
Media information

Volkswagen Group's new importer contracts pave the way for digitalization

NO. 253/2018

- Group brands renew contracts with long-standing importers by mutual agreement
- New contracts lay foundation for realigning Sales and are prerequisite for marketing new all-electric and fully-connected vehicles from 2020
- Manufacturer, importer and dealer jointly approach customers in future
- Head of Volkswagen Group Sales, Fred Kappler: "The new contracts are an important milestone and realign the joint business model for the next decade."

Wolfsburg, September 13, 2018 – The Audi, ŠKODA, Volkswagen Commercial Vehicles and Volkswagen Passenger Cars brands, together with their partners from ten European importers, signed the new importer contracts in Wolfsburg this week. Contracts with the



Four brands of the Volkswagen Group and ten European importers signed the new importer contracts in Wolfsburg this week.

Group's own companies in a further 15 markets were also exchanged. As a result, the Volkswagen Group has agreed new contracts for almost all European markets. Some 4.1 million vehicles were delivered in these markets, including the home market of Germany, in 2017. The contracts are an

important strategic milestone for the Volkswagen Group and define a new joint business model that is shaped in particular by ongoing digitalization. Going forward, manufacturer, importer and dealer will jointly communicate with customers, speaking with one voice across all contact points. The contracts are also an important prerequisite for marketing the Volkswagen Group's new all-electric, fully-connected vehicles and come into effect starting in April 2020 in good time for the market launch of these models.

Fred Kappler, Head of Volkswagen Group Sales, commented: "The new importer contracts are an important milestone for our collaboration in the age of digitalization. They realign the joint

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business model for the next decade. More than ever, the focus is very firmly on our customers, and we will be jointly approaching them together with importers and dealers in future. We have been cooperating with many of our European importers for 70 years. That is why Group Sales felt it was important to find a mutually acceptable future-oriented basis for our long-standing partnership. We have successfully achieved that together. My thanks go to everyone involved.”

The new contracts are systematically geared to customer expectations and bring several important innovations. One example is software upgrades that will be possible in future vehicle generations. Customers expect to be able to download these upgrades to their vehicles over-the-air, as conveniently as they do today for their smartphones. The new contracts lay the groundwork for that. The future system connects customer, vehicle and dealer via a clear identification. Going forward, this creates a triangle for customer contacts and customer relations and enables individualized offerings. That applies equally when visiting the dealer, surfing the manufacturer website or using an app.

Consequently, new services that only become possible through direct networking can be added to the traditional core business associated with car sales such as financing, maintenance and service: examples include charging and billing services for electric vehicles, fleet management and car sharing services, e-commerce applications, and much more. The Volkswagen Group bases all of this on the greatest possible transparency and is committed to the strict data protection standards at national and European level.

The Volkswagen Passenger Cars and Audi brands already signed the outcome of the negotiations for the new dealer contracts in Germany together with the Volkswagen and Audi partner association a few weeks ago, and the importer contracts are the next important step in the realignment in Europe. Apart from the future topics described above, the contract also takes into consideration changes in the legislative framework such as the European General Data Protection Regulation (GDPR) and the new WLTP type-approval process. The new importer contracts come into effect on April 1, 2020.

The SEAT brand will follow the same policies and will start with the process of signature of the new importer contracts from January 2019 onwards.

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About the Volkswagen Group:

The Volkswagen Group, with its headquarters in Wolfsburg, is one of the world's leading automobile manufacturers and the largest carmaker in Europe. The Group comprises twelve brands from seven European countries: Volkswagen Passenger Cars, Audi, SEAT, ŠKODA, Bentley, Bugatti, Lamborghini, Porsche, Ducati, Volkswagen Commercial Vehicles, Scania and MAN. The passenger car portfolio ranges from small cars all the way to luxury-class vehicles. Ducati offers motorcycles. In the light and heavy commercial vehicles sector, the products include ranges from pick-ups, buses and heavy trucks. Every weekday, 642,292 employees around the globe produce on average 44,170 vehicles, are involved in vehicle-related services or work in other areas of business. The Volkswagen Group sells its vehicles in 153 countries.

In 2017, the total number of vehicles supplied to customers by the Group globally was 10,741 million (2016: 10,297 million). The passenger car global market share was 12.1 per cent. In Western Europe 22.0 per cent of all new passenger cars come from the Volkswagen Group. Group sales revenue in 2017 totalled €231 billion (2016: €217 billion). Earnings after tax in 2017 amounted to €11.6 billion (2016: €5.4 billion).
