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Volkswagen Group inaugurates its own engine plant in Russia

- **Volkswagen starts production of its most modern engines at Kaluga plant**
- **Engines for Volkswagen brand and ŠKODA models**
- **Production capacity of about 150,000 units per year**
- **Volkswagen is the first foreign automaker with its own engine production facility in Russia**

Wolfsburg / Kaluga, September 4, 2015 – Following three years of construction, the Volkswagen Group today inaugurated its new engine plant at Kaluga in the presence of the Russian Prime Minister Dmitry Medvedev, Thomas Schmall, Member of the Board of Management of the Volkswagen Passenger Cars brand responsible for Components, and the Governor of Kaluga Region Anatoly Artamonov. In future, the plant will produce the newly developed 1.6-litre EA211 gasoline engine, representing the most modern engine technology of the Volkswagen Group. The engines are to be used for the Volkswagen Polo and the ŠKODA Rapid produced in Kaluga, as well as for the Volkswagen Jetta and the ŠKODA Octavia and Yeti, built jointly with GAZ in Nizhny Novgorod. The annual production capacity of the engine plant will be about 150,000 units. The total investment in the plant has been about €250 million and 400 jobs in the region have been created. Volkswagen is the first foreign automaker to operate its own engine plant in Russia.

Thomas Schmall, Member of the Board of Management of the Volkswagen Passenger Cars brand responsible for Components, underlined the commitment of Volkswagen to Russia: “The development of Volkswagen in Kaluga – starting with the vehicle plant and continuing with the engine plant – symbolizes the strength of this region. We intend to continue this development in future because we believe in the considerable potential offered by the Russian automobile industry.”

“With our new, modern engine plant, we will be supplying engines produced locally for our vehicles manufactured in Kaluga and Nizhny Novgorod. We will therefore not only be increasing the local content of our cars, we will also be making them more affordable for our Russian customers,” Marcus Osegowitsch, General Manager of Volkswagen Group Rus, explained.

Through the construction of the engine plant, Volkswagen is stepping up its industrial activities in Russia. In addition, the Group will be fulfilling its obligations under the ancillary agreement to Decree 166 reached with the Russian government at the end of May 2011. This determines that, as of 2016, at least 30 percent of vehicles produced in Russia are to be equipped with engines manufactured locally.

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The new engine plant has an area of 32,000 m² and is to produce up to 600 modern 1.6-litre gasoline engines of the newly developed EA211 series per day. This engine is especially efficient. At the same time as ensuring a higher output (110 PS), the weight and carbon dioxide emissions of the new engine have each been reduced by 10 percent compared with its predecessor. Another main emphasis is on energy-efficient production. For example, using highly advanced technologies in production, water consumption has been significantly reduced. In addition, Volkswagen has set extremely stringent quality standards for the engines from Kaluga and has invested about €8.6 million in modern quality assurance systems.

In order to ensure a smooth and trouble-free start of production, the new employees have completed comprehensive training at a dedicated training centre. For employee training, the new engine plant benefits from Volkswagen's integrated worldwide system. About 60 percent of the employees at Kaluga have already completed training at other Group plants, for example the main ŠKODA plant at Mladá Boleslav, the German engine plants at Chemnitz and Salzgitter or in Polkowice, Poland.

Volkswagen also aims to expand and considerably strengthen its relations with local suppliers. A significant proportion of the components required for the new engine are to be purchased from local suppliers.

Note: Text and photos are available from www.volkswagen-media-services.com

Volkswagen Group Communications

Spokesperson, Production and Plants
Christoph Adomat
Phone: +49 (0) 53 61 / 9-86266
E-Mail: christoph.adomat@volkswagen.de
www.volkswagen-media-services.com
www.volkswagenag.com

Volkswagen Group Rus

PR Director
Natalia Kostyukovich
Phone: +7 499 957 10 25
E-Mail: Natalia.Kostyukovich@volkswagen.ru
www.volkswagen-media-services.ru
www.volkswagengrouprus.ru