Capital Market Day

June 21, 2006

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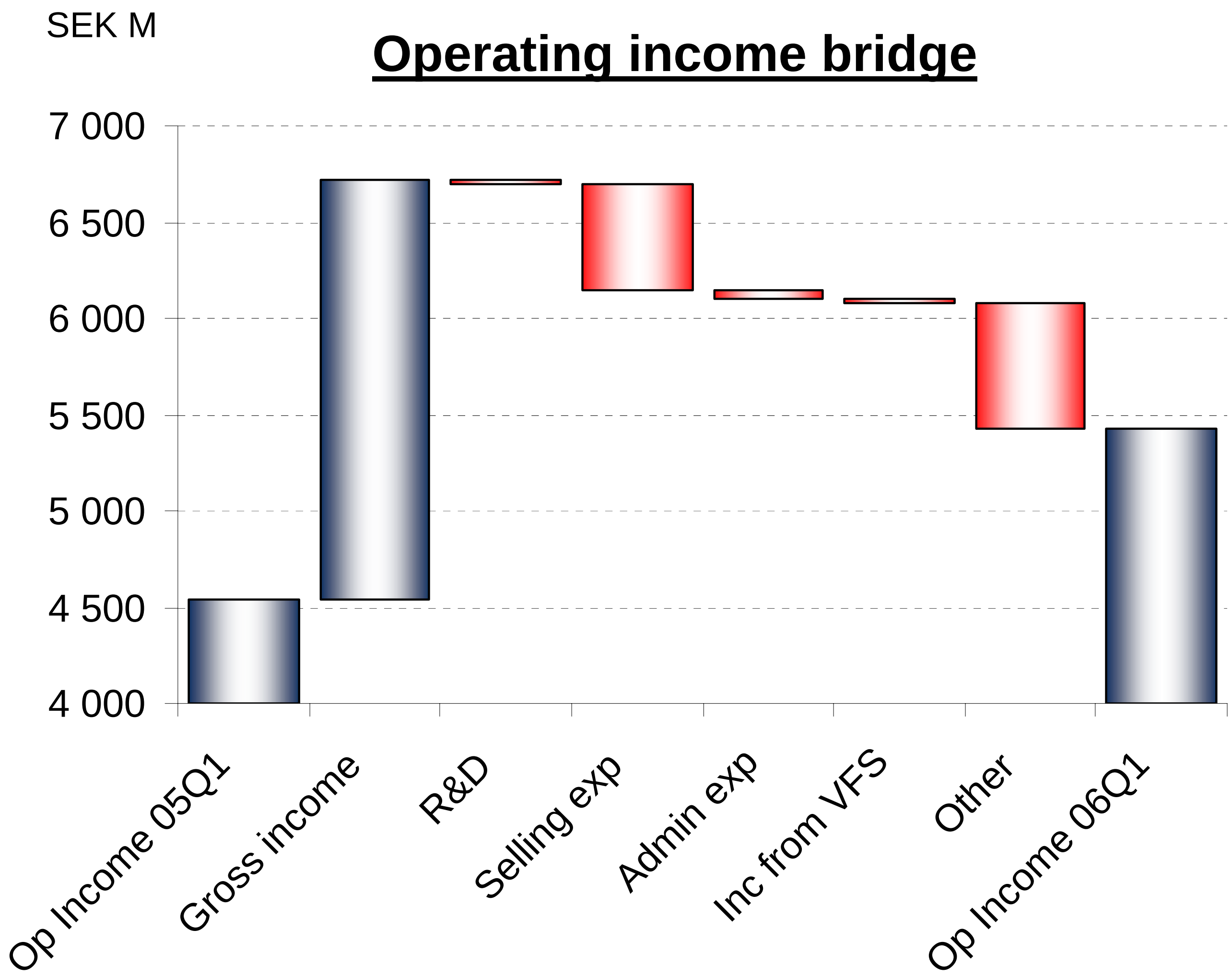
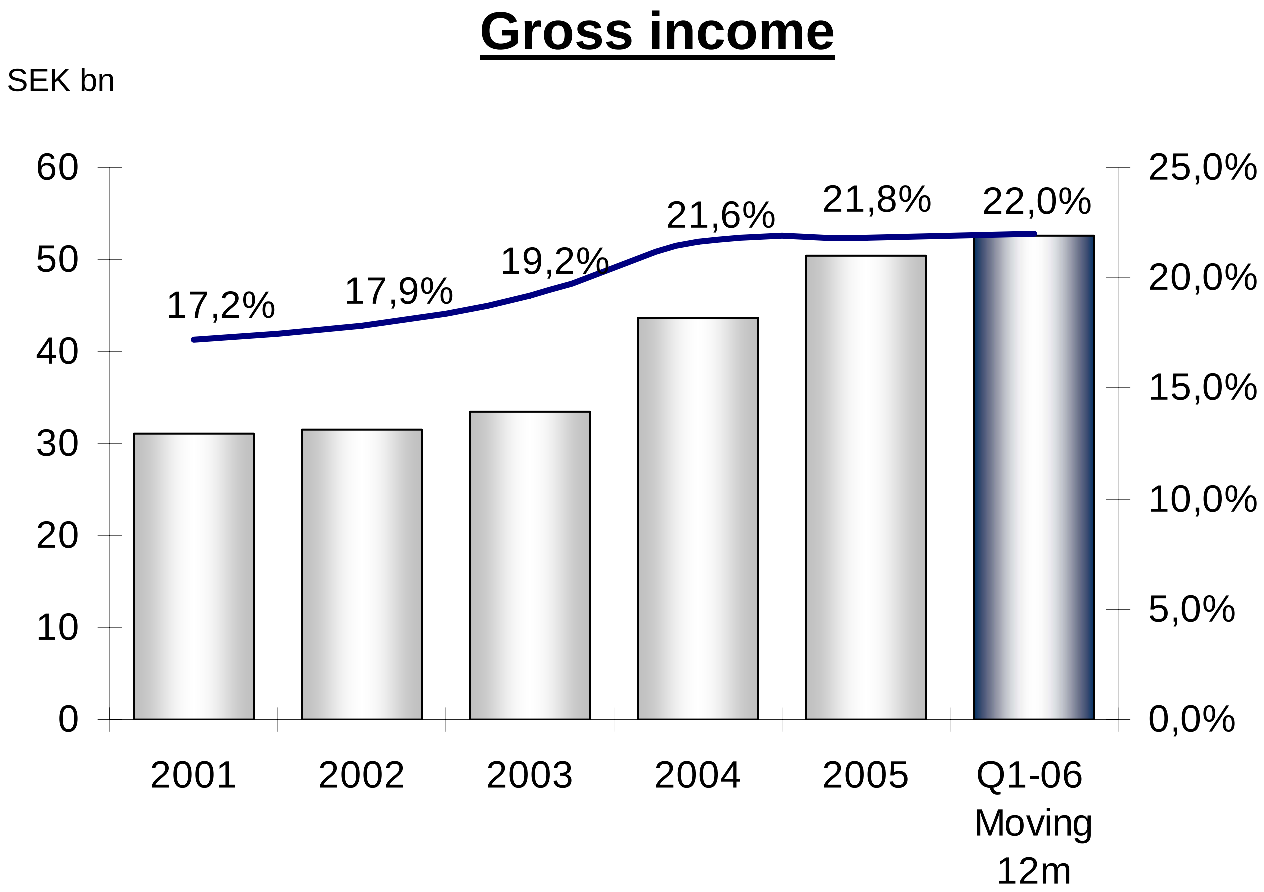
Financial Summary – Q1 2006



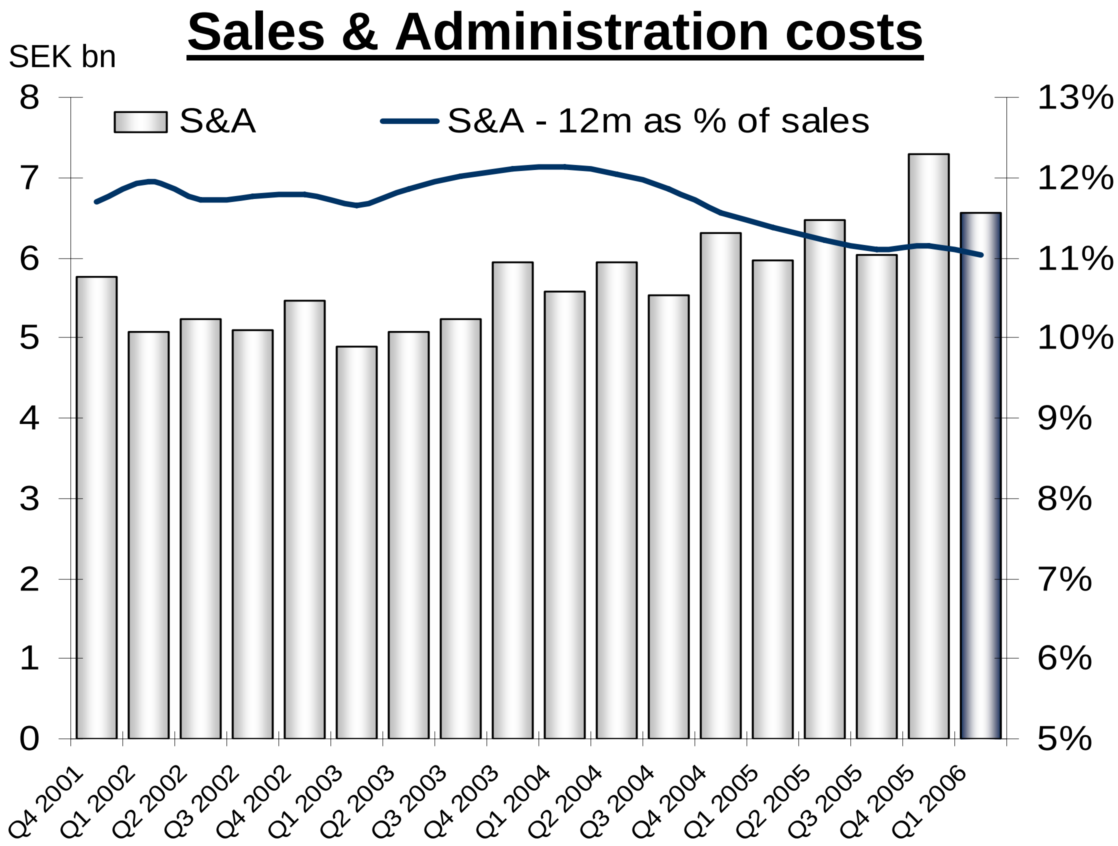
- Net sales +15%
- Improved operating income:
  - \+ Gross income
  - – Selling expenses
  - – Forward contracts
- Increased capital efficiency:
  - CCC reduced from 44 to 37 days
- Improved cash flow

Improved Operating Performance



- Group synergies
  - Powertrain
  - 3P
  - Business units
- New products and strong after market:
  - Vehicles
  - Parts
  - Service
- Price realization
- Manufacturing productivity

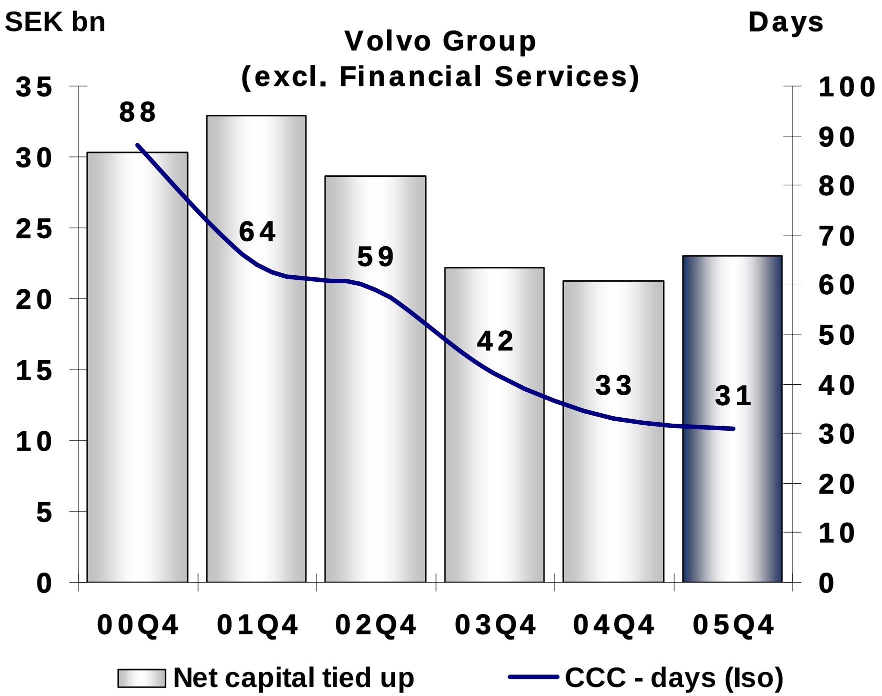
Improved Selling and Administrative efficiency



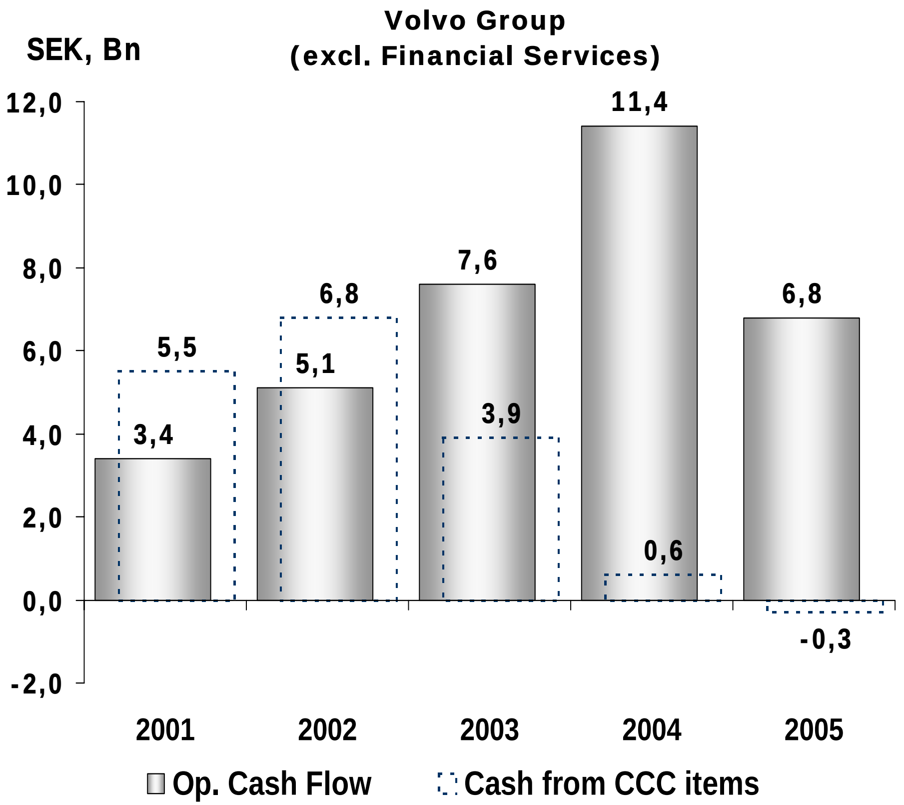
- Group synergies
  - IT
  - NAP
  - Shared services
- Lean distribution
- Optimized service network
- Efficient legal structure

Improved Working Capital Management

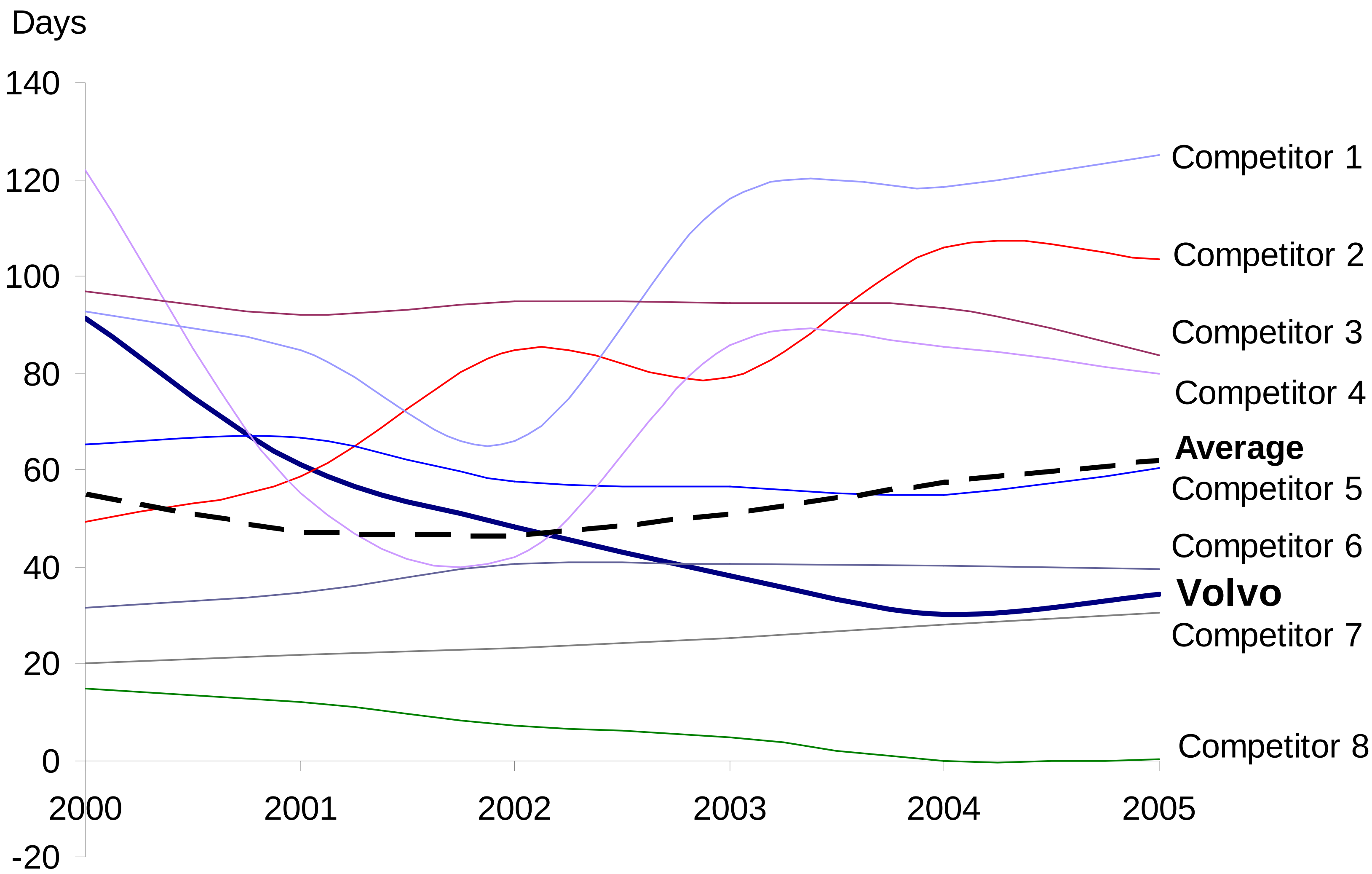
Cash Conversion Cycle



Operating cash flow



CCC Days – Industry Benchmarking



Volvo Group Capital Structure

Shareholders

Shareholder value:
Long-term attractive and stable total return to investors

Debt providers

Long-term single A rating
Financial strength and flexibility

Financial key ratios
to balance these objectives

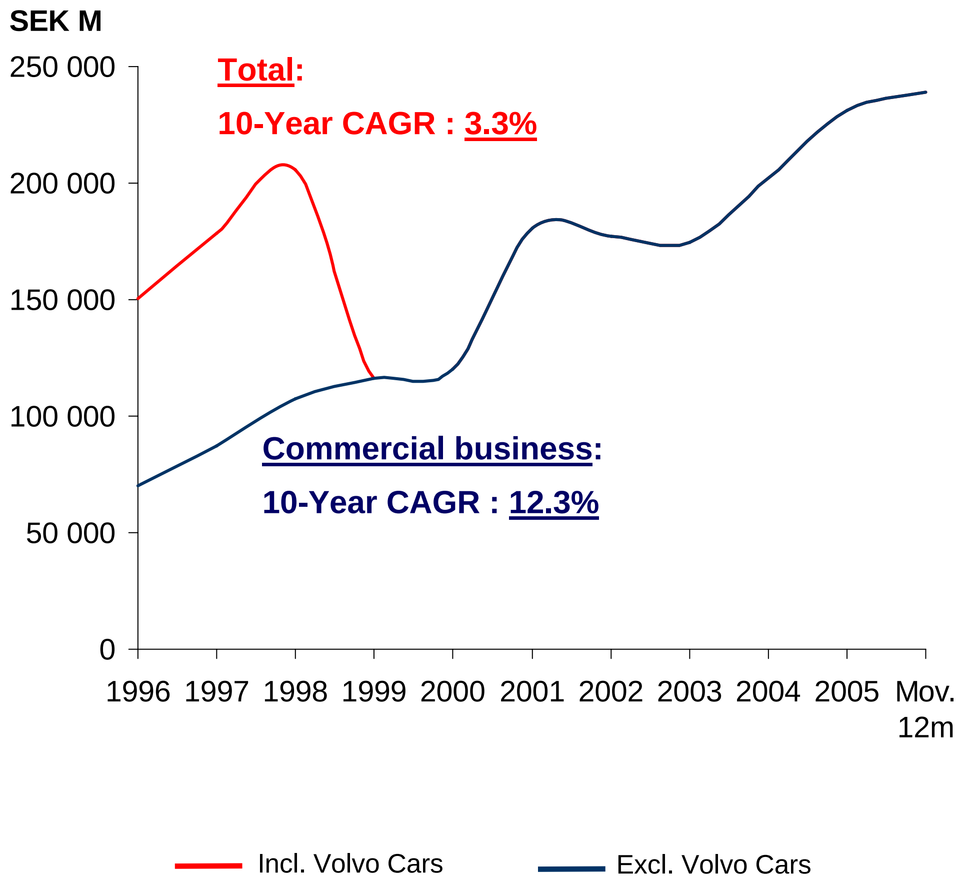
Financial Targets

Sales growth	>10%
Operating margin	5-7%

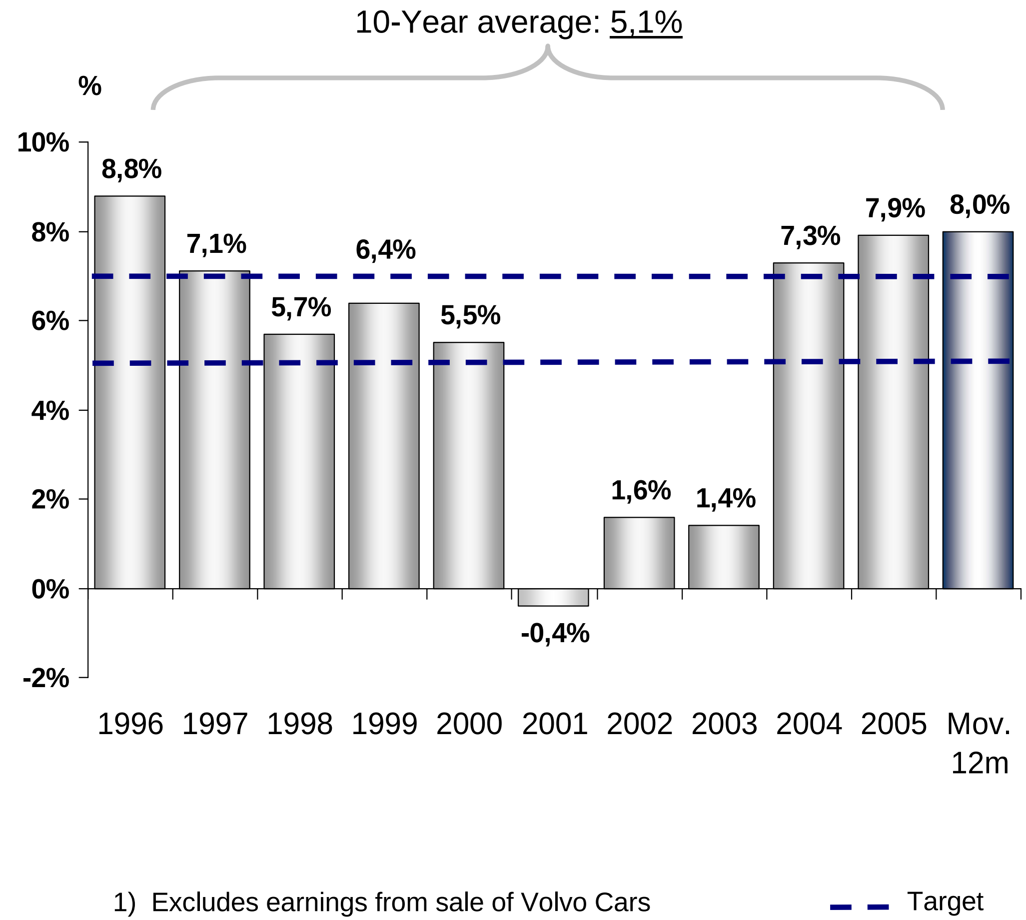
Financial Restriction
Net financial position +15% to -30% for Industrial & Commercial (I&C)
Financial Services equity ratio 10%

Volvo Group Performance

Net sales development



Operating margin[1] (%)



1) Excludes earnings from sale of Volvo Cars

Focus in 2006

- Capture Group synergies
- Product cost
- Working capital management