

VOLVO

Capital Market Day

June 21, 2005

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Volvo Trucks



Volvo Trucks in a Rapid Growth

Produced units



Deliveries

- Record high exceeding 105,000 units

Profitability

- Volvo Trucks performing very well

Commercial

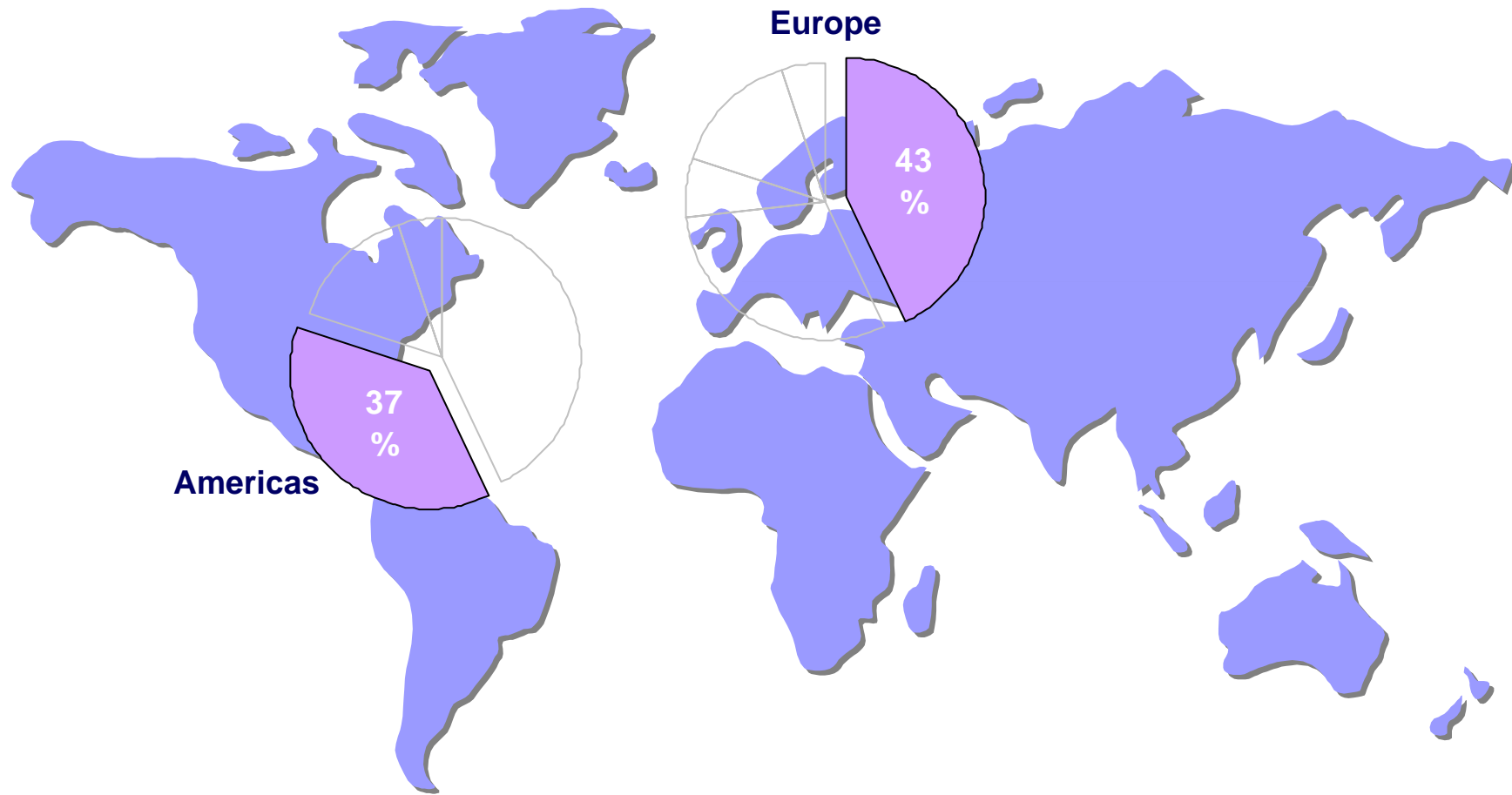
- New dealer retail strategy under implementation, worldwide

Products

- Preparing for Euro-4 and EPA-07 introductions next year

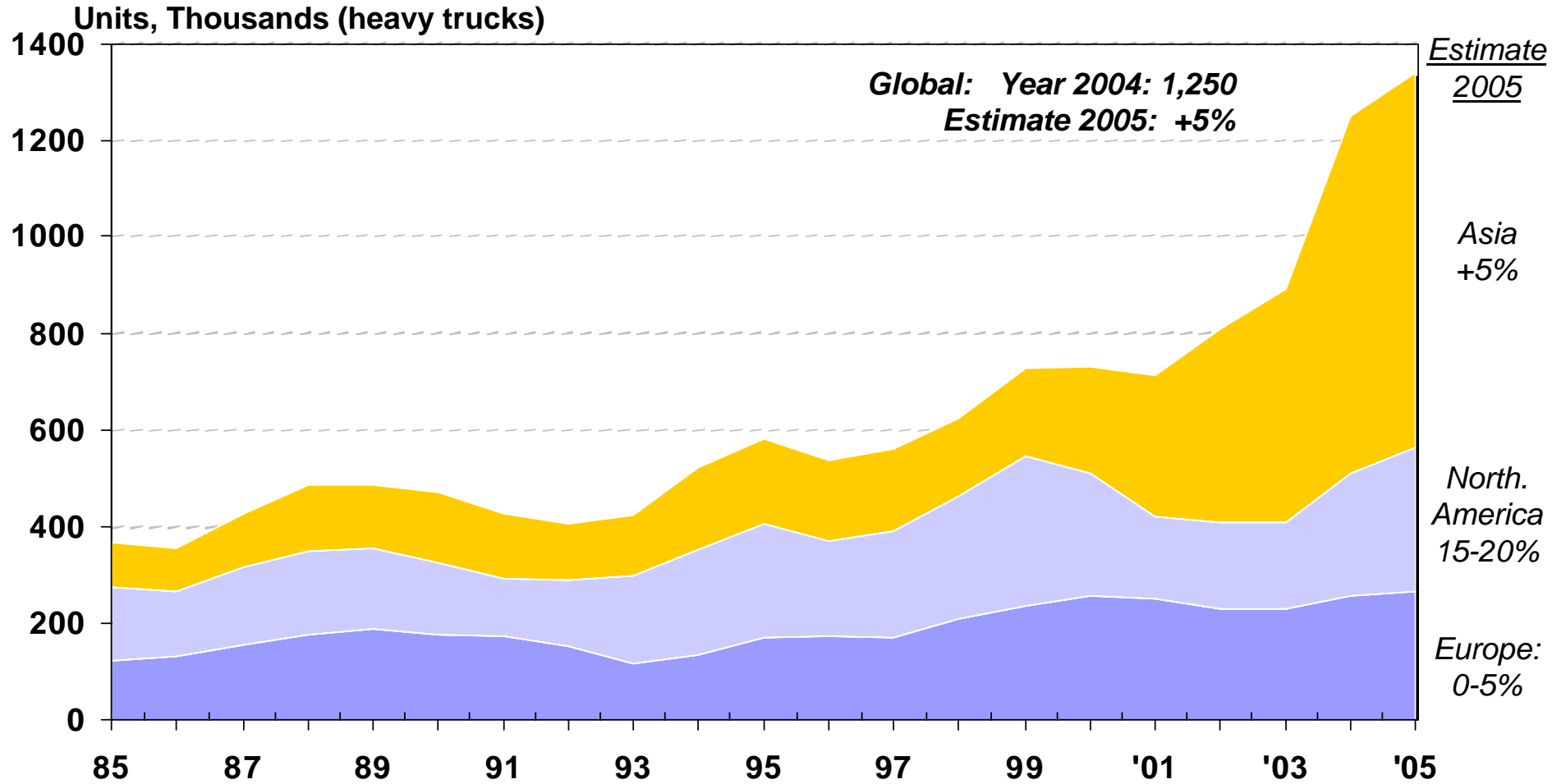
Volvo Trucks – Present on All Continents

.. but 80% of activities in Europe and Americas



Heavy Duty Truck Market

.. biggest growth in Asia



Volvo Trucks in Europe

.. a strong position and presence



- ▶ *500,000 Volvo truck population*
- ▶ *45,000 annual deliveries, or 13% above previous year*
- ▶ *16% share of total market*
- ▶ *As strong in East as West*

Volvo Trucks in Europe

.. a leading position in International long haul



Volvo Trucks

- *#1 position in long haul tractors*
- *#2 brand in total Europe*

Customer Interface

.. Forward Integration Into Retail



Volvo Trucks Industrial



Volvo Trucks Commercial



Retail

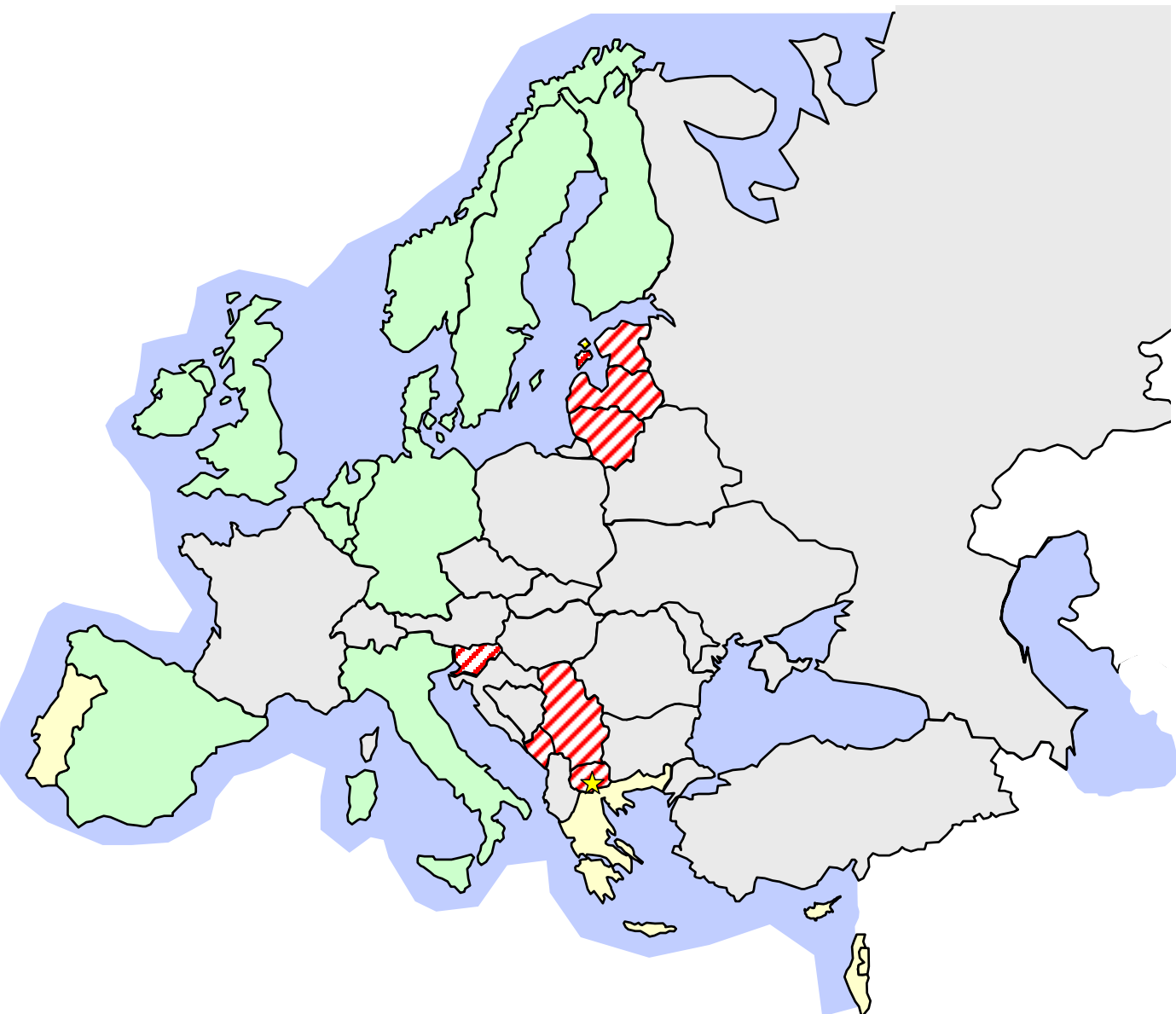






The Customer



European- retail network

<u>Volvo owned</u>	<u>Private</u>
220 Workshops	700
3,7 million hours	7.5
5,700 employees	11,500



-  Private importers
-  New truck sales 100% through Volvo Trucks
-  New truck sales and aftermarket 100% owned by Volvo Trucks
-  Independent dealers as well as Volvo Truck Centers operating sales in the market

Volvo Trucks in North America

.. focused on the major market segments in long haul



Market Position

- ➡ 25 years presence in North America
- ➡ 30,000 annual deliveries, or 45% above previous year
- ➡ 10% share of total market
- ➡ Focused on the Long Haul, over the road applications

Building Stronger in North America

.. expansion of program and services



Future Direction

- Demanding Long haul (50%):
Enhance with VT 880 and engine
- Economical Long Haul (20%):
More engine offers based on Group platforms
- Heavy Transports (5%):
16L engine offer based on Group platform
- Heavy Construction (15%):
Update products

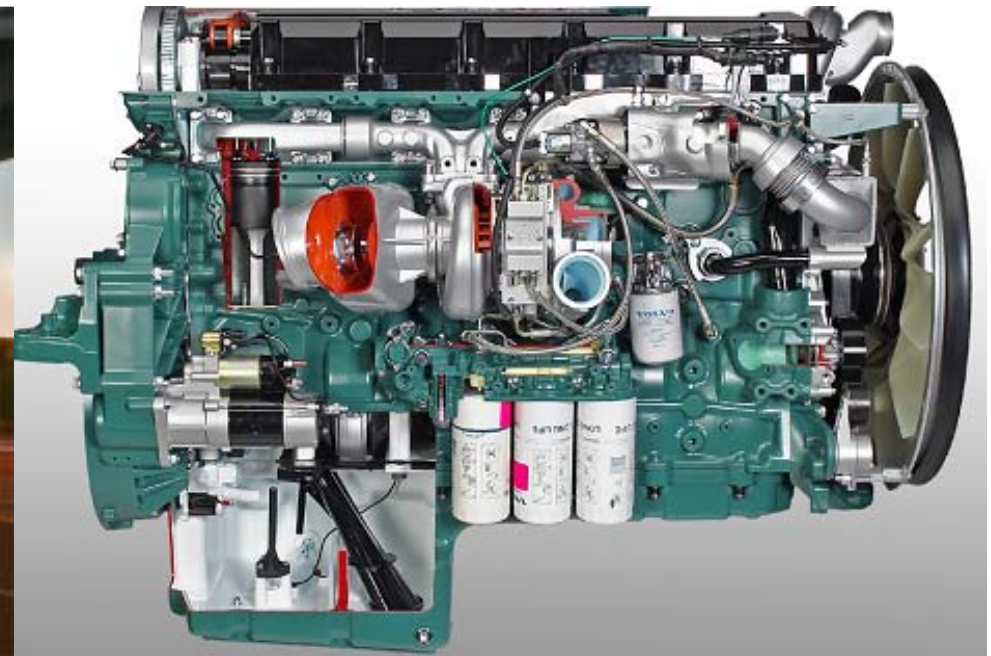
New Product Introductions

..will improve market coverage
and enhance brand image



VT 880

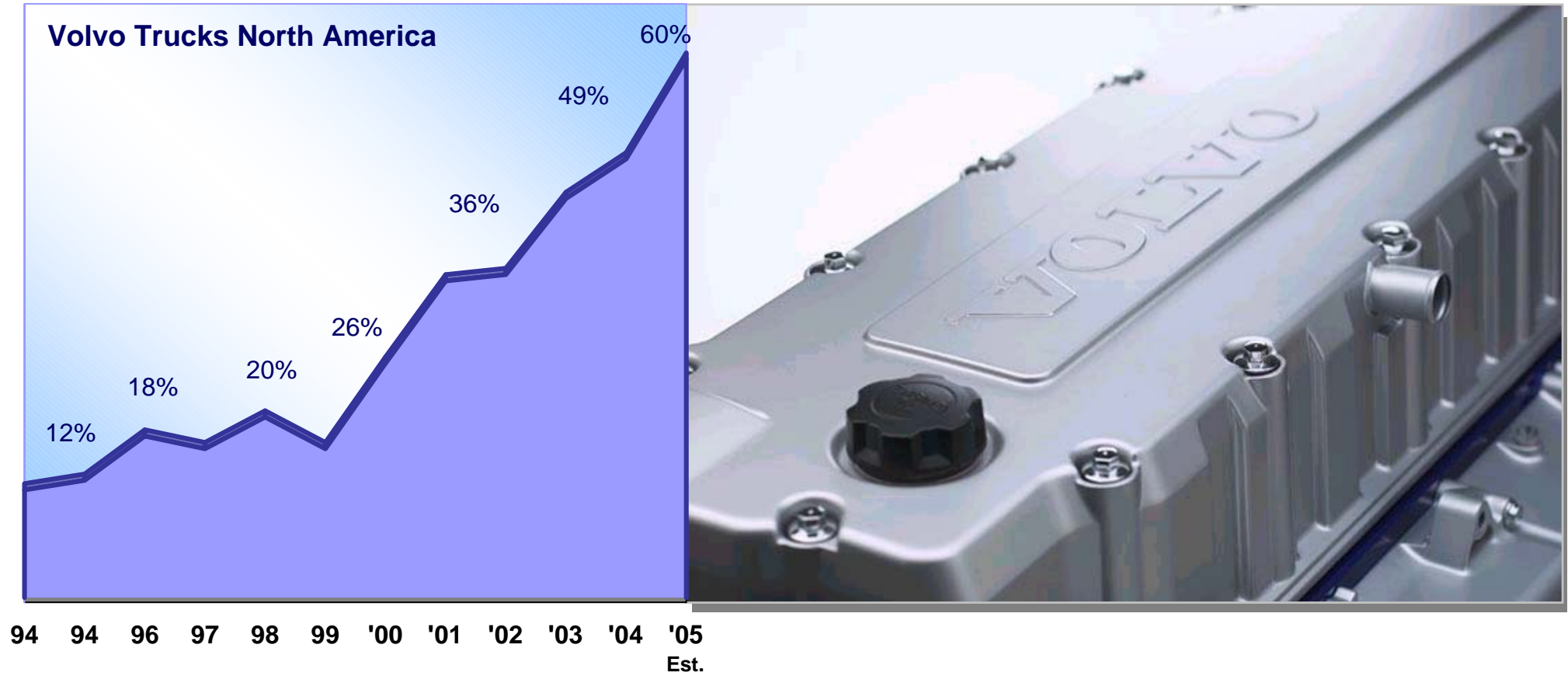
Flagship Volvo Offer to
demanding customers



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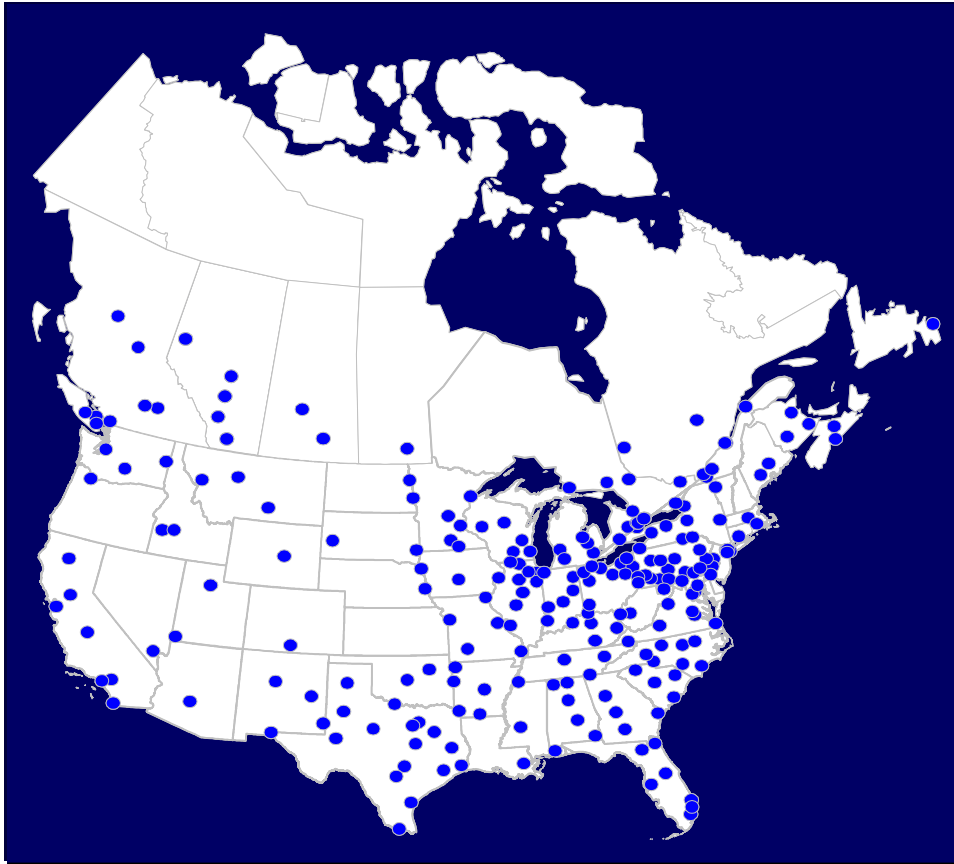
Strongest engine, 625 hp for
demanding long haul applications

More Volvo Engines



North American Dealer Outlets

Volvo Trucks North America



Volvo dealer network

- 258 full line dealers
- 97 parts & service only
- 355 total outlets

Combined Volvo – Mack dealers

- 143 common locations of the two franchises
- 63% of business goes through common owners

Dealer Development

..towards a consistent customer experience across North America
in keeping with the Volvo Brand Promise

