

VOLVO

Press Conference

March 13, 2003

Intention of Making a Public Offer on KFAB

- Distribution of trucks, buses and construction equipment
- Service and aftermarket operation
- Property operation
- Financing and insurance
- Employees



KFAB

Key Figures 2002

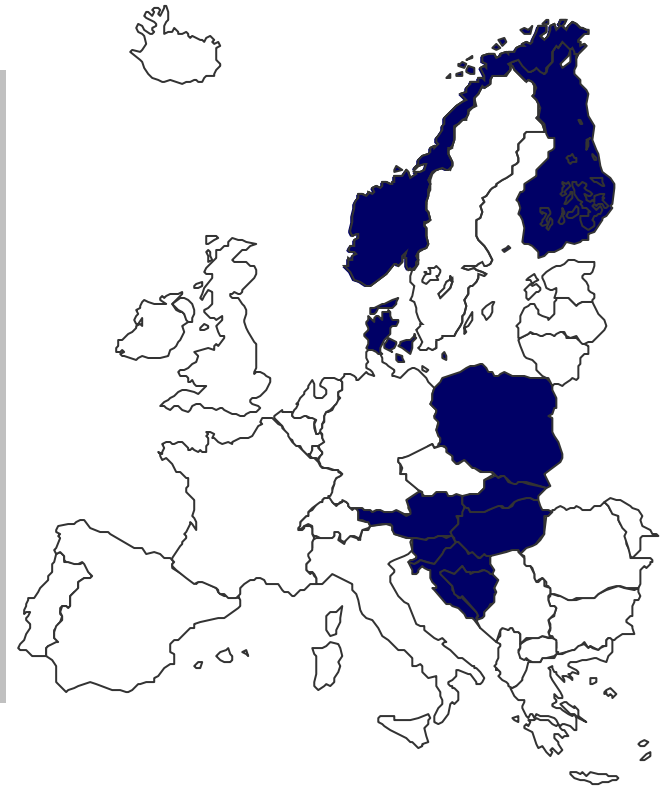
(SEK M)	Trucks	CE	Total
Net Sales	4,945	2,104	7,049
Operating Income	71	88	159
Operating margin%	1,4	4,2	2,3
Employees	1976	459	2435

The Construction Equipment Operation

- Distribution of Volvo construction equipment
- Spare parts and workshop service
- Financing and insurance solutions

2002	SEK M
Sales	2,104
Operating Income	88

Distribution of Volvo construction equipment



Norway, Denmark, Finland, Austria, Hungary, Slovakia, Slovenia, Croatia, Bosnia-Herzegovina and Poland

The Truck Operation

- Distribution of Volvo trucks and buses
- Bodies on trucks and trailers
- Spare parts and workshop service
- Financing and insurance solutions

2002	SEK M
Sales	4,945
Operating Income	71

Distribution of Volvo trucks

<u>2002</u>	<u>Units</u>	<u>% of VTC deliveries</u>
Sweden	628	29
Nordic (excl. Sweden)	542	18
Germany, France and Poland	1,998	22





Integration of KFAB - Trucks

Customers

- Ambition to capture all relations with current customers
- Continued service to all customers at existing 85 places

Dealers

- Purchase of KFAB is in line with the Volvo Truck strategy to secure a good customer service at strategic points. This can be done together with a business partner or through ownership.
- KFAB - truck dealers are above all located at strategic points.
- Volvo Trucks does not intend to acquire dealers outside strategic points. However, more acquisitions of dealers within strategic areas may be needed

Reasons for an Offer



- Increased focus on core business
- Secure quality and competence in service points
- Synergies

Transaction Structure



Volvo 43%

Step 1 *Present structure.*



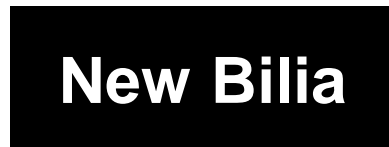
Volvo 43%



Volvo 43%

Step 2 *Transfer of Trucks & CE businesses into a separate company.*

Exchange of Shares



Volvo 0,5%



Volvo 100%

Step 3 *New Bilia and Volvo with core businesses. Separated owner structure.*

Timetable

Volvo's offer	Prior to Bilia AGM
Acceptance period	Finished first half of July
Exchange of shares	Mid July

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