

VOLVO

Tokyo

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EVP and Deputy CEO, Volvo Group

Public offer to acquire 100% of Nissan Diesel

- Bid price 540 JPY/share
- Value of public offer about JPY 135 bn
- Bid period 21 February – March 23
- No lower acceptance threshold for withdrawal

Nissan Diesel will benefit from Volvo Group support while still maintaining its Japanese base and heritage

- Nissan Diesel will be integrated in the same way as all business areas
 - group-wide support functions will be introduced
 - gradually, key components will be integrated into common platforms
- Co-ordination of funding and treasury activities
 - providing financial comfort going forward
- Nissan Diesel will be given extended responsibility for managing the Volvo Group's truck activities in Japan
- Volvo will introduce Nissan Diesel to a number of markets where Nissan Diesel is not currently active
- Nissan Diesel's own products will continue to be sold under the Nissan Diesel and UD brand names
- Volvo intends to keep the current Nissan Diesel management in place

Nissan Diesel as an important part of the Volvo Group

Synergies with existing truck & bus activities, supporting business units and captive finance company

Business areas



Volvo Trucks



Renault Trucks



Mack Trucks



Volvo Buses



Volvo CE



Volvo Penta



Volvo Aero



Financial Services

Business units

Volvo 3P

Volvo Powertrain

Volvo Parts

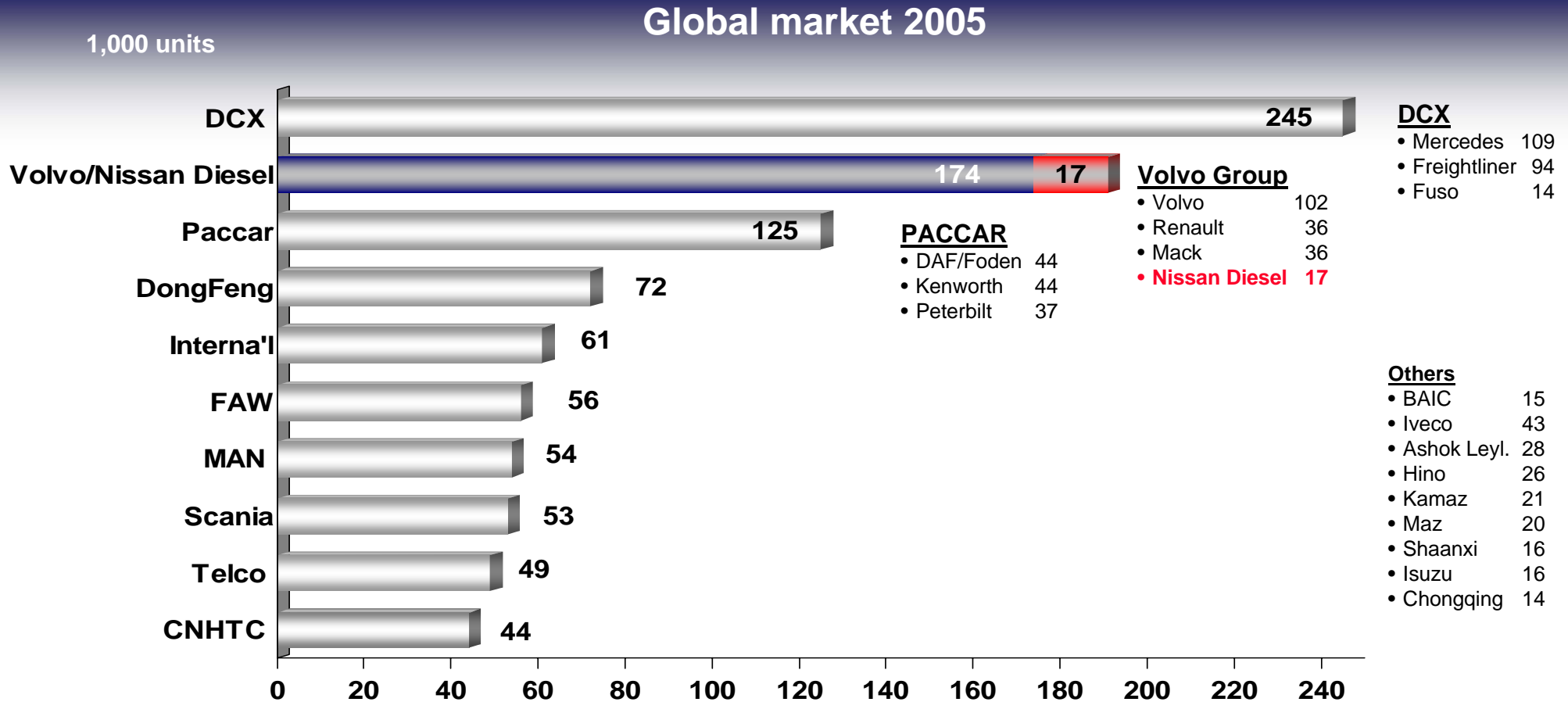
Volvo Logistics

Volvo Information Technology

Summary of the Synergies

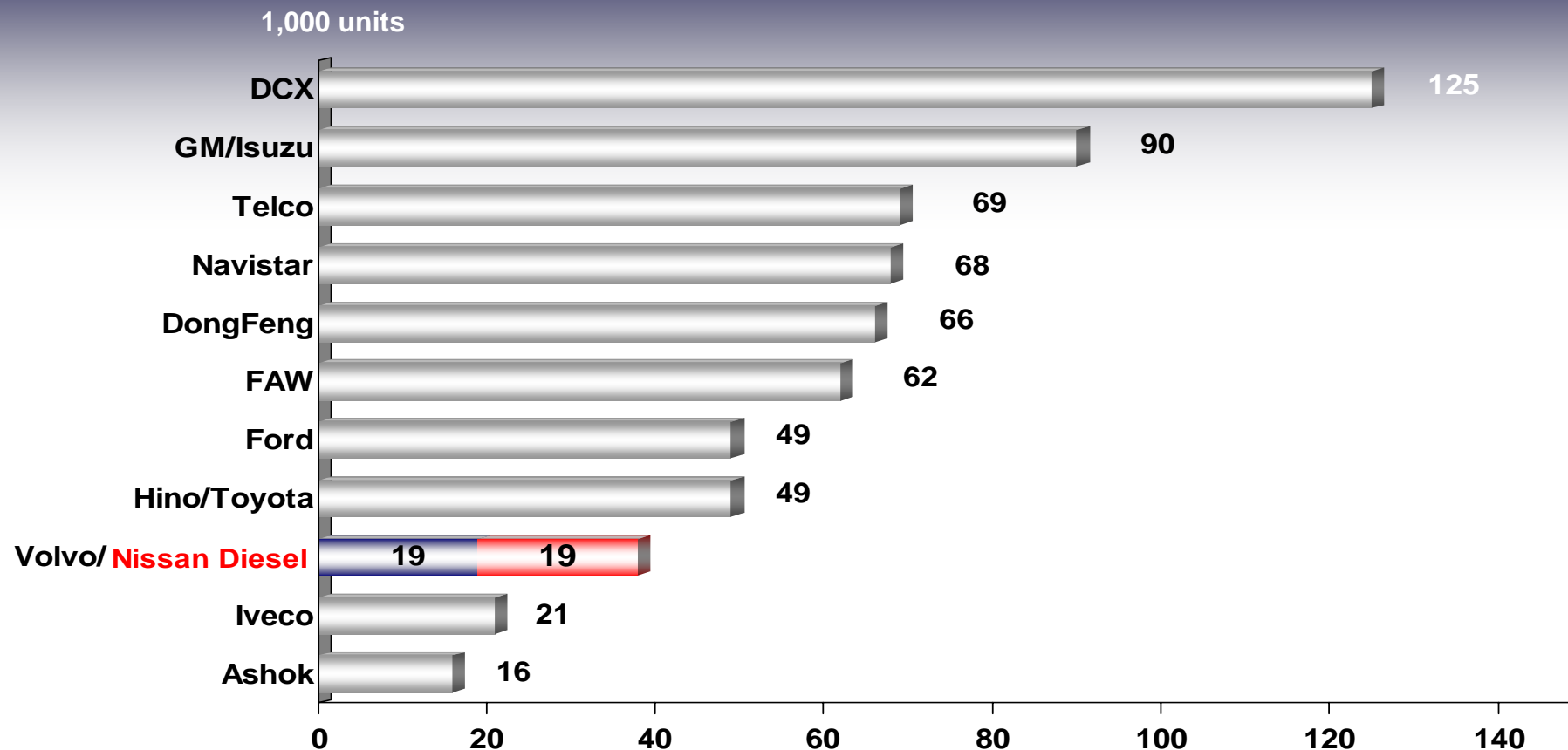
- Total synergies estimated to **EURO 200 M** annually, fully implemented on a five years horizon.
- Short and medium term synergies (2-3 years) are expected mainly for **Purchasing**, Distribution & Sales and partly for R & D.
- More long term synergies (~5 years) are expected for **Product Planning**, Manufacturing and partly R & D.

Nissan Diesel will be part of one of the world's largest manufacturers of heavy duty trucks



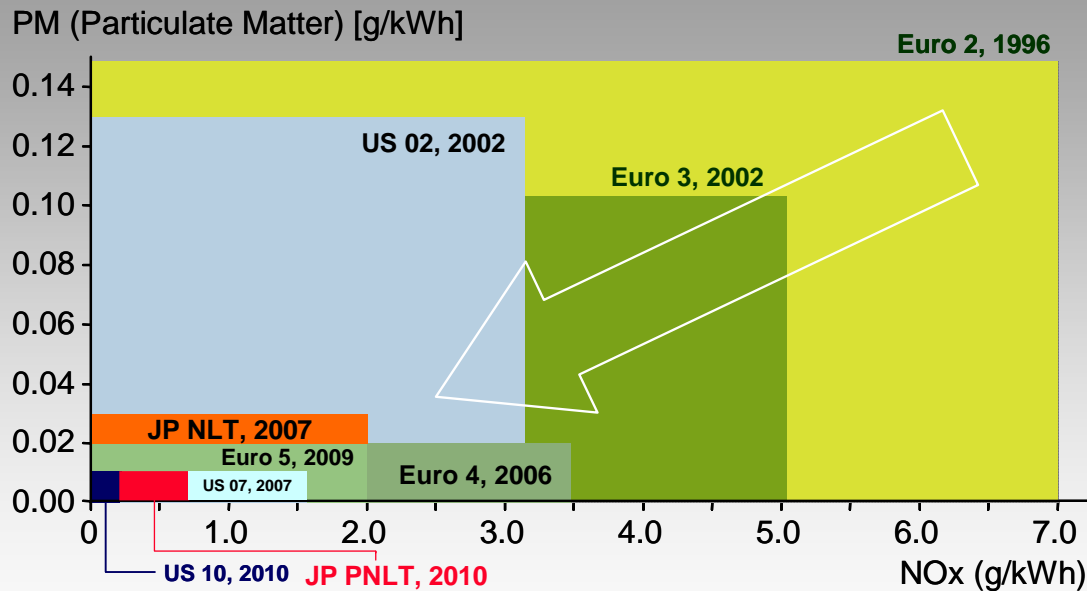
Doubled size in medium-duty trucks

Global market 2005

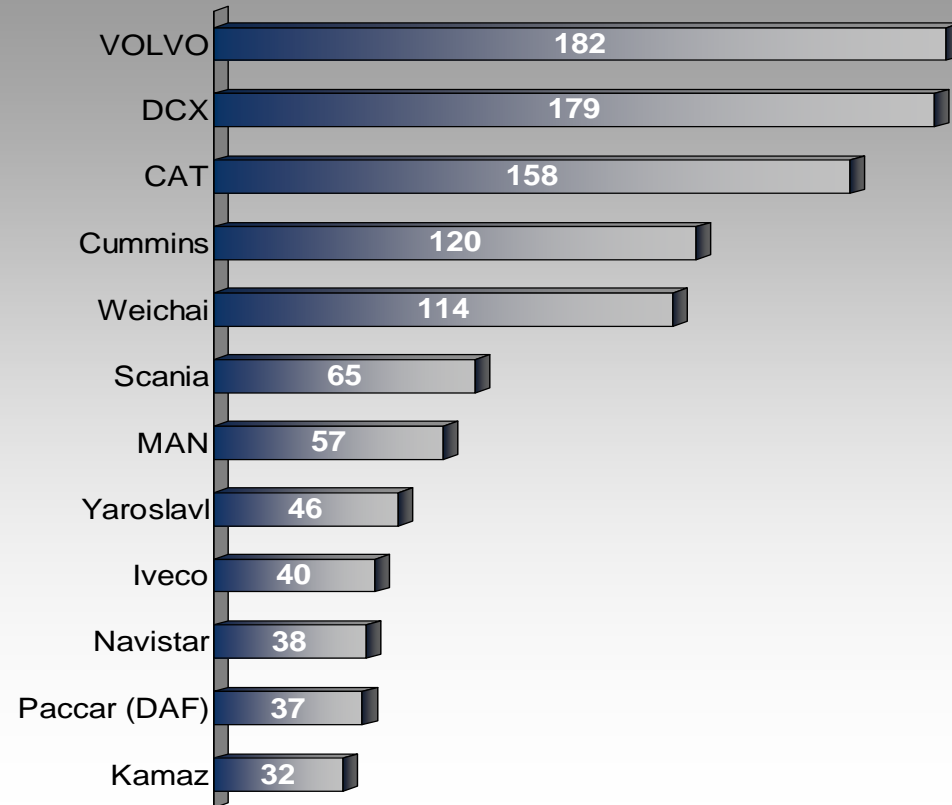


Combined scale to successfully meet future emission legislations globally

Emission legislation



Heavy-duty engines, 2005



Integration process to deliver synergies

Stand alone mode

Merger mode

Growth mode

“Create synergies”

“New architecture and shared technologies. Develop unique brand versions”



Shared architecture and technologies

Shared architecture and technologies

Acquisition rationale

- Financial strength offered by Volvo
- Doubled volume in medium duty trucks
- Good complementarities between Nissan Diesel and Volvo in terms of geographical coverage and the two companies would get access to each others sales channels
- Timing is important to meet new Japanese emission legislation in 2009 and 2010
- 100% ownership would facilitate quick and efficient decision making, not least regarding synergies
- Substantial synergies – EURO 200 M



Leif Johansson
President and CEO, Volvo Group