

VOLVO

First Quarter 2003
Press Conference, April 28, 2003

Highlights

First Quarter

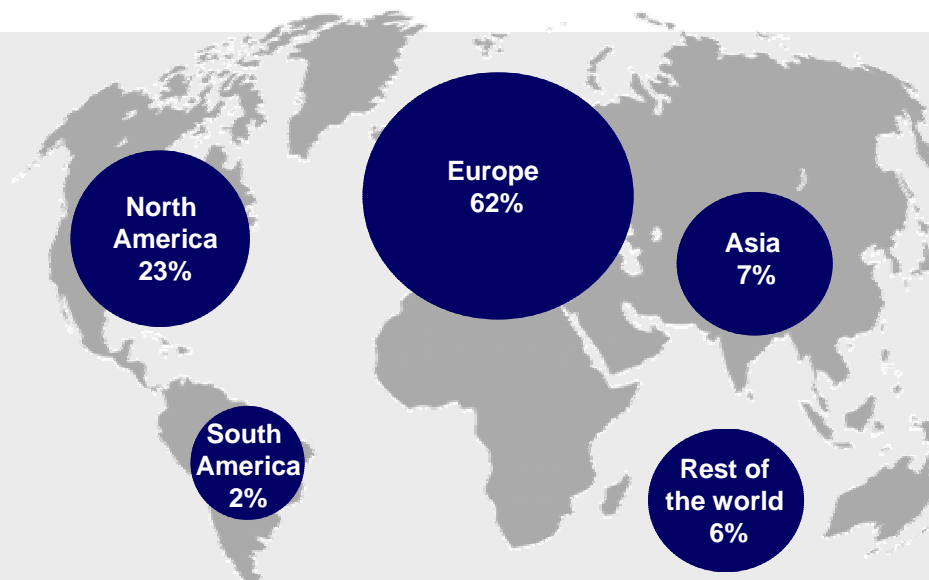
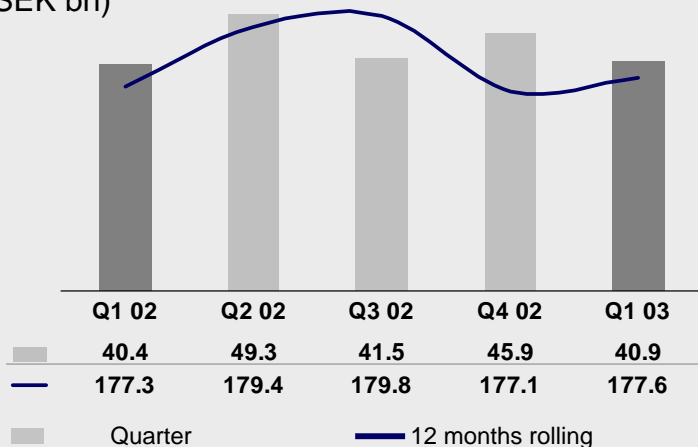
- Uncertain business climate
- Strong earnings improvement
 - Improved Truck result in Europe
 - Reduced losses in N. America
 - Volvo CE
- Continued crisis in the travel industry affecting Aero and Buses negatively
- Production changes in N. America successfully completed
- Strengthening of dealer networks
 - Public offer for Bilia commercial division in Europe
 - Mack / Volvo optimization in N. America
- Negative cash flow

In Focus Going Forward

- Readiness to adapt to demand changes
- Continued truck integration
- Cash flow

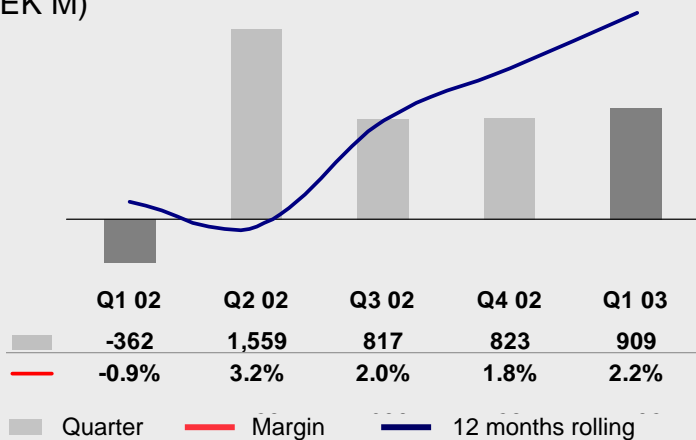
Net sales

(SEK bn)



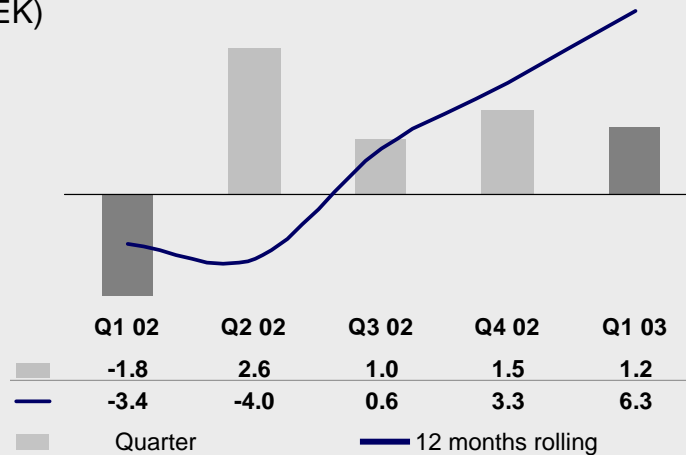
Operating income

(SEK M)



Earnings per share

(SEK)

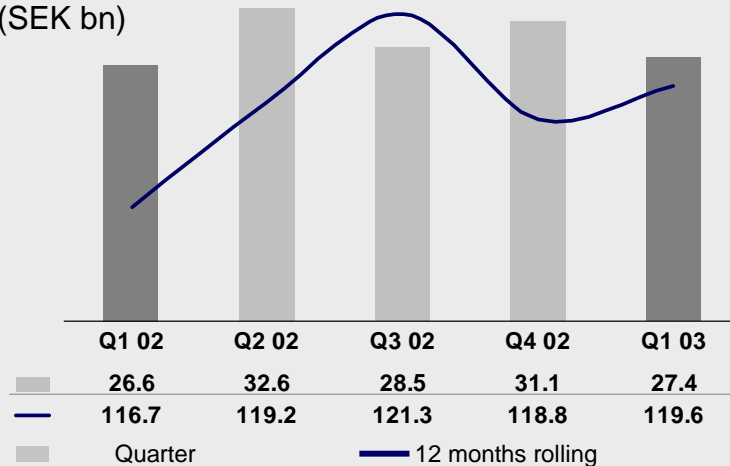


Trucks

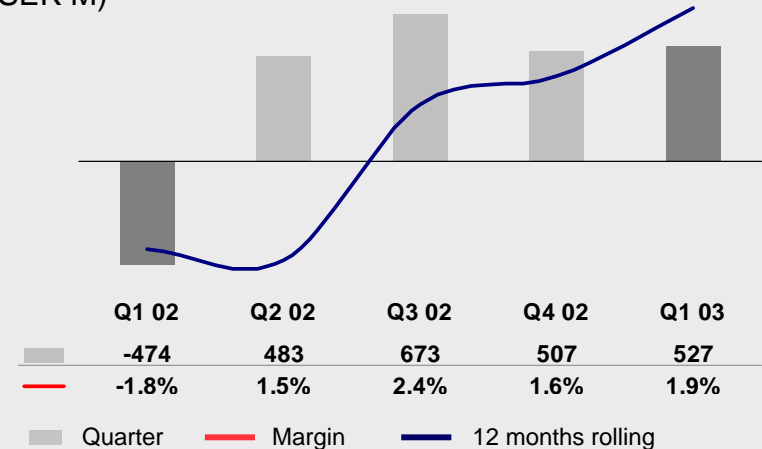
First Quarter



Net sales (SEK bn)



Operating income (SEK M)



Highlights

- Higher deliveries and improved result
 - Strong earnings within Volvo in Europe
 - Improved margins for Renault
 - Reduced losses in N. America
- Transition of the Mack production completed
- Improved market share for Volvo in US

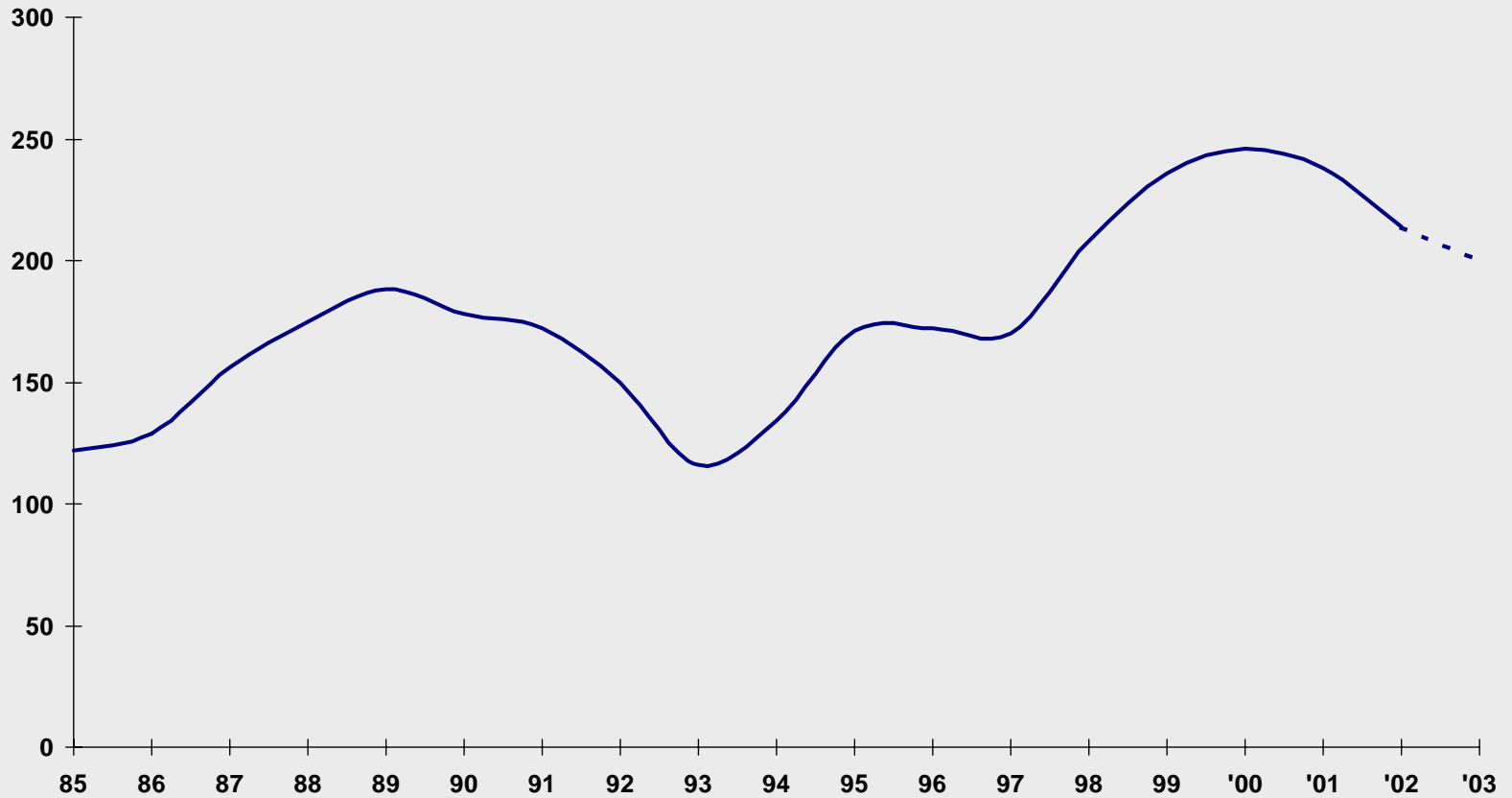
In Focus

- Optimization of the N. Am. distribution network
- Adapt to changes in demand
- Cash flow

Heavy Duty Truck Market Western Europe



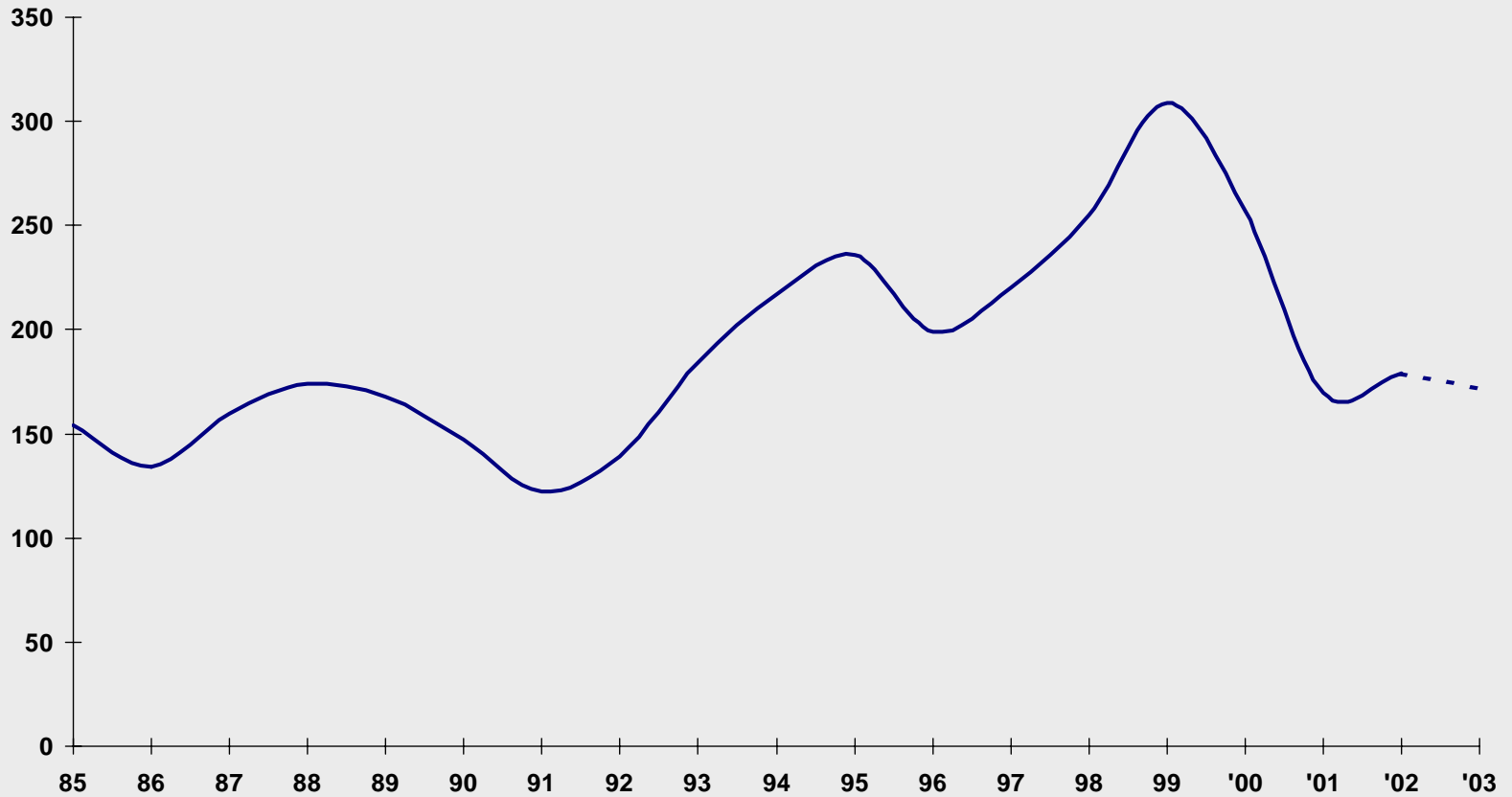
Units, Thousands (heavy trucks)



Heavy Duty Truck Market North America



Units, Thousands (heavy trucks)



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Heavy Duty Truck Market

New Volvo VN ramp up completed

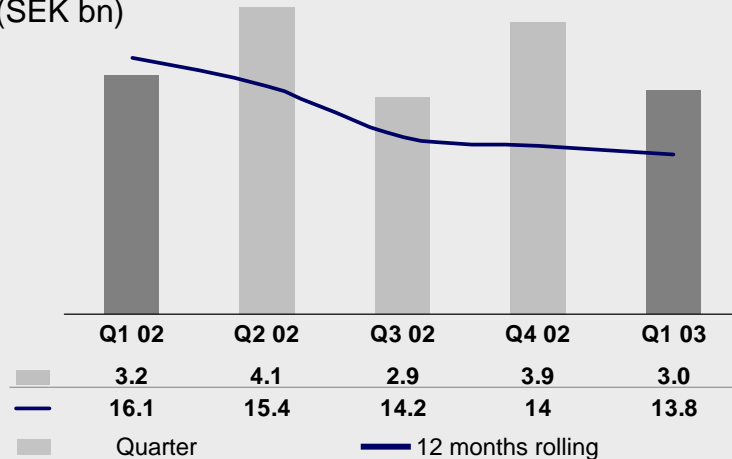


Volvo Buses

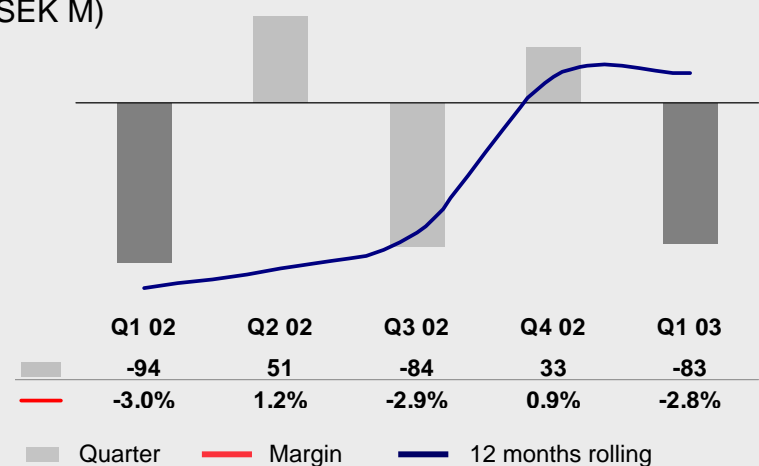
First Quarter



Net sales
(SEK bn)



Operating income
(SEK M)



Highlights

- Further improvement in North America
- Good delivery volumes in Nordic and Asia areas
- A sharp volume decline in Latin America
- The tourist coach market remains weak
- Present global uncertainties reduce demand
- Continued deterioration of demand in the highly competitive Continental European market

In Focus

- Continue the turnaround program
- Internal productivity- and cost management
- Performance based pricing
- Cash flow

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Volvo Buses

Volvo B7R city bus in the streets of Shanghai

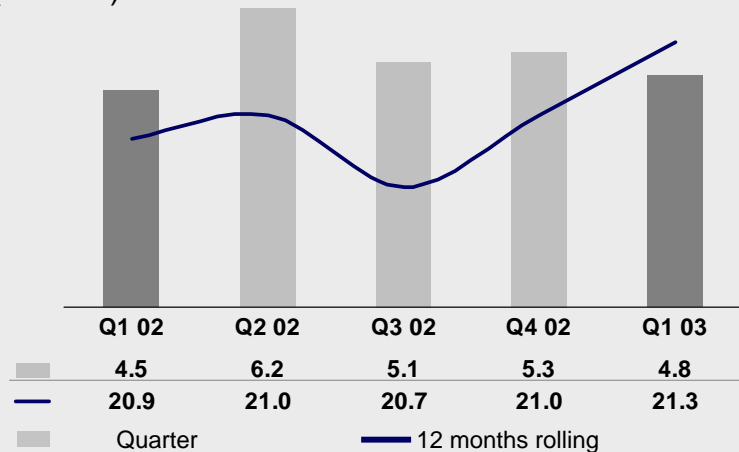


Volvo Construction Equipment First Quarter



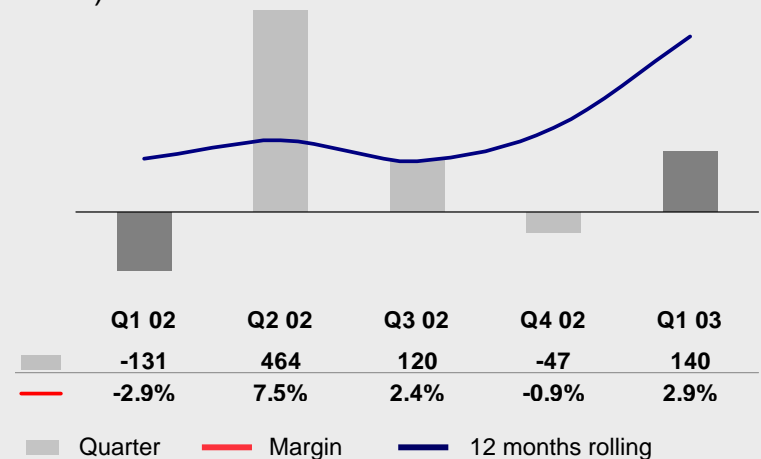
Net sales

(SEK bn)



Operating income

(SEK M)



Highlights

- Total market in N.Am. down 10%, EU down 2% and International up 11%
- Sales up 7% due to strong contribution from recently launched products
- Production start of excavators in China and skid steers in North America

In Focus

- Continued successful roll out of new equipment
- Cost control
- Dealer development
- Cash flow

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Volvo Construction Equipment

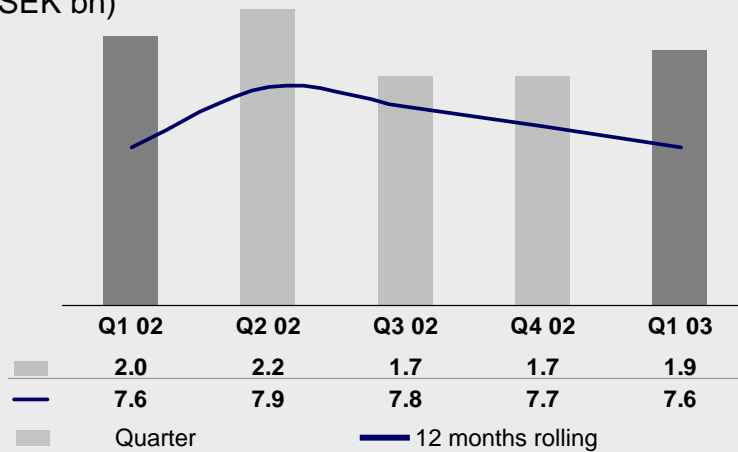
New medium range of wheel loaders



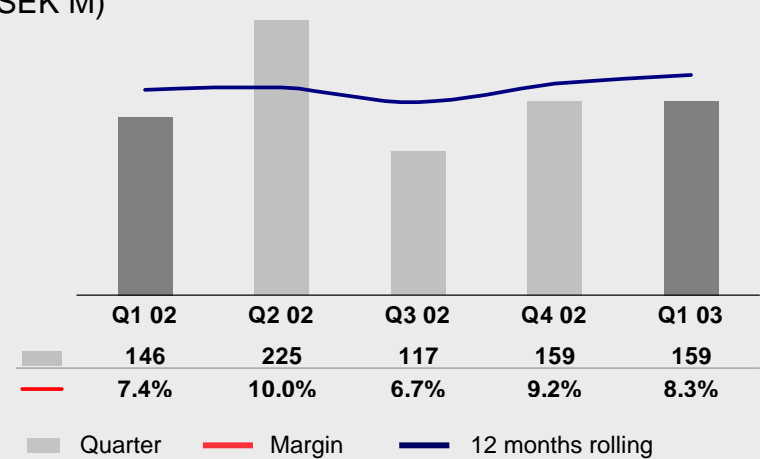
Volvo Penta First Quarter



Net sales (SEK bn)



Operating income (SEK M)



Highlights

- Strengthened market shares
- Strong order intake
- All time high Q1 operating income

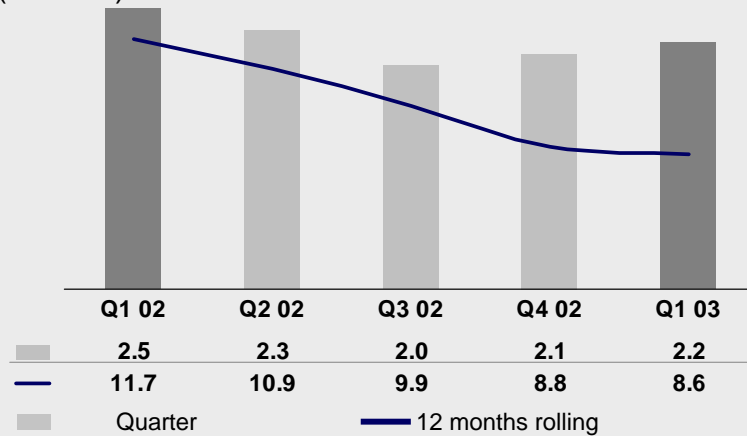
In Focus

- Product renewal
- Cost control
- Cash flow

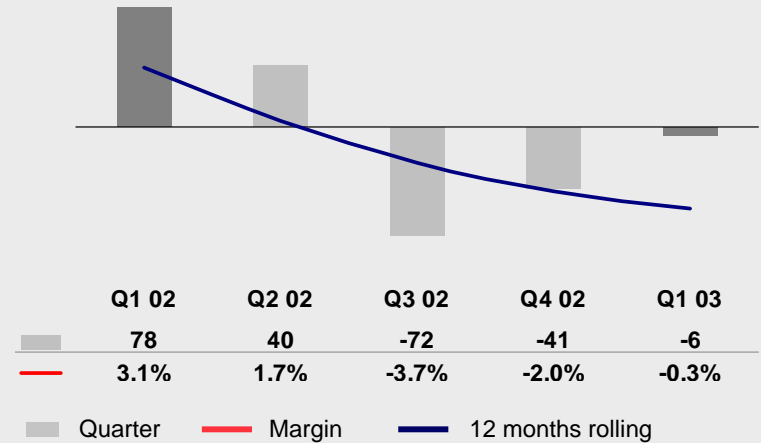
Volvo Aero First Quarter



Net sales
(SEK bn)



Operating income
(SEK M)



Highlights

- Continued weak air traffic
 - War in Iraq
 - SARS is a growing threat
 - Airline profitability
- Aerospace Components and Military Engines held up
- New after market contracts

In Focus

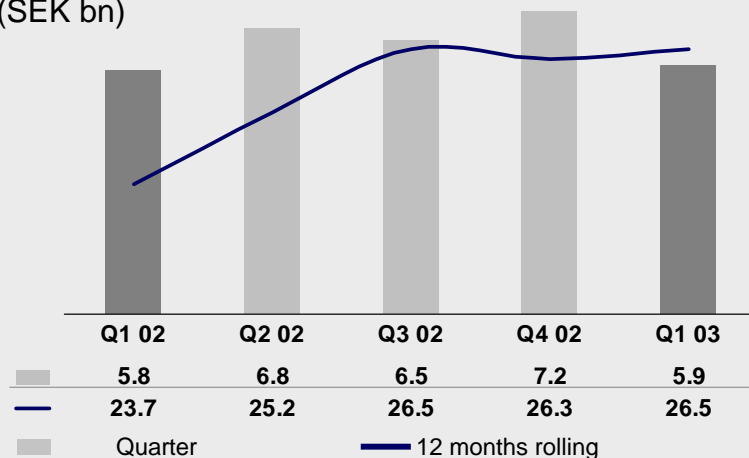
- Continued adaptation to a declining market
- Increased sales activities
- Cash flow

Volvo Financial Services First Quarter



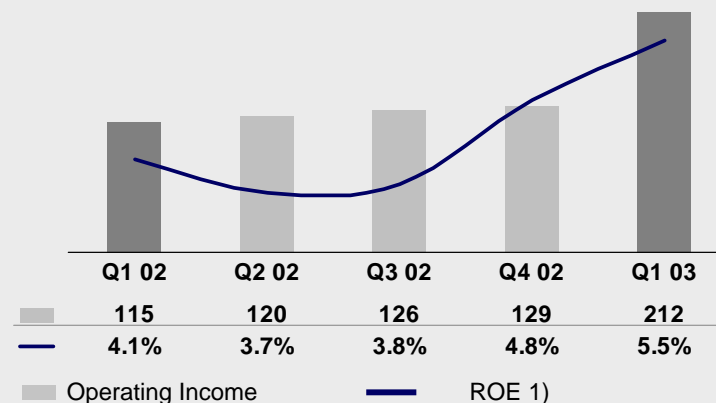
New financing

(SEK bn)



Operating income and Return on equity

(SEK M)



Highlights

- US customer finance operation returns to profitability
- Increase in average penetration, largely due to increased Volvo CE, Renault and Mack financing

In Focus

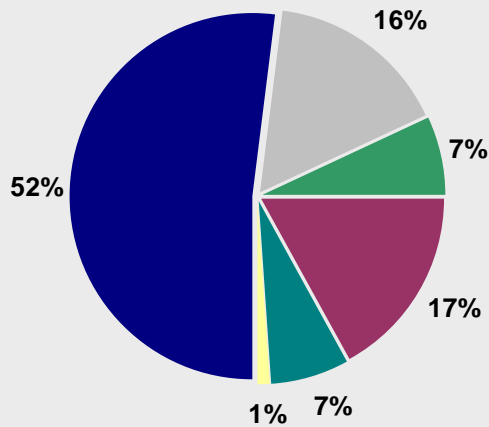
- Customer satisfaction
- Operational excellence
- Controlled portfolio growth

1) Calculated as a 12 month rolling average

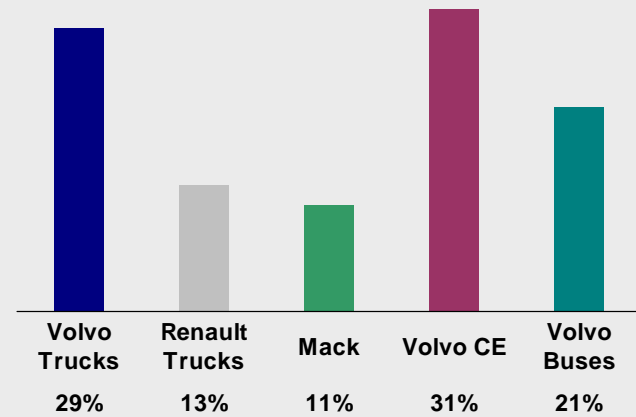
Volvo Financial Services First Quarter



New financing



Penetration on new financing



Volvo Group

Summary

- Uncertain business climate
- Strong earnings improvement
 - Improved Truck result in Europe
 - Reduced losses in N. America
 - Volvo CE
- Strengthening of dealer networks
 - Public offer for Bilia commercial division in Europe
 - Mack / Volvo optimization in N. America

VOLVO