

VOLKSWAGEN

GROUP OF AMERICA



Frank Fischer

**CEO & Chairman
Volkswagen Group of America,
Chattanooga Operations L.L.C.**

Construction Site, April 2010



Construction Site, April 2010



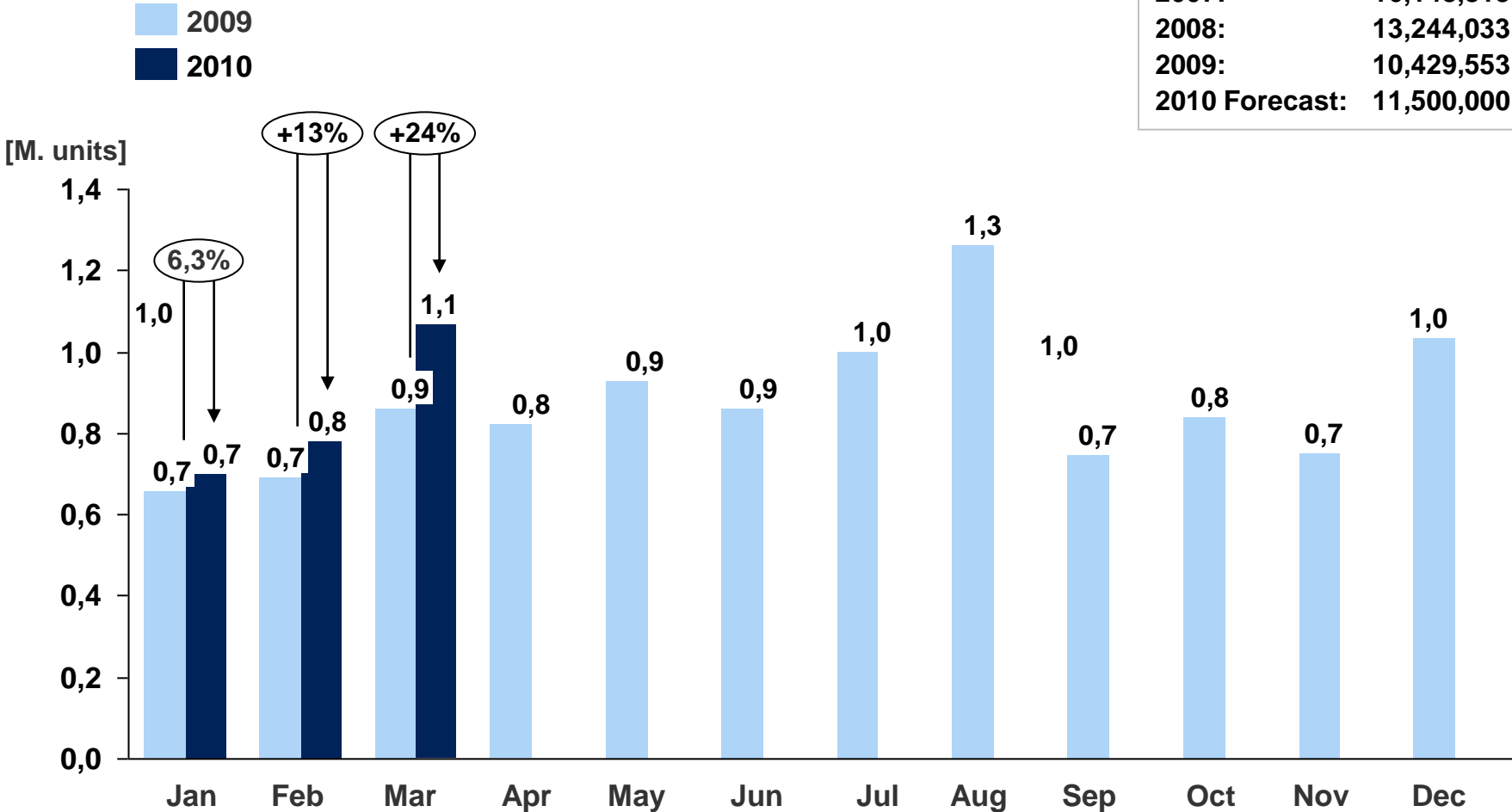
Construction Site – Shops, April 2010



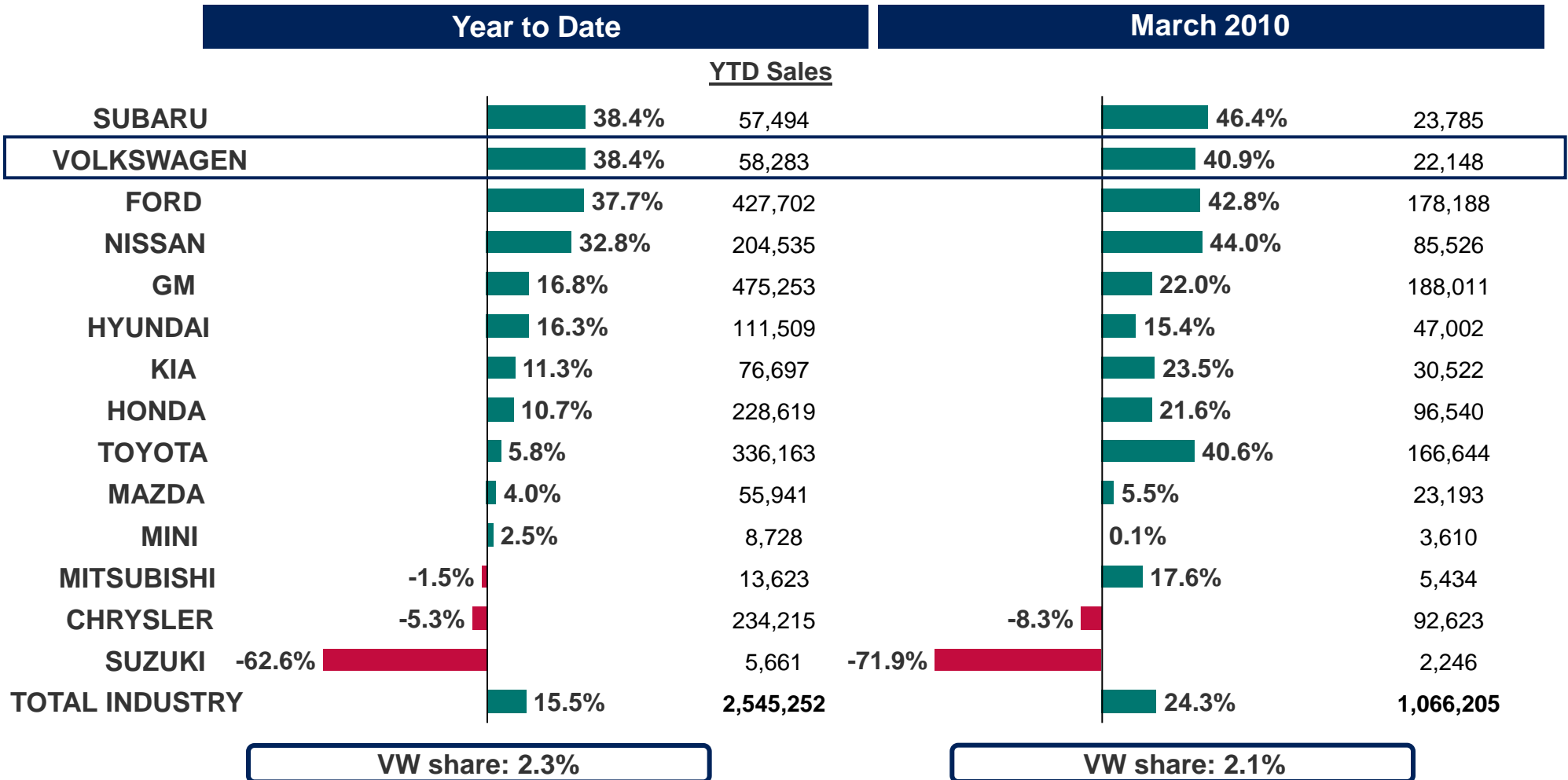
USA Total Vehicle Market by month 2009-2010

Total Year (units)

2007:	16,148,813
2008:	13,244,033
2009:	10,429,553
2010 Forecast:	11,500,000



Total Industry Development USA 2009:



Current Status April 2010

- ▶ **Nov. 2nd** **Paint Shop – Start of Equipment Installation**
- ▶ **Nov. 30th** **Prototype Assembly finished – Start of Test Drives**
- ▶ **Jan.11th** **Start of Construction Supplier Park**
- ▶ **March 6th** **First Welding Spot Body Shop**
- ▶ **March 8th** **Start of Training for the first Team Members**
- ▶ **March 10th** **Start VFF Body Shop**
- ▶ **March 26th** **All Buildings Weather Tight**
- ▶ **End of March** **About 600 Employees on board**
- ▶ **April 9th** **1 Year Anniversary „1st Column“**

The four Pillars of the Project

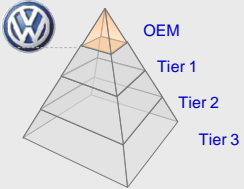
Chattanooga Operations



Product



Plant



Parts



People

Administrative Functions



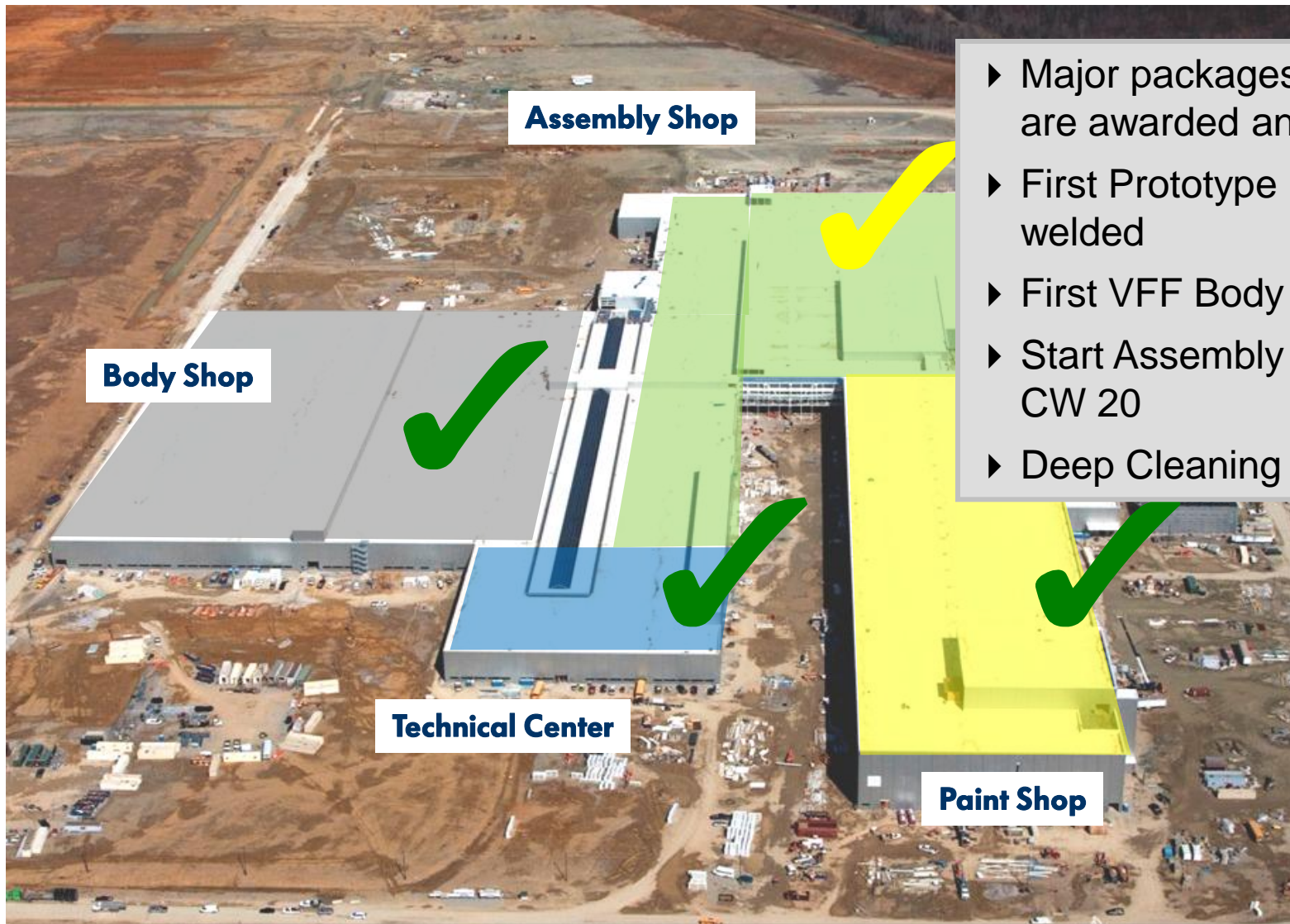
Product



- ▶ Launch Release January, 22nd 2010
- ▶ Testing and Validation of Vehicle still in Progress
- ▶ Vehicle Building Plan on Schedule
- ▶ VFF Body Shop started in CW 10



Plant



- ▶ Major packages for equipment are awarded and in installation
- ▶ First Prototype Sub-Assemblies are welded
- ▶ First VFF Body delivered in CW 18
- ▶ Start Assembly for first VFF Car in CW 20
- ▶ Deep Cleaning Paint CW 19

Parts



- ▶ >99% direct material sourcing complete
- ▶ Minority content on-track to meet our target of:
 - 10% Plant
 - 6.3% Vehicle
- ▶ >97% Plant sourcing complete
- ▶ >50% of Supplier park sourcing to Local/ TN Companies



People



- ▶ About 120 Production Team Members hired from local region
- ▶ Training in VW Training Academy has started
- ▶ Foundations for ergonomics, health and safety have been laid and implementation has started

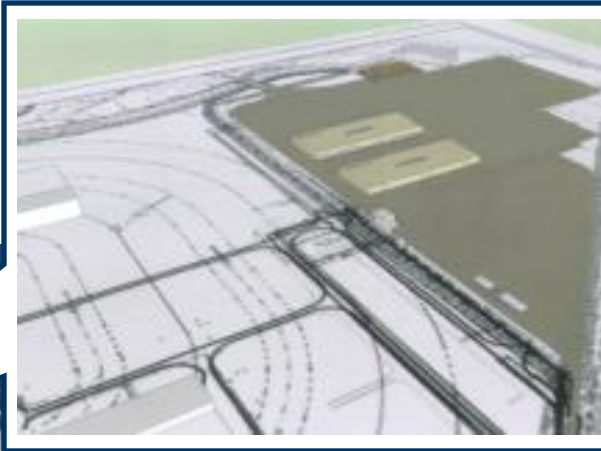
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**Status
Supplier Park**

Volkswagen Supplier Park



Supplier Park Scope

- ▶ Approximately 500 new local jobs
- ▶ Approximately 50% local content for construction
- ▶ 2 Buildings of 223.200 square feet each (equivalent of 9 football fields)
- ▶ Assembly of automotive components
- ▶ Logistics services
- ▶ Information Technology systems synchronized with Volkswagen assembly plant

Targeted auto components for Supplier Park

sub assembly

Tire & Wheel



Exhaust-System
Front & Rear



16 components

sequencing

Wire-harness



Rear-Axle



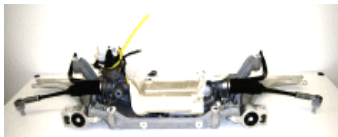
Headliner & Door-Panels



Fuel Tank



Front-Axle



Floor Carpet



Seats,
Front&Rear



Fascia Front&Rear



Center console –
Kits



Brake Corner



Tenants of Supplier Park



VW Logistics
Service to be Defined



M-TEK INC.

Wheel Supplier
To be Defined

Supplier Park Representatives



- **Scott Parker, CFO**



- **Mike McNamara, COO Hollingsworth Logistics**



- **Scott Paradise, VP Marketing**



- **Tim Buss, Sr Quality Manager**



- **Howard Tucker, Sr General Manager**



- **No Participant**

Jobs Created – Supplier Park

Supplier

- CSS
- Logistics Services (tbd)
- ThyssenKrupp
- M-TEK
- Faurecia
- Supplier (tbd)
- Magna

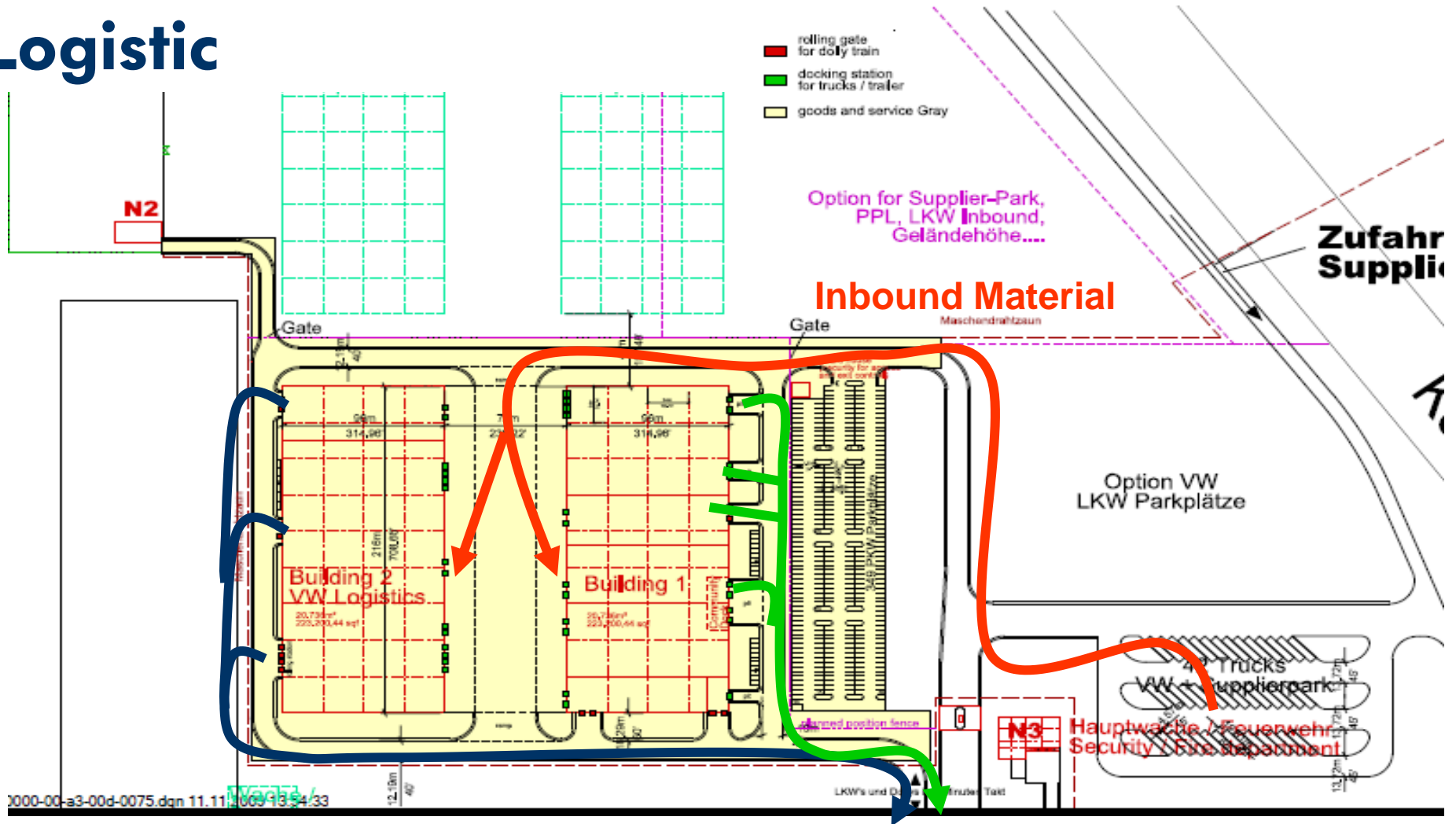
Product

- Seats
- Sequencing & Delivery
- Axels & Brakes
- Headliner & Door Panels
- Exhaust System
- Wheels
- Fascia

Jobs

140
130-140
90
40
35
25 -30
25

Logistic

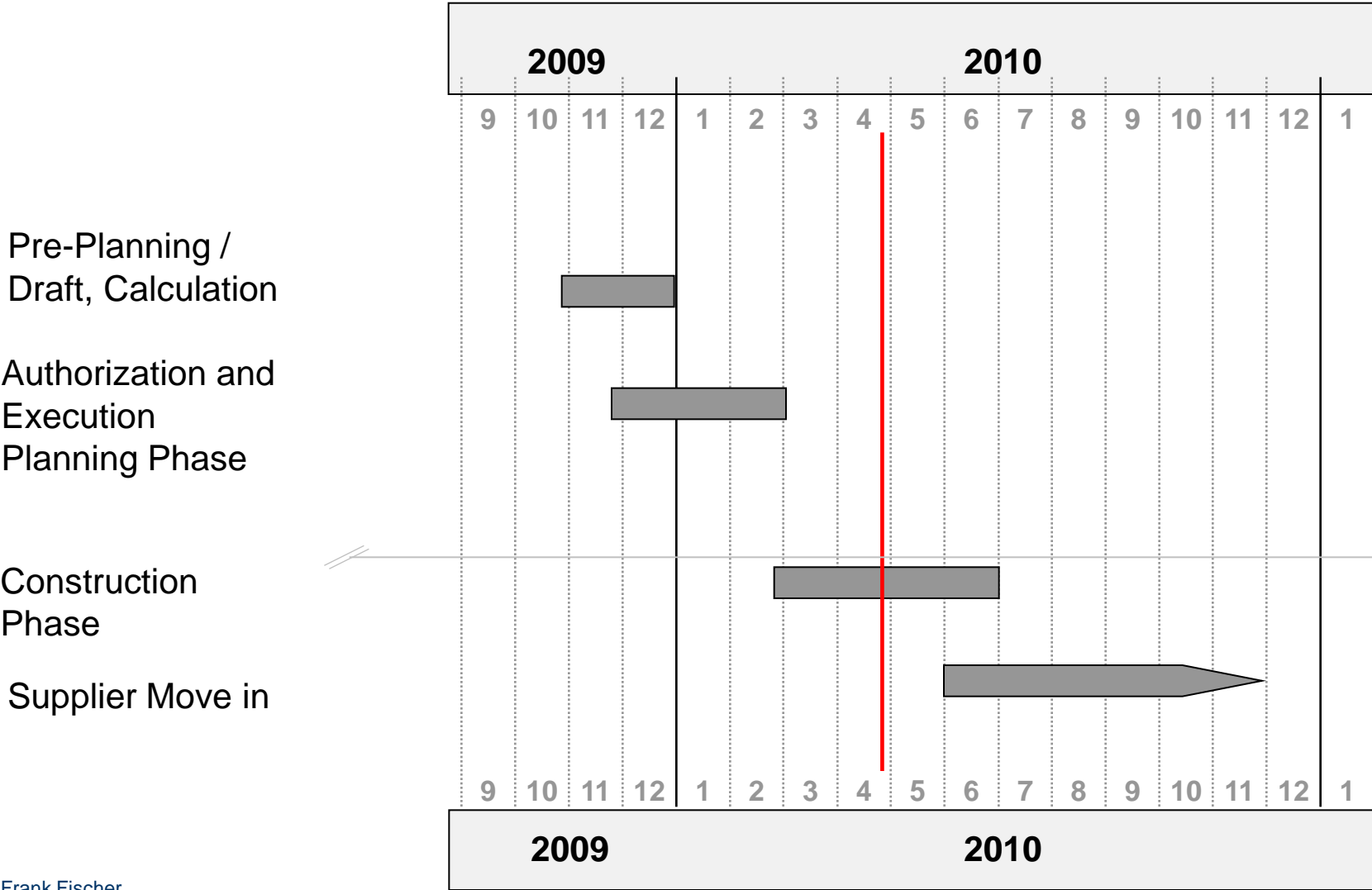


Full Dolly Trains to Plant

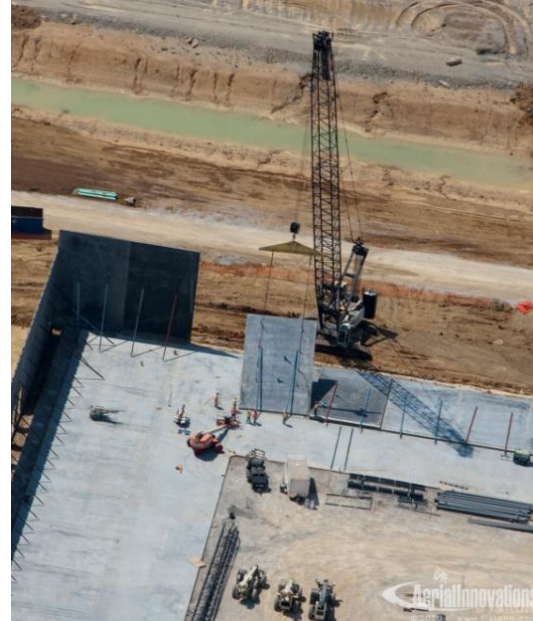
Full Trucks to Plant

Returns in round trips 1:1

Time Line Supplier Park



Construction Process



Current Construction



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