VOLVO AERO

Press Information

Volvo Aero signs important agreement regarding participation in the new PurePower® PW1100G engine for the Airbus A320neo family

Volvo Aero has signed an agreement with the aircraft engine manufacturer Pratt & Whitney regarding its participation in Pratt & Whitney's PurePower PW1100G engine. Volvo Aero will develop and manufacture two important components for the new PW1100G engine designed for the A320neo family, an updated version of the Airbus A320.

The PW1100G engine is a part of Pratt & Whitney's Next Generation Product Family of engines which contain geared turbofan technology.

Volvo Aero has previously participated in a technology and development project with Pratt & Whitney on the Geared Turbofan (GTF)engine concept, , which enables better optimization of engine components. The GTF development and testing thus far supports the expected results in significant reductions in fuel consumption, emissions, noise and operating costs. Volvo Aero has developed advanced light-weight technologies for its components that will be applied in this new engine.

The agreement was signed at the Paris International Air Show in Le Bourget, and Volvo Aero becomes a partner in the new PW1100G engine program. Volvo Aero will be responsible for the design and manufacture of TEC (Turbine Exhaust Case) and IMC (Intermediate Case).

The PW1100G engine will be installed in an upgraded version of the Airbus A320. For Volvo Aero, the deal is expected to generate sales of around 40 billion SEK over a 50 year period. Sales are expected to ramp up in the second half of **this** decade.

"We are very pleased to have reached this agreement with Pratt & Whitney because the single aisle segment is a strategically important segment for Volvo Aero. Furthermore, we know that this engine will contribute to a better environment through lower fuel consumption and less noise," comments Staffan Zackrisson, President and CEO at Volvo Aero.

An engine with a geared turbofan architecture means that the fan runs at a different speed to the low pressure turbine which results in considerably improved fuel efficiency and reduced noise levels. The GTF engine is expected to reduce fuel consumption, carbon dioxide and

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nitric oxide emissions, and noise, as well as lowering running and operating costs significantly.

“I am pleased to welcome Volvo Aero to participate in another PurePower engine variant. Potential sales of the PW1100G engine are very promising indeed,” says Todd Kallman, president Commercial Engines & Global Services at Pratt & Whitney.

The agreement is expected to have only a marginal effect on the Volvo Group’s result and financial position.

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Volvo Aero develops and manufactures components for aircraft and rocket engines with a high technology content in cooperation with the world’s leading producers. Volvo Aero offers an extensive range of services, including sales of spare parts for aircraft engines and aircraft, sales and leasing of aircraft engines and aircraft, as well as overhaul and repair of aircraft engines. Volvo Aero is part of the Volvo Group, 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.

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