



## **Volkswagen Brand Board of Management takes strategic decisions**

- **Accelerated implementation of the efficiency program creates room for reorientation**
- **Streamlined processes leverage further cost-saving potential, including cuts in fixed costs**
- **Investments to be reduced by 1 billion euros per year compared with planning – combined with prioritization of projects for the future**
- **Product decisions formulated**
- **New Phaeton will be electric**
- **New Modular Electric Toolkit planned**

**Wolfsburg, October 13, 2015 – The newly-formed Volkswagen Brand Board of Management took further strategic decisions at a special meeting. CEO Dr. Herbert Diess announced major product decisions: a reorientation of the diesel strategy with the most advanced technologies, the development of a standardized electric architecture for passenger cars and light commercial vehicles, and a new approach for the next generation of the Phaeton. Investments are to be reduced by some one billion euros per year, the efficiency program is to be accelerated.**

Dr. Herbert Diess underscored: “The Volkswagen brand is repositioning itself for the future. We are becoming more efficient, we are giving our product range and our core technologies a new focus, and we are creating room for forward-looking technologies by speeding up the efficiency program.”

### **Reorientation of the diesel strategy**

It was decided to switch over to installing only diesel drives with SCR and AdBlue technology in Europe and North America as soon as possible. Diesel vehicles will only be equipped with exhaust emissions systems that use the best environmental technology.

### **Systematic further development of the Modular Transverse Toolkit (MQB)**

There will be a major development thrust for the proven MQB standardized technical toolkit, where Volkswagen Passenger Cars holds responsibility for development within the Group network. The focus is on plug-in hybrids with an even greater range, high-volume electric vehicles with a radius of up to 300 kilometers, a 48-volt power supply system (mild hybrid) as well as ever more efficient diesel, petrol and CNG concepts.

A new standard with regard to connectivity and driver assistance systems is to be defined.

### **MEB electric toolkit**

An MEB electric toolkit for future use in compact segment vehicles is to be developed based on the experience gained with existing vehicle architectures. This will be a multi-brand toolkit suitable for both passenger cars and light commercial vehicles and will thus leverage synergies from other electric vehicle projects in the Group. The standardized system will be designed for all body structures and vehicle types, thus allowing particularly emotional vehicle concepts, and will enable an all-electric range of 250 to 500 kilometers.

### **Phaeton redefined – the future is electric**

The Volkswagen Phaeton has embodied the brand's technological competence and brand ambition from the first generation onward. The future generation of the Phaeton will once again be the flagship for the brand's profile over the next decade. In light of this, the Board of Management redefined the current project. The specification features a pure electric drive with long-distance capability, connectivity and next-generation assistance systems as well as an emotional design.

### **Accelerated efficiency program**

Dr. Herbert Diess said: "We are very aware that we can only implement these innovations for the future of the Volkswagen brand effectively if we succeed with our efficiency program and in giving our product range a new focus."

Diess continued: "Together with my Board of Management colleagues and the entire team we are working at top speed on these issues. Time and again, the Volkswagen team has proved it stands united and is fully focused on shaping the future, particularly when times are tough. We have now laid the further foundations for that."

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