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## Media information

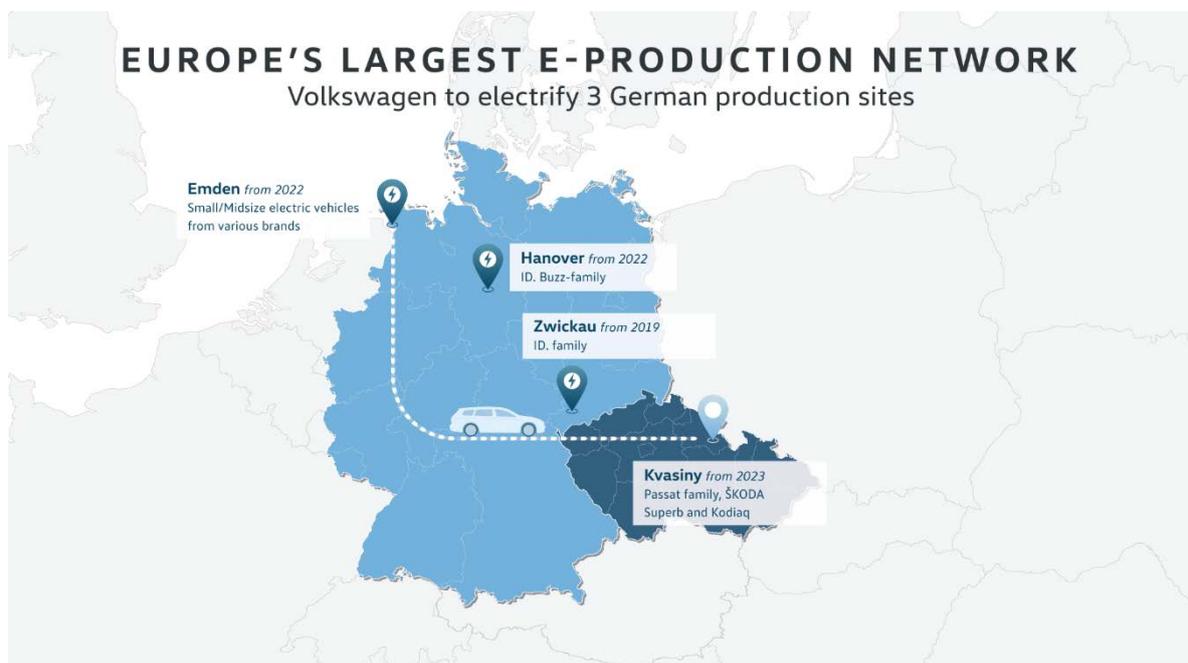
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## Volkswagen redefines plant assignment and focuses more closely on multi-brand plants

- **Electric offensive: Emden and Hanover to become electric vehicle plants**
- **Cross-brand bundling of product families for more efficiency and synergies**
- **Additional multi-brand plant in Eastern Europe to boost competitiveness**
- **Group Board Member for Production Blume: “We are making our plants fit for the future and realizing the potential of the Volkswagen Group.”**
- **Group Works Council Chairman Osterloh: “We agreed an employment guarantee for Emden and Hanover until the end of 2028 – adjustments only via the demographic curve.”**

**Wolfsburg, November 16, 2018 – At its meeting today, the Supervisory Board of Volkswagen Aktiengesellschaft approved the new plant assignment plans. The strategic plant assignment reflects the challenges of the next five years and lays the necessary foundations. The plants in Emden and Hanover will be converted to build electric vehicles: models from the ID. family will begin rolling off the assembly lines there from 2022. In order to serve growth in Europe going forward, the Group will be expanding its production capacity post-2022 with an additional plant in Eastern Europe.**



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Oliver Blume, the Volkswagen AG Board of Management Member for Group Production, commented: “We have redefined the strategic guideposts for future plant assignment. We are making our plants fit for the future. Among other things, this includes bundling cross-brand product families to maximize synergies and cost benefits. That is how we will be realizing the full potential of the Volkswagen Group.”

All-electric cars will begin leaving the assembly lines in Emden and Hanover from 2022: going forward, electric small cars and sedans from several brands will be built in Emden, while Hanover will specialize in the production of the ID. BUZZ family in addition to building vehicles with conventional drives. “German plants are particularly well suited to making the transformation to the production of electric vehicles, given the high manufacturing expertise and qualification level of our employees. We are aligning the three plants in Zwickau, Emden and Hanover to our electrification strategy and thereby laying the groundwork for expanding our electric fleet and thus meeting the CO<sub>2</sub> targets,” Blume continued.

Production of the Volkswagen Passat family will be moved to the ŠKODA plant in Kvasiny, Czech Republic, and these models will be built there together with the ŠKODA Superb and Kodiaq from 2023. The ŠKODA Karoq and the SEAT Ateca, currently produced in Kvasiny, will be transferred to a new Group multi-brand plant. The Group is looking for a new location in Eastern Europe.

The Group and General Works Council Chairman, Bernd Osterloh, said: “I am particularly proud that we have succeeded in locating a large share of e-mobility production at our plants here in Germany, because the markets in Germany and Western Europe, along with China and the USA, will lead the way in introducing electric vehicles.

The transition to e-mobility is no longer wishful thinking, it starts right here. And fewer jobs as a result of this transition is also part of the overall picture. That is something we have stated on several occasions. I am aware that is why many colleagues, particularly in Emden and Hanover, are worried about the transformation. As employee representatives we have taken action: a ten-year employment guarantee excludes compulsory redundancies until the end of 2028. We can make adjustments via the demographic curve so that no one loses their job.

The transformation poses enormous challenges for our workforce and the whole automotive sector. Here at Volkswagen, we are shaping this change from a position of strength and thus sending a clear message to the entire industry. We are bringing the future to Germany: emotional electric vehicles, innovative mobility concepts and the megatrend of autonomous driving are being built and made real right here in our backyard. That offers great opportunities for Volkswagen and the workforce.

The Supervisory Board has once again approved enormous investments, many of which again relate to equipment, products and research at the German sites. From the viewpoint of our more than 660,000 employees all over the world – 290,000 of them in Germany – that is a great success. Because our long-term market survival hinges on stunning vehicles, services and research activities. This clearly calls for first-class conditions for our workforce. And we have laid the groundwork for that today.”

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The most important criteria for plant assignment are optimal utilization of existing capacity, platform orientation and volume bundling. As a result, flexible multi-brand plants will become increasingly common in order to harness the advantages of the flexible production network. Efforts will be systematically geared to reusing existing resources and factory structures and to cross-brand standardization with a view to increasing productivity and reducing factory costs and investments. The Group is addressing the digital transformation of its plants to leverage further efficiencies.

Group Production has targeted a 30 percent increase in productivity by 2025. Backed by good progress in recent years, the environmental impact of Group plants is to be almost halved within the same timeframe. “We have set ourselves clear and ambitious goals”, Blume said. “Production must be a strategic competitive advantage for the Group.”



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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).