
Investor Meeting
November 19, 2008

Volvo Group

Organized to deliver sharp customer focus and shared global strength

Business Areas

Volvo Trucks | Renault Trucks | Mack Trucks | Nissan Diesel | Volvo CE | Volvo Buses | Volvo Penta | Volvo Aero | Financial Services

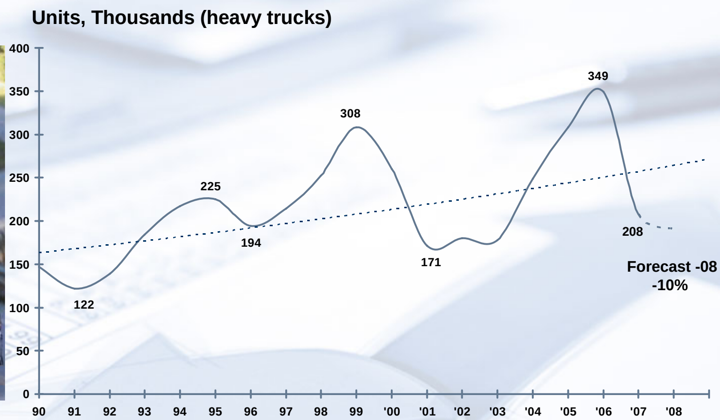
Business Units

- Volvo 3P
- Volvo Powertrain
- Volvo Parts
- Volvo Logistics
- Volvo Information Technology

Heavy-Duty Truck Market – North America

- Ongoing Weakness
  - U.S. Economy
  - Fuel Prices
  - Housing Construction
  - Financial Crisis
    - Customer Financing
    - Customer Confidence

Heavy-Duty Truck Market – North America



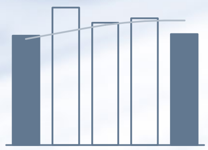
Used Trucks

- Economic environment and lower exports
- Industry inventories at high levels
- Fuel Economy driving value

Volvo Group Trucks

Net sales

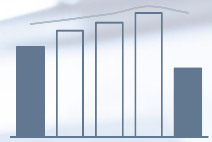
SEK bn



	Q3 07	Q4 07	Q1 08	Q2 08	Q3 08
Quarter	45.4	57.0	50.8	52.6	46.1
12 Mth. rol.	175.9	187.9	199.5	205.8	206.5

Operating income

SEK M



	Q3 07	Q4 07	Q1 08	Q2 08	Q3 08
Quarter	3,507	4,144	4,432	4,825	2,653
12 Mth. rol.	14,624	15,193	15,914	16,908	16,054
Margin	7.7%	7.3%	8.7%	9.2%	5.8%

Highlights

- Significant slowdown in demand in Europe
- Operating income down 24%, driven by North America
- Production system and overhead costs being adjusted to lower demand

In Focus

- Production management
- Cost efficiency and productivity
- Integration projects with Nissan Diesel and Eicher
- Manage material cost inflation

Volvo Trucks North America

- Managing significantly lower volumes since late ‘06
- Additional action necessary
- Strong focus on inventory management
- Maximum cost efficiency and productivity

Cost Reduction Measures

- Travel
- Investments
- Goods, Services Purchasing
- Hiring, Contractors
- IT Equipment
- Etc.

N.A. TRUCKS

Restructuring

- Longer Term Efficiencies
- Key elements:
  - Brand-unique production
  - Consolidation of vehicle development activity
  - Restructuring of parts distribution network

2009

- No forecast
- Pre-buy
- “Must Buy”

Dealers

- Strengthened by investments
  - ~100 MUSD since 2001
  - 329 locations
- New and used truck sales down
- Parts and service business strong

Customers

- Economic downturn and financial crisis
  - Bankruptcies
  - Credit crunch
  - Uncertainty (wait and see)
- Fuel economy top-of-mind

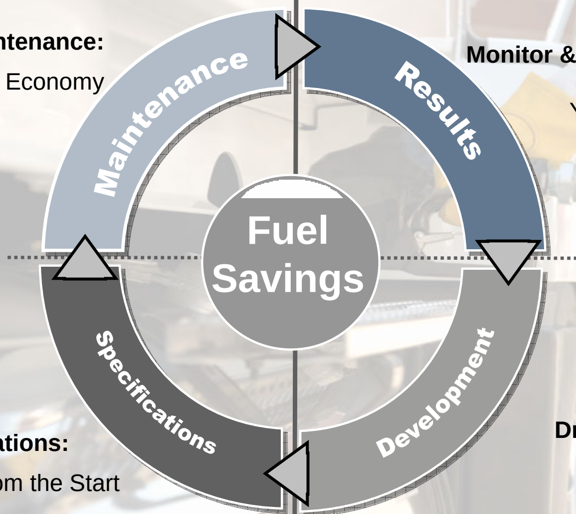
A Comprehensive Approach

Optimizing for Fuel Efficiency

Operating for Fuel Efficiency

Fuel Savings Maintenance:
Maintain Your Fuel Economy

Monitor & Measure Results:
Track and Plan
Your Fuel Efficiency



Correct Specifications:
Getting It Right From the Start

Driver Development:
The Driver Delivers
Your Final Results

Reaction to New Engines

- **Very positive**
  - **Power – Performance**
  - **Drivability**
  - **FUEL ECONOMY (+3%)**

D11 **D13** **D16**

EPA2010

- First with SCR (2006)
  - More than two years developing/optimizing
  - Entire program well advanced
- Cummins decision
- Proven engines and technology
- Fuel Economy improvement 2-3% minimum (on top of current +3%)
- Infrastructure
- Customer testing


Q&A