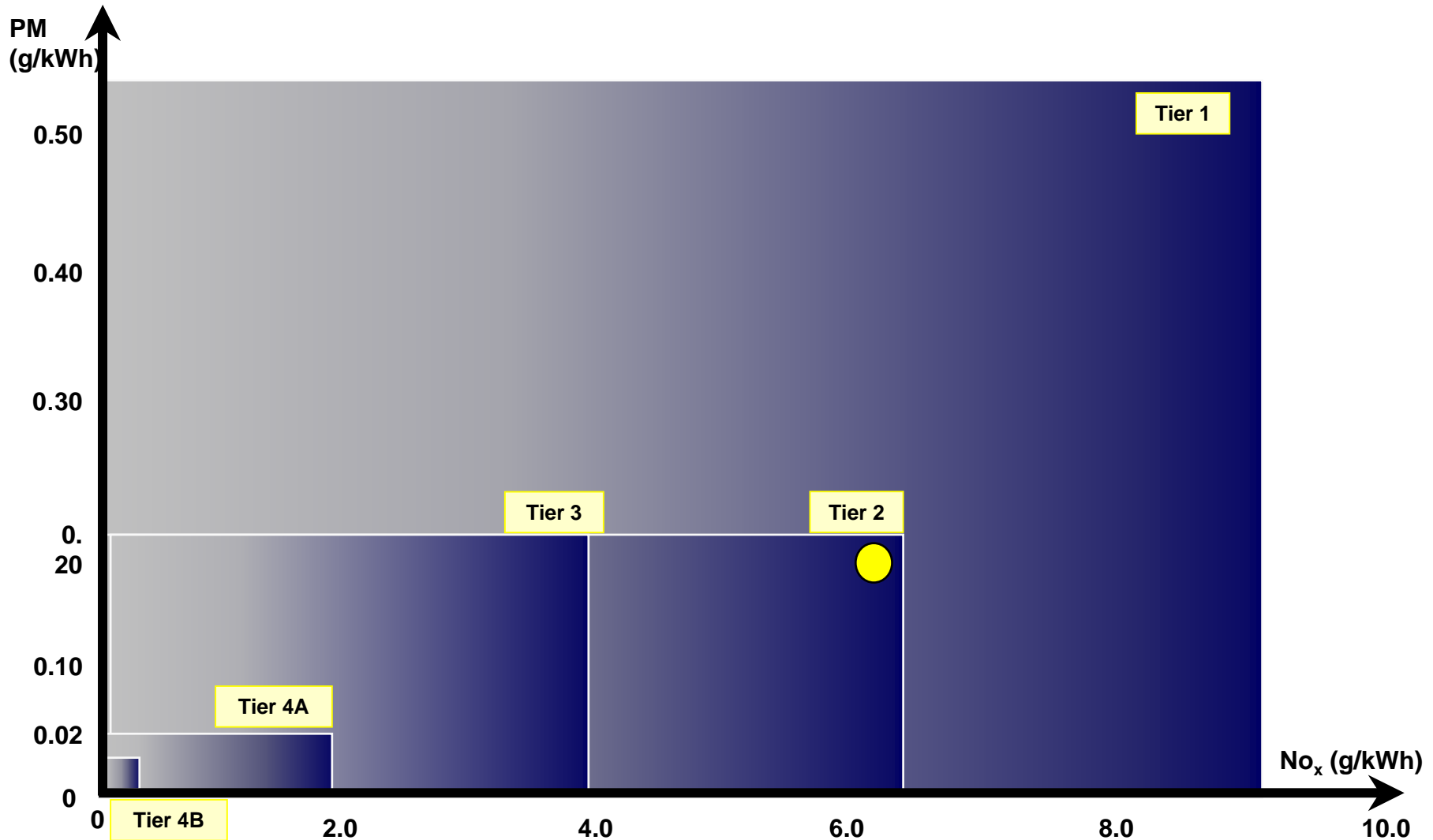


VOLVO

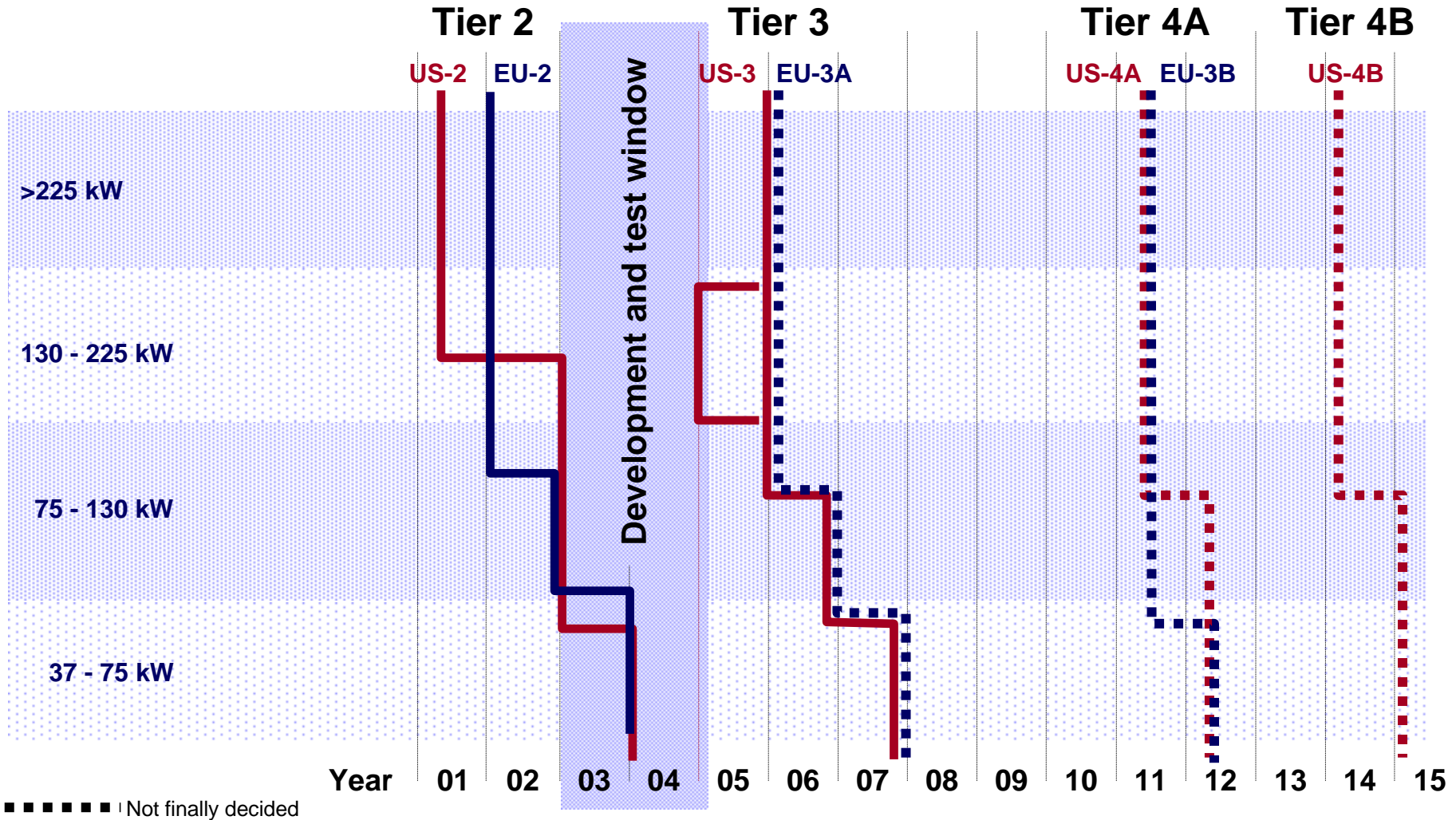
Tony Helsham

President Volvo Construction Equipment

Non-Highway Emission Legislation - Levels



Non-Highway Emission Legislation - Timing

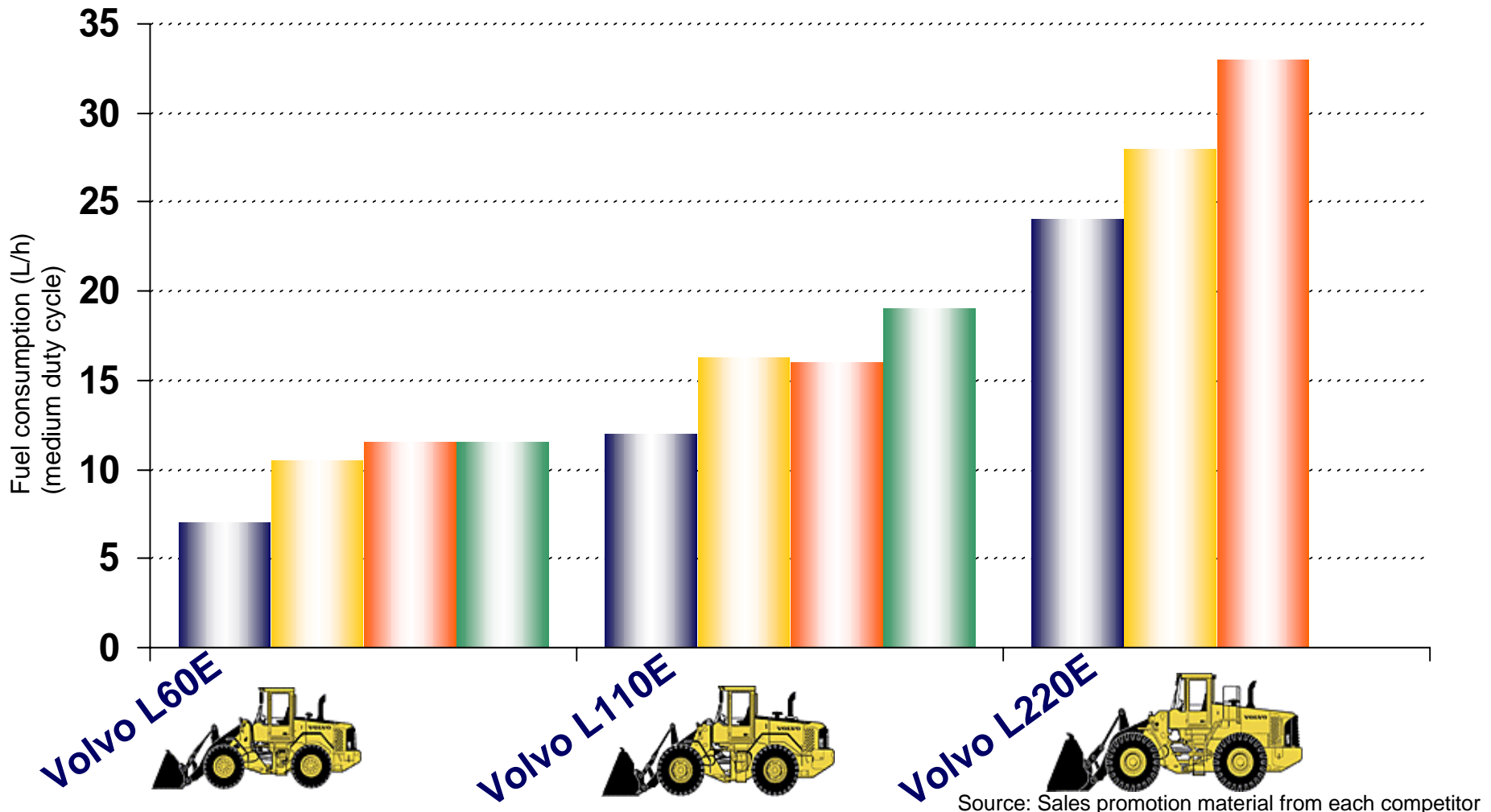


Prototype Tier 3 Engine Installation



Competitive Edge – Fuel Consumption

Volvo vs. major competitors



Volvo L60E



Volvo L110E



Volvo L220E



Products Launched since last Capital Market Day



Backhoe loader:
2 models

B-series
compact
excavators:
4 models



B-series
compact wheel
loaders:
2 models



Skid steer loader
(US):
5 models

Products Launched since last Capital Market Day

> 40
new models



E-series wheel loaders: **9 models**



D-series Articulated Haulers: **1 model**

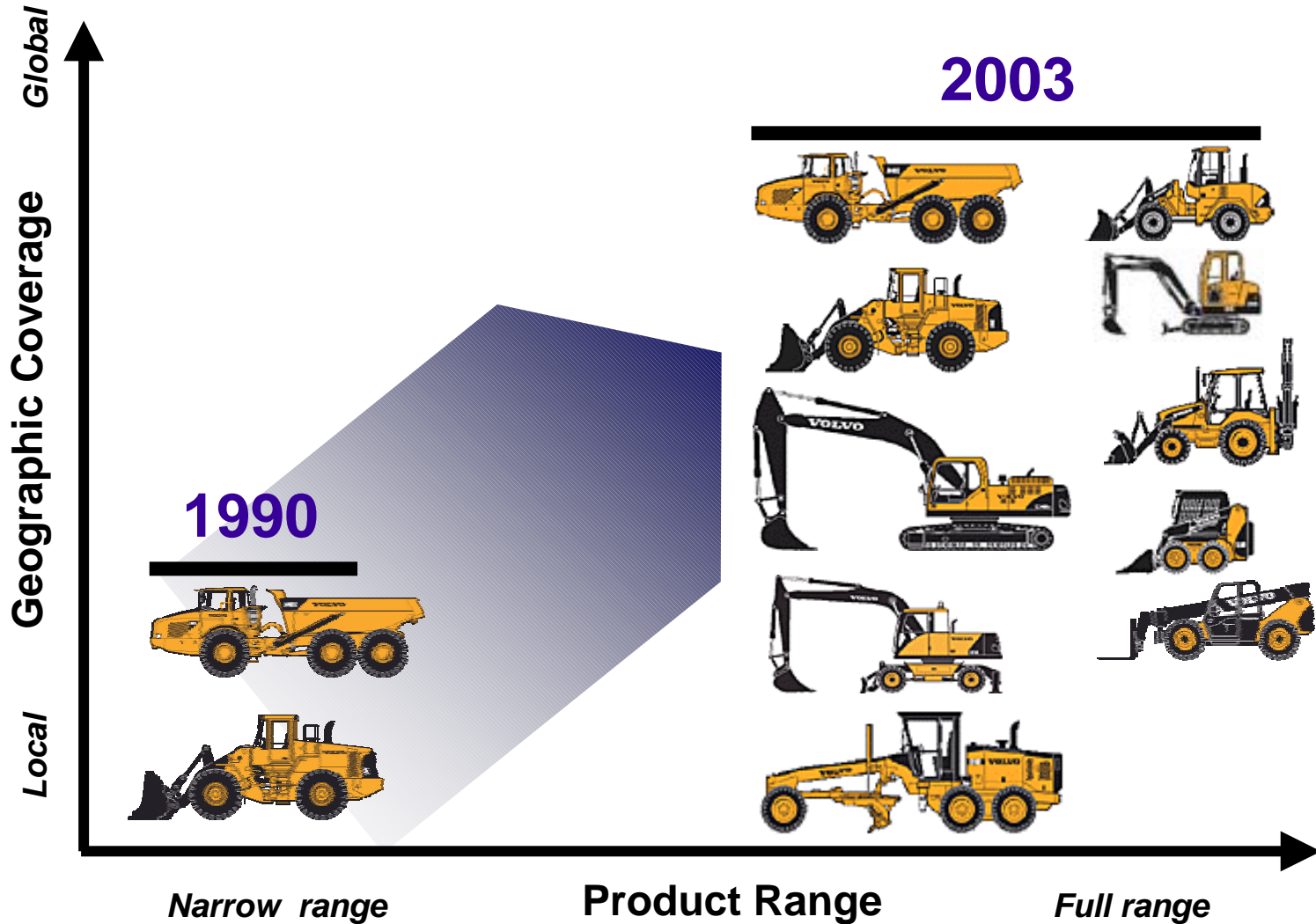


B-series excavators: **11 models**



B-series motor graders: **7 models**

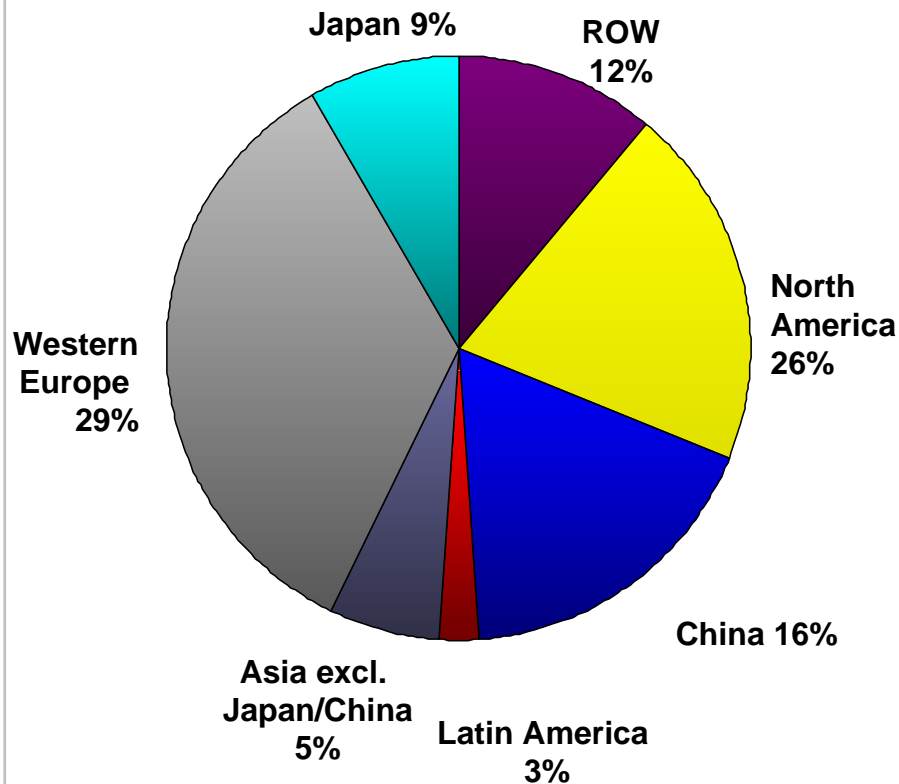
Company Evolution



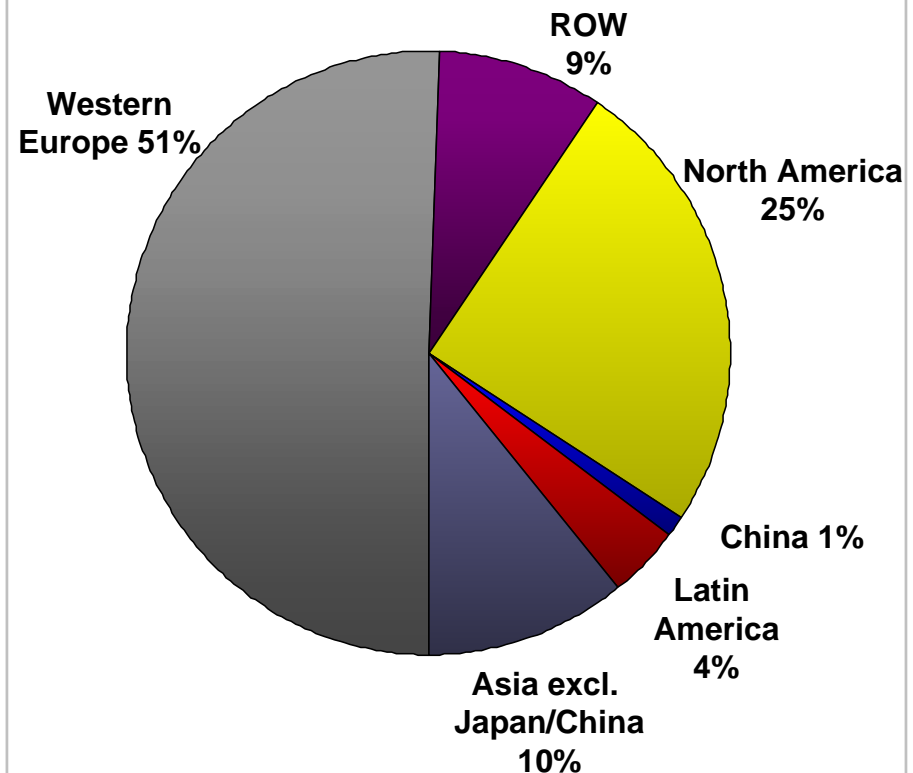
Volvo CE vs. Industry

Geographical split (2002E)

Industry



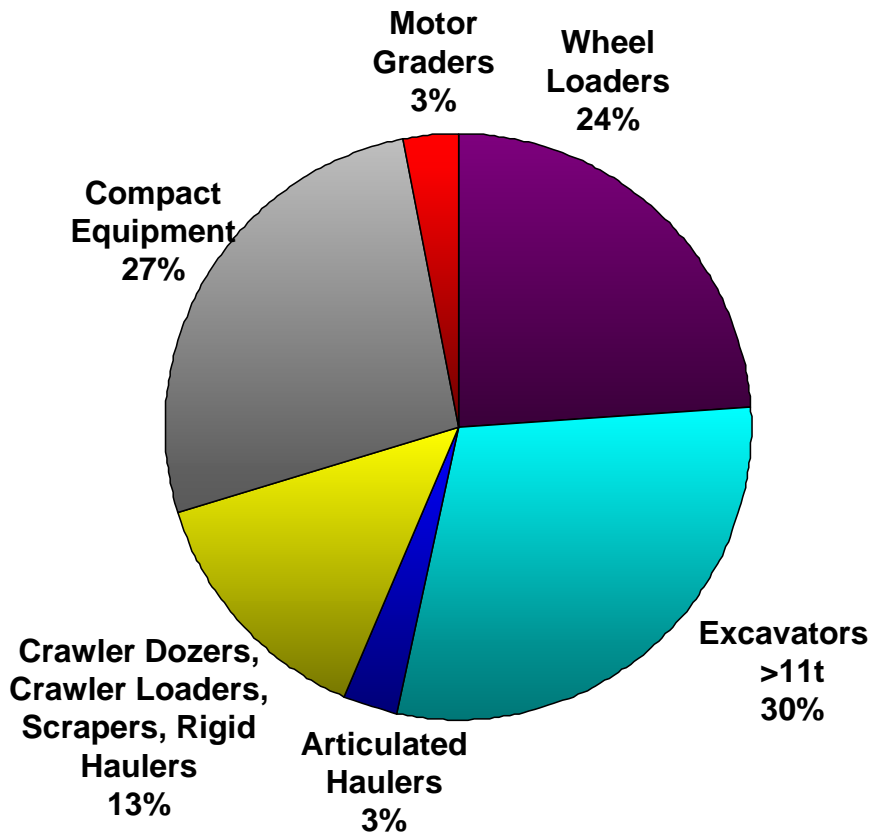
Volvo CE



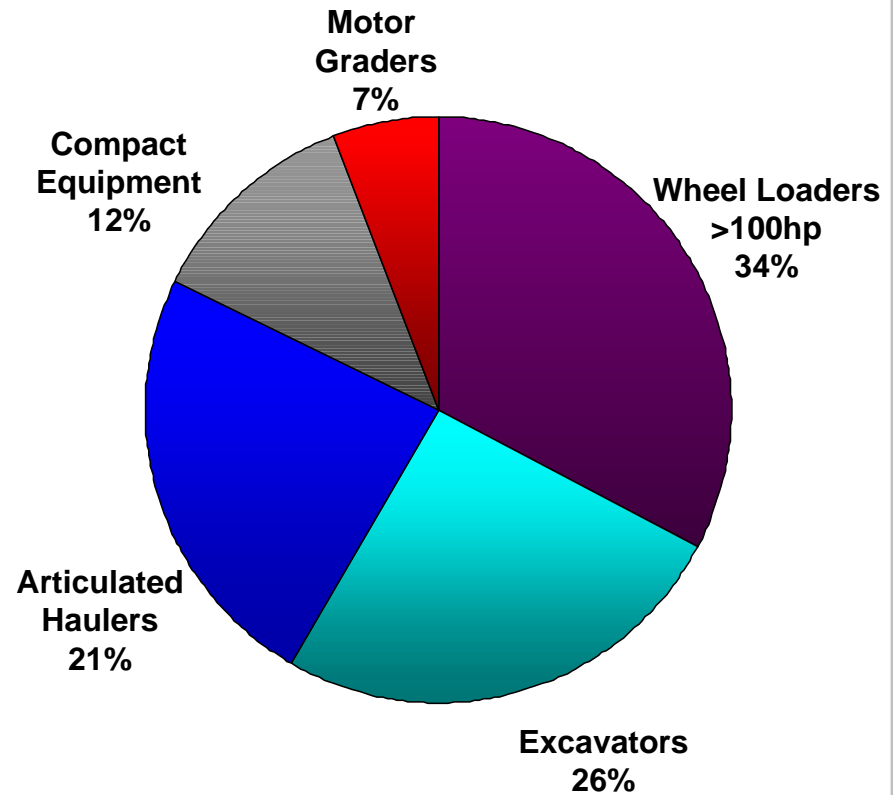
Volvo CE vs. Industry

Product split (2002E)

Industry

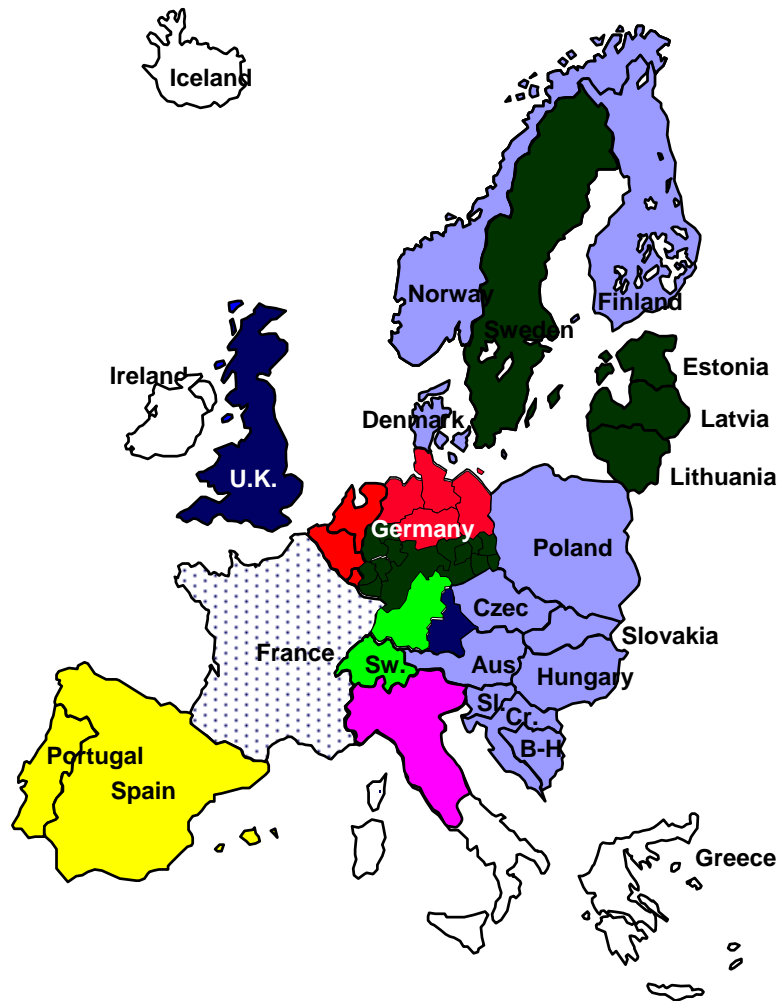


Volvo CE



Sales Channel Development

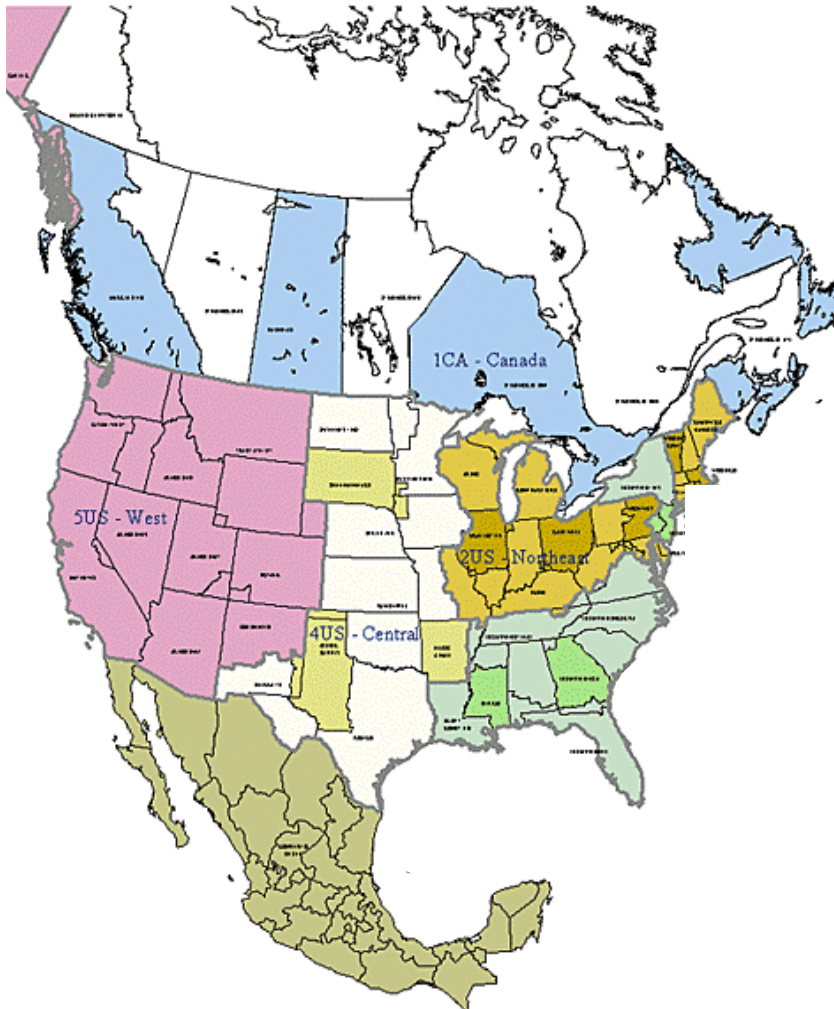
Europe



- Dealer optimization completed
- Stable and good performance
- Strong market shares
- Rental

Sales Channel Development

North America



- LB Smith
- Dealer development
- Rental
- Capitalize on new products and and gain market shares

Sales Channel Development

Asia

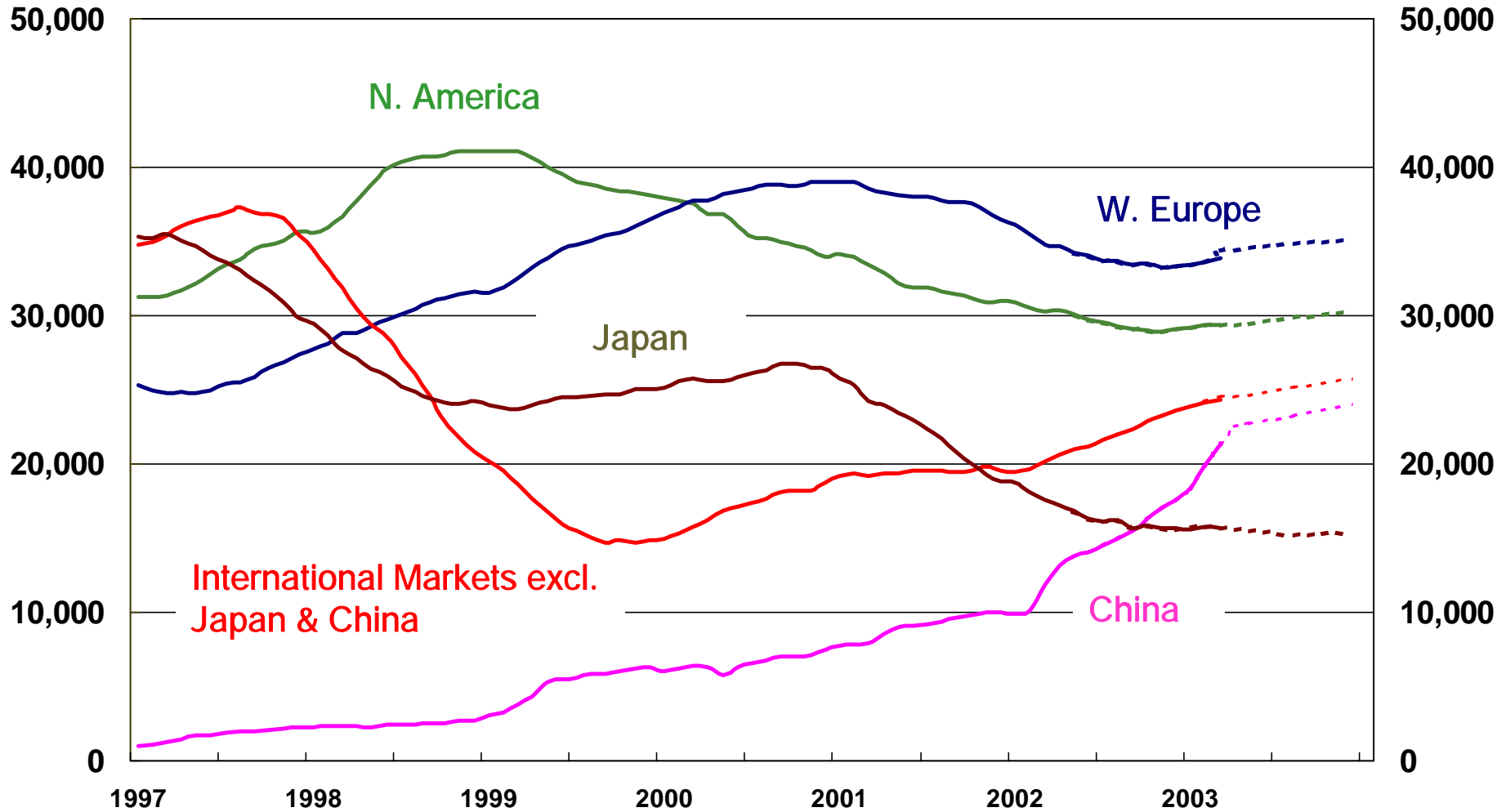


- **Korea**
 - 3 regions
 - 20 sales offices
- **China**
 - 12 dealers
 - New plant



Construction Equipment Market

General Purpose & Production Equipment

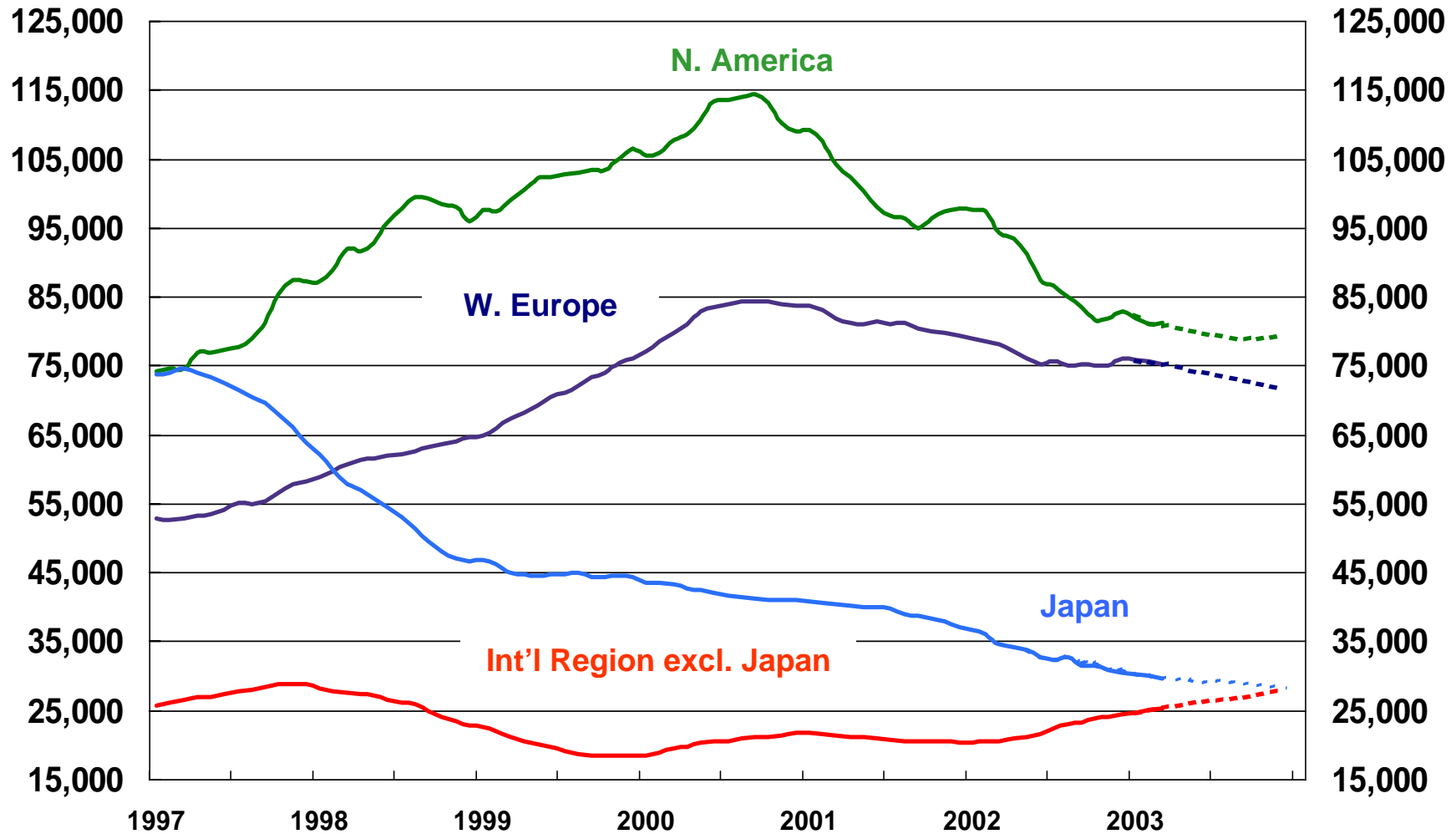


Source: OFF Highway Research and Company Estimate

12 month moving rates

Construction Equipment Market

Compact Equipment*



Incl. Compact Excavators, Compact Wheel Loaders, Backhoe Loaders & Skid steer loaders

Source: OFF Highway Research and Company Estimate

12 month moving rates

Summary

- Volvo CE has an excellent position to meet future emission requirements on engines combined with very competitive fuel consumption
- Many new products launched despite tough market conditions
- Dealer development
- Volvo CE continues to grow through new initiatives: e.g. China activities and recently launched products

VOLVO