



Volvo Road Machinery

Pat Olney - President



Volvo Road Machinery

- Volvo Road Machinery Business Line
- Products, volumes and industrial set up
- Market shares 2006
- Total market for Road Machinery
- Integration – first results

The Road Building Process



Land clearing



Excavating crushing



Utilities



Base construction



Paving



Asphalt compaction



Road maintenance





Extensive product range



TC13 CR24 CR30 DD12S DD14S DD14 DD16S DD22 DD24 DD24EU DD29 DD31 DD38 CR70 DD70 DD70HF DD90 DD90HF



DD112HF DD118HF DD118HA DD118HFA DD132HF DD138HF DD138HA DD138HFA DD158HFA DD85 DD95



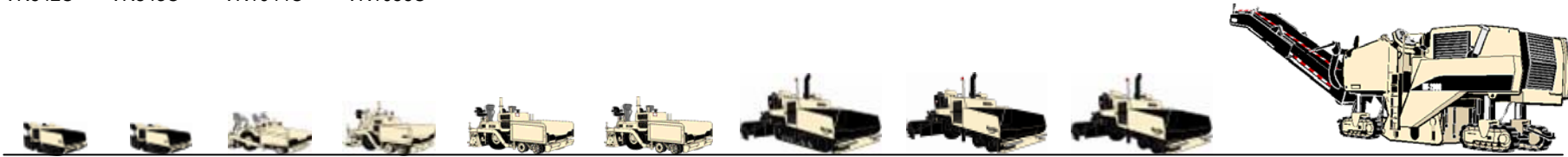
SD25D SD25F SD45D SD45F SD70D SD70F SD77DX SD77F SD77DA SD100D SD100F SD105DX SD105F SD105DA SD116DX



SD116F SD122D SD122DX SD122F SD160DX SD160F SD190DX SD200DX SD200F SD100D C SD100F C SD100 C



VR642C VR843C VR1044C VR1056C RT706J RT708J PT125 PT240 HT250 HT540 RW100A RW195D MC330



PF3020 PF3120 PF150 PF161 PF2181 PF3172 PF6110 PF6160 PF6170 MT2000



MW500 TITAN 2820 TITAN 3870 TITAN 5770 TITAN 5820 TITAN 5870 TITAN 6820 TITAN 6870 TITAN 7820 TITAN 8820 TITAN 9820

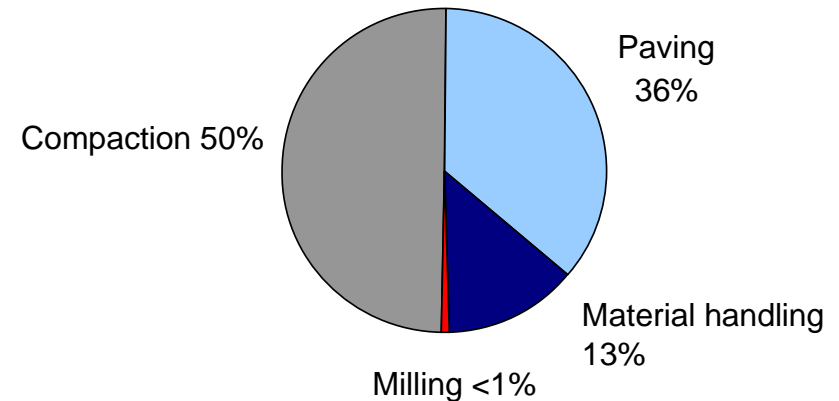


IR Road Machinery

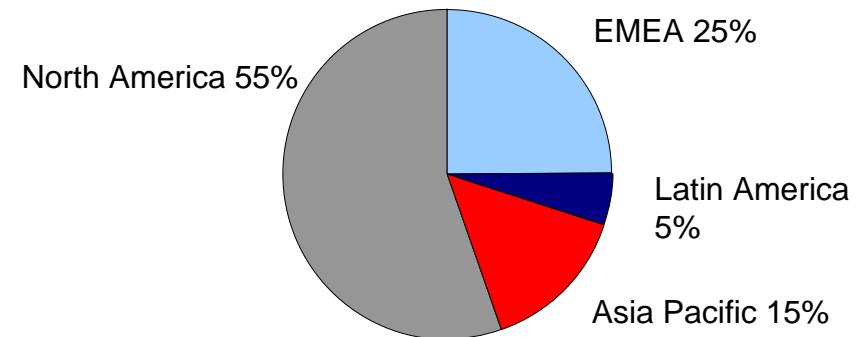
(excluding graders)

Key financials 2006	SEK, M	USD, M
Sales	6,375	864
EBIT	745	101
<i>EBIT-margin %</i>	11.7%	11.7%
No. of employees		~2,100
Produced units		
• Compactors		5,200
• Pavers		970
• Milling equipment	recently launched	
• Material handling		1,350

Sales by product



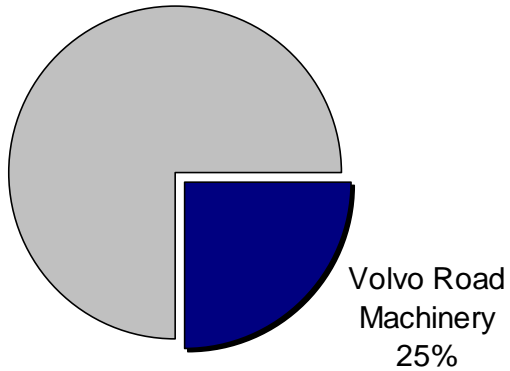
Sales by geographic area



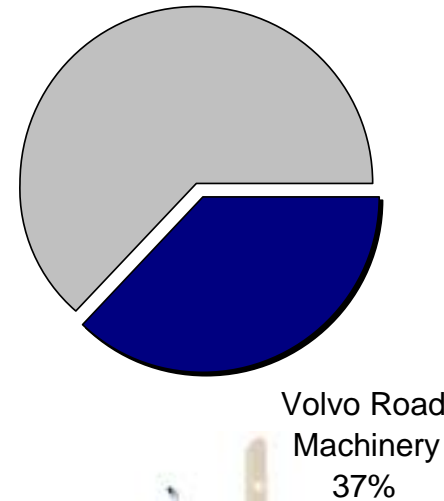


Market shares North America

Compaction



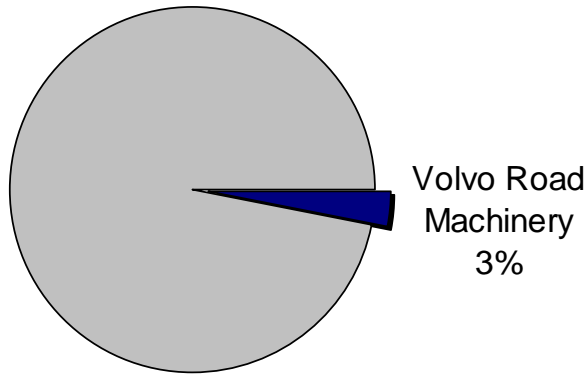
Paving



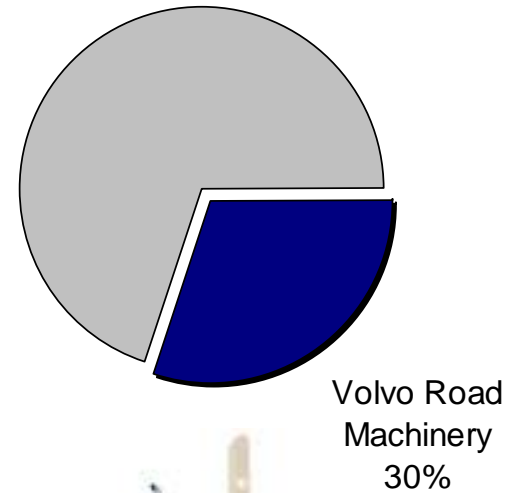


Market shares Europe

Compaction



Paving



Growing market for road machinery

- Building of new road systems in China, India, Eastern Europe and other emerging markets
- Increasing infrastructure investments in Europe and US

Russia

- Increase public highway system by 10% to 670,000 km and double 4-lane roads to 8,000 km by 2010



India

- \$320B of expected Infrastructure investment spending



China

- 2005-2010 planned Road Development spending of 150B RMB per year





Industrial footprint

North America

Production: Goderich, Ontario
Shippensburg, PA, USA
Letterkenny, PA, USA

Products:

- Motor graders
- Paving
- Compaction
- Material handling
- Milling

Employees: ~1300

Europe, M East & Africa

Production: Hameln, Germany

Products:

- Paving
- Compaction
- Milling

Employees ~500

Asia Pacific & ROW

Production: Bangalore, India

Products:

- Paving
- Compaction

Production: Wuxi, China*

Products:

- Paving
- Compaction

Employees: ~500

Latin America

Production: Pederneiras, Brasil

Products:

- Motor graders

* Relocating to LinYi and Shanghai by Q4 2007



Integration activities

- Acquisition closed April 30 2007 except India, May 4 2007
- Synergy potential confirmed and under implementation:
 - Wuxi, China, site relocation to LinYi and Shanghai announced June 4 2007
 - Structural integration of motor grader product line into Road Machinery business line
 - Sourcing opportunities identified
- North America, Asia and China sales integration underway
- Development of engine roadmap underway
- Branding plan underway

Capital Market Day 2007





Further areas for synergies

- Sales and distribution
- Purchasing opportunities
- SG&A
- R&D
- Industrial rationalization
- Volvo Financial Services



Summary

- Global market leadership position
- Outstanding market growth opportunities
- Most comprehensive product portfolio in the industry
- Strategic and operational initiatives in place to continue to drive performance
- The Volvo Way