



Volvo Group

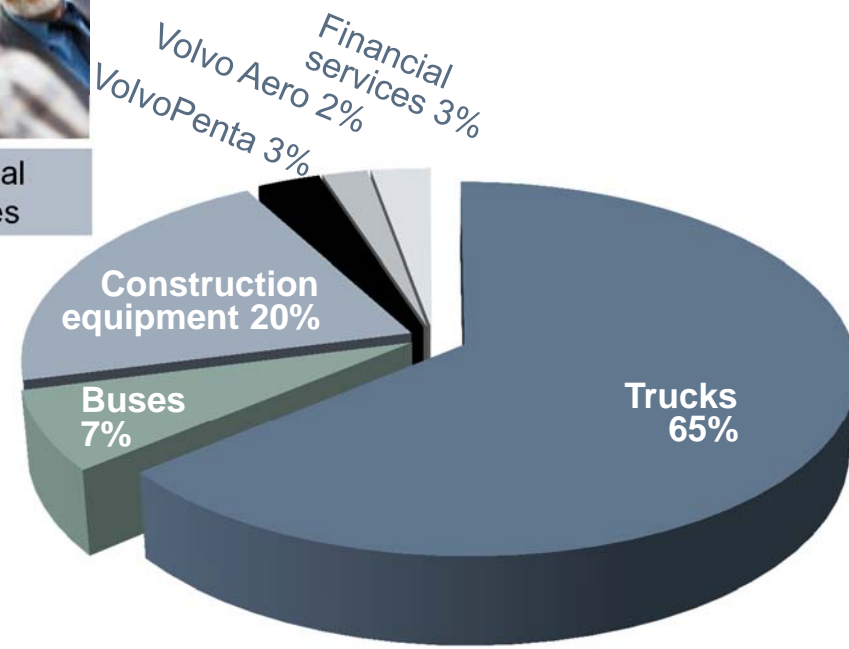
Philippe Divry – SVP Truck Joint Ventures India

March 28, 2012

Volvo Group

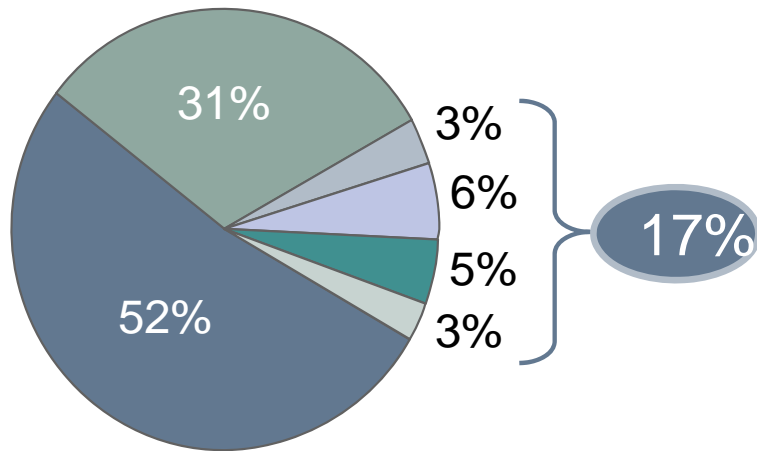


Revenues 2011:
SEK 310 bn INR 2,200 bn



Successful inroads into new markets

1998

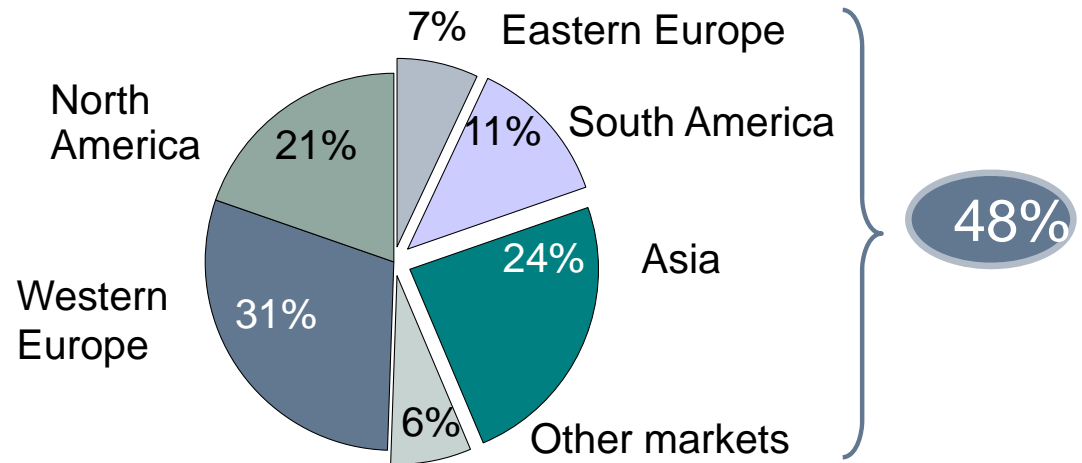


~100 bn SEK

Organic growth

- Strong brand and distribution in Eastern Europe
- Product portfolio expansion and distribution in South America and Asia
- Development of acquired businesses

2011



~310 bn SEK

Acquisitions and JVs

- Samsung Heavy industries, South Korea
- Renault Trucks, EU
- Mack Trucks, US
- Lingong, China
- UD Trucks, Japan
- Eicher, India
- Ingersoll Rand Road Machinery, US, EU & India

Global Positions



Trucks

2^{*} **1** in Europe



Marine diesel engines

1



Buses

2



Heavy duty diesel engines

1



Construction Equipment

3



Aerospace components

Leading independent provider

* Among Western manufacturers

AB Volvo

Volvo Investor Day - Pithampur, India March 28

4

VOLVO

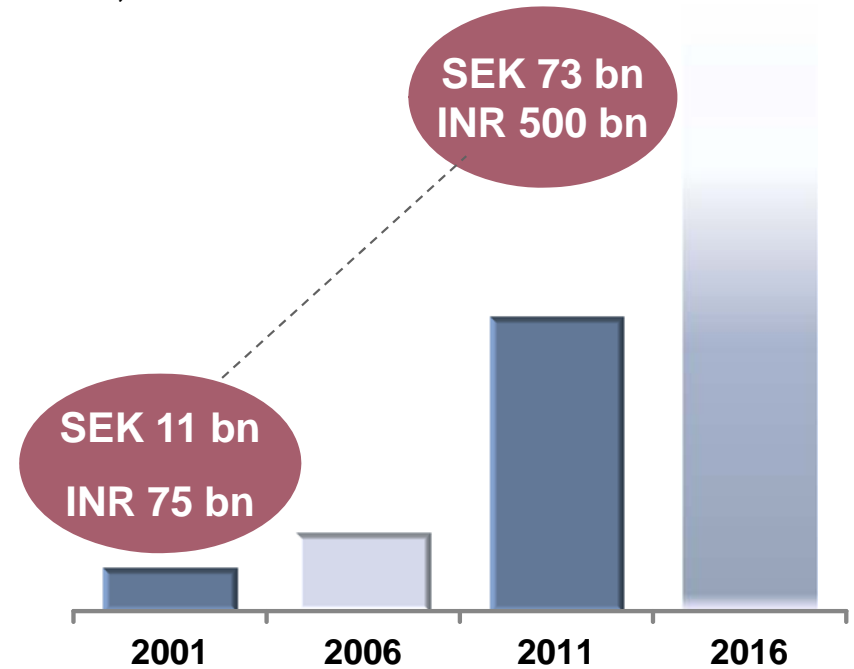
Volvo in Asia

Strong growth – a significant part of the Group's business

24% of Group sales



Net sales
SEK, bn



Asian Truck markets – a huge potential

3 Market Segments

India

Total market: 237 000



China

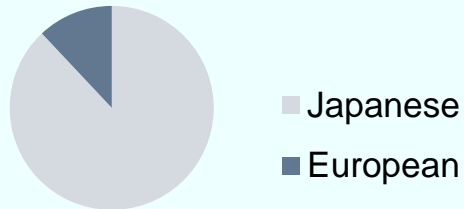
Total market: ~900 000



Total HD-truck markets
2011

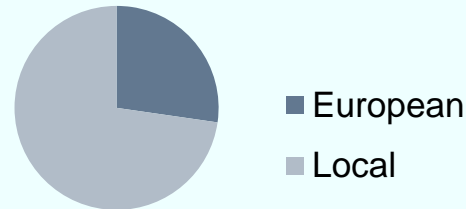
Indonesia

Total market: 20 000



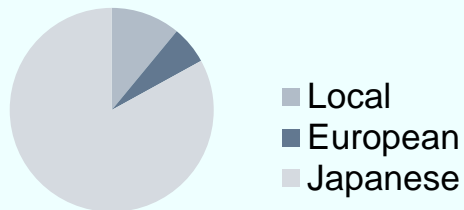
Korea

Total market: ~12 000



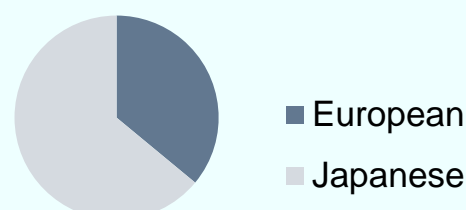
Thailand

Total market: ~11 000



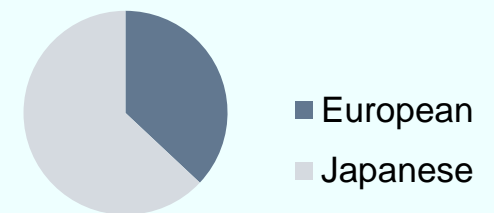
Taiwan

Total market: ~4 250



Malaysia

Total market: ~2 100



Volvo in Asia – a two-stage development

2005



European Niche markets
European products



2005



Acquisitions and partnerships

- UD Trucks
- Dongfeng Nissan Diesel “DND”
- Eicher
- SDLG

Japan
China
India
China



Volvo Group in Asia

- Infrastructure in place to capture growth

20,000 employees

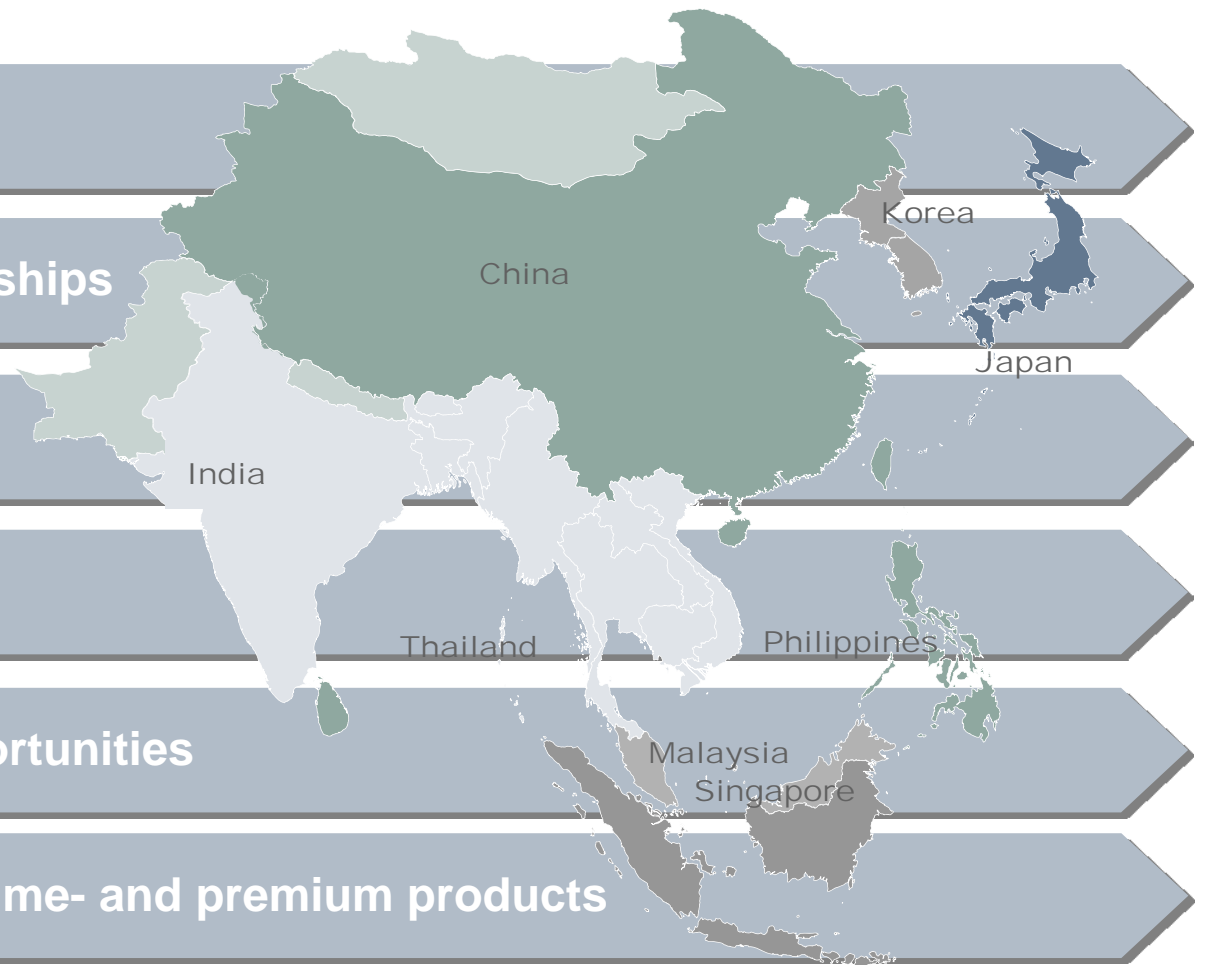
Wholly owned operations & partnerships

Strong market shares

Multiple Brands

Localized production & Export opportunities

Engineering capability for both volume- and premium products



The Volvo Group in India

Wholly owned operations



VECV Joint Venture



Wholly owned operations

A strong foothold in India

Market presence



Construction Equipment



Trucks



Buses



Marine & Industrial power systems



Aero

Sourcing & Competence hub



Information Technology



Product Exports



3P Product Development & Global Sourcing

Services



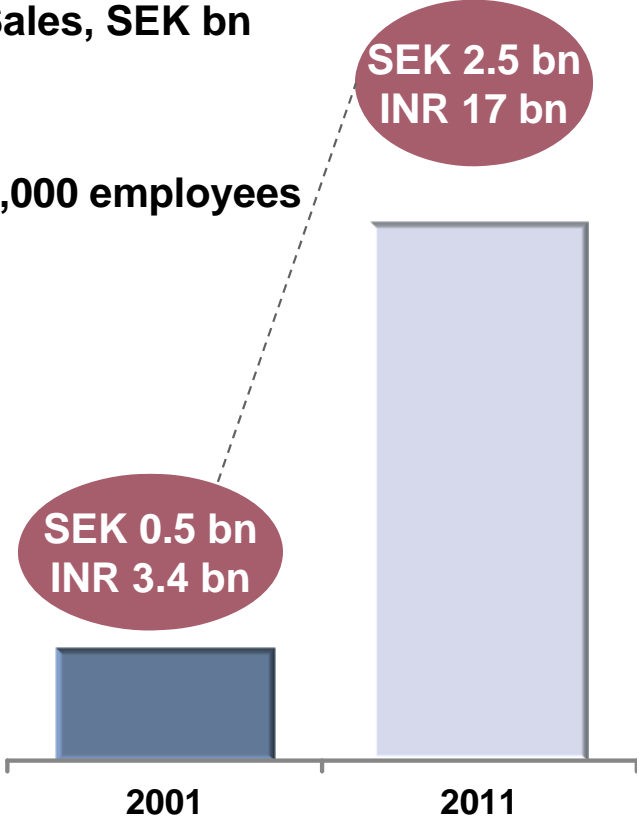
Parts



Logistics

Sales, SEK bn

3,000 employees



VECV – adding value to the Volvo Group



Efficient way of addressing the local volume segment in India and other emerging markets



Strong partner adding market presence, competence in frugal engineering and speed to market



Combination of frugal approach and selective introduction of Volvo technology – a potent mix



Total alignment and high cooperation spirit between AB Volvo and Eicher Motors

Cooperation projects Volvo Group – VECV

Mutually beneficial

Products



- Medium Duty Engine
- Cost effective vehicle platforms

Know-how



- Engine development & test lab
- Quality & Productivity
- Design to cost

Business



- Purchasing synergies
- Distribution and aftermarket
- Volvo sourcing from VECV

New medium duty engine platform with industrial base in Asia

30 000 European engines,
final assembly (EU6)

Lyon

Long blocks

25 000 Japanese engines,
machining and final assembly

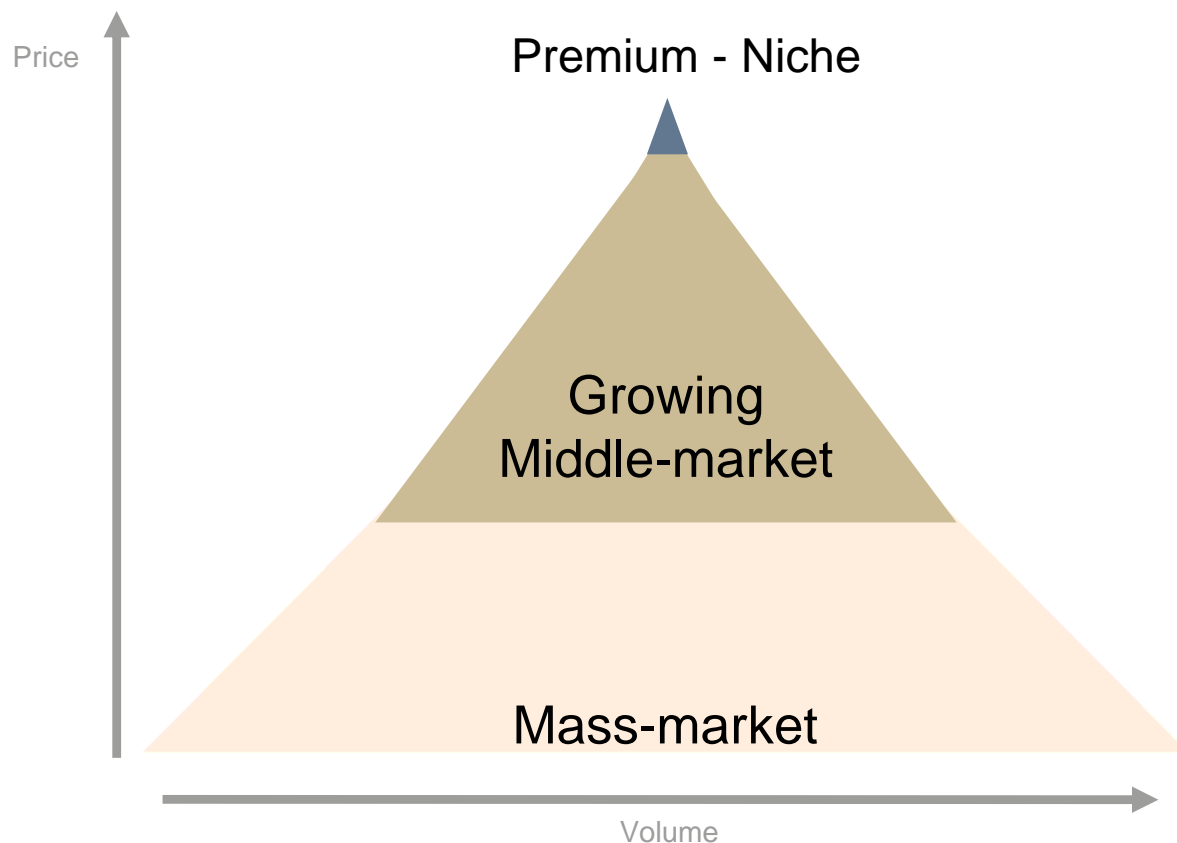
Ageo

Pithampur

Sourcing, Machining, Assembly
100 000 long blocks
70 000 Asian engines, final assembly



Investing for modernizing market segments



- High quality & fuel efficiency
- New feature/price balance

- Developed, sourced & produced in Asia
- Full product range
 - construction
 - haulage
 - mining

- For Asia & emerging markets
- Renewal of UD export range
- New segment for Eicher

Conclusions



Volvo Group has built a strong position in India

- Wholly owned operations
- Partnership with VECV



Participate in the Indian volume market and
Export base to other markets



Strong profitable growth in VECV since 2008



India as global competence hub for the Volvo Group



New product range for modernizing markets under way

“Geared for future profitable growth”