VOLKSWAGEN

ARGENTINA

Volkswagen Argentina

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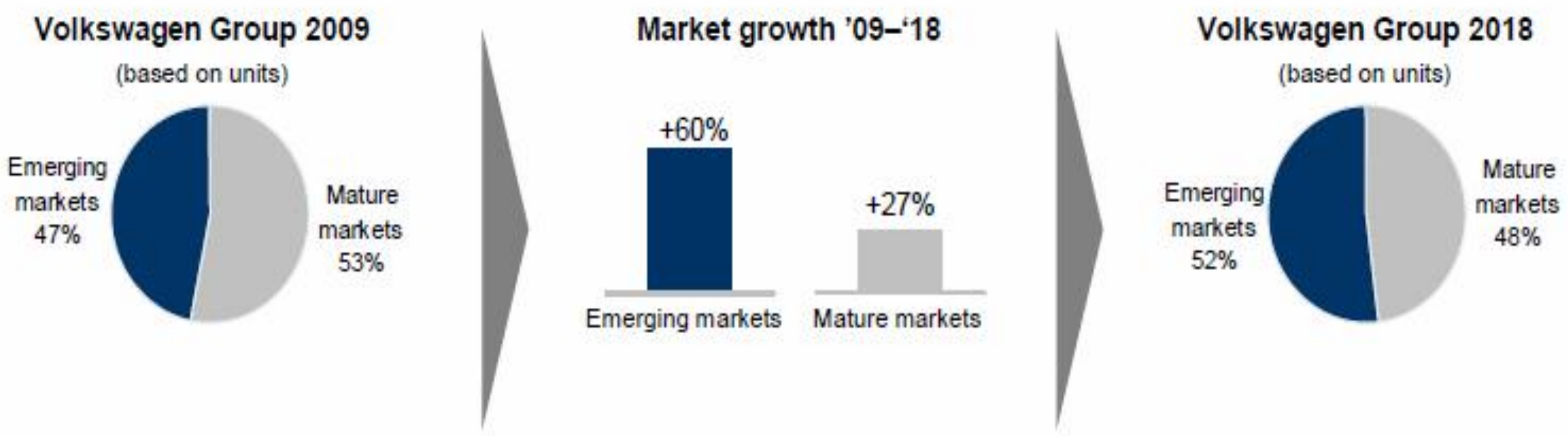
Contents

1.1 Volkswagen Group

- **Considered to be the biggest in Europe and one of the world‘s leading companies**
- **12% Market Share** (ca.)
- **8.5 Mio units** produced in 2011
- Sales reached **160 billions €**
- **10 brands of 7 european countries:**
  Volkswagen, Audi, SEAT, Skoda, Volkswagen Nutzfahrzeuge, Bentley, Lamborghini, Scania and Porsche
- **64 production plants:** 15 located in european countries; another 7 around America, Asia and Africa
- **500.000 employees worldwide** (ca.)

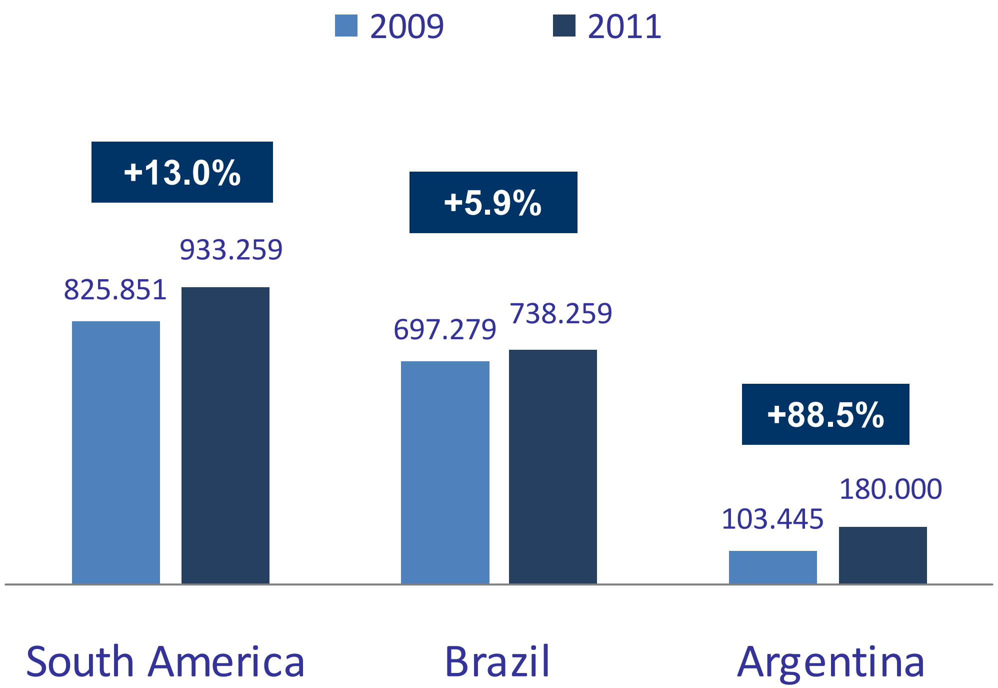
1.1 Volkswagen Group

Business diversity
Atractive combination between Mature and Emerging Markets.



Source: Volkswagen Group for Volkswagen Group 2009 data; Global Insight for all other data (Global Insight figures represent estimates)
Note: Market and company numbers represent "Cars" and "LCVs"; Mature markets defined as Western Europe, US, Canada, Japan, Australia and New Zealand; all other countries defined as emerging markets; Volkswagen Group numbers represent deliveries excluding buses / trucks and Scania

1.1 Volkswagen SAM – Production Plants and Sales



1.1 Volkswagen SAM – Product diversification and segmentation

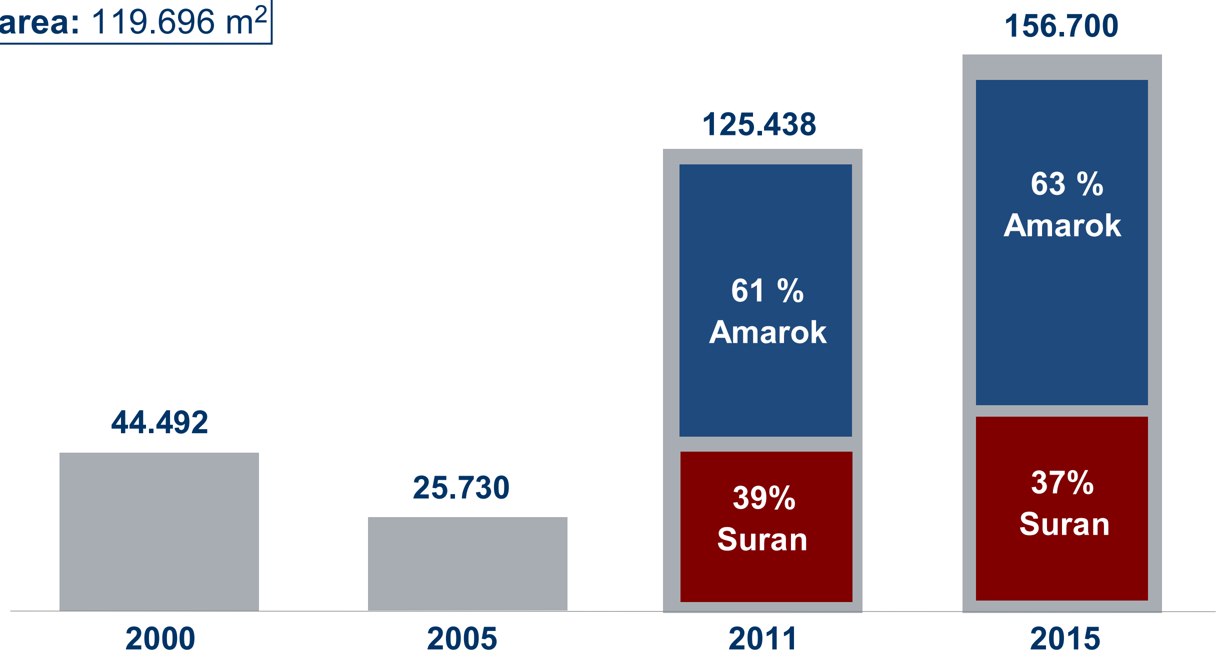
	Utilitarios	A00	A0	A	Pick up
VWB	 27.444/year	 114.533/year	 538.588/year  173.152/year  30.894/year	 17.783/year	
VWA			 55.000/year		 95.000/year

1.2 Volkswagen Argentina - PACHECO Plant

Total area: 787.000 m^2
Total built-up area: 119.696 m^2

Employees: 5.578 total

Capacity: 540 units/day



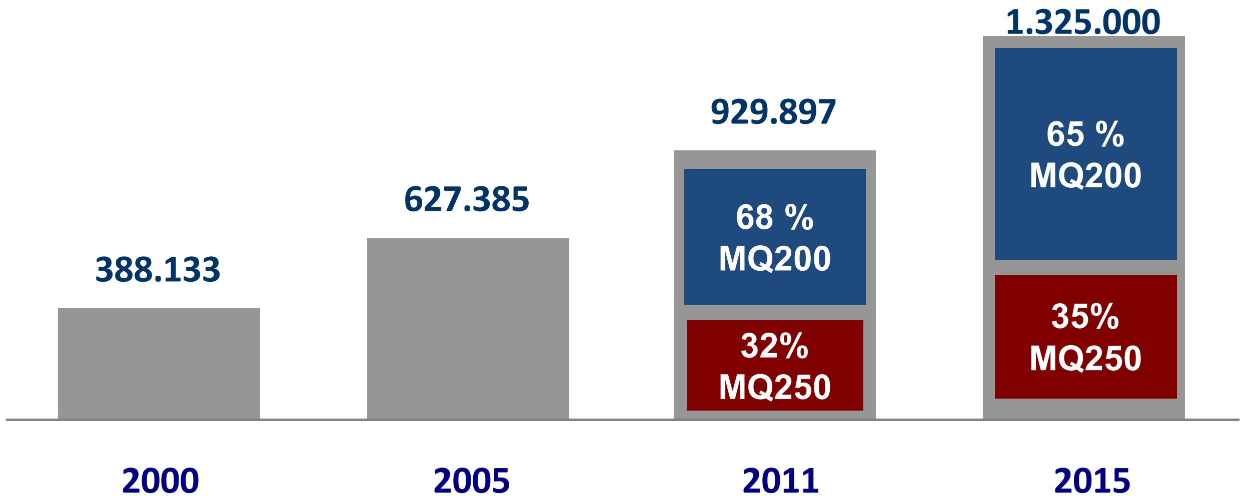
3.5 times production increase from year 2000 to 2015

1.2 Volkswagen Argentina – Plant CORDOBA

Total area: 224.548 m^2
Total built-up area: 80.357 m^2

Employees: 1.980 total

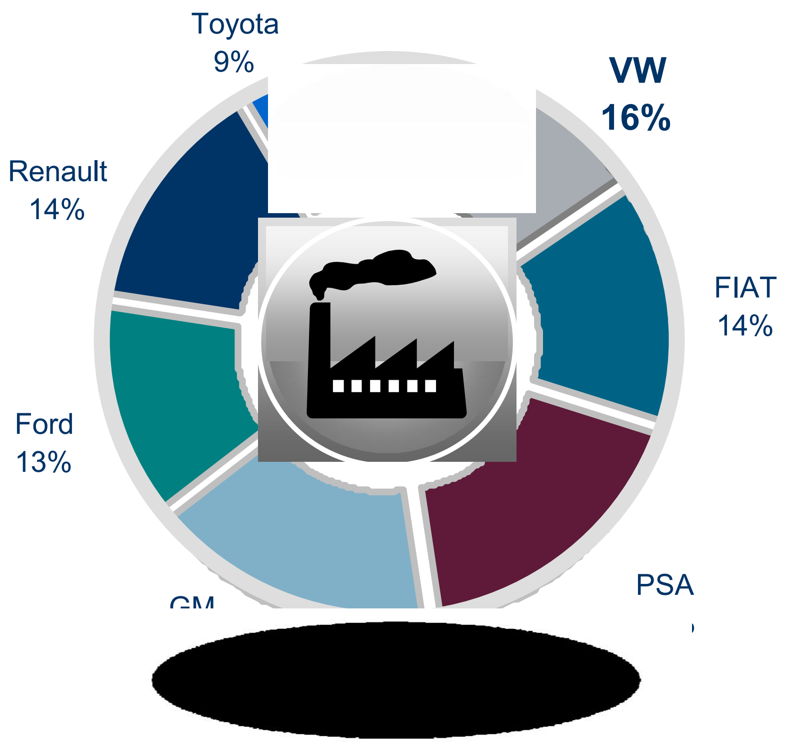
Capacity: 5.000 units/day



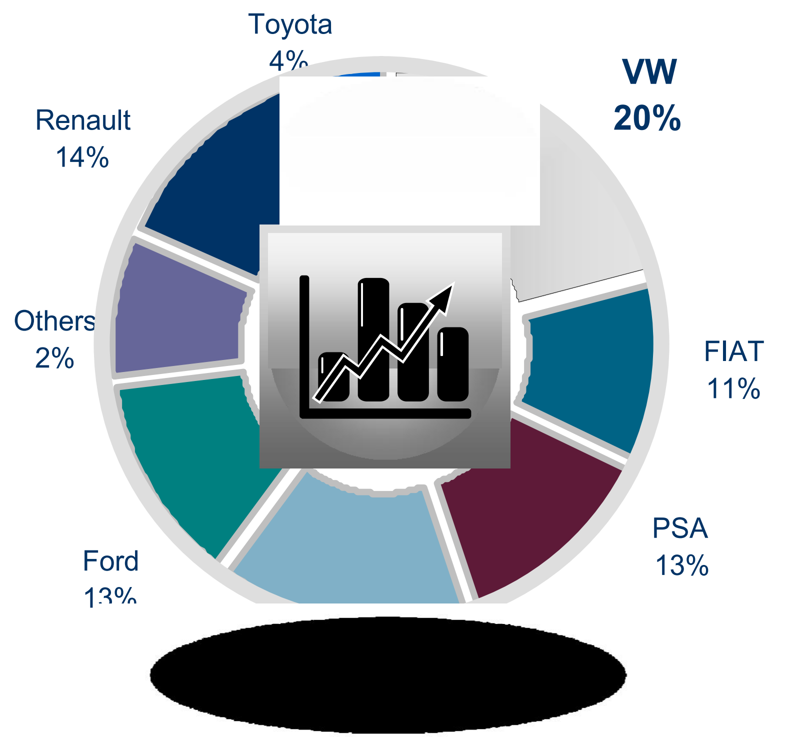
Ca. 3.5 times production increase from 2000 to 2015

1.2 VW Argentina – Automotive Industry Ranking

Production 2011 (830.000 units)

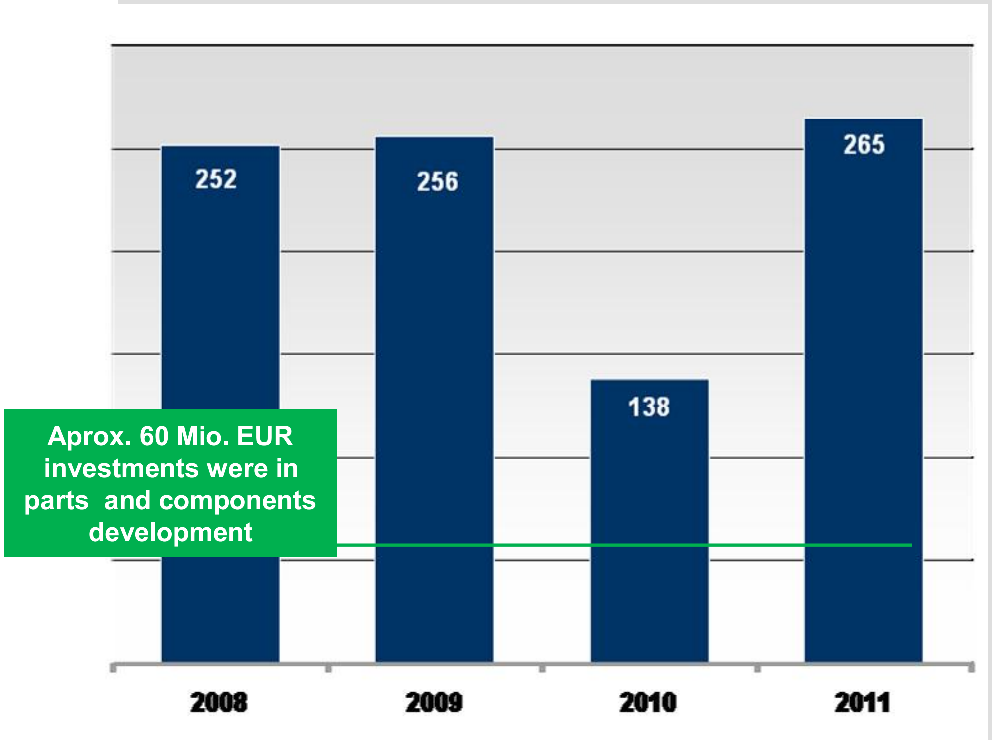


Sales 2011 (850.000 units)

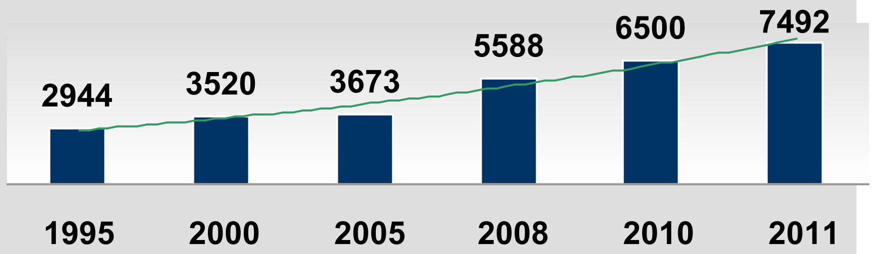


1.2 Volkswagen Argentina Evolution

Investments (EUR Mio.)



Number of employees growth



VW Argentina's Development

→ **Average investments** of last 4 years were of **228 Mio€/año.**

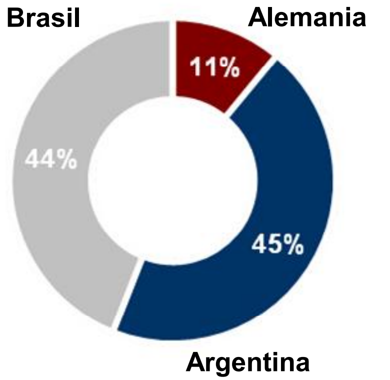
→ **One forth on total investments** were planned for **local supply activities**

→ Between 1995 and 2010 **VWA employees** increased on **148%.**

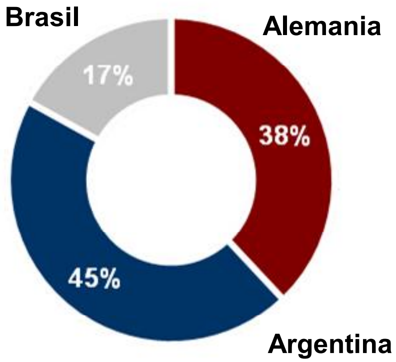
2. Local Products – Integration Grade

2.1 Material content

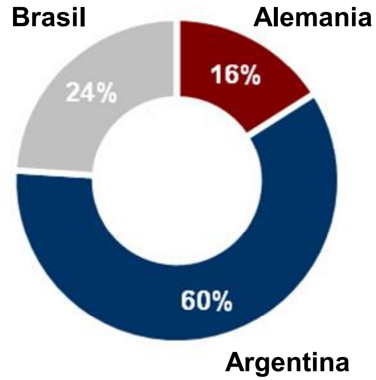
Material Costs
Suran



Material Costs
Amarok



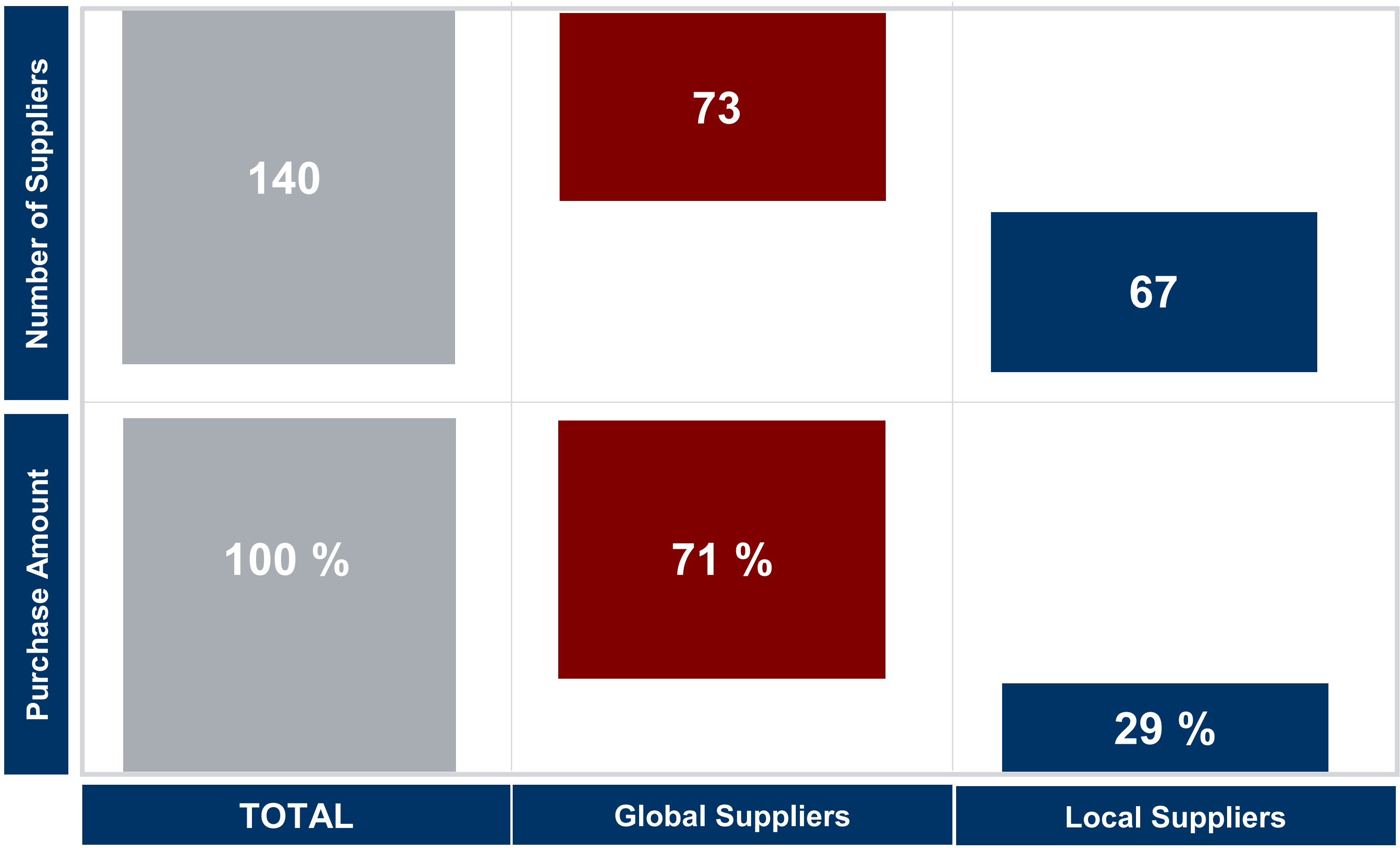
Material Costs
MQ200 & MQ250



Despite remarkable percentage of local material, there are stillmany nationalization opportunities

2. Local Products – Integration Grade

2.2 Global and local suppliers



Aprox. 70% of purchases is done to global suppliers

2. Local Products – Integration Grade

2.3 Suppliers geographic location

SAN JUAN

TARANTO

SAN LUIS

POLIMETAL

TIERRA DEL FUEGO

DELPHI FAMAR
MIRGOR

SANTA FE

MEFRO WHEELS
TENNECO

CÓRDOBA

GESTAMP CORFOBA
VALEO CIBIE
MAGNETI MARELLI
PABSA / MAGNA
PERTRAK
ALLEVARD REJNA ARGENTINA
ZF SACHS ARGENTINA
L'EQUIPE MONTEUR
RIETER AUTOMOTIVE
TIBERINA AUTOMOTIVE ARGENTINA

BUENOS AIRES

AIRCA SAICIFAC
ALADDIN SRL
BASF ARGENTINA
BENTELER AUTOMOTIVE SA
BRIDGESTONE FIRESTONE
CAIMARI
CARPLA
CYLGEM SA
DADA SA
ELHYMEC
ESTABLECIMIENTOS GAMAR
ESTABLECIMIENTOS ROMET SA
ESTIN
FAMAR FUEGUINA SA
FATE SAICI
FAURECIA ARGENTINA
FAURECIA SISTEMAS DE ESCAPE
FERROSIDER PARTS
FRICROT
HENKEL SA
HISTAP SA
HUTCHINSON
COZZUOL
INDUSTRIAS MARO SA
INERGY
INYLBRA SA
IRAUTO
JOHNSON CONTROLS
KROMBERG & SCHUBERT
KS LOGISTICA
MANN+HUMMEL SA
MASTROPOR SA
MATERFLEX SA
MET. DOS SANTOS SRL
METAGAL ARGENTINA
METALSA ARGENTINA
MHOR INDUSTRIAL
MIRGOR
MITHRA SA
NEUBELL
NICOPLAST
PELZER SYSTEM SA
PIGNANELLI SA
PILKINGTON
PIRELLI NEUMATICOS
PLASCAR
PLASTIC OMNIUM SA
PRESTOLITE SA
QUIMICA TRUE SA
RET SRL
SAS AUTOMOTRIZ
SISTEMAS DE FIJACIONES
SKF ARGENTINA
SOCIEDAD FRANCI SA
SODECIA
SOGEFI
TARANTO SA
TCA SA
TESTORI SRL
TI AUTOMOTIVE
TREVES
VENTALUM SAIC
VISTEON SA

2. Local products – Integration grade
2.4 Local and imported parts

LOCAL
(typical)

- **Stamped parts**
- **Interior trim** *(seats, IP, covers, DTP, carpets, others)*
- **Exterior trim** *(bumpers, mouldings, glasses, painting, etc)*
- **Wheels and tires**
- **Fuel tank**
- **Exhaust system**
- **Suspension components** *(shock absorbers, coil and leaf springs, stabiliyator, etc)*
- **Brake system components** *(discs, drums, pipes)*
- **Electric systems** *(wirings, radios, lightning)*
- **Transmission and engine components**
- **Mechanical subassemblies**

TO NATIONALIZE
(general)

- **Battery**
- **Brake systems** *(BKV, caliper,ABS)*
- **Fuel pumps and injection**
- **Engines**
- **Electronics**
- **Steering system** *(gear, column and wheel)*
- **Airbag systems**
- **High complexity mechanical assemblies**
- **Others**

3. Automotive Industry: Conclutions

Potential Entrants:

- Opportunities of cooperation with existing enterprises
- Good industrial base
- High Educational Grade
- High Developed Infastructure

Suppliers Strength:

- Good business atmosphere with MERCOSUR Suppliers
- High development of regional resources (mining, energy y oil.)
- Wide Raw Material Offer (steel, plastic, alloys, etc)

Industry's Competence:

- Lack of competitors
- Lack of Know-How
- Lack of technologies

Buyer's Strength:

- Plenty of Automotive Companies located in MERCOSUR
- SAM Market in growth.

Substitutes Threat:

- Few possibilities of product sustitution, due to global designs and specific requirements of high technology
- **Only for Companies with the KNOW-HOW**

Attractive Business Atmosphere + Excellent opportunities

Thank you!