

## Press Release

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# The all-new Volvo S40: Smaller – but a grown-up competitor

- The large car's properties in compact format
- Increasingly younger buyers, particularly in the USA
- Annual target 70,000 cars
- USA the largest market  
The all-new Volvo S40 is 50 millimetres shorter than its predecessor – yet it has grown in terms of product content and competitiveness. "We have a long history in this sedan segment. We have upgraded our cars continuously; from the Volvo 340, via the Volvo 440/460 and then the present Volvo S40/V40. Now, we are convinced that the all-new Volvo S40 will make us grow even stronger over the next few years," says Volvo Cars President and CEO Hans-Olov Olsson. "We can offer our customers the large car's properties in a compact format. This, combined with an exciting design and exceptional road manners, makes the new S40 a highly potent challenger in this segment," adds Hans-Olov Olsson. Expanding the brand further down the age spectrum is an important part of Volvo Cars' strategy – and it is naturally particularly important that the entry-level model appeals to young buyers. "We want to attract customers into the Volvo family as early as possible, and the all-new Volvo S40 will definitely attract younger buyers," comments Hans-Olov Olsson.

### Average age of 40 in the USA

The accelerating rejuvenation process is most noticeable in the USA, where Volvo expects one-third of purchasers to be men or women without children. The average age of S40 buyers is expected to be 40, which is low compared to the competitors.

"For a European car, this is a very low figure. It emphasises our conviction that our new, exciting sedan has a healthy youthful appeal," says Hans-Olov Olsson.

In Europe, the customer group will have a somewhat older, with a quarter of sales going to pre-family buyers. In Europe, more men than women will buy the S40 compared with the USA, where the proportion of male and female buyers is expected to be more or less equal.

### Annual target 70,000 cars

The all-new Volvo S40 will leave the factory towards the end of this year, and the annual sales target for 2004 is 70,000 cars.

By far the largest single market will be the USA, whose target for 2004 is 20,000 cars in the Volvo S40 series. This will be followed by Sweden (5,000), Britain (4,000), Germany (4,000) and Spain (3,000).

### More for your money in the base version

The new car will be priced slightly higher than the current Volvo S40, but this is more than compensated by the fact that the successor has an upgraded base specification. For example, air conditioning and power windows are now fitted as standard.

Most of the options that can be specified on the larger Volvo S80 and S60 are also available to buyers of the new Volvo S40. This applies, for instance, to a built-in telephone, navigation system and the DSTC (Dynamic Stability and Traction Control) anti-skid system.

### Built in Belgium

The all-new Volvo S40 will be built at the Volvo Cars factory in Ghent, Belgium. Volvo's production operations in Born in the Netherlands cease with the phasing out of the previous Volvo S40 and V40 models.

Volvo Cars has invested 340 million Euro in the Ghent factory, which when fully extended will be the company's largest production plant with an annual capacity of 270,000 cars. The new Volvo S40 is the first in a range of new Volvo models sharing common technology. Next in line is the Volvo V50, a sports wagon that will reach the showrooms in the first half of 2004. In addition to the new Volvo S40 and Volvo V50, the Ghent factory will also build the Volvo S60, while the production of the Volvo V70 will be moved to the Torslanda factory in Göteborg, Sweden. The Volvo XC70, Volvo S80 and Volvo XC90 are also built in Torslanda.

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