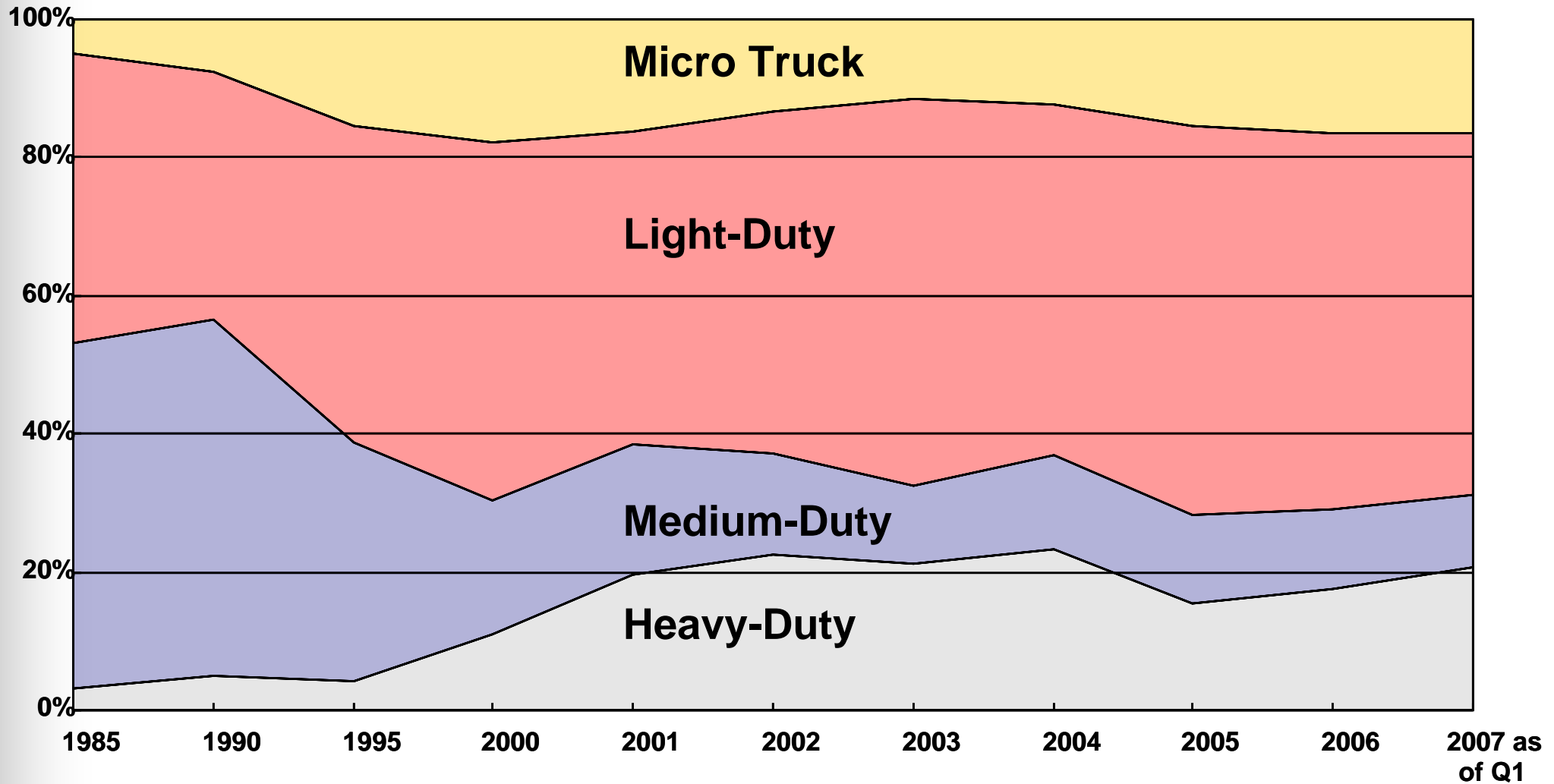




Asian Truck Market – China & India

Jorma Halonen
Executive Vice President and Deputy CEO

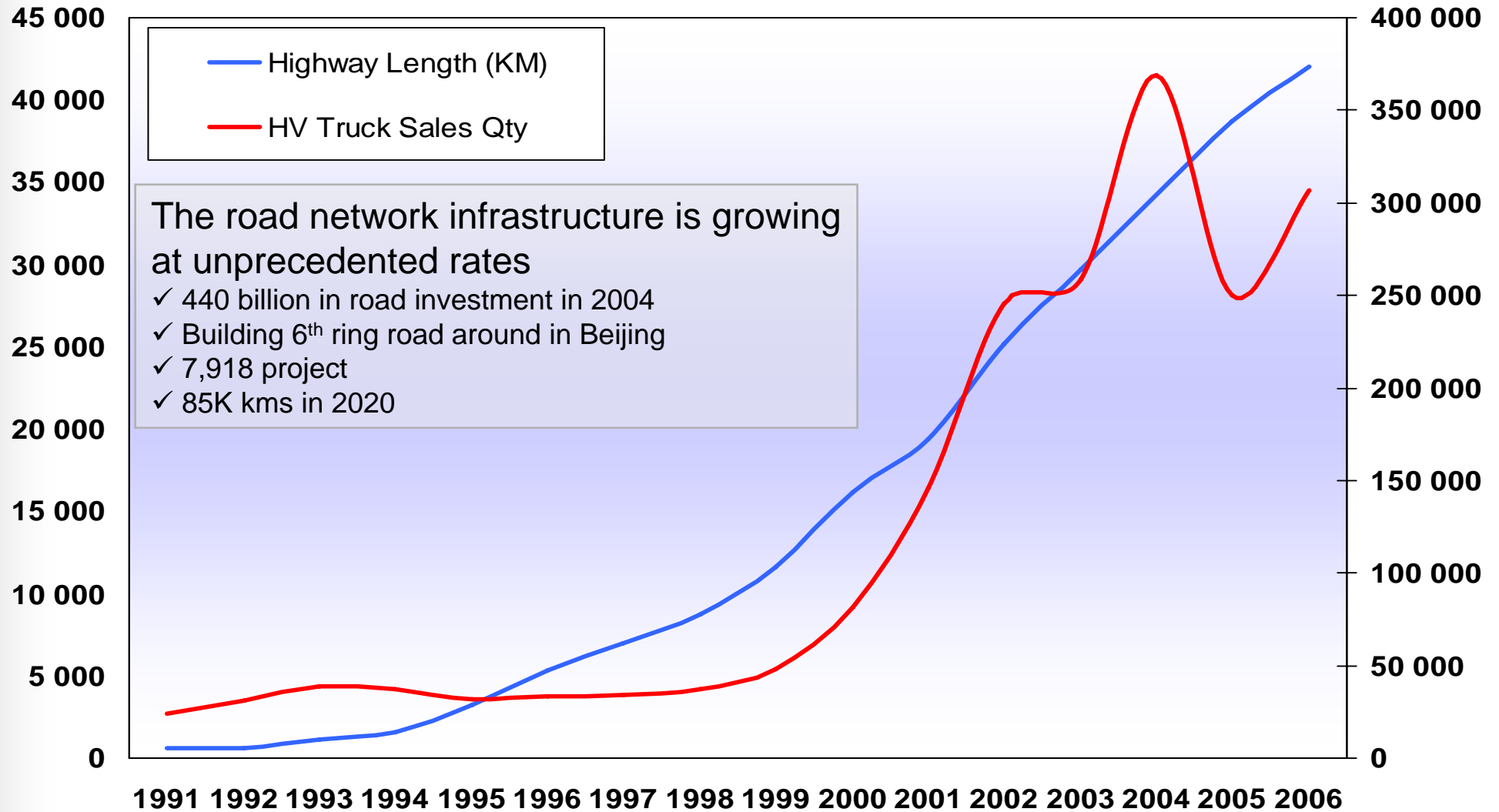
Truck Market Structure (1985-2007)



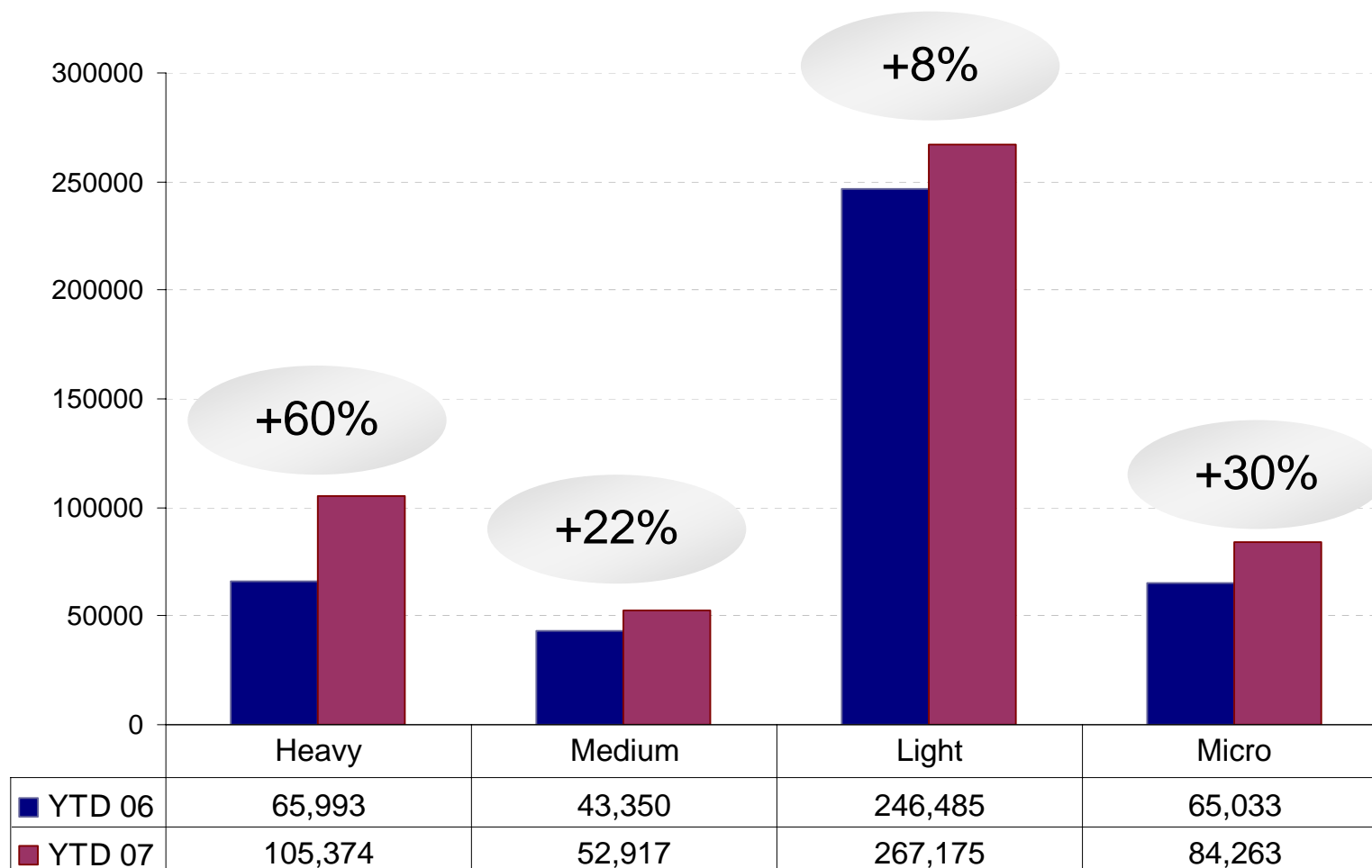
Source: China Automotive Industry Comprehensive Analysis
China Auto Information

- **Bifurcate Trend To Both Heavy and Light Truck**

China Highway and HV Truck Development (1991 – 2006)



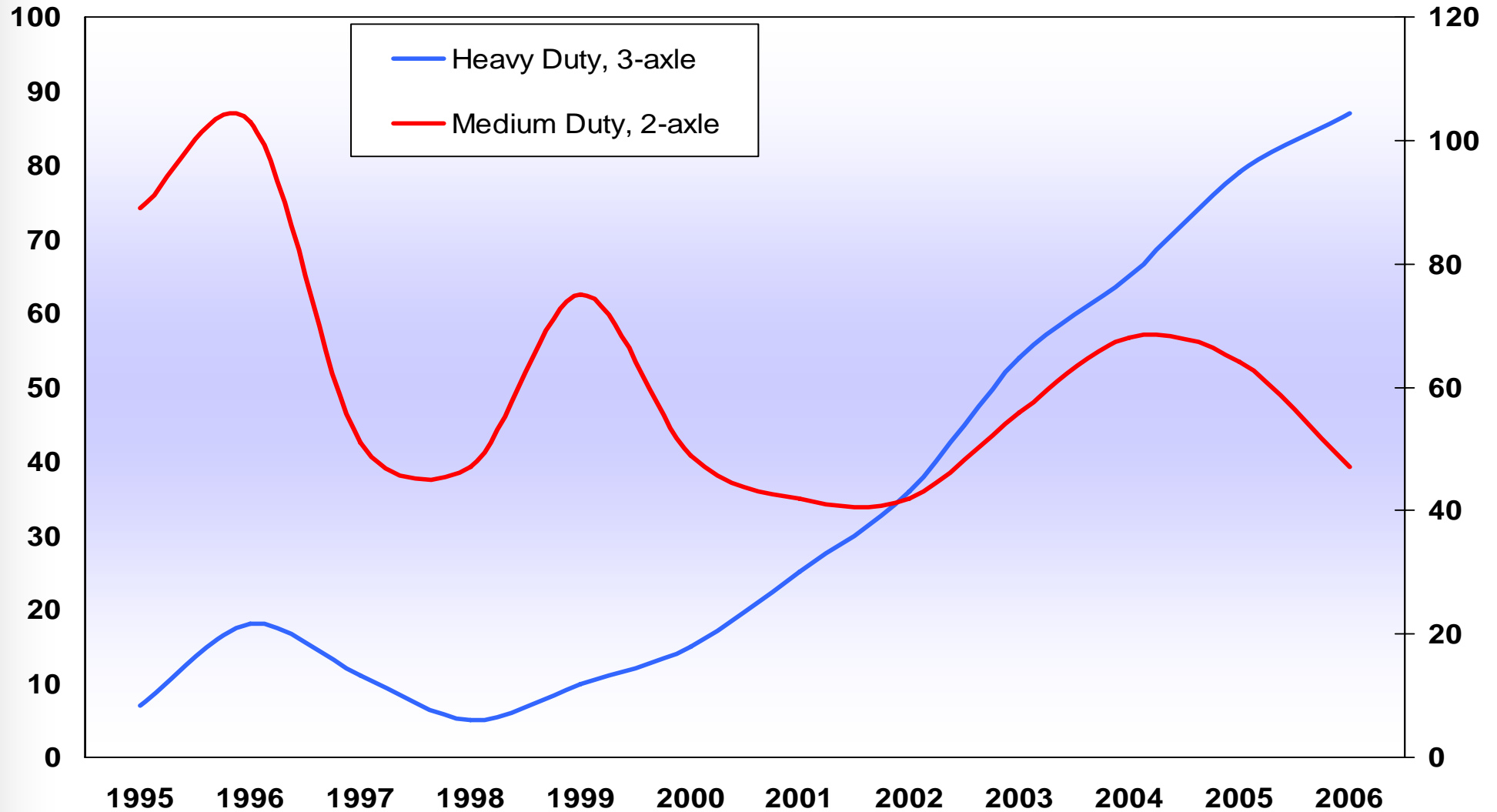
YTD Truck Sales Volume Comparison by Category (Reported By CAAM)



- **HDT market got the highest growth rate compare to other segments.**

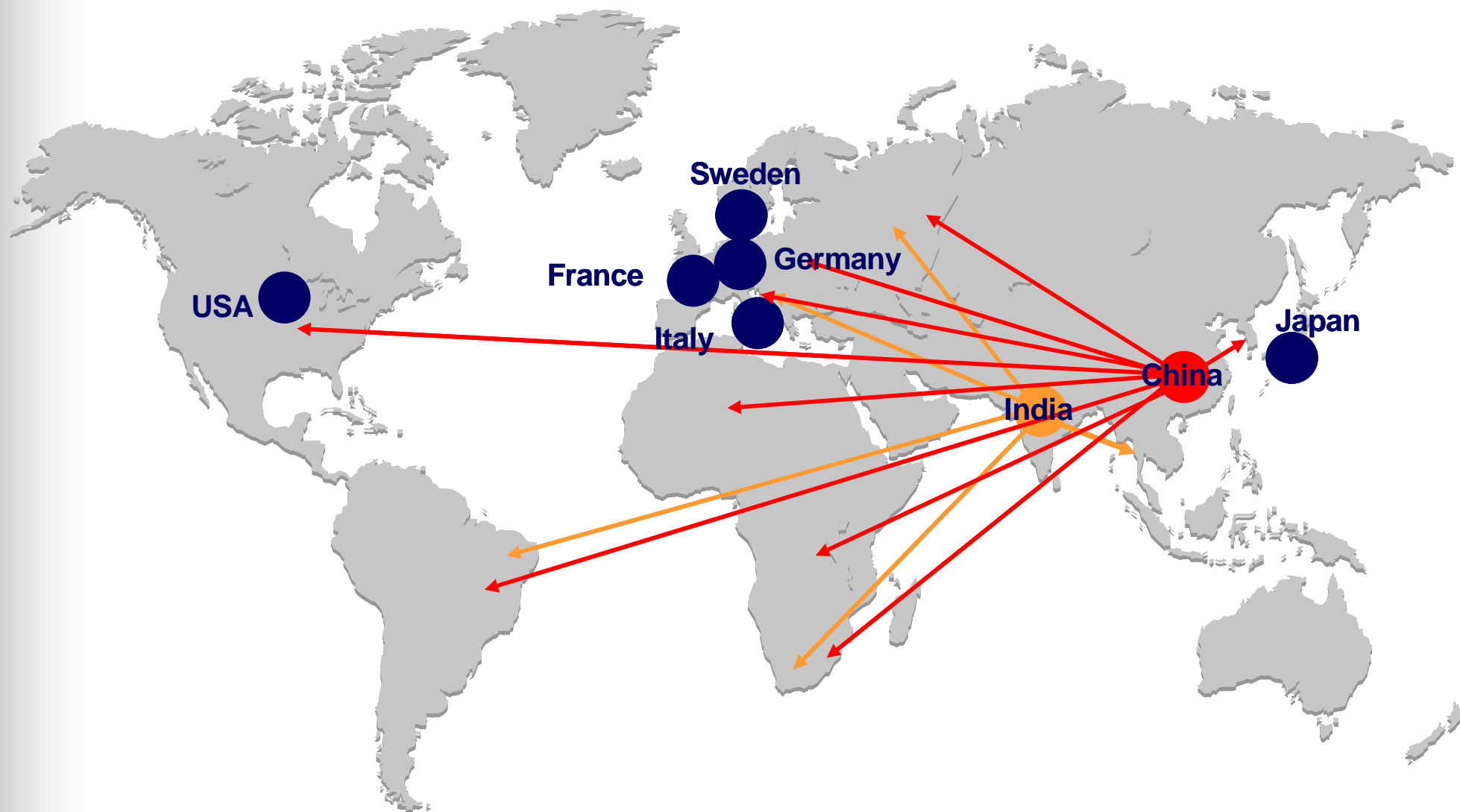
Source: Anbound Information
Accuracy Automotive

India Medium and Heavy Duty Truck Development (1995 – 2006)



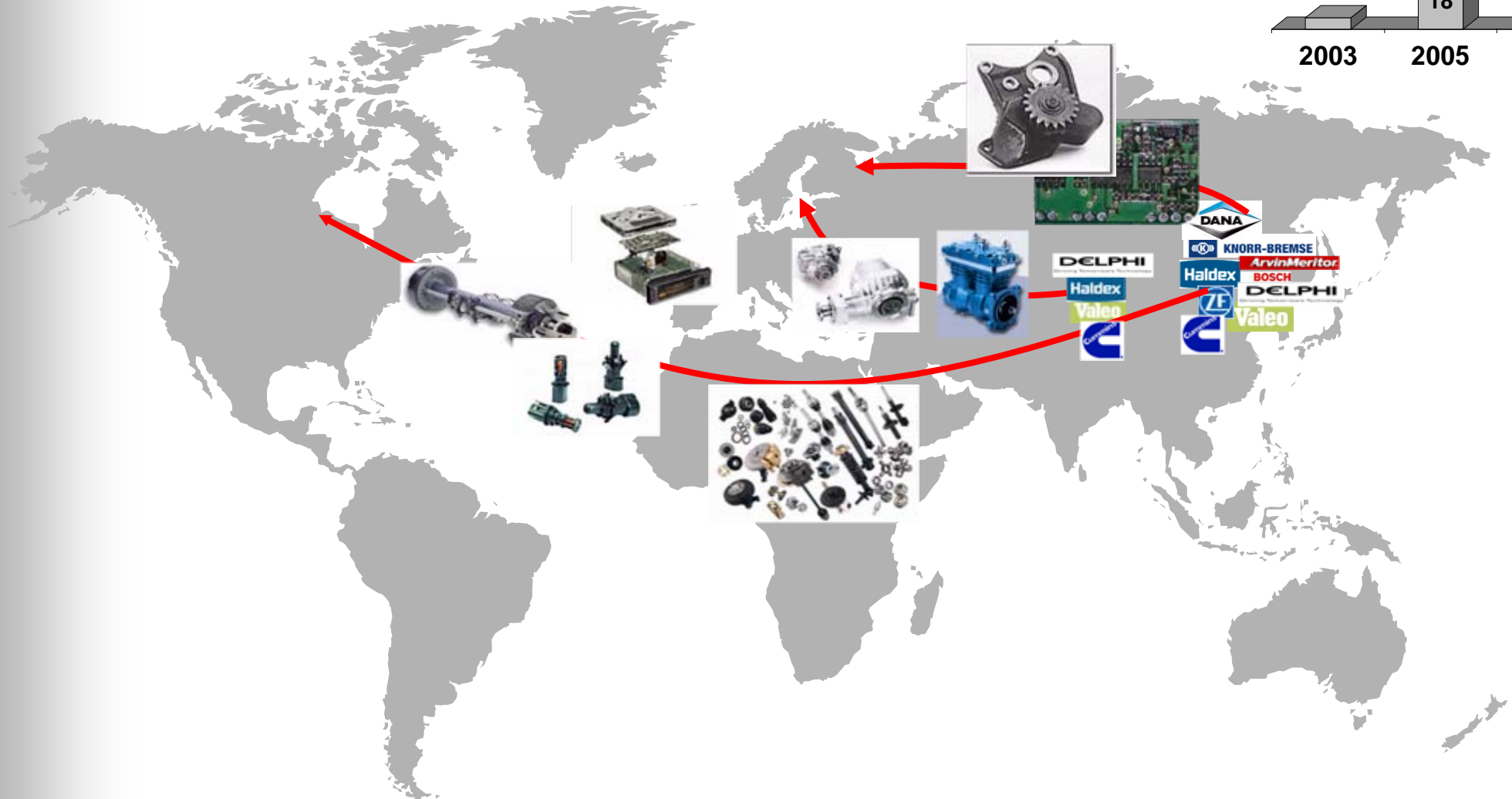
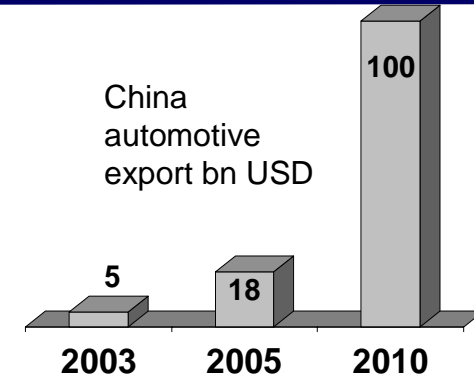
Low Cost Companies Going Global

Automotive industry



Rapid Expansion from Asia

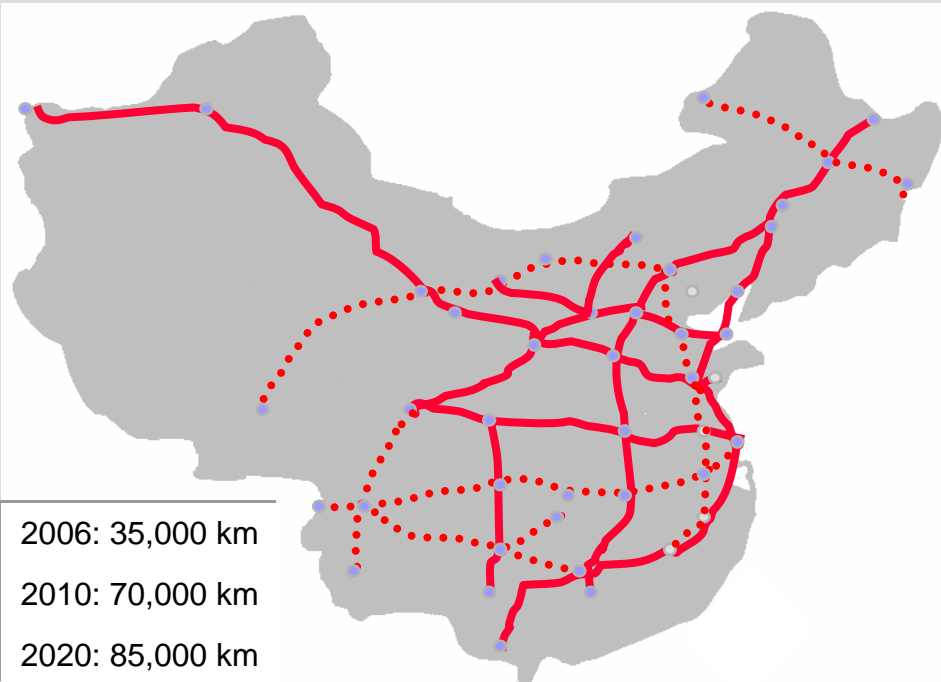
.. supplying parts to the World



Road Infrastructure in Progress

China's Highway System

... linked to major economic centers



India's Highway System

... a slower process



China Automotive Industry

New Heavy Duty products launched



Foton



FAW



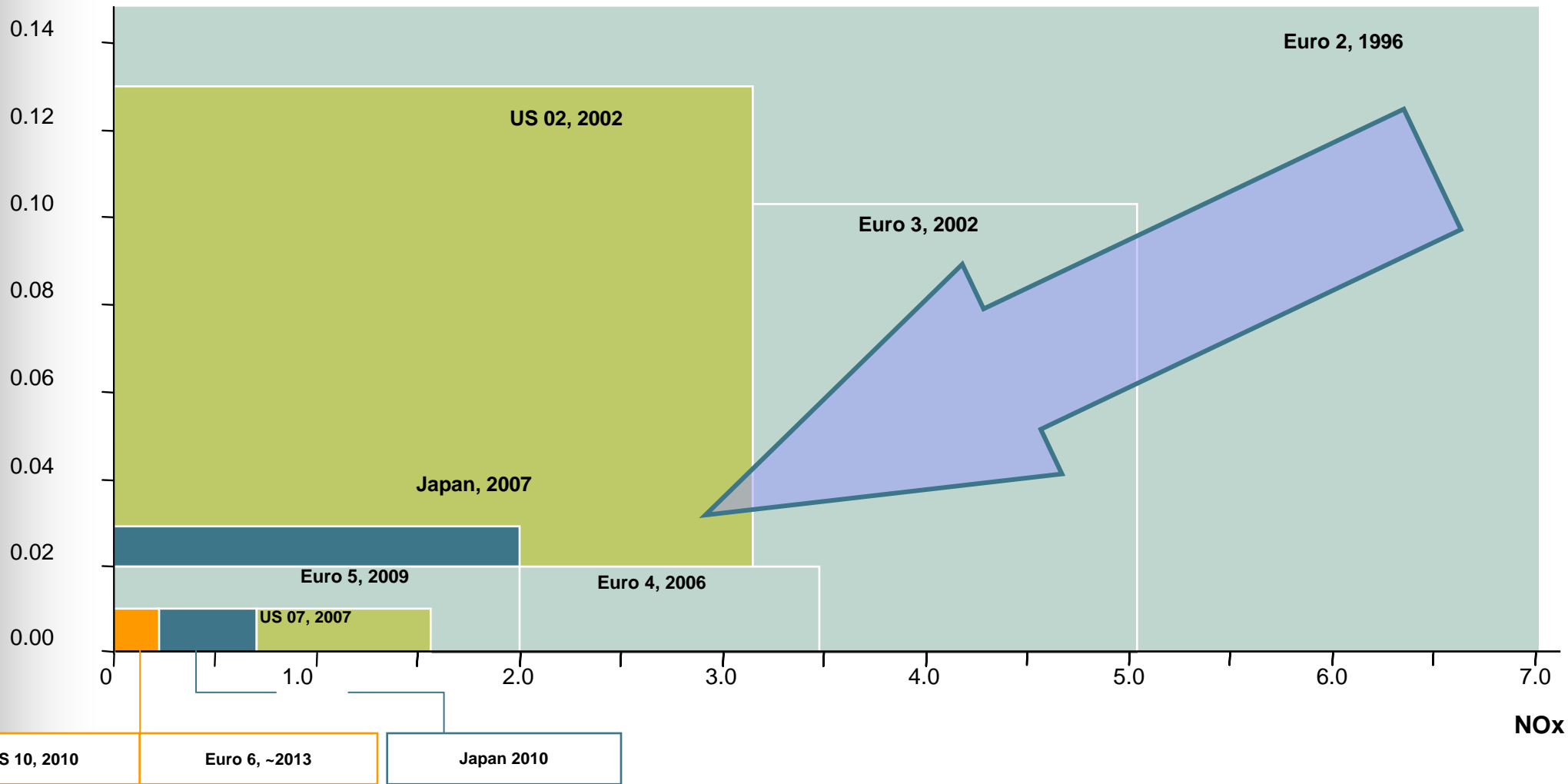
Dongfeng



CNHTC

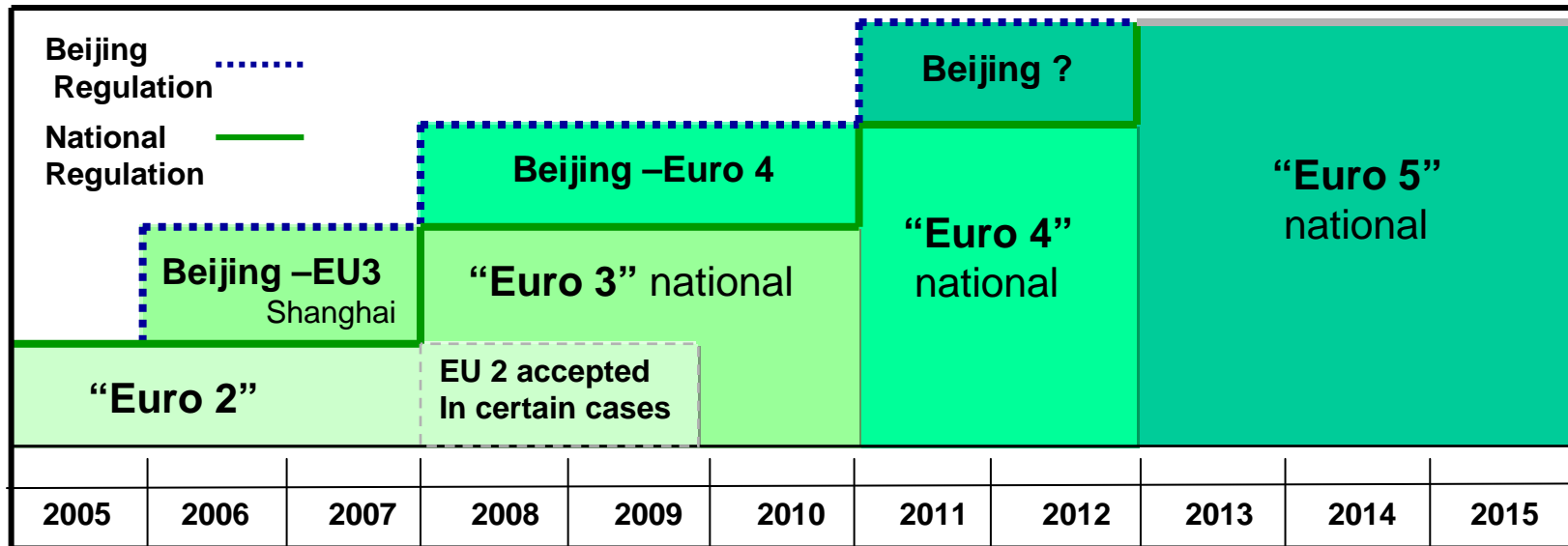
Global Emission Standards

Particulates



Emission Standards in China

Adapting European standards with a time lag



National:

- Euro 3 from 2008; Euro 4 from 2011: Euro 5 from 2013

Beijing (Shanghai, Guangzhou)

- Proposal for Euro 4 from 2008 – no final decision

Wanted position in Asia for Volvo Group

- Same ambitions for Heavy Duty market share as globally
- Significant position in the Medium Duty
- Major contributor to Volvo Group's growth objectives
- > 7% operating margin over business cycle
- Clear and distinct brand portfolio position
- #1 in customer satisfaction
- Contribution to worldwide competitive position through access to low cost components