

VOLKSWAGEN

GROUP CHINA



Financial Situation and Goals

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Analysts' comments on Volkswagen in China

WestLB, 26.04.2010, Prefs, Buy, Target Price €100:

"VW is still our preferred ... In early February for the first time management confirmed the size of the Chinese JV cash dividend. At €367m it was at an encouragingly high level and with management guiding towards a significantly higher level in 2010 we now forecast a dividend of €450m in both 2010 and 2011...."

Exane BNP Paribas, 30.04.2010, Prefs, Outperform, Target Price €95:

"The group outperformed the market in all regions and saw impressive results from its Chinese JVs..."

Bernstein, 30.04.2010, Prefs, Underperform, Target Price €65:

"VW's Q1 was stronger than we'd anticipated...with more downside than upside risk on Chinese and Brazilian margins..."

WestLB, 29.04.2010, Prefs, Buy, Target Price €100:

"Our initial read of the details of the Q1 results is clearly positive...The proportional share of Chinese JV EBIT was stronger than we expected..."

Commerzbank, 30.04.2010, Prefs, Buy, Target Price €85:

"We rather see upside to consensus for 2010/11. We adjust our 2010 and 2011 forecast, with a slightly lower EBIT forecast and a slight increase in expected contributions from associates (China)."

Nord/LB, 29.04.2010, Prefs, Verkaufen, Target Price €63:

"Volkswagen fährt der Konkurrenz davon...Mit einem quotalen operativen Ergebnis von €286 Mio. stellten sich die chinesischen Joint-Venture-Unternehmen sehr stark dar."

Cheuvreux, 30.04.2010, Prefs, Selected List, Target Price €80:

"VW's segment report confirms the strong impression given by the head-line numbers. The most striking factor to us is the huge Chinese impact on group profits..."

Volkswagen Group China – Investor Conference 2010 in Beijing

■ **Olympic Program (2005 – 2008)**

■ **DYnaMic 2010 (2009 -2010)**

■ **Current Macroeconomic Situation in China**

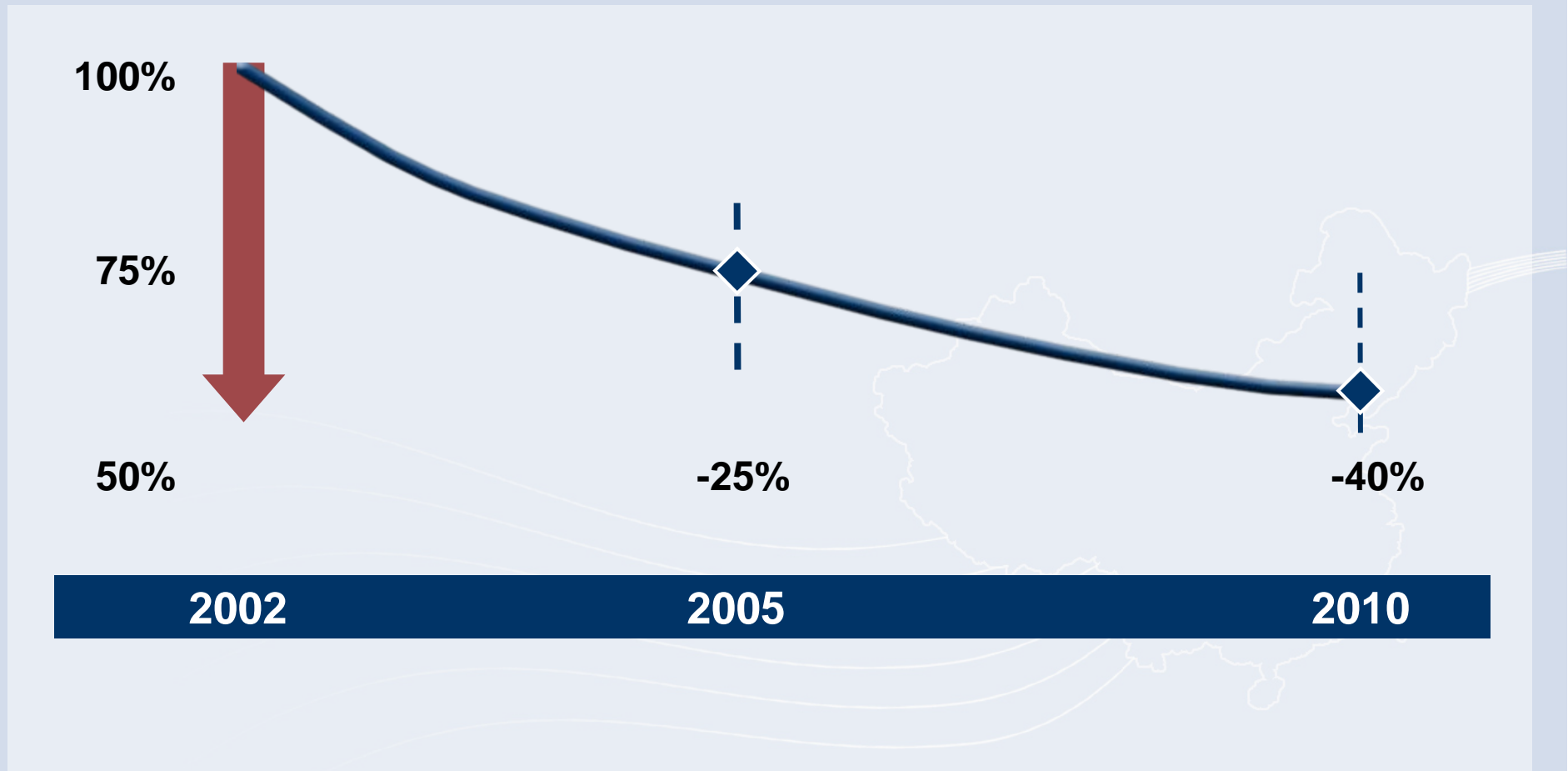
■ **Investment Plan 2009 - 2012**

■ **Financial Results 2009**

■ **Outlook and Objectives**

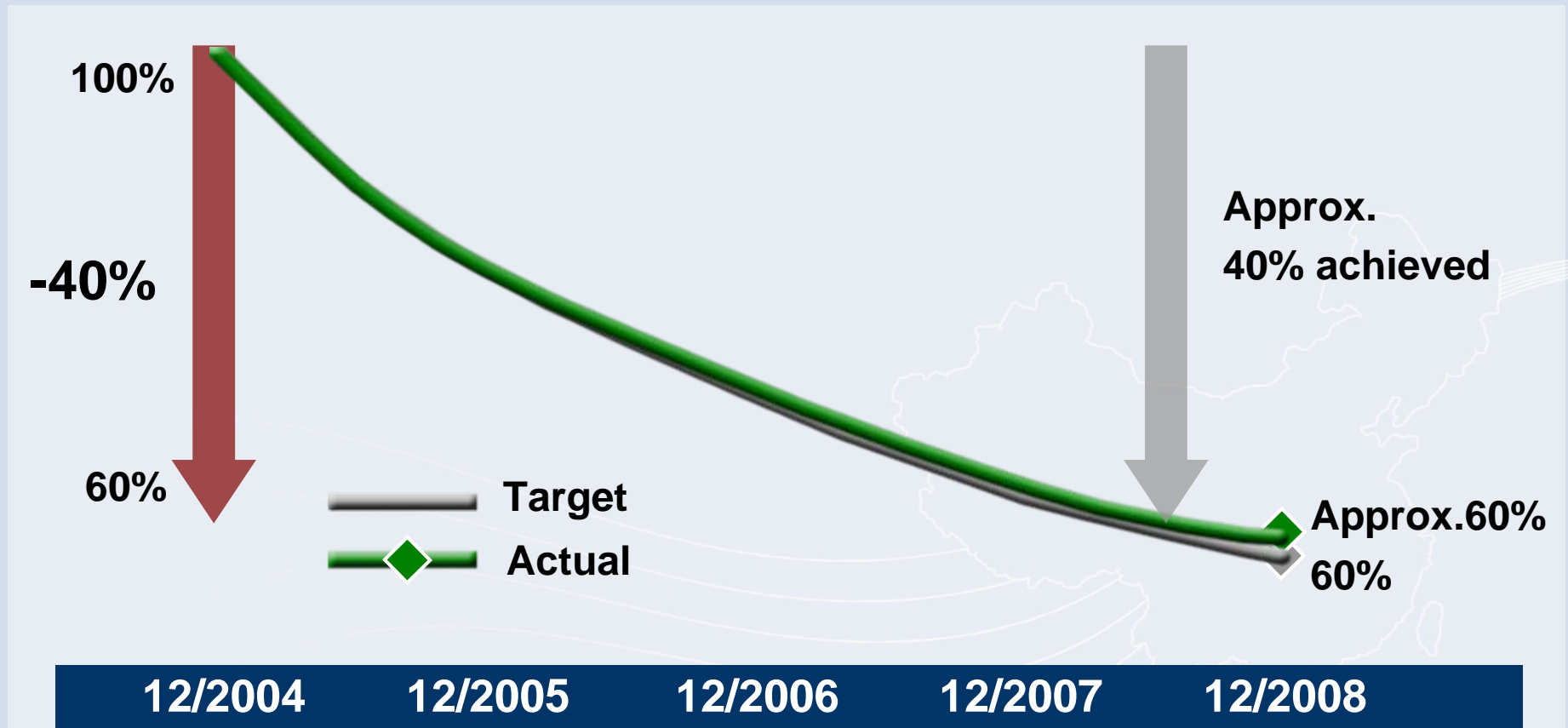


Car Price Erosion China 2002 to 2010



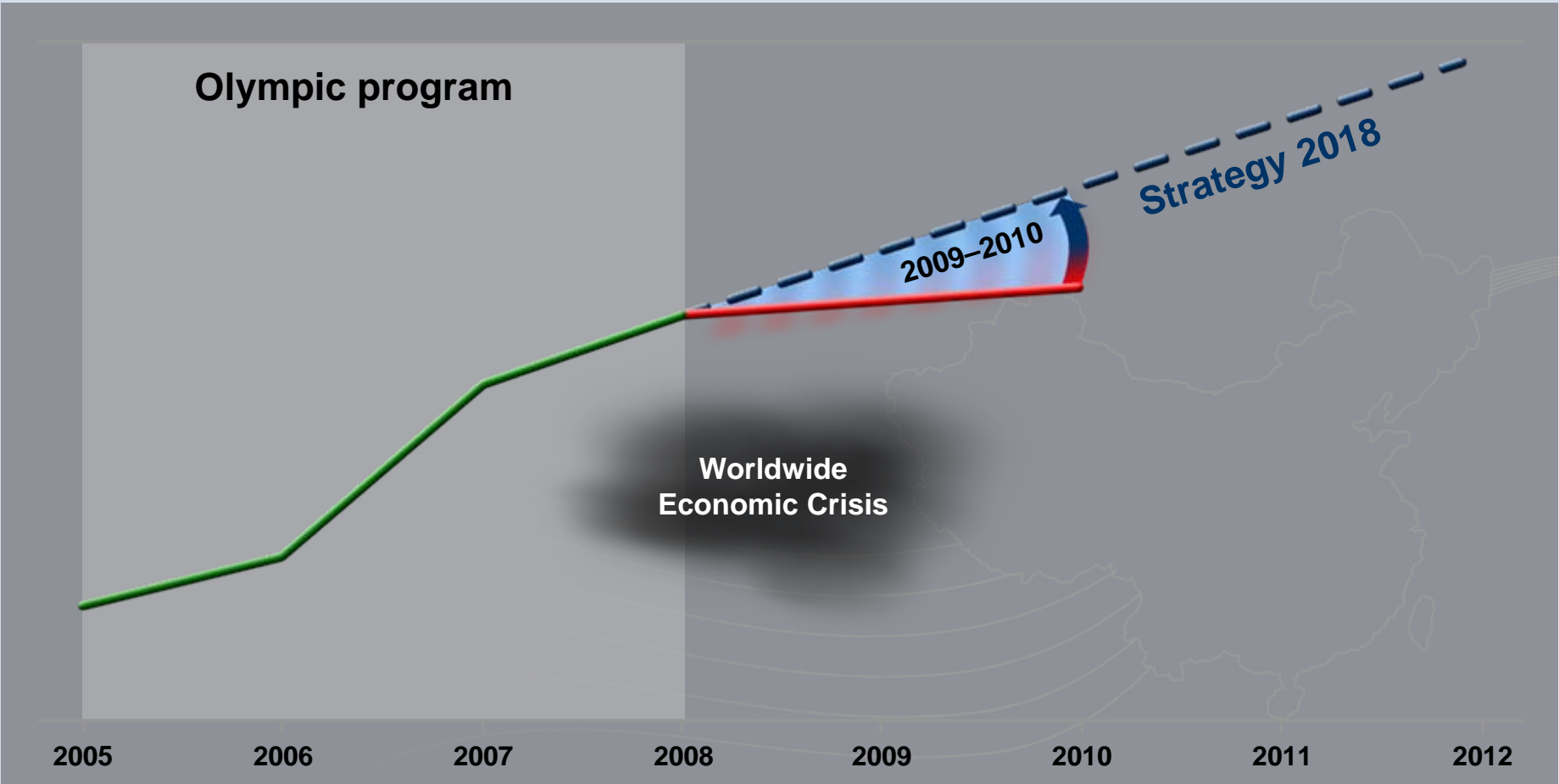
Source: Volkswagen Group China

Material Cost Reduction of Olympic Program Volkswagen Group China



Source: Volkswagen Group China

Challenge 2008



Source: Volkswagen Group China, schematic development

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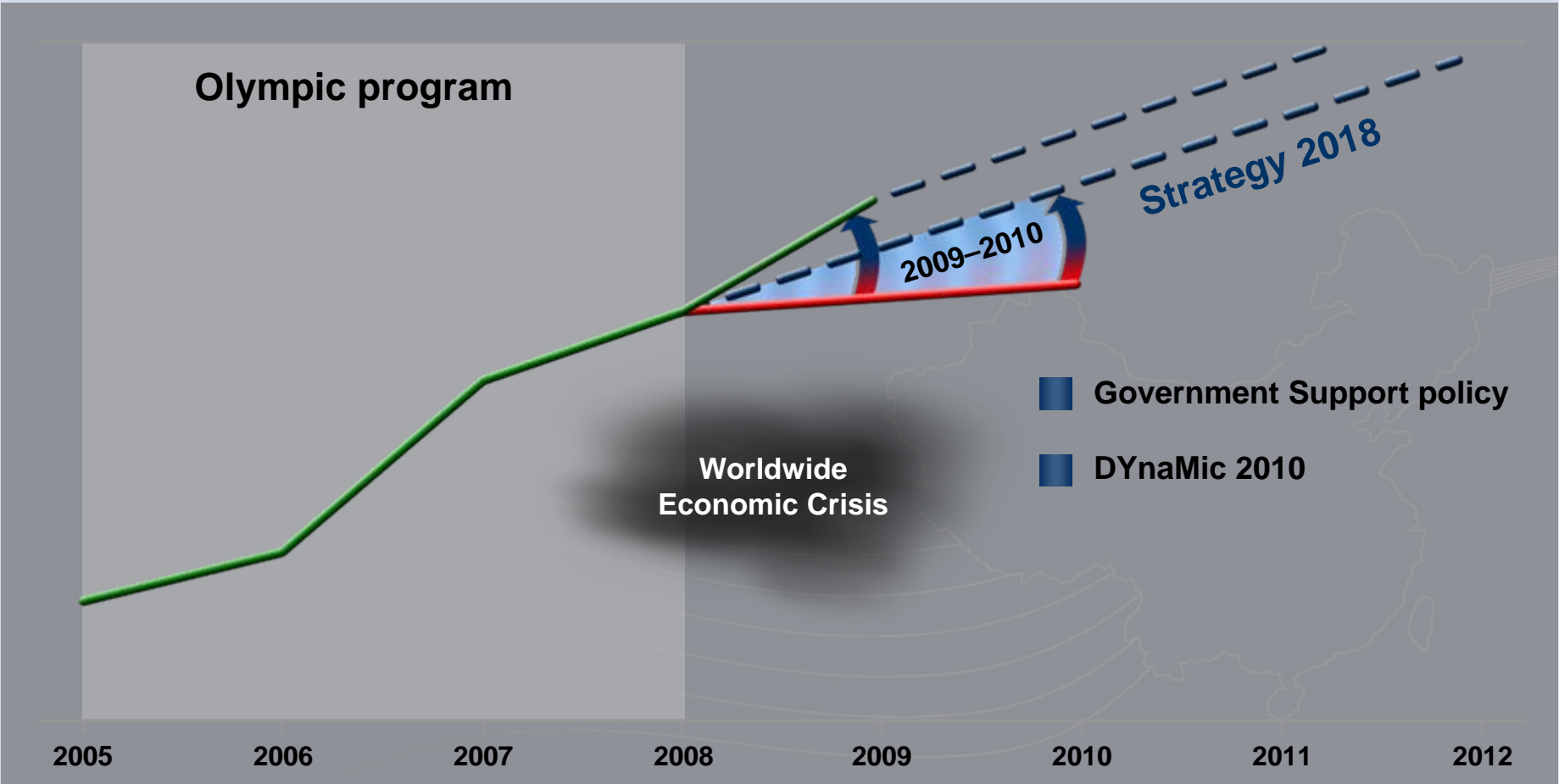


Overall targets of DYnaMic 2010

Market	Increasing market share
Product	More than 10 in time product launches, All cars fit to Chinese requirements
Costs	Reduction of costs/car by 20%
Investment & Capacity	Total investment: €6.0bn, Utilization rate >95%
Human Resources	Best OEM in China, Productivity increase by 10% p.a.

Source: Volkswagen Group China

Mid-term Challenges



Source: Volkswagen Group China, schematic development

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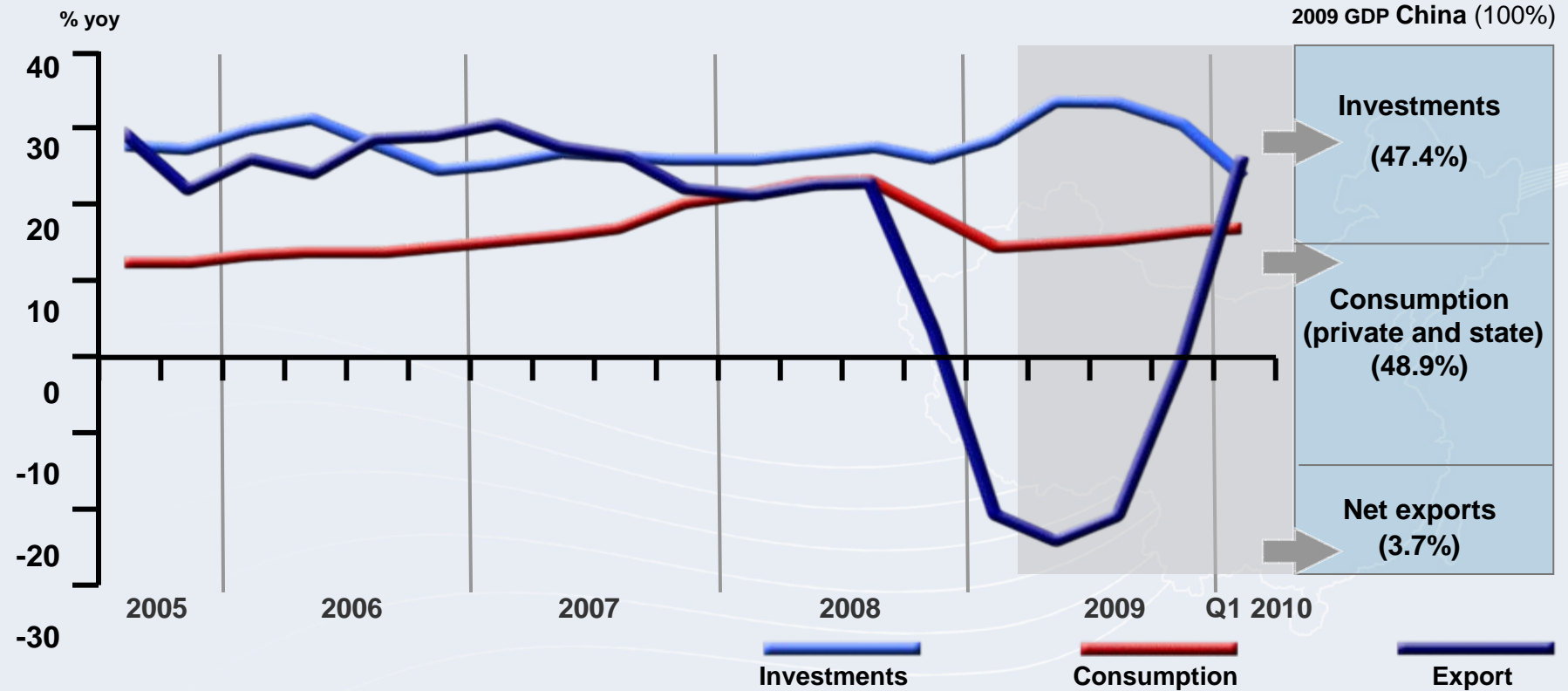
In Q1 2010, the economy of China developed with a good trend

Economic Indicators		2008	2009	2010 Q1	2010E
GDP	[growth rate]	9.6%	8.7%	11.9%	9.8%
Consumption (public + private)	[growth rate]	21.6%	15.5%	17.9%	18.0%
Inflation	[CPI]	5.9%	-0.7%	2.2%	3.4%
Investment	[growth rate]	26.1%	30.5%	26.4%	19.0%
Key Interest Rate		1.80%	1.80%	1.80%	1.80%
Export	[growth rate]	17.2%	-16.0%	28.7%	20.0%
Import	[growth rate]	18.5%	-11.2%	64.6%	19.5%
Foreign Direct Investment	[\$ bn]	92.4	90.0	23.4	90.0
Exchange rate as of the end of the report period	[RMB/USD]	6.83	6.83	6.83	6.82
Exchange rate as of the end of the report period	[RMB/EUR]	9.66	9.80	9.16	9.37

Sources: Deutsche Bank estimation of March 2010 (Data of 14.04.2010), The National Bureau of Statistics China, The Ministry of Finance and the People's Bank of China

Leading Economic Indicators Summary

GDP Factors (2005 - 2010 Q1) - stable domestic demand (investment and consumption)

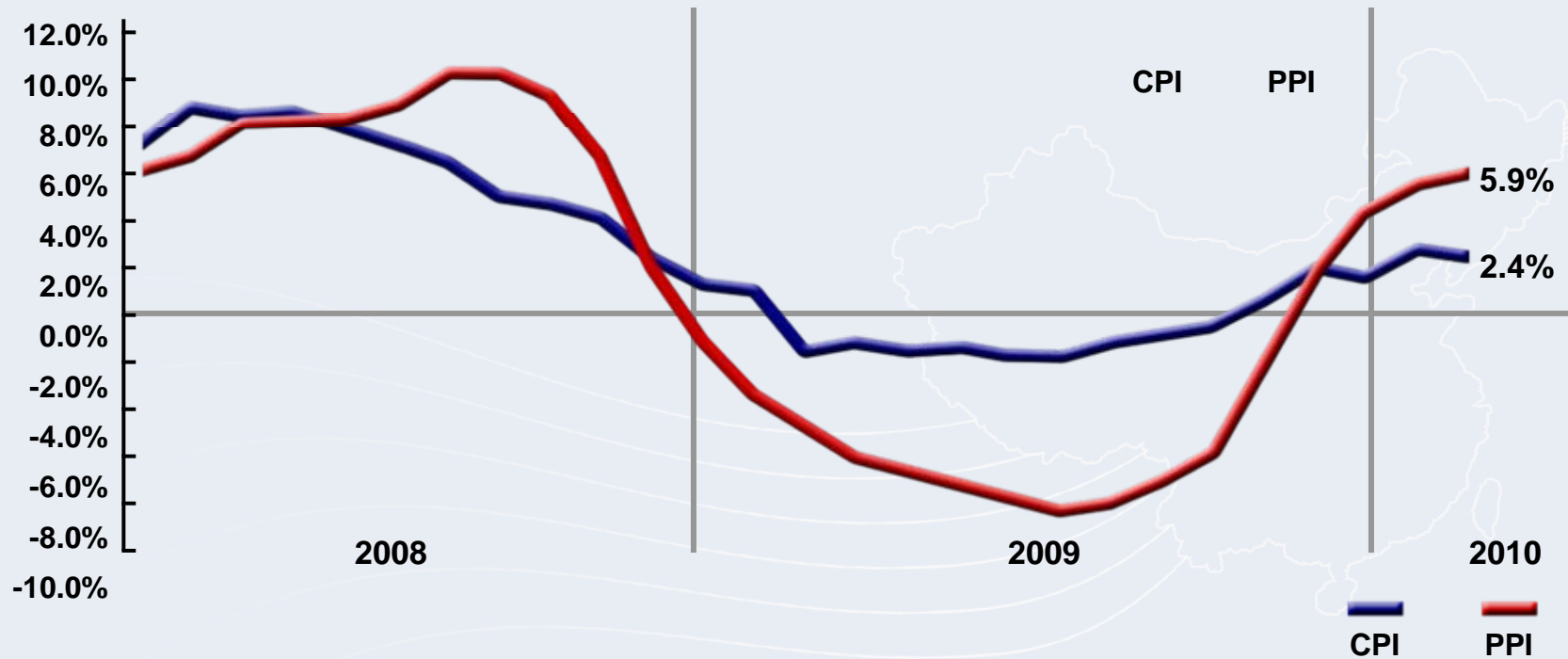


Source: Deutsche Bank Forecast

Leading Economic Indicators Summary

CPI & PPI (Jan.2008 - Mar.2010) - inflationary pressures in March remain high

CPI - Consumer Price Index; PPI - Producer Price Index

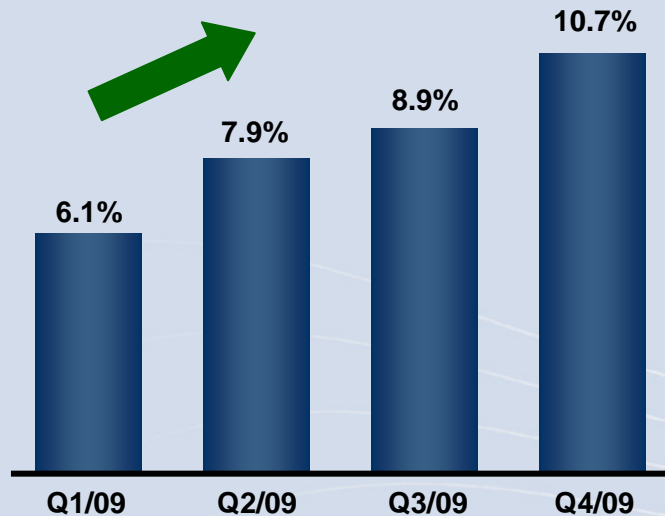


Source: The National Bureau of Statistics China

GDP growth in 2010 is forecasted to remain at a high rate according to most institution forecasts

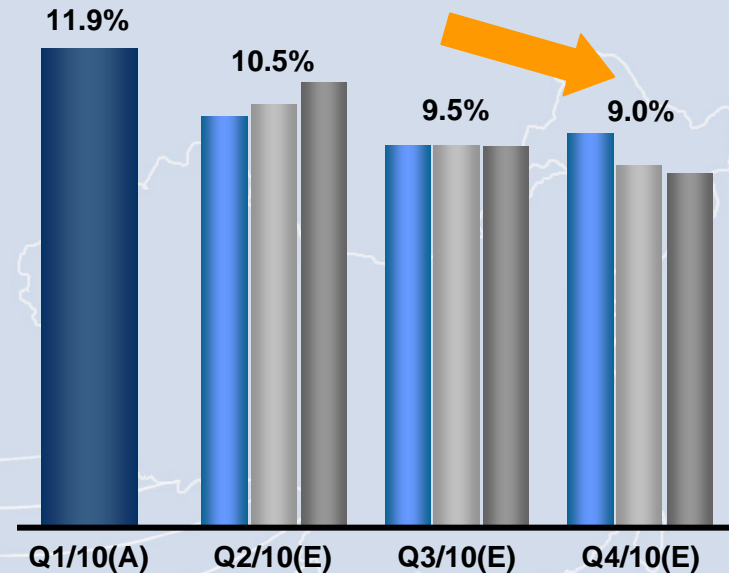
2009 Actual

Cumulative Annual Growth
8.7%



2010 Forecast

Cumulative Annual Growth Estimation
9~11%



Estimate Volkswagen Group China: 9.8%

■ CASS (China Academy of Social Science),
 ■ CICC (China Intl. Capital Co.),
 ■ SIC forecast

Source: The National Bureau of Statistics China

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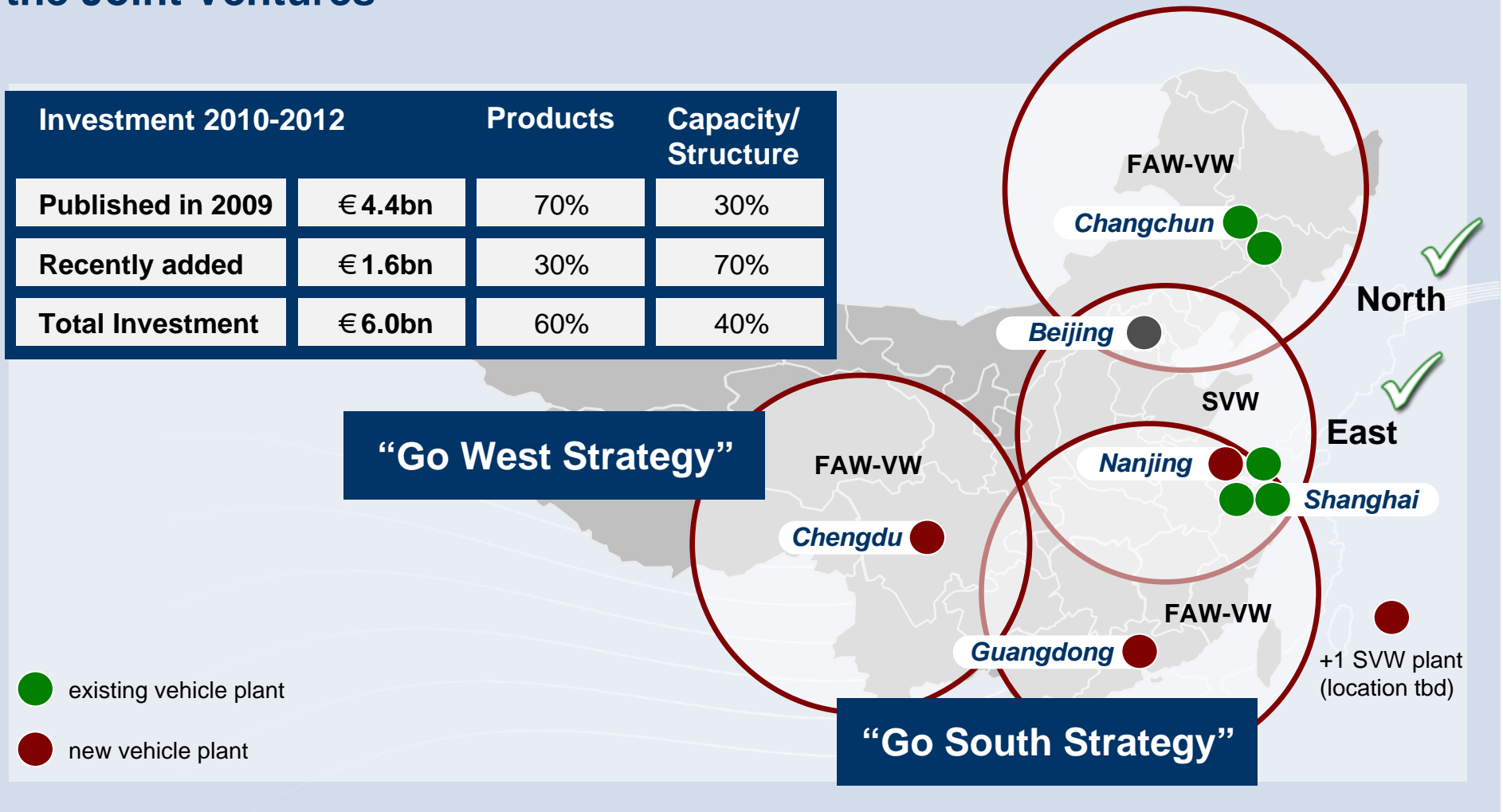
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The Investment Strategy of Volkswagen Group China is Self Funded from the Joint Ventures

	Investment 2010-2012	Products	Capacity/ Structure
Published in 2009	€ 4.4bn	70%	30%
Recently added	€ 1.6bn	30%	70%
Total Investment	€ 6.0bn	60%	40%



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Volkswagen Group China – Achievements 2009

		2008	2009	
Deliveries to Customers	('000 Units)	1,024	1,400	+37%
Turnover (100%)³	(€bn)	13.9	20.1	+44%
Production (100%)⁴	('000 Units)	975	1,387	+42%
Operating profit (quotal)⁴	(€mio)	395	774	+96%
Dividends to VW Group⁴	(€mio)	278 ¹	367 ²	+32%

1: Dividends paid out in 2008 from 2007 retained earnings

2: Dividends paid out in 2009 from 2008 retained earnings

3: Volkswagen Group China

4: SVW Group / FAW-VW Group

Source: Volkswagen Group China

Volkswagen Group China – Achievements Q1 2010

		Q1 2009	Q1 2010	
Deliveries to Customers	('000 Units)	284	457	+61%
Turnover (100%)¹	(€bn)	4.2	6.5	+57%
Production (100%)²	('000 Units)	249	396	+59%
Operating profit (quotal)²	(€mio)	101	284	+181%

1: Volkswagen Group China

2: SVW Group / FAW-VW Group

Source: Volkswagen Group China

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We are well positioned to reach our strategic goal of achieving sustainable profitable growth

Medium-term Group targets		Medium-term China targets	
Group no. of units sold	8.0 million (incl. Scania)	China no. of units sold	2.0 million+
Automotive EBIT margin	5%+	Automotive EBIT margin	6%+
Automotive capex/sales	c.6%	China RoI	20%+
Financial Services Pre-tax RoE	15% ¹	Investments	€6.0 billion
Financial Services Cost-income ratio	c.55%		
Credit rating	Maintain A		

Note: Porsche AG not reflected

¹ Normalized RoE based on 8% equity ratio

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Disclaimer

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Consequently, any unexpected fall in demand or economic stagnation in our key sales markets, such as in Western Europe (and especially Germany) or in the USA, Brazil or China, will have a corresponding impact on the development of our business. The same applies in the event of a significant shift in current exchange rates relative to the US dollar, sterling, yen, Brazilian real, Chinese renminbi and Czech koruna.

If any of these or other risks occur, or if the assumptions underlying any of these statements prove incorrect, the actual results may significantly differ from those expressed or implied by such statements.

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