

VOLVO

First Quarter 2006

Press Conference, April 25, 2006

Highlights

First Quarter

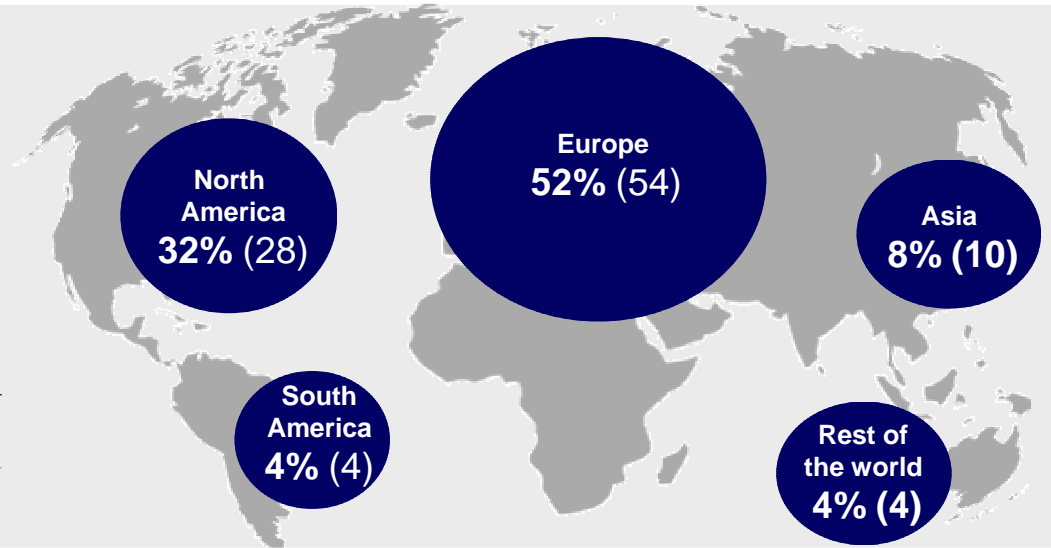
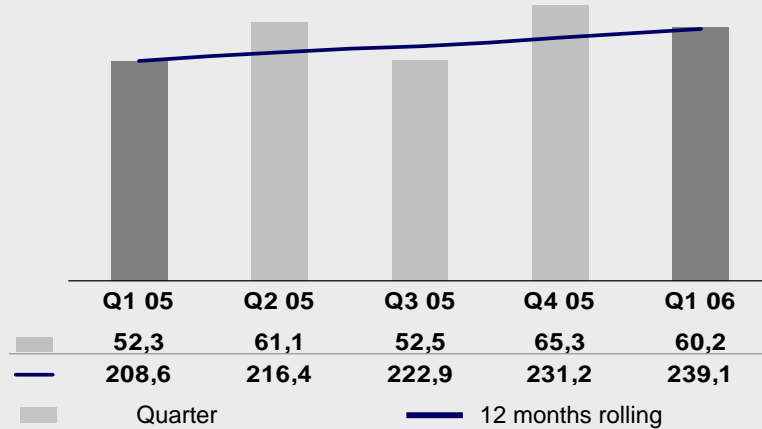
- Business environment
 - Continued strong demand in North America
 - European market – stronger than expected
- Continued sales growth +15%
 - Volvo Aero +31%, Buses +31% and Volvo CE +30%
- Good operating performance
 - Operating income SEK 5,430 M up 20%
 - Return on Operating Capital, excl.VFS, 34,6%
- Significant improvement in operating performance in:
 - Buses, Volvo CE, Financial Services
- Acquisition of 13% in Nissan Diesel, with an option for another 6%
- EPS Q1 SEK 9.84 (7.93)

In Focus Going Forward

- Manage product- and production change-over
- Asian strategy

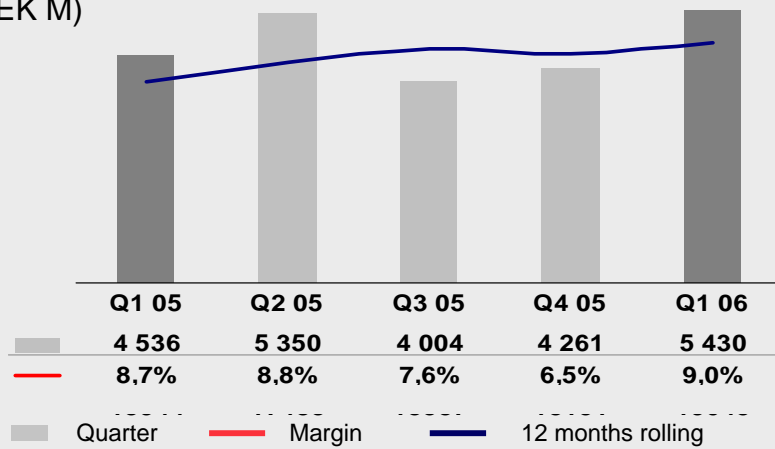
Net sales

(SEK bn)



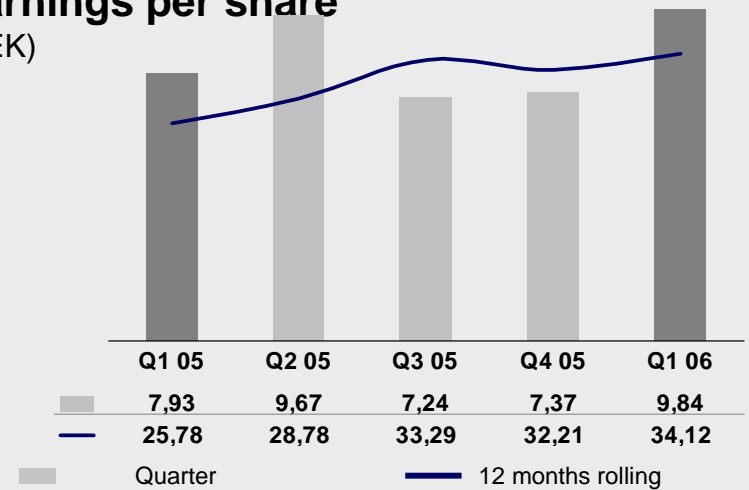
Operating income

(SEK M)



Earnings per share

(SEK)

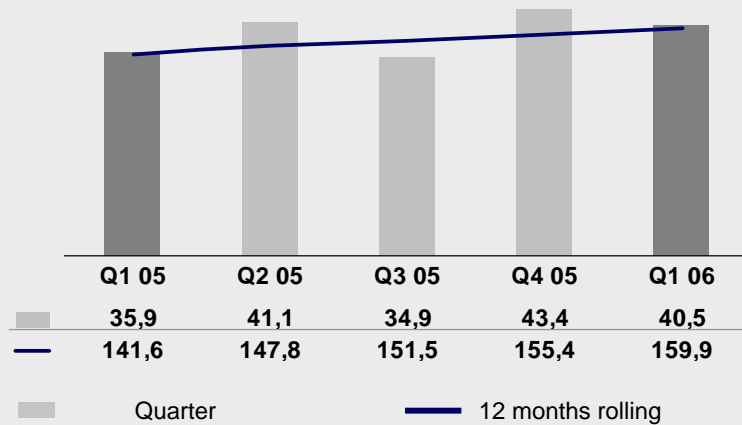


Trucks

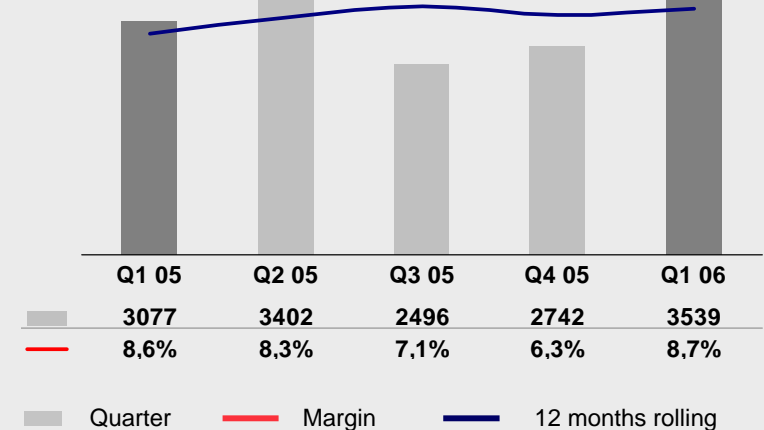
First Quarter



Net sales (SEK bn)



Operating income (SEK M)



Highlights

- New product generation well received
- Good order intake
- Improved operating income
- Broadening the product range

In Focus

- Product launches and changes in the industrial footprint.
- Capitalize on new products

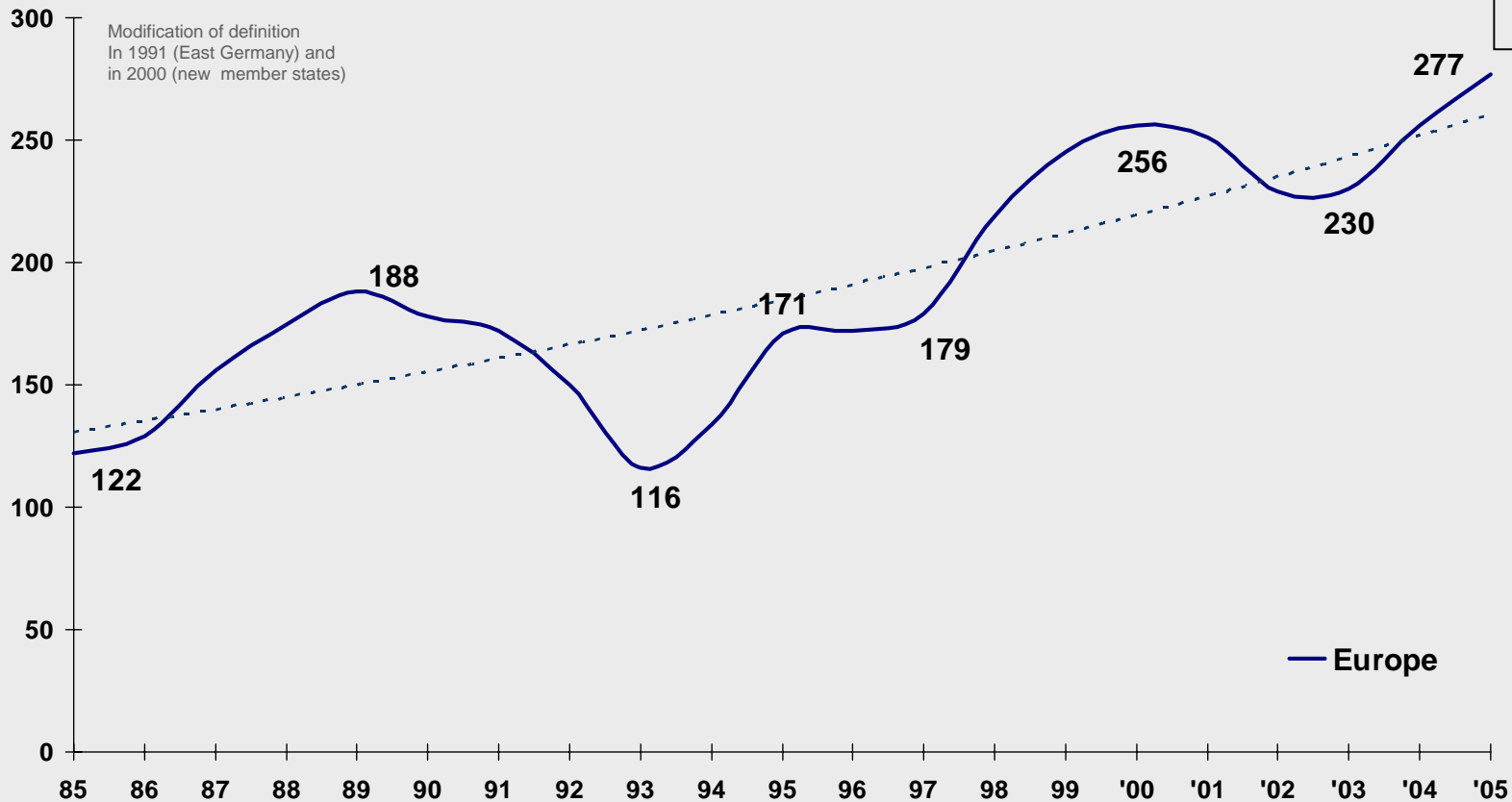
Heavy Duty Truck Market

Europe

(EU members + Switzerland and Norway)



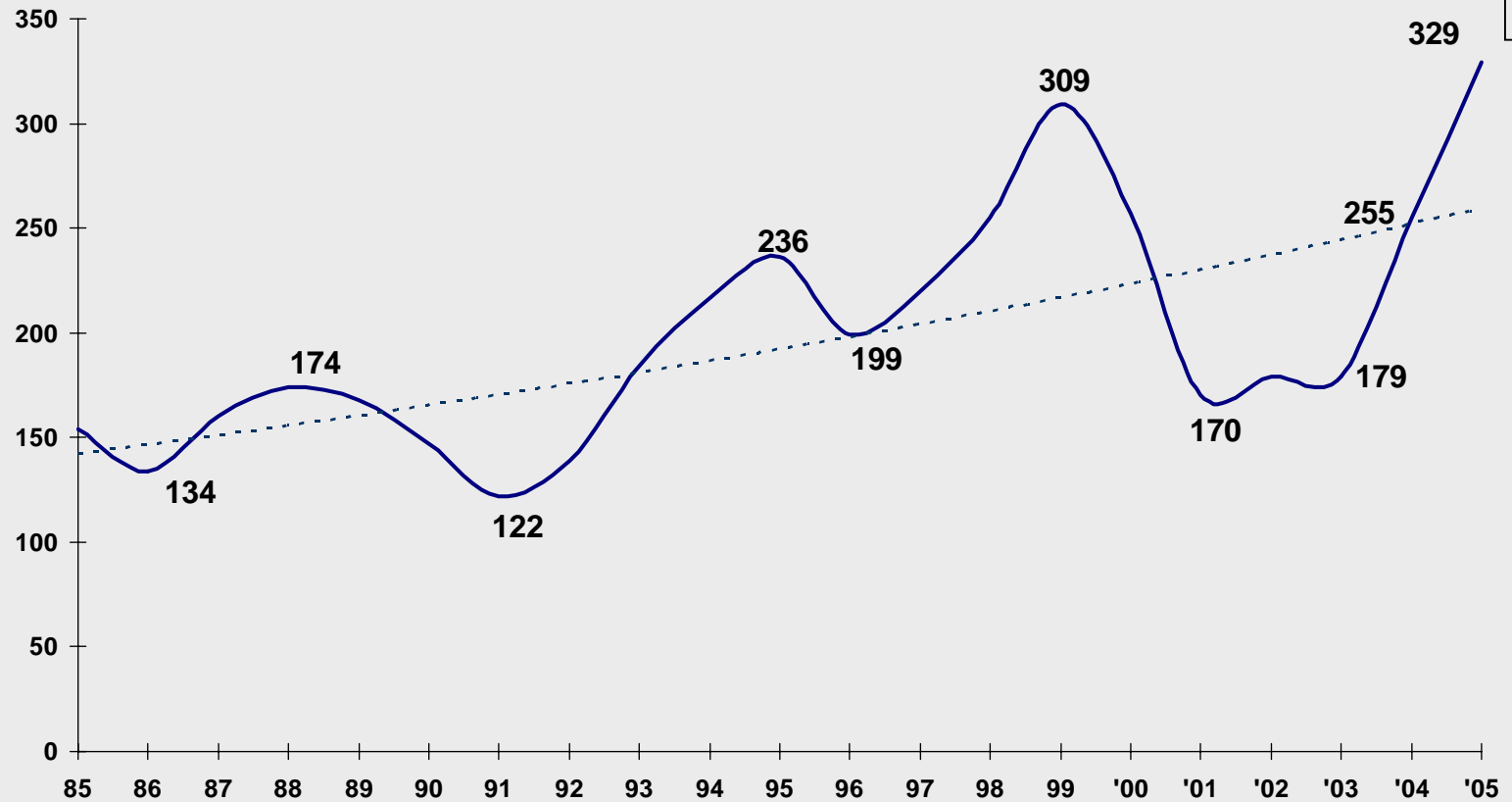
Units, Thousands (heavy trucks)



Heavy Duty Truck Market North America



Units, Thousands (heavy trucks)



2006 forecast
340-350,000

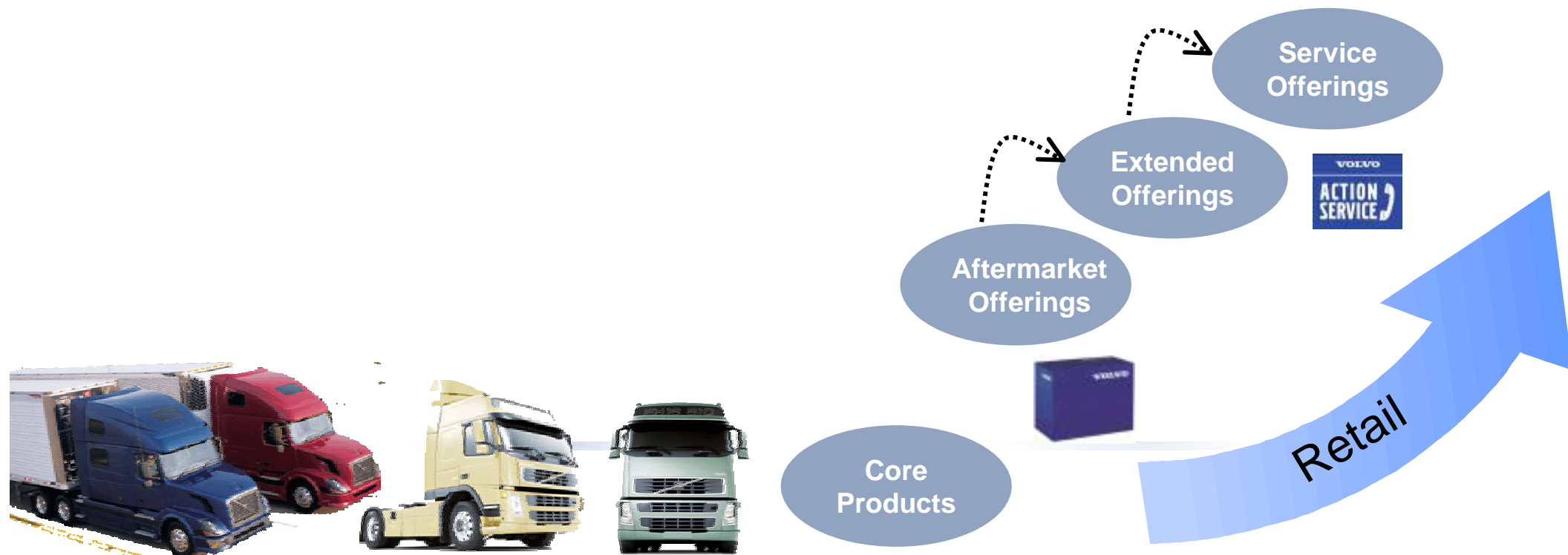
Staffan Jufors

President of Volvo Trucks

Agenda

- Strategy
- Product Renewal
- Order Intake
- Market Shares
- Focused Areas

Transport Solutions

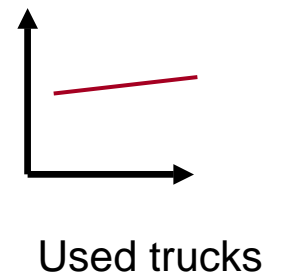
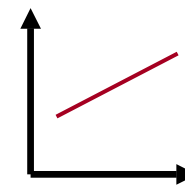
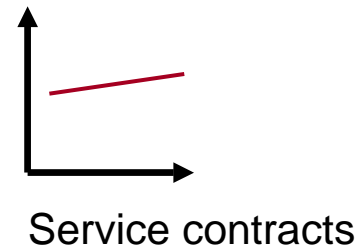
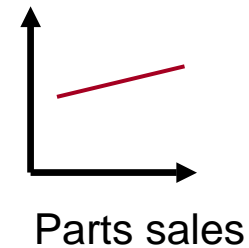
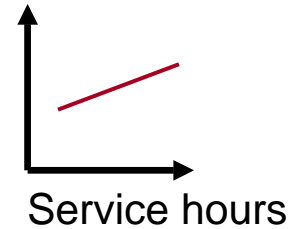
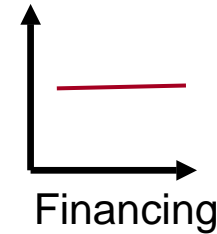




The Retail Strategy

Europe and Selected Markets

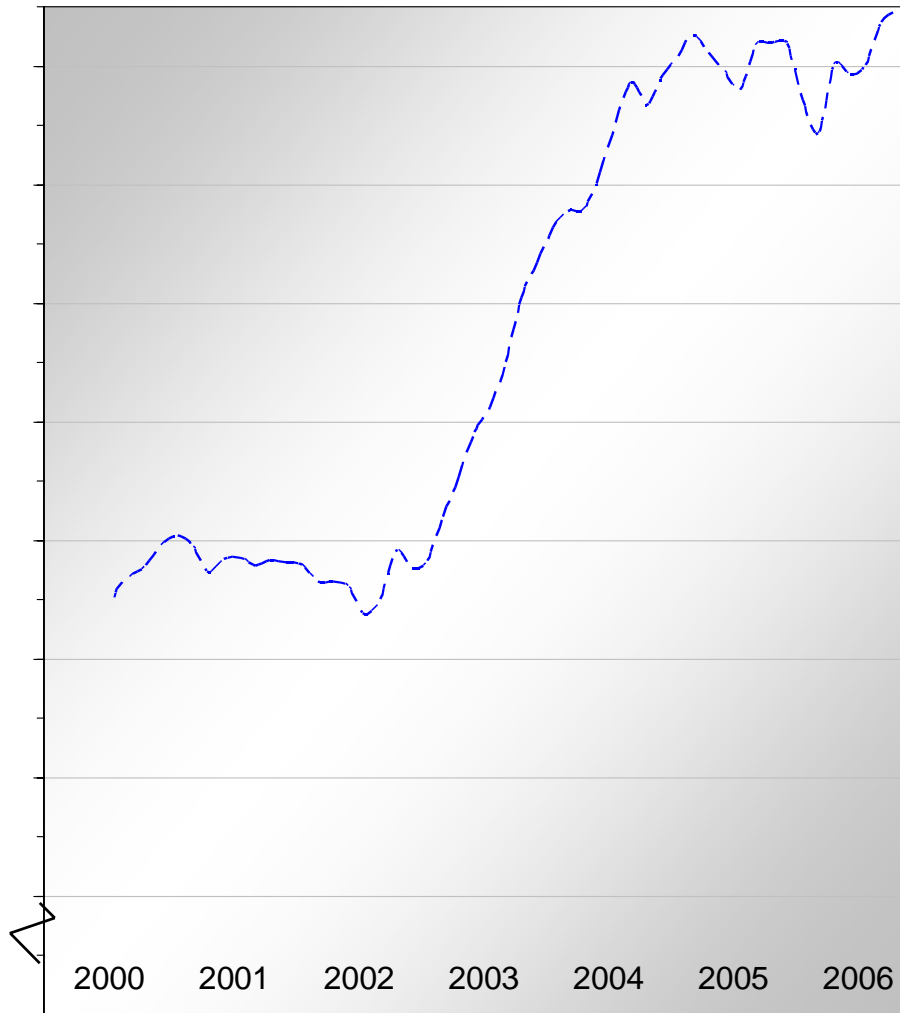
- Continuous direct customer relations
- Widened customer offer
- Improved retail competence
- Better partner to private dealers



Product Renewal



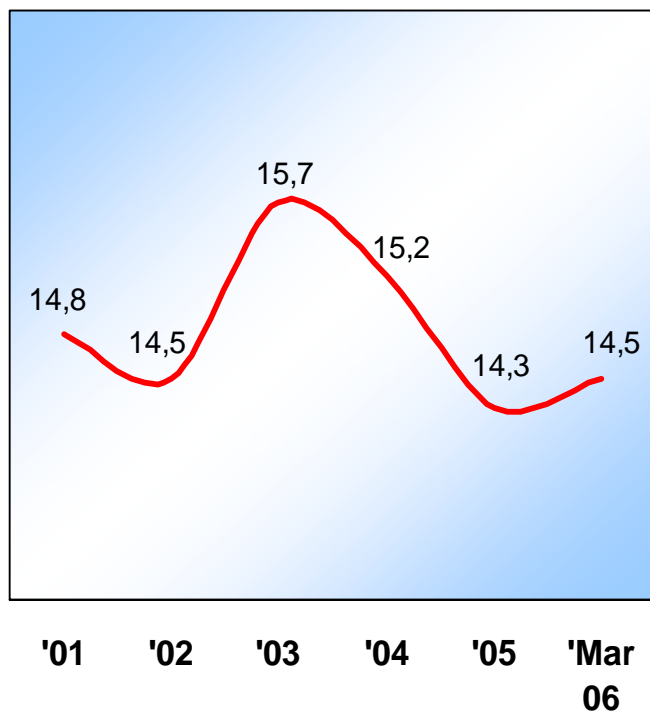
Volvo Trucks Orders



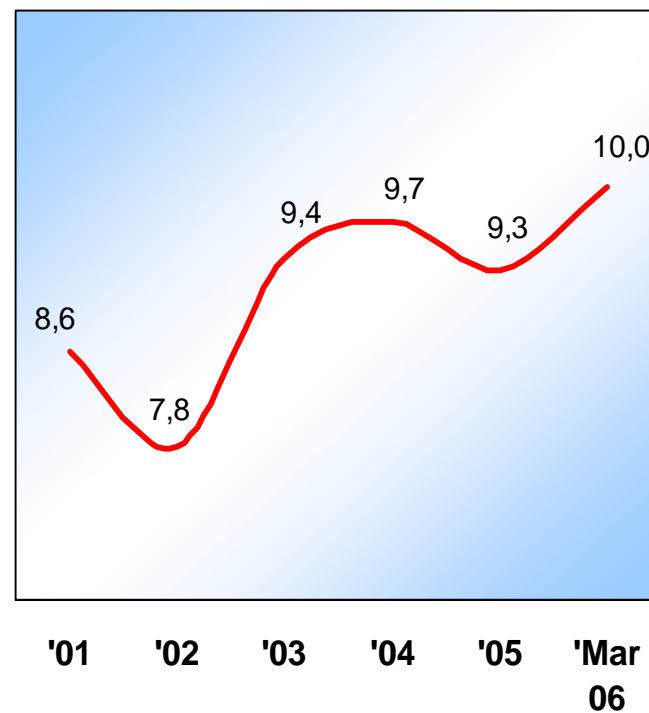
- Strong global economy
- New products
- Pre-buy

Market Shares

Europe



North America



Focused Areas

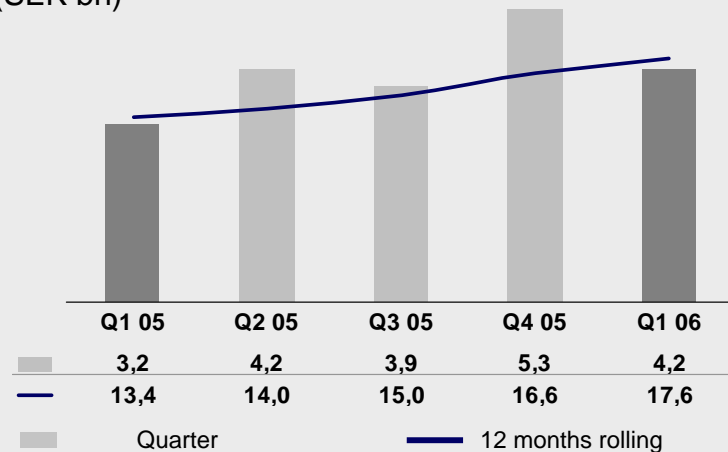
- Pricing
- Cost
- Supply Capacity

Volvo Buses

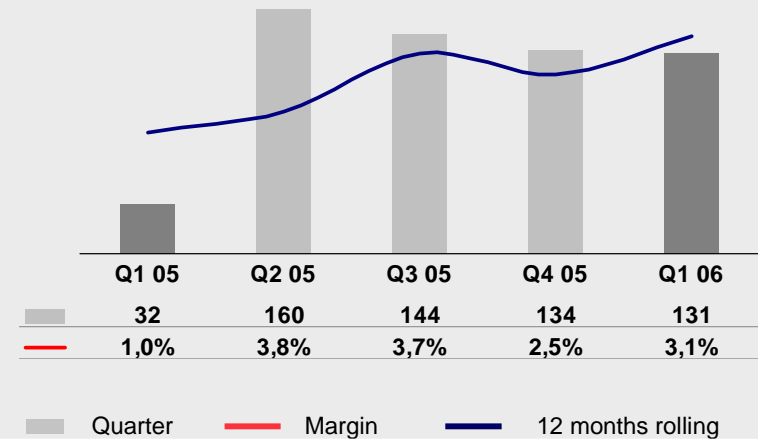
First Quarter



Net sales (SEK bn)



Operating income (SEK M)



Highlights

- Improved deliveries
- Deliveries completed to Transantiago
- Mexico in profit
- City bus launch in India

In Focus

- Profitability
- Euro 4/5 introduction
- China development

Volvo Buses

The new city bus in India

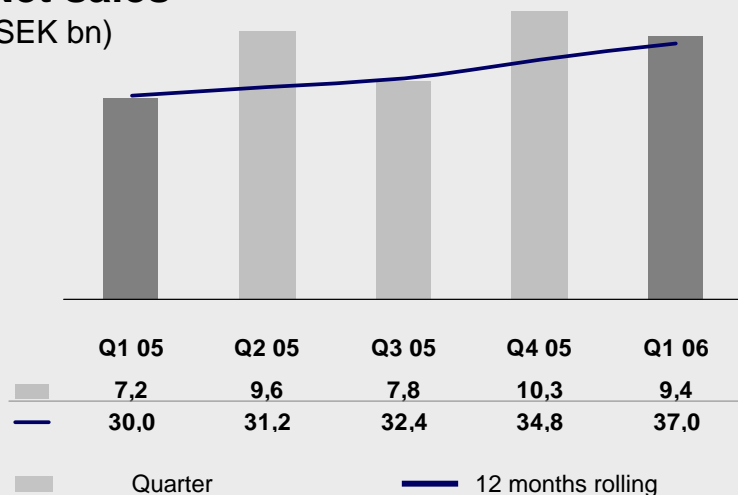


Volvo Construction Equipment First Quarter



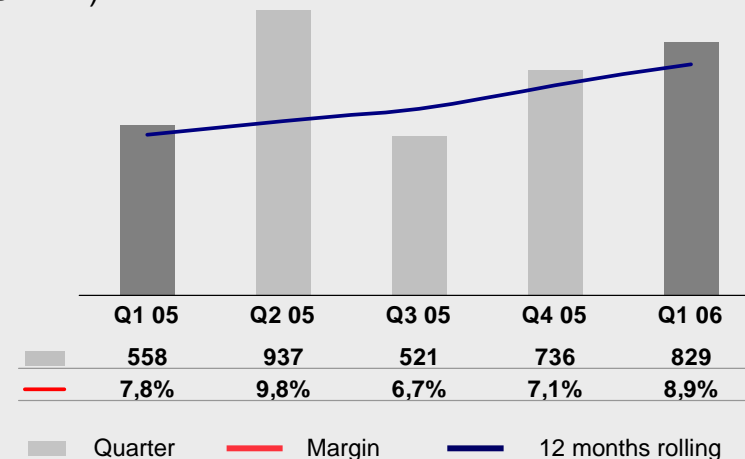
Net sales

(SEK bn)



Operating income

(SEK M)



Highlights

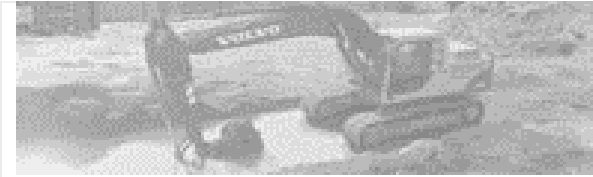
- Continued good demand for heavy equipment, NA up 10% and EU up 1%
- Sales growth 30%
- Operating income increased 49%
- Good order intake – value of backlog up 58%

In Focus

- Intermat
 - Launch new graders and 70 ton excavator
 - Core value communication
 - Volvo Group Hybrid Technology
- Manage strong order book
- Operational efficiency

Volvo Construction Equipment

New range of Skid steer loaders – 5 models



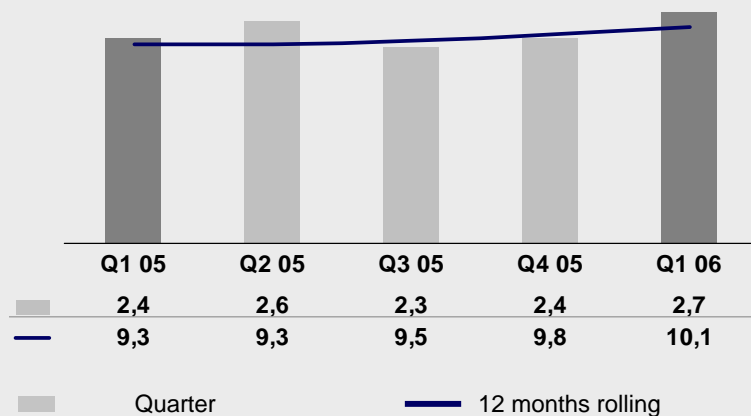
Volvo Penta

First Quarter



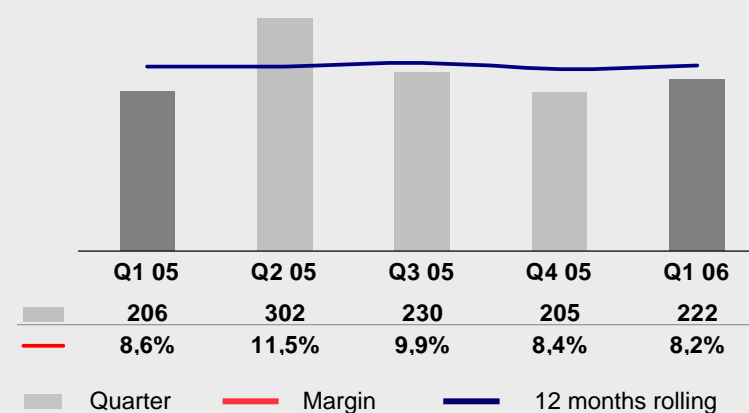
Net sales

(SEK bn)



Operating income

(SEK M)



Highlights

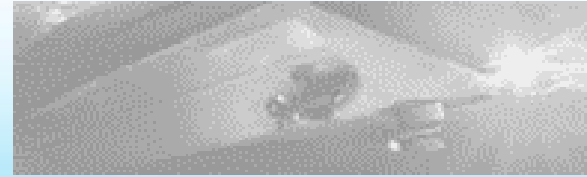
- First time an annualized net sales above SEK 10 bn
- Growth in all segments
- 100 boat models with IPS

In Focus

- Profitable growth
- Logistics and delivery precision
- Cost control
- Product introduction

Volvo Penta Product News

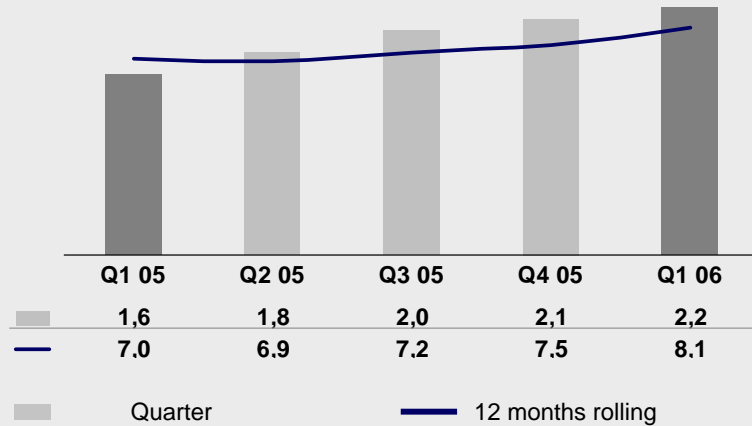
Docking with joystick



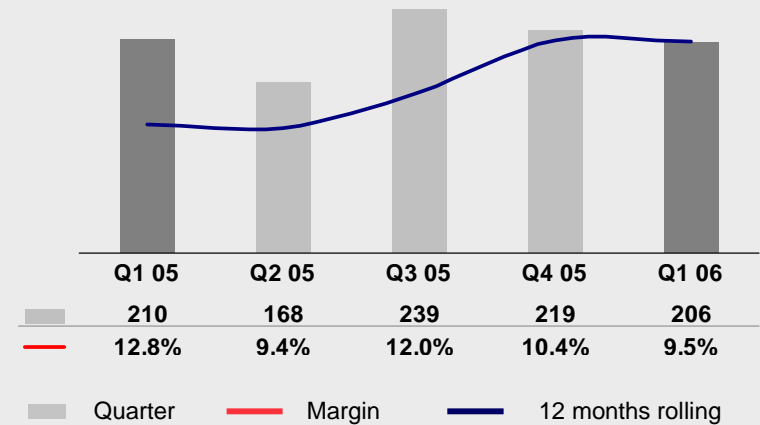
Volvo Aero First Quarter



Net sales (SEK bn)



Operating income (SEK M)



Highlights

- Continued growth in air travel
- Sales growth rate +31%
- Strong performance in the component business

In Focus

- Supply chain management
- Delivery of GEnx components
- Cash flow

Volvo Aero

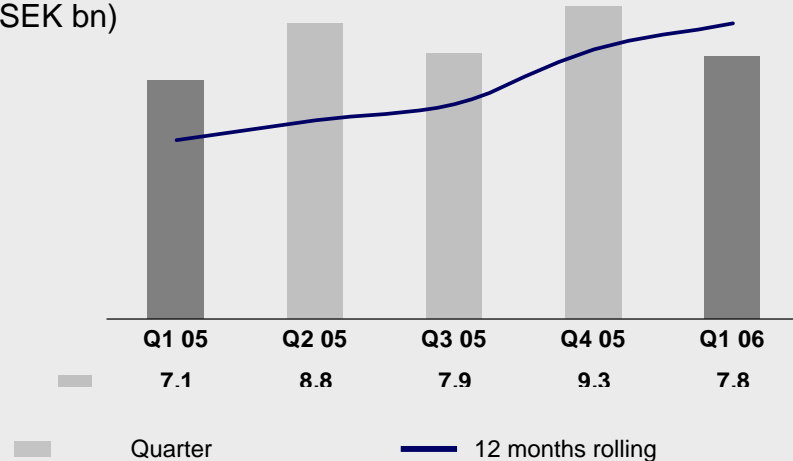
Important GEnx milestone



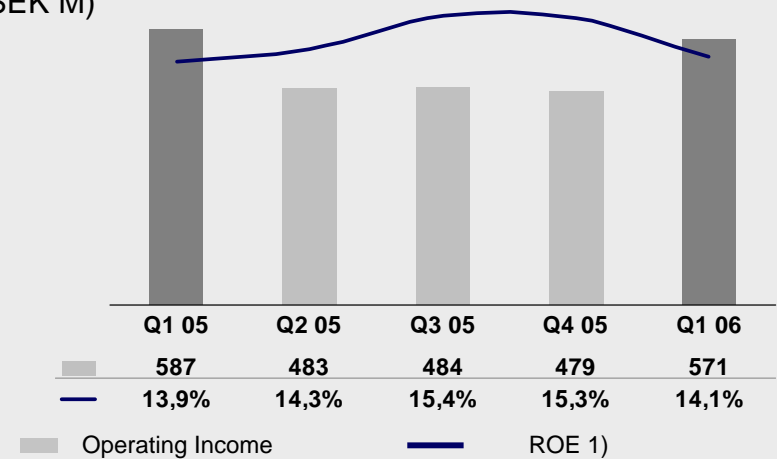
Volvo Financial Services First Quarter



New retail financing (SEK bn)



Operating income and return on equity (SEK M)



Highlights

- Strong profitability
- Good credit portfolio growth and quality
- Improved customer satisfaction

In Focus

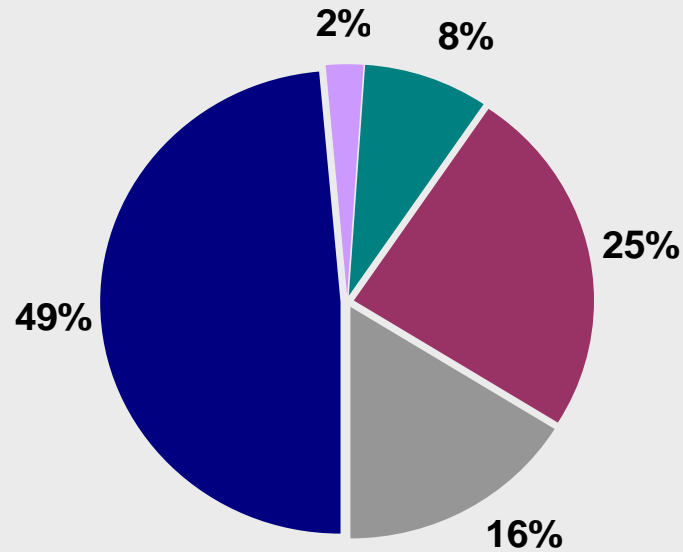
- Operational excellence
- Asia activities
- Increasing competition and liquidity

1) Calculated as a 12 month rolling average

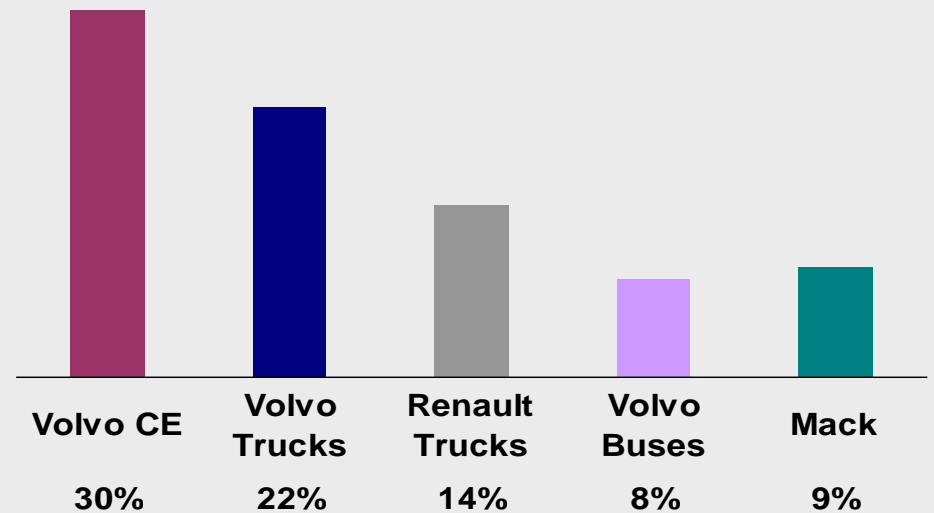
Volvo Financial Services First Quarter - isolated



New financing



Penetration on new financing



Volvo Group Summary

- Continued good sales growth +15%
- Operating income up 20%
- Acquisition of 13% in Nissan Diesel, with an option for another 6%
- In focus:
 - Transition into a new industrial and product structure.
 - Asian strategy

VOLVO