



# **VOLVO PENTA**


**Göran Gummeson**  
President

**Volvo Penta**  
Capital Market Day - June 2010  
1 2010-06-22




## **Agenda**

- ▶ Business overview
- ▶ Marine leisure
- ▶ Volvo Group strengths
- ▶ Industrial engine growth

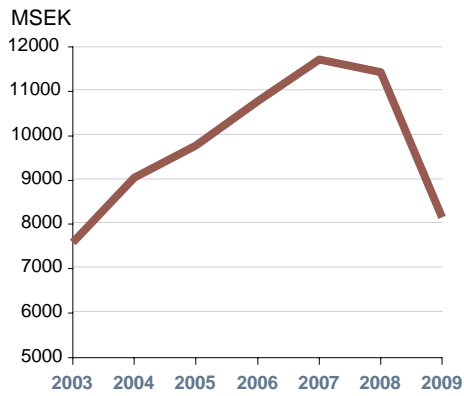


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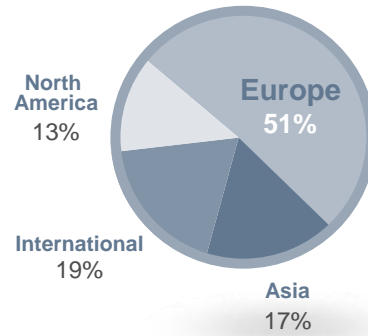
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## SALES DEVELOPMENT



## SALES BY REGION

Total Sales 2009: SEK 8.2 bn



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# History of innovations



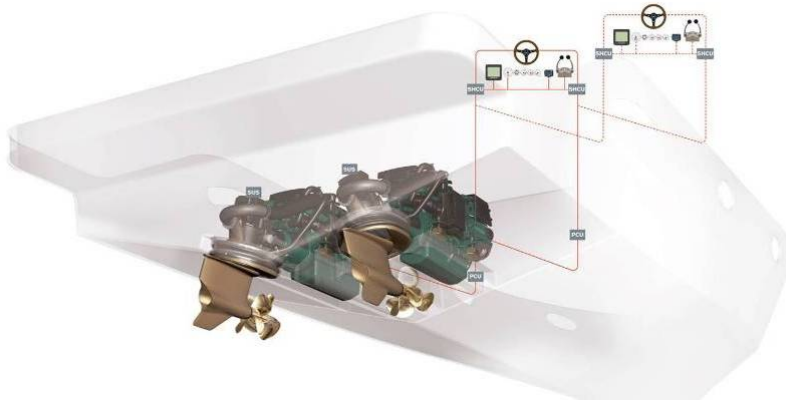
- Aquamatic sterndrive
- Saildrive
- Diesel Aquamatic market
- Duoprop
- IPS
- Joystick

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# Volvo Penta IPS

## INBOARD PERFORMANCE SYSTEM



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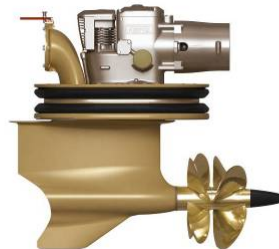
## Complete IPS range

For boats from ~35 up to ~100 ft



IPS 1050-1200

D13 engine



IPS 800-900

D11 engine



IPS 350-600

D4/D6 engine

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## IPS Features

- Environmental leadership
- 30-50% less fuel consumption
- Improved handling and maneuverability (joystick)
- More onboard space
- Improved comfort
- Reduced installation times



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## Volvo Penta business segments

**MARINE**



**INDUSTRIAL**



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## Volvo Penta

The Volvo Group's channel to the external engine market

### Number of sold engines annually

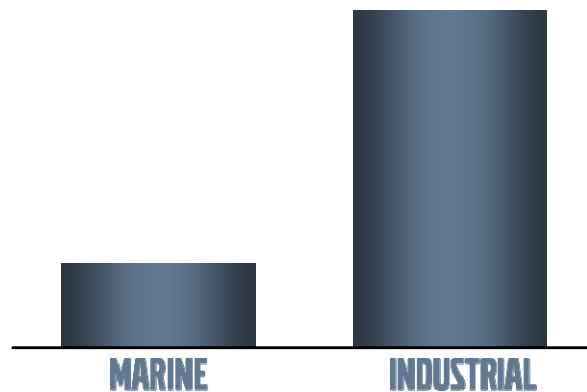
	Units
Marine engines	~50,000
Industrial engines	~25,000
<b>Total</b>	<b>~75,000</b>



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## Volvo Penta volumes on Volvo Group diesel platforms



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## Volvo Penta in the Skövde plant

- +20% of the total volume
- +60% of the 16 litre engine volume
- Largest volumes on the 13 litre engine

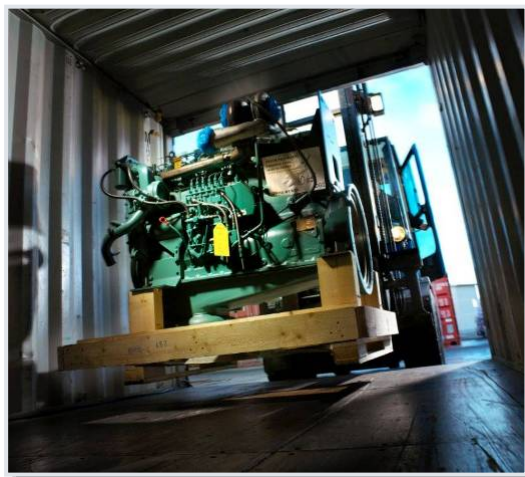


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## The industrial engine market

- Volume market
- Global OEMs
- Global competitors
  - Cat
  - Cummins
  - John Deere
  - Weichai
  - Doosan
  - Etc



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# The industrial engine market

## Volvo Penta segments

### Global genset market

170,000 units (2009)

**Volvo Penta share: 10%**



Prime



Stand-by



Mobile

### Global off-road market

120,000 units (2009)

**Volvo Penta share: 3%**



Material handling



Construction



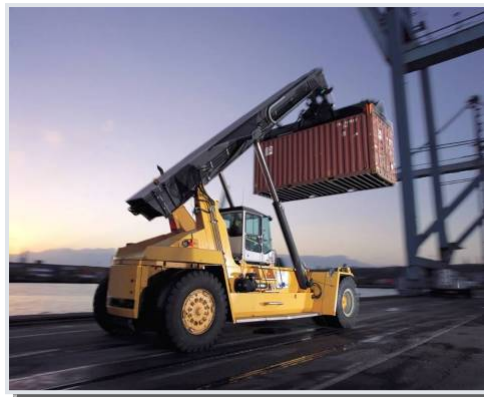
Mining & drilling

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# Industrial engine market success factors

- Performance and environment
- Operational economy
- Global aftermarket
- Lead-times



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## Industrial engine business – Volvo Penta strategy

- Focus large global customers
- Manage industrial operations lean
- Increase off-road business
- Utilize Group strengths



- Focus volume OEMs
- Prioritize D13/D16 sales
- Lean business management
- Key customer support

- Focus prioritized segments
- Target on leading customers
- Utilize "emission window" to win new customers
- Volvo Construction Equipment & Volvo Trucks synergies

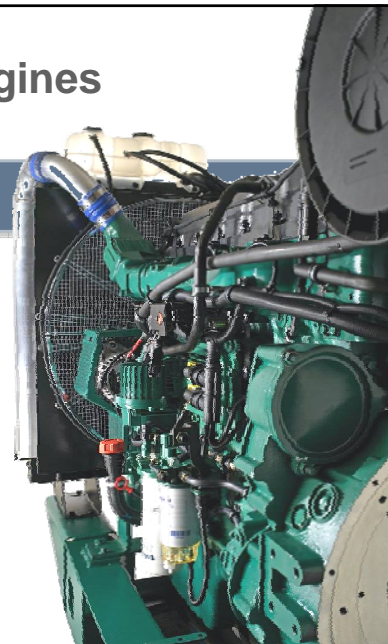
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## Volvo Penta industrial engines

### Targets

- Among top 3 in key segments
- Sales above 40,000 units per year
- 50% share of Volvo Penta business



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## General business update 2010

- Strong industrial engine sales
- Slow recovery in Europe and USA
- Good and growing business in Middle East
- Strong development in BRIC countries

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## SUMMARY

- Strong marine leisure position
- Continued industrial engine growth
- Utilize Volvo Group strengths
- Slow business recovery

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