New York

November 8, 2006

Leif Johansson,

President and CEO

Third Quarter Highlights

Third Quarter

- Business environment
  - European market stronger than expected
  - Prebuy effect in North America
- Sales increased by 9%
- Another quarter with strong profitability
  - Adjusted operating income up 24% to SEK 4,972
  - Adjusted operating margin at 8.7%
  - Return on equity at 19.3%
- EPS up 34% to SEK 9.70
- Increased ownership in Nissan Diesel and a 70% equity investment in Lingong
- New financial targets

In Focus Going Forward

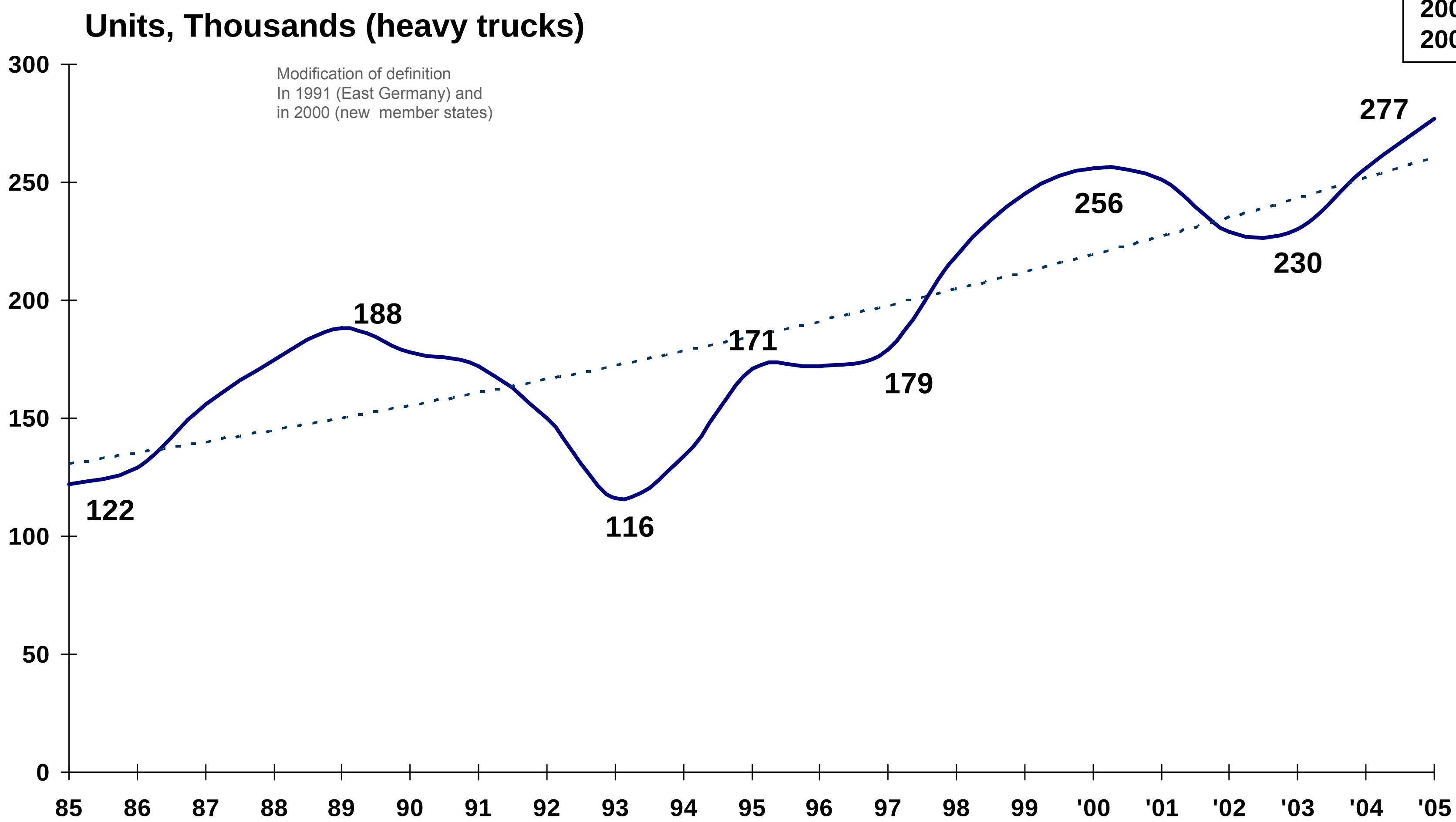
- Manage product- and production change-over
- Capitalize on new products
- Manage downturn in US truck market

Heavy Duty Truck Market

Europe

(EU members + Switzerland and Norway)

Forecast
2006: ~290,000
2007: in line with 2006

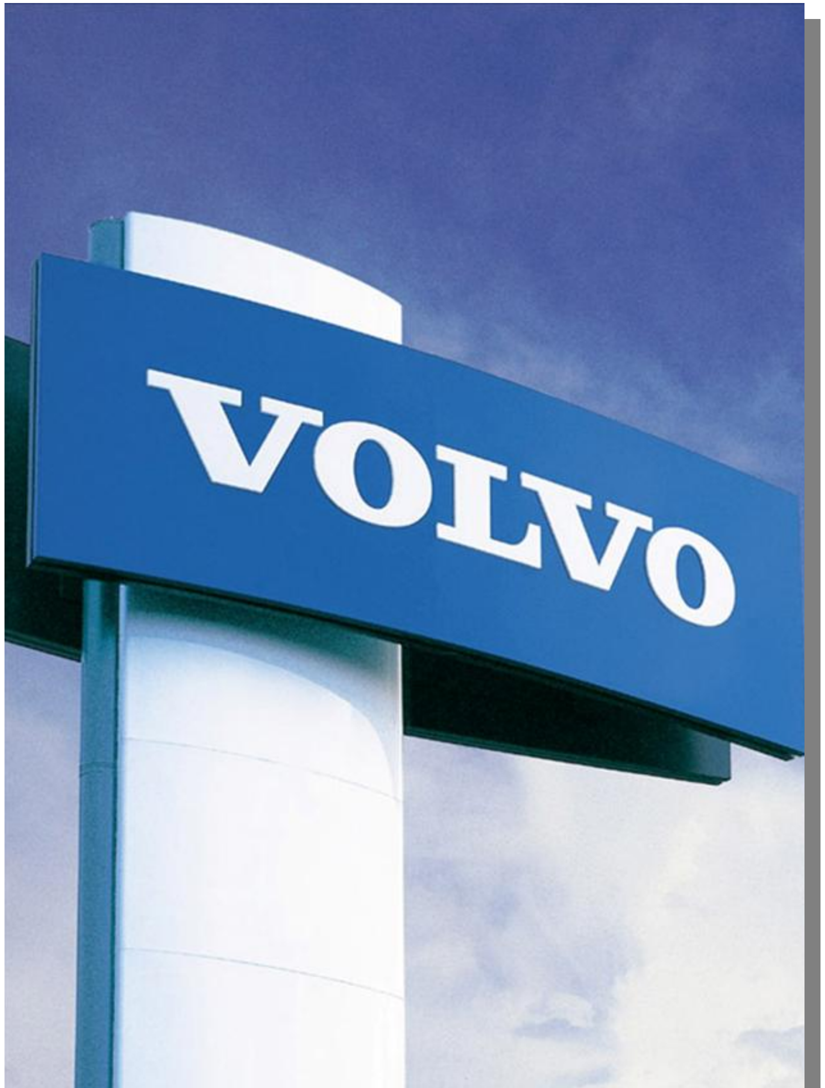


Strategic focus for the Volvo Group

2007…

→ **Building a competitive Volvo Group**

→ **Profitable growth**
- **Through acquisitions**
- **Geographic expansion**
  - Asia
  - Eastern Europe
- **Soft offers**



The Volvo Group Vision

To be valued as the world's leading provider of commercial transport solutions

Wanted position

- Number one in image and customer satisfaction
- Sustainable profitability above average
- Number one or two in size or superior growth rate

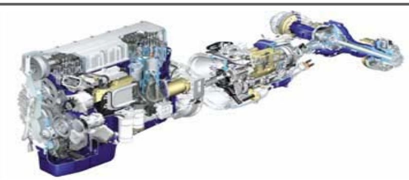
Maintaining Strong Positions

DCX
Volvo Group
Paccar
Dongfeng
Interna'l
> 16 ton

Evobus*
Volvo Buses
Scania
Irisbus
Neoman
*Mercedes, Setra & Orion
> 12 ton

Caterpillar
Komatsu
Deere
Hitachi
Volvo CE

Brunswick
Volvo Penta
Yanmar
Cummins
Caterpillar



Volvo Group
DCX
Caterpillar
Cummins
Weichai Power
9-18 lit

Volvo Aero

- World leading in development, production and aftermarket services of selected engine components.
- Engine components from Volvo Aero is included in 80% of all new larger civil aircrafts.

Volvo Group

Organized to deliver sharp customer focus and shared global strength

Business areas







	Volvo Trucks	Renault Trucks	Mack Trucks	Volvo Buses	Volvo CE	Volvo Penta	Volvo Aero	Financial Services
Employees	35,680			7,710	10,290	1,560	3,460	1,070

Business units

Volvo 3P - 2,930 employees

Volvo Powertrain - 8,130

Volvo Parts - 3,500

Volvo Logistics - 980

Volvo Information Technology - 4,390

Volvo Group

Organized to deliver sharp customer focus and shared global strength

Business areas

Volvo Trucks | Renault Trucks | Mack Trucks | Volvo Buses | Volvo CE | Volvo Penta | Volvo Aero | Financial Services

Business units

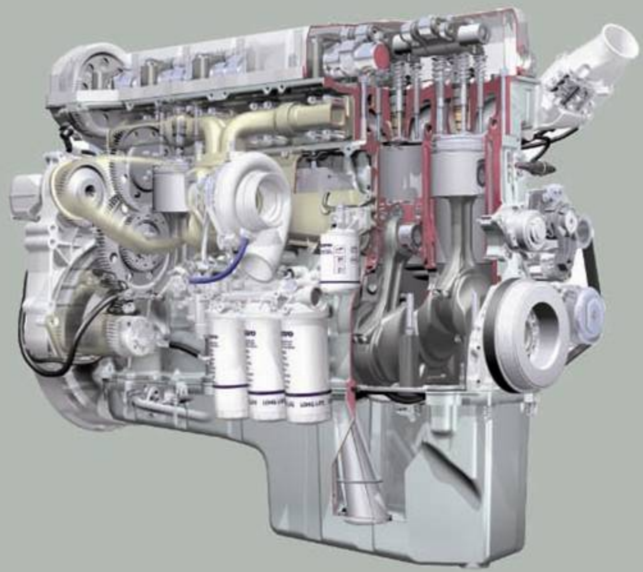
- **Volvo 3P**
- **Volvo Powertrain**
- **Volvo Parts**
- **Volvo Logistics**
- **Volvo Information Technology**

Shared architecture and common technologies for unique products

Example: Volvo Powertrain

Scale and efficiency

- Lower R&D
- Production efficiency
- High flexibility
- One supplier base
- Improved quality



Two platforms: 4 - 7L
9 - 16L

Unique products

New Volvo FH, Volvo FM and Volvo VT 880

Renault Magnum and Renault Premium Route

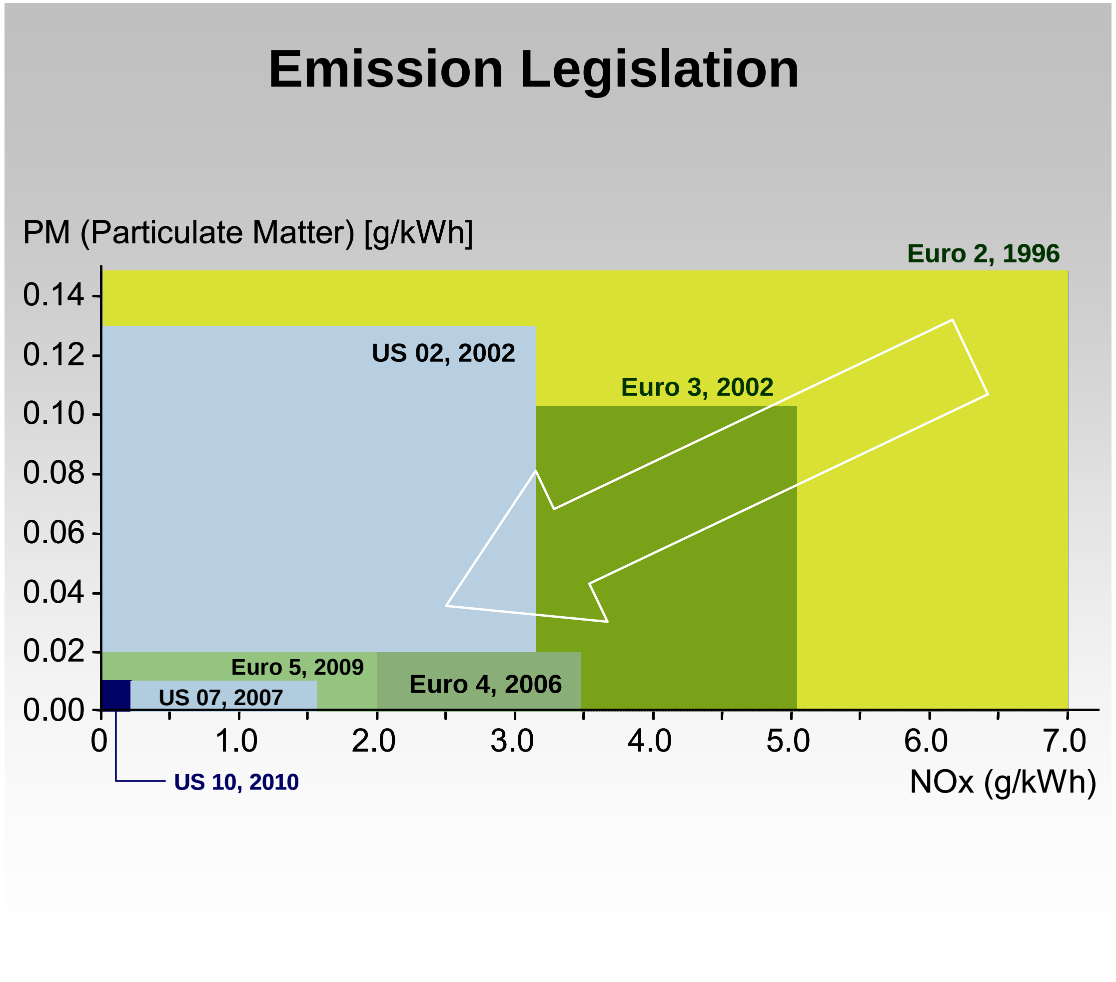
New products from Mack Trucks

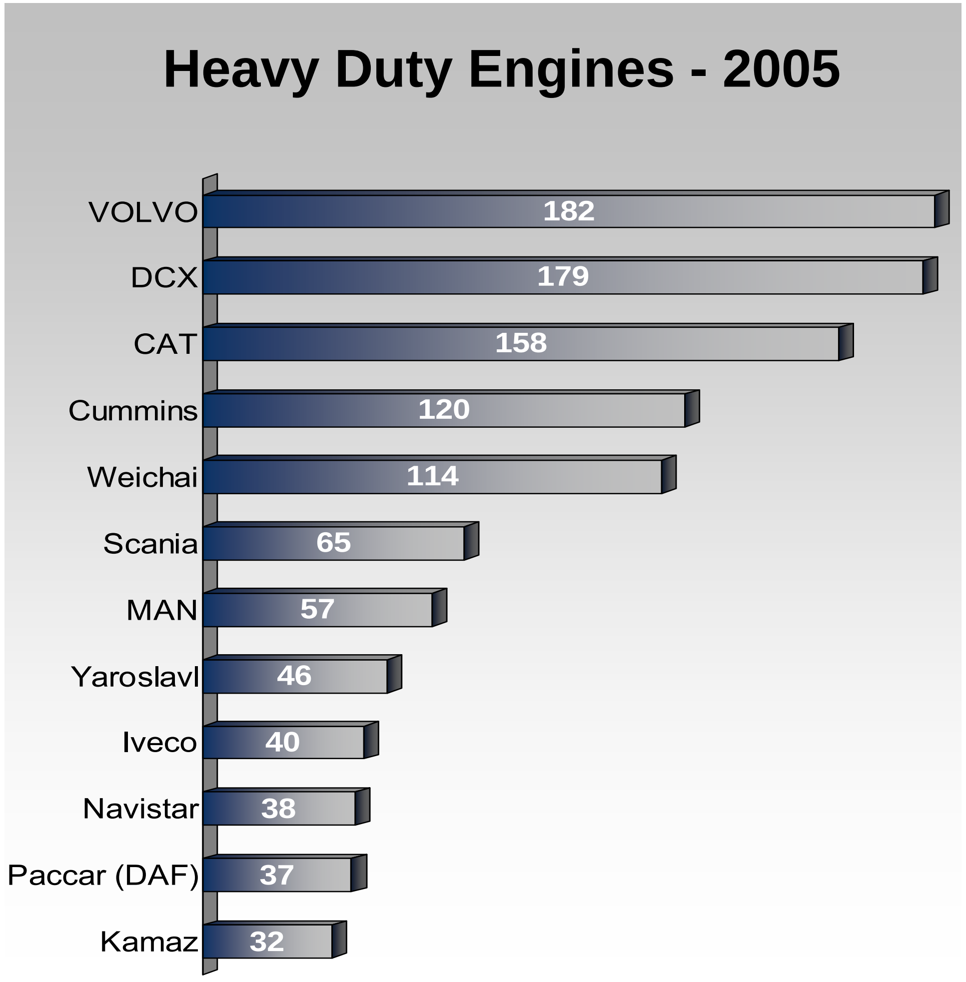
Volvo Buses introduces low-floor chassis

New excavator from Volvo Construction Equipment

Revolutionary drive system from Volvo Penta

Strategically well positioned

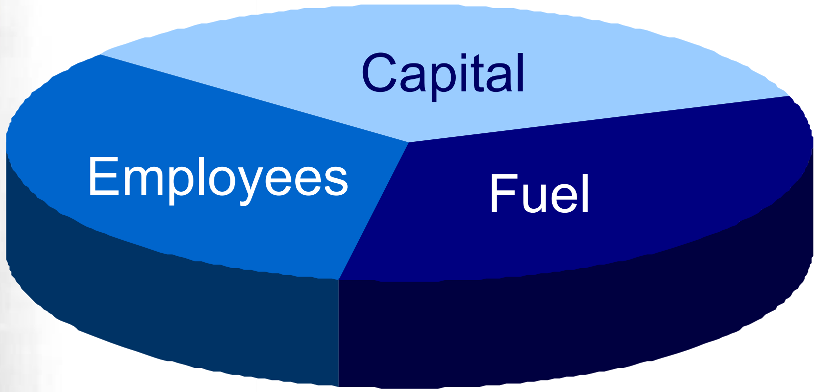




Commercial opportunity for customers

Potential fuel saving up to 35 %

Cost allocation



Direction for future growth

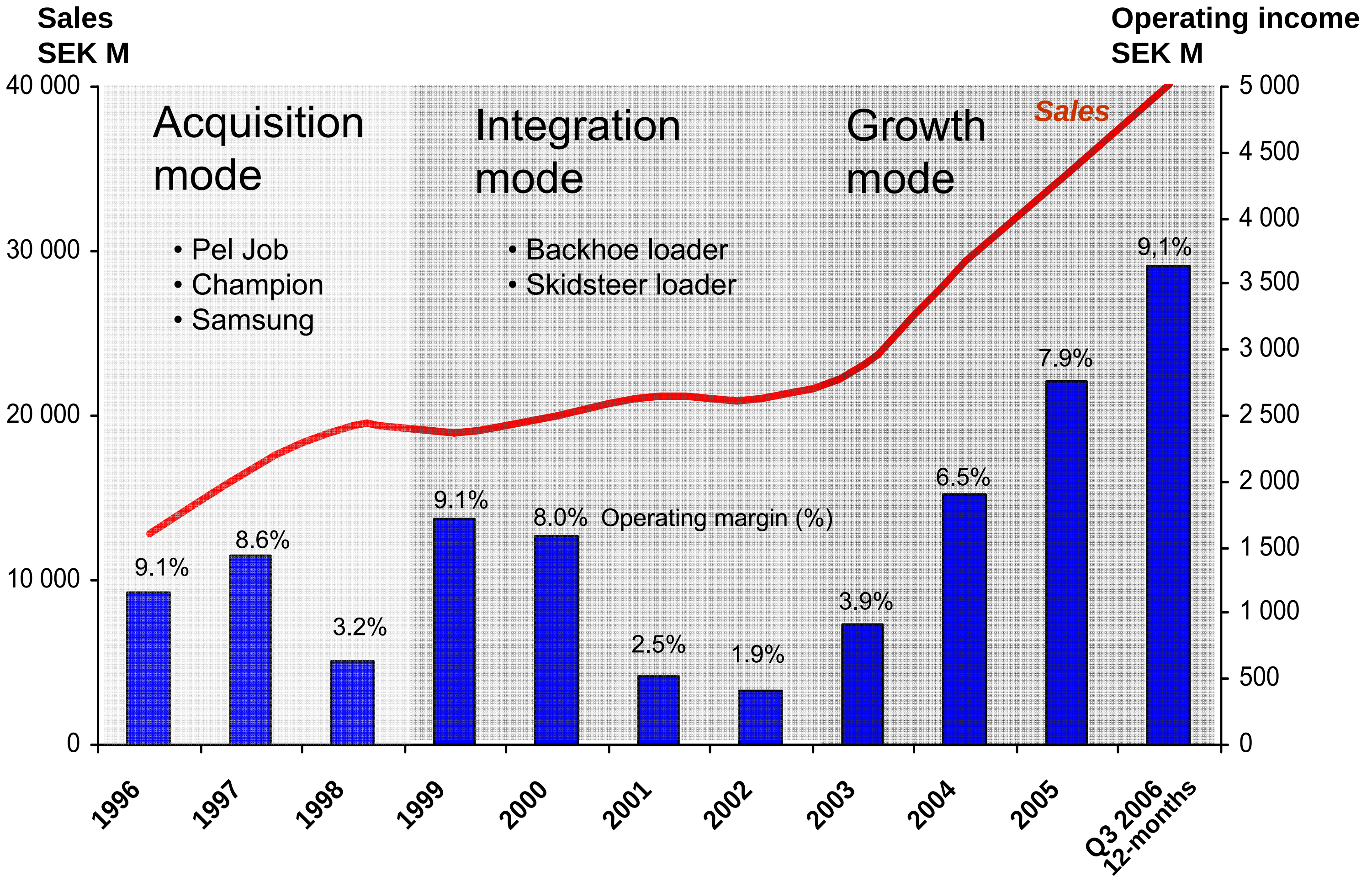
→ **Growth through acquisitions**

→ Geographic expansion in Asia and Eastern Europe

→ Soft offers

Value creation through growth

Example: Volvo CE



– Tripled Net sales
  Average growth ~13%

– Operating income tripled

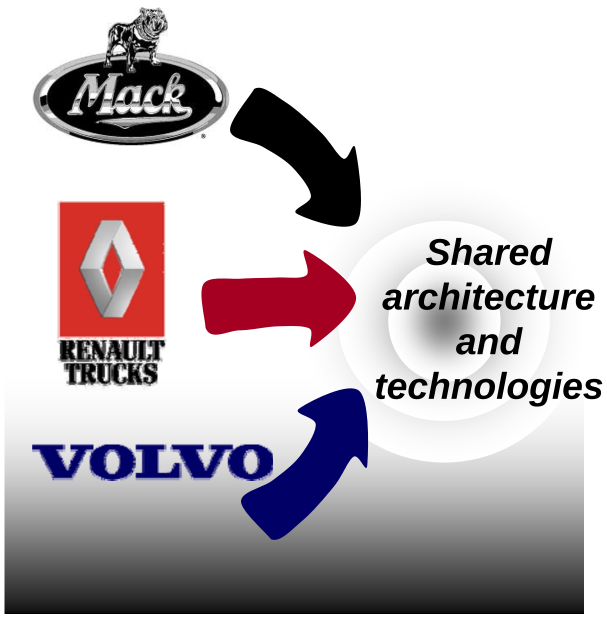
– Growing market shares

– Improved strategic position

Transition in Trucks: 2005-2006

Merger mode

"Create synergies"

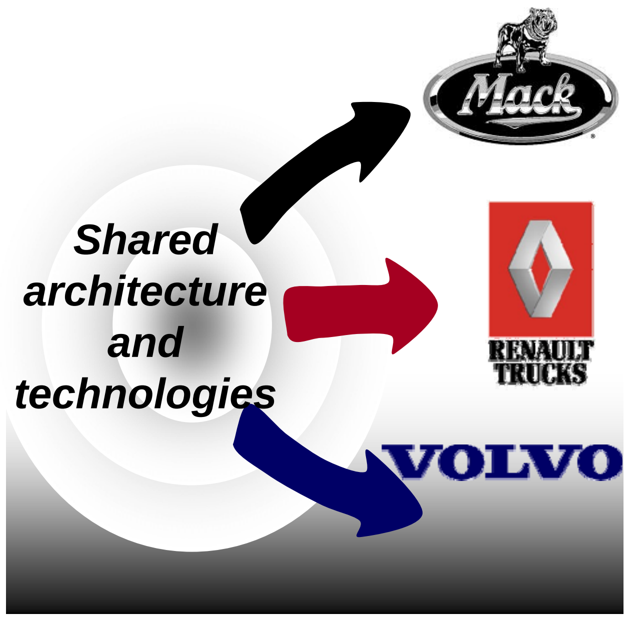


Transition period

- New truck portfolio
- New engine generation
- Industrial changeover:
  - Renault Trucks
  - Volvo Powertrain
- EU4/EU5 and US'07

Growth mode

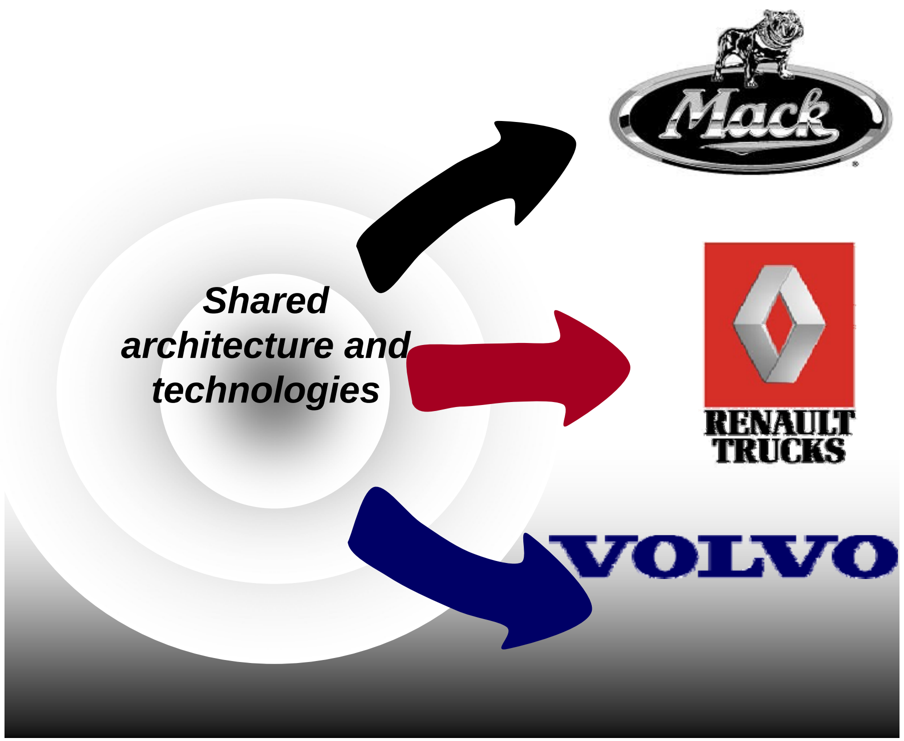
"New architecture and shared technologies. Develop unique brand versions"



Trucks entering the growth mode

Growth mode

“Brand unique products from a base of shared architecture and technologies”



→ New competitive product portfolio

→ New customer segments

→ More efficient industrial structure

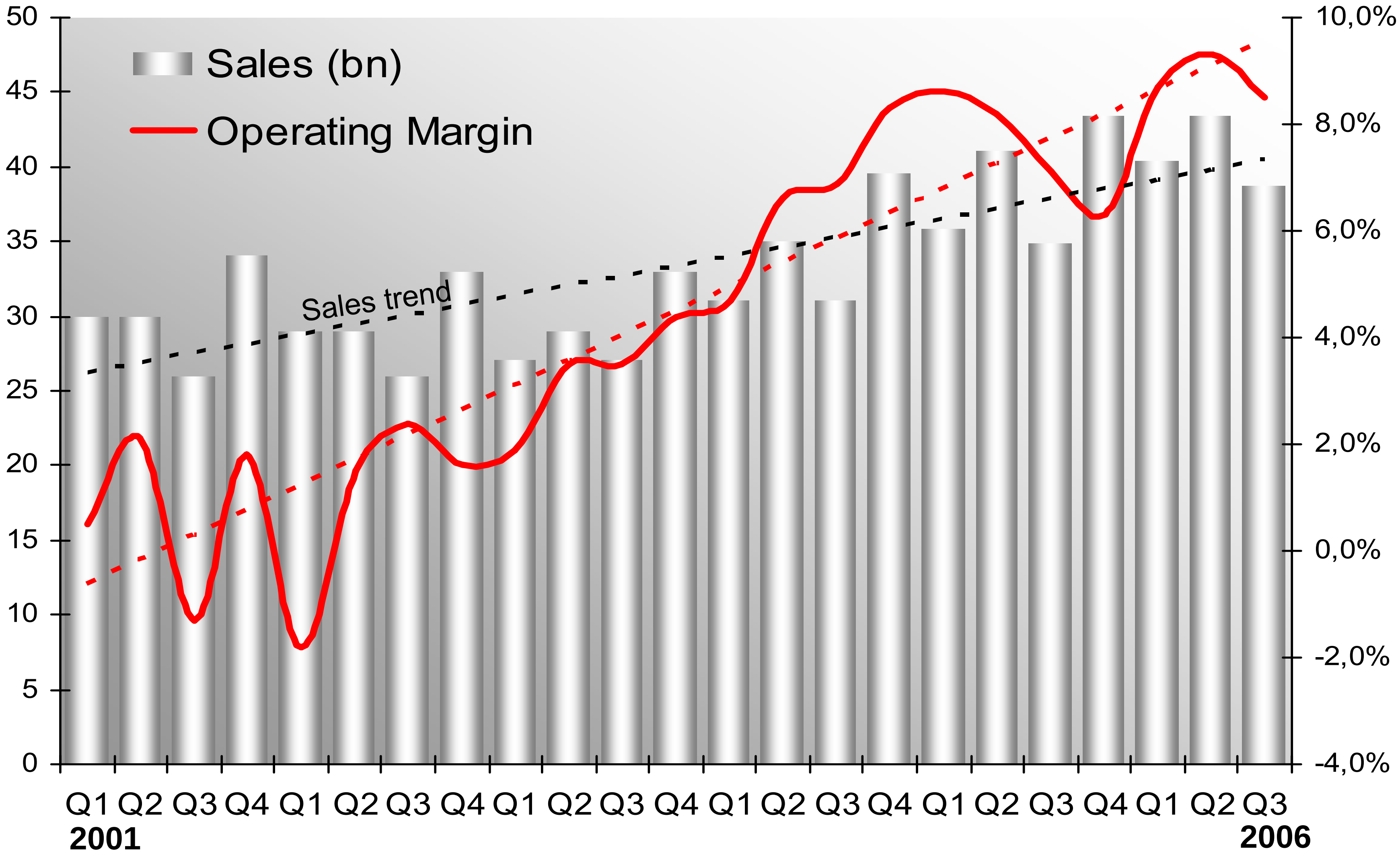
→ More cost efficient product portfolio

- R&D
- Purchasing
- Production
- Aftermarket

→ Stronger dealer network

→ Increased resources to deliver brand uniqueness

Increased Sales and Profitability in Trucks*



* Adjusted for goodwill adjustment of 1,712 in Q3 2006

Direction for future growth

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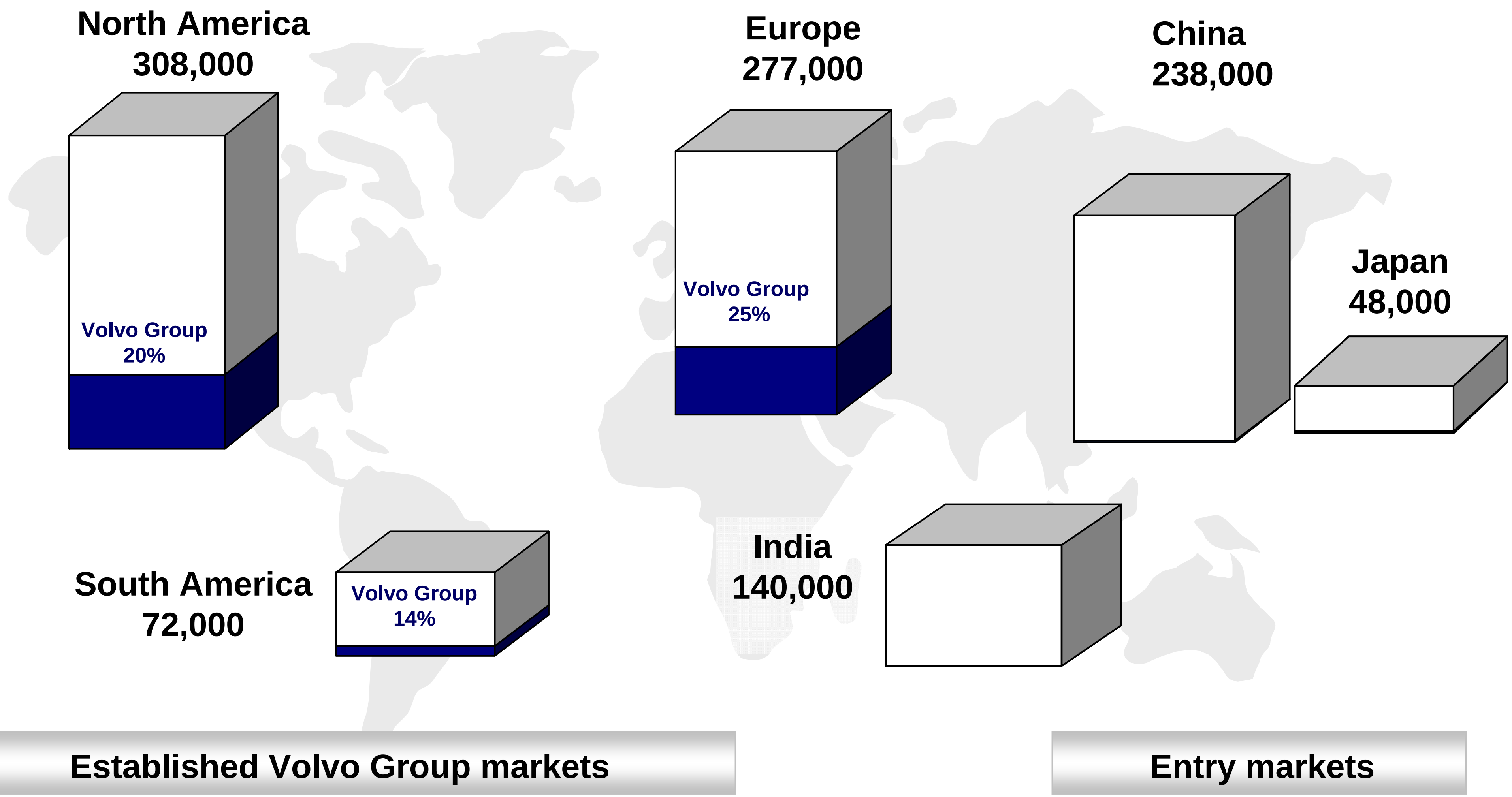
→ **Geographic expansion in Asia and Eastern Europe**

→ Soft offers

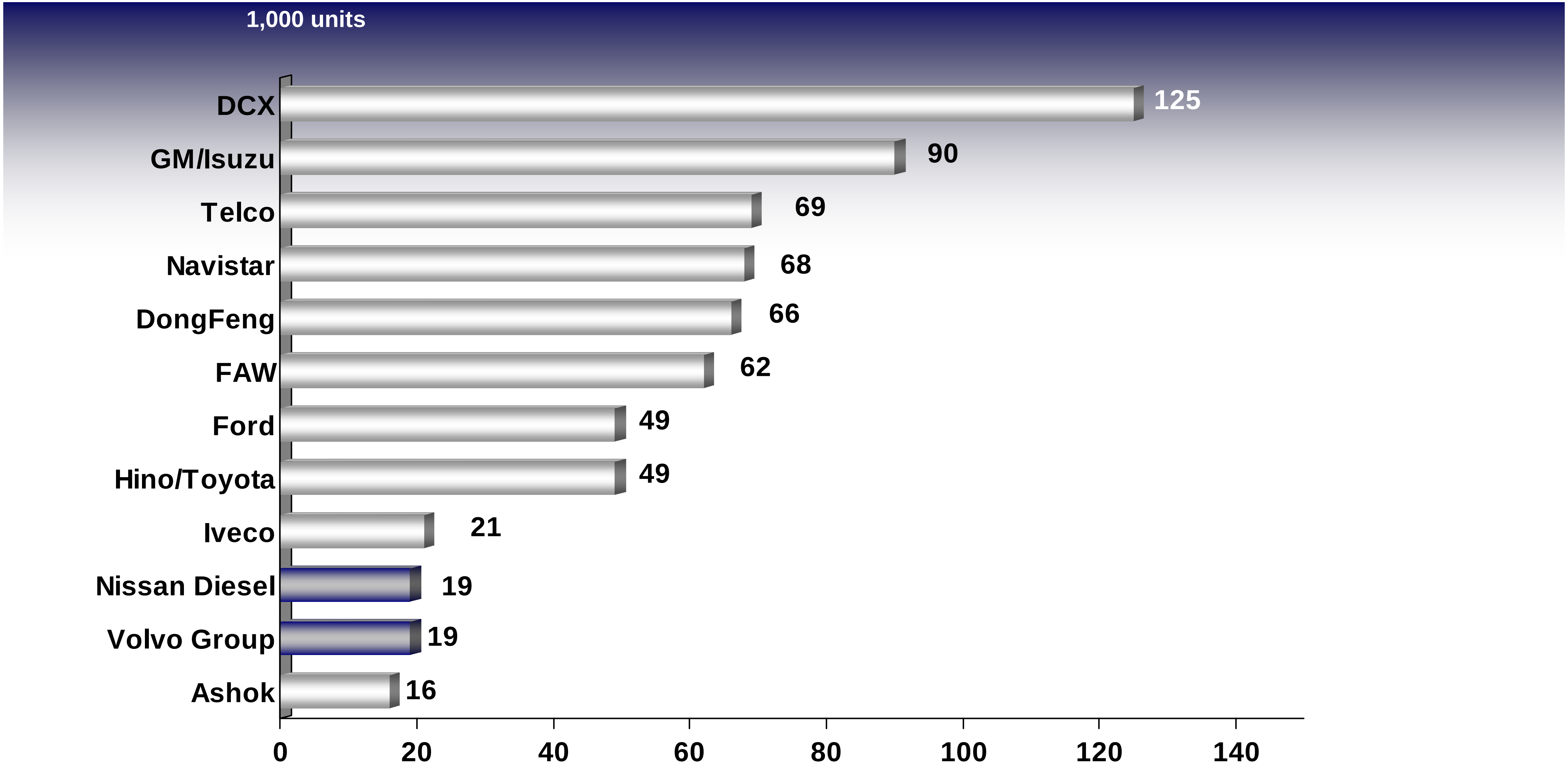
Asia is a strategic region for future growth

Example: Heavy duty trucks 2005



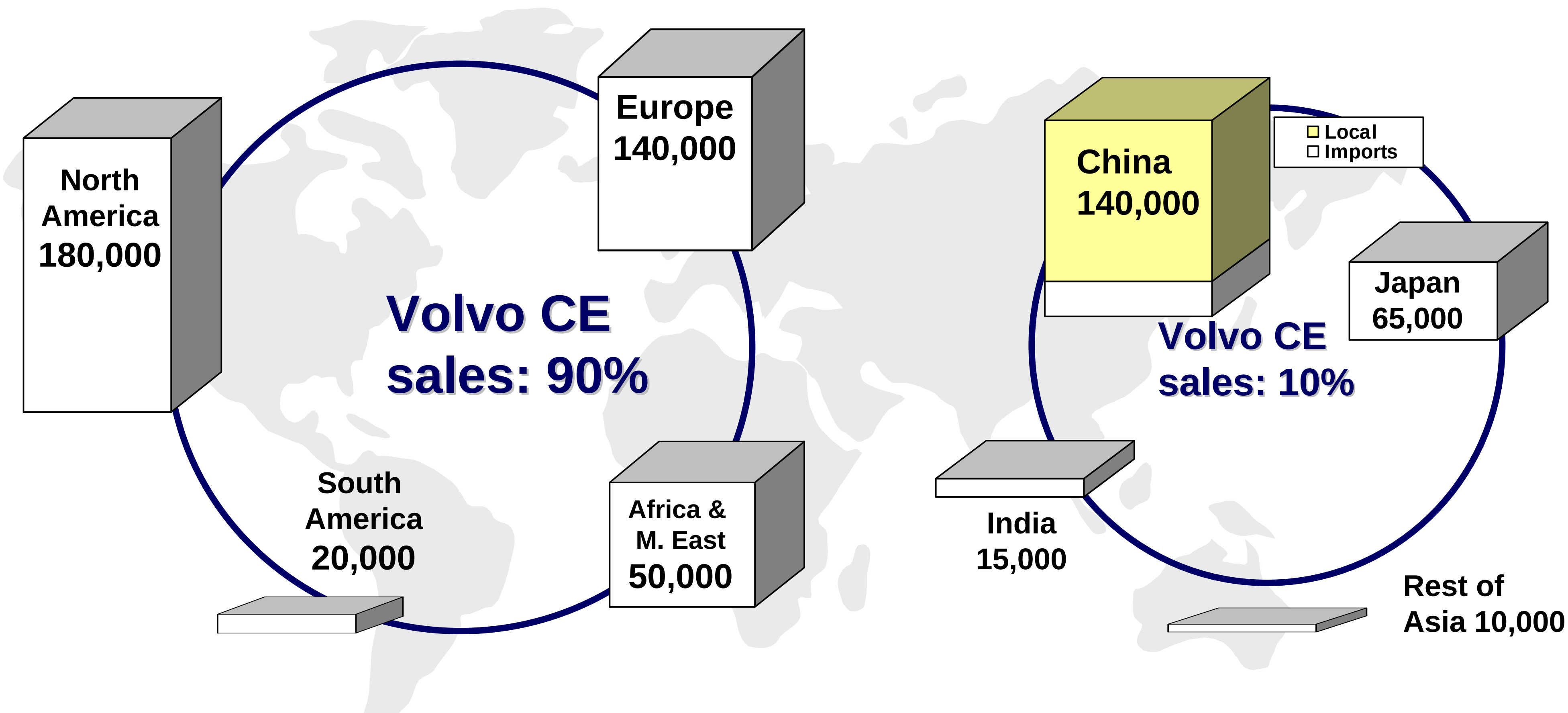
Growth potential in medium duty trucks

Global market 2005



Asia is a strategic region for future growth

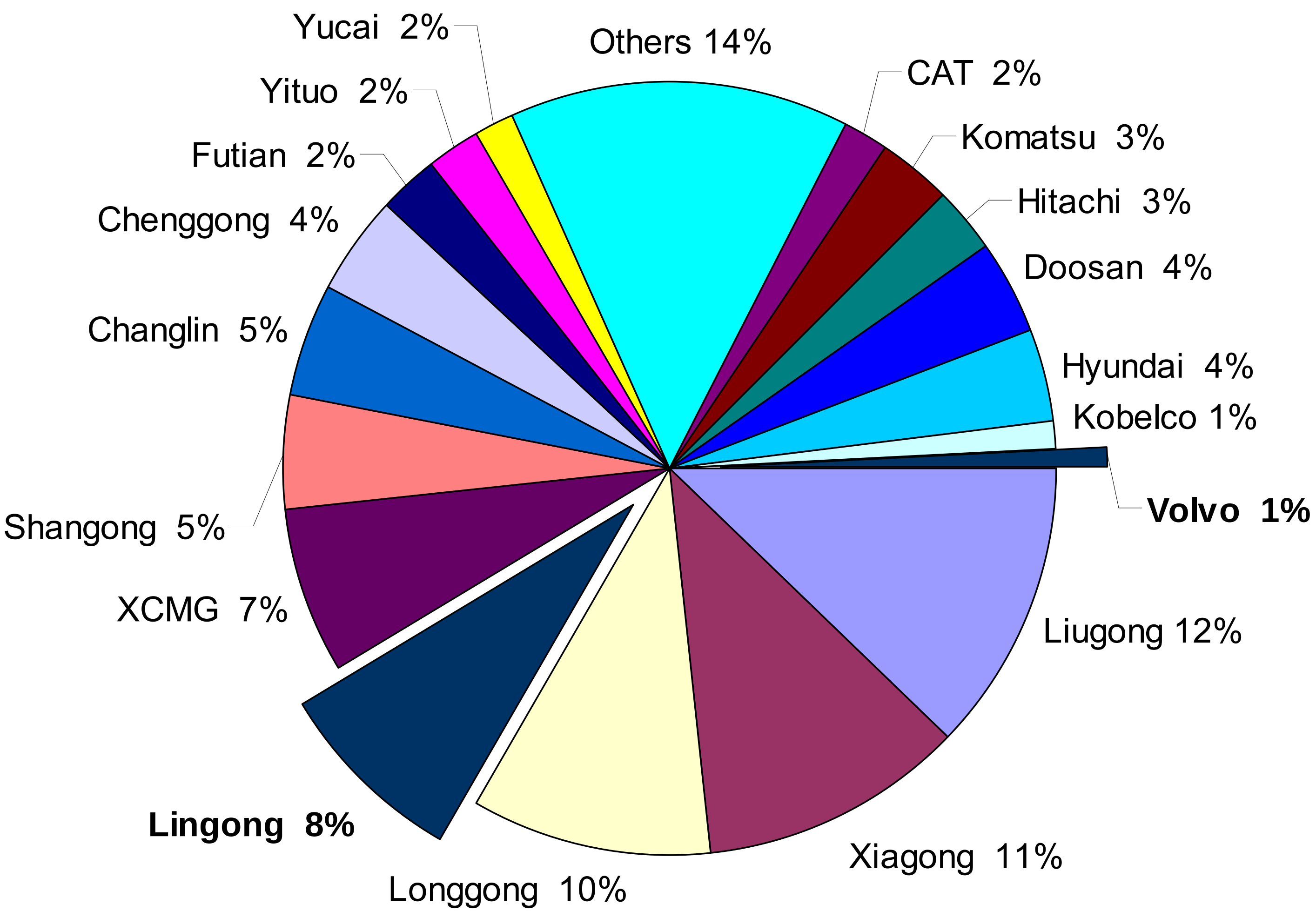
Construction equipment market (units) – Volvo CE product range



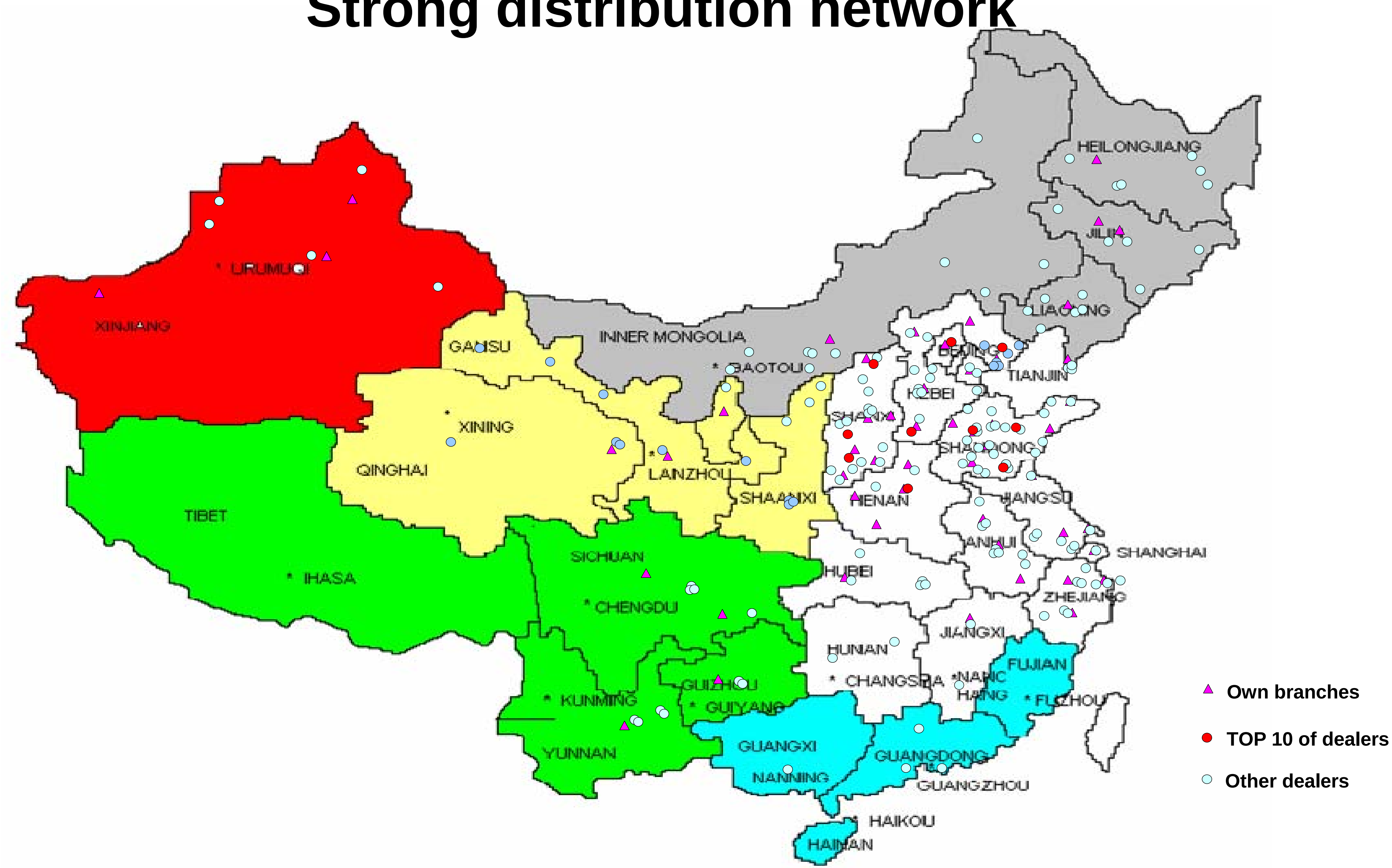
Established Markets: 60%

Asia: 40%

Market shares in China



Strong distribution network



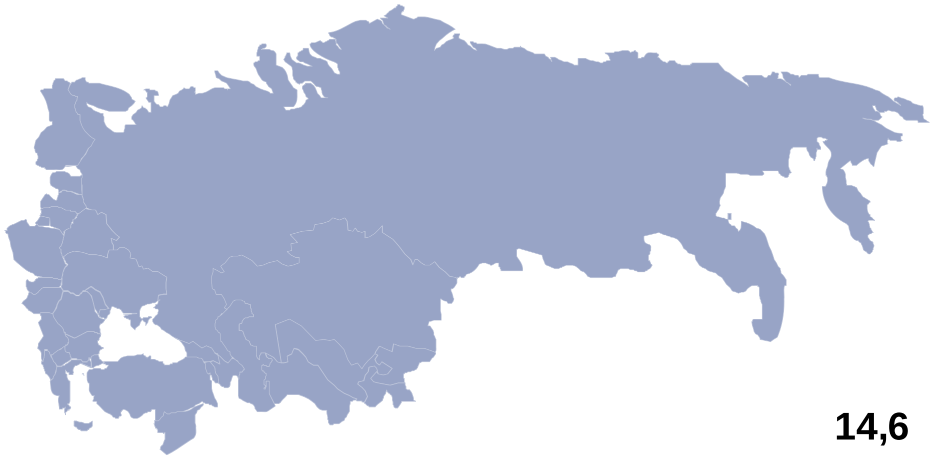
Competitive entry-level products

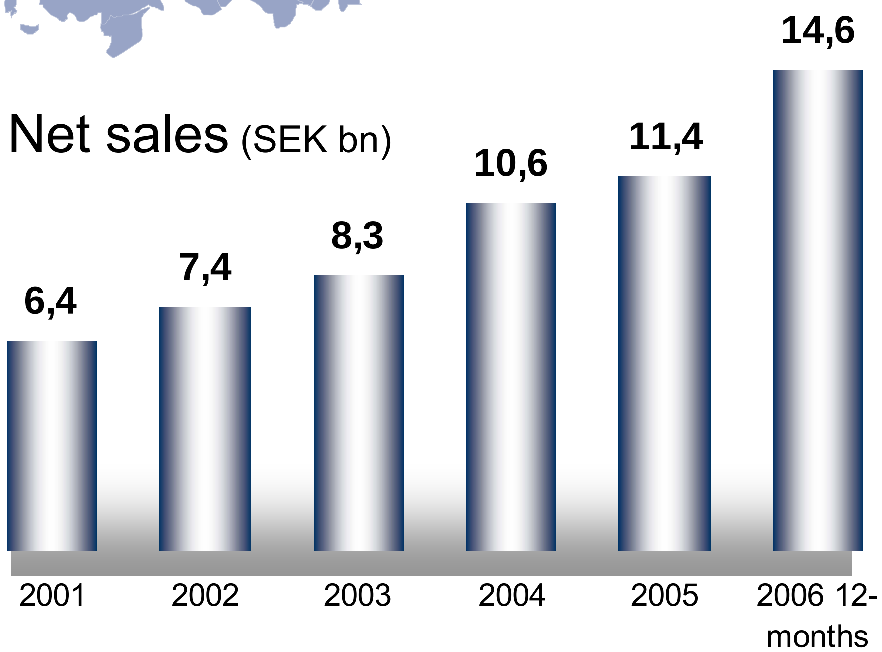
Lingong ZL50F – High Volume

Lingong LG950 – High End

Growth in Eastern Europe

- Strong economic development
- Proximity to existing European industrial set-up
- Distribution structure well developed
- Demand for premium products
- Attractive risk/reward ratio



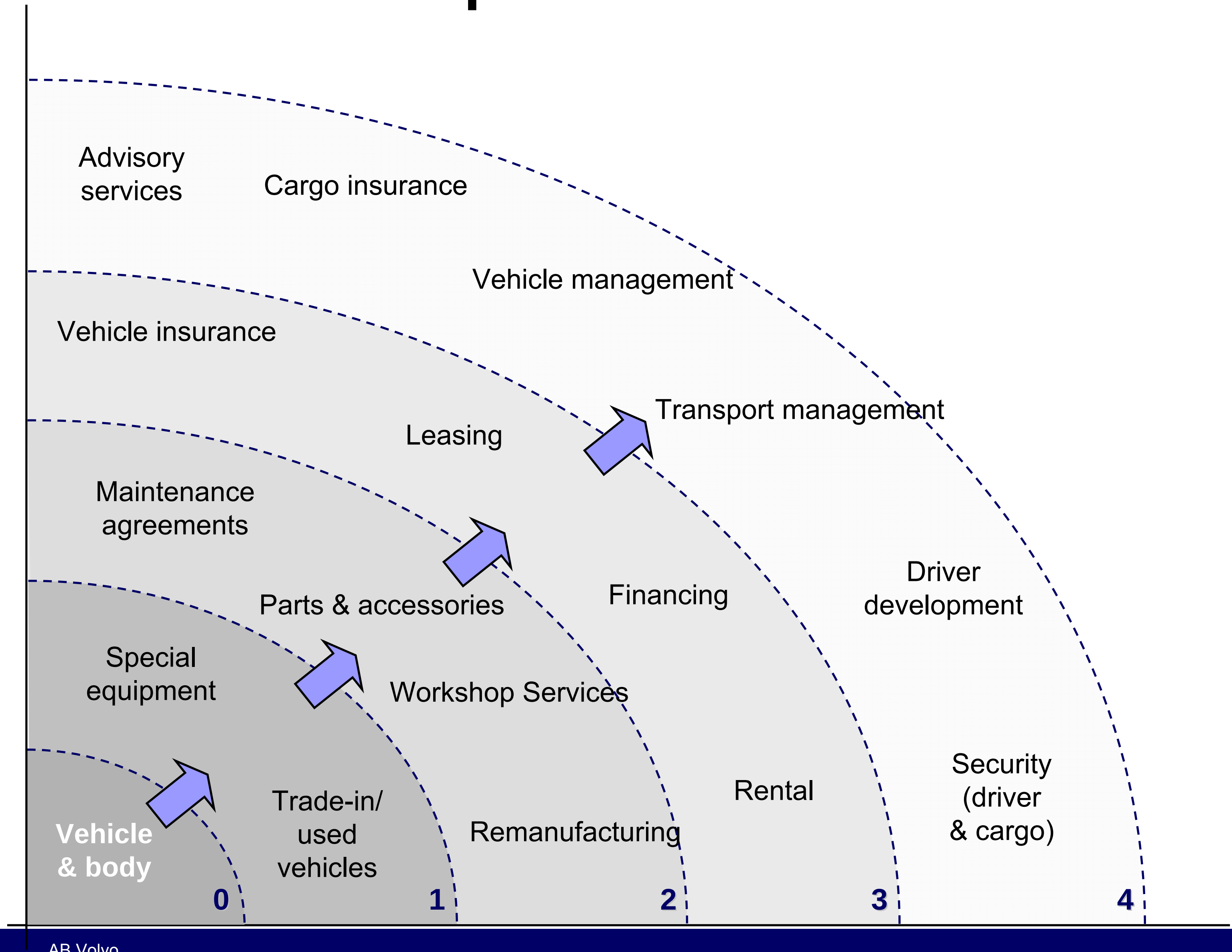


VOLVO

Direction for future growth

- → Growth through acquisitions
- → Geographic expansion in Asia and Eastern Europe
- → **Soft offers**

Growth potential in Soft Products



Present customer offer

Soft product 2005 : ~30% of Group net sales*

Related products & services


IT Services


Logistics Services


Research & Advanced Engineering

Merchandise


Real Estate Services

Supporting products & services

VOLVO APPROVED USED EQUIPMENT
Used Vehicles & Equipment

Extended Warranty

REMACK
Remanufacturing

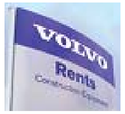

Aero Spare Parts Sales

Okelia
Extended Parts



Accessories

clovis TRUCK RENTAL
Rental



FINANCIAL SERVICES
Credit cards
Vehicle & Equipment Insurance
Customer & Dealer Financing

DYNAFLEET ONLINE
Transport & Vehicle Management

Consulting


Training

Facilitating products & services

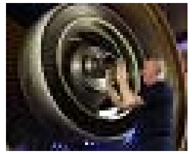

Superstructure


Attachments


Parts

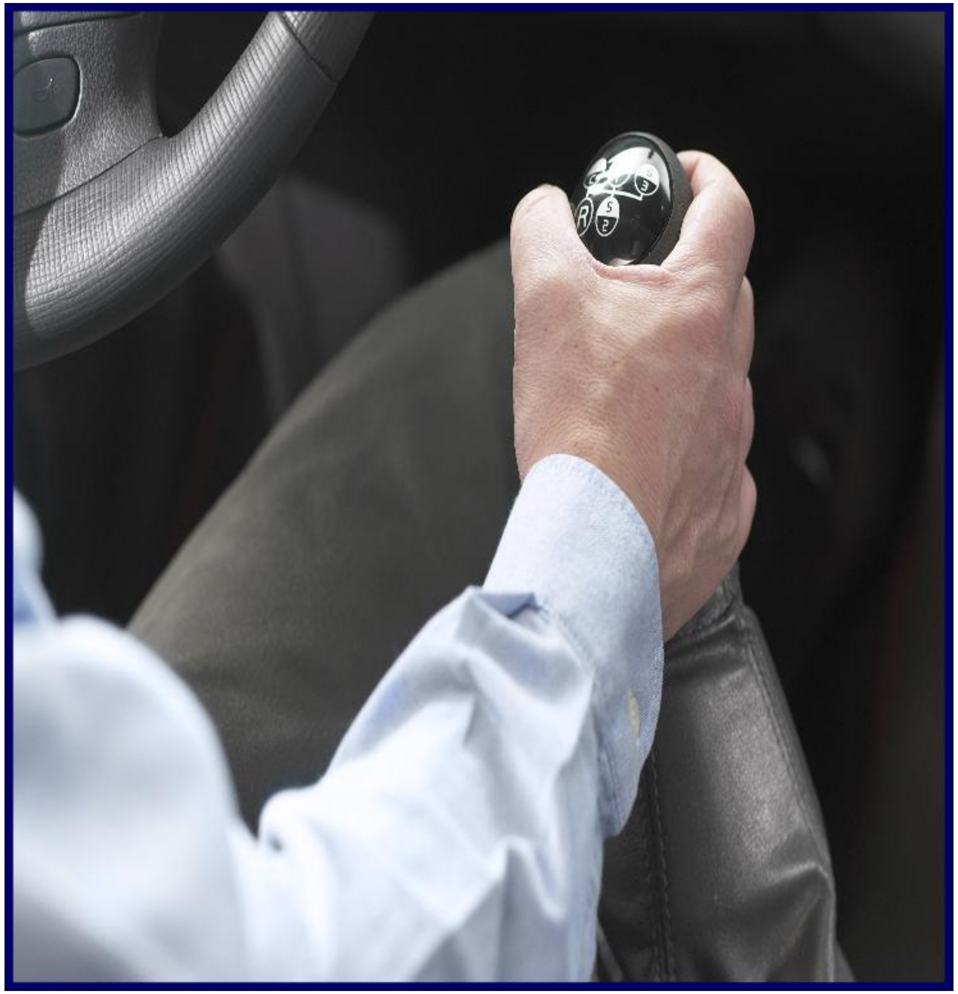
ACTION SERVICE
Customer Assistance


Repair & Maintenance


Aircraft Engine MRO

Core products

*Excluding Financial Services



Summary

- Increased focus on Group competitiveness
- Focus on organic growth and acquisitions