

# VOLVO AERO

## Press Information

### Volvo Aero and Swedish Government investing SEK 126 M to develop aircraft engines for the future

**Volvo Aero and the Swedish Government are each investing SEK 63 M when the government authority Vinnova distributes money for the first time to a commercial demonstrator program in the aerospace industry.**

**The investment will be used in the company's development of lightweight components for more fuel efficient and thereby more environmentally compatible aircraft engines.**

Volvo Aero's application "Swedish demonstrator for environmentally compatible aircraft engines" is receiving part financing from Vinnova of SEK 63 M, which will be paid in installments from 2007 through 2010. Volvo Aero will invest the same amount during the period.

Vinnova's decision is positive for Volvo Aero, which has worked for sometime for Sweden to gain a national program to develop more environmentally compatible air transport.

"The reply was highly pleasing, since Sweden has never previously had a commercial demonstrator program in aviation. Aviation faces major challenges to deal with environmentally," states Volvo Aero's President Olof Person. "We can contribute with lightweight technology so that the aviation industry combined shall achieve the emissions targets agreed by the entire industry in Europe."

Vinnova's aim with the so-called "Aviation technology and demonstrator program (Swedish acronym FLUD) is to promote sustainable growth in Sweden through needs-motivated research. Primarily, Vinnova wants

- to facilitate companies to participate in international commercial demonstrator programs
- to increase the share companies have in commercial product development programs
- to create national propagation effects
- research institutes as well as small and medium-size (SME) companies to participate.

All of these goals coincide with Volvo Aero's FLUD project, "Swedish demonstrator for environmentally compatible aircraft engines."

At the European level, Volvo Aero is participating in the forthcoming Joint Technologies Initiatives (JTI) within the EU's seventh framework program. The initiative in the aviation field is designated "Clean Sky," in which Volvo Aero is participating within SAGE (Sustainable And Green Engine), in cooperation with Rolls-Royce, Snecma, MTU and others. The company was recently named "Associate Member" within SAGE, a highly significant confirmation that Volvo Aero is working with lightweight technologies that are important for the entire industry.

Volvo Aero is also participating in a major cooperation with American engine manufacturers, whose aim is also to reduce fuel consumption.

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