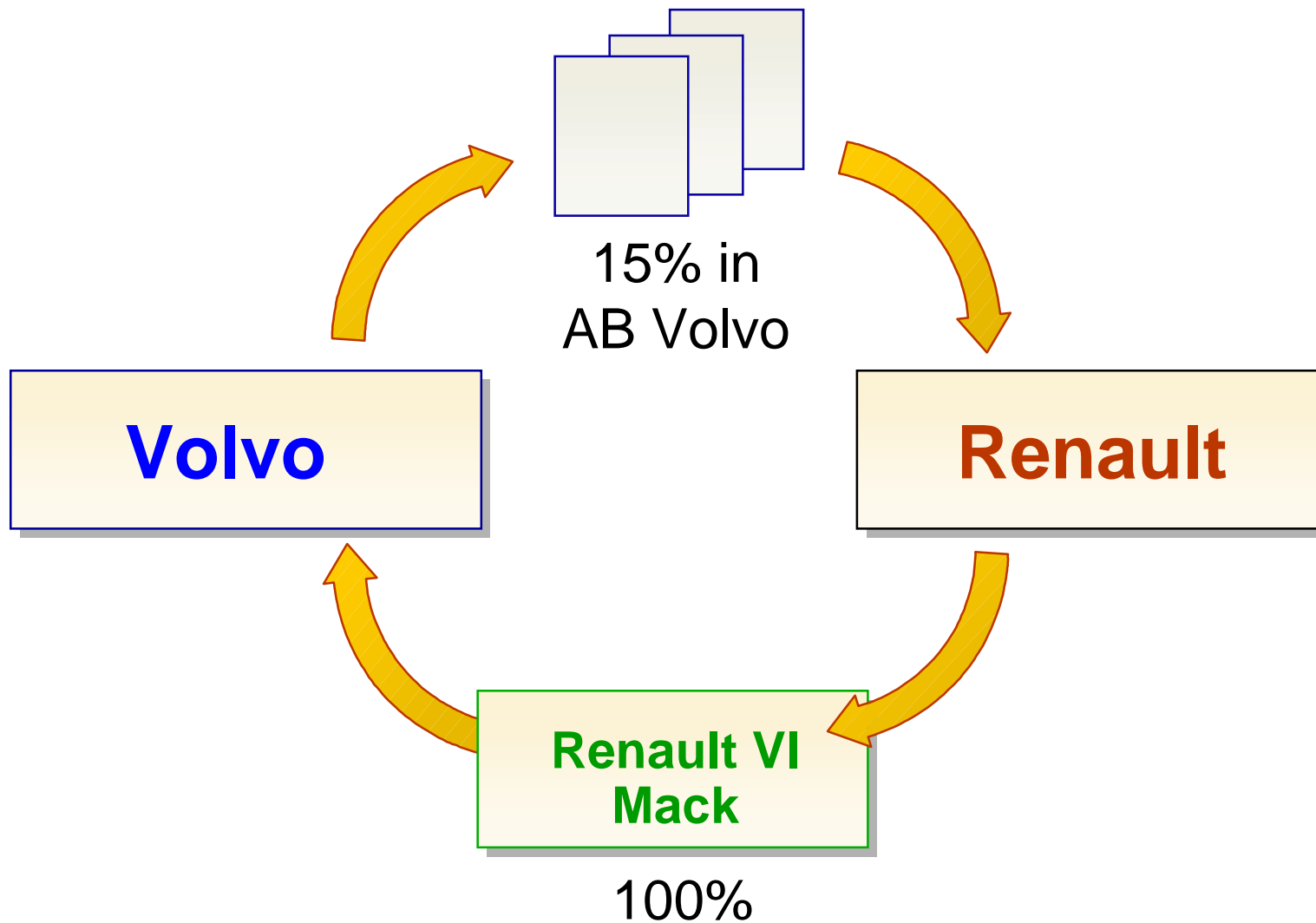


VOLVO

Volvo to join forces with
RVI and Mack

Paris and Stockholm
April 25, 2000

Volvo and Renault Deal Structure



Merger Logic

Global Position - Volvo and Renault VI trucks/Mack



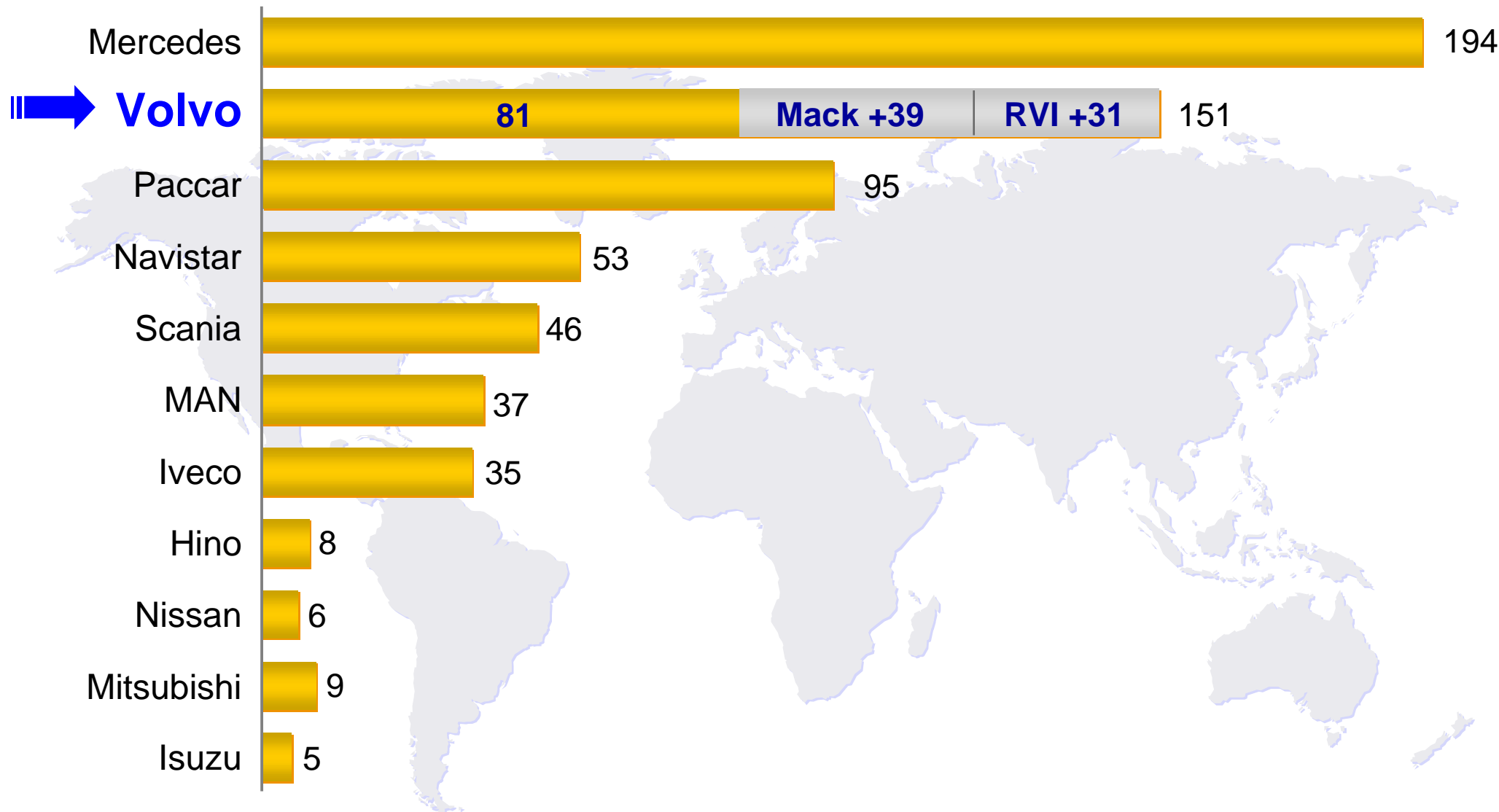
No. 1 in Heavy Trucks in Europe

No. 2 in Heavy Trucks in North America

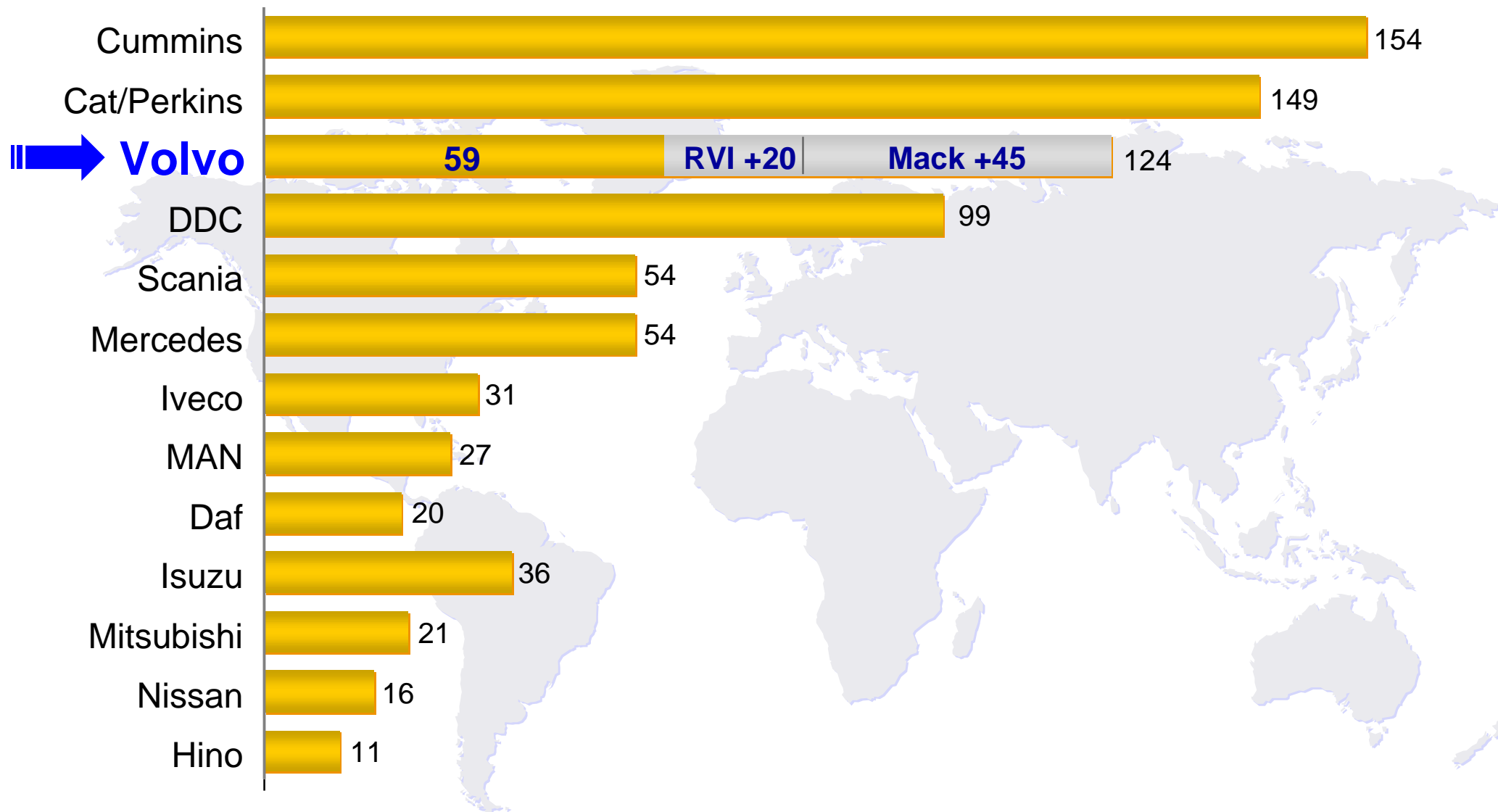
No. 2 in Heavy Trucks in the World

No. 3 in Heavy Diesel Engine in the World

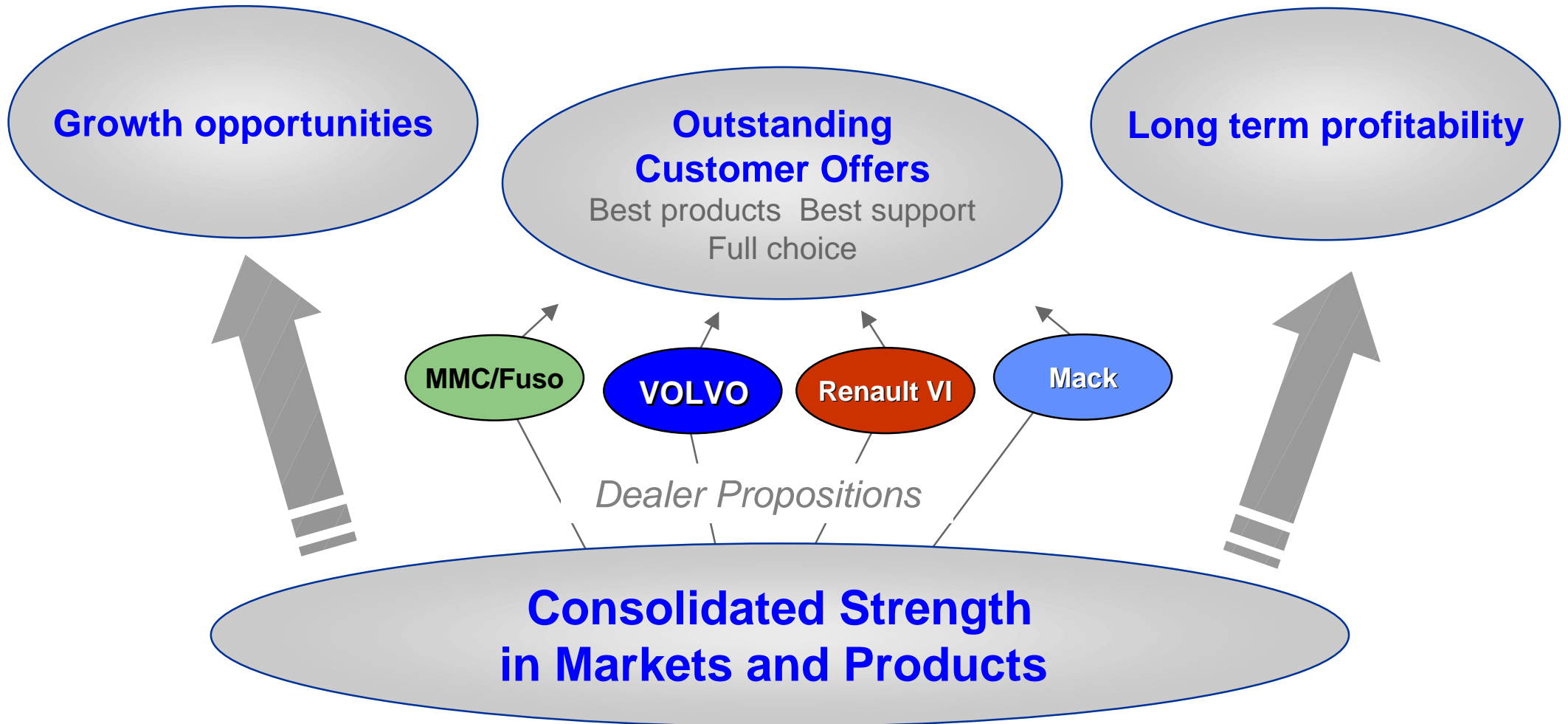
World Heavy Truck Production 1999



World Heavy Diesel Engine Production 1999



Volvo Group to join forces with RVI and Mack



Increased Concentration

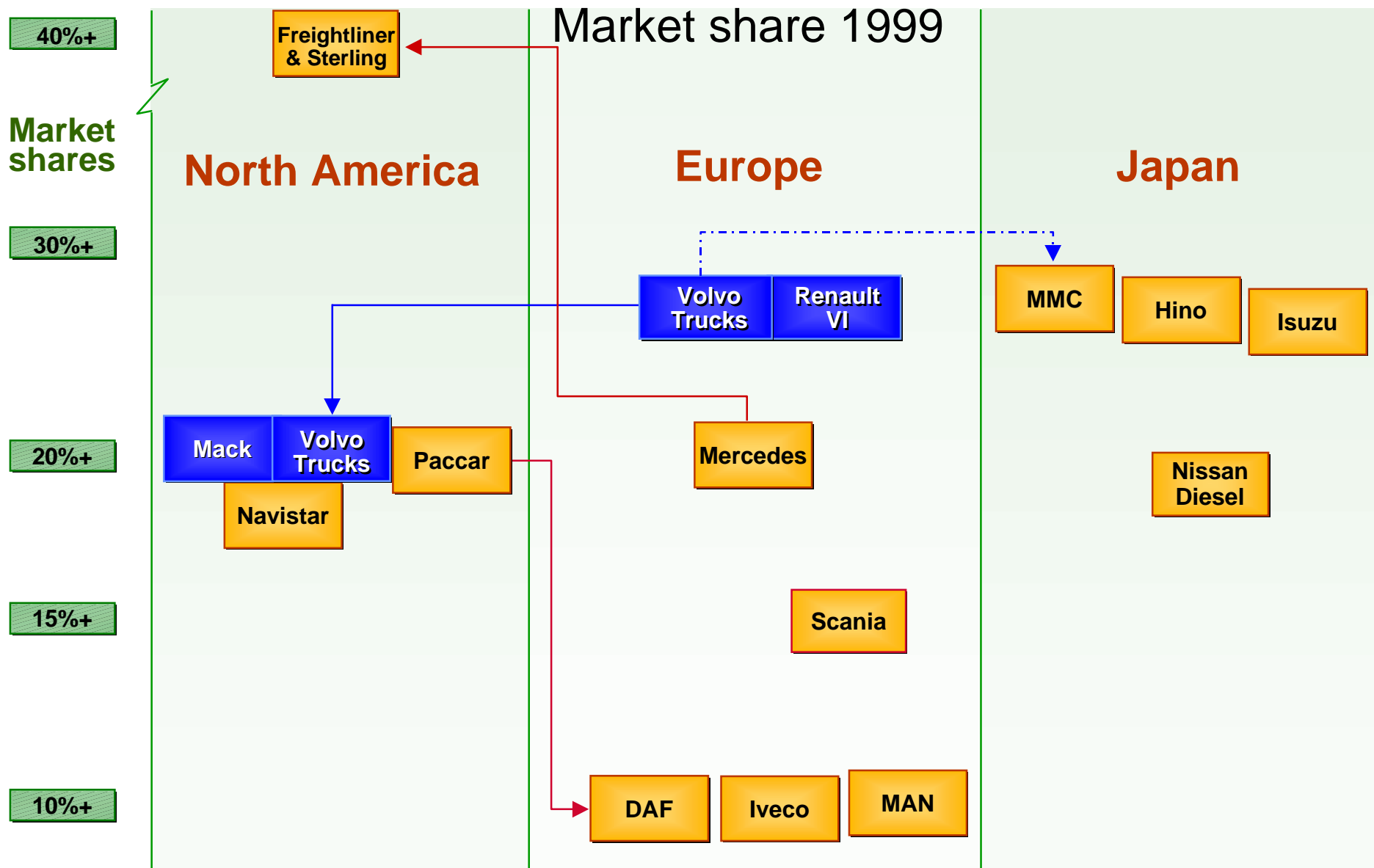
Europe 1970

Volvo	Unic
Scania	Fiat-OM
Mercedes	Magirus
Hanomag	ENASA
Henschel	Seddon/Atkinson
Saurer	Motor Iberica
Steyr	Bedford
ERF	Dodge
Büssing	Foden
MAN	DAF
Saviem	Leyland
Berliet	Sisu

Europe 2000

Volvo / RVI
Mercedes
Scania
Iveco
Man
DAF

Heavy Truck Industry



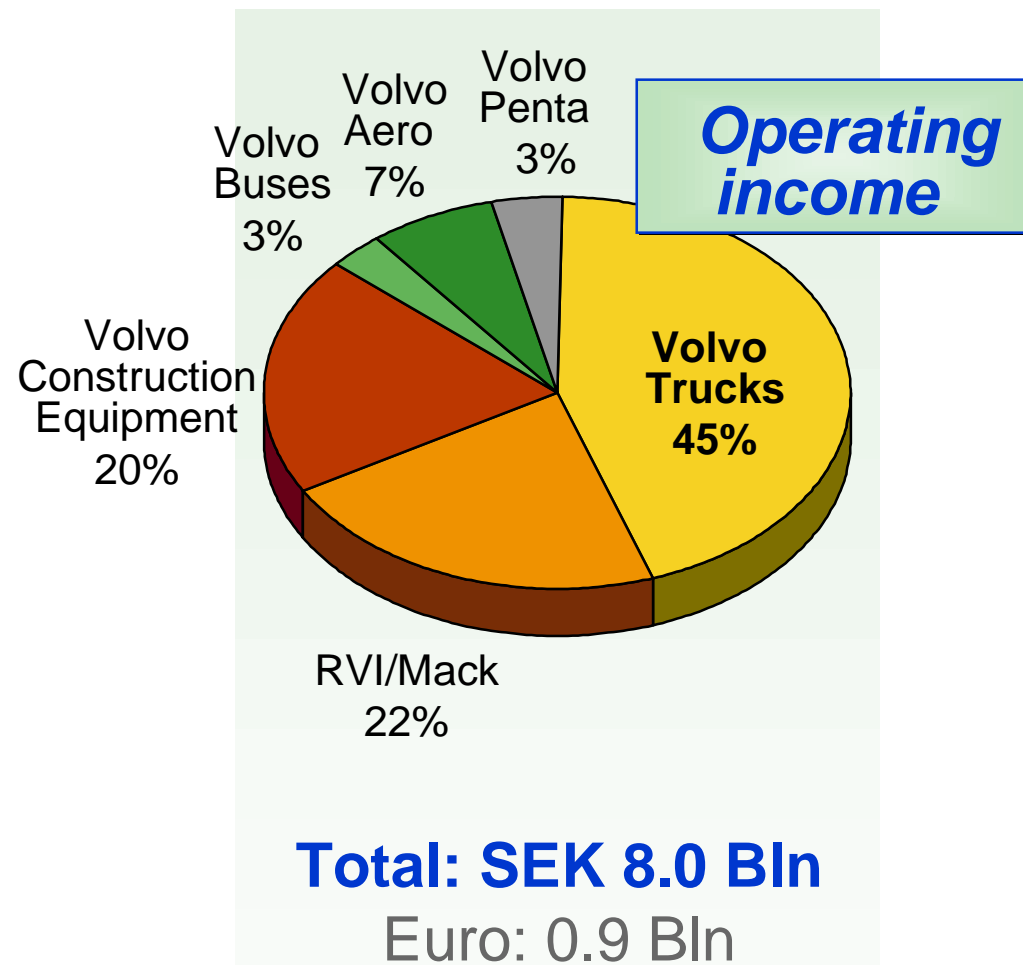
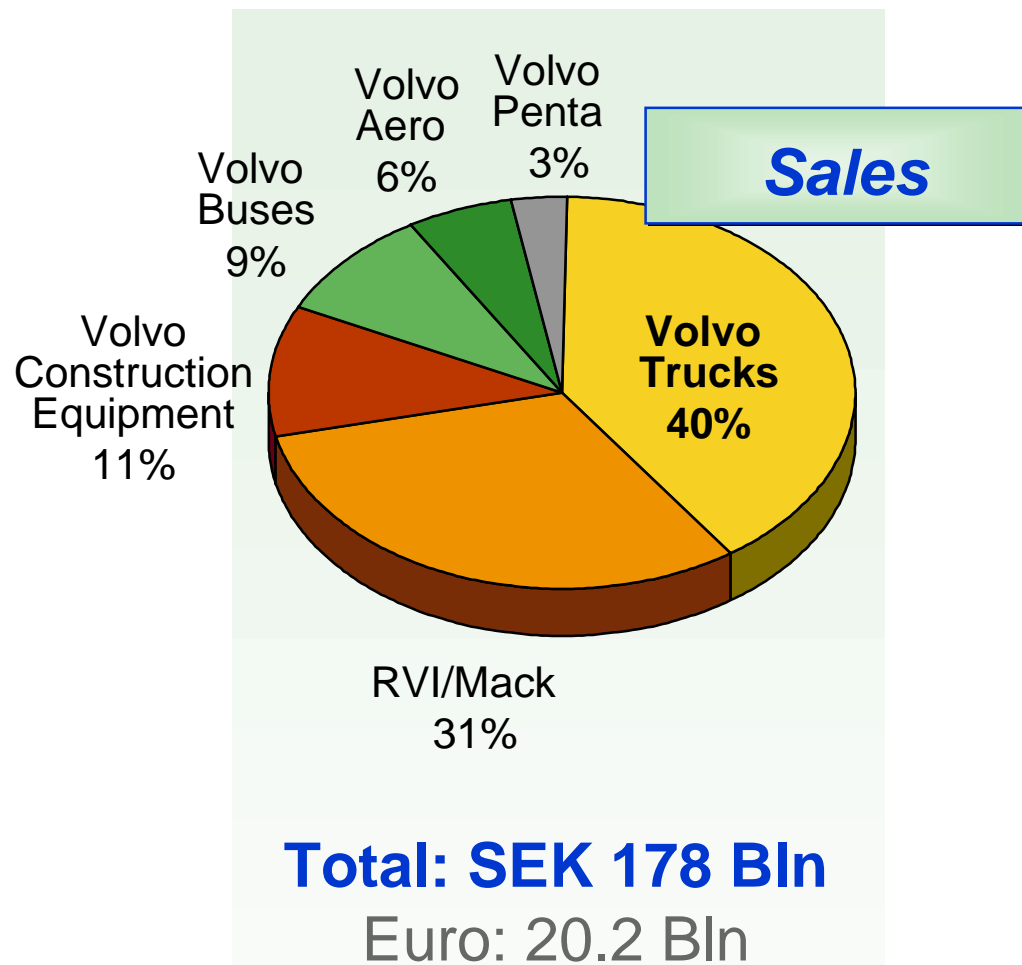
Key Figures 1999

	RVI trucks/ Mack	Volvo Trucks	Volvo Group incl. RVI/Mack
Sales (Euro M)	6,000	7,900	20,200
(SEK M)	53,000	69,500	178,000
Op. Income* (Euro M)	217	443	902
(SEK M)	1,900	3,900	8,000
Op. Margin (%)	3.6	5.6	4.5
No. of Employees	23,000	24,100	76,500
Sales units heavy trucks	70,000	81,200	151,200
Sales units medium trucks	9,000	3,800	12,800

*) Adjusted to Volvo accounting standards
Average exchange rate 1999: 8.82 SEK/Euro

Volvo Group incl. RVI/Mack

Proforma 1999



Average exchange rate 1999: 8.82 SEK/Euro

Pro forma Key Financials

Volvo and RVI

Jan-Dec 1999¹, SEK bln	Volvo	RVI	Adjustment	Volvo Group incl. RVI
Sales	125,0	53,0		178,0
Operating income	6,6	1,9	(0,5)	8,0
Operating margin (%)	5,2	3,6		4,5
Net income ²	5,5	1,2	(0,9 ²)	5,8
EPS	12:40	-		13:10
EBITDA per share ³	22:20	-		29:60
Dec, 31 1999, SEK bln				
Net financial assets (debt) ⁴	31,0	(2,0 ⁵)	(14,0-18,2)	10,8-15,0

1) Payment through share buy-back programs in Volvo, total 15 percent. Goodwill estimated to SEK 10 bln, amortised over 20 years.

2) Adjusted for non-recurring items, goodwill, interest income and taxes.

3) Excl. sales finance and non recurring items

4) With a range of premium up to 30 percent on repurchases shares in Volvo.

5) Including pension and health care liabilities of SEK 5,2 bln. Estimated synergy effects not included

Cost savings

Synergy drivers:

Common Global organisation

- Purchasing
- Powertrain
- R&D
- Finance

Synergies

After 2 years

Purchasing	50%
Powertrain	25%
Assembly	} 25%
Distribution	
Support	

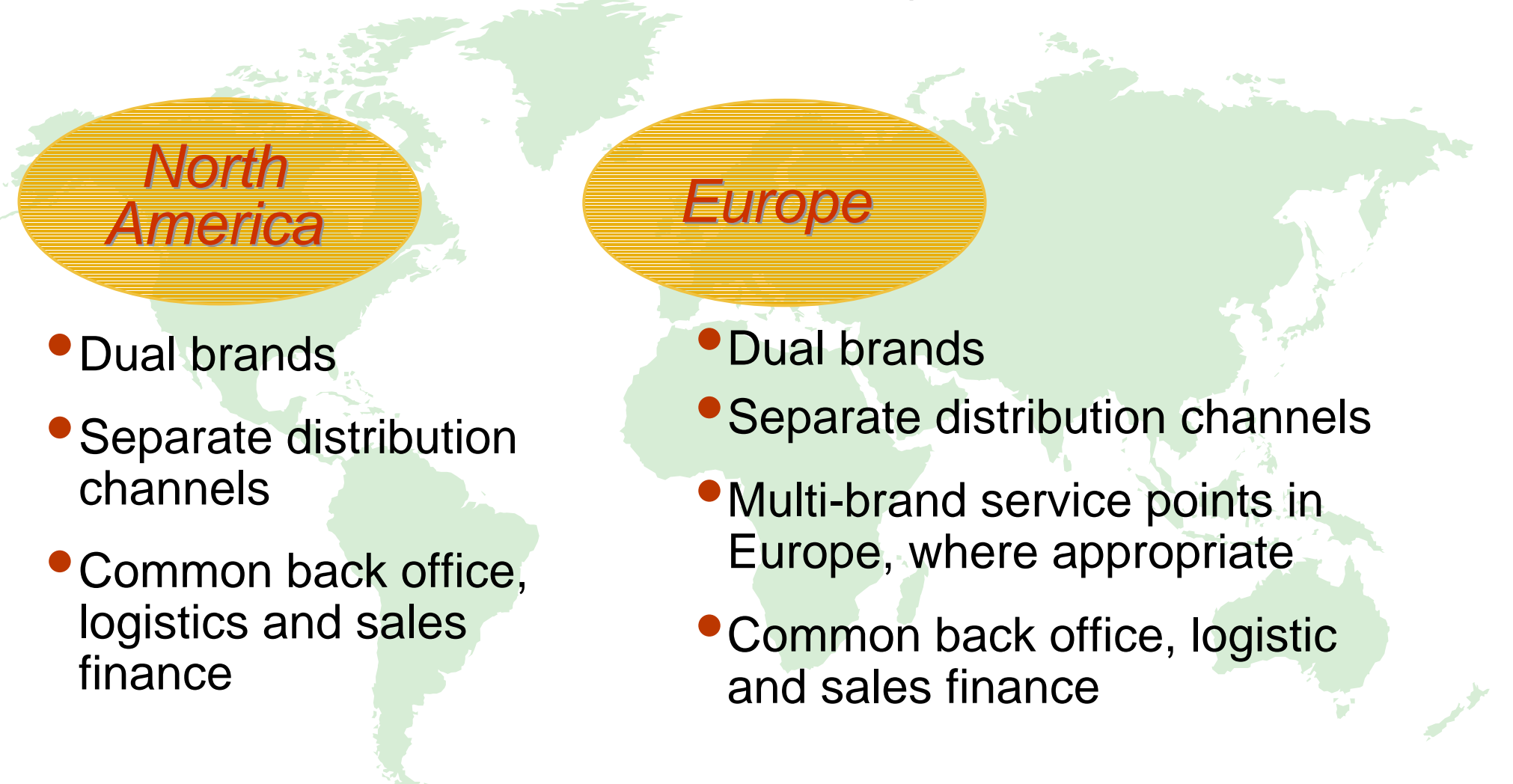
Total approx. SEK 3,500 M (Euro 420 M)

Additional savings long term:

Approx. + SEK 3,000 M (Euro 360 M)

Brand Strategy

Volvo and Renault VI/Mack



North America

- Dual brands
- Separate distribution channels
- Common back office, logistics and sales finance

Europe

- Dual brands
- Separate distribution channels
- Multi-brand service points in Europe, where appropriate
- Common back office, logistic and sales finance

General Timetable 2000

-
- | | |
|------------------|---|
| April 25 | Deal announcement |
| May /June | First share buy-back program in AB Volvo (10%) |
| Autumn | EU/US Antitrust approval processes |
| | Second share buy-back program (5%) after antitrust approval |
-

Summary

Volvo and Renault VI /Mack creates

- Value added for customers and dealers
- Product and market complementarity
- Strong global positions and growth opportunities
- Substantial synergies
- EPS increase from start and substantial future potential