



# Volvo Group

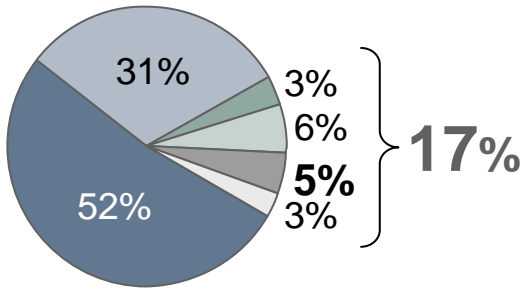
Pär Östberg

Senior Vice President, AB Volvo  
Group's Asian truck operations

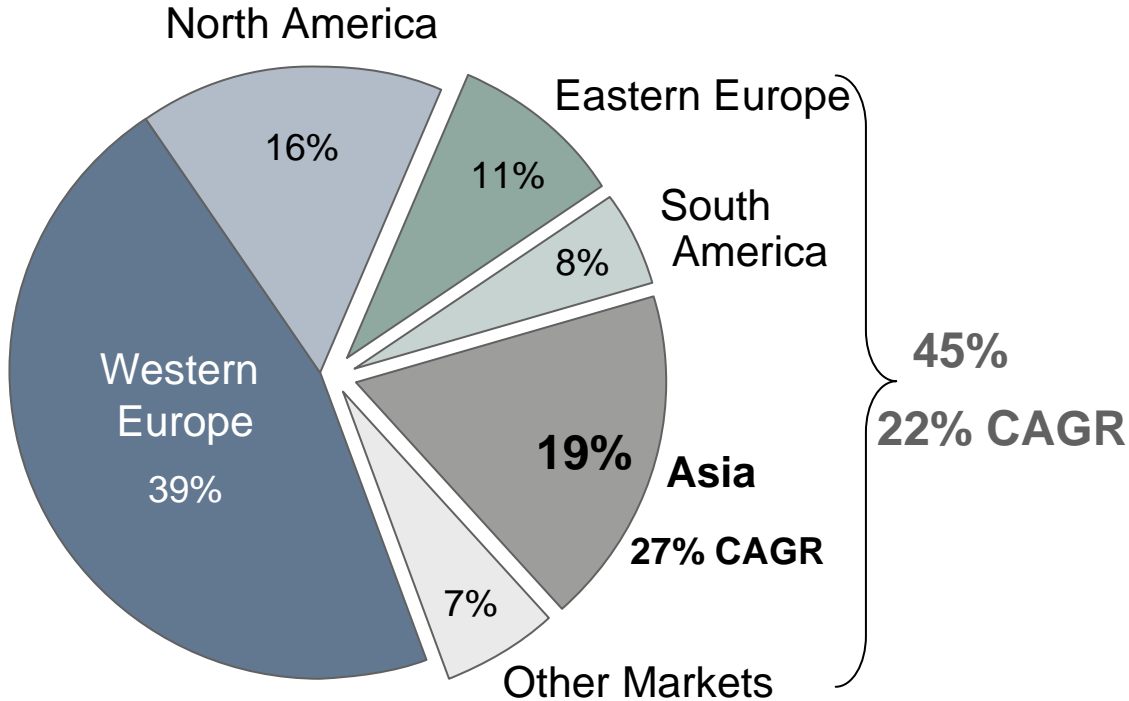
# Strong growth in Asia

**Q3 2008**

**1998**



**SEK 100 bn**



**SEK ~310 bn**

# Asia's share of World GDP expected to have passed US share and to equal EU's by 2012

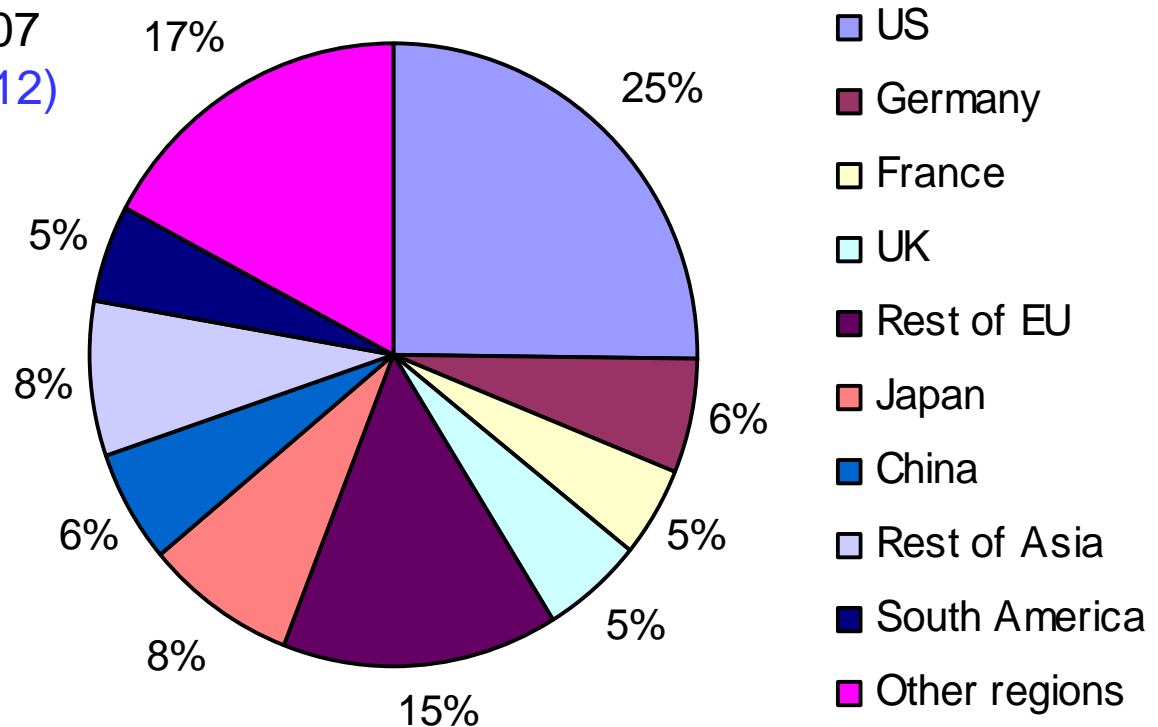
World by GDP Share 2007  
(World by GDP Share 2012)

25% (22%) US

31% (26%) EU

22% (28%) Asia

22% (24%) Rest of World



Sept. 2008  
Source: Global Insight

# Volvo Group has entered new markets and product segments in Asia

LINGONG



INGERSOLL RAND



NISSAN DIESEL



EICHER



# Brand portfolio in Asia

## Trucks

- Volvo
- Renault
- Nissan Diesel
- Eicher

## Construction Equipment

- Volvo
- SDLG

## Buses

- Volvo
- Sunwin/Silver Bus
- Eicher

## Marine/Industrial engines

- Volvo Penta

## Customer Financing

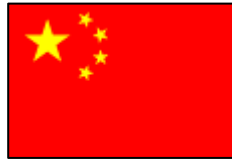
- Volvo Financial Services

# Main markets

- Japan



- China



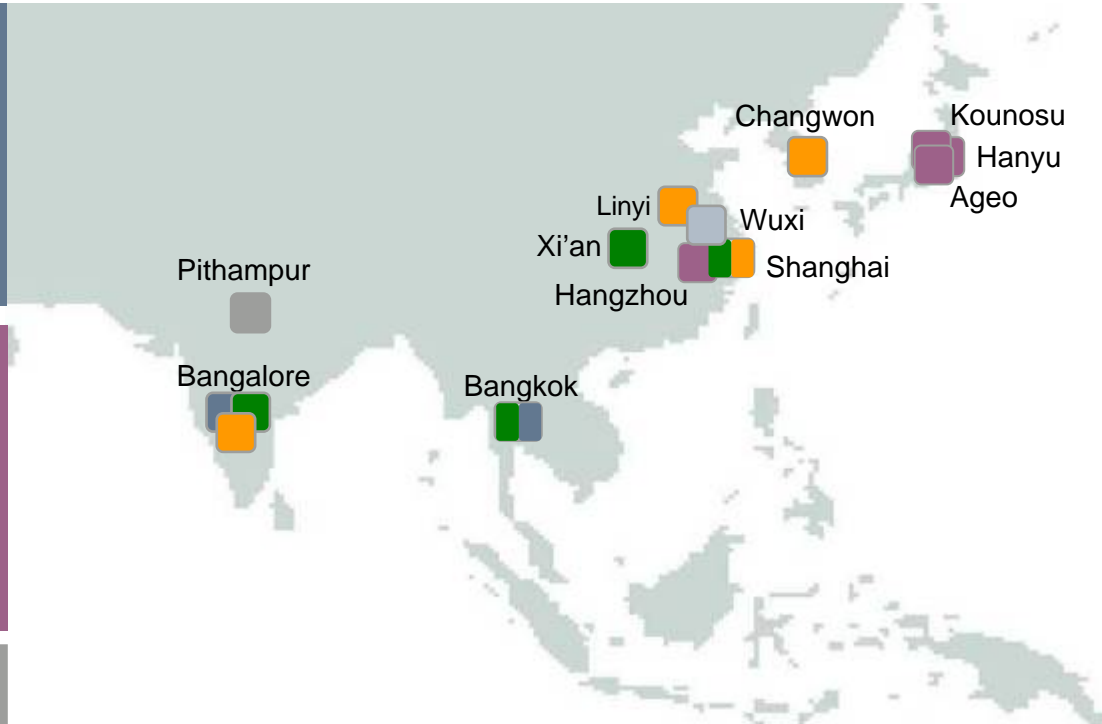
- India



- Korea

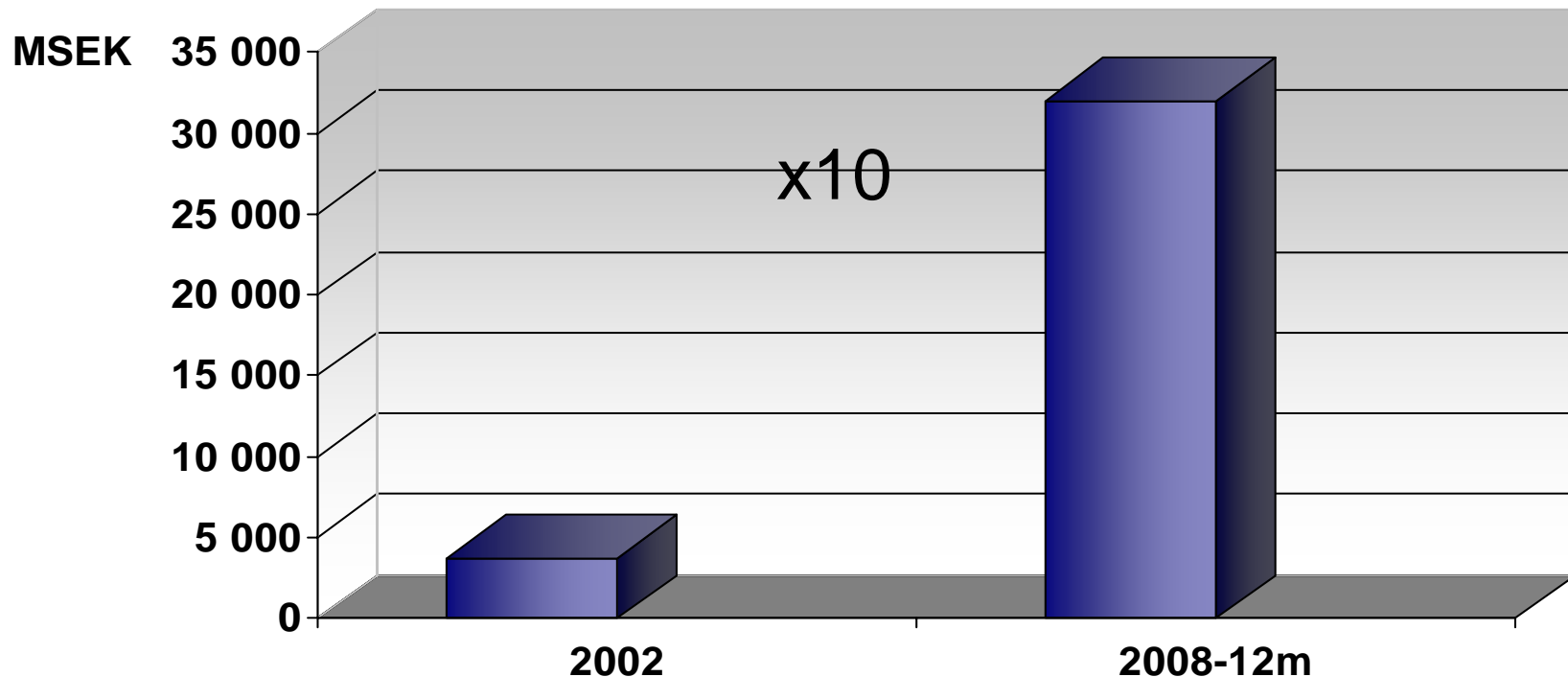


# Manufacturing and R&D capabilities in Asia



# Volvo Group has established a strong position in Trucks in Asia through organic growth, acquisitions and joint ventures

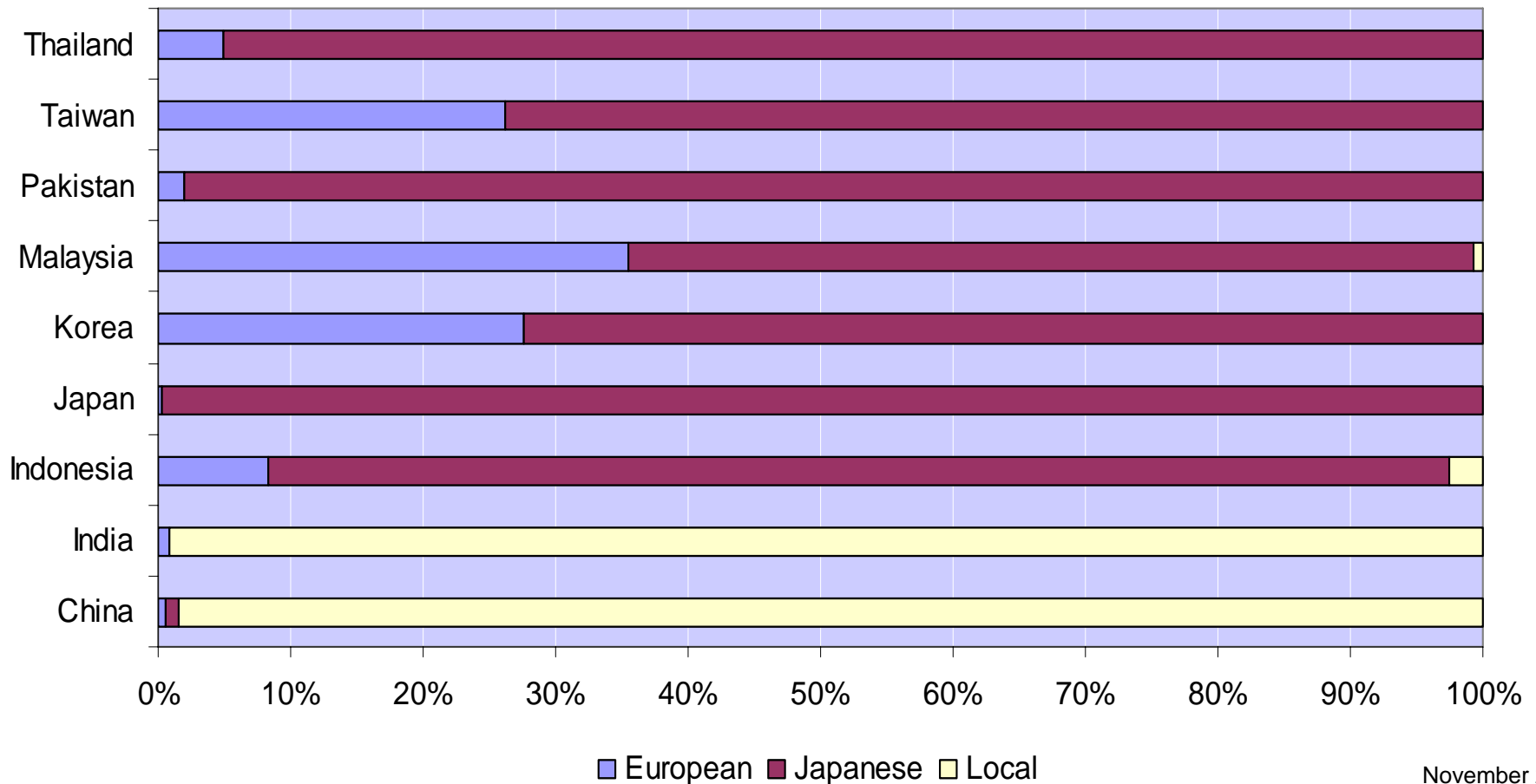
## Truck turnover





# Volvo Group is relevant in most segments

## *The potential for further growth is in place*



November 2008

Source: ATO Market Companies, ATO BI

\*China based on volumes >14t GVW, India >16.2t incl. 4x2

**AB Volvo**

Investor Day in New York 2008 - Pär Östberg

9 2008-12-02

**VOLVO**

# Volvo Trucks



- Solid position as No 1 in the European segment
- Presence in all markets
- Strong brand name
- Good growth development

# Renault Trucks



- Growing position in selected segments
- China and Indonesia main markets
- Strong potential in the construction segment with Kerax-model
- Leveraging on Group distribution network

# Nissan Diesel



- Strong position in Japan
- High growth ambitions outside Japan
- Product quality benchmark in truck industry
- Strong product portfolio going forward

# Eicher



- Strong position in LD/MD trucks in India
- Strong growth ambitions in HD trucks
- Opportunities to utilize Group technology in future products
- Low cost base for R & D and purchasing

# China

- Volvo Group N° 1 among European manufacturers.
- Volvo's "strategy" based on aggressive organic growth.
- Volvo Trucks has a strong position in the growing premium segment.
- The premium segment will grow over time mainly based on emission legislation and development of transport solutions.
- Nissan Diesel JV with Dongfeng, DND, platform for entry into China.
- Large market for HD trucks (estimation 2008: 570.000).
- Fierce competition with many local players. Consolidation expected over time.

# Business climate

- Continued weakness in Japan
- China truck market lower after new emission standards and Olympics
- South East Asia weaker
- India slower in Q3 due to lack of customer financing
- Overall growth prospects remaining strong for Asia

# Leveraging our Asian position

- Growing premium segment
- Exports within Asia
- Exports from Asia
- Sourcing & R/D
- Synergies Nissan Diesel 200 MEuro



# In focus

- Downturn management
- Operational excellence and focus on profitability improvements
- Realise Nissan Diesel synergies
- Consolidate the distribution system in South East Asia
- Consolidate the manufacturing footprint in Asia
- Develop joint venture to capture full potential in India
- Aggressive organic growth in China