

VOLVO AERO

Press Information

VOLVO AERO SIGNS ENGINE CONTRACT FOR AIRBUS A380

Volvo has signed a contract with German MTU covering production of components to the GP7000, one of the engine alternatives to be mounted on the forthcoming Airbus super jumbo A380. In accordance with the agreement, Volvo Aero will produce the housing for the low-pressure turbine to the GP7000 for a period of about 15 years. The order value is estimated at approximately SEK 1 billion.

Volvo will produce the housing for the engine's low-pressure turbine (LPT). In total, the contract covers 1,000 engines. In addition, Volvo Aero will now immediately become involved in the development program for the GP7000 engine, which is not fully developed, with manufacturing of development hardware. The first LPT will be delivered as early as September 1 this year and series production will commence in 2005. As a result of this new agreement with MTU, Volvo Aero is involved in both engine alternatives for the A380 aircraft.

The engine is being built in cooperation between two leading aircraft engine manufacturers, GE Aircraft Engines and Pratt & Whitney, and is based on the best of the two companies' most successful engines, the GE90 and PW4000. Volvo Aero produces components for both of these engines. The Airbus 380 will be the world's largest aircraft and at the same time the first aircraft with two full-length deck levels and three aisles between the passenger seats. The aircraft will be able to carry 555 passengers and the first A380 is scheduled to enter traffic during 2006.

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The Volvo Group is one of the world's leading manufacturers of trucks, buses and construction equipment, drive systems for marine and industrial applications, aerospace components and services. The Group also provides complete solutions for financing and service. The Volvo Group, which employs about 71,000 people, has production facilities in 25 countries and sells their products in more than 185 markets. Annual sales of the Volvo Group amount to 18 billion euro. The Volvo Group is a publicly held company headquartered in Göteborg, Sweden. Volvo shares are listed on the stock exchanges in Stockholm, London, Brussels and Frankfurt and on NASDAQ in the US.