

## Tokyo

February 20, 2007

Jorma Halonen EVP and Deputy CEO, Volvo Group

#### Public offer to acquire 100% of Nissan Diesel

- Bid price 540 JPY/share
- Value of public offer about JPY 135 bn
- Bid period 21 February March 23
- No lower acceptance threshold for withdrawal

# Nissan Diesel will benefit from Volvo Group support while still maintaining its Japanese base and heritage

- Nissan Diesel will be integrated in the same way as all business areas
  - group-wide support functions will be introduced
  - gradually, key components will be integrated into common platforms
- Co-ordination of funding and treasury activities
  - providing financial comfort going forward
- Nissan Diesel will be given extended responsibility for managing the Volvo Group's truck activities in Japan
- Volvo will introduce Nissan Diesel to a number of markets where Nissan Diesel is not currently active
- Nissan Diesel's own products will continue to be sold under the Nissan Diesel and UD brand names
- Volvo intends to keep the current Nissan Diesel management in place

## Nissan Diesel as an important part of the Volvo Group

Synergies with existing truck & bus activities, supporting business units and captive finance company

#### **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** 

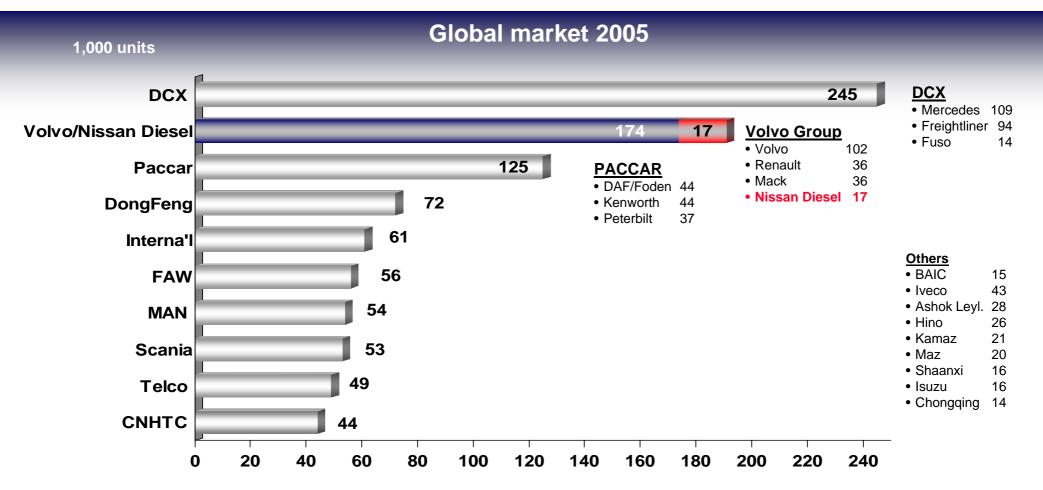
**Volvo Logistics** 

**Volvo Information Technology** 

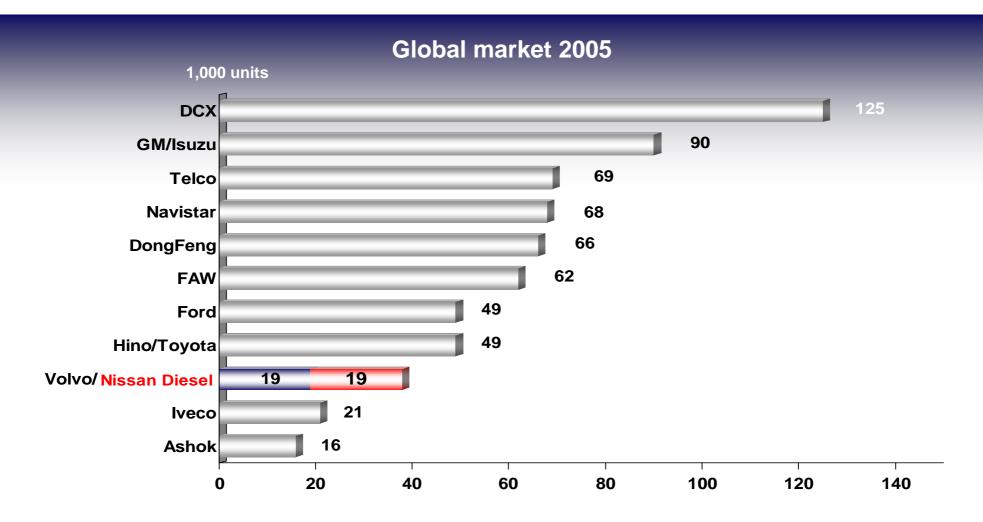
## **Summary of the Synergies**

- Total synergies estimated to EURO 200 M annually, fully implemented on a five years horizon.
- Short and medium term synergies (2-3 years) are expected mainly for Purchasing, Distribution & Sales and partly for R & D.
- More long term synergies (~5 years) are expected for Product Planning,
  Manufacturing and partly R & D.

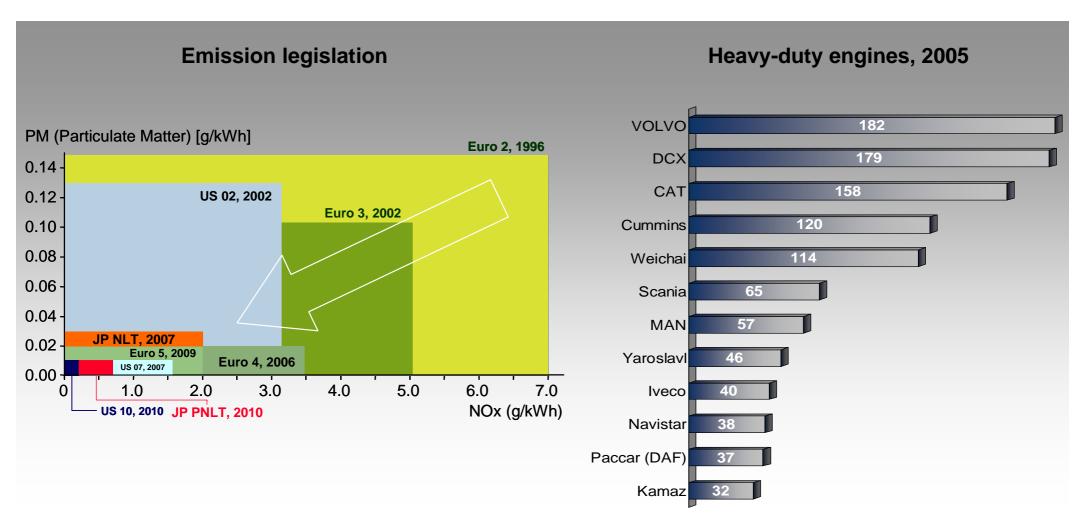
# Nissan Diesel will be part of one of the world's largest manufacturers of heavy duty trucks



### Doubled size in medium-duty trucks



# Combined scale to successfully meet future emission legislations globally



### Integration process to deliver synergies

#### Stand alone mode

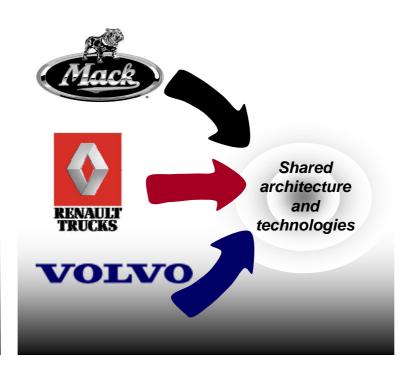
#### Merger mode

"Create synergies"



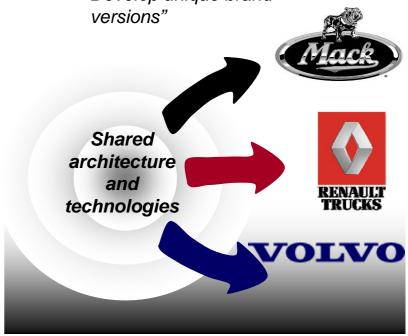






#### **Growth mode**

"New architecture and shared technologies. Develop unique brand



### **Acquisition rationale**

- Financial strength offered by Volvo
- Doubled volume in medium duty trucks
- Good complementarities between Nissan Diesel and Volvo in terms of geographical coverage and the two companies would get access to each others sales channels
- Timing is important to meet new Japanese emission legislation in 2009 and 2010
- 100% ownership would facilitate quick and efficient decision making, not least regarding synergies
- Substantial synergies EURO 200 M



Leif Johansson President and CEO, Volvo Group