



AB Volvo

Press Information

VOLVO – SIX MONTHS ENDED JUNE 30, 2002 – SHORT VERSION

”The first quarter was characterized by model changes within Volvo Trucks. This was completed during the second quarter and the new models are now in full production. Volvo CE also went through an extensive changeover although on a smaller scale, and production is now running at a high level to respond to the strong customer demand. Business conditions continue to develop in different directions for the Group’s business areas, with the exception of the markets in Asia and Eastern Europe where the entire Group has a very strong development. Cash flow improved mainly due to favorable development of working capital and lower investments in fixed assets. Turn-around efforts in Buses resulted in positive operating income, and two large and profitable orders were secured for the Mexico plant”, says Leif Johansson, CEO.

First six months	2002	2001
Net sales, SEK M	89 679	90 848
Operating income excluding restructuring costs, SEK M	1 197	2 625
Operating income, SEK M	1 197	1 306
Income after financial items, SEK M	692	561
Net income, SEK M	334	555
Sales growth %	(1)	53
Income per share during most recent 12 months period, SEK	(4.00)	7.60
Return on shareholders' equity during most recent 12 months period, %	(2.0)	3.4

Operating income by business area SEK M	Second quarter		First six months	
	2002	2001	2002	2001
Trucks	483	639	9	789
Buses	51	(25)	(43)	(108)
Construction Equipment	464	408	333	489
Volvo Penta	225	222	371	389
Volvo Aero	40	286	118	446
Financial Services	120	63	235	176
Other	176	530	174	444
Operating income*	1 559	2 123	1 197	2 625
Restructuring costs	-	-	-	(1 319)
Operating income	1 559	2 123	1 197	1 306

* Excluding restructuring costs

Q2 R&D Capitalization: Total 398, Trucks 251, Buses 30, Construction Equipment 92, Volvo Penta 20, Volvo Aero 5.

Q2 Pension foundation deficit: Total 338, Trucks 114, Buses 14, Construction Equipment 52, Volvo Penta 21, Volvo Aero 42, Financial Services 2, Other 93.

For more information please see the full report, which is available on www.volvo.com.

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The Volvo Group is one of the world's leading manufacturers of trucks, buses and construction equipment, drive systems for marine and industrial applications, aerospace components and services. The Group also provides complete solutions for financing and service. The Volvo Group, which employs about 71,000 people, has production facilities in 25 countries and sells their products in more than 185 markets. Annual sales of the Volvo Group amount to 18 billion euro. The Volvo Group is a publicly-held company headquartered in Göteborg, Sweden. Volvo shares are listed on the stock exchanges in Stockholm, London, Brussels and Frankfurt and on NASDAQ in the US.