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the Volkswagen Group**

Keynote

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Ladies and Gentlemen,

The automobile world is headed for a new era: E-mobility and digital networking are becoming game changers. Young urbanites are saying goodbye to owning a car and redefining what mobility means for them. Autonomous driving will revolutionize the car as we know it – as well as the way it is used. Day in, day out, we are working at Volkswagen to shape this change. And day in, day out, you cover these issues and write about them in the media. And yet, we deliberately chose two cars that have written automotive history to welcome you here this evening: The original Porsche 911 is an icon. 50 years on, its design continues to fascinate people, wherever they come from or whatever language they speak. The first Audi quattro is a piece of technological history. It embodies progress and innovative strength. We are delighted to be here at the Foundation Louis Vuitton, surrounded by these historic cars and contemporary models. Thank you for your splendid hospitality.

Cars such as the 911, the Audi quattro or, indeed, the VW Golf are symbols of how the brands in our Group have shaped automobility for generations. For us, that is not a reason for nostalgia. On the contrary, it is both a mission and an incentive to boldly shape the mobility of the future, too. We bring strengths to this new era that are and will remain important: our competence in engineering technology, in mechanical engineering, in efficient internal combustion engines. Products with inspiring design, quality and intrinsic value. Brands that thrill people with their charisma.

However, the new automobile world that is currently taking shape also demands new competences. It will be a world of digital networking, zero-emission drives, a world marked by a different, integrated understanding of mobility, by a new, fresh mindset. We must and will convince our customers all over the world in this new age, too.

It is clear that building excellent cars will not in itself be enough. But it is also clear that developing high-performance IT will in itself not be enough, either. This is about combining these two worlds – the automotive and the digital – so that customers, society and the economy benefit. And it is also about mastering the fundamental transformation in drive technology. The future is electric. Having said that, classic powertrains will nevertheless play a key role for the next two decades at least.

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We must and we will press ahead with the evolution of diesel and petrol engines. And at the same time, we will progress with alternative technologies.

Ladies and Gentlemen,

The transformation we are facing is a gigantic task. Nevertheless, tonight, on the eve of the Paris Motor Show, I am feeling pretty optimistic. Over the last twelve months, I have encountered enormous commitment, competence and positivity. So for me the question is not: “Can Volkswagen do it?”, but rather: “How can Volkswagen do it?” Our answer to this question is “TOGETHER – Strategy 2025”, our program for the future. Our goal – my goal, is to reinvent this automobile group with its rich heritage, to transform it into a globally leading provider of sustainable mobility.

We presented the cornerstones of “Strategy 2025” in the summer. We are setting new highlights: in e-mobility and battery technology. In digitalization. In autonomous driving and artificial intelligence. With new mobility services. Looking to the future, many people will no longer own a car. But they can all be a Volkswagen customer in one way or another – because we will serve a much broader concept of mobility than is the case today. The full picture, our Strategy 2025, underpinned with brand strategies, KPIs and measures, will be ready by the end of the year. But we are not twiddling our thumbs until then. We are getting down to business:

- The acquisition of a stake in Navistar is a milestone for Volkswagen Truck&Bus on the way to becoming a Global Champion in the commercial vehicles industry. Furthermore, with the “RIO” software platform, Volkswagen Truck&Bus is launching the first cloud-based operating system for the entire transportation industry.
- Audi has concluded partnerships with the Chinese internet giants Baidu, Alibaba and Tencent to drive advances in networking its cars and in intelligent urban mobility solutions.
- Our financial services subsidiary will be investing half a billion euros over the next four years to digitalize its entire product offering.
- The partnership with Gett is gathering momentum: in Moscow, where the market for ride hailing via app is booming, we are now offering special vehicle packages to Gett drivers. Further cities will follow soon.

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- We have concluded a strategic mobility partnership with the city of Hamburg. Together, we will develop and test sharing concepts, electric busses, networked freight transport, and an intelligent infrastructure for the city of tomorrow.
- In China, we are in constructive talks with the local automobile manufacturer JAC on a new joint company to develop and build cost-efficient electric cars.
- As far as e-mobility is concerned, I am sure you are aware that we will be developing and building more than 30 new additional electric vehicles by 2025: vehicles like the I.D. concept car with a range of up to 600 km which the VW brand is unveiling here in Paris. It is based on the new MEB platform, which we will be rolling out in the Group from 2020.
- Also Porsche is debuting the new Panamera E-Hybrid here in Paris. This is the first of 17 new plug-in hybrids the Group alliance will be introducing over the next two years.
- The breakthrough for e-mobility cannot be achieved without substantial progress in batteries and infrastructure. We are working hard on that, too: for example, with a rapid-charging project along motorway routes for long distance mobility spearheaded by Porsche.

Ladies and Gentlemen,

These initiatives, along with many others, are tangible proof of what we are aiming to achieve with Strategy 2025: to create a new Volkswagen that tackles the issues of the future with determination. And they also show: this Group is fully functional – despite all of the present pressures. To put it frankly: “diesel” is and will remain an incisive turning point, a pivotal event in our history. We are working with all available resources to get to the roots of this crisis and work our way through all of the issues. And we have made substantial progress in this regard in recent months.

However for me, shaping the future of Volkswagen is at least as important. I am delighted to present our next step toward this future to you this evening: the new mobility services business field will become the 13th brand in the Volkswagen Group. By 2025, this brand is to rank among the top three providers of urban mobility services and become the market leader in Europe. We will be filling you in on the details in November. Today, let me just say: the company has been founded.

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The management team is in place. The new brand is headquartered in Berlin, and the team will move into their offices soon. We have not decided on the name yet, but the main areas of activity have already been defined: in addition to ride hailing services in collaboration with Gett, the team is also working on our own shuttle service offerings and sharing concepts for urban mobility. Strategic partnerships and acquisitions will play a key role in expanding this business. Here, too, we are at an advanced stage in negotiations. And looking a little further ahead, the Volkswagen Group could also operate its own robo-taxi fleets once the technology is ready.

Ladies and Gentlemen,

As you can see: Volkswagen is well and truly on the move. I'm aware that not everything we pioneer now will be successful. And I know we will sometimes stumble and learn from our mistakes. But: nothing ventured, nothing gained. And if you just stand on the sidelines, watching how this world is changing at such a breathtaking pace, you will very soon become nothing more than an onlooker. We need to reinforce this mindset, this willingness to implement ideas swiftly, and this readiness to break new ground. That is what I ask of every single person in this great, global company. And I ask the same of myself.

The mindset I envision includes developing an even deeper understanding of sustainability – and anchoring this in all our actions. The Sustainability Council comprising eminent international specialists which we are now setting up will help us on this path. We are delighted that nine outstanding personalities from politics, science and society will be accompanying Volkswagen on the road to the future. This Council is absolutely independent, critical and transparent. The Council convenes for its constituent meeting at the end of October. I am really looking forward to that.

Ladies and Gentlemen,

Optimism is in short supply in the automotive industry at the moment. Nevertheless, I would argue that we should focus above all on the opportunities this transformation has to offer and not primarily on the risks. In tomorrow's world, mobility will still be about more than just getting from A to B. Mobility is freedom, emotion, joie de vivre.

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That is why the design of our vehicles will continue to play a key role. Here, too, there are totally new perspectives. I do not know anyone better able to bring the new design message home to us than my colleague, Michael Mauer, our Head of Group Design. This evening, he will be giving you an exclusive insight into the work of his team and the future of our cars.

That is all from me at the moment: thank you for your attention.
