

VOLVO

First Quarter 2004

Press Conference, April 23, 2004

Highlights

First Quarter

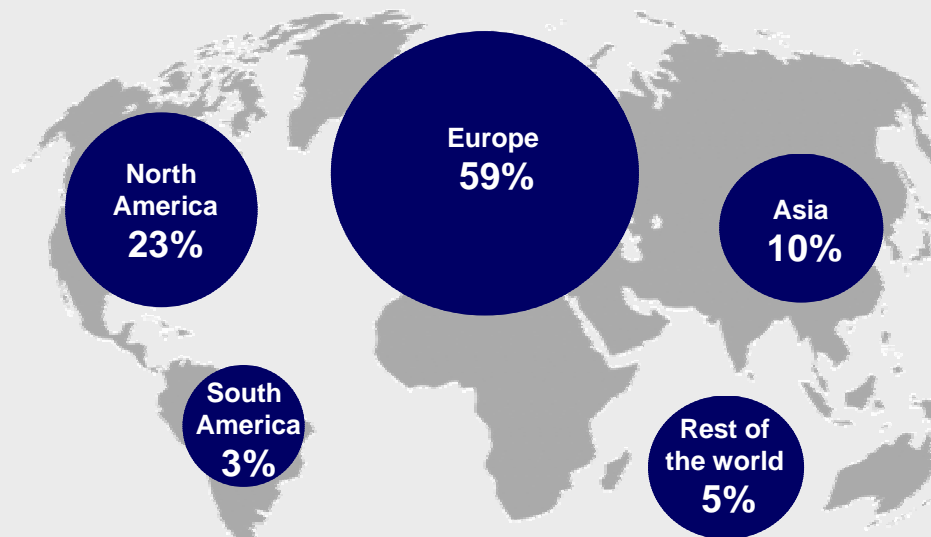
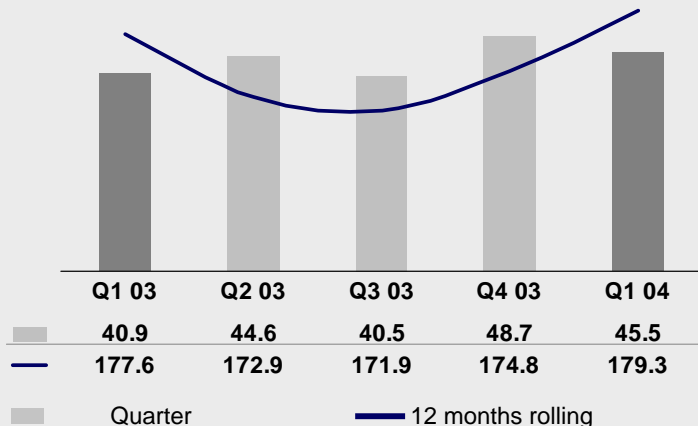
- Business environment improving globally:
 - Strong recovery in North America
 - Increasing demand in Western Europe
 - Strong development in growth markets
- Continued top-line growth
- Expansion in China
 - Engine production
- Operating income more than doubled
- The Scania issue resolved
- Approx. SEK 14.0 bln transfer to shareholders
 - Cash dividend: 8.00 SEK/share
 - Ainax distribution: ~15.00 SEK/share
 - Share repurchase: ~10.30 SEK/share

In Focus Going Forward

- Develop the industrial and commercial structure in China
- Buses
- Up-turn management
- Cash flow

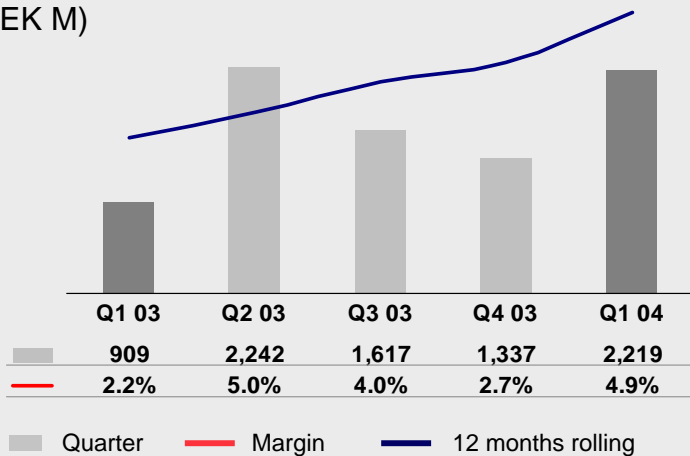
Net sales

(SEK bn)



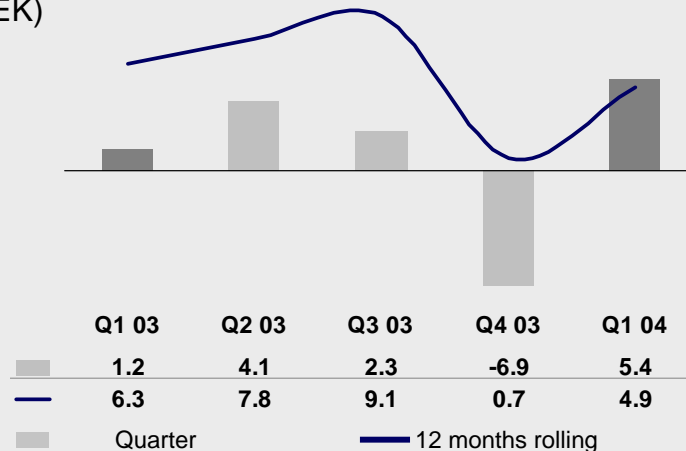
Operating income*

(SEK M)



Earnings per share

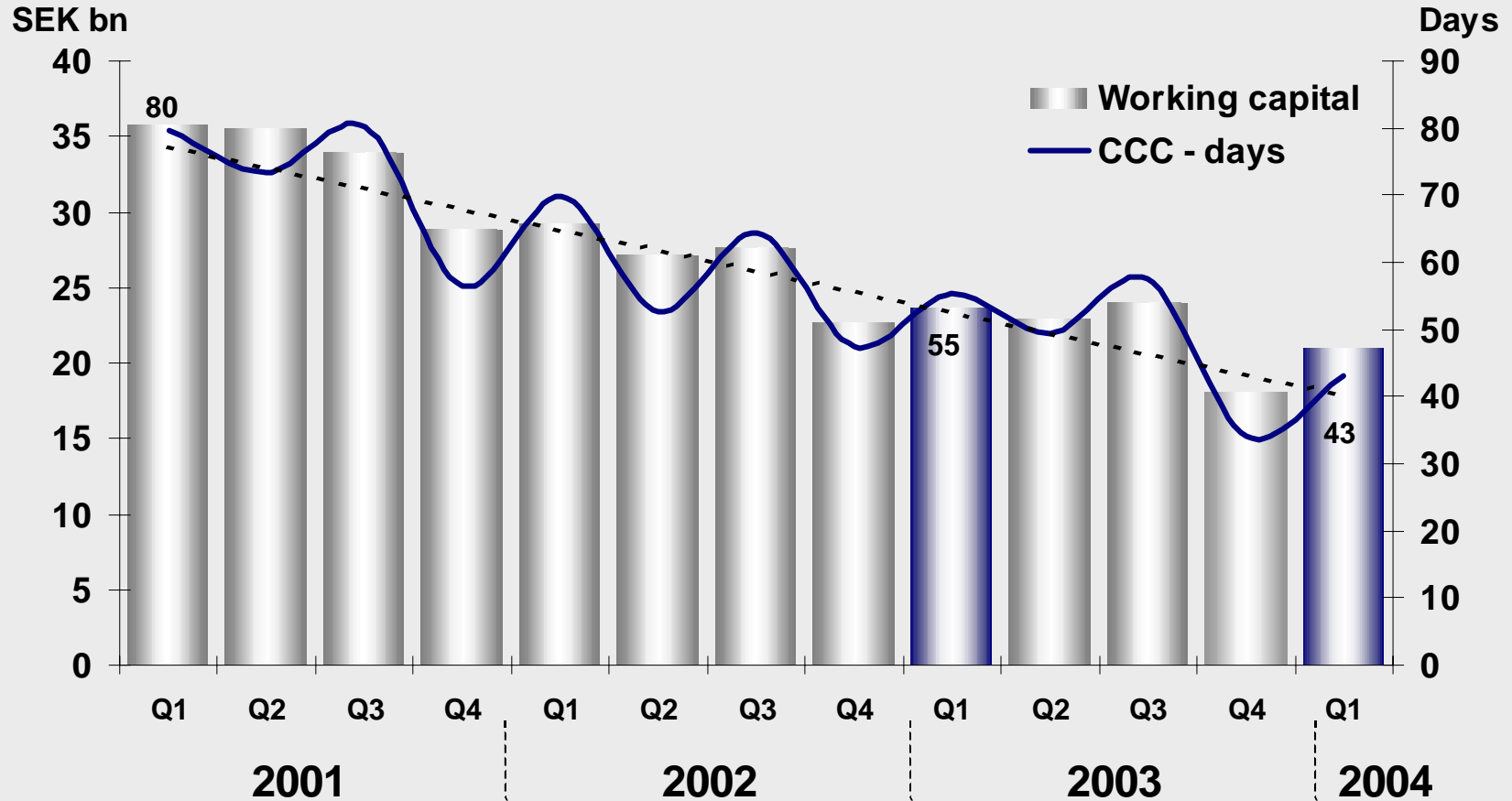
(SEK)



* Excluding revaluation of shares in Scania AB

Volvo Group

Development of cash conversion cycle

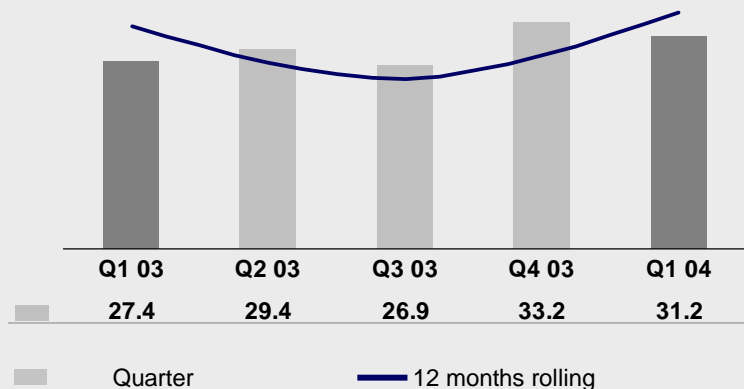


Trucks

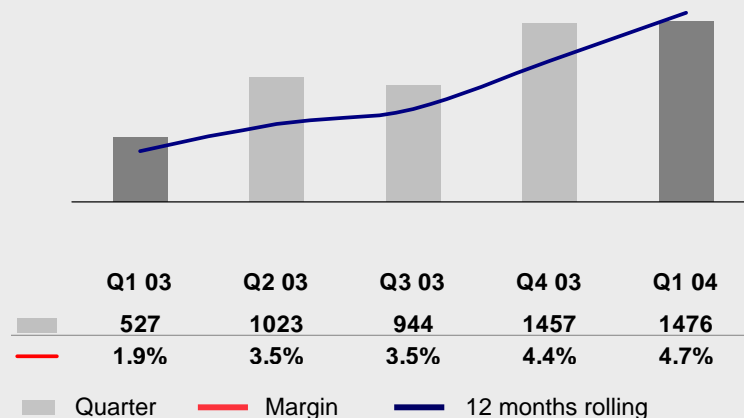
First Quarter



Net sales (SEK bn)



Operating income (SEK M)



Highlights

- Strong order intake
 - Strong recovery in N. America
 - Increase in W.Europe
 - Further improvement in Growth Markets

- Expansion in China

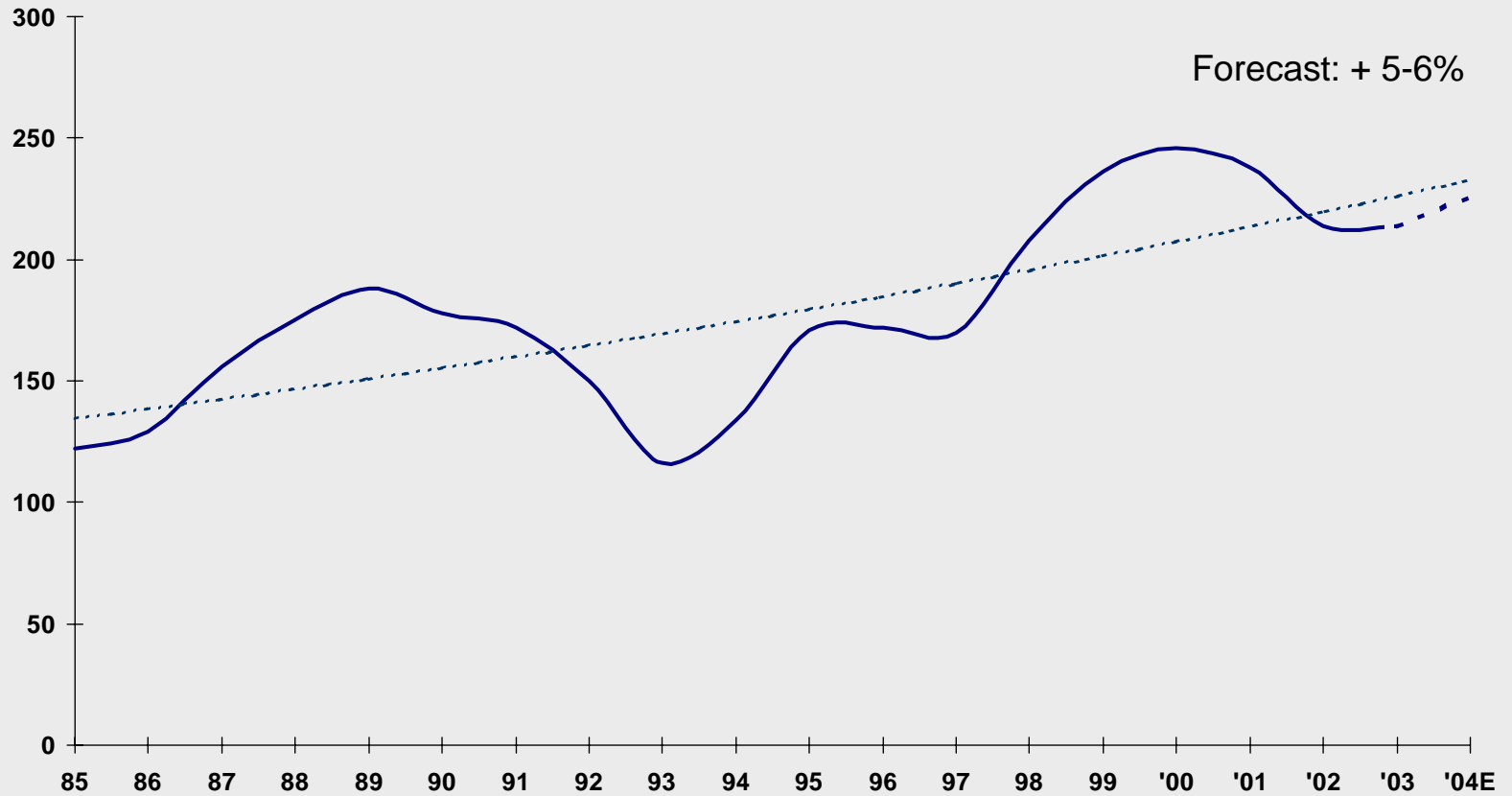
In Focus

- Up-turn management
- Develop distribution network
- Cash Flow

Heavy Duty Truck Market Western Europe



Units, Thousands (heavy trucks)



6

Volvo Trucks

Inauguration of Chinese truck plant

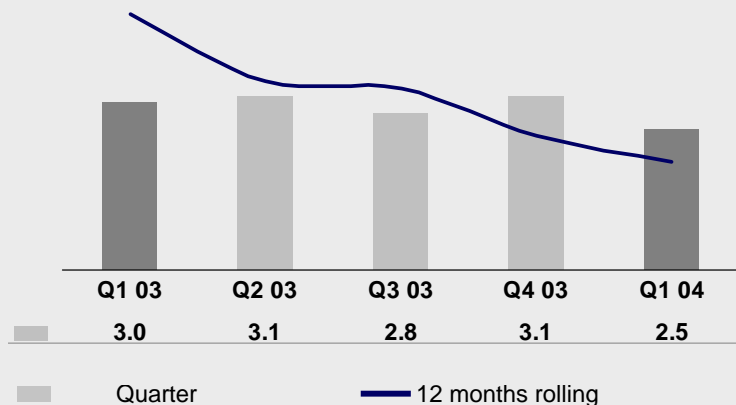


Volvo Buses

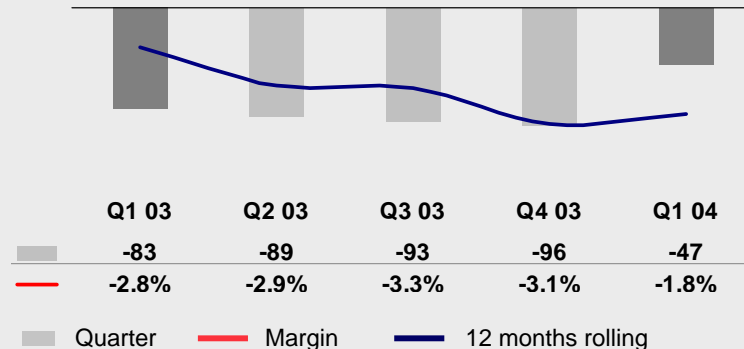
First Quarter



Net sales
(SEK bn)



Operating income*
(SEK M)



Highlights

- General low sales
- Improved break-even level
- Expansion into new coach segment in Mexico and China

In Focus

- Profitability and cash flow
- European aftermarket structure
- China and Eastern Europe development

* Excluding revaluation of shares in Henlys Group Plc.

8

Volvo Buses

Three new coaches launched by Silver Bus

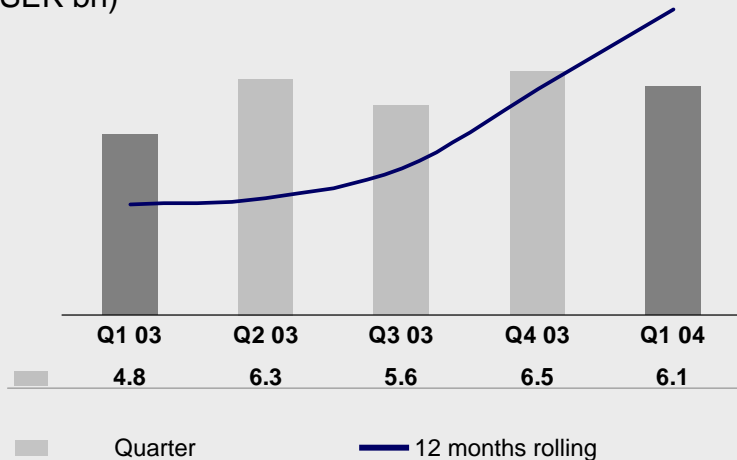


Volvo Construction Equipment First Quarter



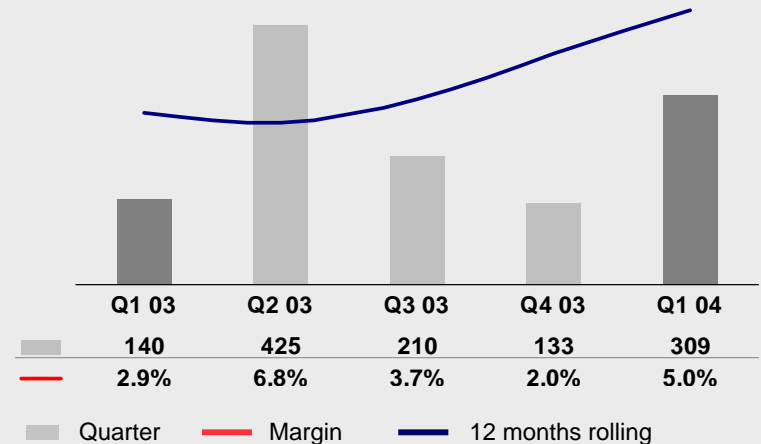
Net sales

(SEK bn)



Operating income

(SEK M)



Highlights

- Heavy Construction Equipment market up 24%
- NA +19%, Eur +4%, Int. +33%
- Strong sales growth, +28%
- More than doubled operating income

In Focus

- Improve operating margin
- Tier-3 engine technology launched at Bauma
- Manage production capacity and material supply
- Price management 2-3% increase, 1 June, offsetting cost increases

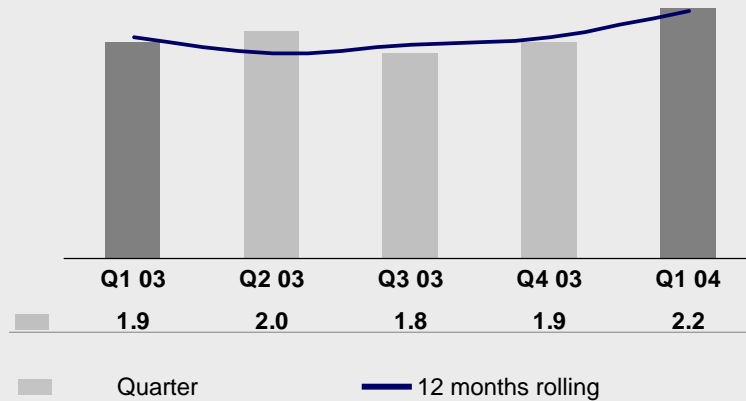
Volvo Construction Equipment Broadening backhoe loader range - BL60



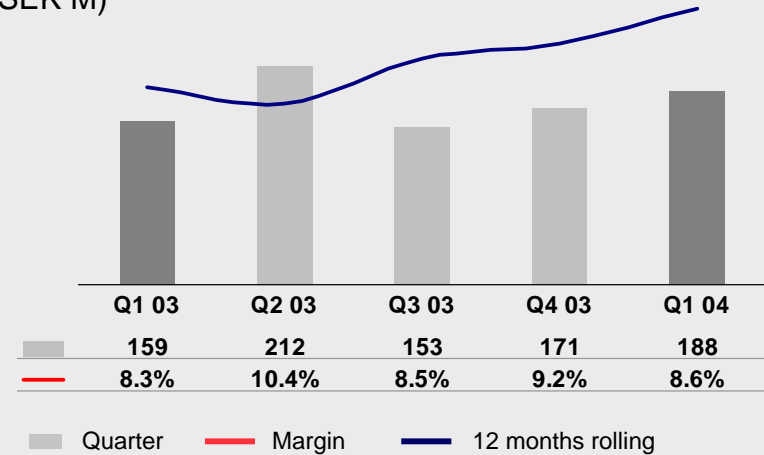
Volvo Penta First Quarter



Net sales (SEK bn)



Operating income (SEK M)



Highlights

- New products well received
- Dramatic increase in China
- Strengthened operating margin

In Focus

- Bottle neck management
- Market support for new products
- Cash flow

Volvo Penta

New industrial engines



D7



D9

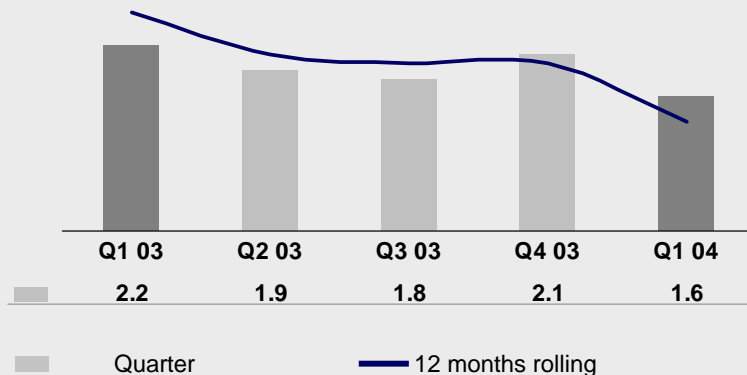


D16

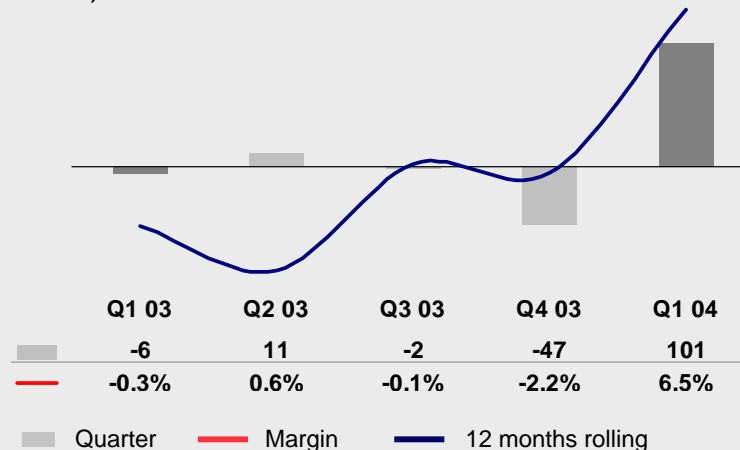
Volvo Aero First Quarter



Net sales (SEK bn)



Operating income (SEK M)



Highlights

- Air traffic growth
- Higher volumes in component workshops
- Still very weak aftermarket
- Return to profit

In Focus

- Continued adaptation to a changing market
- Cost control
- Decision on Swedish defense budget
- Cash flow

14

Volvo Aero

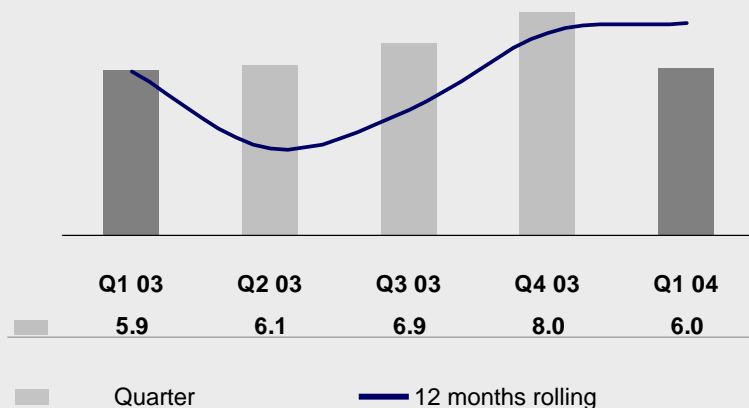
Agreement to sell British Airways' surplus stock of spare parts



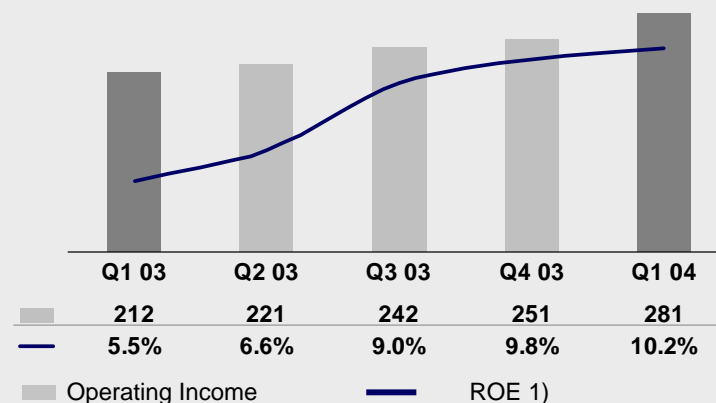
Volvo Financial Services First Quarter



New retail financing (SEK bn)



Operating income and return on equity (SEK M)



Highlights

- Increased income in all regions and all business segments
- Stable portfolio performance
- Confirmed rating by Moody's

In Focus

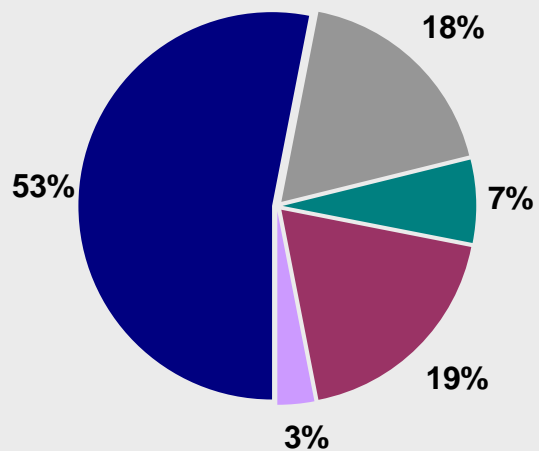
- Customer satisfaction and retention
- China
- Mack and Renault Truck financing growth

1) Calculated as a 12 month rolling average

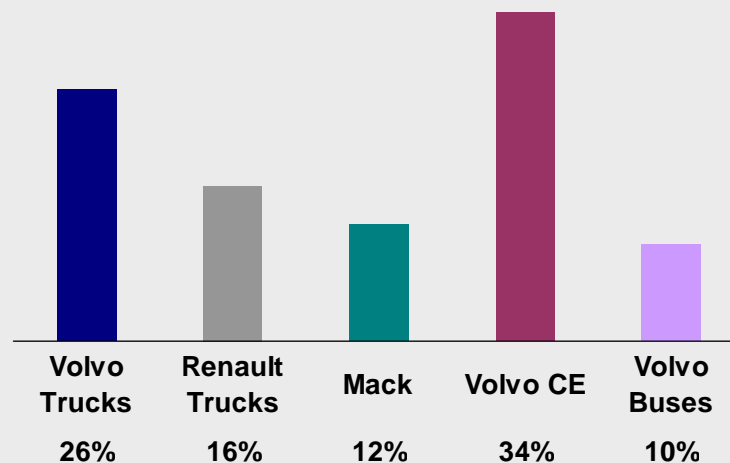
Volvo Financial Services First Quarter - isolated



New financing



Penetration on new financing



Volvo Group

Summary

- **Business environment improving globally**
- **Continued top-line growth**
- **Expansion in China**
- **Up-turn management**