

Investors Day

14th September 2010
Roger Alm - President





ROGER ALM

President / Trucks



ROSANA POLLIS

Legal



YOSHIO KAWAKAMI

Construction Equipment



MONICA BECKERT

CFO



CARLOS MORASSUTTI

Human Resources



CARL HORNEHAM

Financial Services



JORGE MARQUESINI

Global Manufacturing



SILVIA GERBER

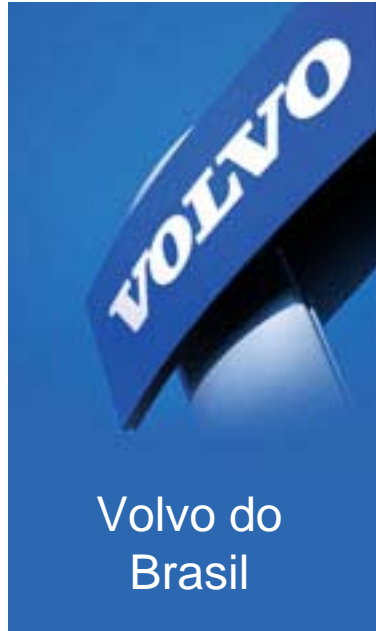
Controller Buses



Latin America



Brazil



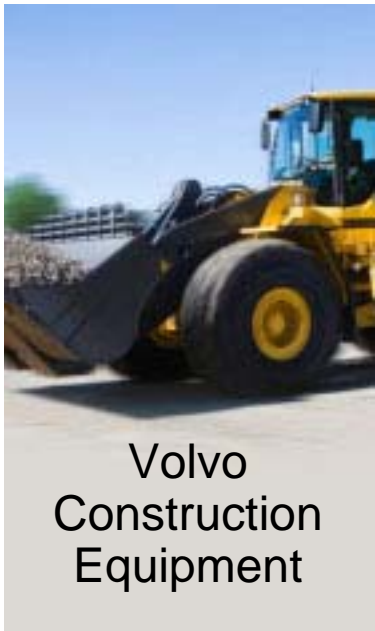
Volvo do Brasil



Volvo Trucks



Volvo Buses



Volvo Construction Equipment



Volvo Penta



Volvo Financial Services



Strategy



Perspectives

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Latin America

A satellite-style aerial photograph of Latin America, showing the continent of South America and parts of Central America and the Caribbean. The land is green and brown, surrounded by deep blue oceans. The text 'Latin America' is overlaid in white in the top left corner.

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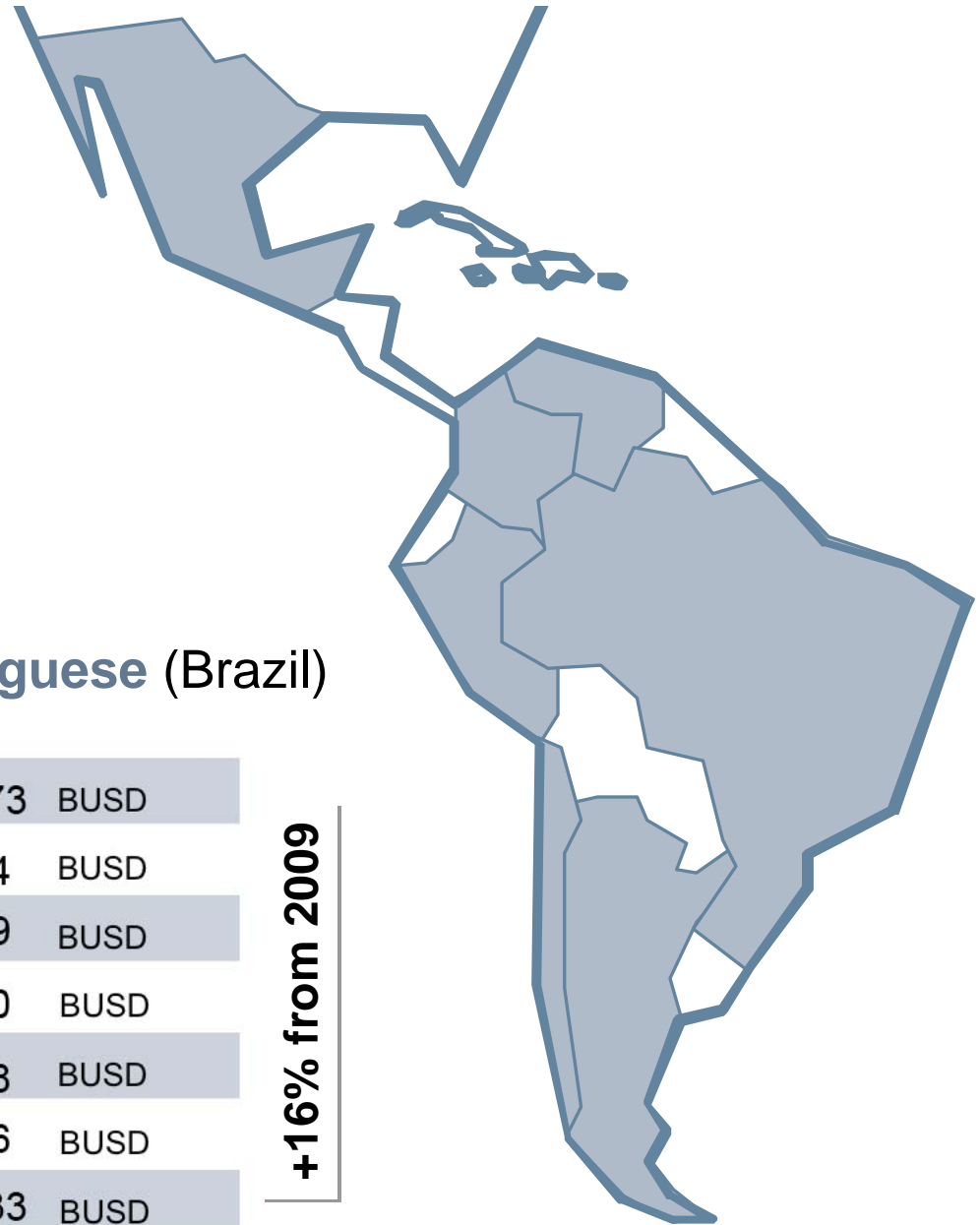
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Latin America

- 21 countries
- 21 million km²
- 570 million inhabitants
- GDP 4,775 USD billions
- Language **Spanish** and **Portuguese** (Brazil)

GDP	Brazil	1,973	BUSD
	Argentina	344	BUSD
	Chile	199	BUSD
	Peru	150	BUSD
	Venezuela	208	BUSD
	Colombia	286	BUSD
	Mexico	1,033	BUSD

+16% from 2009



Source: Global Insight, forecast 2010

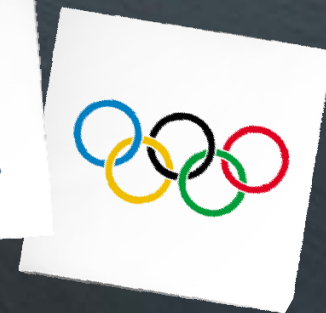
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Infrastructure

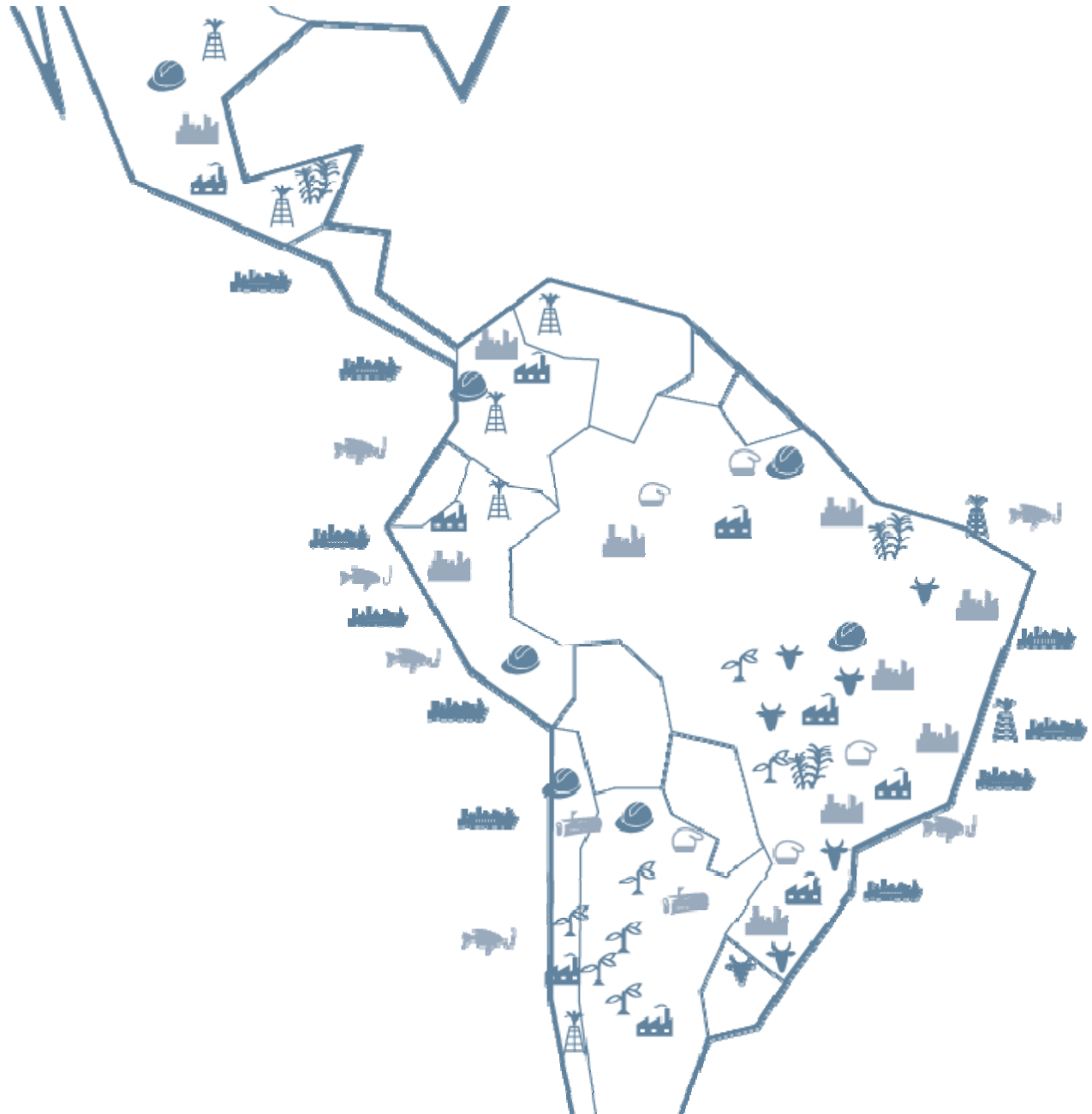
- **More than 500** projects in Latin America on energy, transports and telecom
- **883 BUSD** in Brazil between 2011 to 2014 and further on
- **2014 World Cup and 2016 Olympic Games** to stimulate new investments



Latin America

Industrial Activity

-  Industry
-  Agribusiness
-  Mining
-  Sugarcane
-  Timber
-  Harbour
-  Fishing
-  Oil
-  Metropolitan Area
-  Cattle
-  Pharmaceutical

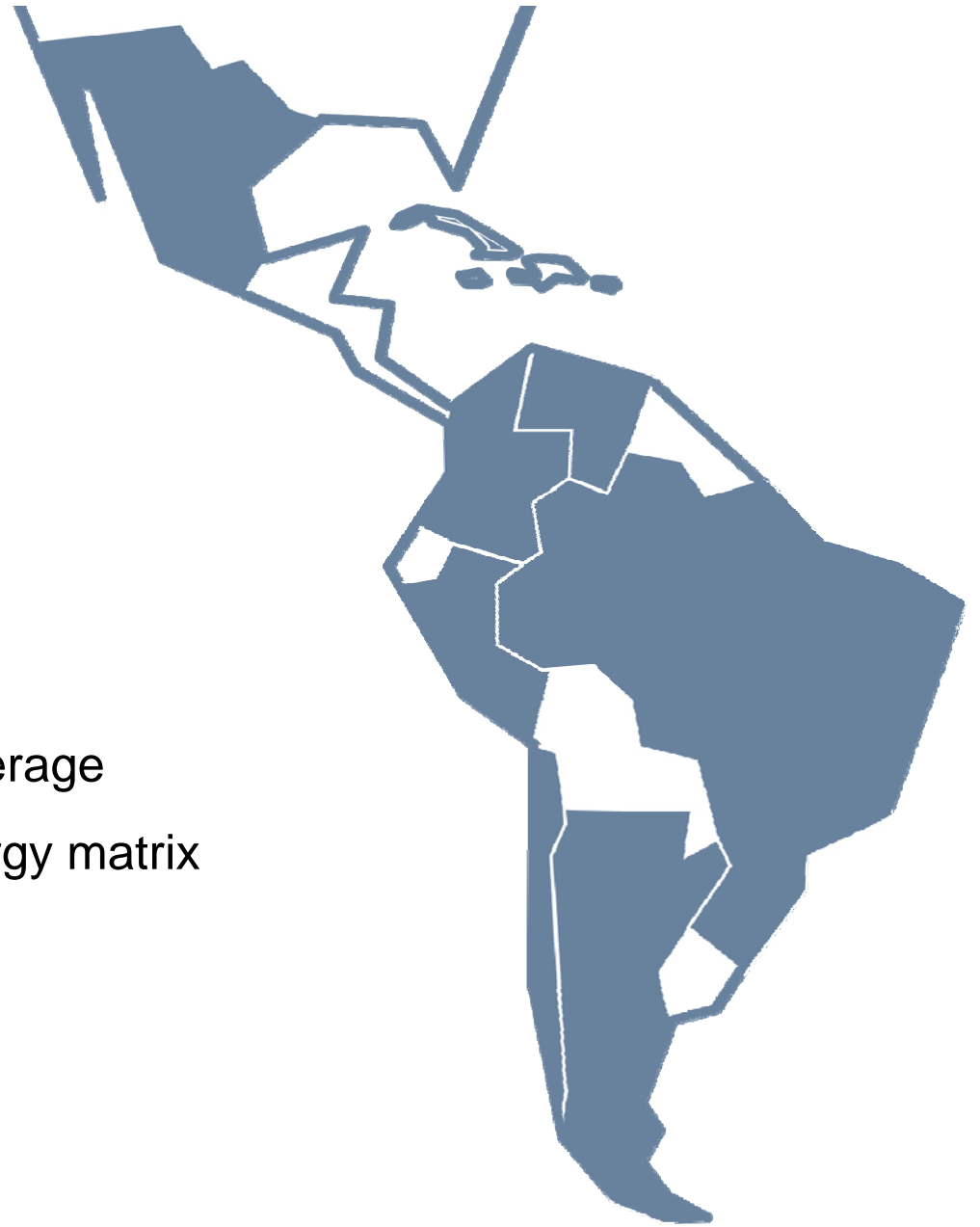


Latin America

Main Trends

- Infrastructure expansion
- World trade share increase
- Consumer markets growing
- Labor market to grow above average
- Increased share on world's energy matrix
- Social development

(Source: Ernst & Young)



Brazil



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Economic Overview

- **190 million inhabitants**
- **6th biggest vehicles producer**
(Oica 2009)
- **Main global exporter of beef and chicken**
(FAO 2010)
- **Increasing consumer market**
(Finance Ministry 2010)
- **Strong banking structure**
- **Positive situation regarding public debts**
- **Exports, 18% of GDP**
(Brazilian Central Bank 2008)

Brazil expected to grow at an annual average rate of >4% over the next decade

Source: IMF

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Political Overview

Stable Political Environment



Dilma
Rousseff



José Serra



- **Brazilian Presidential & Congress Elections 2010**
- **Economic policy to be maintained**
- **Polarized between 2 main parties**

Source: Tendencias Consulting

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Volvo do Brasil



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Volvo in Brazil

A History Beginning in the 30's

**Volvo do Brasil responsible
for the Volvo business in Latin
America**

- **TRUCKS**
- **BUSES**
- **CONSTRUCTION EQUIPMENT**
- **FINANCIAL SERVICES**
- **PENTA**










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Volvo in Brazil

Legal Entity – Strong Synergy

Volvo do Brasil		Trucks	Buses	Construction Equipment	Penta	Financial Services
Volvo 3P/2P						
Volvo Global Manufacturing						
Volvo Powertrain						
Volvo Parts						
Volvo Logistics						
Volvo IT						
Volvo Group Real Estate VBS						

Human Resources

- 4,400 Employees
- Competent and committed people
- Exporting talents
- The Volvo Way culture
- Competence development



A Premium Brand

- Strong brand image
- Wanted position is number 1
- Constant improvement to maintain position
- Safety, quality and environmental care
- Social responsibility
- A “dream brand” for Brazilian truck drivers



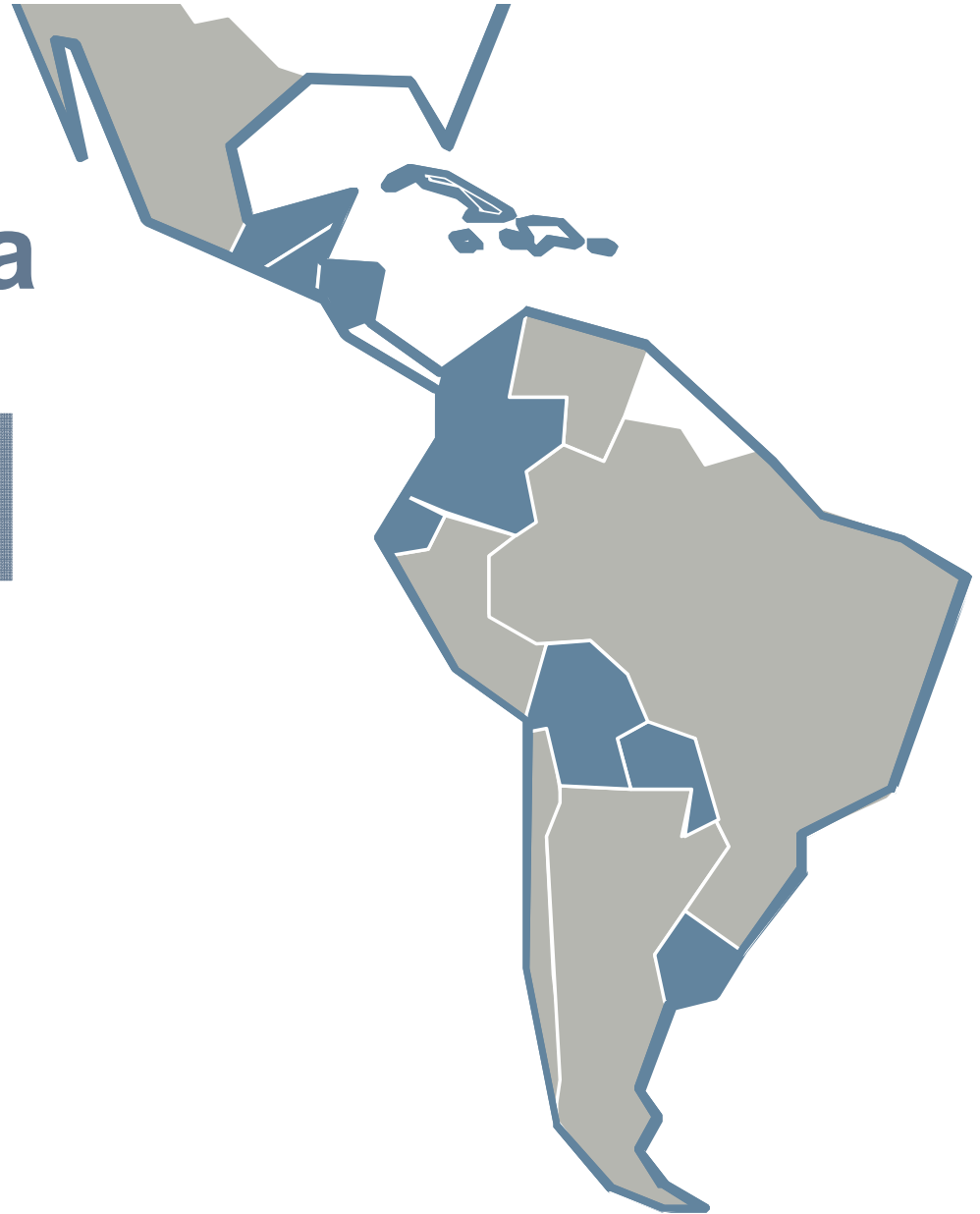
Representation in Latin America

Volvo Companies

Brazil
Argentina
Chile
Peru
Venezuela
Mexico

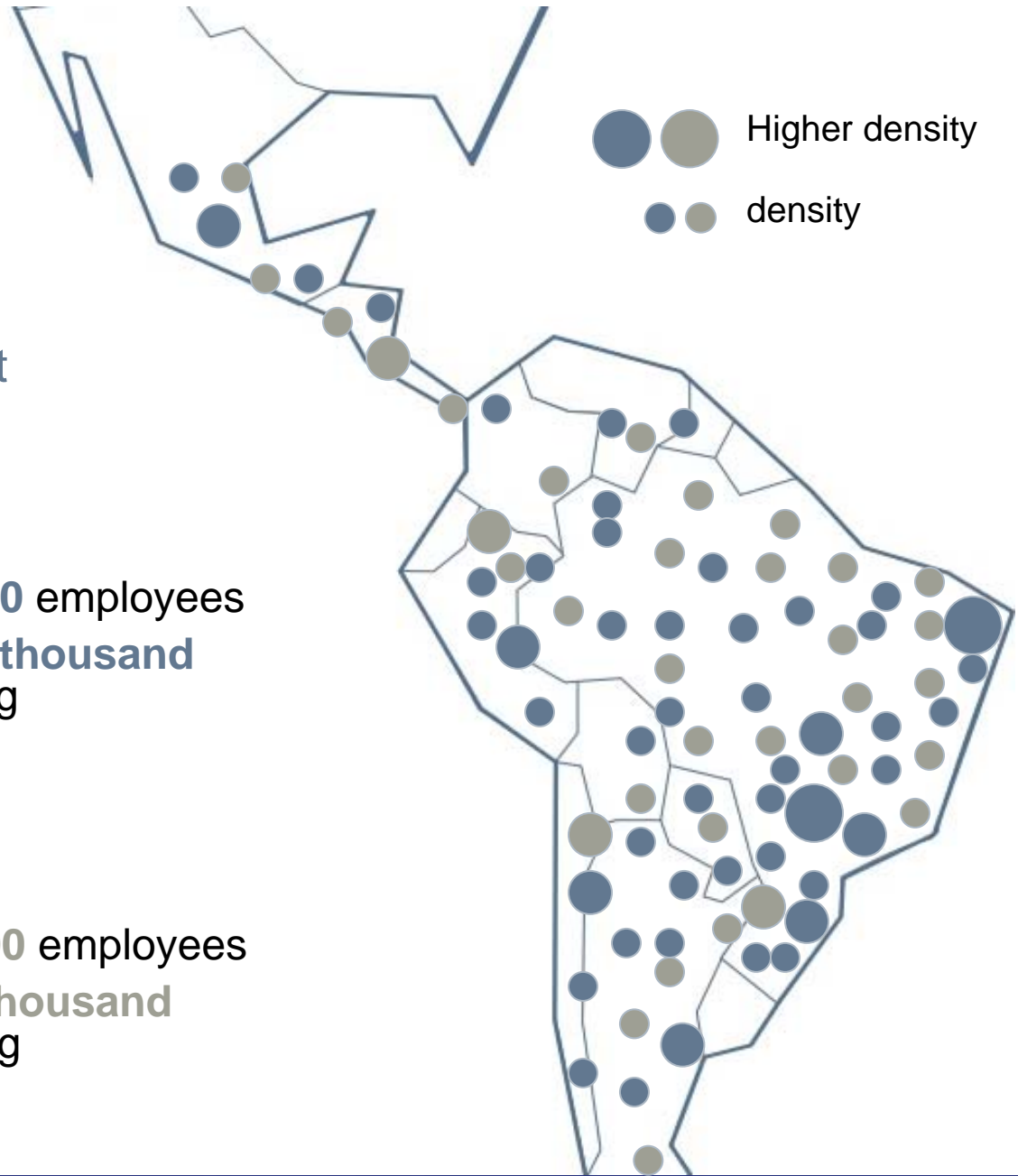
Private Importers

Uruguay
Paraguay
Colombia
Ecuador
Bolivia
Jamaica
Honduras
Guatemala
El Salvador
Nicaragua
Costa Rica
Panama
Dominican
Republic
Cayman Islands






Dealer Network

Trucks, Buses and Construction Equipment



Trucks and Buses

-  144 outlets
-  More than 4.000 employees
-  More than 100 thousand hours of training

Construction Equipment

-  79 outlets
-  More than 2.000 employees
-  More than 60 thousand hours of training

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Curitiba Plant - PR

DAILY PRODUCTION:

- Trucks 77 units
- Buses: 5 units
- Engines: 52 units
- Cabs: 80 units

Total area: 1,300,000 m²

Constructed area: 105,000 m²



Pederneiras Plant – SP

DAILY PRODUCTION: 19 Machines

- Wheel Loaders
- Motorgraders
- Articulated Trucks
- Excavators
- Skid Steers
- Compactors

Total area: 430,000 m²

Constructed area: 52,500 m²

Acknowledgement



Top 10 best companies
to work for in Brazil
2007 – 2008 – 2009 – 2010



National Quality
Excellency Award
2009



Most Admired Truck
Brand in Brazil
2007 – 2008 – 2009

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Social Responsibility



**Traffic Safety
Program**



**Solidarity
Foundation**



**Environmental
Center**

Volvo Trucks



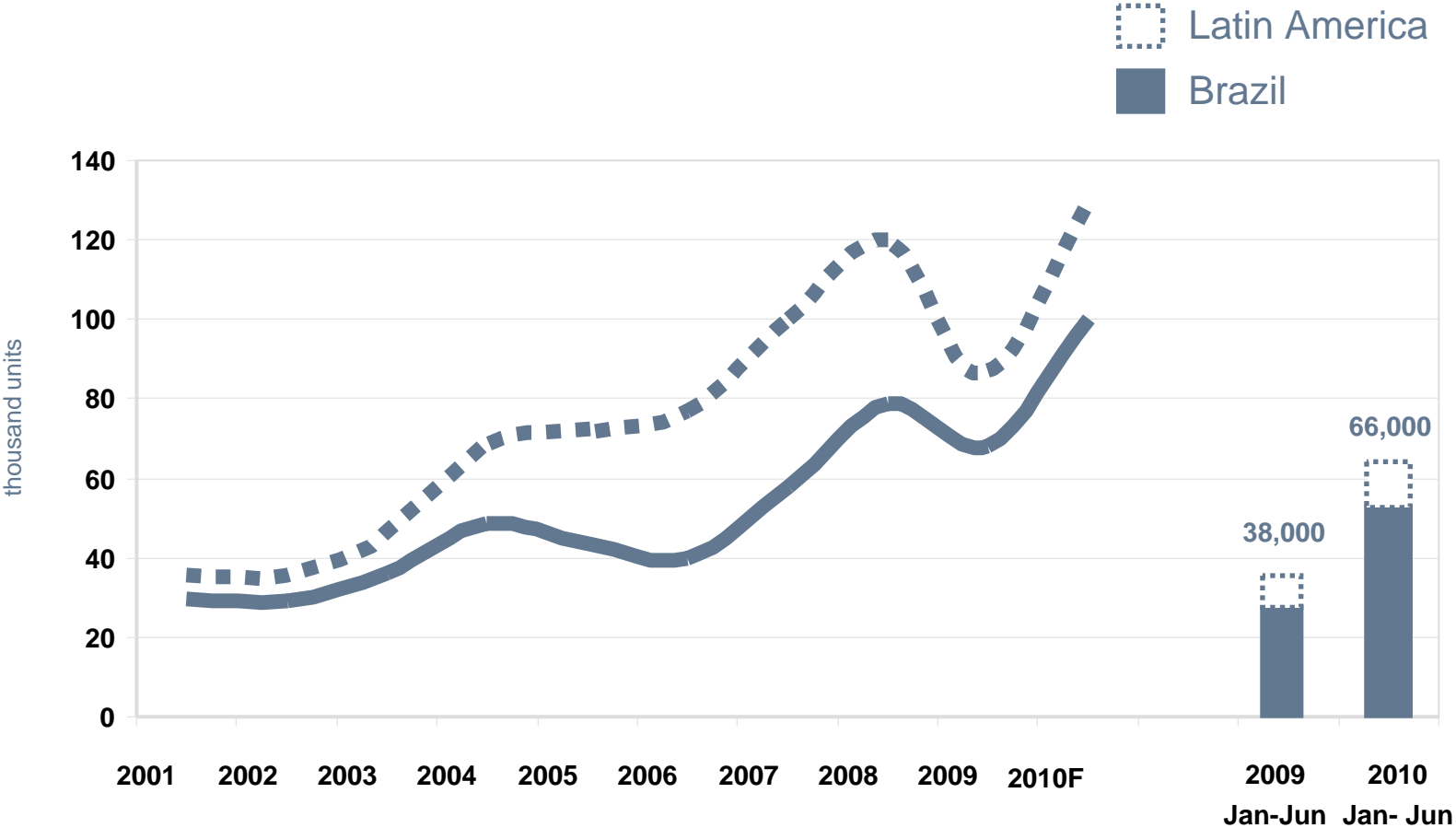
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Total Market Trucks

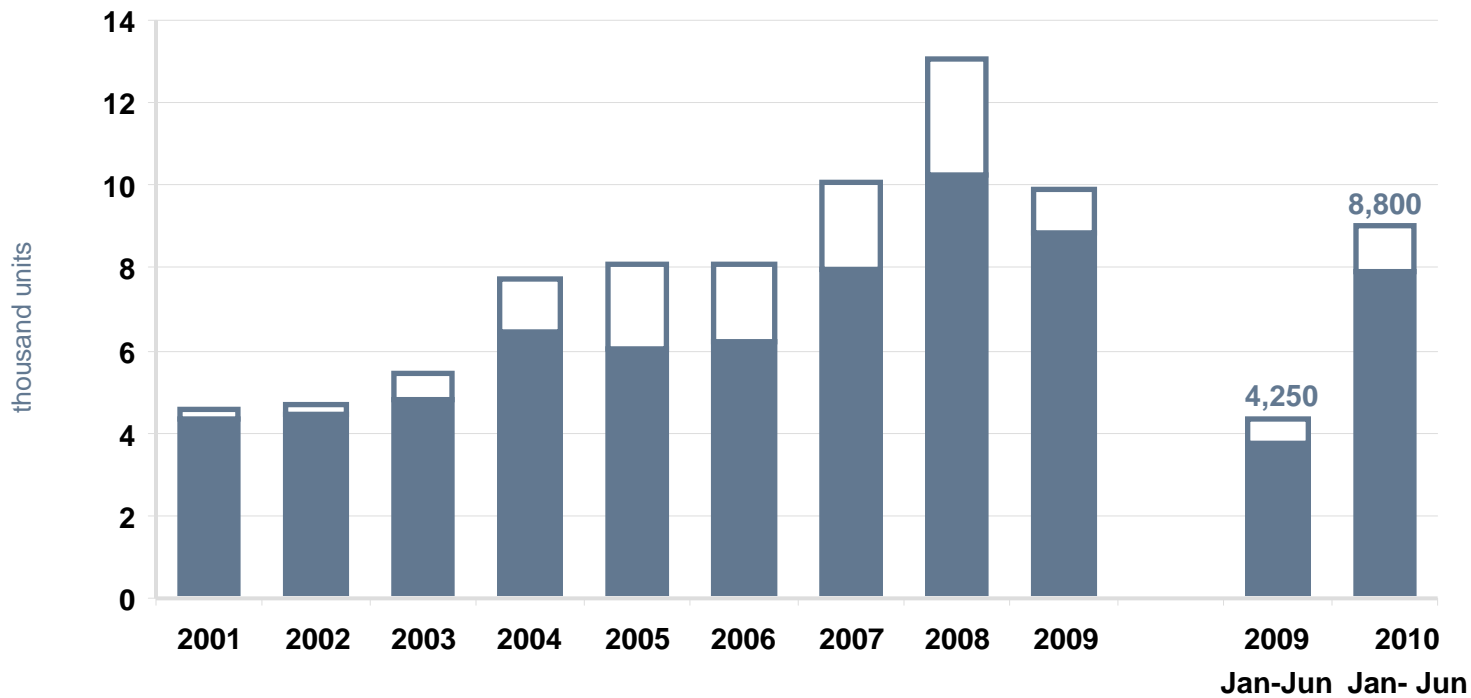
Latin America, >15t



Volvo Trucks Sales

Vehicle population 120,000

Latin America
 Brazil



Market Share Brazil	Jan-Jun 2009	Jan-Jun 2010
Total >15t	12.6	14.7
HDV (GCW >40t)	19.6	22.1

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Volvo Product Offer



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New Volvo FMX

Recently launched to vocational operations



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Long and Regional Haulage

- Road transport in Brazil is roughly 60%
- Heavy duty segment (>15t) is 60% of total truck market
- FH 440 was the best selling model in Brazil in 2009
- Agriculture and industrial goods transports



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Vocational Application



- Mining and sugar cane are predominant
- Rough applications
- Growing around 10% / year
- Volvo recognized as reliable and robust



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Volvo Buses



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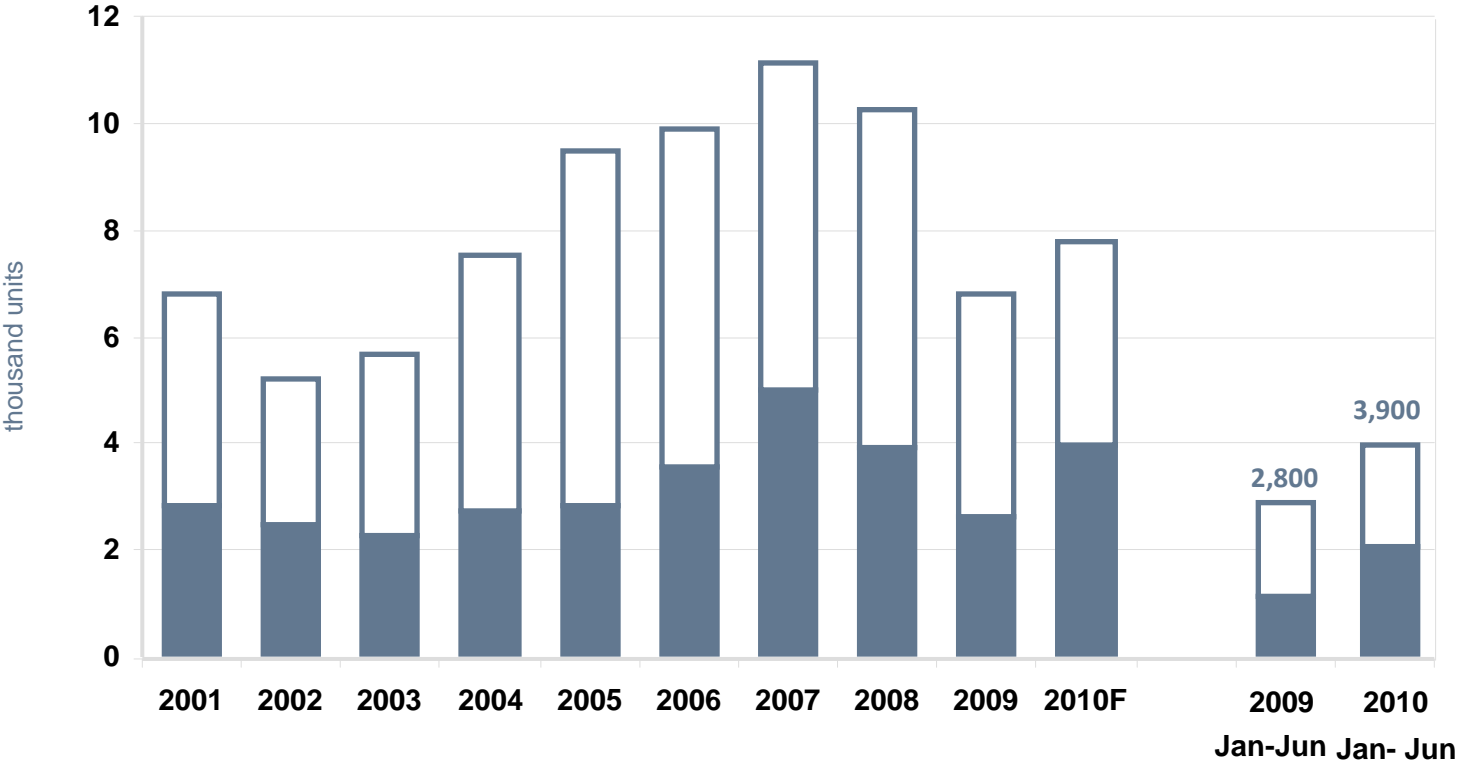
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Total Market Buses

Latin America

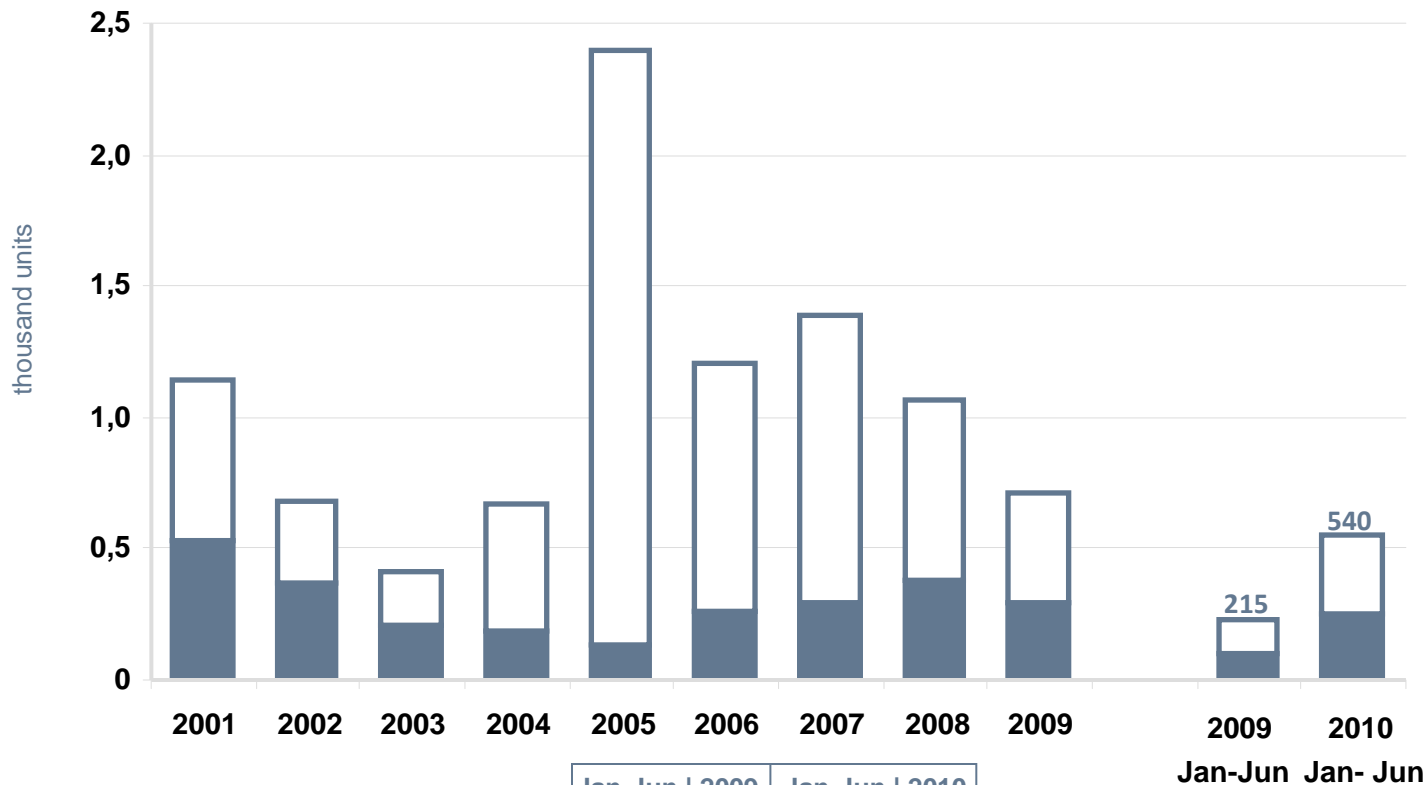
□ Latin America
■ Brazil



Volvo Buses Sales

Vehicle population 17,000

Latin America
 Brazil



	Jan-Jun 2009	Jan-Jun 2010
Market Share Brazil	7%	12%
Market Share L America	8%	16%

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Bus Product Line



B12M
(Art / BiA)



B7RLE



B9SALF
(Art / BiA)

B7R
Coach



B9R



B12R



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- **Bus Rapid Transit** mass urban transport model system created by Volvo, in **partnership with Curitiba city hall**

- **Transantiago** (Chile) more than 2,000 Buses
- **Transmilenio** (Colombia) more than 750 Buses
- **Panama** 1,000 Buses ordered



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Volvo Construction Equipment



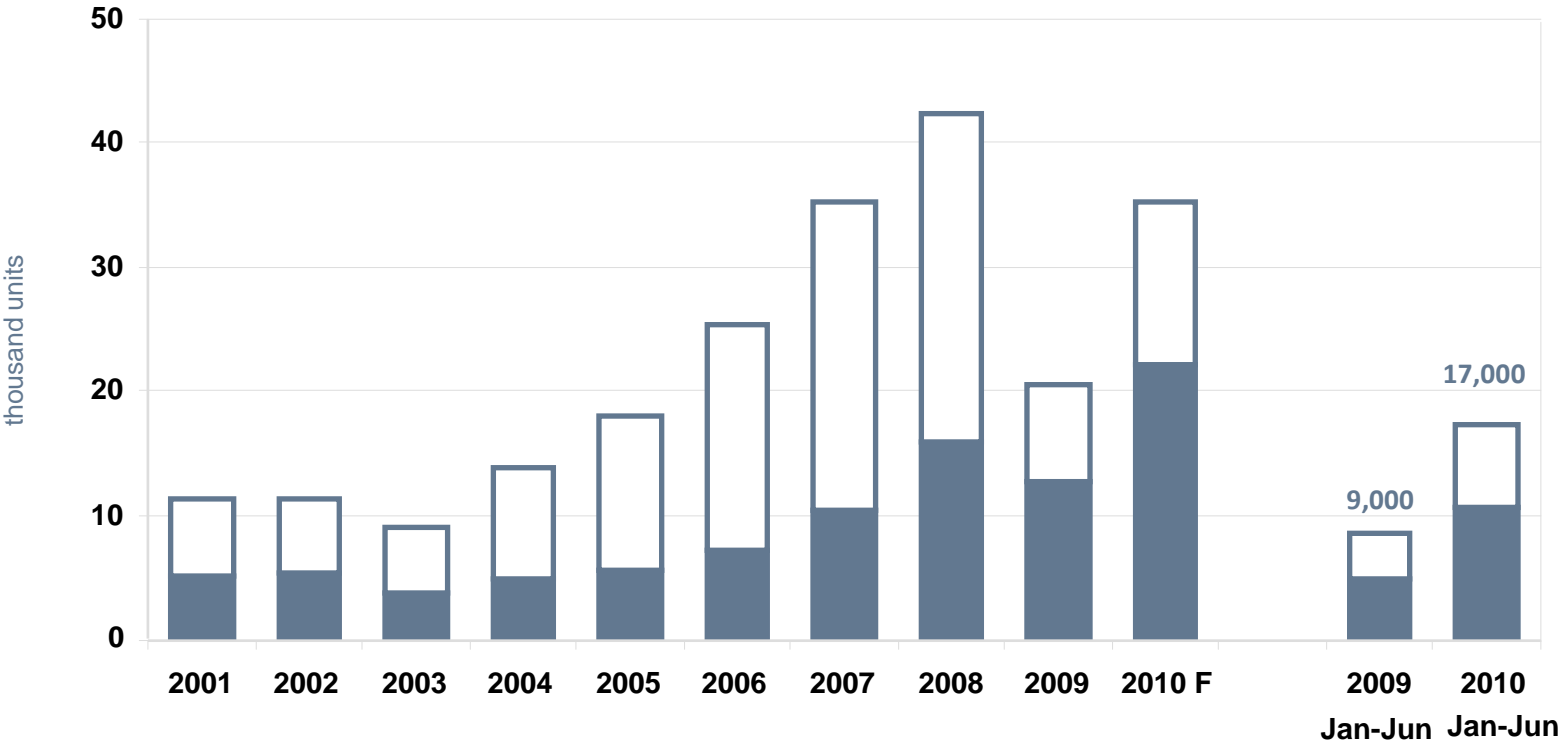
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Total Market Construction Equipment

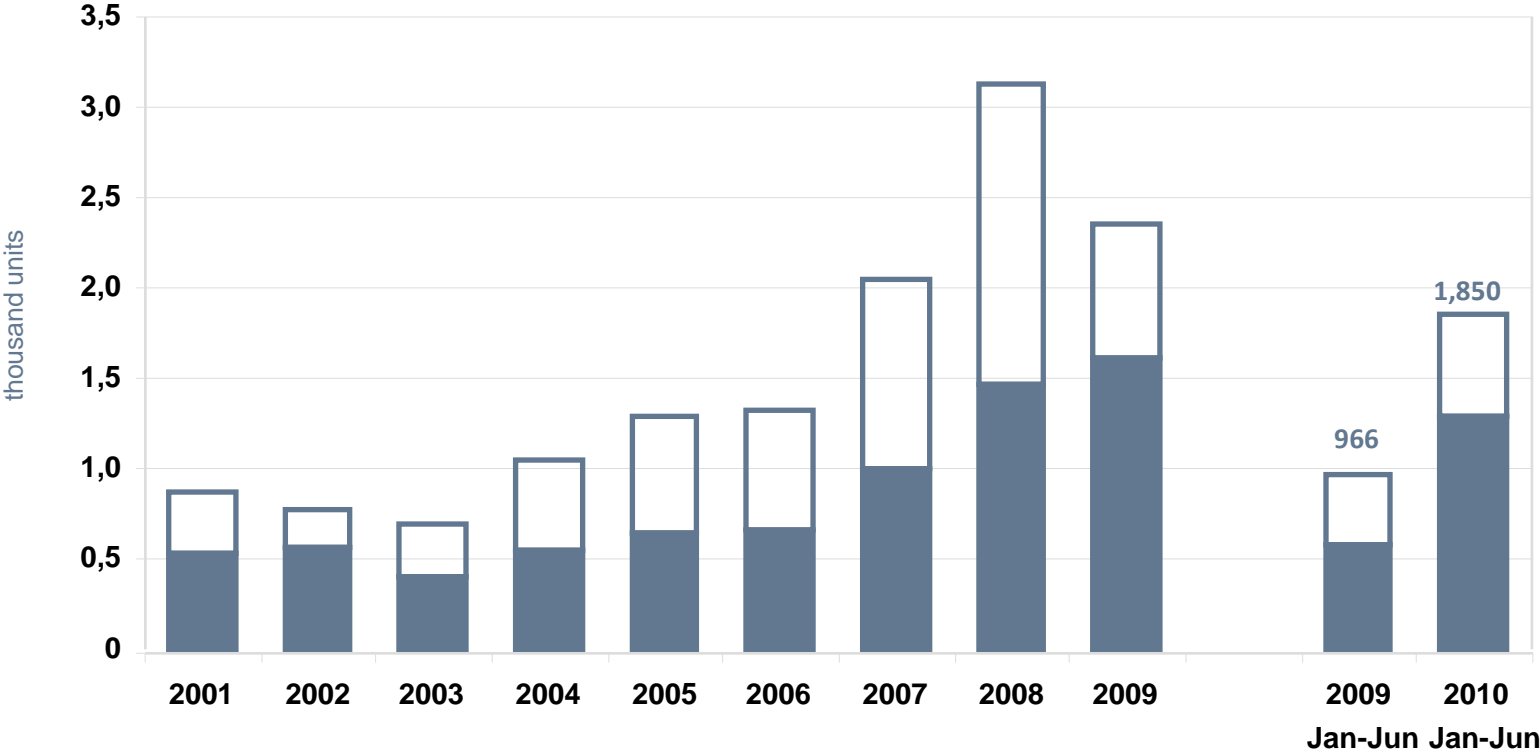
Latin America



Volvo Construction Equipment Sales

Vehicle population 15,000

Latin America
Brazil



Product Line

A TOTAL SOLUTION PROVIDER.
Construction Equipment portfolio is
one of the most complete between
all competitors.



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Volvo Penta

- Marine leisure, commercial and Industrial engines
- Imports from **Europe and US**
- **31** dealers

Volvo Penta
has half of
Marine Leisure
market share



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Volvo Financial Services



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Volvo Financial Services



- Penetration: 48% of Group deliveries
- Credit portfolio: SEK 1,7 bi

- Penetration: 43% of Group deliveries
- Managed assets (June'10): SEK 15,7 billion
- Credit portfolio: SEK 8,2 bi

- Penetration: 16% of Group deliveries
- Credit portfolio: SEK 0,5 bi

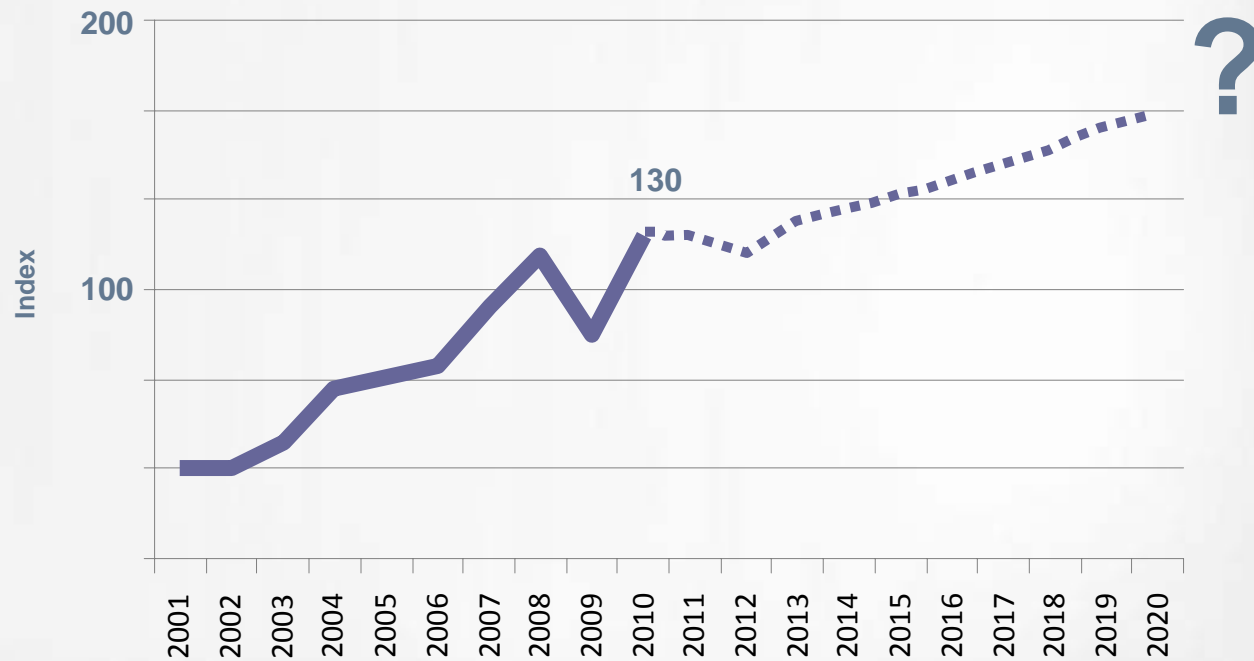
- Financing, Insurance and Consortium
- Support to the group sales

Volvo Strategies

- Brand image wanted position is number 1
- Strong product portfolio
- Capitalize on vehicle population
- Security for investments
- Competence development
- Dealer network density
- Sustainable profitability
- Cash flow and cost focus



Perspectives



Moderate GDP growth, conservative institutional improvements and progressive productivity gains

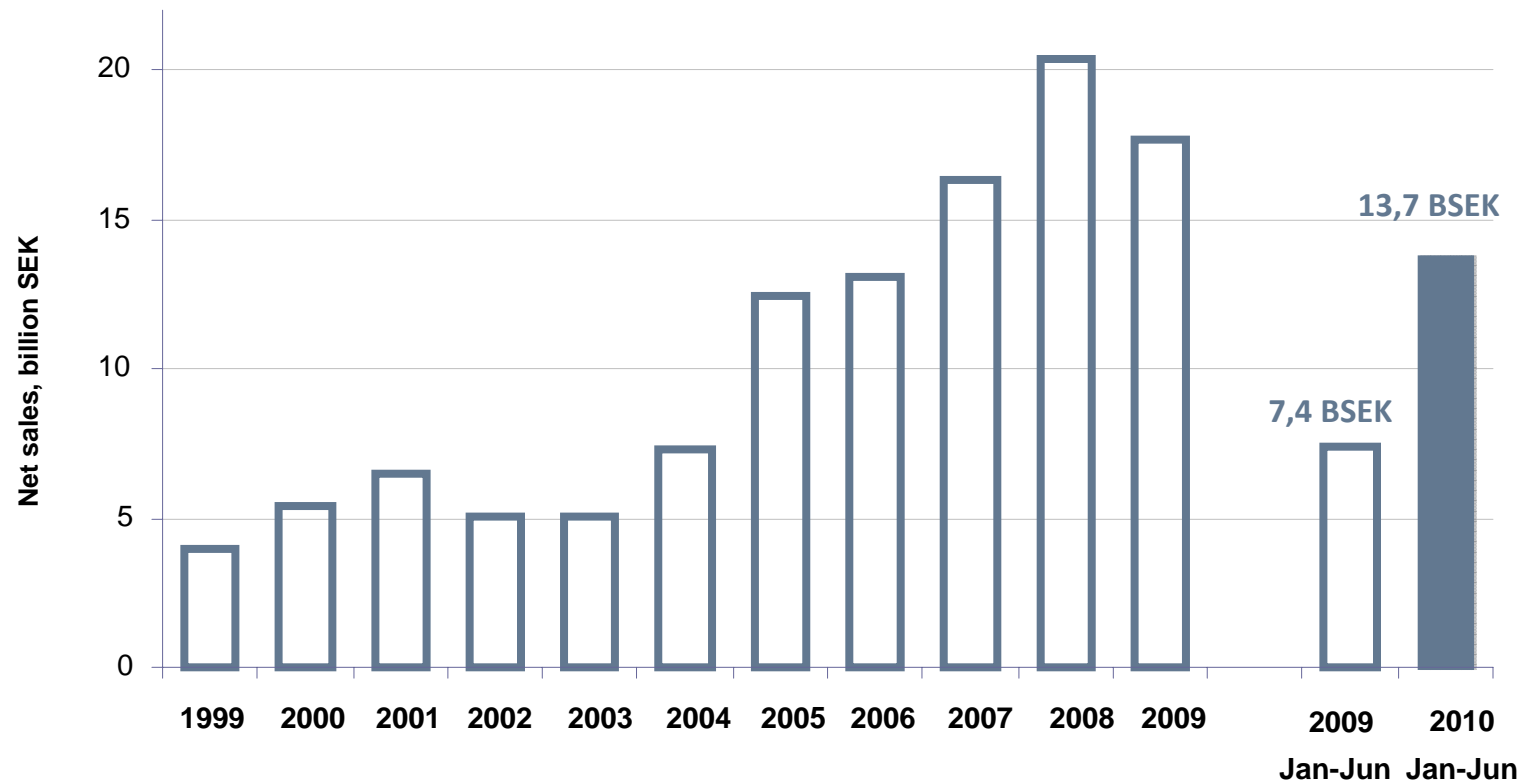
Sources: IMF, Global Insight, Ernst & Young and CIA world Factbook

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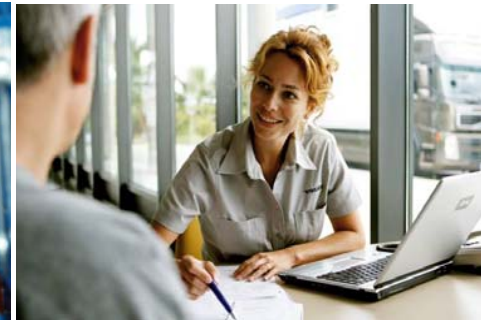
Volvo Group Sales South America 2000-2010 YTD



Summary

Volvo do Brasil

- Business areas and business units
- Cost efficient structure - synergies
- Involved and committed people
- Total market Latin America foreseen to increase
- Expansion possibilities
- Strong relations with dealer network and customers
- Brand image and customer satisfaction



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VOLVO HAS A VISION FOR 2020

**STRONG
POSITION IN LATIN AMERICA
A HUGE POTENTIAL**

VOLVO