

VOLVO

Second Quarter 2005

Press Conference, July 25, 2005

Highlights

Second Quarter

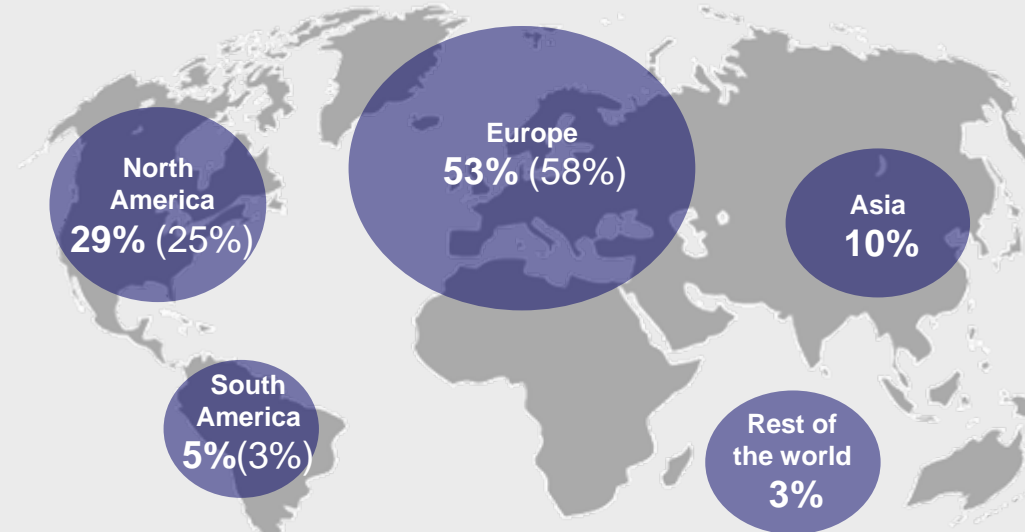
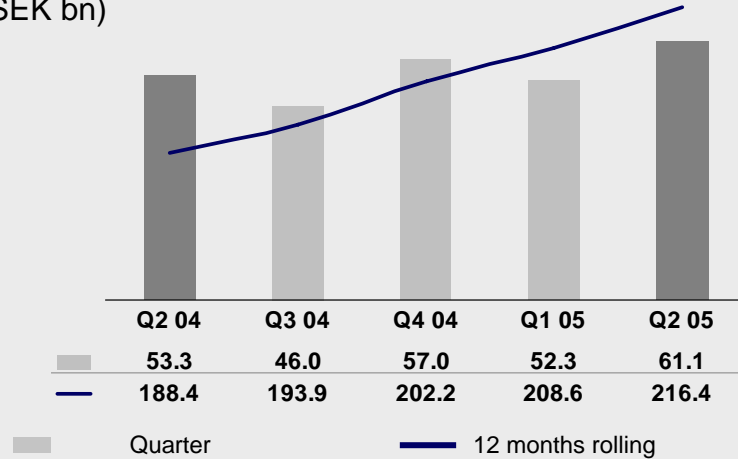
- Business environment
 - Strong development in North America and Asia
 - Europe softening
- Strong sales growth: +15%
 - Europe +5%
 - North America + 31%
 - South America +80%
 - Asia +15%
- Improved operating performance
 - Increased volumes and margins
 - Good development in North America
- EPS Q2 up 45% to SEK 9,67
ROE : 16,8%

In Focus Going Forward

- Business cycle management
- Manage and capitalize on coming product introductions

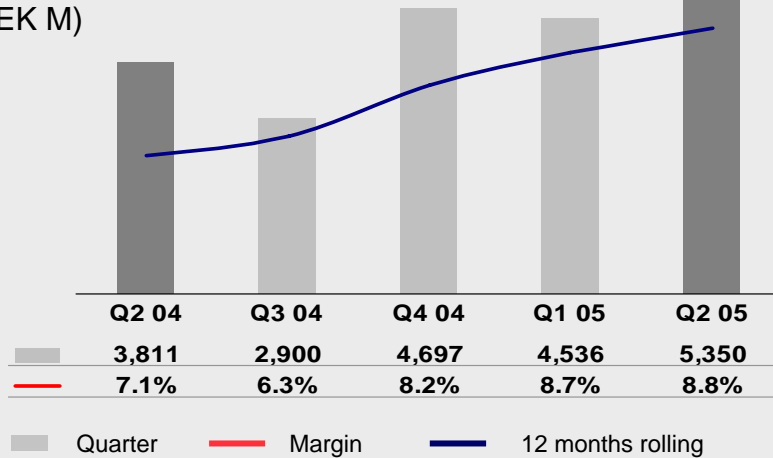
Net sales

(SEK bn)



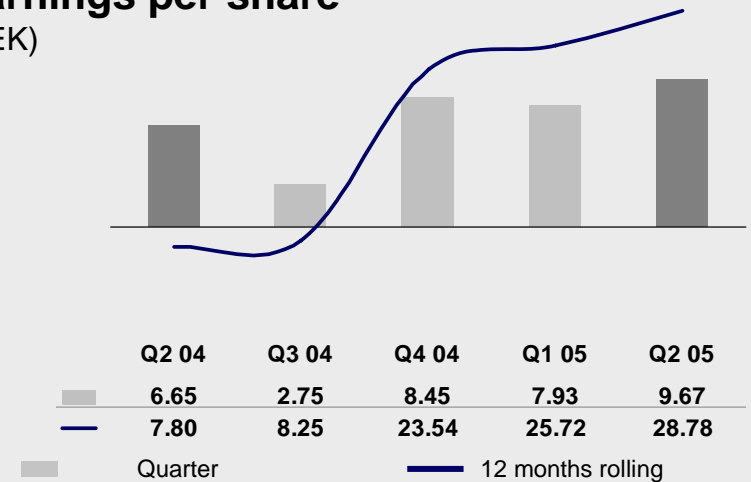
Operating income*

(SEK M)



Earnings per share

(SEK)



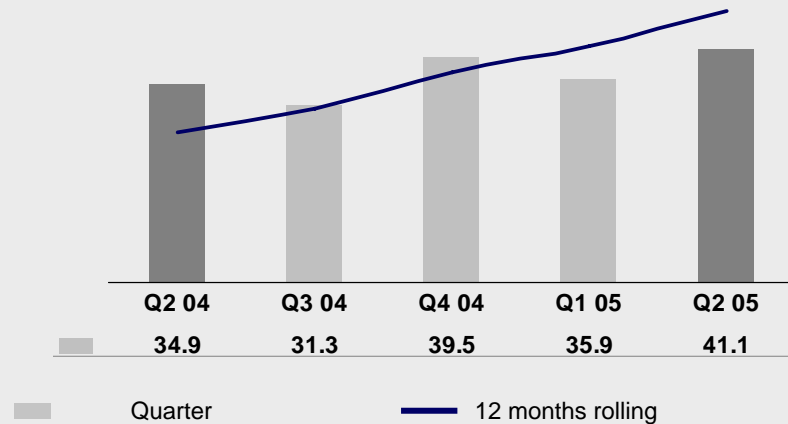
* Excluding effects from the holding in Scania AB

Trucks

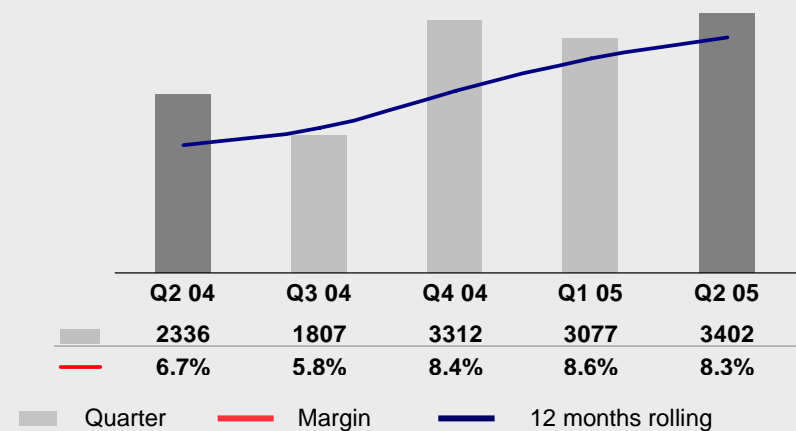
Second Quarter



Net sales (SEK bn)



Operating income (SEK M)



Highlights

- Continued good demand in NA, softening in Europe
- Strong delivery growth outside Europe +39%
- Operating income up 46%
- Significant earnings improvement in Mack Trucks and Renault Trucks

In Focus

- Business cycle management
- Manage and capitalize on coming product introductions

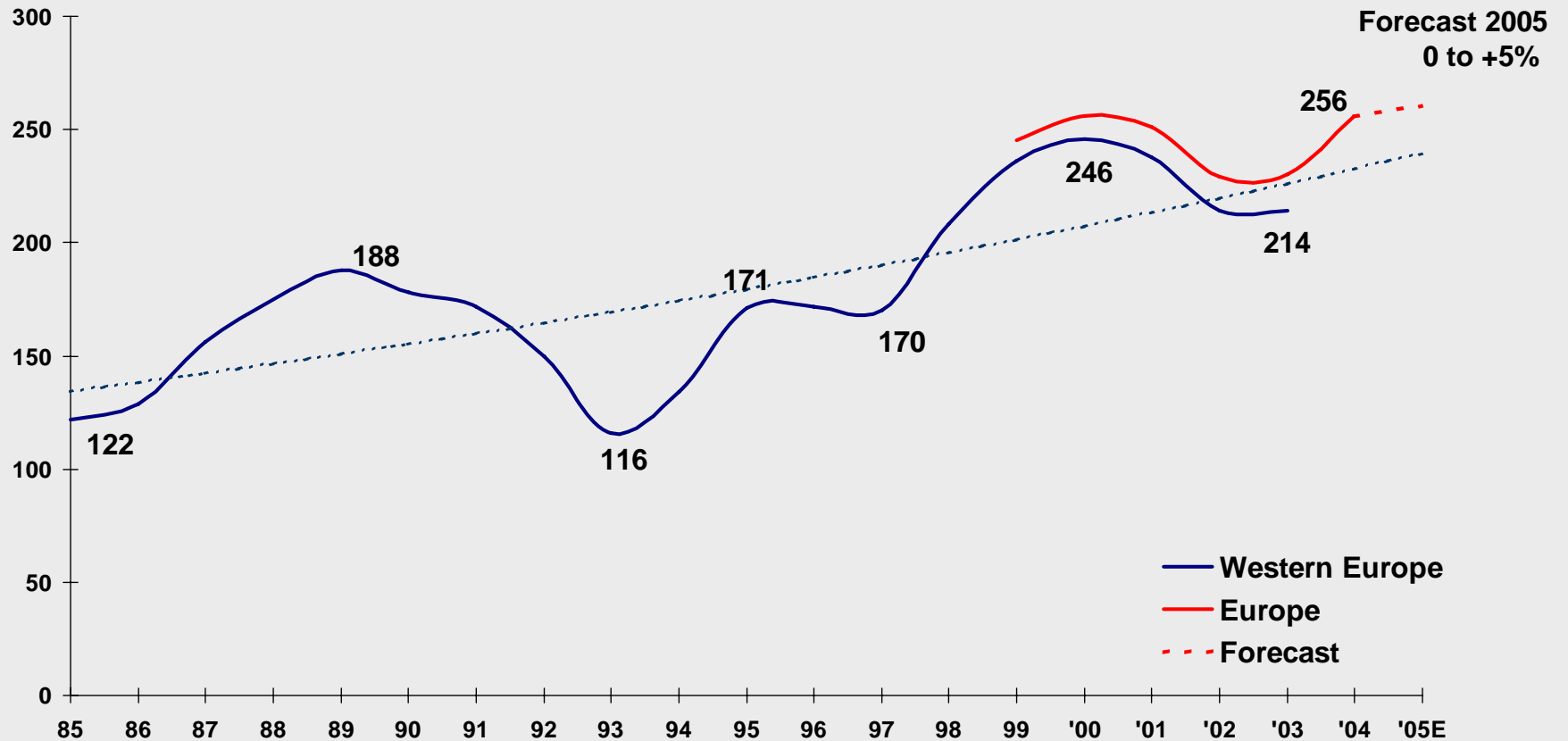
Heavy Duty Truck Market

Europe

(EU members + Switzerland and Norway)



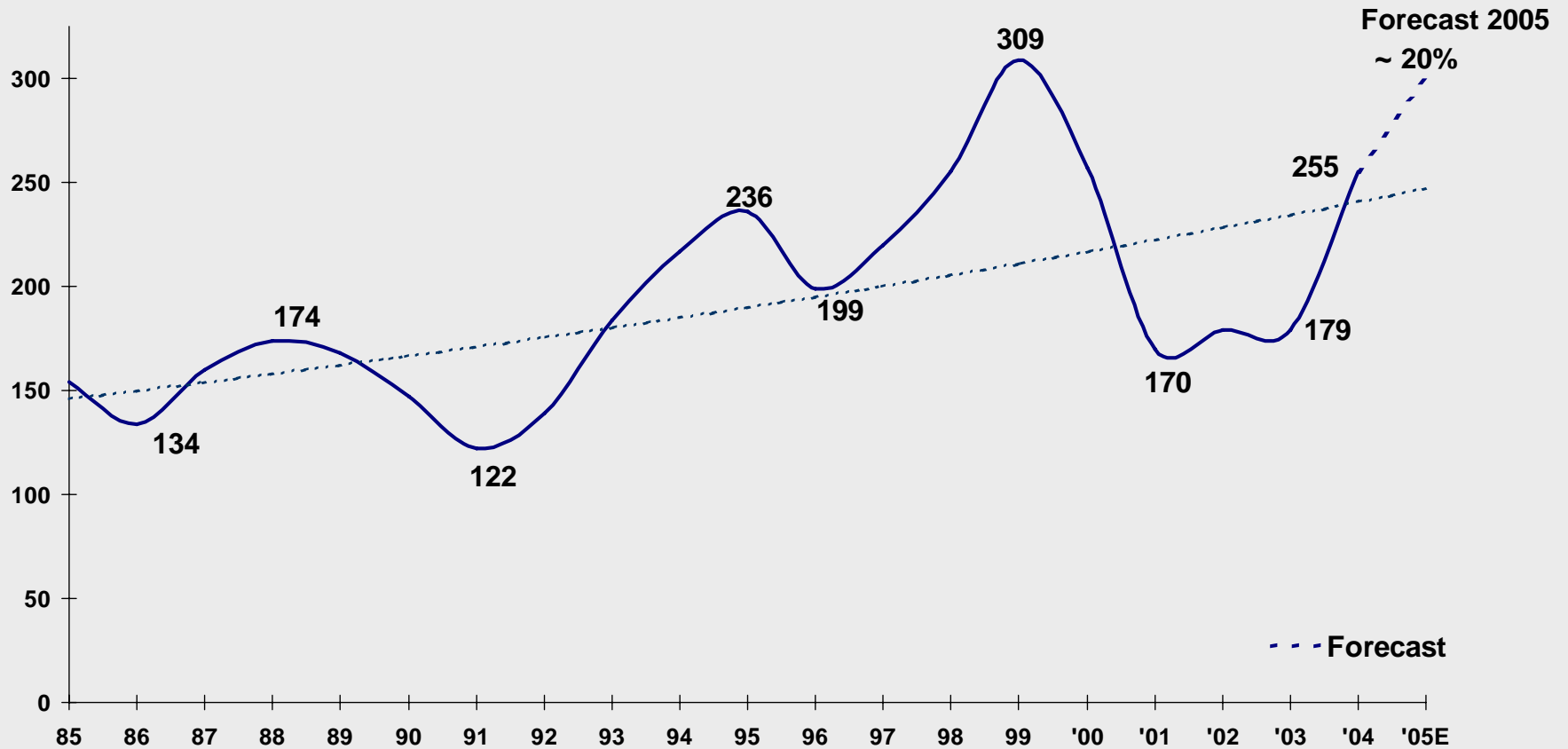
Units, Thousands (heavy trucks)



Heavy Duty Truck Market North America



Units, Thousands (heavy trucks)



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Mack Trucks

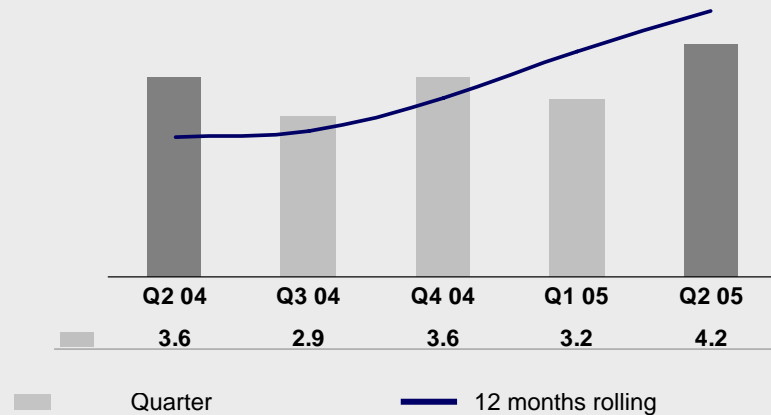
Deliveries up 43%



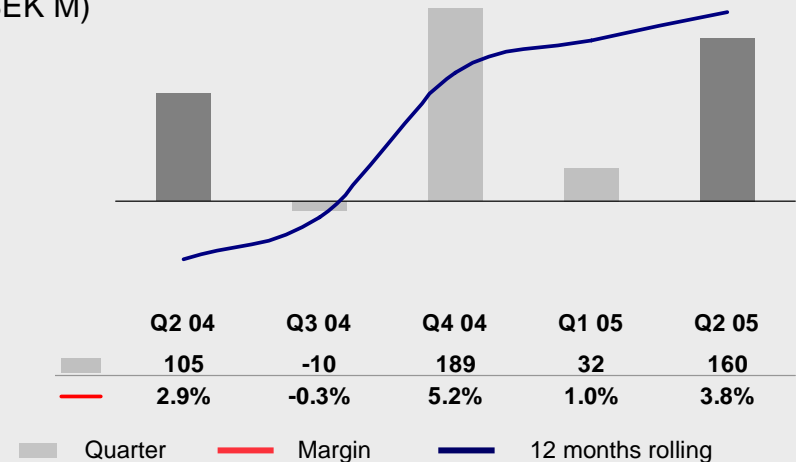
Volvo Buses Second Quarter



Net sales (SEK bn)



Operating income* (SEK M)



Highlights

- Improved result
- Lower order intake in Europe
- Closure of Heilbronn

In Focus

- Profitability and cash flow
- China development
- Euro 4/5 introduction
- Santiago deliveries

* Excluding revaluation of shares in Henlys Group.

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Volvo Buses

25 city buses sold to Bangalore, India



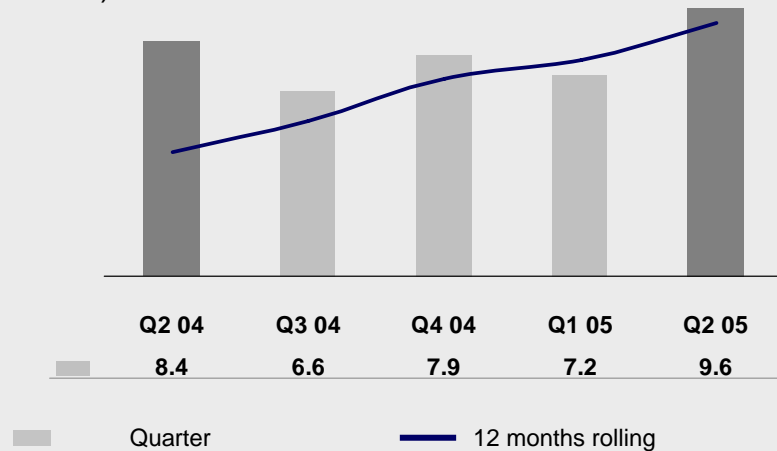
Volvo B7RLE – Euro III

Volvo Construction Equipment Second Quarter



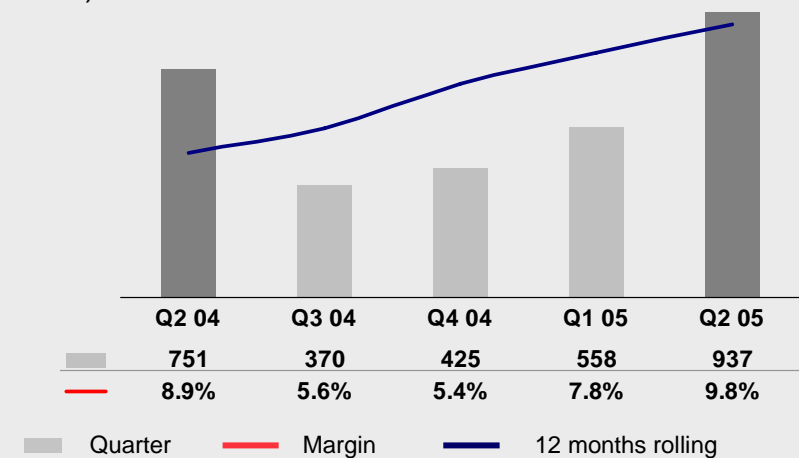
Net sales

(SEK bn)



Operating income

(SEK M)



Highlights

- Continued good demand for heavy equipment in NA (+17%), EU down 6%
- Sales growth 14%
- Operating income increased 25%
- Successful customer days

In Focus

- Continue to reduce S & A costs
- Price management
- Manage strong order book

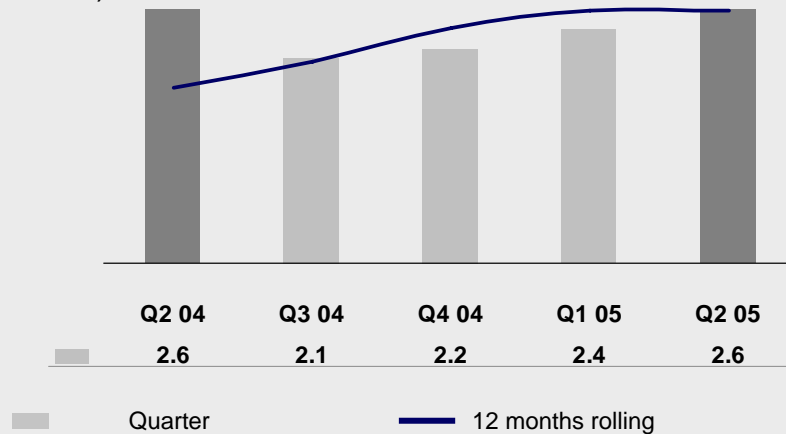
Volvo Construction Equipment Customer Days



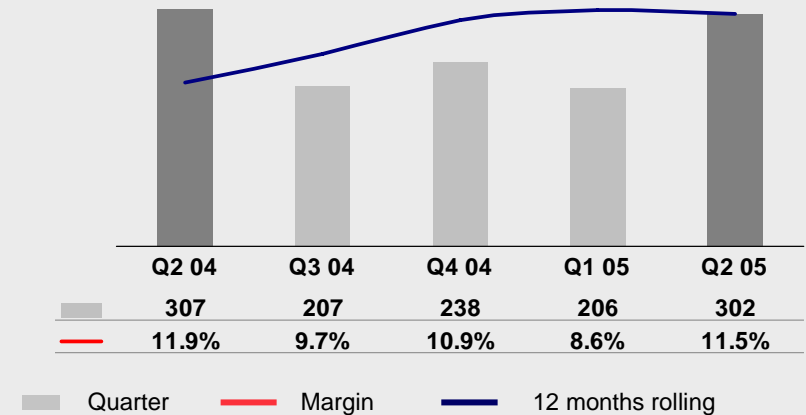
Volvo Penta Second Quarter



Net sales
(SEK bn)



Operating income
(SEK M)



Highlights

- All time high sales
- Strong boat builder IPS commitment
- Continued good operating margin

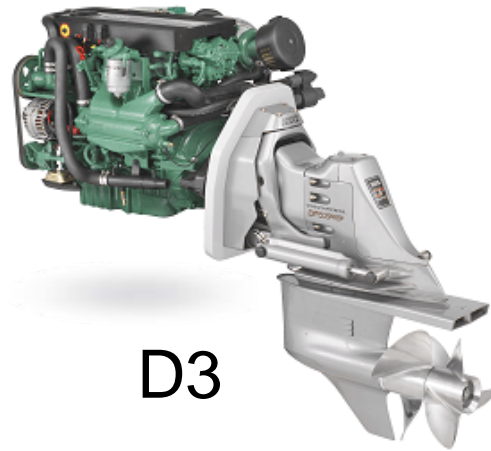
In Focus

- Global manufacturing and logistics
- Continued cost control
- Product introductions

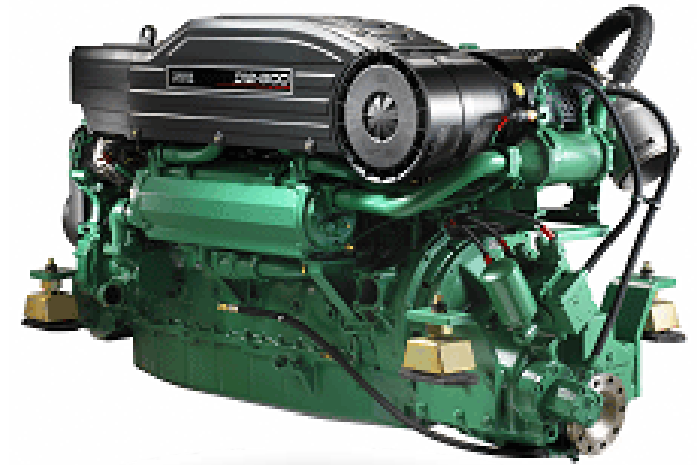
Volvo Penta Marine Leisure news to be launched in Q3



D1/D2



D3

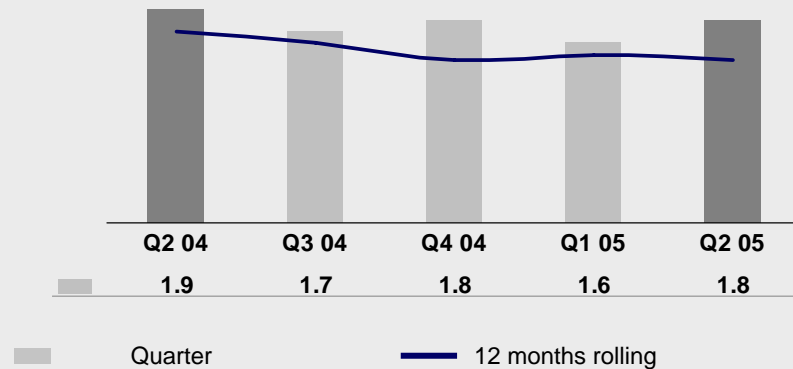


D12

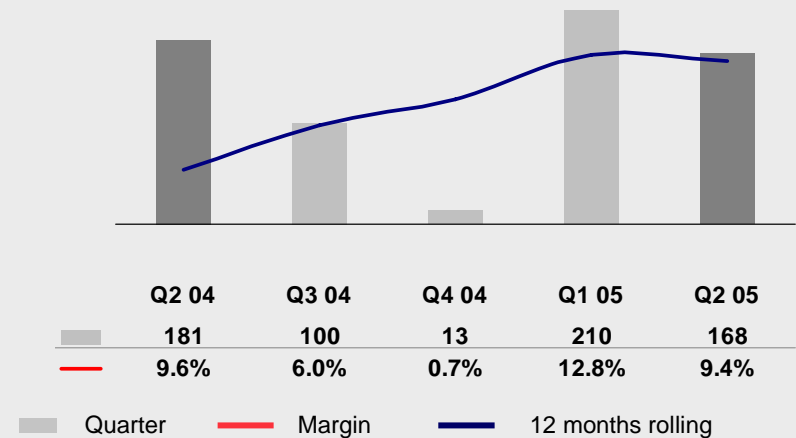
Volvo Aero Second Quarter



Net sales (SEK bn)



Operating income (SEK M)



Highlights

- Air traffic and industry order intake continue to grow
- High utilization in component manufacturing
- Airbus A380 maiden flight

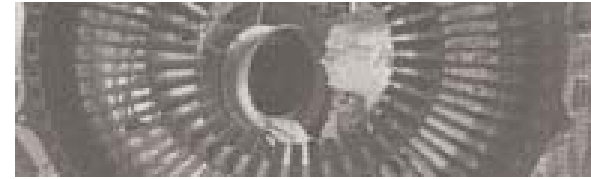
In Focus

- Upturn management in components
- Profitable growth
- Aftermarket business

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Volvo Aero

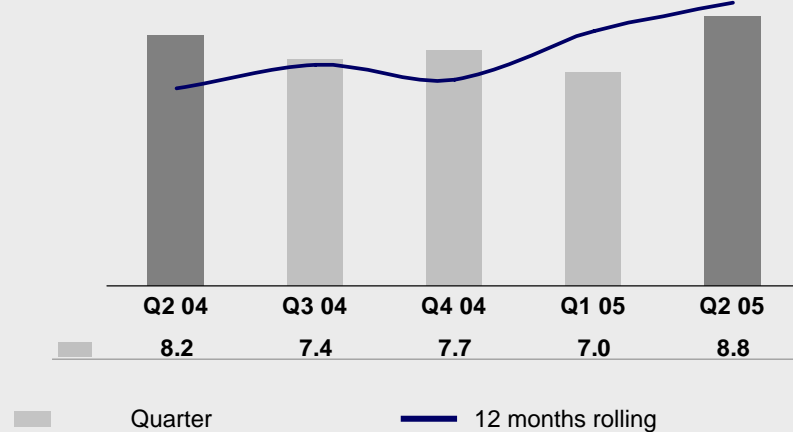
Airbus 380 in the air



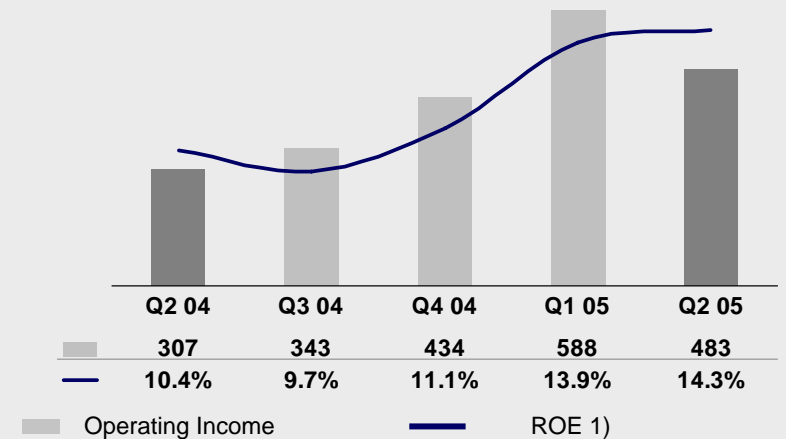
Volvo Financial Services Second Quarter



New retail financing (SEK bn)



Operating income and return on equity (SEK M)



Highlights

- Good Profitability in all business segments
- Strong retail volume
- Steady market share and portfolio performance

In Focus

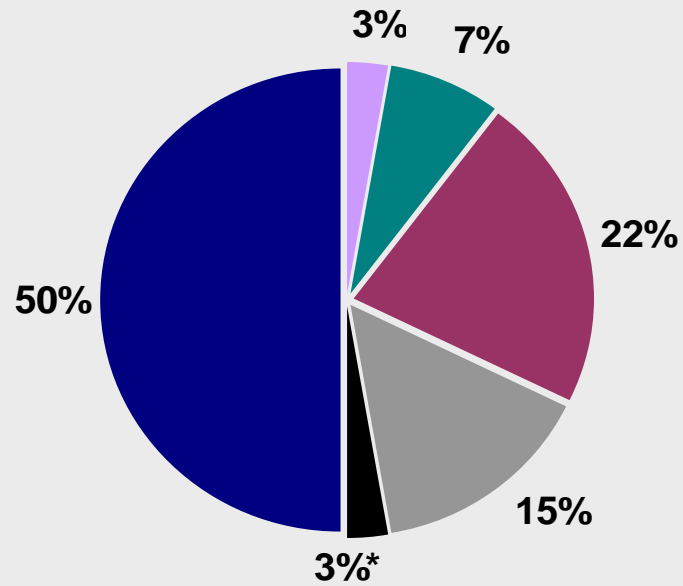
- Business area relationships
- Region international development
- Business cycle management

1) Calculated as a 12 month rolling average

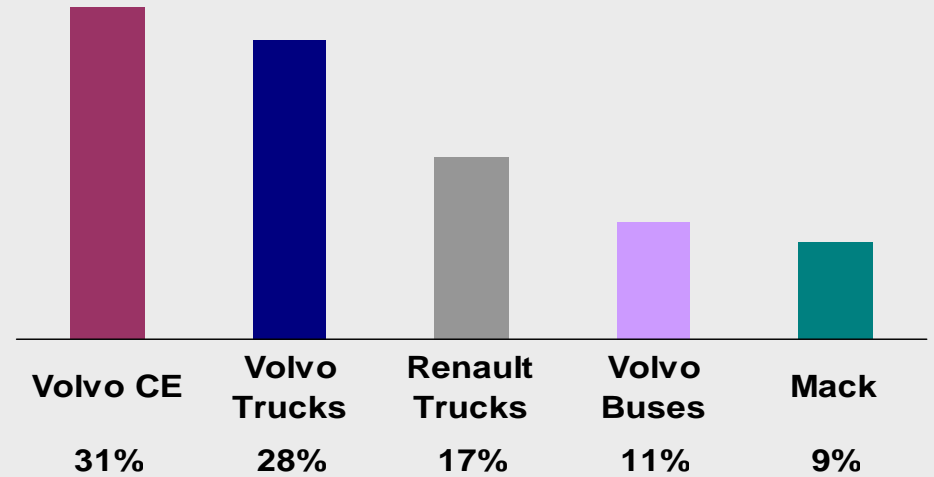
Volvo Financial Services Second Quarter - isolated



New financing



Penetration on new financing



Volvo Group Summary

- Continued good sales development
- Business cycle management
- Manage and capitalize on coming product introductions
- Best quarter ever