

VOLVO

Leif Johansson

President and CEO

Volvo Group Capital Market Days

Wednesday June 4th

12.00 *Lunch*

13.00 **Volvo Group**
Financial Targets
Question & Answer Session
Volvo Trucks
Question & Answer Session

Leif Johansson
Stefan Johnsson

Jorma Halonen

Coffee break

Volvo Construction Equipment
Question & Answer Session
Financial Services
Question & Answer Session

Tony Helsham

Salvatore Mauro

Summing up

Leif Johansson

17.30 *End of day one*

19.00 *Dinner hosted by Leif Johansson*

Volvo Group Capital Market Days

Thursday June 5th

07.20	<i>Departure from Hotel Scandinavia, Gothenburg</i>	
09.45	Arrival in Skövde and Introduction	<i>Lars-Göran Moberg</i>
10.00	Volvo Group engine strategy	<i>Lars-Göran Moberg</i>
	The Volvo Group engine business case	<i>Bertil Thorén</i>
	Technical development and meeting the emission standards globally	<i>Pierre Lecoq</i>
	The Volvo Group engine manufacturing footprint	<i>Sten-Åke Aronsson</i>
11.00	Question & Answer Session	
11.30	<i>Lunch</i>	
12.15	Plant Tour Introduction	<i>Leif Hultman</i>
	Plant Tour	
	Foundry with focus on FPC	
	D12 Machining	
	D12 Assembly	
14.00	Question & Answer Session	
14.15	<i>End of day two and departure</i>	



Volvo Group

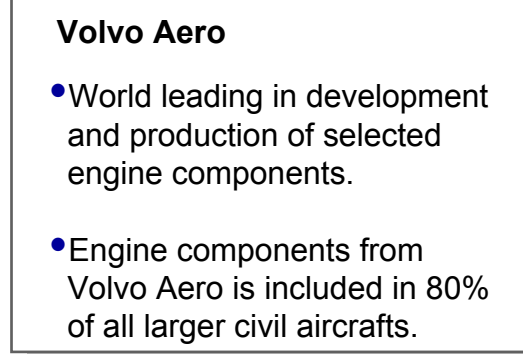
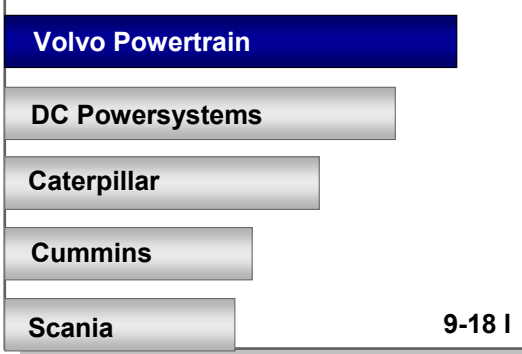
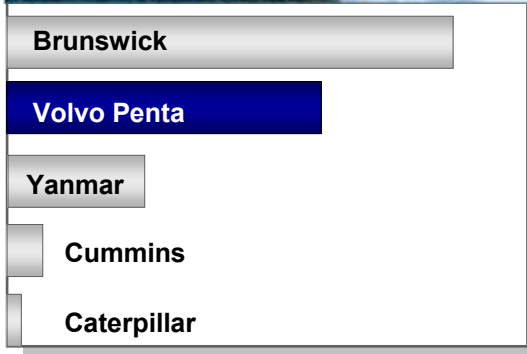
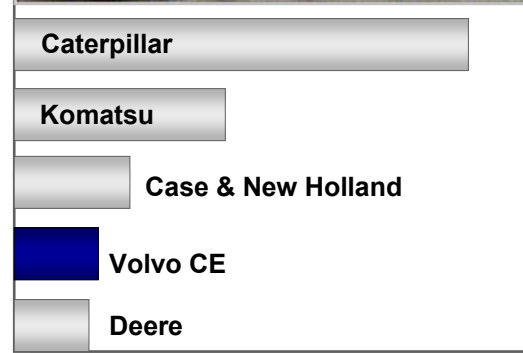
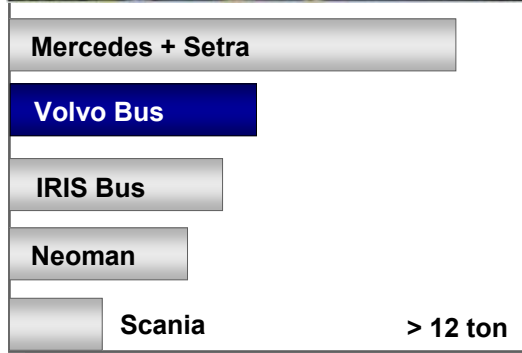
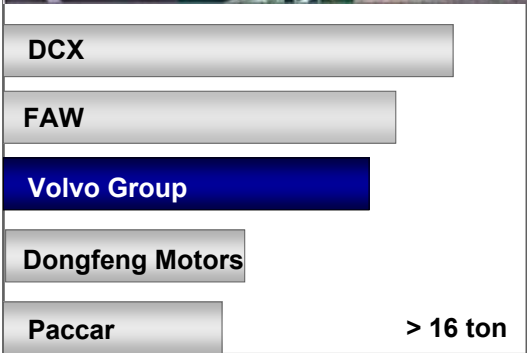
Strategic Position

Business Update

Two Years of Truck Integration

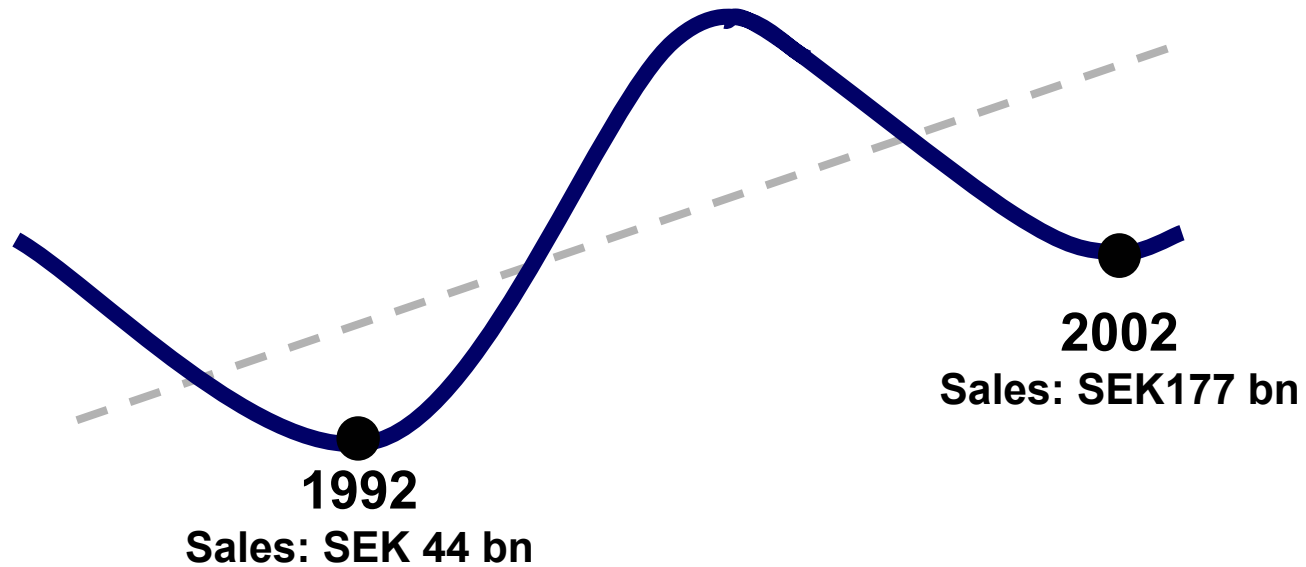
Opportunities

Strong Positions in all Business Areas



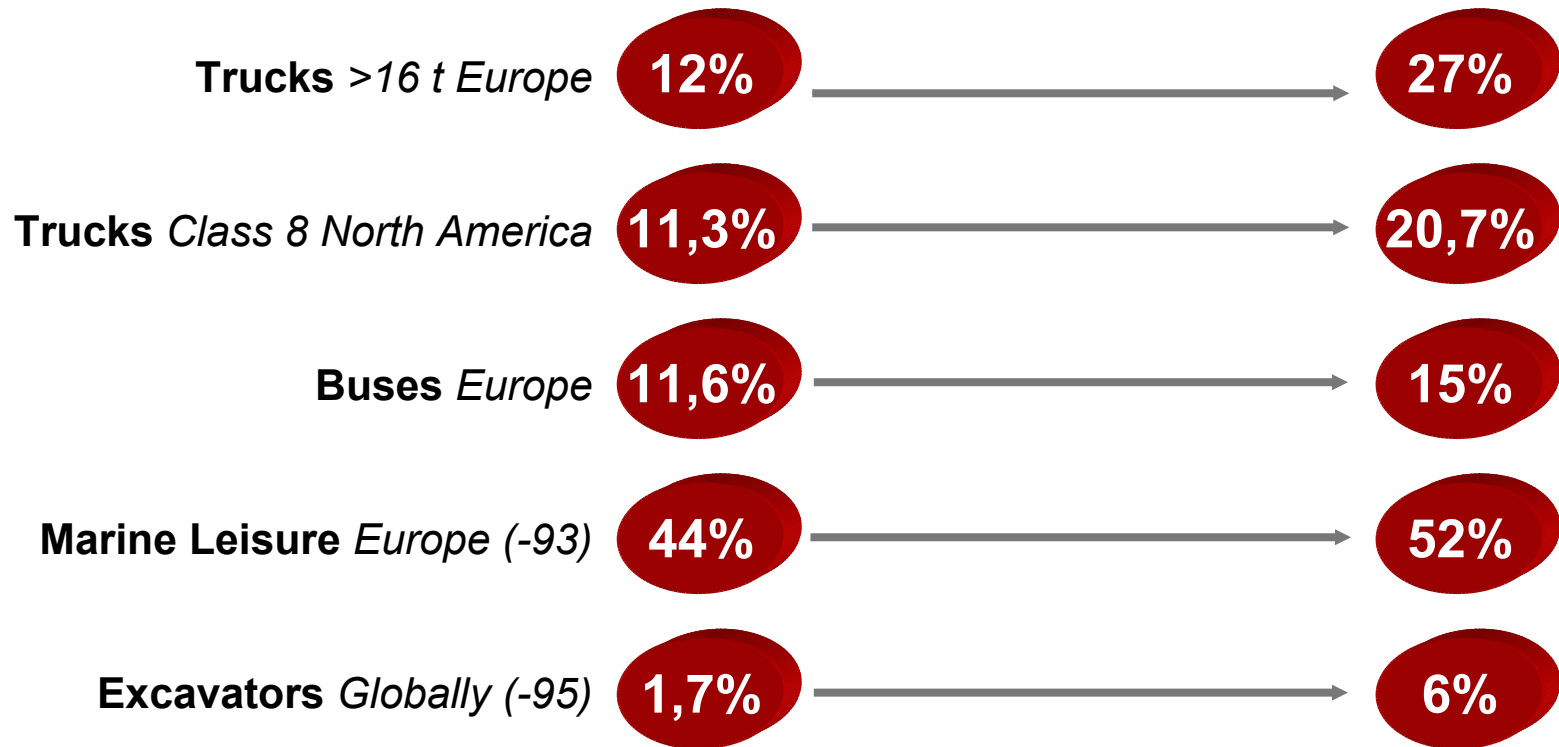
Volvo Group Growth

over a business cycle



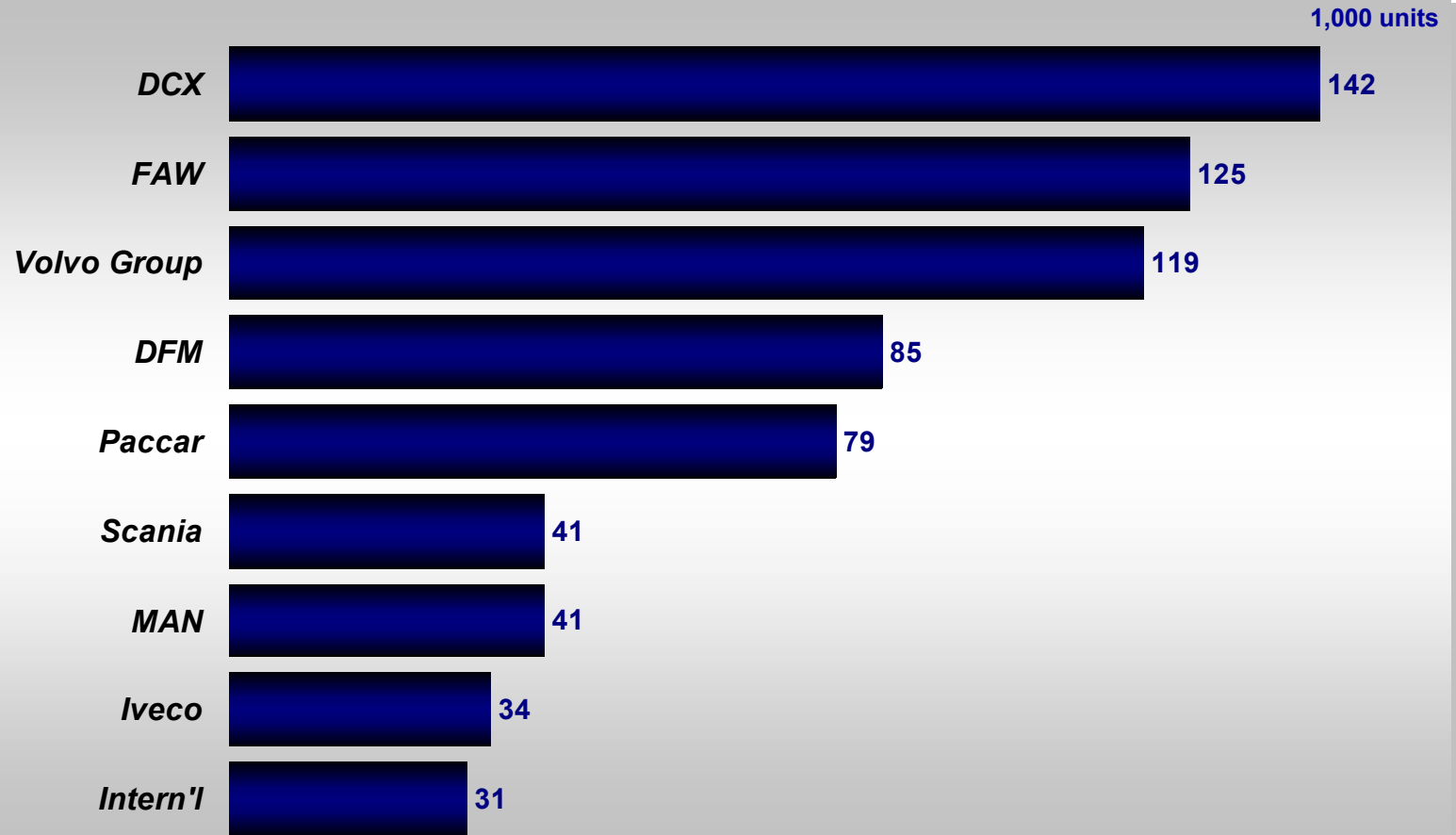
Significant Market Share Gains

1992-2002



Global Truck Market Positions

Heavy Duty Vehicles - 2002



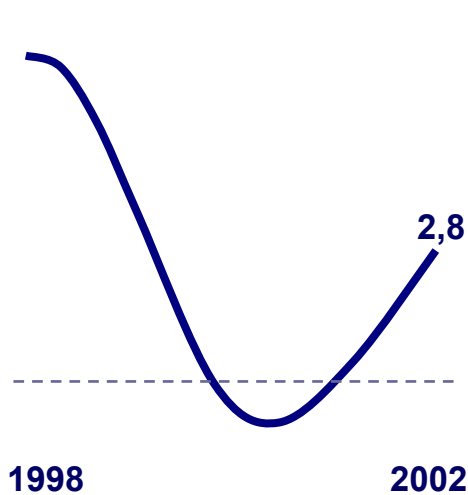
Business Environment

- Trucks North America 1999-2002 - 42%
- Trucks Europe 2000-2002 -13%
- Aircraft Deliveries “9.11” - 2003 -33%
- European Coach Market 1999-2002 -20%
- Heavy Construction Equipment North America
1999-2003 -30%

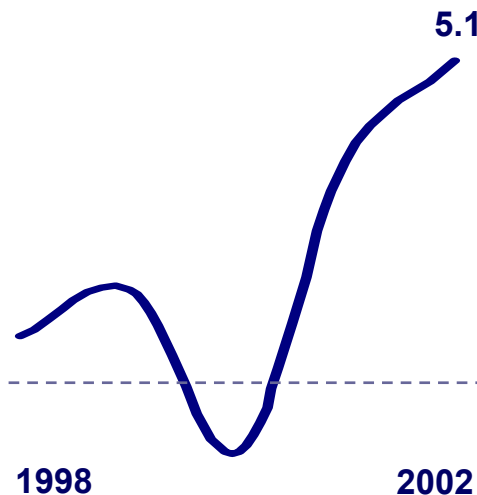
Maintained Dividend in a Cyclical Downturn

(SEK bn)

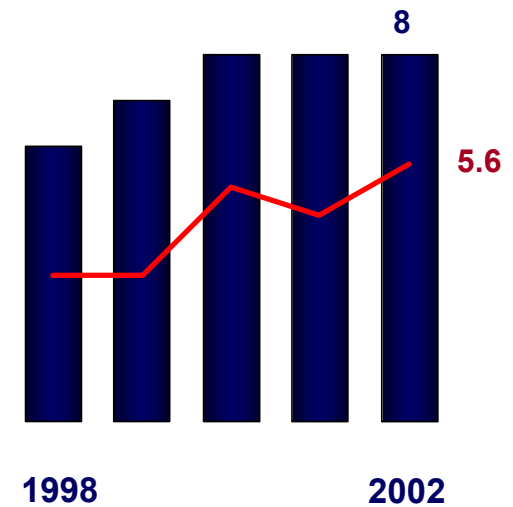
Operating Income



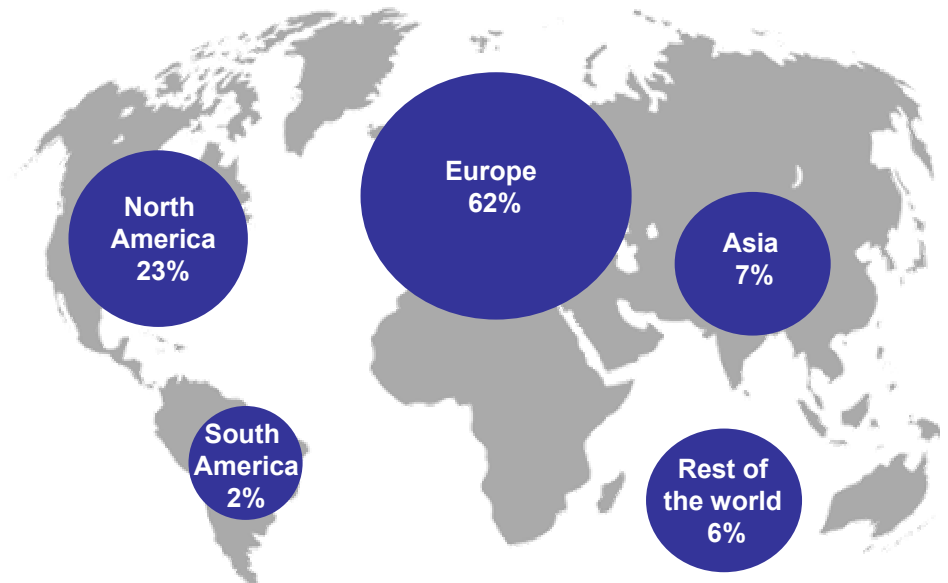
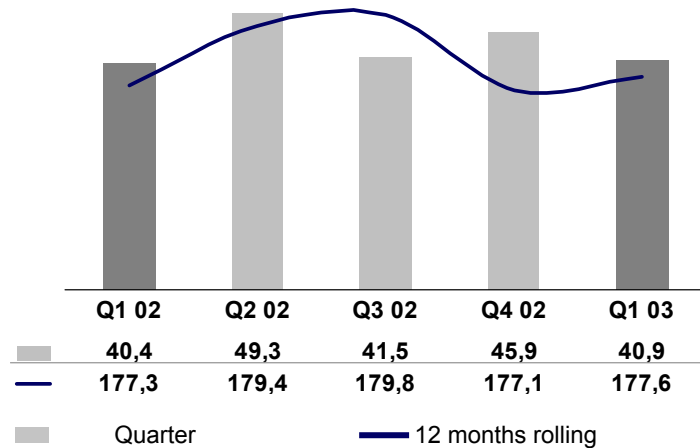
Cash flow



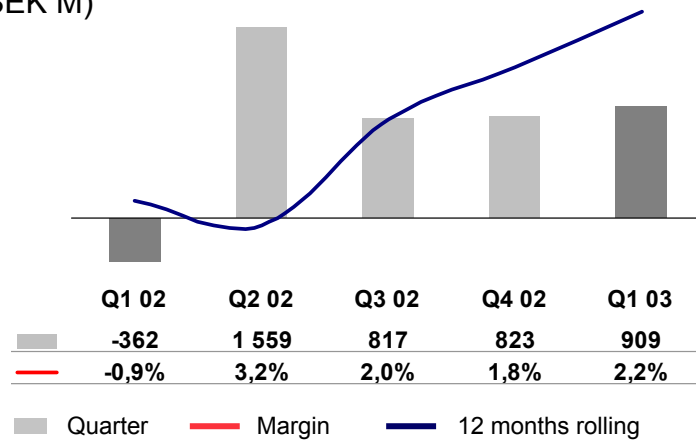
Dividend (SEK) & Direct Return %



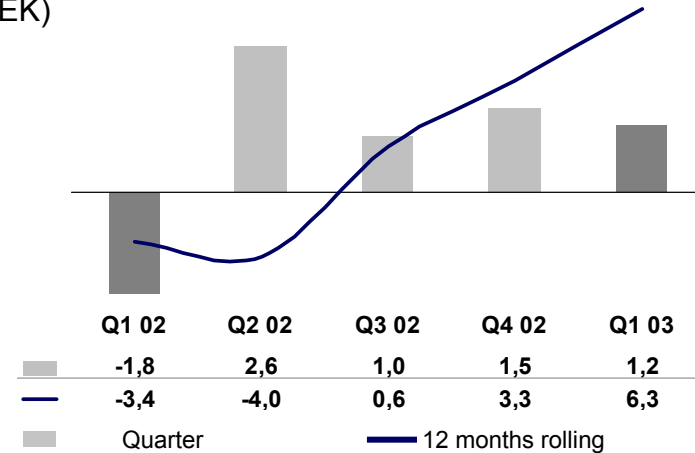
Net sales (SEK bn)



Operating income (SEK M)



Earnings per share (SEK)



Business Area Highlights

Volvo Buses & Volvo Aero



The tourist coach market remains weak

Improvements in N. America

Internal productivity and cost management



Continued weak air traffic

New after market contracts

Adaptation to a declining market

Business Area Highlights

Volvo Penta



Call center



Safety

Service

Alarm

Strong market position through product renewal

Strong sales development for marine leisure in Europe and N. America

Industrial engines in Asia at all-time high

Two Years of Truck Integration

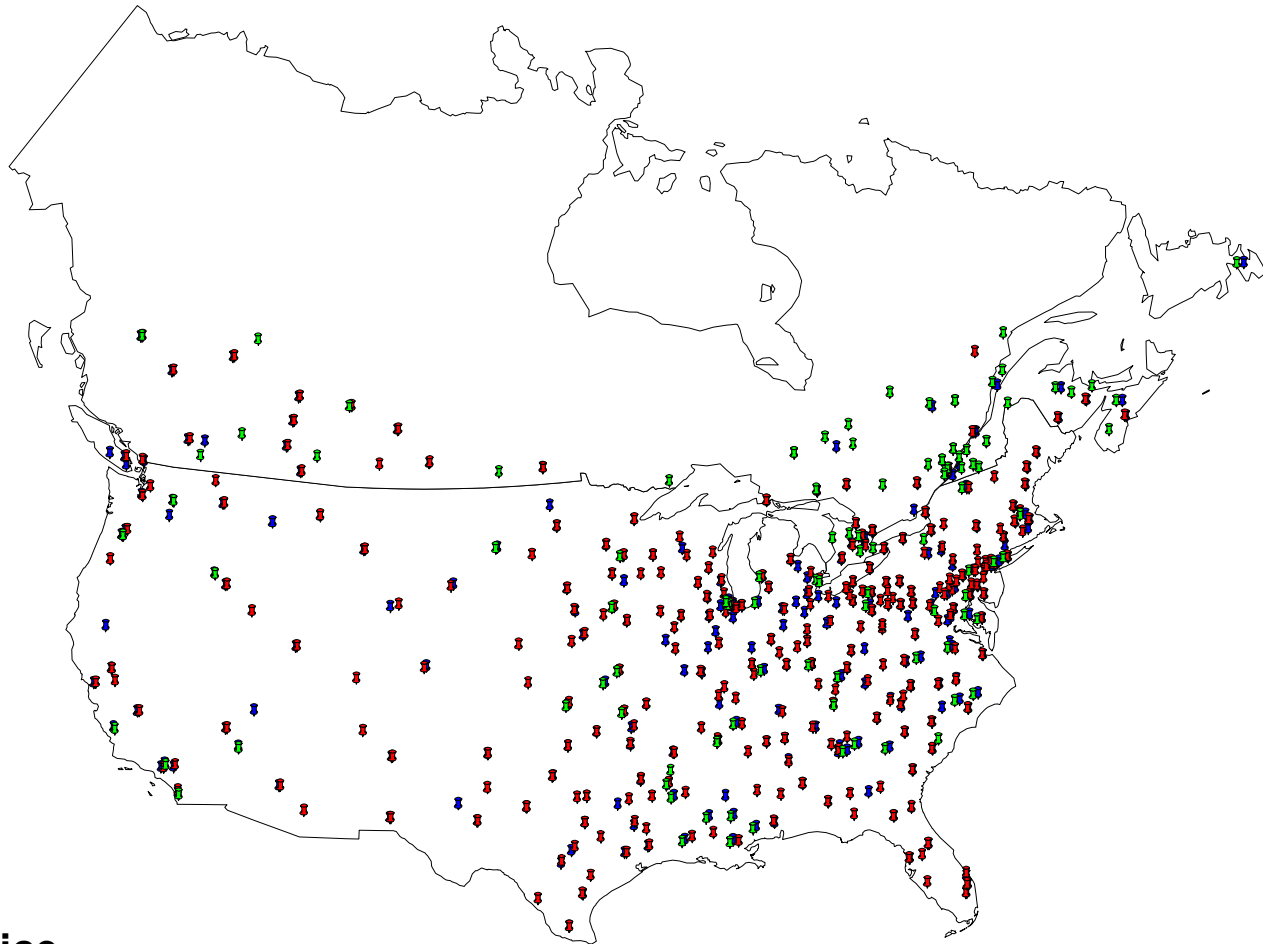





- ✓ Consolidation of diesel engine program
- ✓ Sharing of vehicle architecture
- ✓ Brand strategy in place
- ✓ Purchasing gains
- ✓ Expansion of Customer Finance
- ✓ Industrial restructuring
- ✓ Dealer optimization in North America

2000th Mack at New River Valley



Dealer Optimization North America



-  Volvo
-  Mack
-  Parts & Service

Volvo Financial Services



Renault Trucks

Positive Development and Contributing



Mack, Renault Trucks & Volvo Trucks



Shared Architecture

Product Development with Customer Focus



- Market and Customer Commitment
- Brand Definition



- Customer Offer
- Marketing and Communication



Market & Customer Focus

VOLVO



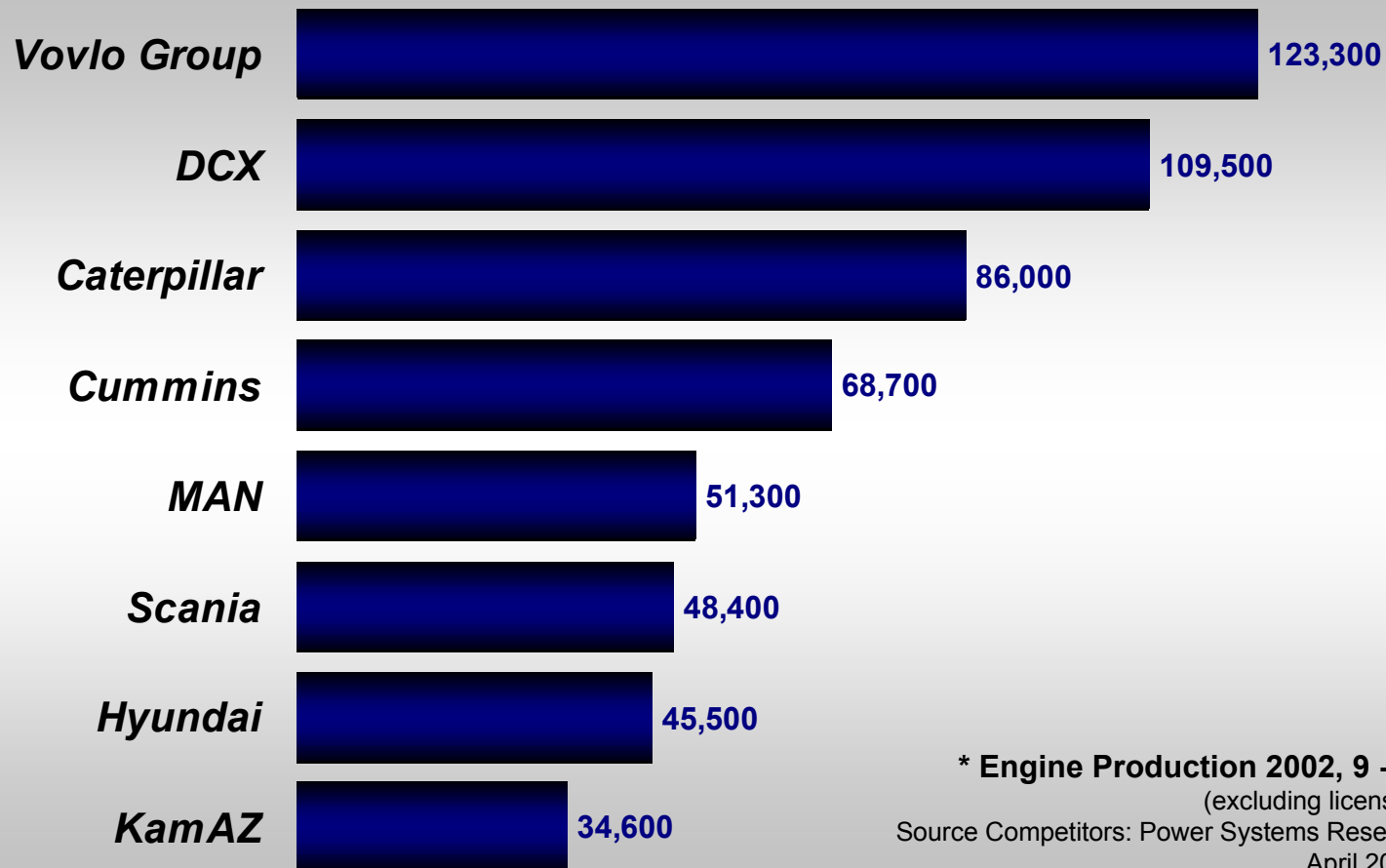
Product Boards

Powertrain

3P

Cost and Synergies
Technological Leadership

Global HD Diesel Engine Positions*



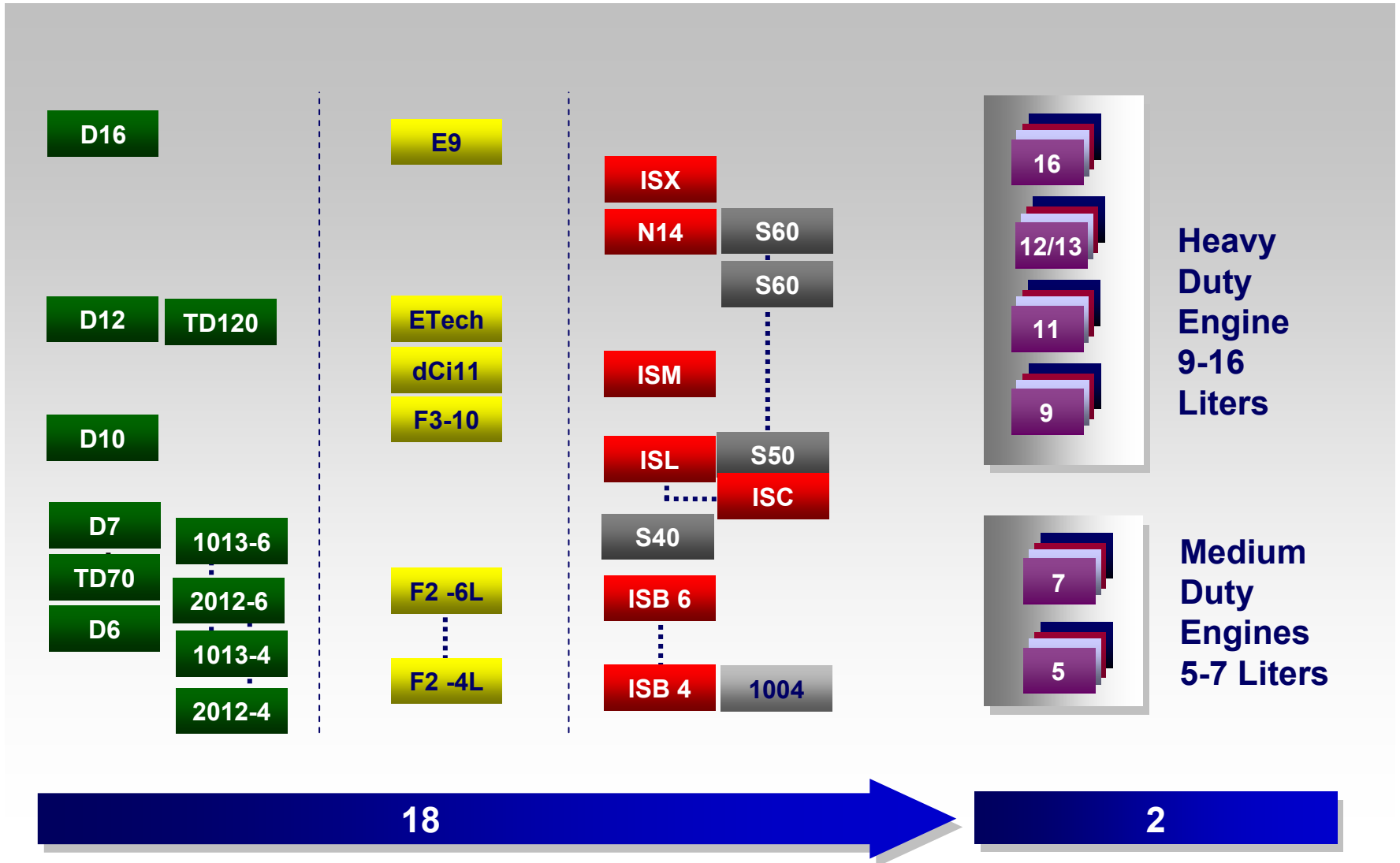
* Engine Production 2002, 9 - 18 liters
(excluding licensees / JV's)

Source Competitors: Power Systems Research (PSR)

April 2003 update.

Volvo Powertrain: Actual production figures.

MD/HD Engine Consolidation



Competitive Advantages through Synergies Achieved



3P



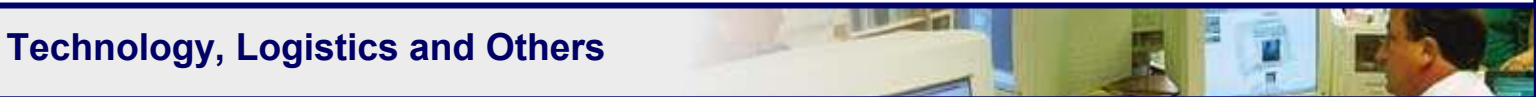
Powertrain



Parts

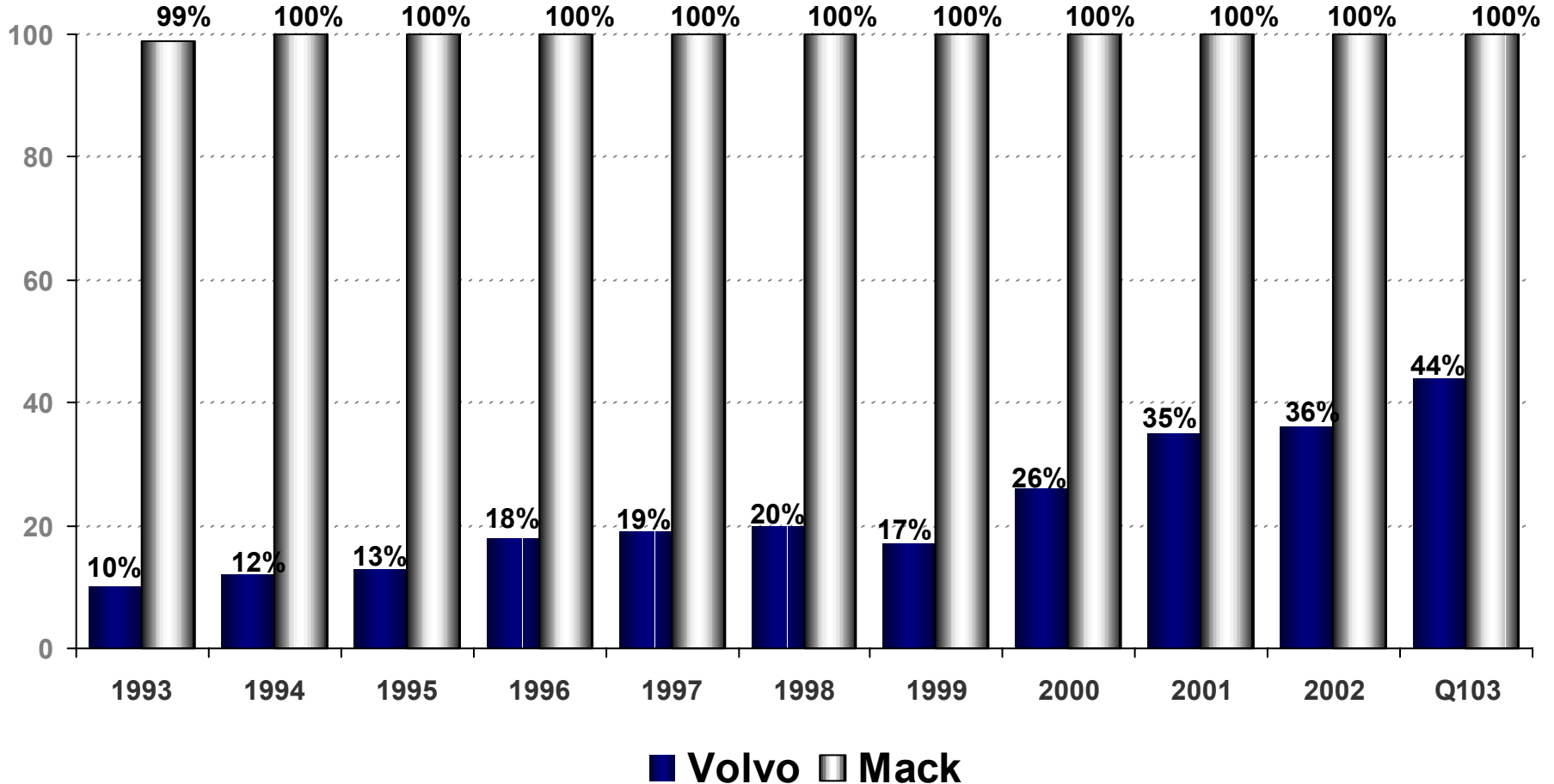


Information Technology, Logistics and Others



Engine Penetration

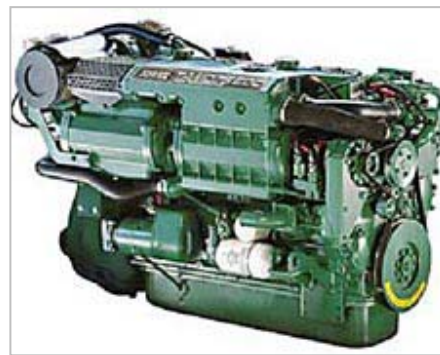
North America



Emerging Markets



Strong Product Renewal



Summary

- **Shared Architecture**
- **Commercial structure in China and strategic positions in Eastern Europe**
- **Closer to customers at lower cost**