

# VOLKSWAGEN

AKTIENGESELLSCHAFT



## **Q4 2006 Analysis**

Investor Relations

9 March 2007

## Volkswagen Group Key Volume Figures

		Q4		Change y-o-y	
		2005	2006	absolute	%
Production	`000 vehicles	1,322	1,426	+ 104	+ 7.9
- excl. China		1,225	1,283	+ 58	+ 4.7
Vehicle Sales		1,352	1,500	+ 148	+ 11.0
- excl. China		1,247	1,355	+ 108	+ 8.6
Deliveries to Customers		1,377	1,470	+ 93	+ 6.8
- excl. China		1,213	1,285	+ 72	+ 5.9
Employees	`000s	344.9	324.9 <sup>1)</sup>	- 20.0	- 5.8
- excl. China		323.4	304.6 <sup>1)</sup>	- 18.8	- 5.8

1) Sedes and Europcar no longer consolidated.

## Volkswagen Group Key Volume Figures

		2006		Change Q4 vs. Q3	
		Q3	Q4	absolute	%
Production	`000 vehicles	1,343	1,426	+ 83	+ 6.2
- excl. China		1,167	1,283	+ 116	+ 9.9
Vehicle Sales		1,354	1,500	+ 146	+ 10.8
- excl. China		1,181	1,355	+ 174	+ 14.7
Deliveries to customers		1,400	1,470	+ 70	+ 5.0
- excl. China		1,220	1,285	+ 65	+ 5.3
Employees	`000	329.1 <sup>1)</sup>	324.9	- 4.2	- 1.3
- excl. China		308.7 <sup>1)</sup>	304.6	- 4.1	- 1.3

<sup>1)</sup> As per 30 September 2006.

## Volkswagen Group Key Volume Figures

		Q4		Change y-o-y	
		2005	2006	absolute	%
Production	`000 vehicles	1,322	1,426	+ 104	+ 7.9
- of which China		115	166	+ 51	+ 44.4
Vehicle Sales		1,352	1,500	+ 148	+ 11.0
- of which China		121	167	+ 46	+ 38.0
Deliveries to customers		1,377	1,470	+ 93	+ 6.8
- of which China		164	185	+ 21	+ 13,2
Employees	`000	344.9	324.9 <sup>1)</sup>	- 20.0	- 5.8
- of which China		21.5	20.3	- 1.2	- 5.5

<sup>1)</sup> gedas and Europcar no longer consolidated.

## Volkswagen Group Key Volume Figures

		2006		Change Q4 vs. Q3	
		Q3	Q4	absolute	%
Production	`000 vehicles	1,343	1,426	+ 83	+ 6.2
- of which China		200	166	- 34	- 17.1
Vehicle Sales		1,354	1,500	+ 146	+ 10.8
- of which China		197	167	- 30	- 14.9
Deliveries to Customers		1,400	1,470	+ 70	+ 5.0
- of which China		180	185	+ 5	+ 3.2
Workforce	`000	329.1 <sup>1)</sup>	324.9	- 4.2	- 1.3
- of which China		20.4 <sup>1)</sup>	20.3	- 0.1	- 0.2

<sup>1)</sup> As per 30 September 2006.

## Volkswagen Group Key Financial Figures

€ million	Q4		Change y-o-y	
	2005 <sup>1)</sup>	2006	absolute	%
<i>Continuing operations:</i>				
Sales revenue	25,084	27,845	2,761	11.0
Operating profit before special items	1,025	1,363	338	33.0
<i>% of sales revenue</i>	<i>4.1</i>	<i>4.9</i>	.	<i>0.8</i> <sup>2)</sup>
Special items	- 351	- 711	(360)	x
Operating profit after special items	674	652	(22)	(3.3)
<i>% of sales revenue</i>	<i>2.7</i>	<i>2.3</i>	.	<i>(0.4)</i> <sup>2)</sup>
Financial result	- 62	204	266	x
Profit before tax	612	856	244	39.9
<i>% of sales revenue</i>	<i>2.4</i>	<i>3.1</i>	.	<i>0.7</i> <sup>2)</sup>
Income tax expense	179	- 686	865	x
<i>Tax rate in %</i>	<i>29.1</i>	<i>x</i>	.	<i>x</i>
Profit after tax	433	1,542	1,109	x
Profit from discontinued operations	2	- 1	(3)	x
Profit after tax	435	1,541	1,106	x

<sup>1)</sup> Restated

<sup>2)</sup> Percentage Points

## Volkswagen Group Key Financial Figures

€ million	2006		Change Q4 vs. Q3	
	Q3	Q4	absolute	%
<i>Continuing operations:</i>				
Sales revenue	25,138	27,845	2,707	10.8
Operating profit before special items	991	1,363	372	37.5
<i>% of sales revenue</i>	<i>4.0</i>	<i>4.9</i>	<i>.</i>	<i>0.9<sup>1)</sup></i>
Special items	- 668	- 711	(43)	(6.4)
Operating profit after special items	323	652	329	x
<i>% of sales revenue</i>	<i>1.3</i>	<i>2.3</i>	<i>.</i>	<i>1.0<sup>1)</sup></i>
Financial result	- 137	204	341	x
Profit before tax	186	856	670	x
<i>% of sales revenue</i>	<i>0.7</i>	<i>3.1</i>	<i>.</i>	<i>2.4<sup>1)</sup></i>
Income tax expense	163	- 686	- 849	x
<i>Tax Rate in %</i>	<i>87.5</i>	<i>x</i>	<i>.</i>	<i>x</i>
Profit after tax	23	1,542	1,519	x
Profit from discontinued operations	0	- 1	(1)	x
Profit after tax	23	1,541	1,518	x

<sup>1)</sup> Percentage Points

## Volkswagen Group Income Statement

€ million	Q4		Change y-o-y		
	2005 <sup>1)</sup>	%	2006	%	%
Sales revenue	25,084	100.0	27,845	100.0	11.0
Cost of sales	21,710	86.6	24,302	87.3	(11.9)
Gross profit	3,374	13.4	3,543	12.7	5.0
Distribution expenses	2,572	10.2	2,563	9.2	0.3
Administrative expenses	593	2.4	676	2.4	(14.1)
Other operating income/expense	465	1.9	348	1.2	(25.2)
Operating profit	674	2.7	652	2.3	(3.3)
Financial result	- 62	- 0.3	204	0.8	x
Profit before tax – continuing operations	612	2.4	856	3.1	39.9
Income tax expense	179	0,7	- 686	- 2.4	x
Profit after tax – continuing operations	433	1.7	1,542	5.5	x
Profit from discontinued operations	2	0.0	- 1	0.0	x
Profit after tax	435	1.7	1,541	5.5	x

<sup>1)</sup> Restated

## Volkswagen Group Income Statement

€ million	2006		Change Q4 vs. Q3		
	Q3	%	Q4	%	%
Sales revenue	25,138	100.0	27,845	100.0	10.8
Cost of sales	21,890	87.1	24,302	87.3	(11.0)
Gross profit	3,248	12.9	3,543	12.7	9.1
Distribution expenses	2,194	8.7	2,563	9.2	(16.8)
Administrative expenses	535	2.1	676	2.4	(26.7)
Other operating income/expense	- 196	- 0.8	348	1.2	x
Operating profit	323	1.3	652	2.3	x
Financial result	- 137	- 0.6	204	0.8	x
Profit before tax – continuing operations	186	0.7	856	3.1	x
Income tax expense	163	0,6	- 686	- 2.4	x
Profit after tax – continuing operations	23	0.1	1,542	5.5	x
Profit from discontinued operations	0	0.0	- 1	0.0	x
Profit after tax	23	0.1	1,541	5.5	x

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# Volkswagen Group Income Statement

€ million	2006								2006		Change y-o-y	
	Q1		Q2		Q3		Q4		total		2006/2005 <sup>1)</sup>	
	abs.	%	abs.	%	abs.	%	abs.	%	abs.	%	abs.	%
Sales Revenue	25,337	100.0	26,555	100.0	25,138	100.0	27,845	100.0	104,875	100.0	10,879	11.6
Cost of sales	22,008	86.9	22,820	85.9	21,890	87.1	24,302	87.3	91,020	86.8	(9,287)	(11.4)
Gross Profit	3,329	13.1	3,735	14.1	3,248	12.9	3,543	12.7	13,855	13.2	1,592	13.0
Distribution expenses	2,206	8.7	2,217	8.4	2,194	8.7	2,563	9.2	9,180	8.8	(552)	(6.4)
Administrative expenses	573	2.3	528	2.0	535	2.1	676	2.4	2,312	2.2	(87)	(3.9)
Other operating income/exp.	87	0.4	- 593	- 2.2	- 196	- 0.8	348	1.2	- 354	- 0.3	(1,482)	x
Operating profit	637	2.5	397	1.5	323	1.3	652	2.3	2,009	1.9	(529)	(20.8)
Financial result	- 225	- 0.9	- 58	- 0.2	- 137	- 0.6	204	0.8	- 216	- 0.2	701	76.5
Profit before tax	412	1.6	339	1.3	186	0.7	856	3.1	1,793	1.7	172	10.6
Income tax expense	78	0.3	283	1.1	163	0.6	- 686	- 2.4	- 162	- 0.2	733	x
Profit after tax	334	1.3	56	0.2	23	0.1	1,542	5.5	1,955	1.9	905	86.2
Profit after tax <sup>2)</sup>	327	1.3	859	3.2	23	0.1	1,541	5.5	2,750	2.6	1,630	x
Tax rate in %	19.0		83.3		87.5		x		x		x	

<sup>1)</sup> 2005 restated

<sup>2)</sup> Including discontinued operations

## Key Figures by Business Line

Q4	Vehicle Sales <sup>1)</sup>		Sales		Operating Profit	
	[` 000 vehicles]		[€ million]		[€ million]	
	2005	2006	2005 <sup>2)</sup>	2006	2005 <sup>2)</sup>	2006
Volkswagen brand group	931	1,031	13,668	14,559	401	343
Audi brand group	312	349	7,194	8,600	430	833
Commercial Vehicles	109	120	2,022	2,248	95	60
Remaining Companies <sup>3)</sup>	.	.	81	9	13	13
Financial Services	.	.	2,119	2,429	86	114
<b>Business lines before special items</b>	<b>1,352</b>	<b>1,500</b>	<b>25,084</b>	<b>27,845</b>	<b>1,025</b>	<b>1,363</b>
Special items	-	-	-	-	- 351	- 711
<b>Volkswagen Group</b>	<b>1,352</b>	<b>1,500</b>	<b>25,084</b>	<b>27,845</b>	<b>674</b>	<b>652</b>

<sup>1)</sup> All figures shown are rounded, so minor discrepancies may arise from addition of these amounts.

<sup>2)</sup> Restated.

<sup>3)</sup> Primarily Volkswagen Group Services SCS, Volkswagen International Finance N.V., Volkswagen Investments Ltd., VW Kraftwerk GmbH, Volkswagen Immobilien, VW Retail-Gruppe, gedas-Gruppe (until March 2006 inclusive).

## Key Figures by Market

Q4	Sales revenue [€ million]		Operating profit [€ million]	
	2005 <sup>1)</sup>	2006	2005 <sup>1)</sup>	2006
Europe/Remaining Markets	17,476	19,777	1,043	1,374
North America	4,138	4,005	- 48	- 162
South America/South Africa	1,972	2,313	42	123
Asia-Pacific <sup>2)</sup>	1,498	1,750	- 12	28
<b>Markets before special items</b>	<b>25,084</b>	<b>27,845</b>	<b>1,025</b>	<b>1,363</b>
Special items	-	-	- 351	- 711
<b>Volkswagen Group<sup>2)</sup></b>	<b>25,084</b>	<b>27,845</b>	<b>674</b>	<b>652</b>

<sup>1)</sup> Restated

<sup>2)</sup> The sales revenue and operating results of the joint venture companies in China are not included in the figures for the Group and the Asia-Pacific market. The Chinese joint venture companies are consolidated using the equity method, and recorded an operating result (proportional) of €36 million (-€52 million).

## Automotive Division Key Financial Figures<sup>1)</sup>

€ million	Q4		Change y-oy	
	2005	2006	absolute	%
Additions to capitalized development costs	- 323	- 459	(136)	(41.7)
Investments in property/plant/equipment	- 1,528	- 1,471	57	3.8
<i>% of sales revenue</i>	<i>6.7</i>	<i>5.8</i>	<i>.</i>	<i>0.9<sup>2)</sup></i>
Acquisition/disposal of equity investments	116	- 2,578	(2,694)	x
Cash flows from investing activities	- 1,776	- 4,365	(2,589)	x
Gross cash-flow <sup>3)</sup>	2,598	3,088	490	18.9
+ Change in working capital <sup>4)</sup>	- 126	- 338	(212)	x
= Cash-flows from operating activities	2,472	2,750	278	11.3
Net Cash flow	696	- 1,615	(2,311)	x
Net liquidity Dec. 31, 2005/Dec. 31, 2006	706	7,133	6,427	x

1) Including allocation of consolidation adjustments between the automotive and Financial Services Division.

2) Percentage Points

3) Represented by: Profit before tax, tax paid + depreciation +/-movement in pension provision.

4) Amongst others: Inventory, accounts receivable, accounts payable, other provisions.

## Automotive Division Key Financial Figures<sup>1)</sup>

€ million	2006		Change Q4 vs. Q3		
	Q3	Q4	absolute	%	
Additions to capitalized development costs	- 279	- 459	(180)	(64.3)	
Investments in property/plant/equipment <i>% of sales revenue</i>	- 807 3.5	- 1,471 5.8	(664) .	(82.2) (2.3) <sup>2)</sup>	
Acquisition/disposal of equity investments	23	- 2,578	(2,601)	x	
<b>Cash flows from investing activities</b>	<b>- 1,151</b>	<b>- 4,365</b>	<b>(3,214)</b>	<b>x</b>	
Gross cash flow <sup>3)</sup>	1,676	3,088	1,412	84.1	
+ Change in working Capital <sup>4)</sup>	1,028	- 338	(1,366)	x	
<b>= Cash-flows from operating activities</b>	<b>2,704</b>	<b>2,750</b>	<b>46</b>	<b>1.7</b>	
<b>Net cash flow</b>	<b>1,553</b>	<b>- 1,615</b>	<b>(3,168)</b>	<b>x</b>	
Net liquidity	30/09/2006 / 31/12/2006	8,194	7,133	(1,061)	(13.0)
Net liquidity	31/12/2005 / 31/12/2006	706	7,133	6,427	x

1) Including allocation of consolidation adjustments between automotive and Financial Services Division.

2) Percentage Points.

3) Represented by: Profit before tax, tax paid + depreciation +/-movement in pension provision.

4) Amongst others: Inventory, accounts receivable, accounts payable, other provisions.

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