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## Volkswagen supplies Russian GAZ Group with engines from Salzgitter

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- **Components division opens up new sales market with cooperation agreement**
  - **Contract safeguards employment during step-by-step transformation from internal combustion engines to e-mobility**
  - **Business with third-party customers improves economics of plant**
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Salzgitter /Nizhniy Novgorod – Volkswagen and the GAZ Group signed a contract for the supply of engines from Salzgitter to the Russian manufacturer. From 2019 onwards, the 2.0 TDI engine is to be installed on light commercial vehicles produced by GAZ. It is planned to deliver a total of 200,000 engines to Russia over a period of five years

Thomas Schmall, Member of the Board of Management of the Volkswagen Passenger Cars brand responsible for Components, said: "We are pleased to have won the GAZ Group as a customer for our engines. The engine plant at Salzgitter is currently in a process of transformation. The Volkswagen pact for the future is laying the foundation for improving the economics of the plant and safeguarding its future. This will also include developing new business models. Now, Salzgitter is boosting business with customers outside the Group with its series-produced engines – and contributing to the successful transformation of Volkswagen Components."

Christian Bleiel, Head of the Engines Business Area and plant manager at Salzgitter, signed the contract in Russia and emphasized: "Volkswagen produces gasoline and diesel engines superior to the competition in major series for the brands of the Volkswagen Group. We are now also offering these engines to customers outside the Group. The partnership with GAZ will improve the economics of our plant and safeguard employment during the step-by-step transformation of the plant from internal combustion engines to e-mobility."

Works Council Chairman Andreas Blechner underscored: "It is a key step in the right direction to sell our engines to other manufacturers. The agreed total volume of about 200,000 engines will more than compensate for the lost production of industrial engines under the pact for the future." Blechner thanked the plant manager for his commitment to relations with

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Russia, which will safeguard more than 50 jobs at the Salzgitter plant in the long term.

Every day, the Salzgitter engine plant produces up to 7,000 gasoline and diesel engines of more than 200 types, ranging from 3-cylinder to 16-cylinder units. Since the plant was founded in 1970, more than 57 million engines have been produced. These engines are used in many different Volkswagen Group models and brands. In addition, the Salzgitter plant produces engine components for use at other Group facilities. The plant is currently building up competence in the development and production of battery cells and modules and preparing for the production of electric powertrain components.

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**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.

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