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Positive interim assessment after one year of pact for the future

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- **Pact for the future on track for success one year after conclusion of agreement**
 - **€1.9 billion of efficiency savings achieved in 2017**
 - **Personnel transformation and job reduction via partial early retirement proceeding to plan**
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Wolfsburg – The Volkswagen brand is on track for success with the pact for the future. This is the interim assessment given by the Board of Management and the General Works Council 12 months following the signature of the agreement. To date, €1.9 billion of efficiency savings have already been achieved, corresponding to 96 percent of the target set for 2017. As regards partial early retirement, Volkswagen is also on the right track, having already reached 94 percent of the target for 2020. The pact for the future lays the foundation for the Volkswagen brand's "Transform 2025+" strategy. From 2020, this strategy is to have a positive impact of €3.7 billion per year on earnings and to make the brand significantly more efficient and competitive.

The CEO of the Volkswagen brand, Dr. Herbert Diess, said: "We have made considerable progress with the pact for the future but we still have a demanding route ahead of us. Higher productivity, improved working procedures and slim, higher-performance structures in all areas of business will be indispensable in order to durably safeguard the future viability of Volkswagen. We will be working intensively on these points over the next few years."

The General Works Council Chairman, Bernd Osterloh, emphasized: "The pact for the future is a success story. It is now clear that we will achieve our efficiency targets for 2017 and there are good indications that this will also be the case in 2018. However, the pact for the future is also the result of considerable efforts by many thousands of colleagues who have supported these changes or familiarized themselves with new tasks. Their commitment safeguards the future of Volkswagen."

The Board Member for Human Resources, Dr. Karlheinz Blessing, said: "A key element in the pact for the future is personnel transformation. We

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have made considerable progress in this area. As regards partial early retirement, we will already achieve the target of 9,200 contracts signed, which we had set for 2020, by the end of 2017. We will continue job reduction in working areas which are not viable for the future and will be reducing the employment of temporary personnel. In addition, we have made a successful start to training and the development of jobs in future-oriented areas."

The pact for the future, which was agreed in November 2016, lays the foundation for the "Transform 2025+" strategy of the Volkswagen brand. With this strategy, the brand is consistently reorienting itself towards the future. "Transform 2025+" aims to markedly improve the earnings power of Volkswagen, to make the brand considerably more efficient and international and to significantly expand the model range at the same time as rapidly forging ahead with e-mobility, digitalization, vehicle connectivity and autonomous driving.

The pact for the future provides for savings and efficiency improvements in all areas and at all locations, with an annual positive impact on earnings of €3.7 billion from 2020 onwards, including €3 billion in Germany. The pact also includes the socially compatible reduction of up to 23,000 jobs in Germany at the same time as the creation of 9,000 future-oriented jobs.

About the Volkswagen brand: "We make the future real"

The Volkswagen Passenger Cars brand is present in more than 150 markets throughout the world and produces vehicles at over 50 locations in 14 countries. In 2016, Volkswagen produced about 5.99 million vehicles including bestselling models such as the Golf, Tiguan, Jetta or Passat. Currently, 196,000 people work for Volkswagen across the globe. The brand also has 7,700 dealerships with 74,000 employees.

Volkswagen is forging ahead consistently with the further development of automobile production.

E-mobility, Smart mobility and the digital transformation of the brand are the key strategic topics for the future.
