

# VOLKSWAGEN

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## Volkswagen Group exceeds full-year 2010 profit after nine months

- Sales revenue up around 26 percent to €116.3 billion (€92.5 billion)
- Operating profit increases to €9.0 billion (€4.8 billion)
- Operating margin improves to 7.7 percent (5.2 percent)
- Automotive Division net liquidity remains high at €21.2 billion

Wolfsburg, October 27, 2011 – The Volkswagen Group has earned more in the first nine months of 2011 than in the whole of 2010. Operating profit rose to €9.0 billion, up from €7.1 billion in fiscal 2010. “Our strong business performance shows the strength and stability of our strategy”, said Prof. Dr. Martin Winterkorn, Chairman of the Board of Management of Volkswagen Aktiengesellschaft, on Thursday at the presentation of the quarterly figures. “We shall continue to launch fascinating new models onto the market in the coming months and hence expand the Volkswagen Group’s strong position in the global markets”, he added.

The Volkswagen Group strengthened its position in the automotive markets, recording a 14.1 percent increase in vehicle deliveries to 6.2 million (January – September 2010: 5.4 million). Global market share climbed to 12.4 percent (11.6 percent). Sales revenue increased by 25.6 percent in the first nine months to €116.3 billion (€92.5 billion). Operating profit jumped 86.0 percent to €9.0 billion (€4.8 billion) and the operating return on sales improved to 7.7 percent (5.2 percent). The consolidated operating profit does not include the Group’s €1.9 billion share of the operating profit from the Chinese joint ventures (€1.4 billion). These companies are included using the equity method and are therefore reflected in the financial result. In particular, the updated measurement as of the reporting date of the put/call options on Porsche Zwischenholding GmbH had a positive effect on the financial result. Profit before tax tripled to €16.6 billion (€5.4 billion). The profit after tax improved by €9.6 billion to €13.6 billion.

CFO Hans Dieter Pötsch also took a positive view of the Group’s performance in the year to date. “We have further increased our profitability and impressively demonstrated the robustness of our Group. We are on the right track with our strict cost and investment discipline and will systematically continue along this path”, said Pötsch.

### Automotive Division net liquidity remains high

Net liquidity in the Automotive Division was up €2.5 billion in the first nine months of 2011 as against year-end 2010, to €21.2 billion. The Volkswagen Group invested a total of €8.6 billion (€6.3 billion) in the Automotive Division in the period from January to September. This figure already includes the cash outflows in the first nine months of the year for the acquisition of the trading business of Porsche Holding Salzburg, the increase in the investment in MAN SE, the Munich-based commercial vehicles and diesel engine manufacturer, to 30.47 percent of

Page 2

the voting rights, and the investment in SGL Carbon SE. “We have established a strong position and our sound finances mean we are well prepared for the future, even if this entails economic uncertainties”, said Pötsch. “At the same time, this continues to give us the necessary financial flexibility for our investments and to implement our Strategy 2018.”

The Volkswagen Group maintained its strict investment discipline in the year to date with a ratio of investment in property, plant and equipment to sales revenue of 4.1 percent (4.0 percent) in the Automotive Division. This figure is expected to remain below the target corridor of around 6 percent of sales revenue for the full year. The significant growth in sales revenue meant that the ratio was only slightly higher than in the previous year, despite increased capital expenditure.

## **Brands and business fields**

The sales situation at all of the Group’s volume brands and business fields improved in the first nine months of the year. Volkswagen benefited from continuing growth in almost all regions of the world, clearly outperforming the global market trend. Total Group unit sales rose by 16.0 percent compared with the prior-year period, to 6.2 million vehicles (5.3 million).

The Volkswagen Passenger Cars brand sold 3.3 million vehicles (2.8 million) worldwide in the first nine months of the year. This corresponds to an increase of 16.7 percent compared with the prior-year period. Operating profit improved by €1.7 billion to €3.3 billion. Demand for the Polo, Golf, Tiguan, Touareg, Jetta, Passat Variant, Touran and Sharan models was particularly strong.

Audi’s unit sales rose by 17.8 percent to 1.1 million vehicles (1.0 million). Operating profit climbed by 74.4 percent to €4.0 billion (€2.3 billion). The Audi Q5 and Audi Q7 models recorded the highest growth rates. The new Audi A1, Audi A7 Sportback and Audi A8 models also met with a positive response from customers.

ŠKODA recorded a 19.9 percent increase in unit sales to 511,000 vehicles (426,000). All the brand’s model ranges contributed to this growth. Operating profit improved by €261 million to €575 million.

Unit sales by the Spanish SEAT brand edged up 2.7 percent in the reporting period to 267,000 vehicles (260,000). The brand’s operating loss narrowed to €101 million compared with the prior-year figure of €218 million.

Luxury carmaker Bentley sold 5,000 vehicles in the first three quarters (3,000), an increase of 51.2 percent. At €6 million, the brand’s operating loss was substantially smaller than in the first nine months of the previous year (€145 million).

Volkswagen Commercial Vehicles benefited from sustained high demand in the year to date, increasing its sales by 32.4 percent to 328,000 units (248,000) and more than doubling its operating profit to €328 million (€142 million).

Page 3

Swedish truck manufacturer Scania increased sales by 35.4 percent to 59,000 vehicles (44,000). Operating profit climbed to €1.1 billion (€0.9 billion).

Volkswagen Financial Services generated an operating profit of €876 million (€684 million) in the reporting period, an increase of 27.9 percent.

**Winterkorn: “We are on the right path to becoming the world’s leading automaker by 2018 – in both economic and ecological terms.”**

The Volkswagen Group is forecasting an improvement on its prior-year figures for full-year 2011. “We expect Group sales revenue and operating profit in 2011 to be significantly higher than in the previous year”, said Winterkorn. The Group is also expecting deliveries to be up year-on-year. However, the continuing volatility in interest and exchange rate trends and commodities prices will weaken the positive volume effect. “In light of the current economic uncertainties, we are continuing to monitor developments in the global automotive markets extremely closely”, said the CEO. The strained debt situation in certain eurozone countries and the end of subsidy programs will have a negative impact on demand for new vehicles in many Western European markets in the fourth quarter. By contrast, the Group expects new vehicle registrations to rise in Central and Eastern Europe, as well as in the markets of North and South America. The positive trends in the key markets of China and India will also continue. Overall, global demand for passenger cars in 2011 is expected to exceed the level for 2010.

The Volkswagen Group regards itself as well positioned despite the mixed development in the automotive markets that is to be expected. According to Winterkorn, the Group’s key competitive advantages are its unique brand portfolio and its continually growing presence in all key regions of the world. “Our expertise in technology and design allows us to provide a diverse, attractive and environmentally friendly range of products to meet our costumers’ desires across the globe,” he added. Winterkorn believes that the modular toolkit system, which is continually being optimized, will also have an increasingly positive effect on the Group’s cost structure. “We are on the right path to becoming the world’s leading automaker by 2018 – in both economic and ecological terms.”

At the same time, Winterkorn emphasized that success and size are not ends in themselves for the Volkswagen Group. The decisive factors are customer satisfaction around the world, employee motivation and qualifications, and the process of driving forward with all relevant technologies. He also highlighted the importance of conserving resources, using renewable energy in plants and assuming wide-ranging responsibility for the Group’s locations and in society.

# VOLKSWAGEN

AKTIENGESELLSCHAFT

Page 4

The complete interim report is published on our website at:  
[http://www.volkswagenag.com/ir/Q3\\_2011\\_e.pdf](http://www.volkswagenag.com/ir/Q3_2011_e.pdf)

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