

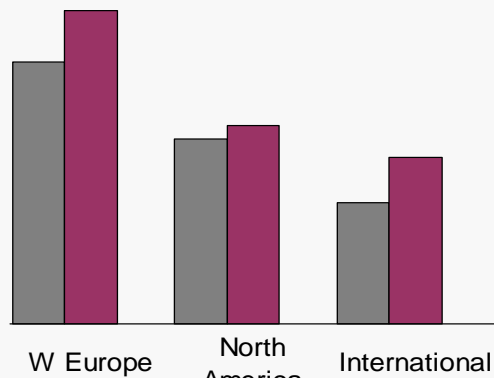
VOLVO

VOLVO GROUP 2008 INVESTOR DAY

Martin Weissburg
Volvo Financial Services North America
December 2, 2008

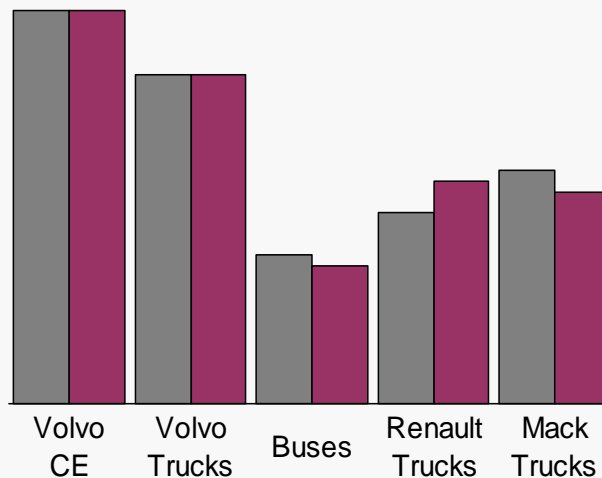
Financial Services

Total managed assets
(SEK bn)



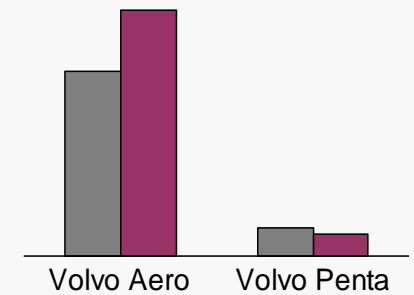
Q307	41	29	19
Q308	49	31	26

Penetration on new financing



Q307	37%	31%	14%	18%	22%
Q308	37%	31%	13%	21%	20%

**Managed assets in:
Volvo Aero & Volvo Penta**
(SEK M)



Q307	874	134
Q308	1167	105

Benefits Provided to The Volvo Group



- Sustainable profitability throughout the business cycle
- Increased Business Area sales
- Enhanced customer loyalty & retention
- Strengthen brand recognition
- Ongoing access to customers
- Superior customer & dealer service
- Sole focus on Volvo Group products
- Consistent and reliable approach to market

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VOLVO

Financial Services

Volvo Financial Services

Investor Day – December 2, 2008

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VOLVO

Customer offering



**Insurance/
Service &
Maintenance
Contracts
(Non risk based)**

**Operational
Lease
Global – 10.3%
NA – 10.2%**

**Receivables
Management
Global – 0.8%
NA – 0.7%**

**Installment
Credit
Global – 36.2%
NA – 43.1%**

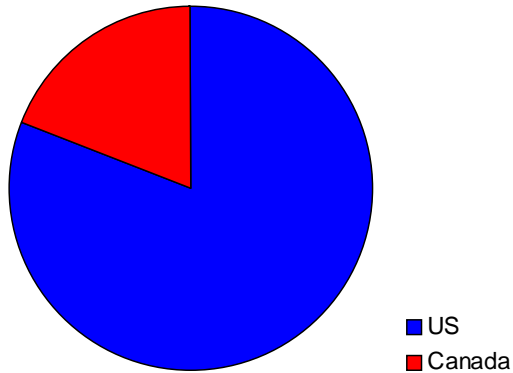
**Finance Lease
Global – 36.2%
NA – 14.9%**

**Dealer Financing
Global – 16.5%
NA – 31.1%**

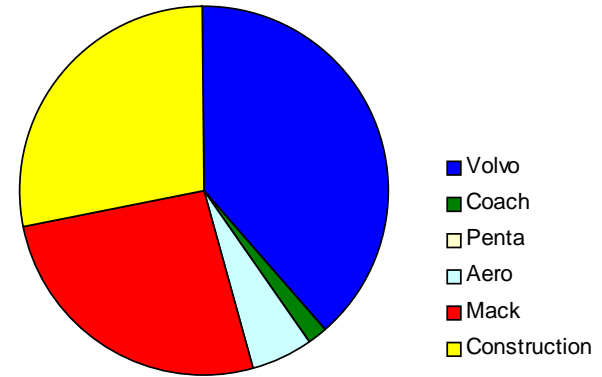
VFS North America Portfolio

as of Sept. 30th, 2008

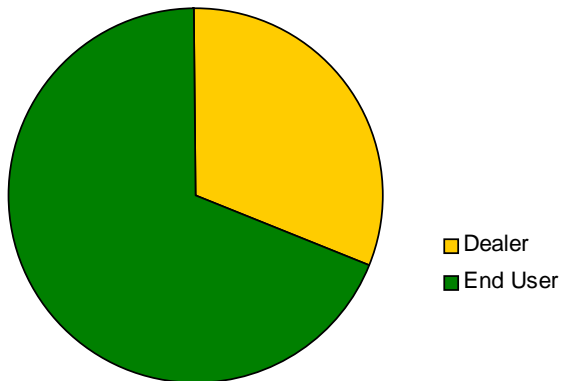
Country



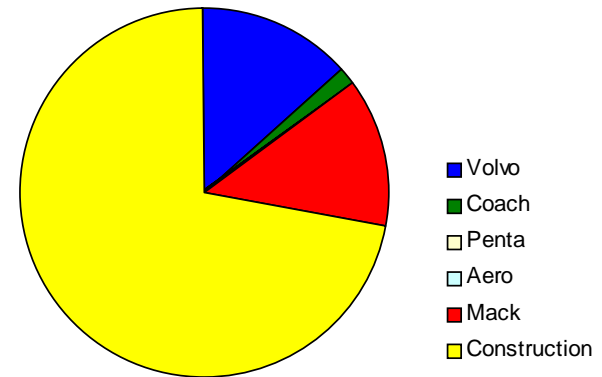
End User



End User/Dealer



Dealer



Volvo Group Customer Relationships

2008 YE Estimates

• Customers (end users)	23,500
• Retail transactions	
– Accounts	10,000
– Amount funded	\$1.5 Billion
• Dealer customers	256
• Dealer transactions funded	\$2.0 Billion

- Volvo Group customer retention
- High quality customer service throughout business cycle
- Soft product Volvo brand experience for customer

Business Conditions

<u>TOPIC</u>	<u>STRATEGY & ACTION</u>
<ul style="list-style-type: none">• Recession• Fuel• Freight movement• Construction	<ul style="list-style-type: none">✓ Maintain credit standards✓ Stability & control✓ Transaction structuring
<ul style="list-style-type: none">• Equipment supply and demand• Equipment remarketing	<ul style="list-style-type: none">✓ Expanded sales channels & resources✓ Price optimization
<ul style="list-style-type: none">• Interest rates	<ul style="list-style-type: none">✓ Match funding✓ Increased margin

Credit and Risk Management

- Credit risk, collateral risk, residual value risk
- Collateral based lending and leasing
 - Readily marketable collateral
 - Disciplined transaction structuring
- Consistent underwriting
 - Global credit policies
 - Disciplined authority levels, credit committees
- Risk mitigation practices and concentration limits
- Portfolio Management

Business Cycle Management

Actions Taken 2006 - 2008

- Process improvements from last downturn
- Additional experienced staff in all key areas
- Flexible staff: reallocated resources to collections and remarketing
- Disposition of equipment through expanded remarketing channels
- Maintained credit standards
- Cost reduction and operational efficiency

Key Messages

- Prepared (2006-2008) for current downturn
- Operational improvements continue
- Portfolio performance as anticipated
- Reliable and consistent provider to Group, dealers and end-users
- Growth within strict credit parameters
- Integrated Volvo Group offering and soft product strategy
- Price premiums
- Maintain strategy throughout cycle
- Stability, control and profitability throughout cycle