later transferred from VTC and VCE to Volvo Powertrain Corporation. During 2008, the EPA demanded stipulated penalties from

Volvo Powertrain Corporation in the amount, including interest, of USD 72 M, alleging that the stricter standards under the Consent Decree should have been applied to engines manufactured by Volvo Penta during 2005. Volvo Powertrain disagrees with EPA's interpretation and is defending the case vigorously based on, among other grounds, that the Volvo Penta engines were not subject to the Consent Decree. The dispute was referred to a U.S. court. The amount requested by the EPA is included in other contingent liabilities.

Nissan Diesel Thailand Co. Limited (the "Plaintiff") on November 30, 2009 filed a claim at the Pathumthani Provincial Court of First Instance, Thailand, against AB Volvo and three of its employees (together the "Defendants"), claiming damages in the sum of Baht 10.5 billion (equivalent to approximately SEK 2.3 billion). The Plaintiff claims that the Defendants' actions caused UD Trucks Corporation ("UDT"), a wholly-owned subsidiary of AB Volvo, to unlawfully terminate two agreements dated December 27, 2002 between UDT and the Plaintiff. The Plaintiff is one of UDT's private dealers. AB Volvo considers that the Plaintiff's claim is of no merit.

Volvo Trucks' and Renault Trucks' UK subsidiaries have, together with a number of other international truck companies, become the subject of an investigation initiated by the OFT (Office of Fair Trading), the British competition authority. Volvo Trucks' and Renault Trucks' British subsidiaries have received letters from the OFT as part of the investigation and will cooperate fully with the OFT during the course of the investigation.

In January 2011 Volvo Group and a number of other companies in the truck industry have become part of an investigation by the European Commission regarding a possible violation of EU antitrust rules. Volvo Group will cooperate fully with the Commission during the course of the investigative work.

Global actors such as Volvo are occasionally involved in tax disputes of different proportions and in different stages. On a regular basis Volvo evaluates the exposure related to such disputes and, to the extent it is possible to reasonably estimate what the outcome will be, makes provisions when it is more likely than not that there will be additional tax to pay.

Volvo is involved in a number of other legal proceedings. Volvo does not believe that any liabilities related to such proceedings are likely to entail any risk, in the aggregate, of having a material effect on the financial condition of the Volvo Group.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE **30** CASH-FLOW

Other items not affecting cash amounted to:	2009	2010
Risk provisions and losses related to doubtful accounts receivable/customer-financing receivables	2,779	1,401
Capital gains/losses on the sale of subsidiaries and other business units	(108)	34
Unrealized exchange rate gains/losses on accounts receivable and payable	(26)	(44)
Provision for global profit sharing program	-	350
Expenses for healthcare benefits as a result of the Master Agreement between Mack Trucks and UAW (see note 24)	877	-
Provision for restructuring reserves	334	-
Write-down of assets held for sale	368	65
Other non-cash items	173	(245)
Total	4,397	1,561

Important increase/decrease in bond loans and other loans

During 2010 the Volvo Group has reduced its borrowings as a consequence of a strong cash flow and lower demands of funding from the Customer Finance Operations.

During 2009, the Volvo Group completed a number of important

Investments in shares and participations:	2009	2010
New issue of shares	(2)	(13)
Capital contribution	(6)	(31)
Acquisitions	(61)	(154)
Divestments	16	91
Other	15	1
Total	(38)	(106)

Acquired and divested subsidiaries and other business units:

	2009	2010
Acquired subsidiaries and other business units	(56)	(214)
Divested subsidiaries and other business units	205	831
Total	149	617

funding transactions. A five year EUR 700 M bond was issued, followed by a three year SEK 4.2 billion bond. The Group also received a seven year loan from the European Investment Bank equivalent to EUR 400 M. Volvo Treasury AB, a subsidiary of AB Volvo, issued a USD 750 M guaranteed bond offering at an interest rate of 5.95% due 2015.

NOTE **31** LEASING**Volvo as a lessor**

At December 31, 2010, future rental income from non-cancellable financial and operating leases (minimum leasing fees) amounted to 45,530 (50,522). Future rental income is distributed as follows:

	Finance leases	Operating leases
2011	12,338	4,083
2012-2015	21,009	6,385
2016 or later	482	1,233
Total	33,829	11,701
Allowance for uncollectible future rental income	(445)	
Unearned rental income	(2,904)	
Present value of future rental income related to non-cancellable leases	30,480	

Volvo as a lessee

At December 31, 2010, future rental payments (minimum leasing fees) related to non-cancellable leases amounted to 3,916 (4,135).

Future rental payments are distributed as follows:

	Finance leases	Operating leases
2011	496	815
2012-2015	486	1,605
2016 or later	66	448
Total	1,048	2,868

Rental expenses amounted to:

	2009	2010
Finance leases:		
Contingent rents	(6)	(8)
Operating leases:		
Contingent rents	(24)	(20)
Rental payments	(950)	(923)
Sublease payments	8	6
Total	(972)	(945)

Book value of assets subject to finance lease:

	2009	2010
Acquisition costs:		
Buildings	123	124
Land and land improvements	61	69
Machinery and equipment	1,799	1,863
Assets under operating lease	343	338
Total	2,326	2,394
Accumulated depreciation:		
Buildings	(41)	(41)
Land and land improvements	-	-
Machinery and equipment	(1,090)	(1,174)
Assets under operating lease	(78)	(81)
Total	(1,209)	(1,296)
Book value:		
Buildings	82	83
Land and land improvements	61	69
Machinery and equipment	709	689
Assets under operating lease	265	257
Total	1,117	1,098

NOTE 32 TRANSACTIONS WITH RELATED PARTIES

The Volvo Group has transactions with some of its associated companies. The transactions consist mainly of sales of vehicles to dealers. Commercial terms and market prices apply for the supply of goods and services to/from associated companies.

	2009	2010
Sales to associated companies	529	1,082
Purchase from associated companies	91	50
Receivables from associated companies, Dec 31	297	174
Liabilities to associated companies, Dec 31	8	125

Group holdings of shares in associated companies are presented in note 15, Shares and participations.

The Volvo Group also has transactions with Renault s.a.s. and its subsidiaries. Sales to and purchases from Renault s.a.s. amounted to 52 (85) and 1,654 (2,110). Amounts due from and due to Renault s.a.s. amounted to 15 (20) and 291 (457) respectively, at December 31, 2010. The sales were mainly from Renault Trucks to Renault s.a.s. and consisted of components and spare parts. The purchases were mainly made by Renault Trucks from Renault s.a.s. and consisted mainly of light trucks. Renault Trucks has a license from Renault s.a.s. for the use of the trademark Renault.

NOTE 33 GOVERNMENT GRANTS

During 2010, government grants amounting to 472 (810) have been received and 413 (567) have been accounted for in the income statement. Research and development tax credits are included with 204

(305) and have mainly been received in France and during 2009 also in the US. Other grants were mainly received from the Swedish government and the European Commission.

NOTE 34 PERSONNEL

Remuneration policy decided at the Annual General Meeting in 2010

The Annual General Meeting of 2010 decided upon principles for remuneration and other employment terms for the members of Volvo's Group Executive Committee ("Remuneration Policy"). The accepted principles can be summarized as follows:

The guiding principle is that remuneration and other employment terms for company management, shall be competitive to ensure that Volvo can attract and retain skilled persons in the Group Executive Committee. The fixed salary shall be competitive and shall reflect the individual's area of responsibility and performance.

In addition to the fixed salary a variable salary may be paid. The variable salary may for the CEO amount to a maximum of 65% of the fixed

salary and for the other senior executives a maximum of 50% of the fixed salary. The variable salary shall be based on the Volvo Group's and/or the executive's respective business area's or business unit's fulfilment of certain financial goals. These goals are decided by the Board of AB Volvo and may be related, for example, to operating income and/or cash flow.

In addition to fixed and variable salary, normally other customary benefits, such as company car and company healthcare are provided. In individual cases, accommodation benefits and other benefits may be provided.

In addition to pension benefits provided by law and collective bargain agreements, the members of the Group Executive Committee domiciled in Sweden are offered a defined-contribution pension plan whereby

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

the amount of the individual's pensions comprises the premium paid and any return. Members of the Group Executive Committee resident outside Sweden or resident in Sweden but having a material connection to or having been resident in a country other than Sweden are offered pension solutions that are competitive in the country where the members are or have been resident or to which the members have a material connection.

With regard to notice of termination of employment for members of the Group Executive Committee domiciled in Sweden, the notification period is 12 months if the company terminates the employment and six months if the individual terminates the employment. In addition, the employee is entitled to a severance pay of 12 months' salary if Volvo terminates the employment. Members resident outside Sweden or resident in Sweden but having a material connection to or having been resident in a country other than Sweden are offered notice periods for termination and severance payment that are competitive in the country where the members are or have been resident or to which the members have a material connection.

Fee paid to the Board of directors

According to a resolution adopted at the Annual General Meeting 2010, the fee to the Board of Directors appointed at the Annual General Meeting for the period until the close of the Annual General Meeting 2011 shall be paid as follows: The Chairman of the Board should be awarded SEK 1,500,000 and each of the other members SEK 500,000 with exception of the President and Chief Executive Officer of AB Volvo. In addition, SEK 250,000 should be awarded to the chairman of the audit committee and SEK 125,000 to each of the other two members of the audit committee and SEK 75,000 to each of the members of the remuneration committee

Terms of employment and remuneration to the CEO

The President and Chief Executive Officer, Leif Johansson, is entitled to a remuneration consisting of a fixed annual salary and a variable salary. The variable salary is based on operating income in relation to the same period last year and/or cash flow for six months moving periods up to a maximum of 65% of his fixed annual salary.

For the financial year 2010, Leif Johansson received a fixed salary of SEK 12,492,450 and a variable salary of SEK 7,986,448. The variable salary corresponded to 64% of the fixed annual salary. Other benefits, mainly pertaining to car and housing, amounted to SEK 609,542 in 2010.

Leif Johansson is covered by the Volvo executive pension plans, Volvo Management Pension (VMP) and Volvo Executive Pension (VEP). The retirement benefit is a defined-contribution plan with refund protection. The disability pension is a defined-benefit plan. Contributions to VMP and VEP are not tax-deductible, the benefit from the insurance is not taxable to the company, but pension paid will be tax-deductible. The pensionable salary consists of the annual salary and the average of the variable salary for the previous five years.

The premium for the VMP is SEK 30,000 plus 20% of the pensionable salary over 30 income base amounts and the premium for VEP is 10% of pensionable salary. There are no commitments other than the payment of the premiums. The disability pension consists of 70% of pensionable salary up to 30 income base amounts and 40% of the pensionable salary between 30 and 50 income base amounts. The

right to disability pension is conditional to employment and will cease upon termination of duty.

Leif Johansson is also covered by Volvo Företagspension, a defined contribution plan for additional retirement benefit. The premium is negotiated each year, for 2010 the premium amounted to SEK 502 a month.

Pension premiums for the President and CEO amounted to SEK 4,680,412 for 2010.

Leif Johansson has a six-month notice of termination on his own initiative and 12 months notice of termination from AB Volvo. He is not entitled to severance payments. In December 2010 Leif Johansson informed the Board of AB Volvo of his intention to resign in conjunction with his 60th birthday in the summer of 2011.

Remuneration to other senior executives

Fixed and variable salaries

Members of the Group Executive Committee and a number of senior executives receive variable salaries in addition to fixed salaries. Variable salaries are in most cases based on the fulfillment of certain improvement targets or financial targets. The targets are decided by the Board of Directors in AB Volvo and may relate to operating income in relation to corresponding period previous year and/or cash flow for a six month rolling period. During 2010, a variable salary could amount to a maximum of 50% of the fixed annual salary.

For the financial year 2010, fixed salaries amounted to SEK 55,927,329 and variable salaries amounted to SEK 22,309,808 for members of the Group Executive Committee, excluding the President and CEO. In addition to the CEO and the Group Chief Executive, the Group Executive Committee comprised 17 members at the beginning and 16 members at the end of the year. Other benefits, mainly pertaining to car and housing, amounted to SEK 5,900,970 in 2010.

Severance payments

The employment contracts for members of the Group Executive Committee and certain other senior executives contain rules governing severance payments when the company terminates the employment. The rules provide that, when the company terminates the employment, an employee is entitled to severance pay equal to the employee's monthly salary for a period of 12 or 24 months, depending on age at date of severance.

In agreements concluded after the spring of 1993, severance pay is reduced, in the event the employee gains employment during the severance period, with an amount equal to 75% of the income from the new employment. In agreements concluded after the spring of 2004, severance pay is reduced by the full income from the new employment. Furthermore, age limit at date of notice of termination is removed and with few exceptions, severance pay is entitled for a period of 12 months.

Pensions

Members of the Group Executive Committee and certain other senior executives are offered pensions that are competitive in the country in which the person is or have been domiciled or in the country to which the person is essentially connected.

Previous pension agreements for certain senior executives stipulated that early retirement could be obtained from the age of 60. Agreements

for retirement at age 60 are no longer signed, and are instead replaced by a defined-contribution plan with pension premium payments at the longest to the age of 65 years. The premium constitutes 10% of the pensionable salary.

Earlier defined-benefit pension plans, which entitled the employee to 50% of the pensionable salary after normal retirement age, have also been replaced by a defined-contribution plan. The pension plan includes employees born before 1979 and is a complement to the collective agreement regarding occupational pension. The premium constitutes of SEK 30,000 plus 20% of the pensionable salary over 30 income base amounts. The pensionable salary consists of the annual salary and the average of the variable salary for the previous five years. Pension premiums amounted to SEK 40,478,675 for other senior executives in 2010.

Volvo Group's total costs for remuneration and benefits to senior executives

Costs for total remuneration and benefits to the members of the Group Executive Committee (GEC) in 2010 is pertaining to the following: fixed salary SEK 89 million (91); variable salary SEK 39 million (8); other benefits SEK 10 million (14) and pensions SEK 51 million (45). Total costs for members of the GEC include social fees on salaries and benefits, special pension tax and additional costs for other benefits. The remuneration model of the Volvo group is to a main part designed to follow changes in the profitability of the group.

Incentive programs

The Annual General Meeting held in 2009 approved a share-based incentive program for certain senior executives with allotment in 2010. The financial targets set as conditions for allotment were not fulfilled and no allotment was therefore made.

The Board of Directors will propose to the Annual General Meeting a performance-based long-term share-based incentive program for maximum 300 of the Volvo Group's top executives. The program will require that the participants invest part of their own salary in Volvo shares. Details about the program will be announced in connection with the Notice to attend the Annual General Meeting.

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	2009		2010	
	Number of employees	of which women, %	Number of employees	of which women, %
Average number of employees				
AB Volvo				
Sweden	190	46	198	51
Subsidiaries				
Sweden	23,637	20	23,313	20
Western Europe	25,533	17	23,515	17
Eastern Europe	5,542	21	5,768	22
North America	10,091	18	12,429	19
South America	4,180	14	5,264	14
Asia	16,650	10	21,205	10
Other countries	2,261	17	2,558	15
Group total	88,084	17	94,250	17

	2009		2010	
	Number at year-end	of which women, %	Number at year-end	of which women, %
Board members¹ and other senior executives				
AB Volvo				
Board members ¹	12	8	12	17
CEO and GEC	18	6	17	6
Volvo Group				
Board members ¹	880	11	929	12
Presidents and other senior executives	1,330	19	1,053	15

¹ Excluding deputy Board members.

	2009			2010		
	Board and Presidents ¹	of which variable salaries	Other employees	Board and Presidents ¹	of which variable salaries	Other employees
Wages, salaries and other remunerations, SEK M						
AB Volvo						
Sweden	19.0	1.1	140.6	26.2	8.0	184.6
Subsidiaries						
Sweden	56.1	5.0	9,662.6	69.5	16.4	10,144.9
Western Europe	432.8	10.7	9,995.8	447.0	4.4	9,338.4
Eastern Europe	110.0	9.6	904.2	43.9	3.5	913.8
North America	142.1	14.7	4,974.0	182.2	19.9	5,188.1
South America	43.5	29.4	1,015.9	60.1	40.3	1,297.4
Asia	93.1	5.6	4,602.9	155.6	11.8	5,099.3
Other countries	44.6	11.5	625.8	46.7	8.5	665.5
Group total	941.2	87.6	31,921.8	1,031.2	112.8	32,832.0

	2009			2010		
	Wages, salaries, remunerations	Social costs	of which pens. costs	Wages, salaries, remunerations	Social costs	of which pens. costs
Wages, salaries and other remunerations and social costs, SEK M						
AB Volvo²						
	159.6	139.5	107.5	210.8	119.9	81.9
Subsidiaries	32,703.4	12,746.0	4,593.2	33,652.4	11,823.6	4,658.0
Group total³	32,863.0	12,885.5	4,700.7	33,863.2	11,943.5	4,739.9

¹ Including current and former Board members, Presidents and Executive Vice Presidents.

² The Parent Company's pension costs, pertaining to Board members and Presidents are disclosed in Note 3 in the Parent Company.

³ Of the Group's pension costs, 146.6 (135.1) pertain to Board members and Presidents, including current and former Board members, Presidents and Executive Vice Presidents. The Group's outstanding pension obligations to these individuals amount to 334.4 (267.2).

The cost for non-monetary benefits in the Group amounted to 1,554.3 (1,300.0) of which 59.3 (49.3) to Board members and Presidents.

The cost for non-monetary benefits in the Parent Company amounted to 9.0 (9.8) of which 1.7 (1.7) to Board members and Presidents.

NOTE 35 FEES TO THE AUDITORS

Fees to the auditors	2009	2010
PricewaterhouseCoopers		
- Audit fees	110	102
- Audit-related fees	7	6
- Tax advisory services	14	16
- Other fees	3	3
Total	134	127
Audit fees to others	1	1
Volvo Group Total	135	128

Audit involves examination of the annual report and financial accounting and the administration by the Board and the President. Audit-related assignments mean quality assurance services required by enactment, articles of association, regulations or agreement. The amount includes among other things the fee for the half-year review. Tax services include both tax consultancy and tax compliance services. All other tasks are defined as other. 2009 figures are restated for comparability.

NOTE 36 GOALS AND POLICIES IN FINANCIAL RISK MANAGEMENT

Apart from derivatives, Volvo's financial instruments consist of bank loans, finance leasing contracts, accounts payable, accounts receivable, shares and participations, as well as cash and short-term investments.

The primary risks deriving from the handling of financial instruments are interest-rate risk, currency risk, liquidity risk and credit risk. All of these risks are handled in accordance with an established financial policy.

Interest-rate risks

Interest-rate risk refers to the risk that changed interest-rate levels will affect consolidated earnings and cash flow (cash-flow risks) or the fair value of financial assets and liabilities (price risks). Matching the interest-fixing terms of financial assets and liabilities reduces the exposure. Interest-rate swaps are used to change/influence the interest-fixing term for the Group's financial assets and liabilities. Currency interest-rate swaps permit borrowing in foreign currencies from different markets without introducing currency risk. Volvo also has standardized interest-rate forward contracts (futures) and FRAs (forward-rate agreements). Most of these contracts are used to hedge interest-rate levels for short-term borrowing or investment.

Cash-flow risks

The effect of changed interest-rate levels on future currency and interest-rate flows refers mainly to the Group's customer financing operations and net financial items. Within the customer finance operations the degree of matching interest-rate fixing on borrowing and lending is measured. The calculation of the matching degree excludes equity, which in the customer finance operations amount to between 8 and 10%. According to the Group's policy, the degree of matching for interest-rate fixing on borrowing and lending in the customer-financing operations must exceed 80%. At year-end 2010, the degree of such matching was 100% (100). A part of the short-term financing of the customer financing operations can however be pertaining to internal loans from the industrial operations, why the matching ratio in the Volvo group then may be slightly lower. At year-end 2010, in addition to the assets in its customer-financing operations, Volvo's interest-bearing assets consisted primarily of cash, cash equivalents and liquid assets invested in short-term interest-bearing securities. The objective is to achieve an interest-fixing term of three months for the liquid assets in Volvo's industrial operations through the use of derivatives. On December 31, 2010, after taking derivatives into account,

the average interest on these assets was 2.0% (1.1). After taking derivatives into account, outstanding loans had interest terms corresponding to an interest-rate fixing term of three months and the average interest at year-end amounted to 4.3% (4.1).

Price risks

Exposure to price risks as result of changed interest-rate levels refers to financial assets and liabilities with a longer interest-rate fixing term (fixed interest). A comparison of the reported values and the fair values of all of Volvo's financial assets and liabilities, as well as its derivatives, is provided in note 37, Financial instruments.

Assuming that the market interest rates for all currencies suddenly rose by one percentage point (100 interest-rate points) over the interest-rate level on December 31, 2010, for the next 12-month period, all other variables remaining unchanged, Volvo's net interest income would be negatively impacted by 295 (neg: 354) considering an interest rate fixing term of three months for receivables and liabilities. Assuming that the market interest rates for all currencies fell in a similar manner by one percentage point (100 interest-rate points), Volvo's net interest income would be positively impacted by a corresponding amount.

The following table shows the effect on income before taxes in Volvo's key financing currencies if the interest-rate level were to increase by one percentage point, (100 interest-rate points) not considering interest rate fixing terms.

SEK M	Effect on income
SEK	(46)
USD	(76)
EUR	55
CNY	17
JPY	(221)
INR	13

The above sensitivity analysis is based on assumptions that rarely occur in reality. It is not unreasonable that market interest rates change with one percentage point (100 interest-rate points) over a 12-month period. However, in reality, market interest rates usually do not rise or fall at one point in time. Moreover, the sensitivity analysis also assumes a parallel shift in the yield curve and an identical effect

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

of changed market interest rates on the interest-rates of both assets and liabilities. Consequently, the effect of actual interest-rate changes may deviate from the above analysis.

Currency risks

The content of the reported balance sheet may be affected by changes in different exchange rates. Currency risks in Volvo's operations are related to changes in the value of contracted and expected future payment flows (commercial currency exposure), changes in the value of loans and investments (financial currency exposure) and changes in the value of assets and liabilities in foreign subsidiaries (currency exposure of shareholders' equity). The aim of Volvo's currency-risk management is to minimize, over the short term, negative effects on Volvo's earnings and financial position stemming from exchange-rate changes.

Commercial currency exposure

In order to hedge the value of future payment flows in foreign currencies, Volvo uses forward contracts and currency options. In the fourth quarter of 2009, Volvo revised its hedging policy in order to only hedge firm flows, whereof the major part are realised within six months. Also, from the fourth quarter of 2009, hedge accounting was not applied for new contracts. For details regarding Hedge accounting, see note 37.

The nominal amount of all outstanding forward and option contracts amounted to SEK 10.9 billion (17.2) at December 31, 2010. On the same date, the fair value of these contracts was positive in an amount of SEK 118 million (186).

The table below presents the effect a change of the value of the Swedish krona in relation to other currencies would have on the fair value in the respective currencies of outstanding contracts. In reality, currencies usually do not change in the same direction at any given time, so the actual effect of exchange-rate changes may differ from the below sensitivity analysis.

Change in value of SEK in relation to all foreign currencies, %	Fair value of outstanding contracts
(10)	(218)
0	118
10	454

Financial currency exposure

Loans and investments in the Group's subsidiaries are done mainly through Volvo Treasury in local currencies, which minimizes individual companies' financial currency exposure. Volvo Treasury uses various derivatives, in order to facilitate lending and borrowing in different currencies without increase the company's own risk. The financial net position of the Volvo Group is affected by exchange rate fluctuations, since financial assets and liabilities are distributed among Group companies that conduct their operations in different currencies.

Currency exposure of shareholders' equity

The consolidated value of assets and liabilities in foreign subsidiaries is affected by current exchange rates in conjunction with translation of assets and liabilities to Swedish kronor. To minimize currency exposure of shareholders' capital, the size of shareholders' equity in foreign subsidiaries is continuously optimized with respect to commercial and legal conditions. Currency hedging of shareholders' equity may occur in cases where a foreign subsidiary is considered overcapitalized. Net assets in foreign subsidiaries and associated companies amounted at year-end 2010 to SEK 60.3 billion (59.4). Of this amount, SEK 0.8 billion (4.1) was currency-hedged through loans in foreign currencies.

The remaining loans used as hedging instruments are due in 2011 and SEK 3.1 billion expired in 2010. The need to undertake currency hedging relating to investments in associated companies and other companies is assessed on a case-by-case basis.

Credit risks

Volvo's credit granting is steered by Group-wide policies and customer-classification rules. The credit portfolio should contain a sound distribution among different customer categories and industries. The credit risks are managed through active credit monitoring, follow-up routines and, where applicable, product reclamation. Moreover, regular monitoring ensures that the necessary provisions are made for incurred losses on doubtful receivables. In the tables below, ageing analyses are presented of accounts receivables overdue and customer finance receivables overdue in relation to the reserves made. It is not unusual that a receivable is settled a couple of days after due date, which affects the extent of the age interval 1–30 days.

The credit portfolio of Volvo's customer-financing operations amounted at December 31, 2010, to approximately net SEK 73 billion (82). The credit risk of this portfolio is distributed over a large number of retail customers and dealers. Collaterals are provided in the form of the financed products. Credit granting aims for a balance between risk exposure and expected yield. The Volvo Group's financial assets are largely managed by Volvo Treasury and invested in the money and capital markets. All investments must meet the requirements of low credit risk and high liquidity. According to Volvo's credit policy, counterparties for investments and derivative transactions should have a rating of A or better from one of the well-established credit rating institutions.

The use of derivatives involves a counterparty risk, in that a potential gain will not be realized if the counterparty fails to fulfill its part of the contract. To reduce the exposure, master netting agreements are signed, wherever possible, with the counterparty in question. Counterparty risk exposure for futures contracts is limited through daily or monthly cash transfers corresponding to the value change of open contracts. The estimated gross exposure to counterparty risk relating to futures, interest-rate swaps and interest-rate forward contracts, options and commodities contracts amounted at December 31, 2010, to 331 (588), 3,539 (3,560), 190 (167) and 168 (42).

Credit portfolio – Accounts receivable and Customer financing receivables

Accounts receivable	2009	2010
Accounts receivable gross	22,638	25,154
Valuation allowance for doubtful accounts receivable	(1,301)	(721)
Accounts receivable net	21,337	24,433

For details regarding the accounts receivable and the valuation for doubtful accounts receivable, refer to note 20.

Customer financing receivables	2009	2010
Customer financing receivables gross	83,490	74,013
Valuation allowance for doubtful customer financing receivables	(1,513)	(1,325)
Customer financing receivables net	81,977	72,688

Change of valuation allowances for doubtful customer financing receivables		2010
Balance sheet, December 31, preceding year		1,513
New valuation allowance charged to income		1,586
Reversal of valuation allowance charged to income		(207)
Utilization of valuation allowance related to actual losses		(1,451)
Translation differences		(116)
Balance sheet, December 31		1,325

For details regarding the long-term customer-financing receivables and the short-term customer receivables, refer to note 16 and 19.

Age analysis of portfolio value – Accounts receivable and Customer financing receivables (days/SEK M)

	2009					2010				
	not due	1-30	31-90	>90	Total	not due	1-30	31-90	>90	Total
Accounts receivable										
Accounts receivable gross	19,705	1,032	616	1,285	22,638	23,324	799	391	640	25,154
Valuation allowance for doubtful accounts receivable	(493)	(37)	(46)	(725)	(1,301)	(205)	(26)	(26)	(464)	(721)
Accounts receivable not recognized as impairment losses	19,212	995	570	560	21,337	23,119	773	365	176	24,433
Customer financing receivables payments due										
Overdue amount	–	655	560	740	1,955	–	490	405	805	1,700
Valuation allowance for doubtful customer financing receivables	(99)	(111)	(159)	(313)	(682)	(91)	(56)	(74)	(308)	(530)
Customer financing receivables not recognized as impairment losses	(99)	544	401	427	1,273	(91)	434	331	497	1,170

The table above presents overdue payments within the customer financing operations in relation to specific reserves. The total contractual amount that the overdue payments are pertaining to are presented in the table below. In order to provide for occurred but not yet identified customer financing receivables overdue, there are additional reserves of 795 (831). The remaining exposure is secured by

liens on the purchased equipment, and, in certain circumstances, other credit enhancements such as personal guarantees, credit insurance, liens on other property owned by the borrower etc.

Collaterals taken in possession that meet the recognition criteria amounted to 594 (1,391) at December 31, 2010.

Customer financing receivables total contractual amount	2009					2010				
	not due	1-30	31-90	>90	Total	not due	1-30	31-90	>90	Total
Customer financing receivables	67,692	7,886	4,511	3,401	83,490	63,153	6,425	2,369	2,066	74,013

Renegotiated financial assets

Financial assets that would otherwise have been overdue whose terms have been renegotiated amount to 6,578 (8,948) and are mainly related to renegotiated customer contracts within the customer finance operations.

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Concentration of credit riskCustomer concentration

The ten largest customers in Customer Finance account for 5.8% (4.8) of the total asset portfolio. The rest of the portfolio is pertinent to a large number of customer. This way the credit risk is spread across both many markets and among many customers.

Concentration by geographical market

The table below shows the concentration of the customer financing portfolio divided into geographical markets.

Geographical market	Percentage of customer financing portfolio
Europe	47.0
North America	27.3
Asia	9.9
Other markets	15.8

Liquidity risks

Volvo assures itself of sound financial preparedness by always keeping a certain percentage of its sales in liquid assets. A sound balance between short- and long-term borrowing, as well as borrowing preparedness in the form of overdraft facilities, are intended to meet long-term financing needs.

The table below shows expected future cash-flows including derivatives related to financial liabilities. Capital flow refers to expected payments of loans and derivatives. Interest flow refers to the future interest payments on loans and derivatives based on interests rates expected by the market. The interest flow is reported within cash flow from operating activities.

See also note 26 for long-term loans maturity analysis and for credit facilities granted but not utilized as well as note 31 for contractual duration analysis of future rental payments of noncancellable finance lease agreements and operating lease agreements.

Future cash-flow including derivatives related to financial liabilities	Capital flow	Interest flow
2011	(39,199)	(4,842)
2012	(23,497)	(3,382)
2013	(13,422)	(2,650)
2014	(17,723)	(1,718)
2015	(10,210)	(1,135)
2016	(6,476)	(684)
2017-	(12,548)	(291)

NOTE 37 FINANCIAL INSTRUMENTS

The financial assets treated within the framework of IAS 39 are classified either as financial assets at fair value through profit and loss, as loans and receivables, as investments held to maturity or as available-for-sale financial assets. Financial liabilities are classified as financial

liabilities at fair value through profit and loss or as financial liabilities valued at amortized cost. For more information about the categories within Financial assets and liabilities see note 1.

Information regarding reported and fair values

In the table below, carrying values are compared with fair values of financial instruments.

	December 31, 2009		December 31, 2010	
	Carrying value	Fair value	Carrying value	Fair value
Assets				
Financial assets at fair value through profit and loss				
The Volvo Group's outstanding currency risk contracts – commercial exposure	467	467	197	197
The Volvo Group's outstanding raw materials contracts	42	42	168	168
The Volvo Group's outstanding interest risk contracts – financial exposure	3,848	3,848	3,863	3,863
Marketable securities	16,676	16,676	9,767	9,767
	21,033	21,033	13,995	13,995
Loans receivable and other receivables				
Accounts receivable	21,337	–	24,433	–
Customer financing receivables ³	81,977	–	72,688	–
Loans to external parties and other interest-bearing receivables	349	–	253	–
Conduit loans and other interest-bearing loans	131	–	104	–
	103,794	–	97,478	–
Financial assets available for sale				
Shares and participations for which:				
a market value can be calculated ¹	707	707	836	836
a market value can not be calculated ²	1,337	–	1,262	–
	2,044	707	2,098	836
Cash and cash equivalents				
	21,234	21,234	22,966	22,966
Liabilities				
Financial liabilities at fair value through profit and loss				
The Volvo Group's outstanding currency risk contracts – commercial exposure	281	281	79	79
The Volvo Group's outstanding raw materials contract	58	58	41	41
The Volvo Group's outstanding interest risk contracts – financial exposure	3,285	3,285	4,487	4,487
	3,624	3,624	4,607	4,607
Financial liabilities valued at amortized cost				
Long term bond loans and other loans	105,427	112,733	82,679	88,304
Short term bank loans and other loans	51,448	51,943	39,142	39,379
	156,875	164,676	121,821	127,683
Trade Payables				
	35,955	–	47,250	–

1 Refers to Volvo's ownership in Deutz AG valued at market value and Trucks Asia's holdings in listed shares. The carrying value is equal to the market value for holdings in listed companies

2 Possession in unlisted shares, for which a reliable fair value cannot be determined, are reported at the acquisition value reduced in appropriate cases by

write-downs. No single block of shares represent a significant amount.

3 Volvo does not estimate the risk premium for the customer financing receivables and chooses therefore not to disclose fair value for this category, re not to disclose fair value for this category.

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Financial assets and liabilities measured at fair value

Assets	December 31, 2009				December 31, 2010			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit and loss								
Currency risk contracts – commercial exposure	-	467	-	467	-	197	-	197
Raw materials contracts	-	42	-	42	-	168	-	168
Interest risk contracts – financial exposure	-	3,848	-	3,848	-	3,863	-	3,863
Marketable securities	-	16,676	-	16,676	-	9,767	-	9,767
Available for sale financial assets								
Shares and participations for which a market value can be calculated	707	-	-	707	836	-	-	836
Total	707	21,033	-	21,740	836	13,995	-	14,831
Liabilities								
Financial liabilities at fair value through profit and loss								
Currency risk contracts – commercial exposure	-	281	-	281	-	79	-	79
Raw materials contracts	-	58	-	58	-	41	-	41
Interest risk contracts – financial exposure	-	3,285	-	3,285	-	4,487	-	4,487
Total	-	3,624	-	3,624	-	4,607	-	4,607

The levels in the table above reflect to what extent market values have been used when valuating financial assets and liabilities. Financial instruments in level 1 are valued based on unadjusted quoted market prices for identical assets or liabilities. Level 2 instruments are valued based on inputs, other than quoted prices within level 1, that are observable either directly (as prices) or indirectly (derived from prices). Level 3 instruments would be valued based on unobservable inputs, i.e. using a valuation technique based on assumptions. Volvo has no financial instruments classified as level 3 instruments.

Derecognition of financial assets

Financial assets that have been transferred in such a way that part or all of the financial assets do not qualify for derecognition, are included in reported assets of the Volvo Group. In accordance with IAS 39 Financial Instruments, Recognition and Measurement, an evaluation is made whether substantially all the risks and rewards have been transferred to an external party. When Volvo has concluded that it is not the case, the part of the financial assets that reflect Volvo's continuous involvement are being recognized. On December 31, 2010, Volvo recognizes SEK 1.2 billion (2.2) corresponding to Volvo's continuous involvement, mostly within the customer financing operations.

Gains, losses, interest income and expenses related to financial instruments

The table below shows how gains and losses as well as interest income and expense have affected income after financial items in the Volvo Group divided on the different categories of financial instruments.

	2009			2010		
	Gains/ Losses	Interest income	Interest expenses	Gains/ Losses	Interest income	Interest expenses
Financial assets and liabilities at fair value through profit and loss¹						
Marketable securities	248	0	0	290	0	0
Derivatives for financial exposure	(1,272)	0	0	319	0	0
Loans receivable and other receivables	0	10	0	0	7	0
Financial assets available for sale						
Shares and participations for which a market value can be calculated	11	-	-	40	-	-
Shares and participations for which a market value cannot be calculated	19	-	-	10	-	-
Cash and cash equivalents	0	299	0	0	423	0
Financial liabilities valued at amortized cost	0	0	(6,007)	0	0	(5,486)
Effect on income	(994)	309	(6,007)	659	430	(5,486)

¹ Accrued and realized interest is included in gains and losses related to Financial assets and liabilities at fair value through profit and loss.

Accrued and realized interest on derivatives for commercial exposure is neg 17 (neg: 68).

Net effect of foreign exchange gains and losses

Foreign exchange gains and losses pertaining to financial instruments have affected income after financial items in the Volvo Group according to the table below:

	2009	2010
Derivatives for financial exposure	(1,205)	(1,545)
Cash and cash equivalents ¹	-	(274)
Loans originated by the company and financial liabilities value at amortized cost - Volvo internal	958	1,560
Effect on income	(247)	(259)

¹ The net effect of foreign exchange gains and losses on Cash and cash equivalents pertains to the devaluation in Venezuela, loss 274.

Net effect of foreign exchange gains and losses on derivatives for commercial exposure have affected operating income in the Volvo group with 676 (neg: 3,322).

Various categories of financial instruments are treated separately in specific notes. See note 15 for Shares and participations, notes 16 and 19 for Customer-financing receivables, note 20 for Other short-term receivables, note 21 for Marketable securities, note 22 for Cash and cash equivalents, note 26 for Non-current liabilities and note 27 for Current liabilities.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Below is a presentation of derivative instruments and options.

Outstanding derivative instruments for dealing with currency and interest-rate risks related to financial assets and liabilities

	Dec 31, 2009		Dec 31, 2010	
	Notional amount	Carrying value	Notional amount	Carrying value
Interest-rate swaps				
- receivable position	64,162	3,560	70,067	3,539
- payable position	100,460	(2,948)	65,576	(3,924)
Forwards and futures				
- receivable position	0	0	900	0
- payable position	30,274	(3)	400	0
Foreign exchange derivative contracts				
- receivable position	16,165	172	13,336	143
- payable position	15,424	(214)	25,192	(381)
Options purchased				
- receivable position	1,985	116	1,126	181
- payable position	353	(3)	0	0
Options written				
- receivable position	13	0	0	0
- payable position	2,572	(117)	976	(182)
Total		563		(624)

Outstanding forward contracts and options contracts for hedging of currency risk and interest risk of commercial receivables and liabilities

	Dec 31, 2009		Dec 31, 2010	
	Notional amount	Carrying value	Notional amount	Carrying value
Foreign exchange derivative contracts				
- receivable position	9,307	416	6,418	188
- payable position	5,448	(281)	3,381	(75)
Options purchased				
- receivable position	1,222	51	558	9
- payable position	-	-	-	-
Options written				
- receivable position	-	-	-	-
- payable position	1,193	-	558	(4)
Subtotal		186		118
Raw materials derivative contracts				
- receivable position	367	42	579	168
- payable position	106	(58)	39	(41)
Total		170		245

Hedge accounting

Cash-flow hedging

Volvo only hedges firm flows whereof the major part is realized within six months. The hedged amount of firm flows for all periods are within the framework of Volvo's currency policy.

Derivative financial instruments used for hedging of future commercial currency exposure that is firm and forecasted electricity consumption have, in accordance with IAS 39, been reported at fair value in the balance sheet. Since the fourth quarter 2009 hedge accounting is not applied on new financial instruments used for hedging of commercial flows. However, for the major part of previously entered financial instruments hedge accounting is continuously applied. The majority of those financial instruments have expired during the year.

When hedge accounting is not applied, unrealized gains and losses from fluctuations in the fair values of the financial instruments are reported in the income statement in the segment Group headquarter functions and other. This has positively affected the Group's operating income by 124 (neg: 27) in 2010. When the derivative financial instrument has been realized the income effect is reported within the respective segments.

When cash-flow hedge accounting is applied for previously entered financial instruments Volvo tests for effectiveness. Hedging is considered to be effective when the forecasted future cash flow's currency fluctuation and maturity date coincide with those of the financial instrument. The hedging relationship is regularly tested up until its maturity date. If the identified relationships are no longer deemed effective, the currency fluctuations on the hedging instrument from the last period the instrument was considered effective are reported in the Group's income statement. For 2010, Volvo reported 4 (loss 36) as a gain related to the ineffectiveness of cash-flow hedging.

As of January 1, 2011 unrealized changes in fair value of financial instruments related to a receivable or payable will be reported within the respective segments. All other unrealized changes in fair value of financial instruments will henceforth be reported in the income statement in the segment Group headquarter functions and other.

Hedge accounting is applied on the financial instruments hedging forecasted electricity consumption. The fair value is debited or credited to a separate component in other comprehensive income to the extent the requirements for cash-flow hedge accounting are fulfilled. Accumulated changes in the value of the hedging instruments are

reported in the income statement of the same time as the underlying hedged transaction affects the Groups results. The table in note 23, Shareholders' equity shows how the electricity consumption reserve has changed during the year. To the extent that the requirements for hedge accounting are not met, any changes in the value attributable to derivatives are immediately charged to the income statement.

Hedging of forecasted electricity is considered to be effective when predetermined factors that affect electricity prices are in agreement with forecasts of future electricity consumption and designated derivative instruments. The hedging relationship is regularly tested up until its maturity date. If the identified relationships are no longer deemed effective, the currency fluctuations on the hedging instrument from the last period the instrument was considered effective are reported in the Group's income statement. For 2009, Volvo reported 4 (4) related to the ineffectiveness of the hedging of forecasted electricity consumption.

Hedging of currency and interest rate risks on loans

Volvo has chosen to apply hedge accounting for a loan of approximately EUR 1 billion borrowed in the second quarter of 2007. Fair value of the outstanding hedge instrument amounts to 1,168 (1,159). The carrying value of the loan related to hedge accounting amounts to a negative 977 (neg: 970). The changes in the fair value of the outstanding hedge instruments and the changes in the carrying value of the loan are reported in the income statement.

Changes in market value on the instruments used for hedging of risk in financial assets and liabilities for which hedge accounting has not been applied are reported in net financial income and expense, see note 11. In the future, in applicable cases when the requirements for hedge accounting are considered to be fulfilled, Volvo will consider to apply hedge accounting for this kind of instruments.

Hedging of net investments in foreign operations

Volvo applies hedge accounting for certain net investments in foreign operations. Current earnings from such hedging shall be accounted for in a separate item within shareholders' equity. A total of negative 202 (neg 314) in shareholders' equity relating to hedging of net investments in foreign operations was reported in 2010.

The Volvo Group's outstanding forward contracts and options contracts for hedging of commercial currency risks

Million		Currencies				Other	Fair value
		USD	GBP	EUR	JPY	currencies Net SEK	
Due date 2011	amount	687	68	93	(2,488)	570	
Due date 2012	amount	(4)	-	-	-	313	
Due date 2013	amount	(3)	-	-	-	20	
Total		680	68	93	(2,488)	903	
Average contract rate		7.04	11.03	9.37	0.08		
Fair value of outstanding forward contracts		85	14	28	3	(12)	118

The hedged amount of firm flows for all periods are within the framework of Volvo's currency policy.

PARENT COMPANY AB VOLVO

Corporate registration number 556012-5790.

Amounts in SEK M unless otherwise specified. Amounts within parentheses refer to preceding year.

Board of Directors' report

AB Volvo is Parent Company of the Volvo Group and its operations comprise the Group's head office with staff together with some corporate functions.

Income from investments in Group companies includes dividends amounting to 8,145 (10,275) and Group contributions and transfer price adjustments, net of 5,126 (neg: 16,859). Dividends were received from Volvo Holding Sverige AB, 5,200, Volvo Construction Equipment NV, 1,801 and from Volvo Korea Holding AB, 1,000.

The carrying value of shares and participations in Group companies amounted to 59,429 (57,062), of which 58,903 (56,536) pertained to shares in wholly owned subsidiaries. The corresponding shareholders' equity in the subsidiaries (including equity in untaxed reserves but excluding minority interests) amounted to 90,261 (91,944).

In 2010 shareholders' contributions were made to Volvo Group Japan Corporation, 3,493, consisting of preference shares in UD Trucks Corporation, and to Kommersiella Fordon Europa AB, 1,801.

Other shares and participations include the direct and indirect ownership in Volvo Eicher Commercial Vehicles (VECV) for total amount of 1,845. In the consolidated accounts of the Volvo Group, VECV is reported as a joint venture and consolidated according to the proportional method. The indirect ownership is an effect of the acquisition of 8.1% of Eicher Motors Limited, which is the other venturer of VECV. These shares are not separately valued as they form a part of the indirect ownership in VECV.

Shares and participations in non-Group companies included 170 (206) in associated companies that are reported in accordance with the equity method in the consolidated accounts. The portion of shareholders' equity in associated companies accruing to AB Volvo totaled 322 (300). Shares and participations in non-Group companies include listed shares in Deutz AG with a carrying value of 458, corresponding to the quoted market price at year-end. In 2010 revaluation of the ownership has increased the value by 172, recognized in equity and included in Other comprehensive income in the income statement.

Financial net debt amounted to 30,376 (18,922).

AB Volvo's risk capital (shareholders' equity plus untaxed reserves) amounted to 41,857 corresponding to 54% of total assets. The comparable figure at year-end 2009 was 45%.

INCOME STATEMENT

SEK M		2009	2010
Net sales	Note 2	698	564
Cost of sales	Note 2	(698)	(564)
Gross income		0	0
Administrative expenses	Note 2, 3	(485)	(652)
Other operating income and expenses	Note 4	(13)	8
Income from investments in Group companies	Note 5	(6,584)	13,252
Income from investments in associated companies	Note 6	4	(94)
Income from other investments	Note 7	2	3
Operating income		(7,076)	12,517
Interest income and similar credits	Note 8	1	0
Interest expenses and similar charges	Note 8	(393)	(893)
Other financial income and expenses	Note 9	(8)	(65)
Income after financial items		(7,476)	11,559
Allocations	Note 10	700	0
Income taxes	Note 11	4,537	(1,231)
Income for the period		(2,239)	10,328
Other comprehensive income			
Income for the period		(2,239)	10,328
Available-for-sale investments		74	172
Other comprehensive income, net of income taxes		74	172
Total comprehensive income for the period		(2,165)	10,500

BALANCE SHEET

SEK M		December 31, 2009	December 31, 2010
Assets			
Non-current assets			
Intangible assets	Note 12	96	103
Tangible assets	Note 12	16	16
Financial assets			
Shares and participations in Group companies	Note 13	57,062	59,429
Other shares and participations	Note 13	2,363	2,498
Deferred tax assets	Note 11	4,712	3,657
Other long-term receivables		0	0
Total non-current assets		64,249	65,703
Current assets			
Short-term receivables from Group companies		4,707	12,226
Current tax receivables		0	0
Other short-term receivables	Note 14	247	261
Cash and bank accounts		0	0
Total current assets		4,954	12,487
Total assets		69,203	78,190
Shareholders' equity and liabilities			
Shareholders' equity			
Restricted equity			
Share capital (2,128,420,220 shares, quota value SEK 1.20)		2,554	2,554
Statutory reserve		7,337	7,337
Unrestricted equity			
Non-restricted reserves		211	383
Retained earnings		23,490	21,251
Income for the period		(2,239)	10,328
Total shareholders' equity		31,353	41,853
Untaxed reserves	Note 15	4	4
Provisions			
Provisions for pensions	Note 16	136	133
Other provisions		0	1
Non-current liabilities			
Liabilities to Group companies	Note 17	7	7
Other non-current liabilities		-	10
Current liabilities			
Trade payables		94	78
Other liabilities to Group companies		37,370	35,835
Other current liabilities	Note 18	239	269
Total shareholders' equity and liabilities		69,203	78,190
Assets pledged		-	-
Contingent liabilities	Note 19	254,299	250,606

CHANGES IN SHAREHOLDERS' EQUITY

SEK M	Restricted equity		Unrestricted equity			Total	Total share-holders' equity
	Share capital	Statutory reserve	Share premium reserve	Fair value reserve	Retained earnings		
Balance at December 31, 2008	2,554	7,337	188	(53)	27,543	27,678	37,569
Income for the period	-	-	-	-	(2,239)	(2,239)	(2,239)
<i>Other comprehensive income</i>							
Available-for-sale investments:							
Gain/(loss) at valuation to fair value	-	-	-	74	-	74	74
Other comprehensive income	-	-	-	74	-	74	74
Total income for the period	-	-	-	74	(2,239)	(2,165)	(2,165)
<i>Transactions with shareholders</i>							
Cash dividend	-	-	-	-	(4,055)	(4,055)	(4,055)
Share-based payments	-	-	2	-	2	4	4
Transactions with shareholders	-	-	2	-	(4,053)	(4,051)	(4,051)
Balance at December 31, 2009	2,554	7,337	190	21	21,251	21,462	31,353
Income for the period	-	-	-	-	10,328	10,328	10,328
<i>Other comprehensive income</i>							
Available-for-sale investments:							
Gain/(loss) at valuation to fair value	-	-	-	172	-	172	172
Other comprehensive income	-	-	-	172	-	172	172
Total income for the period	-	-	-	172	10,328	10,500	10,500
Balance at December 31, 2010	2,554	7,337	190	193	31,579	31,962	41,853

Further information regarding the share capital of the Parent Company is shown in Note 23 to the consolidated financial statements.

CASH-FLOW STATEMENT

SEK M		2009	2010		
Operating activities					
Operating income		(7,076)	12,517		
Depreciation and amortization		14	16		
Other adjustments of operating income	Note 20	15,361	(20,543)		
Changes in working capital:					
(Increase)/decrease in receivables		(48)	148		
Increase/(decrease) in liabilities and provisions		(27)	(6)		
Interest and similar items received		45	0		
Interest and similar items paid		(431)	(888)		
Other financial items		(8)	(65)		
Income taxes (paid)/received		423	(176)		
Cash-flow from operating activities		8,253	(8,997)		
Investing activities					
Investments in fixed assets		0	(11)		
Shares and participations in Group companies, net	Note 20	(11,091)	(2,386)		
Shares and participations in non-Group companies, net	Note 20	(1)	(11,092)	(63)	(2,460)
Cash-flow after net investments		(2,839)	(11,457)		
Financing activities					
Increase/(decrease) in loans	Note 20	6,894	11,457		
Cash payment to AB Volvo shareholders		(4,055)	2,839	-	11,457
Change in liquid funds		0	0		
Liquid funds, January 1		0	0		
Liquid funds, December 31		0	0		

Liquid funds

Liquid funds include cash and bank balances.

NOTES AND COMMENTS

GENERAL INFORMATION

Amounts in SEK M unless otherwise specified. The amounts within parentheses refer to the preceding year, 2009.

NOTE **1** ACCOUNTING PRINCIPLES

The accounting principles applied by Volvo are described in note 1 to the consolidated financial statements.

The Parent Company also applies RFR 2 including the exception in the application of IAS 39 which concerns accounting and valuation of financial contracts of guarantee in favour of subsidiaries and associated companies. The Parent Company decided to early adopt the presentation of comprehensive income applied as of 2010, from January 1, 2009.

The share-based incentive programs adopted at the Annual General Meeting from 2004–2009 are covered by IFRS 2 Share-based payments.

The Volvo Group has adopted IAS 19 Employee Benefits in its financial reporting. The Parent Company is still applying the principles

of FAR SRS's Recommendation No. 4 "Accounting of pension liabilities and pension costs" as in previous years. Consequently there are differences between the Volvo Group and the Parent Company in the accounting for defined-benefit pension plans as well as in valuation of plan assets invested in the Volvo Pension Foundation.

The difference between depreciation according to plan and tax depreciation is reported as accumulated additional depreciation, which is included in untaxed reserves. In the consolidated balance sheet a split is made between deferred tax liability and equity.

Reporting of Group contributions is in accordance with UFR 2, a statement issued by the Swedish Financial Reporting Board. Group contributions are reported among Income from investments in Group companies.

NOTE **2** INTRA-GROUP TRANSACTIONS

Of the Parent Company's net sales, 499 (578) pertained to Group companies while purchases from Group companies amounted to 449 (357).

NOTE **3** ADMINISTRATIVE EXPENSES**Depreciation**

Administrative expenses include depreciation of 16 (14) of which 1 (0) pertains to machinery and equipment, 0 (0) to buildings and 15 (14) to other intangible assets.

Fees to the auditors	2009	2010
PricewaterhouseCoopers		
- Audit fees	17	17
- Audit-related fees	1	1
- Tax advisory services	1	0
Total	19	18

See note 35 for the Group for a description of the different categories of fees to the auditors.

Personnel

Wages, salaries and other remunerations amounted to 211 (160). Social costs amounted to 142 (87) of which pension costs, 104 (55). Of the pension costs, 9 (8) pertained to Board members and Presidents. The Parent Company does not have any outstanding pension obligations to these individuals.

The number of employees at year-end was 198 (190). Information on the average number of employees, wages, salaries and other remunerations including option programs as well as Board members and senior executives by gender is shown in note 34 to the consolidated financial statements.

Absence due to illness	2009	2010
Total absence due to illness in percentage of regular working hours	1.2	1.1
of which, continuous sick leave for 60 days or more, %	21.4	41.4
Absence due to illness in percentage of regular working hours		
Men, %	0.7	1.1
Women, %	1.8	1.1
29 years or younger, %	0.2	3.0
30–49 years, %	1.2	1.1
50 years or older, %	1.3	0.9

NOTE 4 OTHER OPERATING INCOME AND EXPENSES

Other operating income and expenses include profit-sharing payments to employees in the amount of 1 (1).

NOTE 5 INCOME FROM INVESTMENTS IN GROUP COMPANIES

Of the income reported, 8,145 (10,275) pertain to dividends from Group companies. Of the dividends, 5,200 (6,000) pertain to dividend from Volvo Holding Sverige AB, 1,801 (-) from Volvo Construction Equipment NV and 1,000 (2,000) from Volvo Korea Holding AB. The shares in Alviva AB were written down by 19.

Transfer price adjustments and Group contributions total a net of 5,126 (neg 16,859).

NOTE 6 INCOME FROM INVESTMENTS IN ASSOCIATED COMPANIES

Income from associated companies that are reported in the Group accounts in accordance with the equity method amounted to a negative 94 (4). Dividend of 14 (-) was received from VE Commercial Vehicles. The participations in Blue Chip Jet I HB and Blue Chip Jet II HB have effected the income with 8 (neg: 4) and a negative 116 (8) respectively.

NOTE 7 INCOME FROM OTHER INVESTMENTS

A dividend of 2 (2) received from Eicher Motors Ltd. is included in Income from other investments.

NOTE 8 INTEREST INCOME AND EXPENSES

Interest income and similar credits amounting to 0 (1) included interest in the amount of 0 (0) from subsidiaries, and interest expenses and similar charges totalling 893 (393) included interest of 888 (386) to subsidiaries.

NOTE 9 OTHER FINANCIAL INCOME AND EXPENSES

Other financial income and expenses include guarantee commissions from subsidiaries, costs for credit facilities, costs for credit rating, financial costs pertaining to changed taxable income previous years and costs of having Volvo shares registered.

NOTE 10 ALLOCATIONS

	2009	2010
Allocation to additional depreciation	0	0
Tax allocation reserve	700	-
Total	700	0

NOTES AND COMMENTS

NOTE **11** INCOME TAXES

	2009	2010
Current taxes	59	(176)
Deferred taxes	4,478	(1,055)
Total income taxes	4,537	(1,231)

Current taxes relate to prior periods.

Claims as a consequence of tax audit carried out previously for which provisions are not deemed necessary amount to – (249). The amount is included in contingent liabilities.

Deferred taxes relate to estimated tax on the change in tax-loss carryforwards and temporary differences. Deferred tax assets are reported to the extent that it is probable that the amount can be utilized against future taxable income.

Deferred taxes related to change in tax-loss carryforwards amount to an expense of 1,063 (4,472) and to changes in other temporary differences to 8 (6).

The table below shows the principal reasons for the difference between the corporate income tax of 26.3% and the tax for the period.

	2009	2010
Income before taxes	(6,776)	11,559
Income tax according to applicable tax rate	1,782	(3,040)
Capital gains/losses	0	0
Non-taxable dividends	2,703	2,146
Non-taxable revaluations of shareholdings	(1)	(8)
Other non-deductible expenses	(23)	(156)
Other non-taxable income	17	3
Adjustment of current taxes for prior periods	59	(176)
Income taxes for the period	4,537	(1,231)

Specification of deferred tax assets	2009	2010
Tax-loss carryforwards	4,550	3,487
Valuation allowance for doubtful receivables	1	1
Provision for post-employment benefits	161	169
Deferred tax assets	4,712	3,657

NOTE **12** INTANGIBLE AND TANGIBLE ASSETS

Acquisition cost	Value in balance sheet 2009	Investments	Value in balance sheet 2010
Rights	52		52
Other intangible assets	116	22	138
Total intangible assets	168	22	190
Buildings	6	–	6
Land and land improvements	3	–	3
Machinery and equipment	45	1	46
Total tangible assets	54	1	55

Accumulated depreciation	Value in balance sheet 2009 ¹	Depreciation ²	Value in balance sheet 2010	Net carrying value in balance sheet 2010 ³
Rights	52	–	52	0
Other intangible assets	20	15	35	103
Total intangible assets	72	15	87	103
Buildings	2	0	2	4
Land and land improvements	0	0	0	3
Machinery and equipment	36	1	37	9
Total tangible assets	38	1	39	16

The assessed value of buildings was 3 (3) and of land 3 (3). Capital expenditures in intangible and tangible assets amounted to 22 (–) and 1 (0) respectively. Capital expenditures approved but not yet implemented at year-end 2010 amounted to 0 (–).

1 Including accumulated write-downs.

2 Including write-downs.

3 Acquisition value, less accumulated depreciation, amortization and write-downs.

NOTE 13 INVESTMENTS IN SHARES AND PARTICIPATIONS

Holdings of shares and participations are specified in AB Volvo's holding of shares. Changes in holdings of shares and participations are shown below.

	Group companies		Non-Group companies	
	2009	2010	2009	2010
Balance December 31, previous year	46,122	57,062	2,280	2,363
Acquisitions/New issue of shares	85	-	2	87
Divestments	-	(3,493)	-	0
Shareholder contributions	10,855	5,879	1	-
Write-downs/participations in partnerships	-	(19)	6	(124)
Revaluation of shares in listed companies	-	-	74	172
Balance, December 31	57,062	59,429	2,363	2,498

Shares and participations in Group companies

In December, 2010, AB Volvo transferred the company's holding of preference shares in UD Trucks Corporation, with the book value of 3,493, as shareholders' contribution to Volvo Group Japan Corporation.

Shareholders' contribution was also made to Kommersiella Fordon Europa AB, 1,801, Volvo Financial Services AB, 225, Volvo China Investment Co Ltd, 217, and Volvo Holding Mexico, 143.

Write-down was made at year-end of the holding of shares in Alviva AB with 19.

During 2009, AB Volvo acquired total number of shares in Volvo Logistics AB from Fortos Ventures AB in an amount of 85.

During 2009, shareholders' contributions were made to Volvo Treasury AB, 10,000, Volvo Information Technology AB, 500, and Volvo China Investment Co Ltd, 355.

Shares and participations in non-Group companies

AB Volvo acquired Volvo Personvagnar AB's participation (5%) in Blue Chip Jet I HB in 2010 and in 2009 half of Skandia's participation in Blue Chip Jet I HB (5%) was acquired. AB Volvo's participation in Blue Chip Jet I HB is 50% after the acquisitions. During 2010 a capital contribution of 76 was made to Blue Chip Jet II HB. The book value of the participations in the partnerships Blue Chip Jet I HB and Blue Chip Jet II HB decreased during the year by a net of 113 (8).

The revaluation of AB Volvo's ownership in the listed company Deutz AG has increased the value by 172 (74), recognized in other comprehensive income.

Other shares and participations include the direct and indirect holdings of VE Commercial Vehicles (VECV) for total amount of 1,845. In the consolidated accounts of the Volvo group, VECV is reported as a joint venture and consolidated according to the proportionate method. The indirect ownership is an effect of the acquisition of 8.1% of Eicher Motors Limited, which is the other venturer of VECV. These shares are not separately valued as they form a part of the indirect ownership VECV.

NOTE 14 OTHER SHORT-TERM RECEIVABLES

	2009	2010
Accounts receivable	35	3
Prepaid expenses and accrued income	199	226
Other receivables	13	32
Total	247	261

The valuation allowance for doubtful receivables amounted to 4 (15) at the end of the year.

NOTE 15 UNTAXED RESERVES

The composition of, and changes in, untaxed reserves	Value in balance sheet 2009	Allocations 2010	Value in balance sheet 2010
Accumulated additional depreciation			
Land	3	-	3
Machinery and equipment	1	0	1
Total	4	0	4

NOTES AND COMMENTS

NOTE **16** PROVISIONS FOR PENSIONS

Provisions for pensions and similar benefits correspond to the actuarially calculated value of obligations not insured with third parties or secured through transfers of funds to pension foundations. The amount of pensions falling due within one year is included. AB Volvo has insured the pension obligations with third parties. Of the amount reported, 0 (0) pertains to contractual obligations within the framework of the PRI (Pension Registration Institute) system.

The Volvo Pension Foundation was formed in 1996. Plan assets amounting to 224 were contributed to the foundation at its formation, corresponding to the value of the pension obligations at that time. Since its formation, net contributions of 25 have been made to the foundation.

AB Volvo's pension costs amounted to 104 (55).

The accumulated benefit obligation of all AB Volvo's pension obligations at year-end 2010 amounted to 611, which has been secured in part through provisions in the balance sheet and through transfer of funds to pension foundations. Net asset value in the Pension Foundation, marked to market, accrued to AB Volvo was 48 higher than the corresponding pension obligations.

NOTE **17** NON-CURRENT LIABILITIES

Non-current debt matures as follows:

2013	10
2016 or later	7
Total	17

NOTE **20** CASH-FLOW

Other adjustments of operating income	2009	2010
Revaluation of shareholdings	(4)	116
Group contributions and transfer price adjustments, current year	14,016	(6,673)
Payments of previous year's Group contributions and transfer price adjustments	1,351	(14,016)
Other	(2)	30
Total	15,361	(20,543)

Further information is provided in notes 5, 6 and 7.

Shares and participations in Group companies, net		
Investments	(11,091)	(2,386)
Net investments in shares and participations in Group companies	(11,091)	(2,386)

Investments and sales of shares in Group companies are shown in note 13.

NOTE **18** OTHER CURRENT LIABILITIES

	2009	2010
Wages, salaries and withholding taxes	102	94
Other liabilities	4	2
Accrued expenses and prepaid income	133	173
Total	239	269

No collateral is provided for current liabilities.

NOTE **19** CONTINGENT LIABILITIES

Of the contingent liabilities amounting to 250,606 (254,299), 250,597 (254,041) pertained to Group companies.

Guarantees for various credit programs are included in amounts corresponding to the credit limits. These guarantees amount to 243,089 (247,010), of which guarantees on behalf of Group companies totaled 243,089 (247,010).

At the end of each year, the utilized portion amounted to 108,562 (130,961), including 108,476 (130,872) pertaining to Group companies.

Shares and participations in non-Group companies, net	2009	2010
Investments	(1)	(78)
Disposals	-	15
Net investments in shares and participations in non-Group companies	(1)	(63)

Investments and sales of shares in non-Group companies are presented in note 13.

Increase in loans

Increase in loans is related to the company's liability in the group account at Volvo Treasury AB. The liability has increased by 11,457 (6,894).

AB VOLVO'S HOLDING OF SHARES

AB Volvo's holding of shares and participations in non-Group companies ¹	Registration number	Percentage holding ²	Dec 31, 2009	Dec 31, 2010
			Carrying value, SEK M	Carrying value, SEK M
Deutz AG, Germany	-	7	286	458
Blue Chip Jet II HB, Sweden	969717-2105	50	206	170
Other investments			26	22
Total carrying value, non-Group companies			518	650

1 AB Volvo's holdings of shares and participations include the direct and indirect holdings of VE Commercial Vehicles (VECV). AB Volvo's direct holdings in VECV amount to SEK 1,845 M. In the consolidated accounts of the Volvo group, VECV is reported as a joint venture, consolidated according to the proportionate method, and accordingly included in the table for Group companies below.

2 Percentage figures refer to share capital as well as voting rights.

AB Volvo's holding of shares and participations in major Group companies	Registration number	Percentage holding	Dec 31, 2009	Dec 31, 2010
			Carrying value, SEK M	Carrying value, SEK M
Volvo Lastvagnar AB, Sweden	556013-9700	100	8,678	8,678
Volvo Truck Center Sweden AB, Sweden	556072-7777	100	-	-
Volvo Finland AB, Finland	-	100	-	-
Volvo Group Belgium NV, Belgium	-	100	-	-
Volvo Group UK Ltd, Great Britain	-	100	-	-
Volvo India Ltd, India	-	100	-	-
Volvo Holding Sverige AB, Sweden	556539-9853	100	7,634	7,634
Volvo Logistics AB, Sweden	556197-9732	100	-	-
BRS Ltd, Great Britain	-	100	-	-
Volvo Construction Equipment North America, Canada	-	100	-	-
Volvo Polska Sp. O.O., Poland	-	100	-	-
Volvo (Southern Africa) Pty Ltd, South Africa	-	100	-	-
Volvo do Brasil Veiculos Ltda, Brazil	-	100	-	-
Banco Volvo (Brasil) SA, Brazil	-	100	-	-
Volvo Group Canada Inc., Canada	-	100	-	-
Prévost Car Inc, Canada	-	100	-	-
Volvo Group Australia Pty Ltd, Australia	-	100	-	-
Volvo Group Automotive Ticaret, Ltd, Sirketi, Turkey ¹	-	100	-	-
Volvo Holding France SA, France	-	100	-	-
Volvo Trucks France s.a.s., France	-	100	-	-
Volvo Compact Equipment s.a.s., France	-	100	-	-
Volvo CE Europe s.a.s., France	-	100	-	-
VFS Finance France s.a.s., France	-	100	-	-
VFS Location France s.a.s., France	-	100	-	-

NOTES AND COMMENTS

			Dec 31, 2009	Dec 31, 2010
	Registration number	Percentage holding	Carrying value, SEK M	Carrying value, SEK M
AB Volvo's holding of shares and participations in major Group companies (cont.)				
Renault Trucks s.a.s., France				
	-	100	-	-
Renault Trucks Deutschland GmbH, Germany	-	100	-	-
Renault Trucks Polska SP Z OO, Poland	-	100	-	-
Renault Trucks, España, Spain	-	100	-	-
Renault Trucks Italia Spa, Italy	-	100	-	-
Volvo Group Japan Co, Japan				
	-	100	2,886	6,379
UD Trucks Corporation, Japan	-	100	3,493	-
DRD Co., Ltd, Japan	-	100	-	-
UD Trucks Japan Co, Japan	-	100	-	-
UD Trucks South Africa (Pty) Ltd., South Africa	-	80	-	-
Volvo Bussar AB, Sweden				
	556197-3826	100	1,882	1,882
Volvo Construction Equipment NV, The Netherlands				
	-	100	2,582	2,582
Volvo Construction Equipment AB, Sweden	556021-9338	100	-	-
Volvo Maskin AS, Norway	-	100	-	-
Volvo Construction Equipment Europe GmbH, Germany	-	100	-	-
ABG Allgemeinen Baumaschinen GmbH, Germany	-	100	-	-
AB Volvo Penta, Sweden				
	556034-1330	100	421	421
Volvo Aero AB, Sweden				
	556029-0347	100	2,885	2,885
Volvo Aero Norge AS, Norway	-	78	-	-
VNA Holding Inc., USA				
	-	100	2,491	2,491
Volvo Group North America Inc., USA	-	100	-	-
Arrow Truck Sales, Inc., USA	-	100	-	-
Mack Trucks Inc., USA	-	100	-	-
Volvo Construction Equipment North America Inc., USA	-	100	-	-
Volvo Penta of The Americas Inc., USA	-	100	-	-
Volvo Commercial Finance LLC The Americas, USA	-	100	-	-
VFS US LLC, USA	-	100	-	-
VFS Leasing Co., USA	-	100	-	-

AB Volvo's holding of shares and participations in major Group companies (cont.)	Registration number	Percentage holding	Dec 31, 2009	Dec 31, 2010
			Carrying value, SEK M	Carrying value, SEK M
Volvo Financial Services AB, Sweden	556000-5406	100	1,720	1,945
VFS International AB, Sweden	556316-6064	100	-	-
VFS Nordic AB, Sweden	556579-1778	100	-	-
VFS Financial Services BV, The Netherlands	-	100	-	-
VFS Financial Services Belgium NV, Belgium	-	100	-	-
VFS Financial Services (UK) Ltd, Great Britain	-	100	-	-
VFS Deutschland GmbH, Germany	-	100	-	-
VFS Financial Services Spain EFC, SA, Spain	-	100	-	-
Volvo Finance (Suisse) SA, Switzerland	-	100	-	-
VFS Vostok, Russia	-	100	-	-
VFS Romania, Romania	-	100	-	-
VFS Canada Inc, Canada	-	100	-	-
VE Commercial Vehicles, Ltd, India ^{2,7}	-	50	-	-
Volvo Treasury AB, Sweden	556135-4449	100	13,044	13,044
Sotrof AB, Sweden	556519-4494	100	1,388	1,388
Volvo Group Real Estate AB, Sweden	556006-8313	100	-	-
Volvo Korea Holding AB, Sweden	556531-8572	100	2,655	2,655
Volvo Group Korea Co Ltd, South Korea	-	100	-	-
Volvo China Investment Co Ltd, China	-	100	879	1,096
Shanghai Sunwin Bus Co, China ²	-	50	-	-
XIAN Silver Bus Co, China ²	-	50	-	-
Shandong Lingong Construction Machinery, China	-	70	-	-
Volvo Automotive Finance (China) Ltd, China	-	100	491	491
Volvo Group UK Ltd, Great Britain ³	-	100	413	413
Volvo Holding Mexico, Mexico	-	100	388	531
Volvo Technology Transfer AB, Sweden	556542-4370	100	361	361
Volvo Powertrain AB, Sweden	556000-0753	100	498	498
Volvo Information Technology AB, Sweden	556103-2698	100	663	663
Volvo Parts AB, Sweden	556365-9746	100	200	200
Volvo Group Insurance Försäkrings AB, Sweden	516401-8037	100	182	182
Volvo Business Services AB, Sweden	556029-5197	100	107	107
Volvo Danmark Holding AS, Denmark	-	100	104	104
VFS Servizi Finanziari Spa, Italy ⁴	-	100	79	79
Kommersiella Fordon Europa AB, Sweden	556049-3388	100	89	1,890
Volvo Norge AS, Norway	-	100	56	56
Volvo Malaysia Sdn, Malaysia	-	100	48	48
ZAO Volvo Vostok, Russia ⁵	-	100	34	34
Volvo Italia Spa, Italy	-	100	556	556
Volvo Logistics AB, Sweden	556197-9732	100	85	85
Rossaredds Fastighets AB, Sweden	556009-1190	100	26	26
Alviva AB, Sweden	556622-8820	100	25	5
Volvo East Asia (Pte) Ltd, Singapore	-	100	9	9
Volvo Automotive Holding BV, The Netherlands	-	100	3	3
Volvo Information Technology GB Ltd, Great Britain	-	100	3	3
Other holdings			6	5
Total carrying value Group companies⁶			57,062	59,429

1 Total holding by Volvo Holding Sverige and Volvo Lastvagnar is 100%.

2 Joint venture, reported in accordance with the proportionate consolidation method in Volvo's consolidated accounts.

3 Total holding by VTC Holding and AB Volvo is 100%.

4 Total holding by Volvo Italia and AB Volvo is 100%.

5 Total holding by AB Volvo and Volvo Trucks Region Central Europe is 100%.

6 AB Volvo's share of shareholders' equity in subsidiaries (including equity in untaxed reserves) was 90,261 (91,944).

7 AB Volvo's holdings of shares and participations include the direct and indirect holdings of VE Commercial Vehicles (VECV). AB Volvo's direct holdings in VECV amount to 1,845. In the consolidated accounts of the Volvo group, VECV is reported as a joint venture, consolidated according to the proportionate method, and accordingly included in the table for group companies above.

PROPOSED REMUNERATION POLICY

The proposal by the Board of Directors of AB Volvo to be adopted by the Annual General Meeting April 6, 2011.

This Policy concerns the remuneration and other terms of employment for the Group Executive Committee of the Volvo Group. The members of the Group Executive Committee, including the President and any possible Executive Vice President, are in the following referred to as the "Executives".

This Policy will be valid for employment agreements entered into after the approval of the Policy by the Annual General Meeting and for changes made to existing employment agreements thereafter.

1. Guiding principles for remuneration and other terms of employment

The guiding principle is that the remuneration and the other terms of employment for the Executives shall be competitive in order to ensure that the Volvo Group can attract and retain competent Executives.

The annual report 2010 sets out details on the total remuneration and benefits awarded to the Executives during 2010.

2. The principles for fixed salaries

The Executive's fixed salary shall be competitive and based on the individual Executive's responsibilities and performance.

3. The principal terms of variable salary and incentive schemes, including the relation between fixed and variable components of the remuneration and the linkage between performance and remuneration

The Executives may receive variable salaries in addition to fixed salaries. The variable salary may, as regards the President, amount to a maximum of 75% of the fixed annual salary and, as regards the other Executives, a maximum of 60% of the fixed annual salary.

The variable salary may be based on i.a. the performance of the entire Volvo Group or the performance of the Business Area or Business Unit where the Executive is employed. The performance will be related to the fulfilment of various improvement targets or the attainment of certain financial objectives. Such targets will be set by the Board and may relate to i.a. operating income or cash flow.

The Board shall before each Annual General Meeting evaluate whether a share or share-price related incentive program shall be proposed to the Annual General Meeting or not. Such proposal may concern a program comprising one or several financial years. The Annual General Meeting decides upon such programs. The Board of Directors has decided to propose to the Annual General Meeting 2011 to approve the adoption of a share-based incentive program relating to the financial years 2011, 2012 and 2013.

4. The principal terms of non-monetary benefits, pension, notice of termination and severance pay

4.1 Non-monetary benefits

The Executives will be entitled to customary non-monetary benefits such as company cars and company health care. In addition thereto in individual cases company housing and other benefits may also be offered.

4.2 Pension

In addition to pension benefits which the Executives are entitled to according to law and collective bargaining agreements, Executives resident in Sweden may be offered defined-contribution plans with annual premiums amounting to SEK 30,000 plus 20% of the pensionable salary over 30 income base amounts. In the defined-contribution plan, the pension earned will correspond to the sum of paid-in premiums and possible return without any guaranteed level of pension received by the employee. In the defined-contribution plan, no definite retirement date is set.

Some of the Executives have earlier been entitled to defined-benefit pension plans, but the majority of the Executives have re-negotiated these to the new system of defined-contribution plans. In con-

nection therewith, agreements have in some cases been reached on individual adjusting premiums in accordance with actuarial calculations.

Previous pension agreements for certain Executives stipulated that early retirement could be obtained from the age of 60. Such agreements are no longer signed and the majority of the Executives that earlier were entitled to such defined-benefit pension plans have agreed to exchange these for defined-contribution plans without any defined point of time for retirement. The premium amounts to 10% of the pensionable salary plus individual adjusting premiums based on actuarial calculations in some cases.

Executives resident outside Sweden or resident in Sweden but having a material connection to or having been resident in a country other than Sweden may be offered pension benefits that are competitive in the country where the Executives are or have been resident or to which the Executives have a material connection, preferably defined-contribution plans.

4.3 Notice of termination and severance pay

For Executives resident in Sweden, the termination period from the Company will be twelve months and six months from the Executive. In addition thereto, the Executive, provided that termination has been made by the Company, will be entitled to twelve months severance pay.

Executives resident outside Sweden or resident in Sweden but having a material connection to or having been resident in a country other than Sweden may be offered notice periods for termination and severance payment that are competitive in the country where the Executives are or have been resident or to which the Executives have a material connection, preferably solutions comparable to the solutions applied to Executives resident in Sweden.

5. The Board's preparation and decision-making on issues concerning remuneration and other terms of employment for the Group Executive Committee

The Remuneration Committee is responsible for (i) preparing the Board's decisions on issues concerning principles for remuneration, remunerations and other terms of employment for Executives, (ii) monitoring and evaluating programs for variable remuneration, both ongoing and those that have ended during the year, for Executives, (iii) monitoring and evaluating the application of this Policy, and (iv) monitoring and evaluating current remuneration structures and levels in the Company.

The Remuneration Committee prepares and the Board decides on (i) terms of employment and remuneration of the President and the Executive Vice President, if any, and (ii) principles for remuneration (incl. pension and severance pay) for the Group Executive Committee. The Remuneration Committee shall approve proposals on remuneration of the members of the Group Executive Committee.

The Remuneration Committee is further responsible for the review and recommendation to the Board of share and share-price related incentive programs to be decided upon by the Annual General Meeting.

6. Deviations from this Policy

The Board of Directors may deviate from this Policy, except as regards section 3, third paragraph, if there are specific reasons to do so in an individual case.

7. Information on earlier decisions on remuneration that has not become due for payment at the time of the Annual General Meeting's consideration of this Policy

The decisions already taken on remuneration to the Executives that has not become due for payment at the time of the Annual General Meeting 2011 fall within the framework of this policy, except that some of the Executives have a right to receive 24 months severance pay provided they are above 50 years of age.

The policy concerning remuneration and other terms of employment for the Group Executive Committee decided at the Annual General Meeting 2010 is provided in note 34 Personnel.

PROPOSED DISPOSITION OF UNAPPROPRIATED EARNINGS

AB Volvo	SEK
Retained earnings	21,634,556,869.50
Income for the period 2010	10,327,605,961.72
Total retained earnings	31,962,162,831.22

The Board of Directors and the President propose that the above sum be disposed of as follows:

	SEK
To the shareholders, a dividend of SEK 2.50 per share	5,068,567,563.00
To be carried forward	26,893,595,268.22
Total	31,962,162,831.22

The record date for determining who is entitled to receive dividends is proposed to be Monday, April 11, 2011.

In view of the Board of Directors' proposal to the Annual General Meeting to be held April 6, 2011, to decide on the distribution of a dividend of SEK 2.50 per share, the Board hereby makes the following statement in accordance with Chapter 18, Section 4 of the Swedish Companies Act.

The Board of Directors concludes that the Company's restricted equity is fully covered after the proposed dividend. The Board further concludes that the proposed dividend is justifiable in view of the parameters set out in Chapter 17, Section 3, second and third paragraphs of the Swedish Companies Act. In connection herewith, the Board wishes to point out the following.

The proposed dividend reduces the Company's solvency from 53.5% to 50.3% and the Group's solvency from 23.3% to 22.1%, calculated as per year end 2010. The Board of Directors considers this solvency to be satisfactory with regard to the business in which the Group is active.

According to the Board of Directors' opinion, the proposed dividend will not affect the Company's or the Group's ability to fulfil their payment obligations and the Company and the Group are well prepared to handle both changes in the liquidity and unexpected events.

The Board of Directors is of the opinion that the Company and the Group have capacity to assume future business risks as well as to bear contingent losses. The proposed dividend is not expected to adversely affect the Company's and the Group's ability to make further commercially justified investments in accordance with the Board of Directors' plans.

In addition to what has been stated above, the Board of Directors has considered other known circumstances which may be of importance for the Company's and the Group's financial position. In doing so, no circumstance has appeared that does not justify the proposed dividend.

If the Annual General Meeting resolves in accordance with the Board of Directors' proposal, SEK 26,893,595,268.22 will remain of the Company's non-restricted equity, calculated as per year end 2010.

The Board of Directors has the view that the Company's and the Group's shareholders' equity will, after the proposed dividend, be sufficient in relation to the nature, scope and risks of the business.

Had the assets and liabilities not been estimated at their market value pursuant to Chapter 4, Section 14 a of the Swedish Annual Accounts Act, the company's shareholders' equity would have been SEK 193,353,379.00 less.

The Board of Directors and the President certify that the annual financial report has been prepared in accordance with generally accepted accounting principles and that the consolidated accounts have been prepared in accordance with the international set of accounting standards referred to in Regulation (EC) No 1606/2002 of the European Parliament and of the Council of July 19, 2002 on the application of international accounting standards, and give a true and fair view of the position and profit or loss of the Company and the Group, and that the management report for the Company and for the Group gives a fair review of the development and performance of the business, position and profit or loss of the Company and the Group, and describes the principal risks and uncertainties that the Company and the companies in the Group face.

Göteborg, February 24, 2011

Louis Schweitzer
Board Chairman

Peter Bijur
Board member

Jean-Baptiste Duzan
Board member

Leif Johansson
President, CEO and
Board member

Hanne de Mora
Board member

Anders Nyrén
Board member

Ravi Venkatesan
Board member

Lars Westerberg
Board member

Ying Yeh
Board member

Martin Linder
Board member

Mikael Sällström
Board member

Berth Thulin
Board member

Our audit report was issued on February 24, 2011

PricewaterhouseCoopers AB

Göran Tidström
Authorized Public Accountant
Lead Partner

Johan Rippe
Authorized Public Accountant

AUDIT REPORT FOR AB VOLVO

We have audited the annual accounts, the consolidated accounts, the accounting records and the administration of the Board of Directors and the President of AB Volvo for the year 2010. The company's annual accounts and the consolidated accounts are included in the printed version on pages 24–127. Board of Directors and the President are responsible for these accounts and the administration of the company as well as for the application of the Annual Accounts Act when preparing the annual accounts and the application of international financial reporting standards IFRSs as adopted by the EU and the Annual Accounts Act when preparing the consolidated accounts. Our responsibility is to express an opinion on the annual accounts, the consolidated accounts and the administration based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in Sweden. Those standards require that we plan and perform the audit to obtain reasonable assurance that the annual accounts and the consolidated accounts are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the accounts. An audit also includes assessing the accounting principles used and their application by the Board of Directors and the President and significant estimates made by the Board of Directors and the President when preparing the annual accounts and consolidated accounts as well as evaluating the overall presentation of information in the annual accounts and the consolidated accounts. As a basis for our opinion concerning discharge from liability, we examined significant decisions,

actions taken and circumstances of the company in order to be able to determine the liability, if any, to the company of any board member or the President. We also examined whether any board member or the President has, in any other way, acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association. We believe that our audit provides a reasonable basis for our opinion set out below.

The annual accounts have been prepared in accordance with the Annual Accounts Act and give a true and fair view of the company's financial position and results of operations in accordance with generally accepted accounting principles in Sweden. The consolidated accounts have been prepared in accordance with international financial reporting standards IFRSs as adopted by the EU and the Annual Accounts Act and give a true and fair view of the group's financial position and results of operations. The Board of Directors' Report is consistent with the other parts of the annual accounts and the consolidated accounts.

We recommend to the annual meeting of shareholders that the income statements and balance sheets of the Parent Company and the Group be adopted, that the profit of the Parent Company be dealt with in accordance with the proposal in the Board of Directors' Report and that the members of the Board of Directors and the President be discharged from liability for the financial year.

Göteborg, February 24, 2011

PricewaterhouseCoopers AB

Göran Tidström
Authorized Public Accountant
Lead Partner

Johan Rippe
Authorized Public Accountant
Partner

ELEVEN-YEAR SUMMARY

The eleven-year summary presents each year in accordance with the Generally Accepted Accounting Practice (GAAP) for that year. Earlier years are not restated when new accounting standards are applied. The years 1999–2003 are accounted for in accordance with Swedish GAAP for the respective year. As from 2004 the reporting is based on IFRS. The transition to IFRS is described in note 3 in the 2005 and 2006 Annual Reports. As from January 1, 2007, the benefits from the syner-

gies created in the business units are transferred back to the product areas. Also, as from January 1, 2007, the responsibility for the Group's treasury operations and real estate has been transferred from Volvo Financial Services, which, as from January 1, 2007, only are consolidated in accordance with the purchase method. Comparison figures for 2006 have been recalculated.

Consolidated income statements

SEK M	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Net sales	130,070	189,280	186,198	183,291	211,076	240,559	258,835	285,405	303,667	218,361	264,749
Cost of sales	(104,548)	(155,592)	(151,569)	(146,879)	(164,170)	(186,662)	(199,054)	(219,600)	(237,578)	(186,167)	(201,797)
Gross income	25,522	33,688	34,629	36,412	46,906	53,897	59,781	65,805	66,089	32,194	62,952
Research and development expenses	(4,876)	(5,391)	(5,869)	(6,829)	(7,614)	(7,557)	(8,354)	(11,059)	(14,348)	(13,193)	(12,970)
Selling expenses	(10,140)	(15,766)	(16,604)	(16,866)	(19,369)	(20,778)	(21,213)	(26,068)	(27,129)	(25,334)	(24,149)
Administrative expenses	(4,974)	(6,709)	(5,658)	(5,467)	(5,483)	(6,301)	(6,551)	(7,133)	(6,940)	(5,863)	(5,666)
Other operating income and expenses	622	(4,096)	(4,152)	(1,367)	(618)	(588)	(3,466)	163	(1,915)	(4,798)	(2,023)
Income (loss) from investments in associated companies	444	50	182	200	27	(557)	61	430	25	(14)	(86)
Income from other investments	70	1,410	309	(3,579)	830	37	141	93	69	(6)	(58)
Restructuring costs	-	(3,862)	-	-	-	-	-	-	-	-	-
Operating income (loss)	6,668	(676)	2,837	2,504	14,679	18,153	20,399	22,231	15,851	(17,013)	18,000
Interest income and similar credits	1,588	1,275	1,217	1,096	821	654	666	952	1,171	390	442
Interest expenses and similar charges	(1,845)	(2,274)	(1,840)	(1,888)	(1,254)	(972)	(585)	(1,122)	(1,935)	(3,559)	(3,142)
Other financial income and expenses	(165)	(191)	(201)	(55)	(1,210)	181	(181)	(504)	(1,077)	(392)	213
Income (loss) after financial items	6,246	(1,866)	2,013	1,657	13,036	18,016	20,299	21,557	14,010	(20,573)	15,514
Income taxes	(1,510)	326	(590)	(1,334)	(3,129)	(4,908)	(3,981)	(6,529)	(3,994)	5,889	(4,302)
Income (loss) for the period	4,736	(1,540)	1,423	323	9,907	13,108	16,318	15,028	10,016	(14,685)	11,212
Attributable to											
Equity holders of the Parent Company	4,709	(1,467)	1,393	298	9,867	13,054	16,268	14,932	9,942	(14,718)	10,866
Minority interest	27	(73)	30	25	40	54	50	96	74	33	346
	4,736	(1,540)	1,423	323	9,907	13,108	16,318	15,028	10,016	(14,685)	11,212

Consolidated income statements Industrial Operations

SEK M	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Net sales	120,392	180,615	177,080	174,768	202,171	231,191	249,020	276,795	294,932	208,487	257,375
Cost of sales	(97,131)	(149,477)	(145,453)	(141,256)	(158,453)	(180,823)	(192,400)	(214,160)	(232,247)	(179,578)	(197,480)
Gross income	23,261	31,138	31,627	33,512	43,718	50,368	56,620	62,635	62,685	28,909	59,895
Research and development expenses	(4,876)	(5,391)	(5,869)	(6,829)	(7,614)	(7,557)	(8,354)	(11,059)	(14,348)	(13,193)	(12,970)
Selling expenses	(9,285)	(14,663)	(15,393)	(15,891)	(18,317)	(19,616)	(19,999)	(24,671)	(25,597)	(23,752)	(22,649)
Administrative expenses	(4,651)	(6,474)	(5,464)	(5,259)	(5,310)	(6,147)	(6,481)	(7,092)	(6,921)	(5,838)	(5,640)
Other operating income and expenses	309	(3,071)	(2,989)	(540)	7	(397)	(3,275)	249	(1,457)	(2,432)	(659)
Income from Volvo Financial Services	1,499	325	490	926	1,365	2,033	-	-	-	-	-
Income (loss) from investments in associated companies	341	(86)	126	166	2	(568)	61	428	23	(15)	(86)
Income from other investments	70	1,408	309	(3,581)	828	37	141	93	69	(13)	(57)
Restructuring costs	-	(3,862)	-	-	-	-	-	-	-	-	-
Operating income (loss)	6,668	(676)	2,837	2,504	14,679	18,153	18,713	20,583	14,454	(16,333)	17,834

ELEVEN-YEAR SUMMARY

Consolidated balance sheets

SEK M	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Intangible assets	6,925	17,525	17,045	16,756	17,612	20,421	19,117	36,508	43,958	41,628	40,714
Property, plant and equipment	22,231	33,234	30,799	30,640	31,151	35,068	34,379	47,210	57,270	55,280	54,242
Assets under operating leases	14,216	27,101	23,525	21,201	19,534	20,839	20,501	22,502	25,429	20,388	19,647
Shares and participations	30,481	27,798	27,492	22,206	2,003	751	6,890	2,219	1,953	2,044	2,098
Inventories	23,551	31,075	28,305	26,459	28,598	33,937	34,211	43,645	55,045	37,727	39,837
Customer-financing receivables	41,791	48,784	46,998	46,002	51,193	64,466	64,742	78,847	98,489	81,977	72,688
Interest-bearing receivables	19,228	8,079	5,490	6,632	3,384	1,897	4,116	4,530	5,101	3,044	2,757
Other receivables	26,352	39,946	33,990	32,621	35,747	42,881	42,567	55,152	61,560	50,575	53,154
Non-current assets held for sale	-	-	-	-	-	-	805	-	-	1,692	136
Liquid funds	15,968	27,383	25,578	28,735	34,746	36,947	31,099	31,034	23,614	37,910	32,733
Assets	200,743	260,925	239,222	231,252	223,968	257,207	258,427	321,647	372,419	332,265	318,007
Shareholders' equity ¹	88,931	85,576	78,525	72,636	70,155	78,760	87,188	82,781	84,640	67,034	74,121
Provision for post-employment benefits	2,632	14,647	16,236	15,288	14,703	11,986	8,692	9,774	11,705	8,051	7,510
Other provisions	14,941	18,427	16,721	15,048	14,993	18,556	20,970	27,084	29,076	19,485	18,992
Interest-bearing liabilities	66,233	81,568	72,437	74,092	61,807	74,885	66,957	108,318	145,727	156,852	123,695
Liabilities associated with assets held for sale	-	-	-	-	-	-	280	-	-	272	135
Other liabilities	28,006	60,707	55,303	54,188	62,310	73,020	74,340	93,690	101,271	80,571	93,554
Shareholders' equity and liabilities	200,743	260,925	239,222	231,252	223,968	257,207	258,427	321,647	372,419	332,265	318,007
¹ of which minority interests	593	391	247	216	229	260	284	579	630	629	1,011
Assets pledged	2,990	3,737	3,610	3,809	3,046	3,255	1,960	1,556	1,380	958	3,339
Contingent liabilities	6,789	10,441	9,334	9,611	9,189	7,850	7,726	8,153	9,427	9,607	11,003

Consolidated balance sheets, Industrial Operations

SEK M	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Intangible assets	6,781	17,366	16,919	16,662	17,570	20,348	19,054	36,441	43,909	41,532	40,613
Property, plant and equipment	19,652	30,370	27,789	27,248	27,260	31,330	30,493	47,132	57,185	55,208	54,169
Assets under operating leases	4,245	15,020	11,155	8,976	8,477	10,260	11,822	13,850	16,967	13,539	13,217
Shares and participations	37,366	35,145	34,750	30,022	10,116	10,357	16,565	2,189	1,935	2,025	2,080
Inventories	22,998	30,557	27,564	25,848	28,291	33,583	33,893	43,264	54,084	35,765	38,956
Customer-financing receivables	15	114	99	118	230	1,377	1,193	1,233	975	1,367	1,428
Interest-bearing receivables	19,286	12,426	8,495	9,413	12,127	7,691	13,214	13,701	6,056	8,010	11,153
Other receivables	24,882	38,815	34,256	33,079	36,535	43,992	43,335	55,970	60,586	49,008	52,358
Non-current assets held for sale	-	-	-	-	-	-	805	-	-	1,692	136
Liquid funds	10,958	24,874	24,154	28,102	34,628	36,047	29,907	30,026	22,575	37,404	31,491
Assets	146,183	204,687	185,181	179,468	175,234	194,985	200,281	243,806	264,272	245,550	245,602
Shareholders' equity	88,931	85,576	78,525	72,636	70,155	78,760	87,188	75,129	75,046	58,485	66,101
Provision for post-employment benefits	2,619	14,632	16,218	15,264	14,677	11,966	8,661	9,746	11,677	8,021	7,478
Other provisions	8,277	14,085	13,893	12,792	14,115	17,164	19,385	25,372	27,015	17,456	17,240
Interest-bearing liabilities	18,233	29,710	22,494	24,677	13,968	13,097	9,779	38,286	46,749	78,890	59,857
Liabilities associated with assets held for sale	-	-	-	-	-	-	280	-	-	272	135
Other liabilities	28,123	60,684	54,051	54,099	62,319	73,998	74,988	95,273	103,785	82,426	94,791
Shareholders' equity and liabilities	146,183	204,687	185,181	179,468	175,234	194,985	200,281	243,806	264,272	245,550	245,602

ELEVEN-YEAR SUMMARY

Consolidated cash-flow statements

SEK bn	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Operating income	6.7	(0.7)	2.8	2.5	14.7	18.2	20.4	22.2	15.9	(17.0)	18.0
Depreciation and amortization	6.3	10.0	10.8	10.2	10.0	9.9	12.4	12.5	13.5	15.2	13.8
Other items not affecting cash	(0.4)	0.5	2.0	4.9	(0.1)	0.4	0.7	(0.5)	(0.2)	4.4	1.6
Change in working capital	(3.3)	6.4	1.0	0.4	(1.4)	(4.7)	(7.7)	(9.9)	(23.3)	16.9	4.8
Customer financing receivables, net	(4.5)	(3.7)	(5.7)	(4.3)	(7.4)	(7.8)	-	-	-	-	-
Financial items and income tax	(1.3)	(2.1)	(1.3)	(0.9)	(0.5)	(2.0)	(4.3)	(5.9)	(5.2)	(4.6)	(5.5)
Cash-flow from operating activities	3.5	10.4	9.6	12.8	15.3	14.0	21.5	18.4	0.7	14.9	32.7
Investments in fixed assets	(5.4)	(8.1)	(6.7)	(6.0)	(7.4)	(10.3)	(10.0)	(10.1)	(12.7)	(10.5)	(10.4)
Investments in leasing assets	(5.7)	(5.8)	(5.2)	(5.3)	(4.4)	(4.5)	(4.6)	(4.8)	(5.4)	(4.2)	(4.8)
Disposals of fixed assets and leasing assets	2.1	2.6	3.2	2.9	2.4	2.6	3.2	2.9	2.9	3.8	3.1
Shares and participations, net	(1.6)	3.9	(0.1)	(0.1)	15.1	0.3	(5.8)	0.4	0.0	0.0	(0.1)
Acquired and divested subsidiaries and other business units, net	0.0	13.0	(0.2)	0.0	(0.1)	0.7	0.5	(15.0)	(1.3)	0.2	0.6
Interest-bearing receivables including marketable securities	11.7	(3.7)	(1.5)	(2.0)	(6.4)	(1.3)	7.7	3.6	10.9	(8.9)	6.8
Cash-flow after net investments	4.6	12.3	(0.9)	2.3	14.5	1.5	12.5	(4.6)	(4.9)	(4.7)	27.9
Increase (decrease) in loans	8.1	6.2	(0.1)	1.9	(8.8)	3.6	(2.6)	28.7	18.2	12.6	(25.7)
Repurchase of own shares	(11.8)	(8.3)	-	-	(2.5)	(1.8)	-	-	-	0.0	-
Cash dividend/payment to AB Volvo's shareholders	(3.1)	(3.4)	(3.4)	(3.4)	(3.4)	(5.1)	(6.8)	(20.3)	(11.1)	(4.1)	0.0
Cash payment to minority	-	-	-	-	-	-	-	-	-	-	(0.1)
Other	0.0	0.1	0.1	0.1	0.0	0.0	0.0	0.0	0.0	(0.1)	0.0
Change in cash and cash equivalents excluding translation differences	(2.2)	6.9	(4.3)	0.9	(0.2)	(1.8)	3.1	3.8	2.2	3.7	2.1
Translation differences on cash and cash equivalents	0.3	0.6	(0.7)	(0.6)	(0.2)	1.1	(0.5)	0.0	1.0	(0.2)	(0.4)
Change in cash and cash equivalents	(1.9)	7.5	(5.0)	0.3	(0.4)	(0.7)	2.6	3.8	3.2	3.5	1.7

Operating cash flow Industrial Operations

SEK bn	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Operating income	5.2	(1.0)	2.3	1.6	13.3	16.1	18.7	20.6	14.5	(16.3)	17.8
Depreciation and amortization	3.8	7.0	7.8	7.2	7.1	7.3	9.8	10.3	11.8	12.4	11.4
Other items not affecting cash	(1.6)	0.0	1.0	4.1	(0.6)	0.2	0.2	(0.4)	(0.7)	2.3	0.1
Change in working capital	(3.0)	6.8	0.4	0.7	(1.4)	(5.6)	(3.1)	(0.1)	(10.9)	4.7	4.6
Financial items and income taxes	(0.8)	(2.3)	(1.1)	(0.7)	(0.2)	(1.9)	(3.7)	(6.0)	(5.0)	(4.7)	(5.1)
Cash flow from operating activities	3.6	10.5	10.4	12.9	18.2	16.1	21.9	24.4	9.7	(1.6)	28.8
Investments in fixed assets	(5.1)	(7.7)	(6.3)	(5.8)	(7.2)	(9.9)	(9.7)	(10.1)	(12.6)	(10.3)	(10.3)
Investments in leasing assets	(0.6)	(0.5)	(0.1)	(0.1)	(0.3)	(0.3)	(0.5)	(0.2)	(0.4)	(0.2)	(0.3)
Disposals of fixed assets and leasing assets	0.7	1.1	1.1	0.6	0.7	0.9	0.9	1.1	0.6	0.7	0.8
Operating cash-flow	(1.4)	3.4	5.1	7.6	11.4	6.8	12.6	15.2	(2.7)	(11.4)	19.0

Exports from Sweden

SEK M	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Volvo Group, total	46,251	50,394	52,730	49,300	62,653	71,133	80,517	88,606	96,571	41,829	72,688

Key ratios

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Gross margin, % ¹	19.3	17.2	17.9	19.2	21.6	21.8	22.7	22.6	21.3	13.9	23.3
Research and development expenses as percentage of net sales ¹	4.1	3.0	3.3	3.9	3.8	3.3	3.4	4.0	4.9	6.3	5.0
Selling expenses as percentage of net sales ¹	7.7	8.1	8.7	9.1	9.1	8.5	8.0	8.9	8.7	11.4	8.8
Administration expenses as percentage of net sales ¹	3.9	3.6	3.1	3.0	2.6	2.7	2.6	2.6	2.3	2.8	2.2
Return on shareholders' equity, %	5.0	neg	1.7	0.4	13.9	17.8	19.6	18.1	12.1	(19.7)	16.0
Interest coverage, times ¹	4.5	neg	2.2	1.9	11.0	16.7	26.1	20.7	8.8	(4.7)	5.9
Self-financing ratio, %	39	92	110	152	163	116	189	153	5	137	270
Self-financing ratio Industrial Operations, %	72	148	196	243	268	173	235	265	78	(16)	294
Financial position, Industrial Operations, SEK M	9,392	(7,042)	(6,063)	(2,426)	18,110	18,675	23,076	(4,305)	(29,795)	(41,489)	(24,691)
Net financial position as percentage of shareholders' equity, Industrial Operations	10.6	(8.2)	(7.7)	(3.3)	25.8	23.7	29.2	(5.7)	(39.7)	(70.9)	(37.4)
Shareholders' equity as percentage of total assets	44.3	32.8	32.8	31.4	31.3	30.6	33.7	25.7	22.7	20.2	23.3
Shareholders' equity as percentage of total assets, Industrial Operations	60.8	41.8	42.4	40.5	40.0	40.4	40.6	30.8	28.4	23.8	26.9
Shareholders' equity excluding minority interest as percentage of total assets	44.0	32.6	32.7	31.3	31.2	30.5	33.6	25.6	22.6	20.0	23.0

¹ Pertains to the Industrial Operations. For periods up to and including 2006, Volvo Financial Services is included and consolidated according to the equity method.

ELEVEN-YEAR SUMMARY

Volvo share statistics

Data per share (adjusted for issues and splits)¹

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Basic earnings, SEK ¹	2.24	(0.70)	0.66	0.14	4.72	6.44	8.03	7.37	4.90	(7.26)	5.36
Cash dividend, SEK	1.60	1.60	1.60	1.60	2.50	3.35	10.00 ⁹	5.50	2.00	0	2.50 ¹⁰
Share price at year-end, SEK (B share)	31.30	35.20	28.40	43.70	52.70	74.90	90.70	108.50	42.90	61.45	118.50
Direct return, % (B share) ²	5.1	4.5	5.6	10.5 ⁸	4.7	4.5	11.0	5.1	4.7	-	2.1
Effective return, % (B share) ³	(23)	17.6	(14.8)	71.2	25.5	48.5	39.8	25.7	(59)	43	97
Price/earnings ratio (B share) ⁴	14	neg	43	310	11.2	11.6	11.3	14.7	8.8	neg	22.1
EBIT multiple ⁵	10	25	23	14	9.2	9.3	10.3	9.7	3.6	neg	12.0
Payout ratio, % ⁶	71	neg	242	1,143	53	52	62	75	41	-	47
Shareholders' equity, SEK ⁷	44.40	40.60	37.40	34.60	34	38.80	43	41	41	33	36
Return on shareholders' equity	5.0	neg	1.7	0.4	13.9	17.8	19.6	18.1	12.1	neg	16.0

1 Basic earnings per share is calculated as income for the period divided by average number of shares outstanding. Reporting according to IFRS from 2004.

2 Proposed dividend in SEK per share divided by share price at year-end.

3 Share price at year-end, including proposed dividend during the year, divided by share price at beginning of the year, (2000 includes premium in connection with repurchase, 2003 includes distribution of shares in Ainax, 2006 includes a share split 6:1 in which the sixth share was redeemed by AB Volvo for an amount of SEK 5.00 per share).

4 Share price at year-end divided by basic earnings per share.

5 Market value at year-end minus net financial position and minority interests divided by operating income excluding restructuring costs and revaluation of shares.

6 Cash dividend divided by basic earnings per share.

7 Shareholders' equity for shareholders in AB Volvo divided by number of shares outstanding at year-end.

8 Including distribution of shares in Ainax equal to SEK 3.01 (share-split adjusted) per Volvo share in 2004.

9 Including extra payment of SEK 5 through redemption of shares.

10 Proposed by the Board of Directors.

Other share data

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Number of shareholders at year-end	230,000	214,000	211,000	208,500	202,300	195,442	183,735	197,519	220,192	233,311	240,043
Number of Series A shares outstanding at year-end, million	124.7	131.7	131.7	131.7	131.5	131.4	131.4	657	657	657	657
Number of Series B shares outstanding at year-end, million	272.6	287.8	287.8	287.8	278.6	273.1	273.4	1,369	1,371	1,371	1,371
Average number of shares outstanding, million	421.7	422.4	419.4	419.4	418.5	405.2	404.7	2,025	2,027	2,027	2,027
Number of Series A shares traded in Stockholm during the year, million	42.4	40.3	27.3	31.4	42.0	39.3	56.4	172.3	308.0	147.0	203.2
Number of Series B shares traded in Stockholm during the year, million	391.2	344.4	349.4	404.8	498.0	518.7	617.0	2,712.4	3,130.0	2,713.9	2,272.4
Number of shares traded in ADR, NASDAQ during the year, million	16.0	15.0	11.0	10.4	24.0	19.8	14.1	113.5	-	-	-

The largest shareholders in AB Volvo, December 31, 2010¹

	Number of shares	% of total votes	Share capital, %
Renault s.a.s.	138,604,945	17.5	6.8
Industrivärden	92,445,434	11.1	4.6
Violet Partners LP	43,727,400	5.5	2.2
SHB ²	46,454,585	4.8	2.3
AMF Insurance & Funds	56,042,500	3.9	2.8
AFA Insurance	29,136,945	3.5	1.4
Alecta (pension funds)	69,725,000	3.5	3.4
Swedbank Robur Funds	90,469,158	3.5	4.5
SEB Funds/Trygg Life Insurance	50,605,131	2.6	2.5
Skandia Liv	21,619,796	2.5	1.1
Total	638,830,894	58.4	31.6

1 Based on the number of outstanding shares.

2 Comprises shares held by SHB, SHB Pension Fund, SHB Employee Fund, SHB Pensionskassa and Oktogonen.

Distribution of shares, December 31, 2010¹

Volvo shareholders	Number of shareholders	% of total votes ¹	Share of capital, % ¹
1-1,000 shares	182,716	2.3	2.8
1,001-10,000 shares	52,572	5.4	7.3
10,001-100,000 shares	4,050	3.1	4.8
100,001-	703	89.2	85.1
Total	240,043	100.0	100.0

1 Based on all registered shares.

AB Volvo held 4.7% of the Company's shares on December 31, 2010.

Business area statistics

Net sales¹

SEK M		2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Trucks	Western Europe	30,415	60,841	61,406	63,097	68,664	70,567	80,116	86,035	86,994	58,754	60,139
	Eastern Europe	3,158	5,526	6,424	7,004	8,767	9,139	13,166	22,616	22,920	7,120	9,467
	North America	17,048	33,630	33,721	28,151	35,154	46,129	50,605	27,255	26,588	21,563	26,901
	South America	3,111	3,993	3,277	3,464	5,223	7,657	9,213	11,483	14,680	12,490	21,680
	Asia	3,432	4,659	5,919	9,206	12,378	13,551	8,975	26,593	37,515	26,943	35,231
	Other markets	1,911	7,919	8,005	6,047	6,693	8,353	9,190	13,910	14,538	12,069	13,887
	Total		59,075	116,568	118,752	116,969	136,879	155,396	171,265	187,892	203,235	138,940
Buses	Western Europe	6,767	6,263	6,695	6,153	6,422	6,564	7,390	7,204	6,987	7,269	6,088
	Eastern Europe	182	373	409	381	526	578	534	563	334	438	154
	North America	7,723	6,847	3,838	2,984	2,960	4,247	4,910	4,630	5,355	5,673	7,200
	South America	732	757	366	329	521	2,641	1,537	1,623	1,571	1,235	1,737
	Asia	1,269	1,839	2,022	1,447	1,632	1,612	2,003	1,802	2,094	2,749	3,299
	Other markets	514	596	705	684	661	947	897	786	971	1,101	2,038
	Total		17,187	16,675	14,035	11,978	12,722	16,589	17,271	16,608	17,312	18,465
Construction Equipment	Western Europe	10,029	10,326	10,383	11,576	12,443	14,213	18,438	21,852	20,763	11,188	13,471
	Eastern Europe	255	341	454	772	1,010	1,311	1,888	3,442	4,429	1,799	2,667
	North America	5,823	6,145	5,667	5,428	8,601	10,337	11,280	11,170	10,159	5,475	6,267
	South America	776	847	709	636	922	1,238	1,358	2,155	2,913	2,578	4,130
	Asia	2,484	2,773	3,048	3,707	4,961	5,717	6,903	12,179	13,738	12,957	24,352
	Other markets	626	703	751	1,035	1,423	2,000	2,264	2,835	4,077	1,661	2,923
	Total		19,993	21,135	21,012	23,154	29,360	34,816	42,131	53,633	56,079	35,658
Volvo Penta	Western Europe	3,204	3,789	3,846	4,081	4,723	4,845	5,748	6,290	6,100	4,113	4,221
	Eastern Europe	30	38	99	108	184	257	363	508	454	277	285
	North America	2,257	2,175	2,261	2,109	2,500	2,832	2,815	2,674	1,947	1,100	1,501
	South America	160	213	127	146	142	208	221	274	364	284	335
	Asia	794	988	1,141	947	1,324	1,427	1,359	1,624	2,082	2,054	2,008
	Other markets	154	177	195	205	184	207	268	349	486	331	366
	Total		6,599	7,380	7,669	7,596	9,057	9,776	10,774	11,719	11,433	8,159
Volvo Aero	Western Europe	4,651	4,788	3,422	3,951	3,130	3,346	3,674	3,431	3,468	3,914	3,744
	Eastern Europe	42	87	28	49	49	60	124	31	29	28	24
	North America	5,040	5,841	4,573	3,301	3,127	3,612	3,815	3,723	3,534	3,508	3,599
	South America	134	187	177	152	138	168	173	127	58	34	27
	Asia	701	708	497	428	400	284	356	234	234	205	233
	Other markets	145	173	140	149	81	68	91	100	125	114	81
	Total		10,713	11,784	8,837	8,030	6,925	7,538	8,233	7,646	7,448	7,803
Other and eliminations	6,825	7,073	6,775	7,041	7,228	7,076	(654)	(703)	(575)	(538)	(680)	
Net sales Industrial Operations		180,615	177,080	174,768	202,171	231,191	249,020	276,795	294,932	208,487	257,375	
Customer Finance	Western Europe	6,240	5,314	5,573	5,604	6,114	4,213	4,009	3,845	6,021	5,417	3,909
	Eastern Europe	257	360	424	474	499	584	379	639	1,078	1,710	824
	North America	2,626	3,216	3,344	2,542	2,432	2,036	2,569	2,467	369	3,004	2,605
	South America	452	451	403	358	396	570	608	620	791	1,070	1,156
	Asia	0	24	49	65	90	101	45	87	158	435	435
	Other markets	103	130	132	110	67	45	38	47	68	75	101
	Total		9,678	9,495	9,925	9,153	9,598	7,549	7,648	7,705	8,485	11,711
Eliminations	-	(830)	(807)	(630)	(693)	1,819	2,167	905	250	(1,836)	(1,658)	
Volvo Group total		130,070	189,280	186,198	183,291	211,076	240,559	258,835	285,405	303,667	218,361	264,749

As of January 1, 2007, the results from the synergies created in the business units are transferred back to the various business areas. Comparison figures for 2006 have been restated.

¹ Net sales 2000–2001 have been restated in accordance with new organization effective from 2002.

ELEVEN-YEAR SUMMARY

Operating income

SEK M	2000	2001 ⁴	2002	2003 ³	2004 ²	2005	2006 ¹	2007	2008	2009	2010
Trucks ⁵	1,414	(2,066)	1,189	3,951	8,992	11,717	13,116	15,193	12,167	(10,805)	10,112
Buses	440	(916)	(94)	(790)	158	470	745	231	(76)	(350)	780
Construction Equipment	1,594	527	406	908	1,898	2,752	4,072	4,218	1,808	(4,005)	6,180
Volvo Penta	484	658	647	695	940	943	1,105	1,173	928	(230)	578
Volvo Aero	621	653	5	(44)	403	836	359	529	359	50	286
Customer Finance	1,499	325	490	926	1,365	2,033	1,686	1,649	1,397	(680)	167
Other	616	143	194	(3,142)	923	(598)	(684)	(762)	(731)	(994)	(102)
Operating income (loss) Volvo Group	6,668	(676)	2,837	2,504	14,679	18,153	20,399	22,231	15,851	(17,013)	18,000

As of January 1, 2007, the benefits from the synergies created in the business units are transferred back to the various business areas. Comparison figures for 2006 have been restated.

1 Operating income in 2006 includes adjustment of goodwill of neg 1,712, reported in Trucks.

2 Operating income in 2004 included reversal of write-down of shares in Scania AB of 915, reported in Other, and write-down of shares in Henlys Group Plc of 95, reported in Buses.

3 Operating income in 2003 included write-down of shares in Scania AB and Henlys Group Plc amounting to 4,030, of which 429 was reported in Buses (Henlys Group) and 3,601 was reported in Other (Scania AB).

4 Operating income in 2001 included restructuring costs mainly related to the integration of Mack Trucks and Renault Trucks of 3,862 of which 3,106 in Trucks, 392 in Buses and 364 in Construction Equipment.

5 Refers to Volvo Trucks for 2000.

Operating margin

%	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Trucks	2.4	(1.8)	1.0	3.4	6.6	7.5	7.7	8.1	6.0	(7.8)	6.0
Construction Equipment	8.0	2.5	1.9	3.9	6.5	7.9	9.7	7.9	3.2	(11.2)	11.5
Buses	2.6	(5.5)	(0.7)	(6.6)	1.2	2.8	4.3	1.4	(0.4)	(1.9)	3.8
Volvo Penta	7.3	8.9	8.4	9.1	10.4	9.6	10.3	10.0	8.1	(2.8)	6.6
Volvo Aero	5.8	5.5	0.1	(0.5)	5.8	11.1	4.4	6.9	4.8	0.6	3.7
Volvo Group Industrial Operations	5.5	(0.4)	1.6	1.4	7.3	7.9	7.9	7.8	5.2	(7.8)	6.9

Number of employees at year-end

Number ^{1,2}	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Trucks	24,320	44,180	43,470	46,900	49,450	50,240	49,900	64,390	64,280	56,505	57,796
Buses	9,060	6,230	6,660	6,680	7,700	7,710	7,760	9,290	8,930	9,541	8,685
Construction Equipment	8,830	7,780	8,410	9,280	9,930	10,290	11,050	19,710	19,810	16,126	16,648
Volvo Penta	1,480	1,370	1,410	1,440	1,580	1,560	1,650	3,000	2,940	2,928	2,353
Volvo Aero	4,240	4,040	3,660	3,440	3,350	3,460	3,510	3,550	3,510	3,278	3,120
Financial Services	1,220	1,080	1,060	1,060	1,100	1,070	1,010	1,150	1,290	1,234	1,235
Other	5,120	6,240	6,490	6,940	7,970	7,530	8,310	610	620	596	572
Volvo Group, total	54,270	70,920	71,160	75,740	81,080	81,860	83,190	101,700	101,380	90,208	90,409

1 As of 2007, employees in business units are allocated to the business areas.

2 As of 2009 regular employees are shown, previously temporary employees were also included.

Employees

Number ¹	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Sweden	25,030	24,350	25,420	26,380	28,530	27,070	27,830	28,660	28,190	22,763	23,073
Europe, excluding Sweden	12,320	27,800	27,130	29,120	28,930	29,650	30,070	32,780	32,940	29,793	29,239
North America	11,410	12,670	12,440	12,270	14,620	15,140	14,820	15,750	14,200	12,640	12,844
South America	2,100	2,090	2,020	2,640	3,110	3,690	3,890	4,640	4,380	4,257	4,322
Asia	2,570	2,550	2,590	3,710	4,130	4,210	4,420	17,150	19,090	18,416	18,535
Other markets	840	1,460	1,560	1,620	1,760	2,100	2,160	2,720	2,580	2,339	2,396
Volvo Group total	54,270	70,920	71,160	75,740	81,080	81,860	83,190	101,700	101,380	90,208	90,409

¹ As of 2009 regular employees are shown, previously temporary employees were also included.

Delivered units

Number	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Heavy-duty trucks (>16 tons)	76,470	117,180	120,200	120,920	152,300	172,242	179,089	172,322	179,962	82,675	123,522
Medium-duty trucks (7–15.9 tons)	5,360	17,310	16,220	15,870	18,800	18,643	14,695	27,933	30,817	21,653	30,657
Light trucks (<7 tons)	–	20,820	20,710	19,200	22,120	23,494	26,147	36,101	40,372	23,354	25,811
Total trucks	81,830	155,310	157,130	155,990	193,220	214,379	219,931	236,356	251,151	127,681	179,989

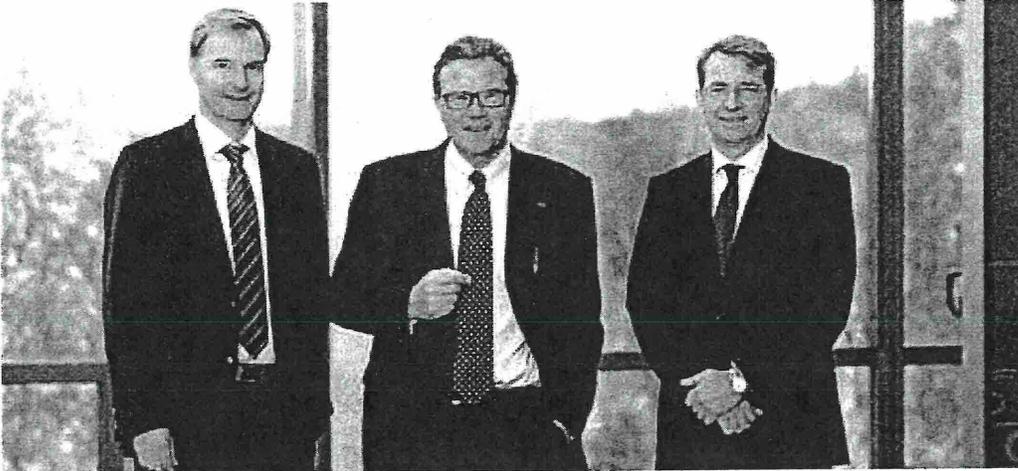
Number	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Trucks											
Total Europe	46,140	98,040	96,290	92,080	102,670	103,622	114,417	128,070	121,847	49,145	65,503
Western Europe	42,050	90,460	87,490	82,670	90,750	91,087	97,074	100,106	95,969	43,919	56,215
Eastern Europe	4,090	7,580	8,800	9,410	11,920	12,535	17,343	27,964	25,878	5,226	9,288
North America	23,610	34,650	36,510	34,760	49,270	64,974	70,499	33,280	30,146	17,574	24,282
South America	4,530	5,790	5,360	5,980	9,190	11,248	11,646	15,264	18,092	12,587	21,483
Asia	5,560	6,600	9,140	16,290	24,880	25,706	12,817	39,916	60,725	34,800	53,833
Other markets	1,990	10,230	9,830	6,880	7,210	8,829	10,552	19,826	20,341	13,575	14,888
Total	81,830	155,310	157,130	155,990	193,220	214,379	219,931	236,356	251,151	127,681	179,989
Buses											
Total Europe	3,994	3,115	3,413	3,087	3,417	3,723	3,570	3,748	3,313	3,164	2,395
Western Europe	3,870	2,899	3,076	2,782	3,073	3,385	3,081	3,377	3,140	2,896	2,336
Eastern Europe	124	216	337	305	344	338	489	371	173	268	59
North America	3,869	3,128	1,945	1,553	1,388	1,546	1,741	1,547	1,884	1,539	2,092
South America	980	1,009	495	369	624	2,297	1,236	1,318	995	690	1,174
Asia	1,659	2,209	2,639	2,227	2,341	2,554	3,349	2,757	3,033	3,839	3,477
Other markets	513	492	567	581	462	555	464	546	712	625	1,091
Total	11,015	9,953	9,059	7,817	8,232	10,675	10,360	9,916	9,937	9,857	10,229

Environmental performance of Volvo production plants, Industrial operations

Absolute values related to net sales	2006	2007 ¹	2008	2009	2010
Energy consumption (GWh; MWh/SEK M)	2,612; 10.5	2,426; 9.6	2,530; 8.6	1,888; 9.1	2,315; 9.0
CO ₂ emissions (1,000 tons; tons/SEK M)	282; 1.1	242; 1.0	291; 1.0	213; 1.0	279; 1.1
Water consumption (1,000 m ³ ; m ³ /SEK M)	7,596; 30.6	7,067; 27.9	8,205; 27.8	6,637; 31.8	7,519; 29.2
NOx emissions (tons; kilos/SEK M)	606; 2.4	542; 2.1	800; 2.7	322; 1.5	719; 2.8
Solvent emissions (tons; kilos/SEK M)	2,048; 8.3	1,979; 7.8	1,945; 6.6	1,435; 6.9	2,294; 8.9
Sulphur dioxide emissions (tons; kilos/SEK M)	69; 0.3	58; 0.2	64; 0.2	38; 0.2	33; 0.1
Hazardous waste (tons; kg/SEK M)	26,987; 109	27,120; 107	27,675; 94	17,558; 84	22,730; 88
Net sales, SEK bn	248.1	253.2	294.9	208.5	257.4

¹ Excluding UD Trucks and Ingersoll Rand Road Development.

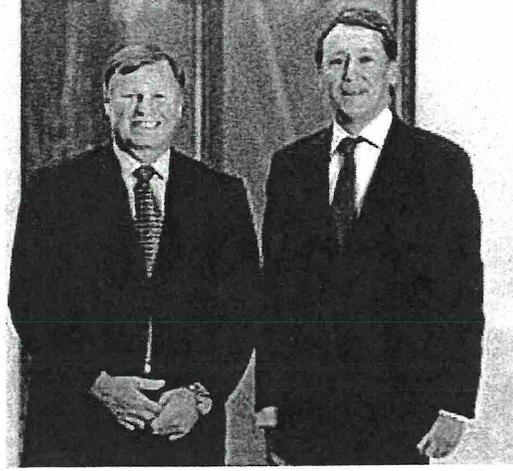
GROUP MANAGEMENT



Olof Persson

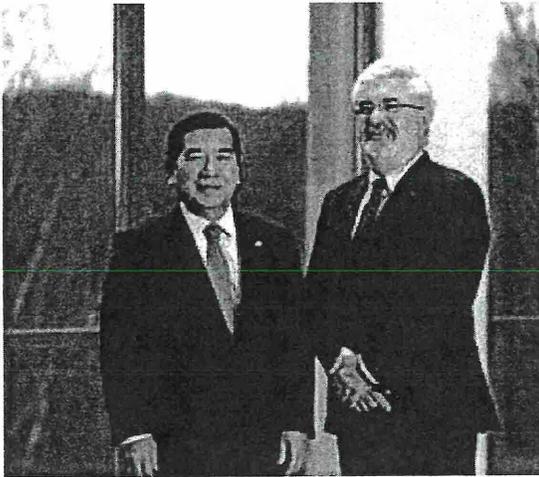
Leif Johansson

Pär Östberg



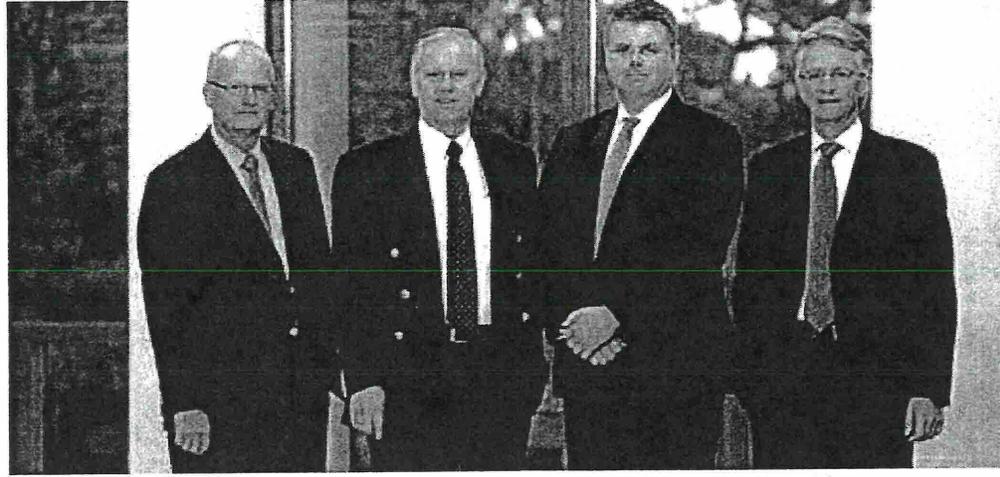
Dennis Slagle

Jan-Eric Sundgren



Satoru Takeuchi

Stefano Chmielewski



Staffan Zackrisson

Per Löjdquist

Mikael Bratt

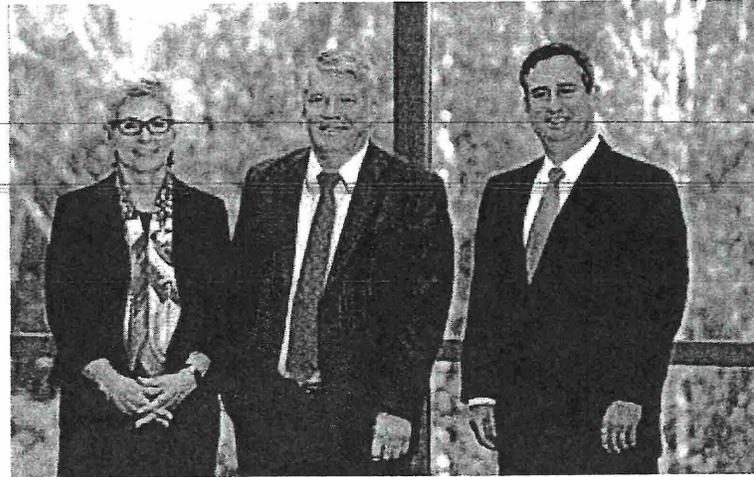
Stefan Johnsson



Göran Gummeson

Staffan Jufors

Håkan Karlsson



Eva Persson

Peter Karlsten

Martin Weissburg

Group Management

Leif Johansson

President and CEO

Born 1951. M. Sc. Engineering. President of AB Volvo and Chief Executive Officer of the Volvo Group since 1997. With Volvo since 1997. **Chairman:** ERT (European Round Table of Industrialists). **Board member:** Bristol-Myers Squibb Company, Svenska Cellulosa Aktiebolaget SCA and The Confederation of Swedish Enterprise. Member of the Royal Swedish Academy of Engineering Sciences. Member of the Volvo Board since 1997. **Holdings in Volvo, own and related parties:** 540,810 shares, including 349,023 Series B shares.

Staffan Jufors

President of Volvo Trucks

Born 1951. Master of Business Administration. President of Volvo Trucks since 2004. President of Volvo Penta 1998–2004. Member of the Group Executive Committee since 1998. With Volvo since 1975. **Board member:** Seco Tools AB. **Holdings in Volvo, own and related parties:** 40,863 shares, including 34,937 Series B shares.

Stefano Chmielewski

President of Renault Trucks

Born 1952. MA M. Sc. Electronics/Automation. President of Renault Trucks since 2003. Member of the Group Executive Committee since 2003. With Volvo since 2001. **Holdings in Volvo, own and related parties:** None.

Dennis Slagle

President and CEO of North American Trucks

Born 1954. Bachelor of Science. President and CEO of North American Trucks since November 1, 2009. President and CEO of Mack Trucks, Inc. since 2008. President and CEO of Volvo Construction Equipment North America 2003–2008. Previously President of L.B. Smith, Inc. Member of the Group Executive Committee since 2008. With Volvo since 2000. **Board member:** West Virginia Wesleyan College Board of Trustees. **Holdings in Volvo, own and related parties:** 8,838 Series B shares.

Satoru Takeuchi

President of UD Trucks, included in Trucks Asia

Born 1946. President of UD Trucks since 2007. Member of the Group Executive Committee since 2007. With Volvo since 2007. **Holdings in Volvo, own and related parties:** None.

Håkan Karlsson

President of Volvo Buses

Born 1961. M. Sc. Engineering. President of Volvo Buses since 2003. President of Volvo Logistics 2000–2003. Member of the Group Executive Committee since 2003. With Volvo since 1986. **Holdings in Volvo, own and related parties:** 37,333 shares, including 35,842 Series B shares.

Olof Persson

President of Volvo Construction Equipment

Born 1964. Bachelor of Business Administration. President of Volvo Aero 2006–2008. President of Volvo Construction Equipment since 2008. Member of the Group Executive Committee since 2006. With Volvo since 2006. **Holdings in Volvo, own and related parties:** 42,250 Series B shares.

Göran Gummeson

President of Volvo Penta

Born 1947. President of Volvo Penta since 2004. Has held various positions at Volvo Penta since 1991, head of Volvo Penta's European operations 1998–2004. Member of the Group Executive Committee since 2004. With Volvo since 1991. **Holdings in Volvo, own and related parties:** 108,962 shares, including 108,862 Series B shares.

Staffan Zackrisson

President of Volvo Aero

Born 1953. Master of Science & Engineering. President of Volvo Aero since 2008. Has held various positions at Volvo Aero 1979–87 and since 1989. Member of the Group Executive Committee since 2008. With Volvo 1979–87 and since 1989. **Holdings in Volvo, own and related parties:** 10,333 Series B shares.

Martin Weissburg

President of Volvo Financial Services

Born 1962. Bachelor of Science, Master of Business Administration. President of Volvo Financial Services since May 15, 2010. President of Volvo Financial Services the Americas 2005–2010. Member of the Group Executive Committee since May 15, 2010. With Volvo since 2005. **Holdings in Volvo, own and related parties:** 4,500 Series B shares.

Peter Karlsten

President of Volvo Powertrain

Born 1957. M. Sc. Electrical Engineering. President of Volvo Powertrain since 2007. Senior Vice President Technology for the Volvo Group since 2007. Head of Volvo Trucks in Brazil 2001–2003. Head of Volvo's North American truck operations 2003–2007. Member of the Group Executive Committee since 2007. With Volvo since 2001. **Holdings in Volvo, own and related parties:** 142,406 shares, including 142,250 series B shares.

Pär Östberg

Senior Vice President and President Trucks Asia

Born 1962. Master of Business Administration. Senior Vice President of AB Volvo since 2005. Has held various senior positions in the financial areas in the Volvo Group since 1990, most recently as CFO of the Volvo Group 2005–2008, prior to that as Senior Vice President and CFO of Renault Trucks 2004–2005. Member of the Group Executive Committee since 2005. With Volvo since 1990. **Holdings in Volvo, own and related parties:** 150,767 shares, including 150,667 Series B shares.

Stefan Johnsson

Senior Vice President

Born 1959. Master of Business Administration. Senior Vice President of AB Volvo responsible for business units, human resources and coordination of the Group's soft products business. Senior Vice President of AB Volvo and CFO of the Volvo Group 1998–2005. President of Volvo Group Finance Sweden 1994–1998. Member of the Group Executive Committee since 1998. With Volvo since 1987. **Board member:** The Association of Swedish Engineering Industries, The Chalmers University of Technology Foundation and GU School of Executive Education AB. **Holdings in Volvo, own and related parties:** 149,198 shares, including 148,667 Series B shares.

Mikael Bratt

Senior Vice President and CFO

Born 1967. Senior Vice President of AB Volvo and CFO of the Volvo Group since 2008. Responsible for finance, strategy and business development. Has held various senior positions in the financial areas in the Volvo Group, most recently as Vice President & Head of Corporate Finance at AB Volvo. Member of the Group Executive Committee since 2008. With Volvo since 1988. **Holdings in Volvo, own and related parties:** 73,802 shares, including 72,967 Series B shares.

Eva Persson

Senior Vice President and General Counsel

Born 1953. Master of Laws. Senior Vice President of AB Volvo and General Counsel of the Volvo Group. Responsible for legal, compliance, tax and security matters. Member of the Group Executive Committee since 1997. With Volvo since 1988. Secretary to the Volvo Board since 1997. **Board member:** Handelsbanken Region Väst and Norsk Hydro ASA. **Holdings in Volvo, own and related parties:** 75,823 shares, including 74,407 Series B shares.

Per Löjdquist

Senior Vice President

Born 1949. Senior Vice President of AB Volvo responsible for corporate communications and brand management. Member of the Group Executive Committee since 1997. With Volvo since 1973. **Holdings in Volvo, own and related parties:** 114,142 shares, including 97,362 Series B shares.

Jan-Eric Sundgren

Senior Vice President

Born 1951. M. Sc. Engineering, PhD in solid state Physics. Professor in materials science. Senior Vice President of AB Volvo responsible for public and environmental affairs. Member of the Group Executive Committee since 2006. With Volvo since 2006. **Chairman:** SP Technical Research Institute of Sweden. **Board member:** Hogia AB and Lindholmen Science Park AB. Member of the Royal Swedish Academy of Engineering Sciences. **Holdings in Volvo, own and related parties:** 25,202 Series B shares.

Changes in Group Executive Committee

Tony Helsham, Senior Vice President responsible for soft products, resigned from the Group Executive Committee on March 31, 2010.

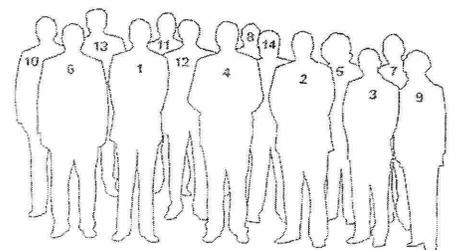
Martin Weissburg has been appointed as new President of the Volvo Group's customer finance company, Volvo Financial Services (VFS). Weissburg assumed his new position on May 15, 2010 and replaced Salvatore L. Mauro, who was appointed new head of the Volvo Group's representation office in New York.

On December 8, 2010 Leif Johansson informed his intention to resign as CEO of the Volvo Group in conjunction with his 60th birthday in the summer of 2011.

BOARD OF DIRECTORS AND AUDITORS



In October 2010, the Board visited UD Trucks in Ageo, Japan.



Board members elected by the Annual General Meeting

1. Louis Schweitzer

Chairman of the Board since January 15, 2010
Chairman of the Remuneration Committee

Born 1942. Bachelor of Laws. **Board Chairman:** Astra-Zeneca Plc. **Board member:** BNP-Paribas, L'Oréal and Véolia. Member of the Volvo Board since 2001. Chairman of the Board since January 15, 2010. **Holdings in Volvo, own and related parties:** 40,000 Series B shares.

Principal work experience: Official at French Budget Department; Chief of Staff of Mr Laurent Fabius (Minister of Budget, then Minister for Industry and Research, and Prime Minister), Chairman of the French High Authority against Discrimination and for Equality, HALDE (2005–2010); numerous positions with Renault S.A. (Chief Financial Officer and Executive Vice President Finance and Planning, Chief Operating Officer, Chairman and Chief Executive Officer).

2. Peter Bijur

Member of the Audit Committee

Born 1942. MBA Marketing, BA Political Science. **Board member:** Gulfmark Offshore Inc. Member of the Volvo Board since 2006. **Holdings in Volvo, own and related parties:** 3,000 Series B shares.

Principal work experience: Numerous positions with Texaco Inc, retired as Chairman and Chief Executive Officer in 2001.

3. Jean-Baptiste Duzan

Member of the Audit Committee

Born 1946. Graduate of the Ecole Polytechnique. Advisor to the Chief Executive Officer, Renault S.A. Senior Advisor Lazard Frères. **Board member:** Nissan Motor Co. Ltd. Member of the Volvo Board since 2009. **Holdings in Volvo, own and related parties:** 1,000 Series B shares.

Principal work experience: Began his career at Citibank. Has held various positions within Renault since 1982 – director of financial services at Renault V.I.; director of financial operations; project director for the car model Safrane; Senior Vice President, Purchasing; and joined the Renault Management Committee. He was also named Chairman and Managing Director, Renault Nissan Purchasing Organization.

4. Leif Johansson

Born 1951. Master Sc Engineering. President of AB Volvo and Chief Executive Officer of the Volvo Group since 1997. With Volvo since 1997. **Chairman:** ERT (European Round Table of Industrialists). **Board member:** Bristol-Myers Squibb Company, Svenska Cellulosa Aktiebolaget SCA and The Confederation of Swedish Enterprise. Member of the Royal Swedish Academy of Engineering Sciences. Member of the Volvo Board since 1997. **Holdings in Volvo, own and related parties:** 540,810 shares, including 349,023 Series B shares.

Principal work experience: Project consultant Indeco; Assistant to President Centro Maskin Morgårdshammar; President Husqvarna Motorcyklar; Division Manager Office Machines Facit Sweden; President Facit; Division Manager AB Electrolux Major Appliances; Division President AB Electrolux Major Appliances; Executive Vice President AB Electrolux; President AB Electrolux; CEO Electrolux Group.

5. Hanne de Mora

Born 1960. BA in Economics from HEC in Lausanne, MBA from IESE in Barcelona. **Board Chairman:** a-connect (group) ag. **Board member:** Sandvik AB. Member of the Volvo Board since 2010. **Holdings in Volvo, own and related parties:** 3,000 Series B shares.

Principal work experience: Credit Analyst Den Norske Creditbank in Luxembourg 1984, various positions within brand management and controlling within Procter & Gamble 1986–1989, Partner McKinsey & Company, Inc. 1989–2002, one of the founders and owners, also Chairman of the Board, of the management company a-connect (group) ag since 2002.

6. Anders Nyrén

Member of the Remuneration Committee

Born 1954. Graduate of the Stockholm School of Economics, MBA at UCLA. President and Chief Executive Officer of AB Industrivärden. **Board Chairman:** Sandvik AB. **Vice Chairman:** Svenska Handelsbanken. **Board member:** AB Industrivärden, Ernströmgruppen, SSAB Svenskt Stål AB, Svenska Cellulosa Aktiebolaget SCA, Telefonaktiebolaget LM Ericsson and SSE Association. Member of the Volvo Board since 2009. **Holdings in Volvo, own and related parties:** 5,200 Series B shares.

Principal work experience: Has worked for AB Wilhelm Becker. He has held various positions within STC – Controller, Executive Vice President and CFO, and President of STC Venture AB; President and Chief Executive Officer at OM International AB; Executive Vice President and CFO at Securum; Director with executive responsibility for Markets and Corporate Finance at Nordbanken; Executive Vice President and CFO at Skanska.

7. Ravi Venkatesan

Born 1963. MBA and M Sc Industrial Engineering. Chairman of Microsoft India and responsible for Microsoft's marketing, operational and business development efforts in India. **Board member:** Non Profit Advisory Board Harvard Business School, Advisory Board Indian Institute of Technology. Member of the Volvo Board since 2008. **Holdings in Volvo, own and related parties:** 700 Series B shares.

Principal work experience: Several leading positions within the American engine manufacturer Cummins.

8. Lars Westerberg

Chairman of the Audit Committee

Born 1948. M Sc Engineering, Bachelor Business Administration. **Board Chairman:** Autoliv Inc., Husqvarna AB and Vattenfall AB. **Board member:** SSAB Svenskt Stål AB and Sandvik AB. Member of the Volvo Board since 2007. **Holdings in Volvo, own and related parties:** 60,000 Series A shares.

Principal work experience: President and CEO of Gränges AB, ESAB AB and Autoliv Inc.

9. Ying Yeh

Member of the Remuneration Committee

Born 1948. BA, Literature & International Relations. Vice President and Chairman of Nalco Company, Greater China Region. Member of the Volvo Board since 2006. **Holdings in Volvo, own and related parties:** None.

Principal work experience: Journalist NBC, New York. Numerous positions with the U.S. Government Foreign Service in Burma, Hong Kong, Taiwan and Beijing. Various positions with Eastman Kodak in China, latest as President and Chairman, North Asia Region.

Board members and deputies appointed by employee organisations

10. Martin Linder

Employee representative. Born 1973. With Volvo since 1994. Member of the Volvo Board since 2004. **Holdings in Volvo, own and related parties:** 212 Series A shares.

11. Mikael Sällström

Employee representative. Born 1959. With Volvo 1980–1999 and since 2009. Member of the Volvo Board since 2009. **Holdings in Volvo, own and related parties:** None.

12. Berth Thulin

Employee representative. Born 1951. With Volvo since 1975. Deputy member of the Volvo Board since 2009. **Holdings in Volvo, own and related parties:** 1,425 Series B shares.

13. Lars Ask

Employee representative. Born 1959. With Volvo since 1982. Deputy member of the Volvo Board since 2009. **Holdings in Volvo, own and related parties:** 406 shares, including 250 Series B shares.

14. Peteris Lauberts

Employee representative. Born 1948. With Volvo since 1999. Deputy member of the Volvo Board since 2010. **Holdings in Volvo, own and related parties:** 156 Series A shares.

Changes in the Board

Board members elected by the Annual General Meeting

On January 15, 2010, Finn Johnsson resigned as Chairman and Board member. In connection therewith, Louis Schweitzer was appointed new Chairman until the next Annual General Meeting.

At the Annual General Meeting 2010 Louis Schweitzer was appointed Chairman of the Board until the next Annual General Meeting. Hanne De Mora was appointed new member of the Board at the Annual General Meeting 2010.

Board members and deputies appointed by employee organisations

On January 11, 2010, Margareta Öhlin left her assignment as deputy. In connection therewith, Peteris Lauberts was appointed new deputy.

Secretary to the Board

Eva Persson

Born 1953. Master of Laws. Senior Vice President of AB Volvo and General Counsel of the Volvo Group. Secretary to the Volvo Board since 1997. **Holdings in Volvo, own and related parties:** 75,823 shares, including 74,407 Series B shares.

Auditors

PricewaterhouseCoopers AB

Göran Tidström

Authorized Public Accountant.
Lead Partner.

Auditor since 2006.

Other assignments: Auditor of Trelleborg AB, Meda AB and Kungliga Operan. President of IFAC (International Federation of Accountants).

Born 1946.

Johan Rippe

Authorized Public Accountant.

Auditor since 2010.

Other assignments: Auditor of Getinge AB and Elanders AB.

Born 1968.