



EDC Volkswagen/Audi · Kollberg 9 · 30916 Isernhagen

Mr  
Jürgen Stackmann Volkswagen AG  
Member of the Board of Management  
Volkswagen Passenger Cars

November 27th 2019

## Cost reduction

Dear Mr Stackmann,

On behalf of the European Dealer Volkswagen/AUDI e.V. partner assembly we are writing you in concern and uncertainty.

We were shown in various meetings and conferences from Volkswagen Passenger Cars that the 1% margin reduction will be accompanied by a 10% cost reduction. Our members raise this issue whenever they have the opportunity reminding us on this essential brick of their future profitability.

We thought and still think that the challenge of cost reduction is on top priority of both the Volkswagen Group and our dealer network. We all have worked out a lot for D!AS, D!S and harmonizing standards among the brands, and we are convinced about the necessity of implementing these efficient systems and relevant processes. But to be honest, time is running fast and we don't see any progress on the field of cost reduction until now.

We are coming back to the topic you indicated in our Dresden conference having the opportunity to discuss country by country where the issues exist. To sum up, the point is not the margin reduction by 1 % if there is a significant cost reduction! Until yet there is no cost reduction to be realized. The dealers urgently need now your support reducing the costs of our network.

We are Volkswagen! We burn every day for best products, an outstanding service and an extraordinary customer satisfaction.

With best and collegial regards

Dr. Matti Pörhö  
President

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