

– Check against delivery –

**Prof. Dr. Martin Winterkorn**  
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– Part III –

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Ladies and Gentlemen,

These results clearly show that the Volkswagen Group can start 2013 from a position of strength.

- We have three profitable business fields: Passenger Cars, Commercial Vehicles & Power Engineering, and Financial Services.
- We have 12 fascinating brands and 280 models to meet almost all conceivable customer wishes and needs.
- We have the innovative abilities of more than 40,000 developers.
- We have the necessary financial solidity and strength.
- And we have a convincing strategy for the future.

In short: Volkswagen has everything it needs to continue its successful trajectory of recent years even under different circumstances.

One strength that is paying off more and more is our global presence:

- We have been in Brazil for 60 years.
- We have been in Mexico and South Africa for 50 years.
- And we were also the first to venture into China in the 1980s.

## ***Chart Internationalization of the Volkswagen Group***

An international mindset and approach are part of Volkswagen's DNA.

- Today, we sell approximately 60 percent of our vehicles outside Europe.
- We operate 100 plants around the world, one-third of which are located outside Europe.
- And we now employ 140,000 people outside Europe.

Our global positioning allows us to offset temporary setbacks in individual markets. In particular, though, we can exploit growth opportunities everywhere in the world.

This is a significant advantage in the current environment.

The overall market for commercial vehicles is likely to remain at last year's low level in 2013. The global passenger car market is only expected to grow slightly.

- The situation in Europe and Germany remains strained.
- By contrast, the upward trend in the United States is continuing.
- And China remains a reliable growth engine even though it has deliberately scaled back its rate of growth.

Without a doubt, this environment is definitely a tough challenge – especially for European carmakers. However, at Volkswagen we are prepared for this situation. We have known for a long time that the relative importance of the markets is shifting – away from the economic triad and towards Asia, Eastern Europe and South America.

We laid the groundwork for this “new” automotive world early on with our Strategy 2018. From development through production and procurement to distribution: We have made Volkswagen the most international automotive group. And now we are shifting up a gear:

- In the period up to 2015, the Volkswagen Group will be investing approximately €50.2 billion in new plants, products and technologies. More than ever before.

- Added to this is the further €9.8 billion that our joint ventures in China will be spending.

One clear focus of our investment program is to continue our internationalization. And I am certain that this is a good investment.

### ***Chart Automotive Growth Markets to 2018***

The global automotive market could grow to more than 100 million vehicles in the period up to 2018. What is more, the OECD is expecting traffic volumes to treble by 2050.

These figures represent enormous opportunities – but also significant challenges. The central question is how to ensure greater mobility using fewer resources and with fewer emissions.

At the Geneva Motor Show, the Volkswagen Group showed once again that we are providing answers to this question.

- By developing new, intelligent mobility concepts – from carsharing to networked mobility.
- And by developing and manufacturing vehicles that are as efficient as they are fascinating. Vehicles such as the XL1, the Golf BlueMotion and the Audi A3 g-tron.

The front-runner as far as alternative drivetrains is concerned is the plug-in hybrid – not as a vision for the distant future, but for the here and now!

### ***Chart Audi A3 e-tron***

- Our first plug-in hybrids – the Porsche Panamera and the Audi A3 e-tron – start series production shortly.
- They will be followed in the coming months by the Golf and many more plug-ins from our Group brands.

These vehicles offer exactly what our customers need and want:

- A range of up to 50 kilometers in pure electric mode with zero emissions in the city.
- Full flexibility for long-distance journeys thanks to efficient combustion engines.

Our first purely electric vehicles, the e-up! and the e-Golf, are in the starting blocks, too.

You can see that e-mobility is not dead. On the contrary, it's only just coming to life.

Ladies and Gentlemen,

You know us: Volkswagen is a global group but also a down-to-earth company with close ties to its home region – in the best sense of the words. Our roots are part of our strength. This is why we are committed to Lower Saxony, to Germany and to Europe.

But what is equally true is that Volkswagen's future is increasingly being decided in China, Russia, India, the Americas and Southeast Asia.

- This is where we will generate most of our growth in the future.
- This is where we have to attract new customers.
- And this is where we have to exploit to the full the potential that lies in our brands.

That is exactly what we are positioning the Group to do, in three different ways:

- First: we are offering an even greater number of regionally tailored models.
- Second, we are continuing to expand our global production network.
- And third, we are making the Volkswagen team even more international.

Let me turn to our products first.

We have the right vehicle to meet just about every customer's wish. Moreover, we have achieved the right balance between premium and volume models. The Volkswagen Group's unparalleled know-how and strength in the premium segment is – quite literally – paying off.

### ***Chart Strong Position in the Premium Segment***

- No other segment is as profitable
- And only a very few of the other segments have such stable growth rates, particularly in China, Russia or India.

With Audi, Porsche, Bentley, Lamborghini and Bugatti we offer our customers the strongest brands, the best technology and the most emotional cars in the premium segment.

On this basis, our premium brands now account for over 50 percent of Group earnings. And on this basis we will further extend our leading position in this highly-profitable business.

All in all, we will be launching around 60 new and successor models and upgrades this year alone.

More and more, our vehicles are being tailored to the very different regional wishes and needs. Our offering already includes more than 30 vehicles that are precisely tailored to particular markets.

- Such as the Volkswagen Gol, which has been the number one in Brazil for 25 years.
- The ŠKODA Rapid for India.
- Or the US Passat, where sales have already reached nearly 180,000 units.

### ***Chart Group Models for Automobile Growth Regions***

In the coming years, we will be extending this offering considerably.

- In China, we will see a truly large-scale model rollout. Next month, ŠKODA will launch the Chinese version of the Rapid in the market. Volkswagen is working, among other things, on a new, dynamic coupé in the A segment – the right car for the growing number of young, high-income Chinese.
- Audi's experience with the long wheelbase versions of its A4 and A6 models, which were specially developed for China, has been very constructive. The brand has just opened a dedicated research and development center in Beijing in order to be able to cater even better to Chinese customers' wishes.
- Volkswagen is developing a large new SUV based on the Modular Transverse Toolkit for the United States. After the success of the US version of the Passat, the goal is to establish ourselves in another core segment.
- In South America, we recently unveiled the Taigun. This small SUV, which is based on the up!, is aimed at the booming mini-car segment. There is a good chance that the Taigun will hit the streets.

We also intend to systematically harness our opportunities in the fast-growing market for entry-level mobility.

Our New Small Family has already expanded our horizons considerably. The same goes for the A Entry family. Among other things, this includes the SEAT Toledo, the ŠKODA Rapid and the Volkswagen Santana, which we are offering in China for around €8,000.

Now we are once again rising to the challenge of meeting the expectations and demands of markets and customers: In the near future, we are aiming to launch a true budget car for China – in other words, a particularly attractively priced entry-level model for six to seven thousand euros.

Development work on this has already started. And I am convinced that we will prove with this project that quality, attractive pricing and profitability are not mutually exclusive.

Let me now turn to our second focus: Our global production network.

### ***Chart Volkswagen Group: 100 Production Plants Worldwide***

Today, the Volkswagen Group operates 100 plants around the world.

- Thanks to this global positioning, we can benefit from local growth in the precise areas in which it occurs, reduce exchange rate risks and bypass trade barriers.
- In addition, we can leverage substantial cost benefits through extensive local sourcing of raw materials and components.

In recent years, we have expanded capacity in those areas in which demand has been booming.

- With our new vehicle plants in India and Russia.
- With what is now a total of 12 plants in China.
- And with our bold fresh start in the United States, which is beginning to bear fruit.

At the start of the year, we took the next step with our new engine plant in Silao, Mexico. Our one-hundredth plant is a key component of our North American strategy.

### ***Chart Further Expansion of the Production Network***

We will be building a minimum of ten additional plants in the coming years – of which seven will be in China alone.

- This year, the vehicle plants in Urumqi, Foshan and Ningbo will start production. Volkswagen's Urumqi plant again sees the company adopting a pioneering role – this time in opening up Western China.
- We will also open new component plants in Changchun and Foshan in the course of the year. And our gearbox plant in Tianjin will follow in 2014.

- In a new development, the Supervisory Board has also just resolved to construct an additional vehicle plant in China. Up to 300,000 Volkswagen vehicles will roll off the production lines there from the beginning of 2016.

We will be increasing our production capacity in China to more than four million vehicles a year – in line with the boom in demand there – in the period to 2018.

However, it is not just China that we are focusing on.

- This year Scania will start assembling trucks and buses in India.
- In the near future, MAN will commission its new facility in St. Petersburg.
- Volkswagen is building an engine plant in Kaluga. This will manufacture up to 150,000 drivetrains per year for the local vehicle production facilities from 2015 onwards.
- And Audi is strengthening its presence in North America with a plant in San José Chiapa, Mexico. This will produce the Q5 from 2016 onwards.

We are also expanding our distribution network in parallel with this. Today, the Volkswagen Group already has 20,000 dealers around the world. A further 1,500 dealers will be added in the growth regions in the medium term.

As you can see, Volkswagen is strengthening its global presence at all levels.

This also applies to the third focus of our internationalization strategy: Our employees.

### ***Chart Workforce has Become More International Since 2007***

- We have added 140,000 employees outside Germany in the past five years.
- The number of international management deployments has more than doubled since 2007.
- And technical development, too, is becoming more and more global: We already employ a total of more than 5,000 engineers in North and South America and in Asia.

The Volkswagen Group has therefore become quite a bit more Chinese, American, Russian and Brazilian.

This trend will continue in the years to come. And I am sure that the growing diversity of cultures, approaches and ideas will in itself make our Company more creative and more powerful.

To leverage this tremendous wealth of knowledge and experience, we want to and have to share our expertise on an even greater scale worldwide:

- The modular toolkits not only bring us considerable economies of scale. We are also transferring our most important technologies and innovations to all brands and regions. Instead of a large number of island solutions, there is a single technical system into which our concentrated expertise flows – and which will benefit everybody in the Group in the medium term.
- With our global academy network, we ensure that all employees have the same high level of specialist knowledge and the same understanding of quality. We already operate 26 academies in ten countries – not only in Germany, but also in China and India, for example.
- We organize the development of young talent in much the same way: At a total of 24 locations in 16 countries, we now offer dual vocational training and education along German lines. Worldwide, we will be recruiting around 5,300 vocational trainees and 9,800 graduates this year. And young people are very interested in joining us: According to a recent major survey conducted by “Focus”, Volkswagen is Germany’s most attractive employer, with Audi and Porsche taking third and fourth place.
- Finally, we have ushered in what could be called a culture change in all areas: We ensure that there is a systematic, global exchange of knowledge using instruments such as the “expertise turntable” in production. This is how good ideas and experiences benefit everybody in the Group – regardless of whether they come from Mexico, China, Russia, or Germany.

As you can see, Volkswagen, already a global group, is becoming even more global. In its products, its plants and its workforce.

At the same time – and this is very important for me – we are not joining the chorus that is writing off Europe. On the contrary:

- It's here in Europe that we will continue to develop the majority of our vehicles and innovations in the future.
- It's here that we are initially rolling out key technologies such as the Modular Transverse Toolkit.
- And it's here that we are also a front-runner worldwide in areas such as industrial value added, training and education, and flexibility.

Europe is and will remain the home of the Volkswagen Group.

And Europe needs even more initiative, innovations and industry.

These are issues being championed by Volkswagen.

- We will invest more than €33 billion in Europe over the next three years.
- And in Germany alone, we have created around 30,000 new jobs since 2007.

I believe that this is the best possible commitment to Germany and Europe as centers of industry.

Ladies and Gentlemen,

The automotive industry is moving through difficult, rough terrain. 2013 will be a year of truth for the entire industry. And that includes Volkswagen.

- Competitive pressure is high, and is continuing to rise.
- Macroeconomic prospects remain uncertain.
- And Europe in particular is still on shaky ground – the debt crisis has not yet been overcome. The markets here are going to remain weak for the foreseeable future.

Our present caution is therefore well-considered and correct. And Volkswagen is approaching the coming months with the necessary realism and great vigilance.

At the same time, however, I am convinced that our Group is well prepared to stand up to this test.

- Because of our unrivaled broad base and global positioning.
- And because our brands and vehicles embody exactly the solidity and enduring value that are especially in demand in times like these.

### ***Chart Volkswagen XL1***

This is also epitomized by the technological beacon we showcased in Geneva: The XL1.

The entire expertise of our Group is to be found in this one-liter car: In the drive technology, the electronics, the battery technology and the lightweight construction. And what's really crucial: The knowledge and technologies that we have developed here already started finding their way into our series cars some time ago. That holds particularly true for our major plug-in hybrid rollout.

### ***Chart Deliveries to Customers by Brand January – February 2013***

We at Volkswagen are continuing to move forward. Both technically and economically. Despite the negative environment, we made a healthy start to the year.

- In January and February, we delivered around 1.4 million vehicles worldwide.
- And with 8.3 percent growth, we have once again outperformed the market.

Without doubt, Volkswagen is feeling the headwinds, too – particularly in Europe. We have to really put our shoulders to the wheel and give our very best.

Despite all the economic uncertainties, we nevertheless remain guardedly confident:

- We will sell more vehicles in 2013 than last year.
- We will further increase our sales revenue.
- And our target for operating profit is to again reach the high level of last year.

Above all, however, we are working unwaveringly towards achieving our great vision: We want to lead the Volkswagen Group to the top of the automotive industry by 2018 – profitably, sustainably and permanently!

Many thanks for your attention.