

VOLVO PENTA

ANDERS BEVREUS


PRESIDENT

VOLVO PENTA REGION ASIA

Volvo Penta Region Asia



Legend:

-  Volvo Penta Operational Units
-  Volvo Penta Distributors

VOLVO PENTA GLOBAL SALES



**Marine Commercial
10%**

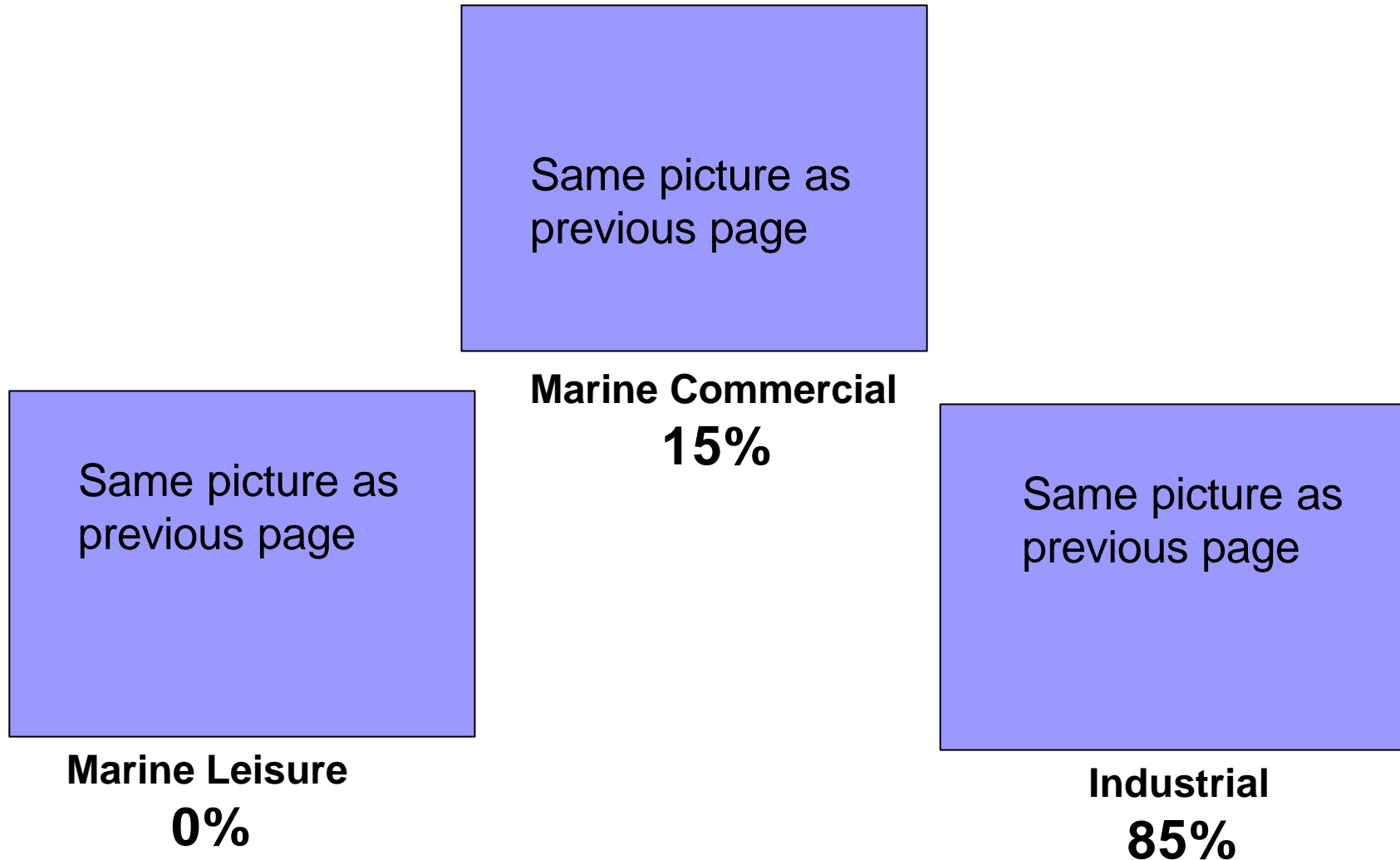


**Industrial
25%**



**Marine Leisure
65%**

VOLVO PENTA CHINA SALES



VOLVO PENTA CHINA STRATEGY

- **KEY CUSTOMER FOCUS**
- **CLOSE COOPERATION & PARTNERSHIP**
- **INDEPENDENCE STRATEGY**
- **STRONG PRODUCT RANGE**
- **VOLVO PENTA AS AN INSIDE PLAYER**
- **LOCAL SOURCING**
- **STRONG AFTERMARKET SUPPORT**

WUXI DA HAO POWER CO., LTD.

- **CHINA DISTRIBUTION CENTRE, INDUSTRIAL & MARINE ENGINES, PARTS, TRAINING**
- **JOINT VENTURE ESTABLISHED IN 1997**
- **JOINT VENTURE PARTNERS:**

VOLVO PENTA ASIA	70%
WUXI DIESEL ENGINE WORKS	30%
- **INCREASED PRODUCTION CAPACITY 2004**

STRUCTURE OF THE CHINESE POWER GENERATION MARKET

STANDBY – APPROX 20%

- **VULNERABLE APPLICATIONS**
- **REGULATION**

PRIME POWER – APPROX 80%

- **POWER SHORTAGE**
- **REMOTE AREAS**

THE CHINESE POWER GENERATION MARKET TRENDS AND DEVELOPMENT

- **TOTAL MARKET IS GROWING**
- **LOCAL OEM'S ARE INCREASING THEIR MARKET SHARE AT THE EXPENSE OF IMPORTED COMPLETE SETS**
- **VOLVO PENTA'S 10 KEY OEM'S ARE TECHINCALLY AND FINANCIALLY STRONG AND THEIR COMBINED LOCAL PRESENCE DRIVES THE GROWTH**
- **VOLVO PENTA IS SUCCESSFULLY GROWING WITH KEY OEM'S**

MARINE COMMERCIAL IN CHINA

- **VERY LARGE MARKET-MORE THAN ALL OF EUROPE**
- **FAST GROWING MARKET ~ 20 % PER ANNUM**
- **INCREASED ENVIRONMENTAL AWARENESS**
- **DEALER DEVELOPMENT**

MARINE COMMERCIAL IN ASIA COASTAL AND INLAND WATERWAYS

• COASTLINES

VIETNAM	3,260 KM	(SWEDEN 3,218 KM)
MALAYSIA	4,675 KM	(FRANCE 3,427 KM)
CHINA	14,500 KM	(USA 19,924 KM)

• ISLANDS

INDONESIA	~ 16,000
PHILIPPINES	~ 7,500

• INLAND WATERWAYS

YANGTSE RIVER	7,020 KM	(DANUBE RIVER 2,860 KM)
MEKONG RIVER	5,400 KM	(RHINE RIVER 1,320 KM)
YELLOW RIVER	4,850 KM	

VOLVO PENTA FUTURE IN ASIA

- **WELL ESTABLISHED IN MOST AREAS**
- **NO MAJOR INVESTMENTS REQUIRED**
- **GROWING MARKETS**
- **ASIAN BUSINESS RUN BY ASIANS**
- **CONTINUED SUCCESS**