

# Exciting times for the car industry



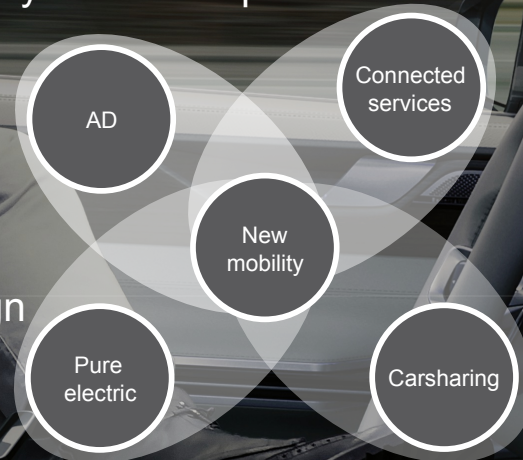
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# Car Industry is facing a period of intense change

New technology, new connectivity changing buying habits mean industry has to adapt

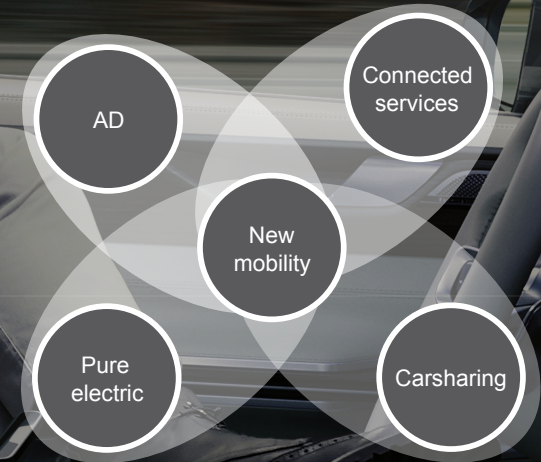
- Emission legislation and diesel gate open the door to electrification
- Connectivity advances open the door to Car sharing and challenge the ownership model
- AD technology advances make AD a real option from 2021
- AD opens the door for a host of innovation in terms of interior design



# Future Mobility Concept

Innovations offer the opportunity to free up the luxury of time for consumers.

- Freeing up of time through AD
- Demands a highly connected environment in the car
- Seamless link to occupants connected life
- Flexibility of usage
- Subscription model



# Connected Services

- Car-sharing
- Maintenance scheduling
- Cleaning & refuelling services
- Delivery services to car
- Infotainment and navigation
- Phone as a key
- The car integrated into the individuals world of personal communication



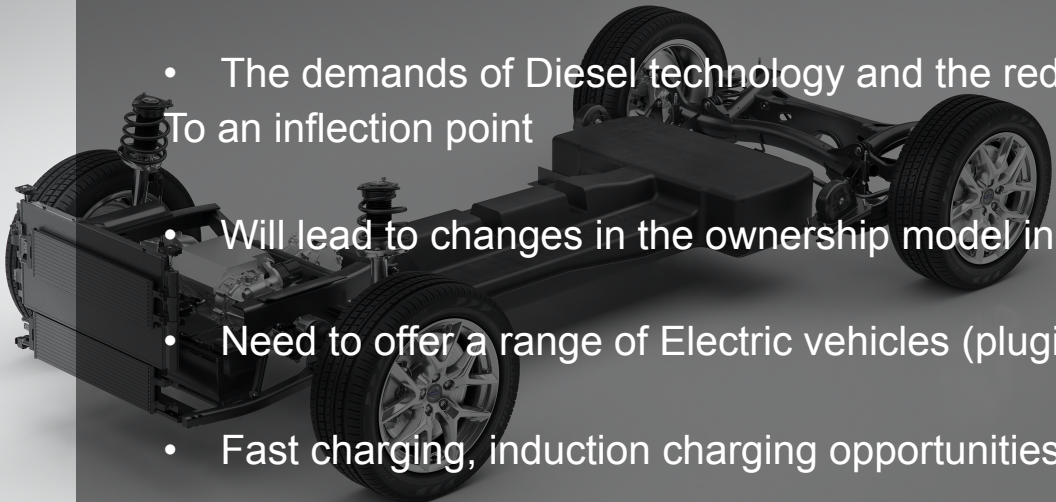
# Pure electric mobility

- Huge increase in the number of new BEV cars announced
- Almost all OEM's are announcing new plans and new models
- Expect the BEV market to multiply by 4 by 2020
- Emission regulations post 2020 still under development in all regions
- Electricity has the widest feedstock of all fuel sources
  - Increasingly important in an era of energy security preoccupations
  - China lacks Crude oil resources to fuel its future vehicle parc
  - Wide feedstock + low energy consumption will be key drivers of electrification



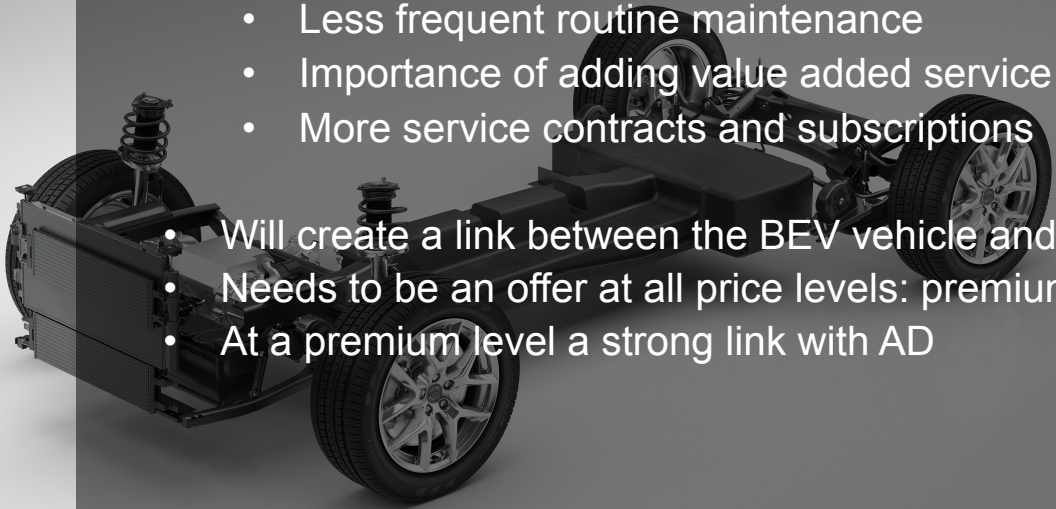
# Pure electric mobility

- Volvo believes that the future is electric
- The demands of Diesel technology and the reducing costs of batteries will lead To an inflection point
- Will lead to changes in the ownership model in line with Battery life cycles
- Need to offer a range of Electric vehicles (plugin, full BEV, mild hybrid)
- Fast charging, induction charging opportunities to the supplier base.
- Opportunities in car design to modernize the look of vehicles



# Pure electric mobility

- Change in after sales model for dealers
  - Less frequent routine maintenance
  - Importance of adding value added service items
  - More service contracts and subscriptions
- Will create a link between the BEV vehicle and the connected car
- Needs to be an offer at all price levels: premium and mainstream
- At a premium level a strong link with AD



# Autonomous DriveE



The next move forward in vehicle safety reducing the human error effect.

Volvo Vision 2020

“we believe that nobody should be killed or seriously injured in a new Volvo by 2020”

- We believe it is the next premium characteristic
- Opportunity to give back time to the consumer
- Car design will vary with the level of autonomy (4 or 5)
- Real opportunity to revolutionize car interiors
- The prospect of car interiors with no steering wheel makes the design possibilities endless. – Limousine service, mobile office, sleeper carriage