

VOLKSWAGEN

AKTIENGESELLSCHAFT

Volkswagen opens its first Group Logistics Service Facility in India

Provided by SkodaAuto in Aurangabad / A central hub for all Dealer needs and better customer service / Facility currently stores about 13,000 line items with a plan to increase this number to 18,000 by the year end / Urgent ordered spare parts within a maximum of 72 hours at the dealer's service station

Mumbai, July 9, 2009 – With a view to expand its commitment to the Indian market Volkswagen Group today has launched its first Logistics Service Facility which is provided by SkodaAuto India Private Limited at its Aurangabad plant. On the basis of a facility for Skoda spare parts the expansion to a Volkswagen Group facility for the brands Audi, Skoda and Volkswagen has been conceptualized and set up in a record period of 4 months. The total investment of this expansion is of over Rs. 13.6 Crores (2 Million Euros).

Present at the occasion, Mr. Jean-Marie Lagey, Managing Director Technical Affairs, Skoda Auto India Private Limited, said: “The Volkswagen Group Logistic Service which will be provided by SkodaAuto is one more accolade to our success story here in India. We started in 2001 and are currently manufacturing total eight different models of the Group brands Audi, Skoda and Volkswagen. The new setup will provide a smooth, easy and fast service for the entire Volkswagen Group in India. It confirms once again that Aurangabad is a major part of Automobile Hub in Maharashtra.”

Mr. Maik Stephan, Managing Director of ‘Volkswagen Group Sales India Private Limited’ commented on the opening ceremony: “The Volkswagen Group continues to expand in India and this group facility aims at improving the service that is provided to all our customers. This is an investment for the future and we want all our dealers on board to achieve greater success. Highly cost effective, it will make our dealer network stronger and provide flawless customer service. This facility will provide our dealers a central hub that will accomplish all their needs”.

The Volkswagen Group Logistics Service Provider Facility is spread over 7,600 Sq. Mtrs. It is fully staffed and set up, aiming to provide spare-parts logistic services for approximately 120 dealers of Audi, Skoda and Volkswagen by the end of the year. These spare-parts come mainly from imported sources. However, a fraction of the total stock is sourced from local suppliers with an expectation to increase the volume of locally manufactured parts. The

facility currently stores about 13,000 line items with a plan to increase this number to 18,000 by the year end.

The inbound delivery to the facility from imported and local sources happens via two delivery modes, i.e. shipment of the normal stock order and DHL courier for urgent orders. The forward delivery to the dealers is classified into three types of orders from the dealers:

Stock Orders: This type of order is for the parts that a dealership workshop requires on a regular basis and hence maintains a healthy stock of it at all times. This type of order is trucked within 48 hours of receiving the order and the delivery time is directly proportionate to the distance of the dealership from the Aurangabad facility.

Orders for intelligent parts: These parts are the ones that are dependent upon use of certain software for operation. Since these parts are specific to each particular car model and not usually stocked upon by the dealers, they are treated as special orders and are especially couriered to the dealer within a week of the order being placed.

Urgent Orders: As the name suggests, these orders are placed by the dealers on an urgent requirement basis and hence the delivery of the same takes place within a maximum of 72 hours based on the location of the dealer.

All the present dealers have been updated with regards to this new change. The dealers were inducted during a two day workshop that took place on May 2009 with a view to educate and provide training to them on the entire procedure.

Maik Stephan: "Originally all Audi and Volkswagen parts were sent from Singapore, which is the Asia hub. This process has now been entirely simplified and with a provision for future expansion of 3,600 Sq. Mtrs. here in Aurangabad we command reserves for a high growth potential of our business in India."

About Volkswagen Group: *The Volkswagen Group with its headquarters in Wolfsburg, Germany, is one of the world's leading automobile manufacturers and the largest car producer in Europe. The Group consists of nine brands: Volkswagen, Audi, Bentley, Bugatti, Lamborghini, Scania, SEAT, Skoda and Volkswagen Commercial Vehicles. Each brand has its own character and operates as an independent entity on the market. The product range extends from low-consumption small cars to luxury class vehicles. In the commercial vehicle sector, the product offering spans pick ups, buses and light trucks.*

Volkswagen Group Communications

Contact: Kurt Rippholz

Phone: + 91 – 99 30 45 55 97

E-mail: kurt.rippholz@volkswagen.co.in

20:20 Media

Contact: Megha Tripathi / David Vaz

Phone: + 91 – 98 99 18 64 11 / + 91 – 93 22 65 26 11

E-mail.com: megha@2020india.com / david@2020india.com