



Investor Day in New York, March 7, 2014

Martin Weissburg – EVP Volvo Construction Equipment

Drive efficiency, leverage investments made

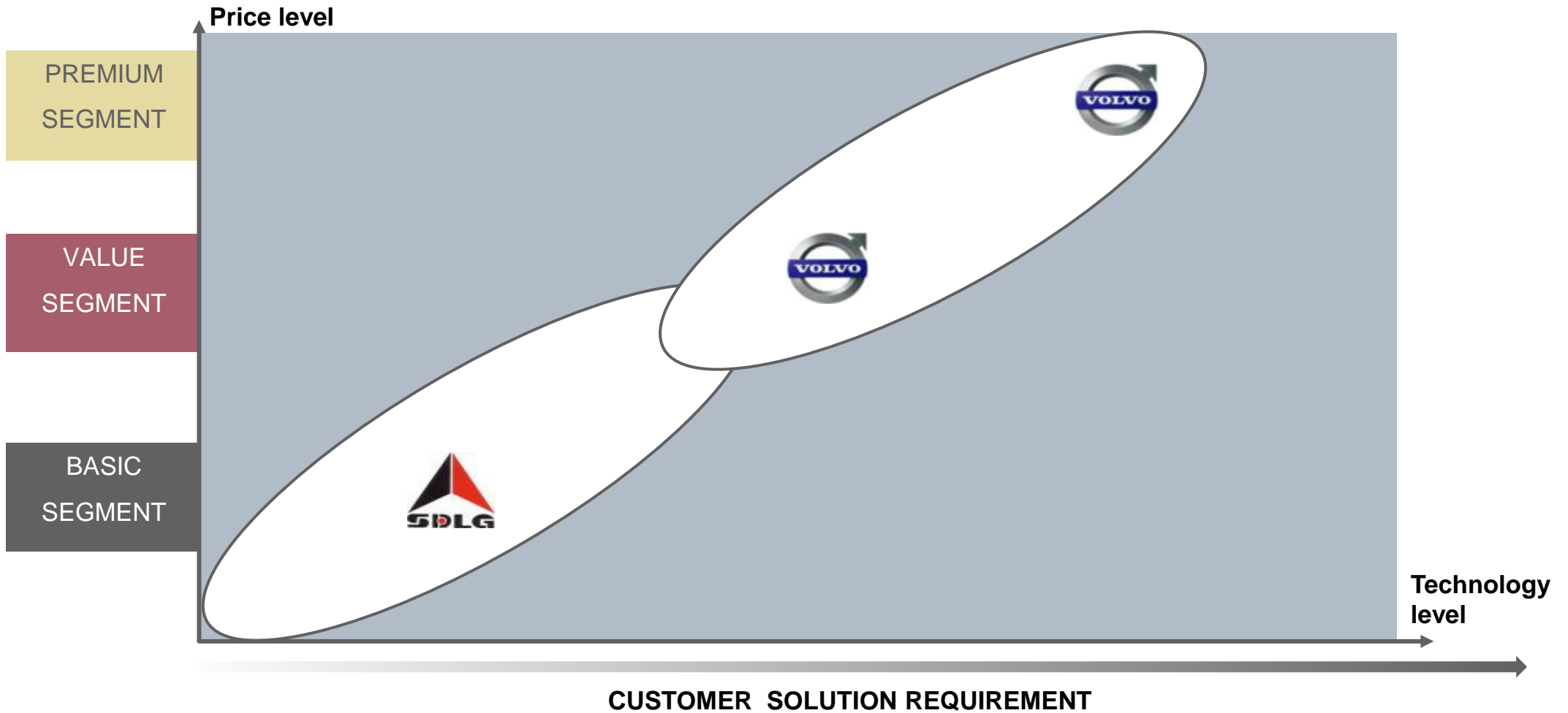
Solid foundation

- Core product range
- Tier 4f engine technology
- Solid distribution footprint
- Comprehensive brand strategy
- China market leadership
- Global industrial footprint

In focus

- Share & margin improvement
- Terex (TEL Acquisition)
- Expense reduction
- Product cost
- Operating/Industrial efficiency

Multi-brand strategy broadens customer base



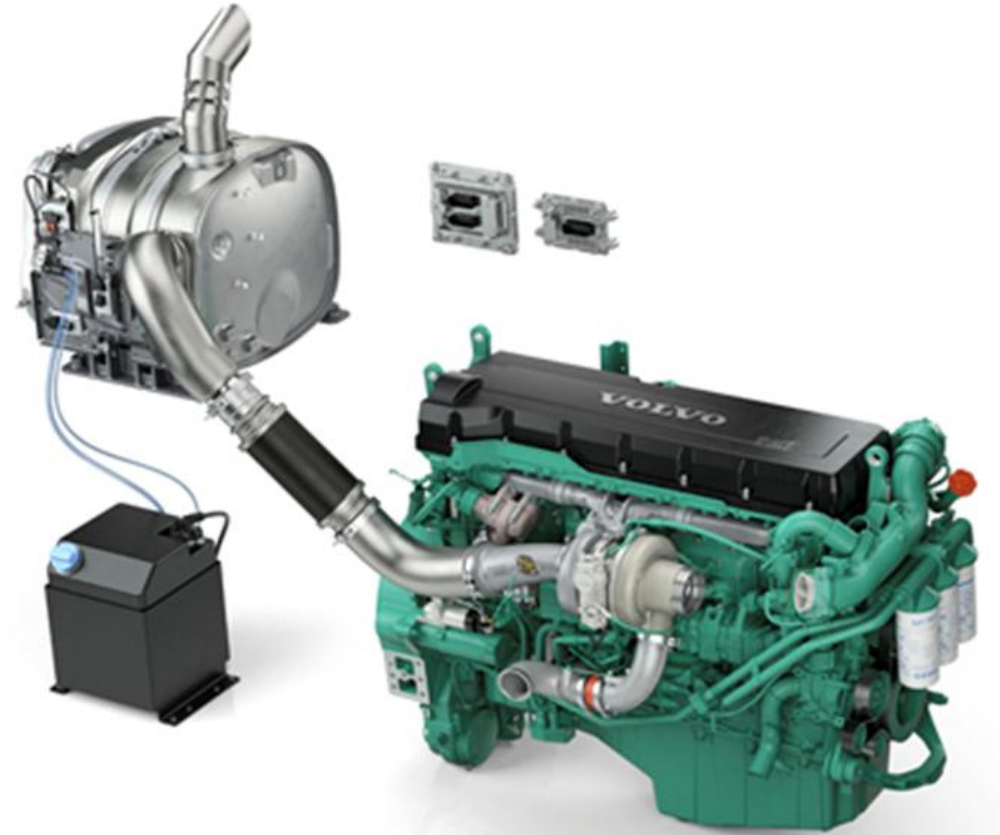
Foundation & heritage of excellence



Strong foundation supports a broad product portfolio including compact and road equipment

Stage IV/Tier 4 Final

- Machine fuel consumption reduced by 5% average
- SCR + DPF + EGR = lower emissions and operating costs
- Volvo Group expertise
- Increased passive regeneration
- Service intervals remain largely unchanged



CONEXPO product highlights

C-Series Motor Graders



G-Series Articulated Haulers



H-Series Wheel Loaders

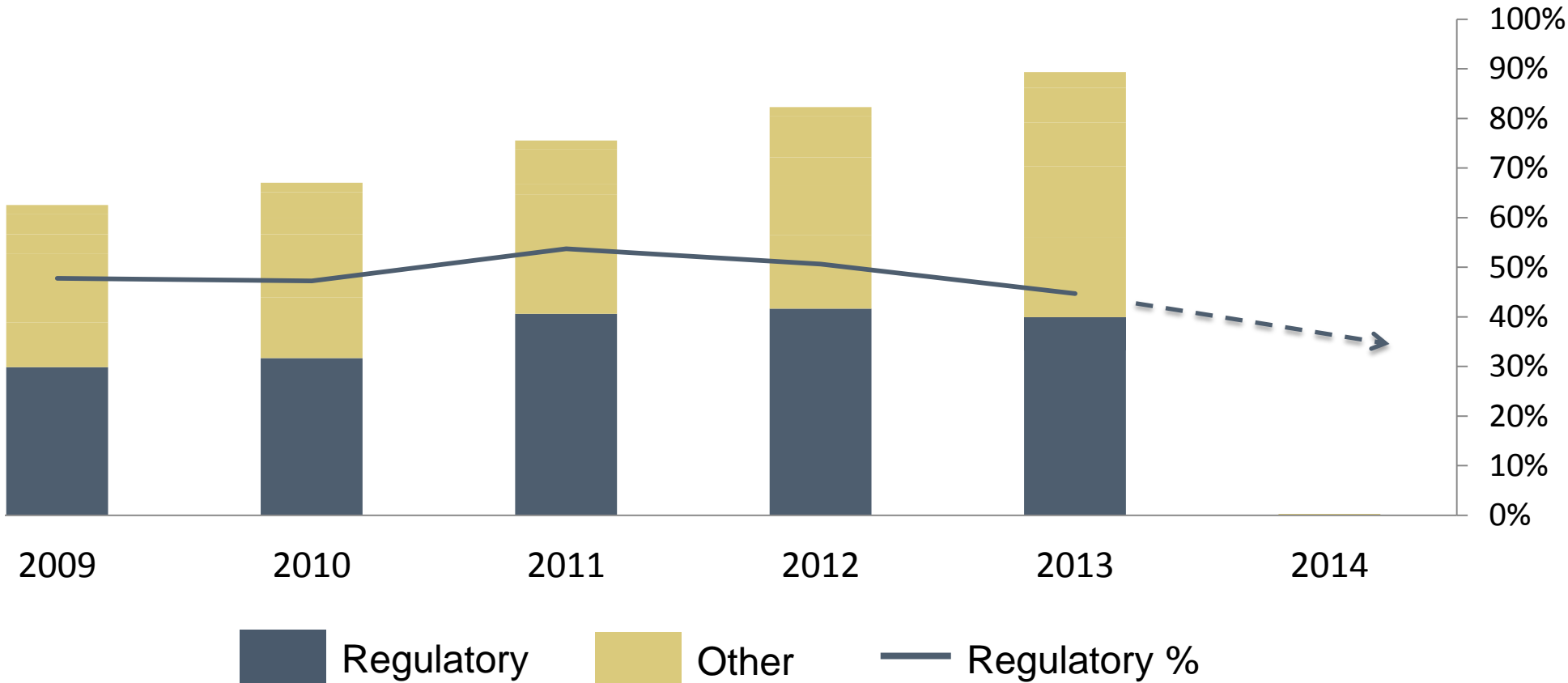


E-Series Excavators



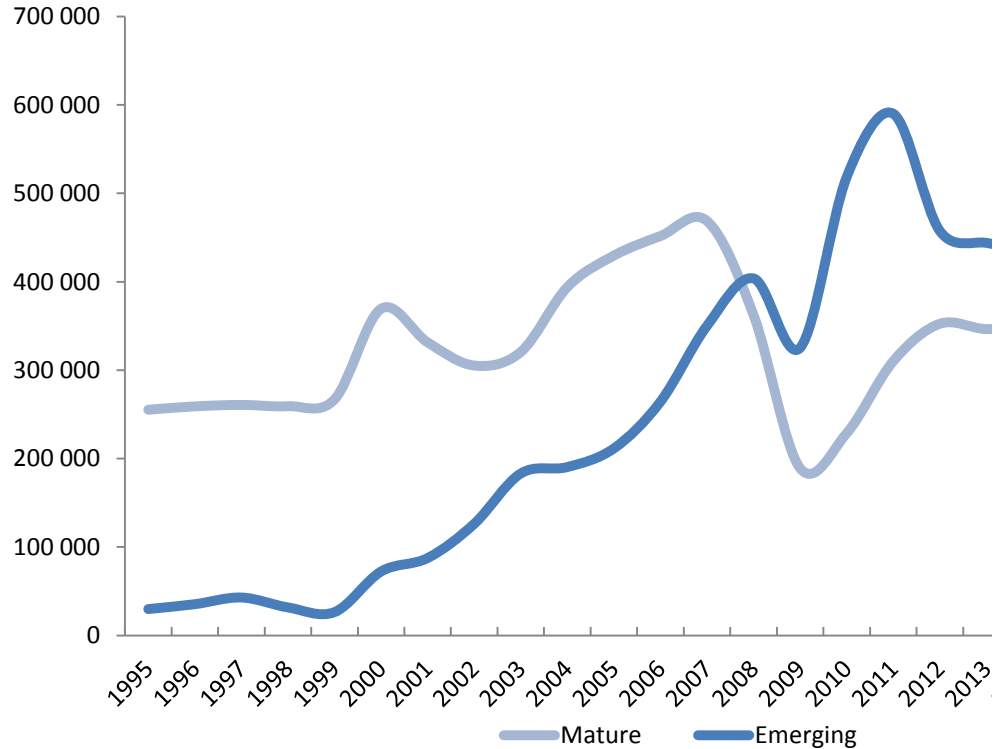
Heavy investment in product renewal and Tier 4f

R&D: more focus on product cost reduction



Already well invested to capture growth

Market development Volvo CE portfolio (units)



Investment made in growth

- Leadership position in regulatory/environmental
- Fuel efficiency improvements
- Invested for growth in emerging markets
- Products, industrial capacity & multi-brand

Increased focus on cost reduction & operational efficiency

Brand strategy & SDLG rolled out globally

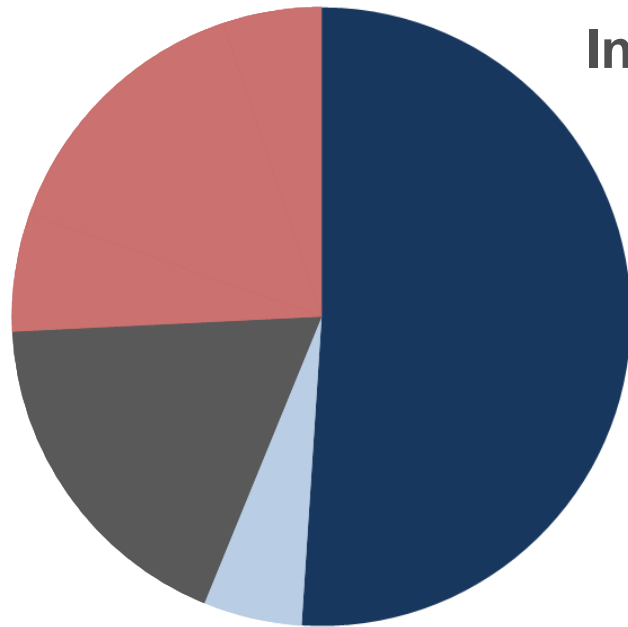


SDLG product excellence



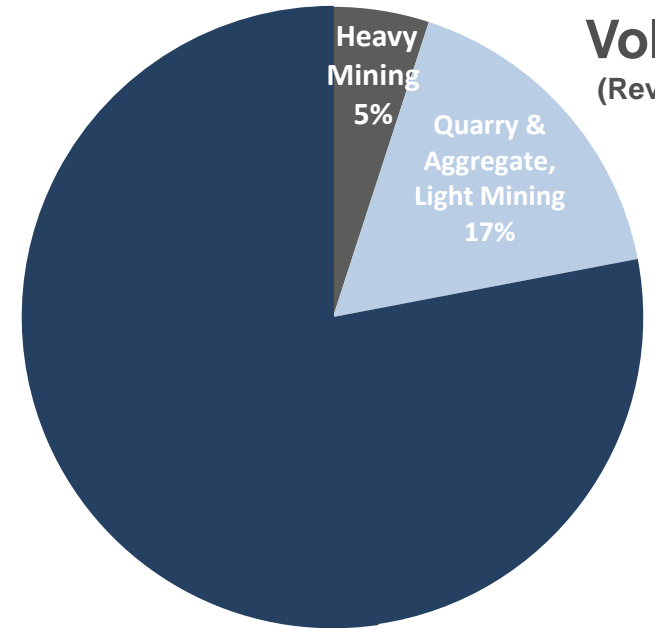
Focus on growth – Continue to develop export business

Leadership in Volvo CE served segments



Industry Split

- Other: Concrete equipment, Cranes & Access, Crushing, screening and rock drilling equipment
- Heavy Mining > 100t
- Quarry & Aggregates and Light Mining < 100t
- Earthmoving and Road Equipment



Volvo CE
(Revenue Split
2013)

Other: Non focused segments

Heavy Mining (>100t): Limited exposure based on participation

Quarry & Aggregate and Light Mining (< 100t): Support equipment: Excavators, Wheel Loaders & Haulers

Earthmoving, Road & Infrastructure: Complete product offering (multi brand)

Acquisition of Terex Equipment LTD (TEL)

- Strong position in China
- Profitable business with established population
- Good timing in cycle for entry
- Stabilize operations post-closing
- Targeted investment
- Drive unit sales
- Closing expected Q2 2014



Terex (TEL) strengthens product portfolio



48-90t



35-40t



300-750HP



<100t



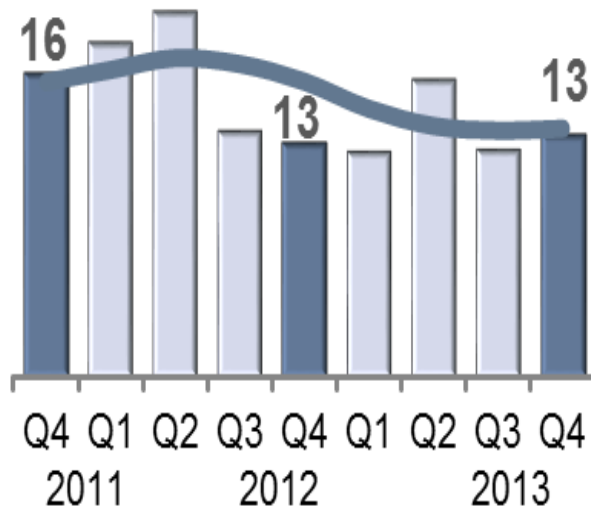
Quarries & aggregates and Light mining

- Serves Light mining and Quarries & aggregates
- Growth in existing & adjacent segments
- Fills product gap in Volvo portfolio

Priority on profitability & efficiency

SALES TREND

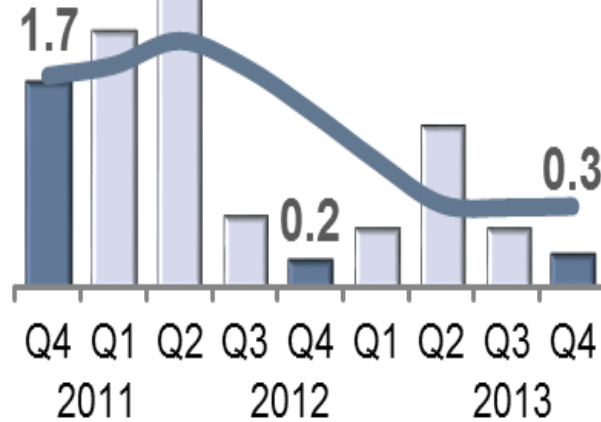
SEK bn 12 months 53 bn



OPERATING INCOME

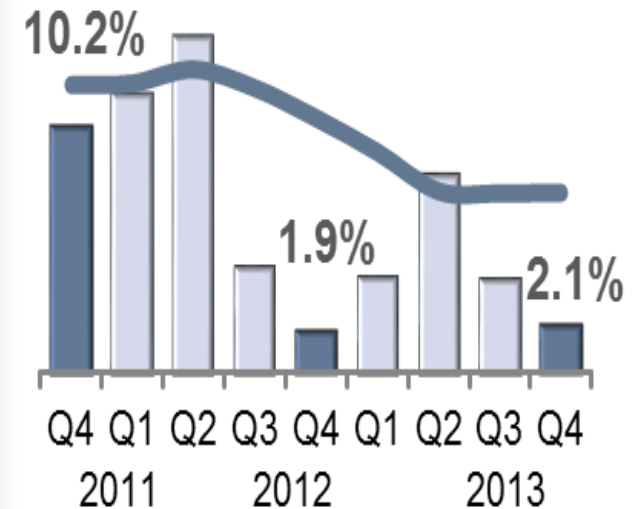
SEK bn 12 months 2.6 bn

Fx: -155 M



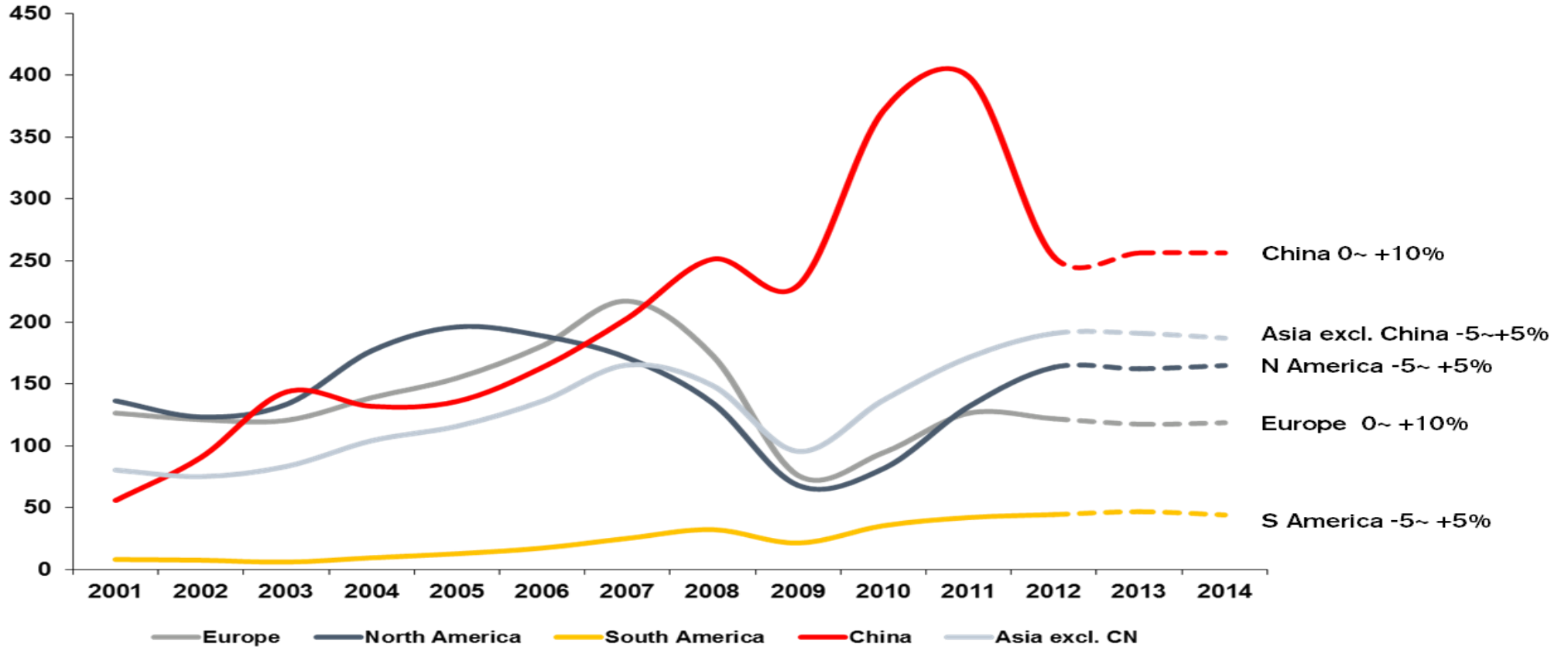
OPERATING MARGIN

% 12 months 4.9%



Modest growth in total market in 2014

Units, thousands



Volvo Construction Equipment

- Profit improvement
- Increase share & margin
- Efficiency: general spend & product cost reduction
- Terex hauler acquisition

