

VOLKSWAGEN

GROUP RUS



Volkswagen Group

Juergen Dieter Hoffmann

Chief Financial Officer, Volkswagen Group Rus LLC

Inaugural Bond Issuance of Volkswagen Bank RUS LLC , 6 November 2013

Agenda

1. Car Market Situation Worldwide / Russia

2. Volkswagen Group – Who we are

3. Outlook

Agenda

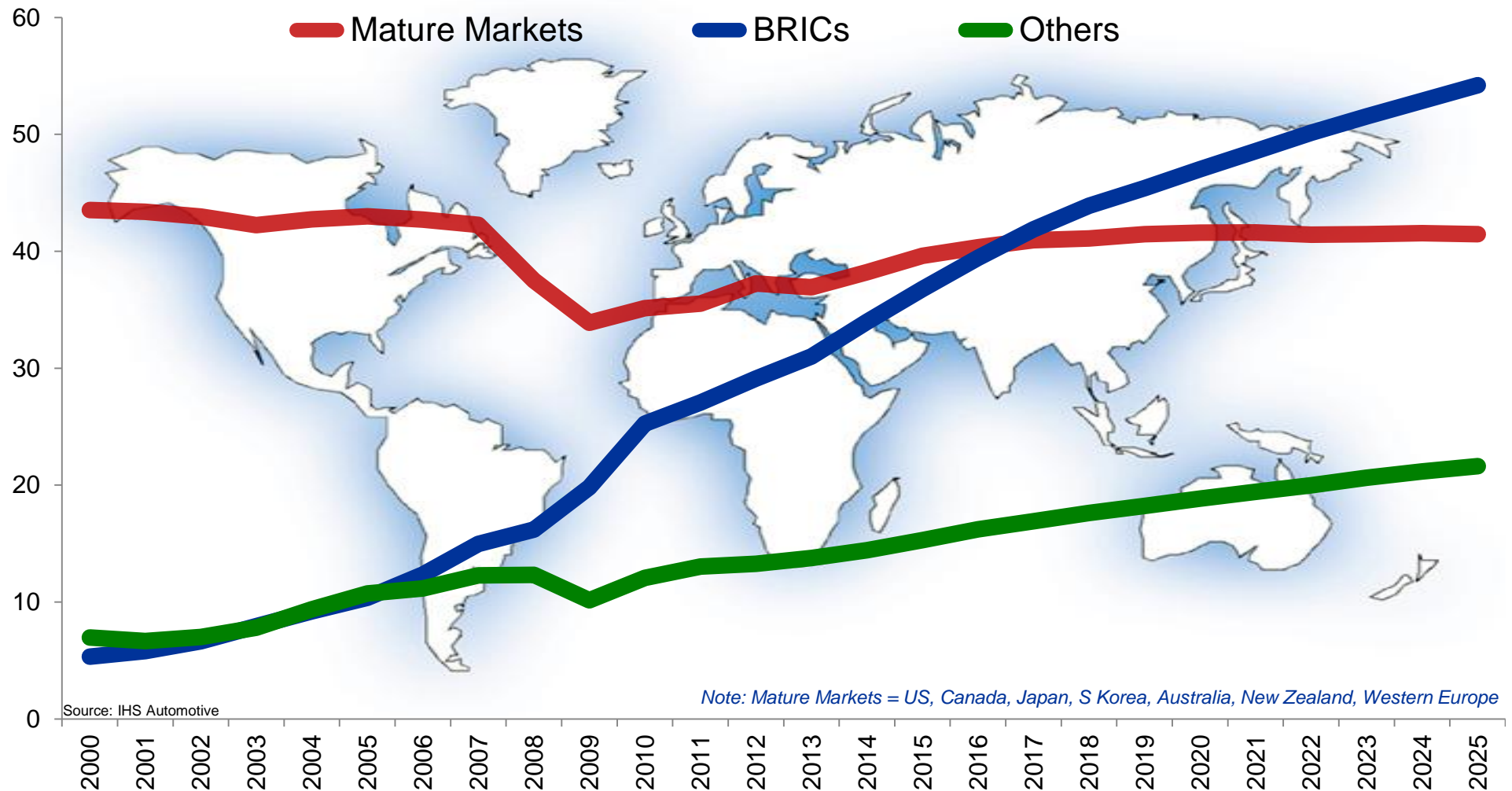
1. Car Market Situation Worldwide / Russia

2. Volkswagen Group – Who we are

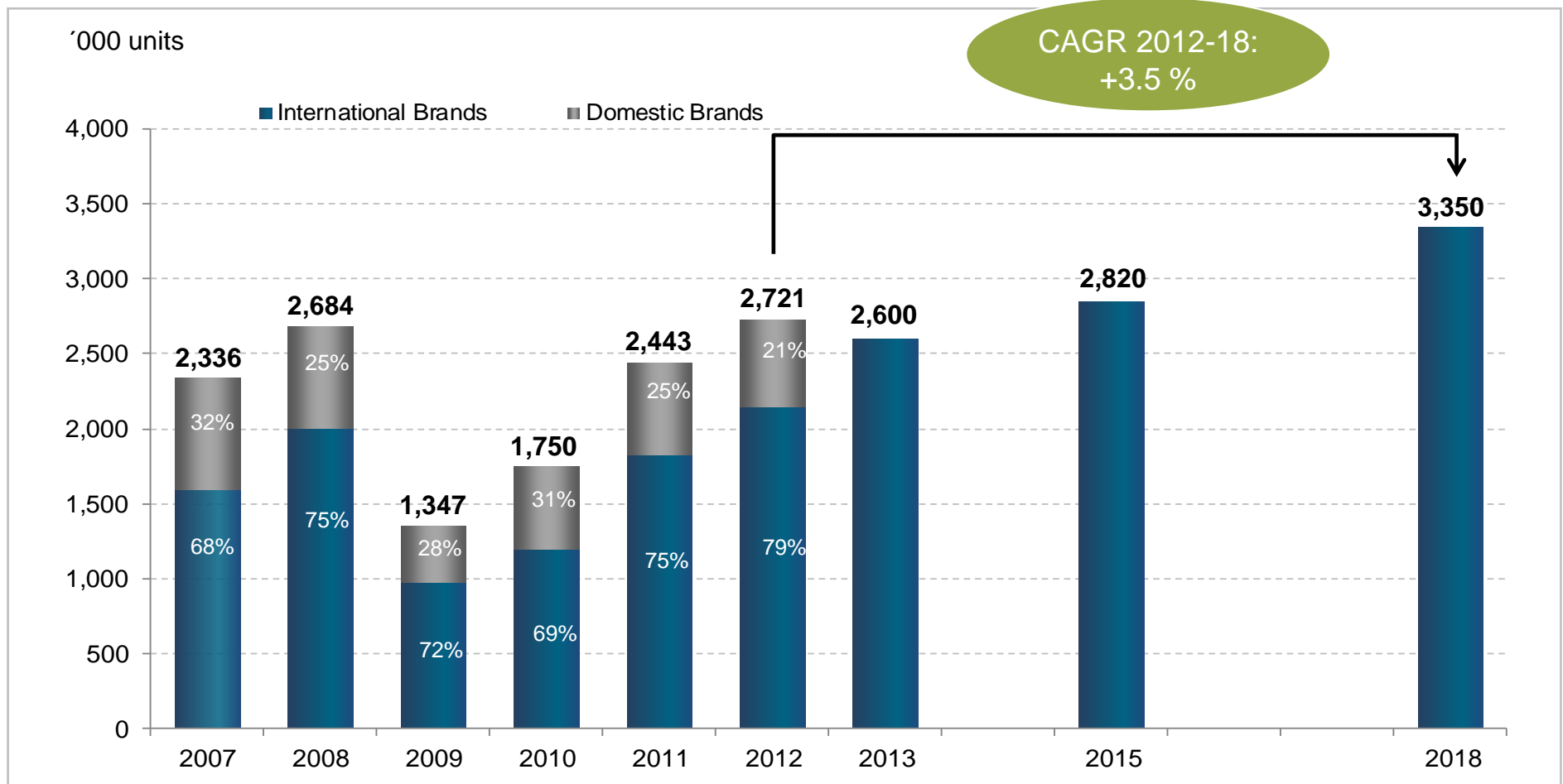
3. Outlook

The Changing Automotive World

Millions of New Consumers Altering Market Importance



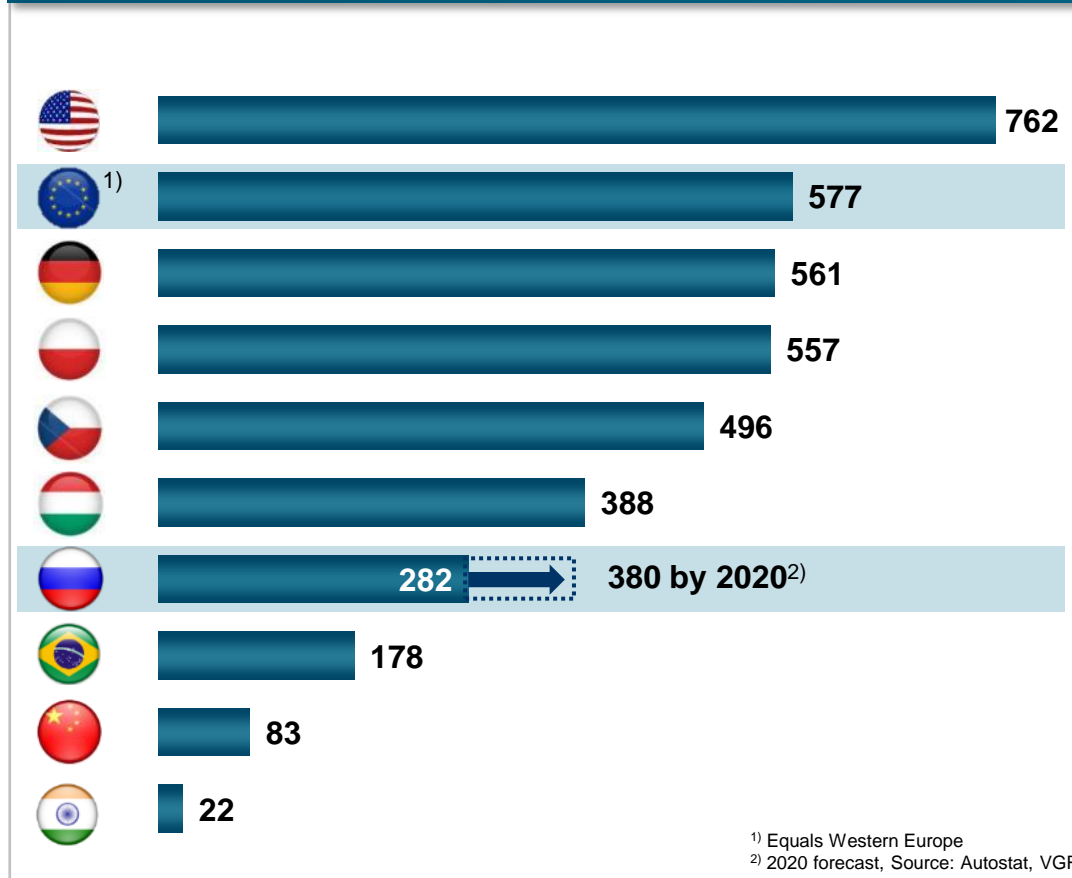
Russian passenger car market on a growth path with domestic manufacturers expected to lose further market share



Source: AEB / VGR

Russia catching up in terms of passenger car density

Light vehicle density (per 1,000 inhabitants, as per 2012)



Source: WinFor Study Dec 2012 (Cars & Trucks); Volkswagen Group; IHS (as per 15 March 2013; rounded numbers).

- While expected to catch up significantly, car density in total Russia remains far below Western European and US levels as well as other Eastern European countries such as Hungary, Czech Republic or Poland
- Moscow (327) and St. Petersburg (314) have the highest density among Russian cities

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Volkswagen Group Worldwide

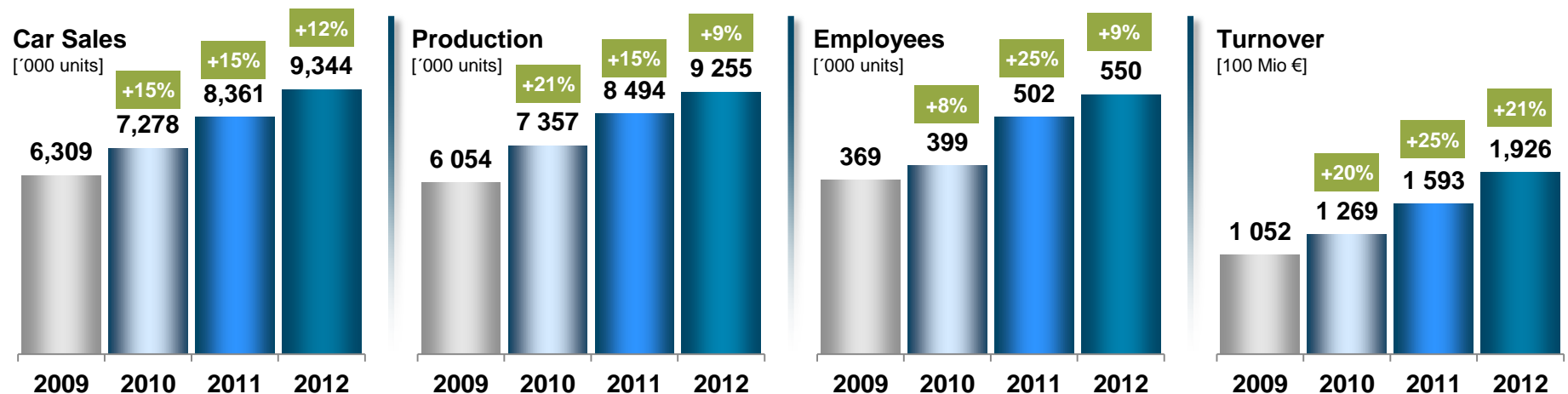
- 12 brands, 280 models
- Largest automotive company by revenue in the world
- 10th largest company in the world by revenue
- Largest R&D spending worldwide - \$11.4 bn (05/12-05/13)
- 40,000 engineers in the group
- Setting innovation benchmarks (e.g. VW Natural Gas Engines, Audi Space Frame, Porsche Hybrids)
- Built on three strong pillars – Passenger Cars, Commercial Vehicles and Financial Services



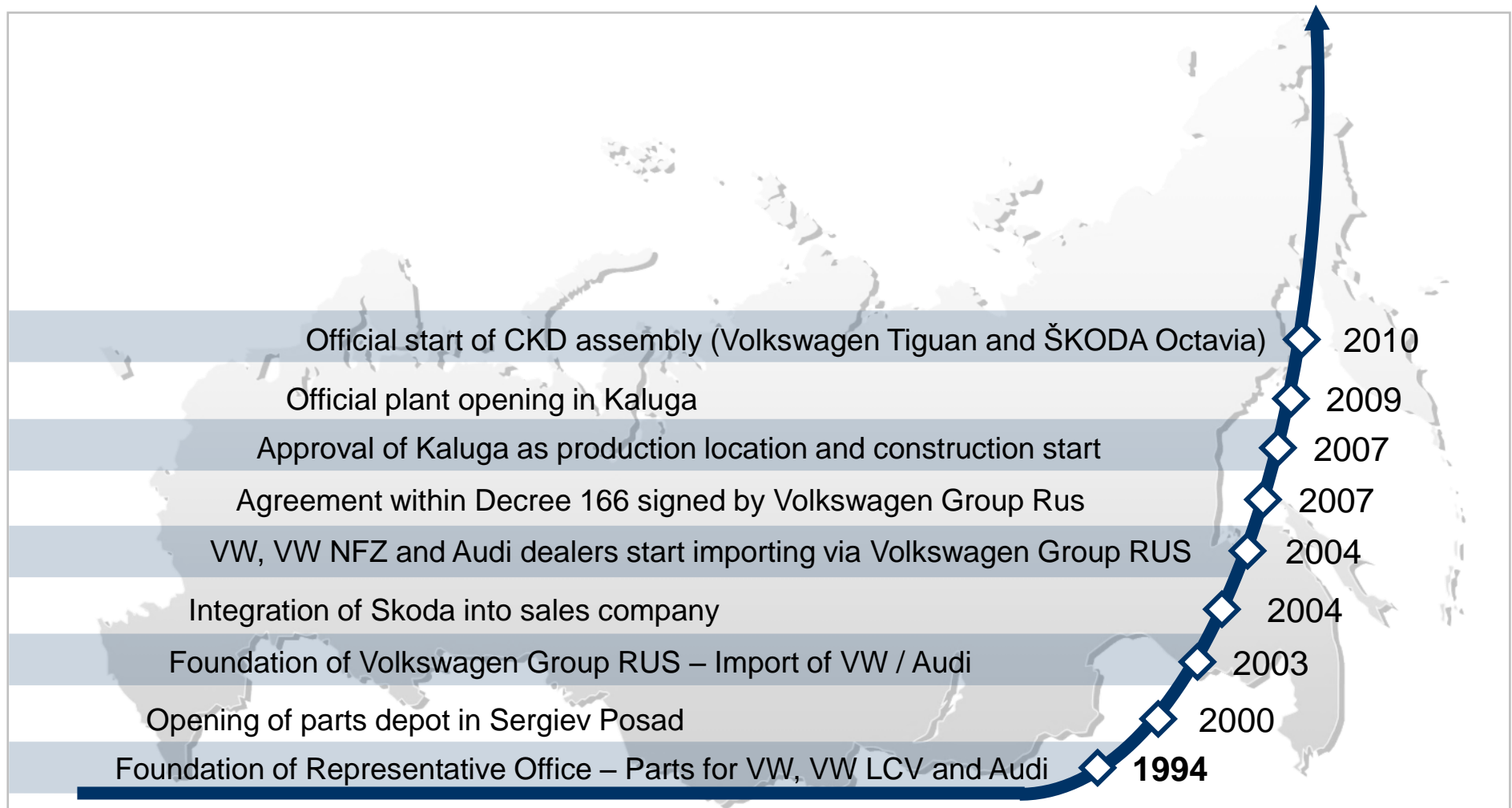
Volkswagen Group Worldwide



Key Figures Volkswagen Group



History of Volkswagen Group Rus 1994 - 2010



*Completely Knocked Down

History of Volkswagen Group Rus 2011-2015



*Completely Knocked Down

Volkswagen Group Rus

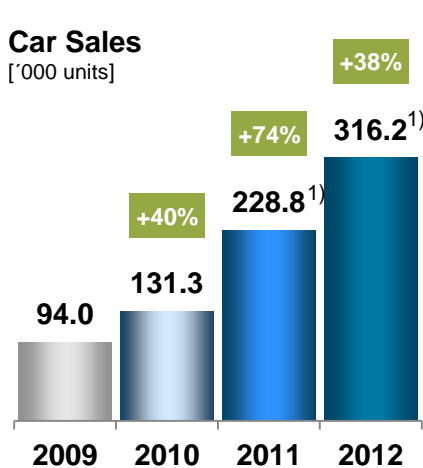
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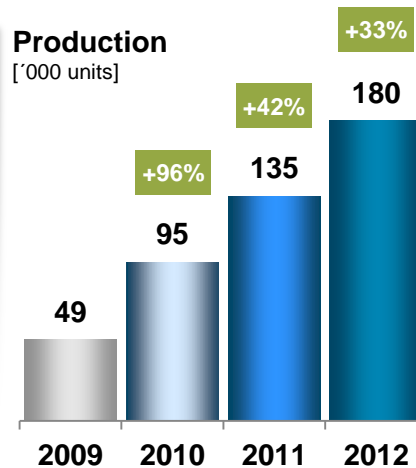


Key Figures Volkswagen Group Rus

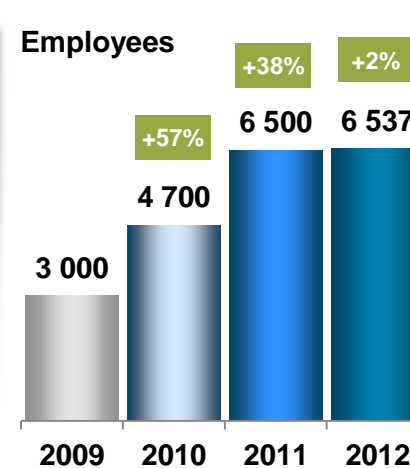
Car Sales ['000 units]



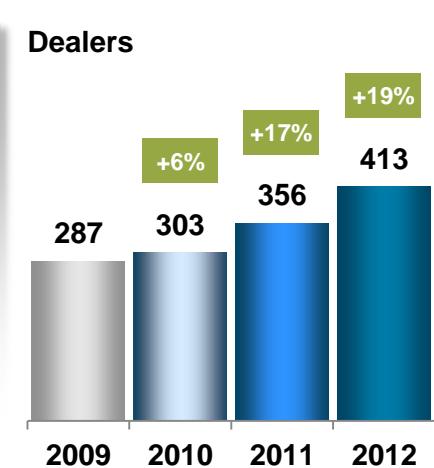
Production ['000 units]



Employees



Dealers



*Friends & Family
in Russia:*



VOLKSWAGEN BANK
RUS LLC



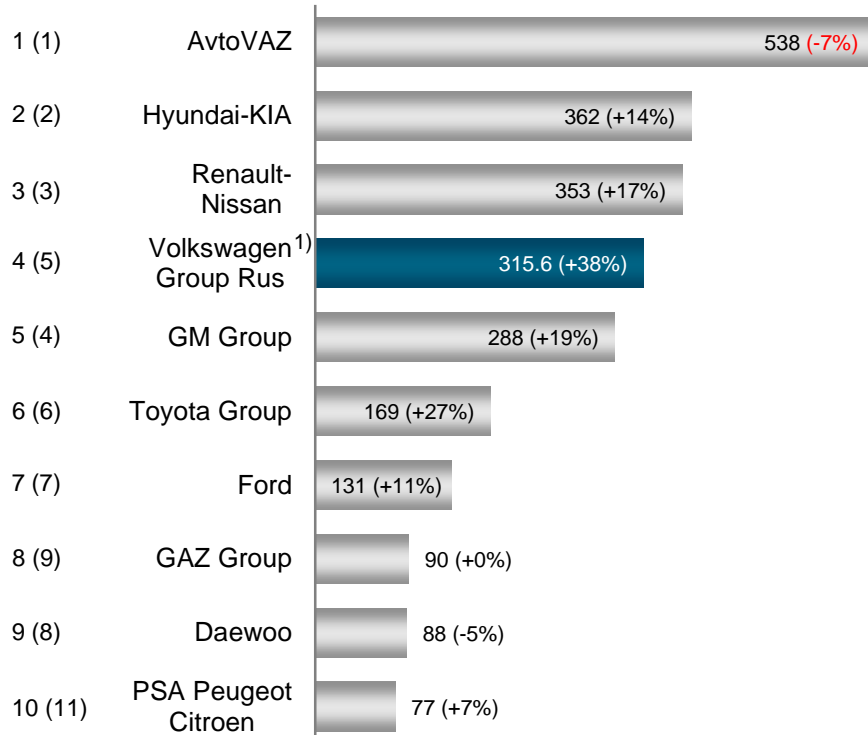
¹⁾ 2011/2012: Including export

Volkswagen Group Rus further improved its market position

Group Ranking 2012 (incl. Light Commercial Vehicles)

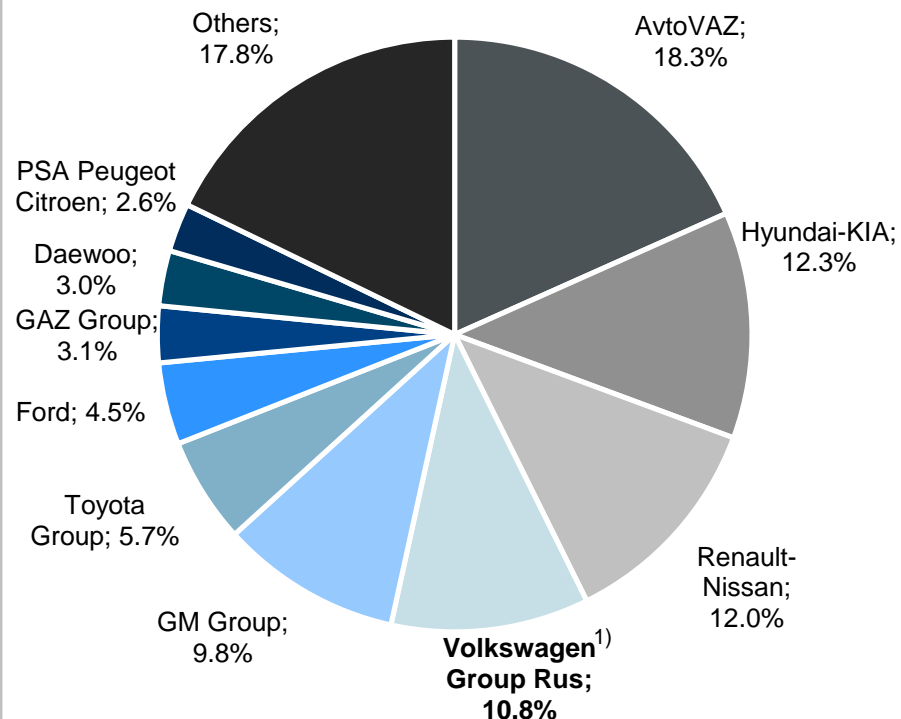
Volkswagen Group Rus outperforming the market

Deliveries in '000 units



Market share 2012

100% equals 2.934 m passenger cars & light commercial vehicles



Source: AEB ¹⁾ Includes Volkswagen Passenger Cars, ŠKODA, Audi, SEAT, Bentley, Lamborghini and Volkswagen Commercial Vehicles

Locations of Volkswagen Group Rus and Volkswagen Group companies



Production in Kaluga

KALUGA

HQ and car production



Volkswagen Group Rus in Kaluga

KALUGA

HQ and car production



Key figures



Investment:	€774 m project, thereof €570 m plant €95 m press shop
Capacity:	CKD* : 225,000 units/year in 2012 SKD** : 45,000 units/year in 2012
Staff:	5,761 employees (status December 2012)
Production:	670 cars in 3 shifts/day

* Completely Knocked Down

** Semi Knocked Down

Models produced



ŠKODA Octavia
(SOP 2009 - EOP 2013)



Volkswagen Tiguan
(SOP 2009)



ŠKODA Fabia
(SOP 2010)



Volkswagen Polo
(SOP 2010)



ŠKODA Rapid
(SOP 2014)

New engine plant in Kaluga

Production of new engine generation for own use as well as Volkswagen Group brands

KALUGA
Engine factory



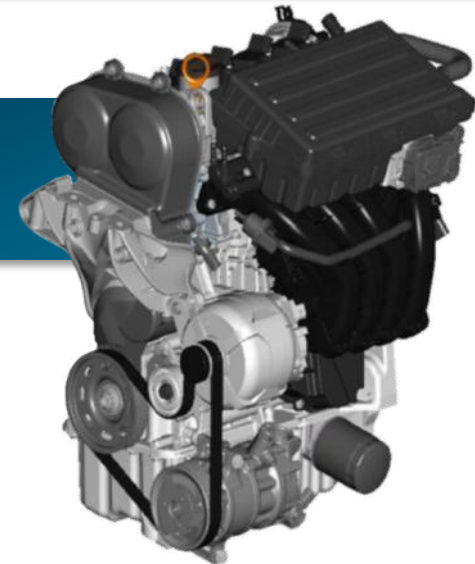
Key figures



Investment:	ca. €250 m
SOP:	Start of production in 2015
Capacity:	600 engines per day
Staff:	>400 employees in 2015
Vertical Integration:	Crankcase, cylinder head with integrated assembly, crankshaft, engine assembly including engine test

Engine to be produced

EA 211
1.6L
4V MPI



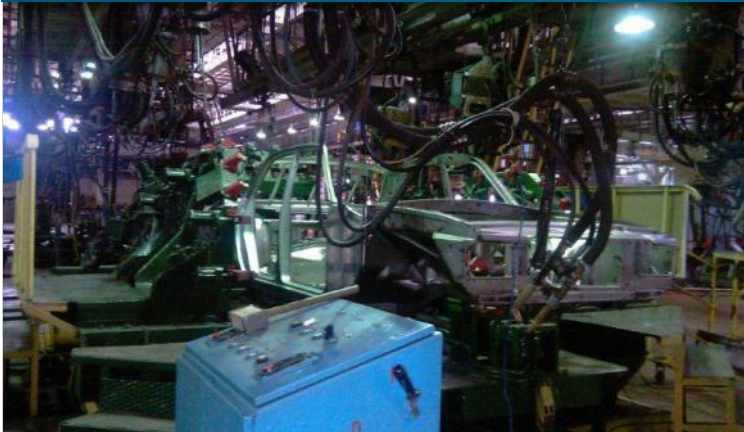
■ Fuel:	Gasoline
■ Output:	81 kW
■ Torque:	160 Nm
■ Displacement:	1,598 cm ³

Completely new production

**NIZHNY
NOVGOROD**
Contract manufacturing



2011



2013



Volkswagen Group Rus in Nizhny Novgorod

Key figures



Business model:	Contract manufacturing
Capacity:	CKD: 132,000 units/year from 2013
Investment:	€320 m thereof €135 m plant (VGR) €85 m plant (GAZ)
Staff:	>3,000 employees GAZ (2014e) 311 employees VGR
Work system:	3 shifts (from 2013)

NIZHNY NOVGOROD

Contract manufacturing



Models produced (CKD)



ŠKODA Yeti
(SOP 2012)



Volkswagen Jetta
(SOP 2013)



ŠKODA Octavia
(SOP 2013)

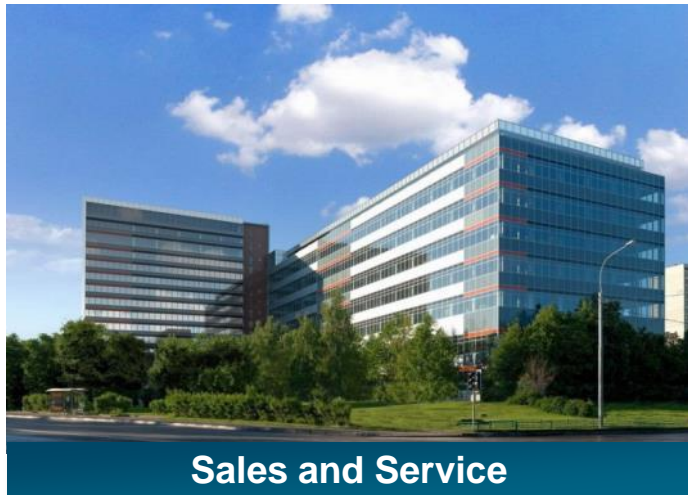
Volkswagen Group Rus National Sales Company

MOSCOW
Sales and Service



VOLKSWAGEN

GROUP RUS



Sales and Service

- Group Academy

- Technical Service Centre

- Warehouse



Continuous expansion of dealer network



Volkswagen Group Rus – General Partner of Sochi 2014 Games

07/02 – 23/02/14	Sochi Olympics
07/03 – 16/03/14	Sochi Paralympics
27	Partner Companies
80	Participating Nations
10	Olympic Venues
5,000	Cars
13,000	Media
1 million	Anticipated Visitors
3 billion	Global Viewers



**Sochi 2014 Olympic Games
General Partner**



**Sochi 2014 Paralympic Games
General Partner**



**Russian Olympic Committee
& Team Partner until 2016**



**Russian Paralympic Committee
& Team Partner until 2016**



Our brands have a long tradition of supporting sports

Support the Supporters



Support the
Supporters



Putting Dreams in Reach



Commercial
Vehicles

Putting Dreams
in Reach



Road to Sochi

ŠKODA



One Family. One Team.



Sochi – Home
of Quattro



Audi



Sochi. Home of quattro

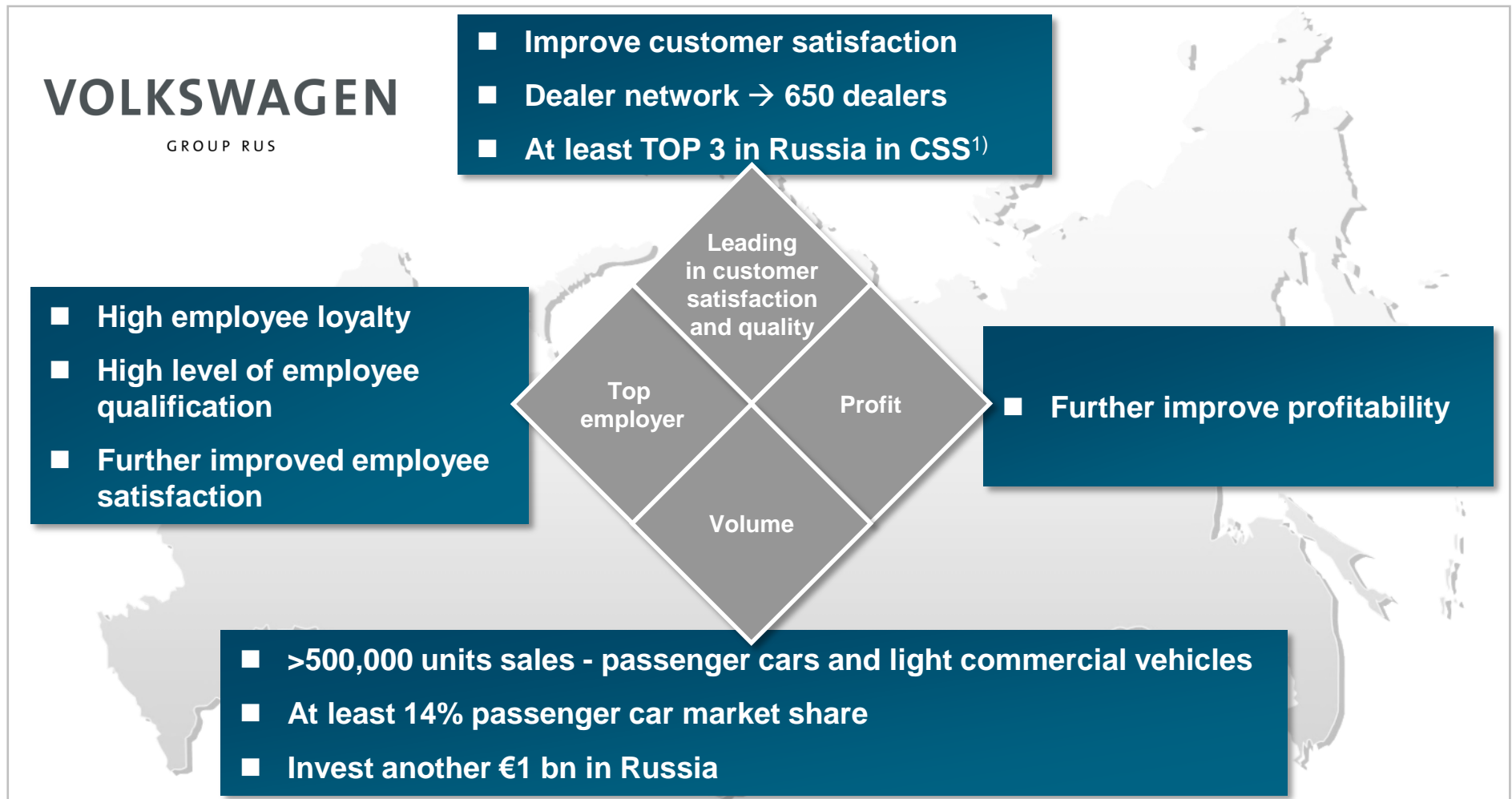
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Strategy 2018 Targets



¹⁾ Customer Satisfaction Survey

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