

# Volkswagen Group of America Chattanooga Operations Selects Graycor for Construction of Plant Buildings

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- Local subcontractors to receive more than sixty percent of the \$63 million award -

CHATTANOOGA, Tenn., April 6 /PRNewswire/ -- Volkswagen Group of America Chattanooga Operations, LLC announced today that it has selected Graycor for the construction of the assembly and body shops, technical center and social area. Graycor, which is headquartered in Chicago, will source more than sixty percent of the \$63 million award to local contractors. Graycor has also committed to sourcing 11 percent of the contract to minority and woman-owned suppliers.

"Not only did Graycor show us that they have the expertise to perform the job, they also demonstrated that they share our commitment to local and diverse procurement," said Frank Fischer, CEO, Volkswagen Group of America Chattanooga Operations. "We were extremely impressed that Graycor went above and beyond our content targets by pledging to source a substantial portion of this project to local and minority and woman-owned companies," Fischer added.

"Graycor Construction is naturally very proud to be partnered with such a prestigious automaker as Volkswagen," said David McAllen, president, Graycor Construction Company. "As technological capabilities increase worldwide, so do the complexities of constructing automotive manufacturing facilities. Graycor Construction has been innovating more effective and efficient construction processes for top automakers for more than four decades. This, coupled with our local presence and experience working in the Southeast positions Graycor Construction to deliver a top-notch facility for Volkswagen," he added. "We look forward to developing a long and mutually rewarding relationship with Volkswagen beyond this project."

Construction on this highly-technical project will begin at the end of April. The facilities are scheduled to be weather-tight by the end of 2009. The contract scope includes construction of the assembly and body shops, the technical center and social area. The social area will house plant-related administrative functions.

Volkswagen Group of America will invest \$1 billion in the local economy for the plant and create 2,000 direct jobs in the region. According to studies, the new Volkswagen plant is expected to generate \$12 billion in income growth and an addition 9,500 jobs over the life of the project.

Last month, Volkswagen awarded a \$147 million contract to Tennessee firm M-Tek. M-Tek will supply the interior door panels for the new mid-sized sedan that will be produced at the plant. To date, nearly \$204 million in local contracts have been awarded by the city, state and Volkswagen; this includes almost \$159 million for Volkswagen contractors and subcontractors, with another \$230 million over the next

20 years.

Volkswagen is in the early stages of procurement and will continue to expand its local and national supplier base in the coming months. The company has announced that at least ten percent of the suppliers for the production facility will be minority and women-owned businesses by start of production and that five percent of suppliers for the vehicle will be minority and women-owned by start of production, with the goal of 10 percent by 2015. Volkswagen is partnering with local, state and federal organizations to help achieve that goal.

About Volkswagen Group of America, Inc.

Volkswagen Group of America, Inc. is a wholly-owned subsidiary of Volkswagen AG, the world's third largest automaker and the largest carmaker in Europe. It houses the U.S. operations of a worldwide family of distinguished and exciting brands including Audi, Bentley, Bugatti, Lamborghini and Volkswagen, as well as VW Credit, Inc. Founded in 1955, the company's headquarters are in Herndon, Va.

Volkswagen Group of America brings to the U.S. vehicles that marry the science of engineering and the art of styling, with the goal of offering attractive, safe, and environmentally sound automobiles that are competitive and set world standards in their respective classes.

The company has approximately 2,500 employees in the United States and sells its vehicles through an 800-strong dealer network. With increasing popularity for its brands in the U.S., the company has set the goal of reaching one million car sales in the country by 2018.

For more information, visit [www.volkswagengroupamerica.com](http://www.volkswagengroupamerica.com).

About Graycor Construction Company Inc.

For five decades, Graycor Construction Company Inc. (Graycor Construction), has been a leader in managing and constructing mid- to large-scale commercial projects across the United States, Canada and Mexico. The company has earned a reputation for its ability to develop intimate knowledge of its clients' project needs and to translate that knowledge into consistently and successfully completing renovation and ground-up projects coast to coast. From pre-construction planning through final project delivery, Graycor Construction's management team utilizes its extensive knowledge of commercial markets to deliver real value across the board on each and every project. Graycor Construction serves a select group of clients across a full spectrum of commercial markets across North America.

About the Graycor Companies

The Graycor companies -- Graycor Industrial Constructors Inc., Graycor Construction

Company Inc., Graycor Blasting Company Inc., and Graycor International -- provide a wide variety of industrial and commercial construction services, as well as industrial maintenance technologies, across North America. As a top ranking industry leader, Graycor commits to safe working environments, demands excellence and rewards passion. Established in 1921, Graycor employs more than 1,500 construction specialists at the Chicago headquarters, regional offices and project locations across the United States, Canada and Mexico. For more information on the Graycor family of companies, visit [www.graycor.com](http://www.graycor.com) or call 1-800-455-0440.

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CO: Volkswagen Group of America, Inc.; Graycor; Volkswagen Group of America

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