

# VOLKSWAGEN

AKTIENGESELLSCHAFT



## **The international strategy of the Russian automotive industry— consequences for manufacturers and suppliers**

Dr. Michael Macht, Member of the Board of Volkswagen Group

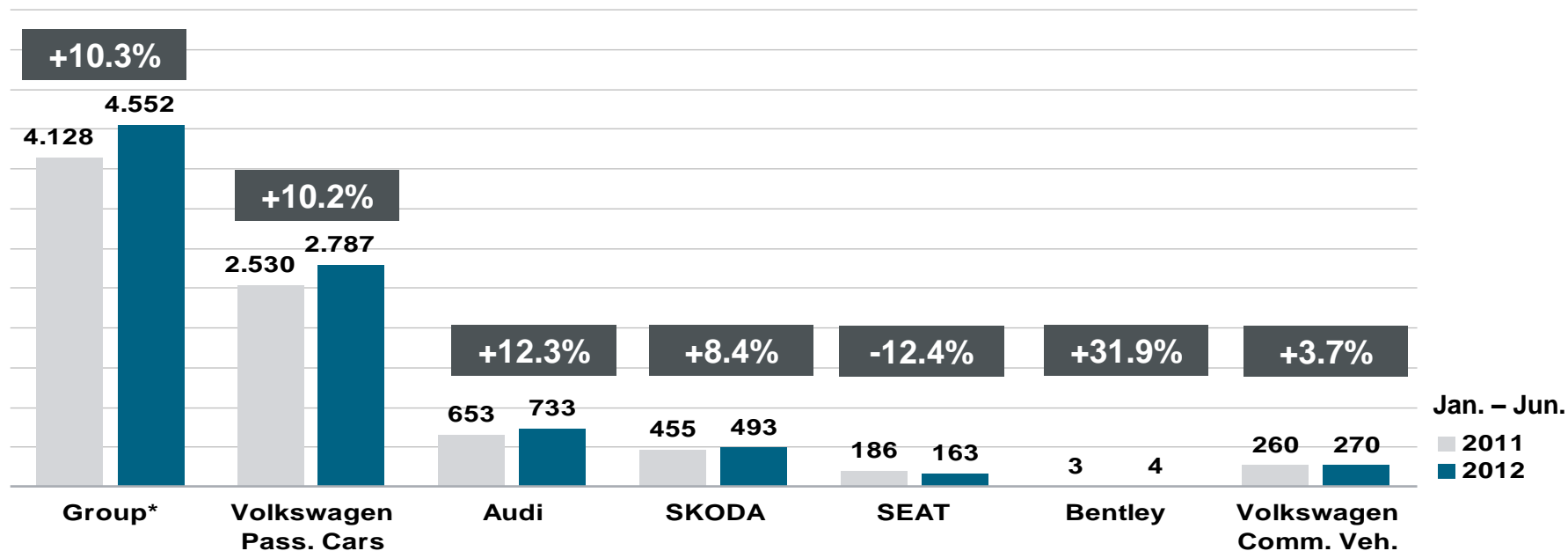
## Volkswagen continues its successful development in the first six months of 2012

	January - June		Change	
	2011	2012	absolute	in %
<b>Deliveries to customers (1,000 veh.)</b>	4,128	<b>4,552</b>	424	+ 10.3
<b>Production (1,000 veh.)</b>	4,184	<b>4,681</b>	497	+ 11.9
<b>Revenue (millions €)</b>	77,767	<b>95,378</b>	17,611	+ 22.6
<b>Operating profit (millions €)</b>	6,086	<b>6,492</b>	406	+ 6.7



## Nearly all group brands have increased their deliveries to customers January - June 2012 compared to 2011

In 1,000 vehicles



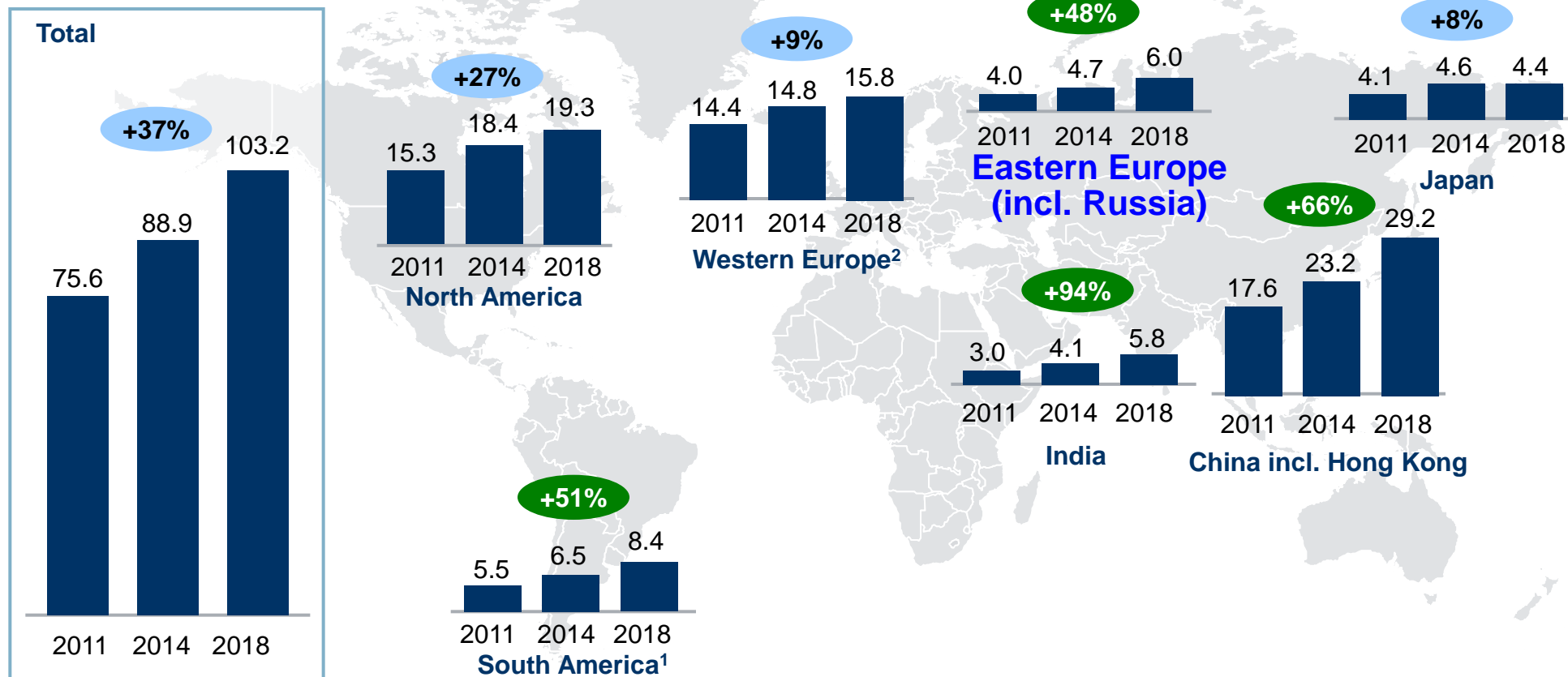
\*incl. Scania and MAN

## The Volkswagen Group strategy is based on profitable growth



- Leading in customer satisfaction and quality
- Profit before tax margin > 8%
- Volumes > 10 million units p.a.
- Top employer

## Strategic perspective: market growth is highest in the BRIC countries – and Russia is a very important market for Volkswagen



<sup>1</sup> incl. Central American and the Caribbean

<sup>2</sup> incl. Cyprus and Malta

Source: IHS Global Insight (status: June 2012), figures rounded

Note: market = cars and LCVs. Figures are preliminary

BRIC: Brazil, Russia, India and China

## Volkswagen Group: Strategy for Russia



<b>Products</b>	<b>Competitive products</b> → Volume business with vehicles adapted to the market and Group SUV's
<b>Sales and Marketing</b>	<b>Clear brand positioning</b> → Differentiation from the competition through quality and innovation
<b>Purchasing</b>	<b>High rate of parts from local suppliers</b> → High local content and establishment of a VW supplier structure
<b>Organisation</b>	<b>Establishment of regional structure</b> → Establishment of local expertise and competitive process routines
<b>Production</b>	<b>Local production</b> → Establishment of local added value (vehicles and components)

## 1. Products

Volkswagen and Škoda cars from local production are highly successful



**Polo Sedan**



**Tiguan**



**Touareg**

**ŠKODA**



**Octavia**



**Fabia**



**Yeti**



**Nutzfahrzeuge**



**T5 Multivan**



## 2. Sales and Marketing

With nearly 380 dealers our coverage of the Russian market is close and keeps growing





### 3. Purchasing

Over 40 suppliers have been nominated within the Russian Federation



## 4. Organization

Volkswagen Group Rus employees are part of the world wide group network



### dual training (German standard)

started in 2010

- 2010: 2 courses - mechatronic, car mechatronic
- 2011: 3 more courses
  - development mechanic
  - production mechanic
  - car painter

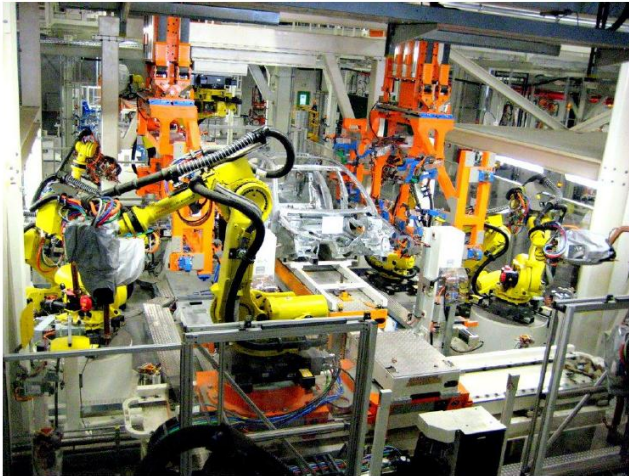
### Cooperation with Baumann University

started in May 2011

- signing of cooperation agreement
- courses in mechanical engineering and dual training for mechatronics
- start of courses on 1st September, 2011
- 20 students, duration of course 8 semester

## 5. Local Production

Production sites in Kaluga, N. Novgorod and St. Petersburg





## Volkswagen Activities in Russia

Sponsor of Olympic Winter Games 2014 in Sochi



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# Thank you for your attention!



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