



AB Volvo

Press release

Volvo Group – the fourth quarter 2014

In the fourth quarter the Volvo Group had an underlying profitability improvement in its truck business and continued traction in the activities to improve efficiency and reduce the Group's cost base. However, the construction equipment business experienced strong headwinds where many markets outside of North America continued to deteriorate.

- In the fourth quarter net sales amounted to SEK 77.5 billion (76.6). Adjusted for currency movements and acquired and divested units sales decreased by 4%.
- Operating income was negatively impacted by provisions related to the EU antitrust investigation and expected credit losses in China in a total amount of SEK 4,450 M.
- Excluding above provisions and restructuring charges operating income amounted to SEK 3,021 M, compared with SEK 3,077 M last year (excluding a write-down of Volvo Rents of SEK 1,500 M). This corresponds to an operating margin of 3.9% (4.0). Currency exchange rates had a positive impact of SEK 373 M.
- Operating cash flow in the Industrial Operations amounted to SEK 10.6 billion (10.3), which contributed to the reduction of net financial debt to 14% of equity in the Industrial Operations.
- Truck order intake increased by 16% while order intake of construction equipment decreased by 33%.
- The Board of Directors proposes a dividend of SEK 3.00 per share (3.00).

“Our work towards further improving operational performance and lower cost levels has good traction, and we can look back at a year of significant change and many improvement activities that are now paying off. Going forward, we still have a lot of hard work ahead of us, but continue to have a good momentum in our activities to improve efficiency and reduce costs across the Group,” says Olof Persson, President and CEO.

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For an English PDF version of the report, please click here: [Volvo Group Q4 2014 PDF](#)

Press and Analysts Conference 09.00 AM CET. An on-line presentation of the report, followed by a question-and-answer session will be webcast at 09.00 CET.

Conference call for investors and analysts 3.00 PM CET.

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The Volvo Group is one of the world's leading manufacturers of trucks, buses, construction equipment and marine and industrial engines. The Group also provides complete solutions for financing and service. The Volvo Group, which employs about 100,000 people, has production facilities in 18 countries and sells its products in more than 190 markets. In 2013 the Volvo Group's sales amounted to about SEK 270 billion and is listed on Nasdaq Stockholm. For more information, please visit www.volvogroup.com or www.volvogroup.mobi if you are using your mobile phone.

AB Volvo (publ) may be required to disclose the information provided herein pursuant to the Securities Markets Act and/or the Financial Instruments Trading Act. The information was submitted for publication at 07.20 a.m. February 5, 2015.