



**VOLKSWAGEN**  
AKTIENGESELLSCHAFT

**We are  
redefining  
mobility.**

## **Volkswagen Group**

**Christian Senger**

Head of the e-Mobility Vehicle Series

Video Conference with Exane BNP Paribas, Wolfsburg | London , 09<sup>th</sup> October 2017

## Disclaimer

The following presentations contain forward-looking statements and information on the business development of the Volkswagen Group. These statements may be spoken or written and can be recognized by terms such as “expects”, “anticipates”, “intends”, “plans”, “believes”, “seeks”, “estimates”, “will” or words with similar meaning. These statements are based on assumptions relating to the development of the economies of individual countries, and in particular of the automotive industry, which we have made on the basis of the information available to us and which we consider to be realistic at the time of going to press. The estimates given involve a degree of risk, and the actual developments may differ from those forecast. The Volkswagen Group currently faces additional risks and uncertainty related to pending claims and investigations of Volkswagen Group members in a number of jurisdictions in connection with findings of irregularities relating to exhaust emissions from diesel engines in certain Volkswagen Group vehicles. The degree to which the Volkswagen Group may be negatively affected by these ongoing claims and investigations remains uncertain.

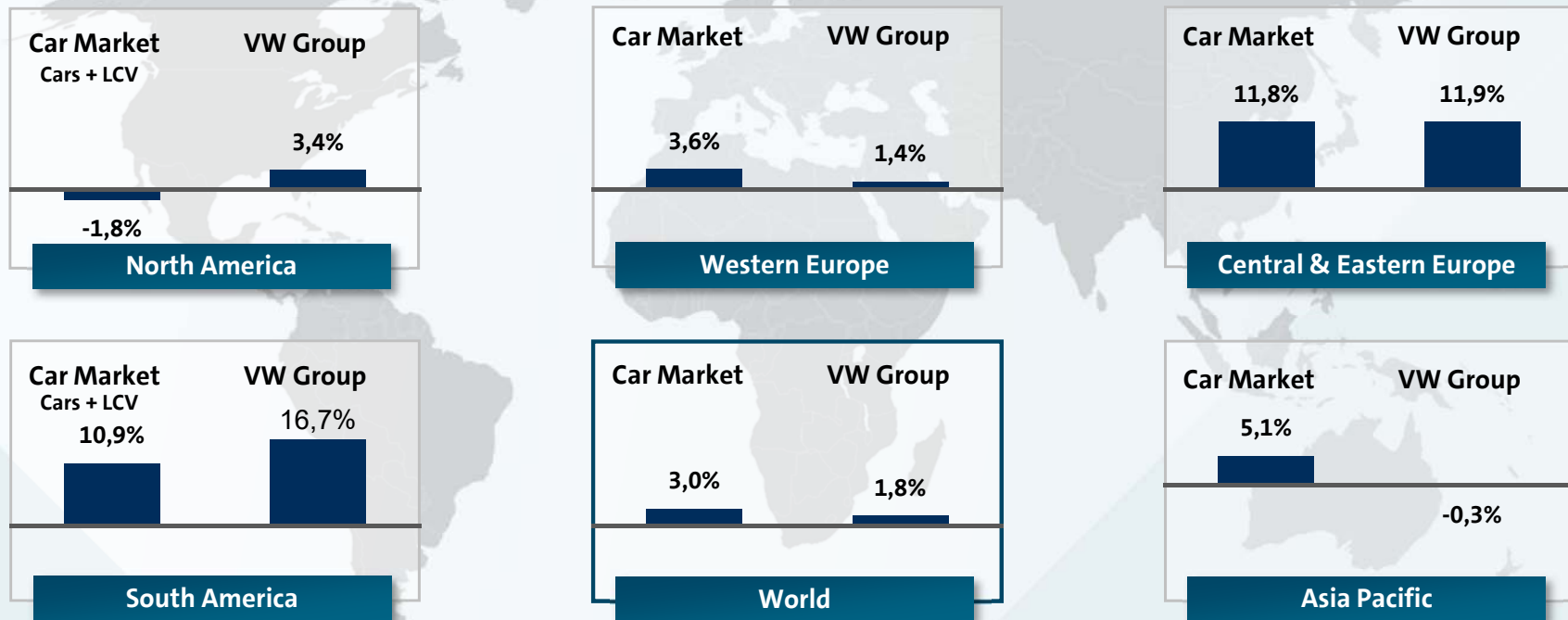
Consequently, a negative impact relating to ongoing claims or investigations, any unexpected fall in demand or economic stagnation in our key sales markets, such as in Western Europe (and especially Germany) or in the USA, Brazil or China, will have a corresponding impact on the development of our business. 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.

We do not update forward-looking statements retrospectively. Such statements are valid on the date of publication and can be superseded.

This information does not constitute an offer to exchange or sell or an offer to exchange or buy any securities.

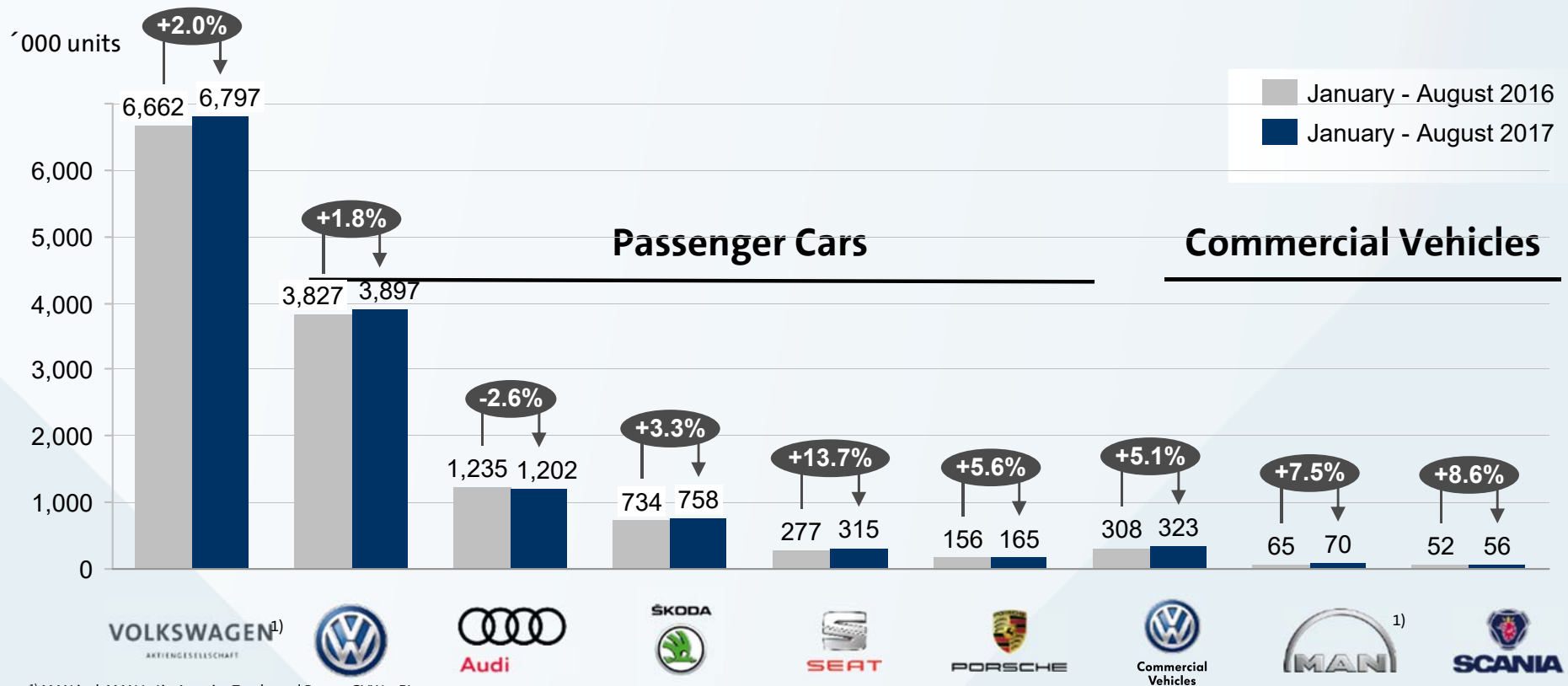
## Development World Car Market vs. Volkswagen Group Car Deliveries to Customers<sup>1)</sup> (Growth y-o-y in deliveries to customers, January to August 2017 vs. 2016)



<sup>1)</sup> Figures excl. Volkswagen Commercial Vehicles, Scania and MAN Commercial Vehicles.

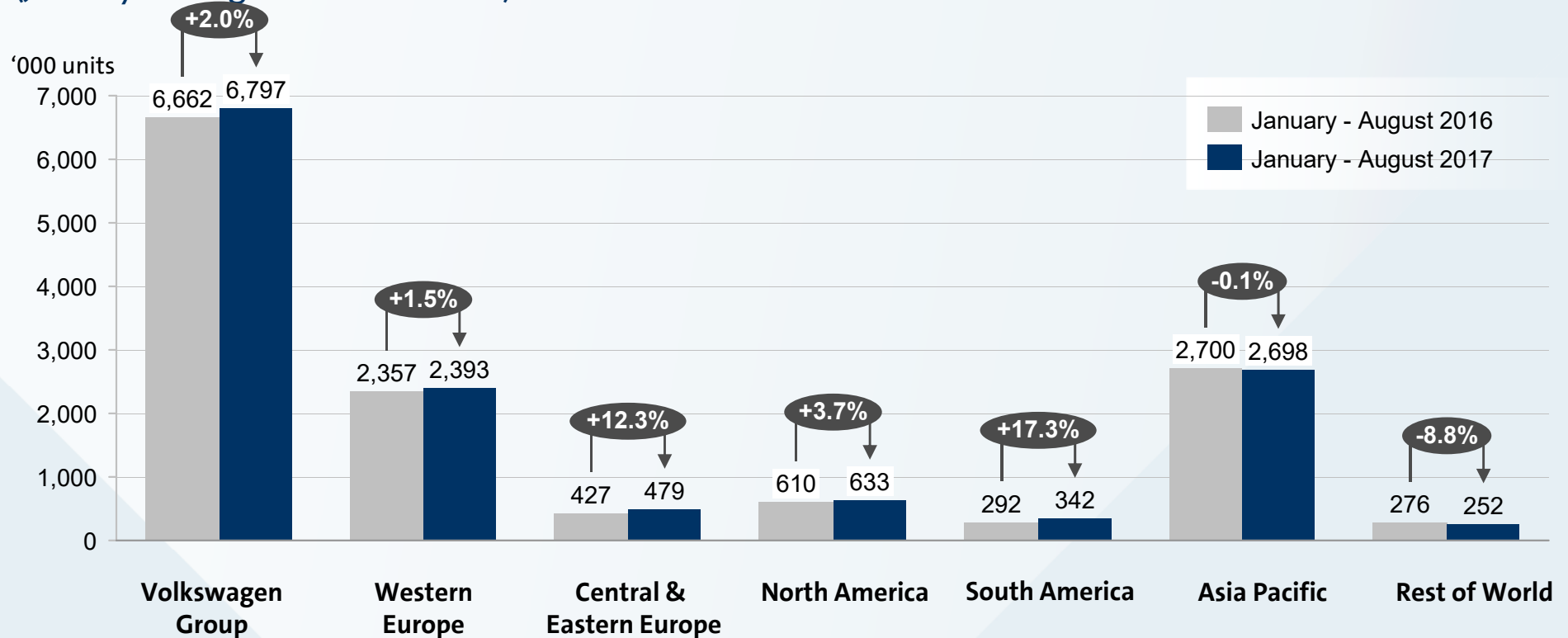
## Volkswagen Group – Deliveries to Customers by Brands

(January to August 2017 vs. 2016)



## Volkswagen Group – Deliveries to Customers by Markets<sup>1)</sup>

(January to August 2017 vs. 2016)



<sup>1)</sup> Incl. all brands of Volkswagen Group (Passenger Cars and Commercial Vehicles);

## Volkswagen Group: Environmental and Future Incentives Program

- Promoting the renewal of the vehicle fleet through the changeover to Euro 6 and e-mobility
- Improve air quality in cities
- Incentives on purchasing a Volkswagen, Volkswagen Commercial Vehicles, Audi, SEAT, ŠKODA or Porsche with Euro 6 Standard

### Example Germany:

- Program is available until December 31<sup>st</sup>, 2017
- Incentives for scrapping an old diesel vehicle of any brand with Euro 4 or older and purchase of a new vehicle  
(Volkswagen: €2,000 to €10,000; Audi: €3,000 to €10,000; SEAT: €1,750 to €8,000; ŠKODA : €1,750 to €5,000; Porsche: €5,000)
- Additional bonus for the purchase of alternative powertrain (electric, hybrid or natural gas)

### Example Incentive Volkswagen Brand<sup>1)</sup>:

Model	„Environmental“ Incentive
up!	€2,000
Polo	€3,000
Golf, Golf Sportsvan, Golf Estate, Tiguan, Tiguan Allspace, Beetle Cabrio	€5,000
Touran	€6,000
Passat Sedan/Estate, Arteon, Sharan	€8,000
Touareg	€10,000

Powertrain type	„Future“ Incentive
Natural gas (e.g. Golf TGI)	€1,000
Hybrid (e.g. Golf GTE; Passat GTE)	€1,785
Electric (e.g. e-up!; e-Golf)	€2,380
+ State subsidy <sup>2</sup>	
= Total support available per model	

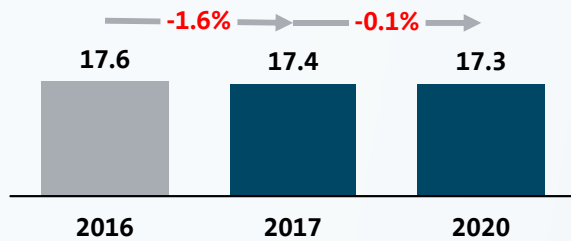
**Cost of Programs anticipated to be balanced through higher volumes, benefits of gaining new customers and raising customer loyalty**

## Global Passenger Car Market 2017/2020

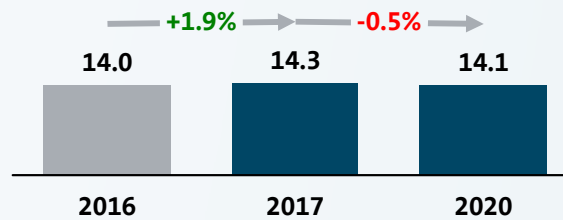
Slowdown in Western Europe; Stagnation in USA at a high level; Recovery in Brazil though from a low level; Strong growth in India; China remains largest driver of passenger car demand

million units

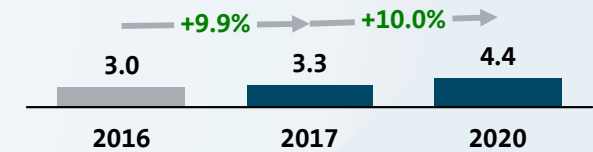
USA<sup>1</sup>



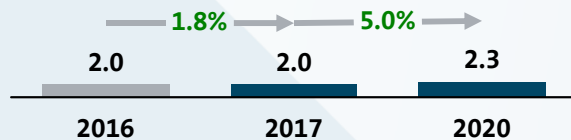
Western Europe



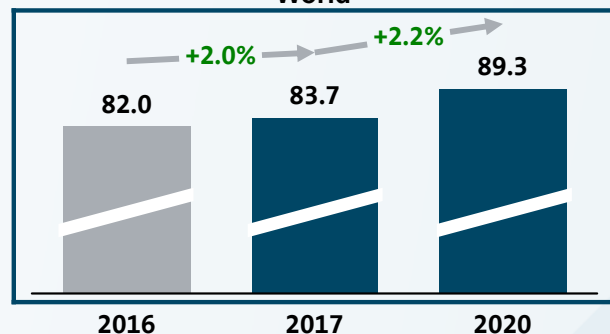
India



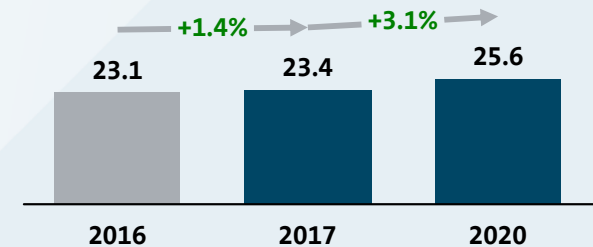
Brazil<sup>1</sup>



World<sup>1</sup>



China



■ Actuals ■ Forecast | Data source: IHS Automotive (07.2017)

1 – Volume for North & South America includes light commercial vehicles (definition 'Light Vehicles')

growth 2017-2020 = CAGR

## Volkswagen Group – Key Financial Figures<sup>1)</sup>

(January to June 2017 vs. 2016)

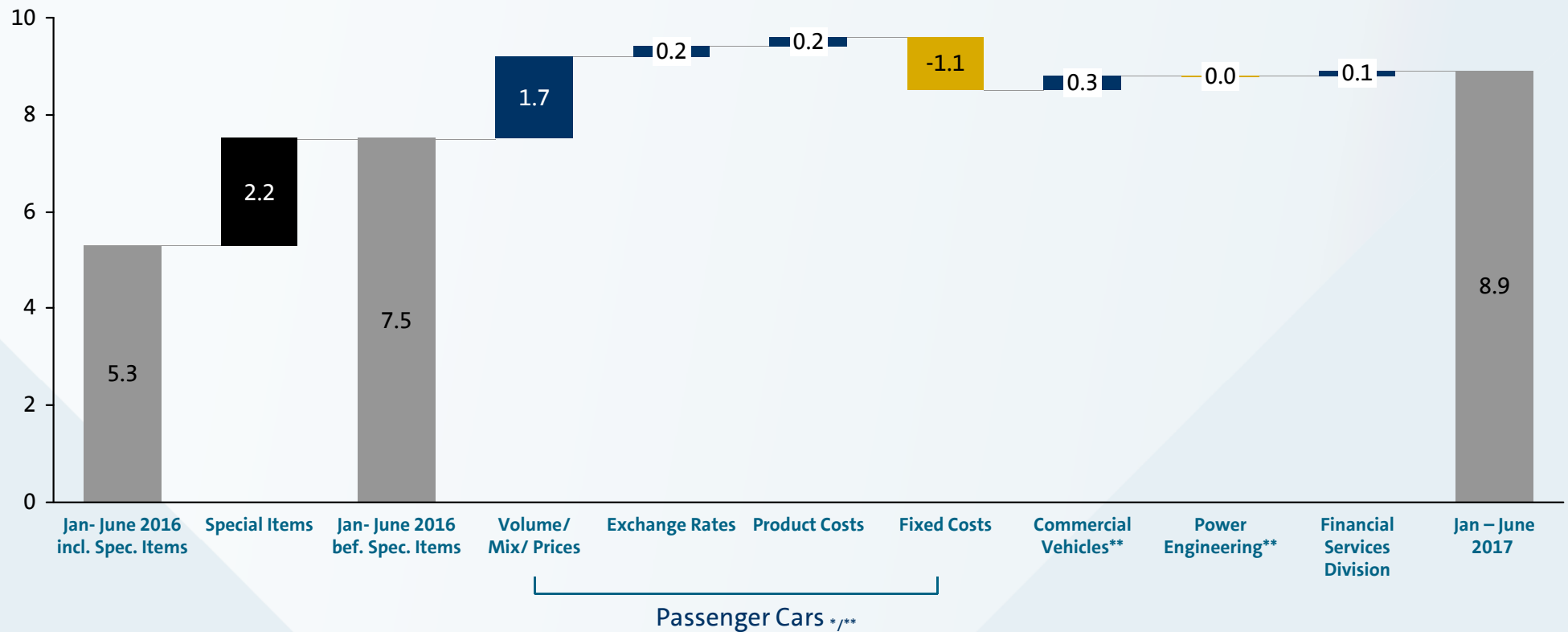
thousand vehicles / € million	2017	2016	+/- (%)
Vehicle Sales <sup>2)</sup>	5,270	5,199	+1.4
Sales revenue	115,862	107,935	+7.3
Operating profit before Special Items	8,916	7,517	+18.6
% of sales revenue	7.7	7.0	
Operating profit	8,916	5,339	+67.0
% of sales revenue	7.7	4.9	
Financial result	44	-528	X
of which: At-equity result <sup>2)</sup>	1,635	1,715	-4.7
of which: Other financial result	-1,591	-2,243	-29.1
Profit before tax	8,960	4,810	+86.3
% Return on sales before tax	7.7	4.5	
Profit after tax	6,595	3,579	+84.3

<sup>1)</sup> All figures shown are rounded, so minor discrepancies may arise from addition of these amounts. Including allocation of consolidation adjustments between the Automotive and Financial Services divisions.

<sup>2)</sup> Volume data including the unconsolidated Chinese joint ventures. The joint venture companies in China are accounted for using the equity method and recorded an operating profit (proportionate) of €2,135 million (€2,366 million).



## Operating profit increased to a record €8.9 billion in H1 2017



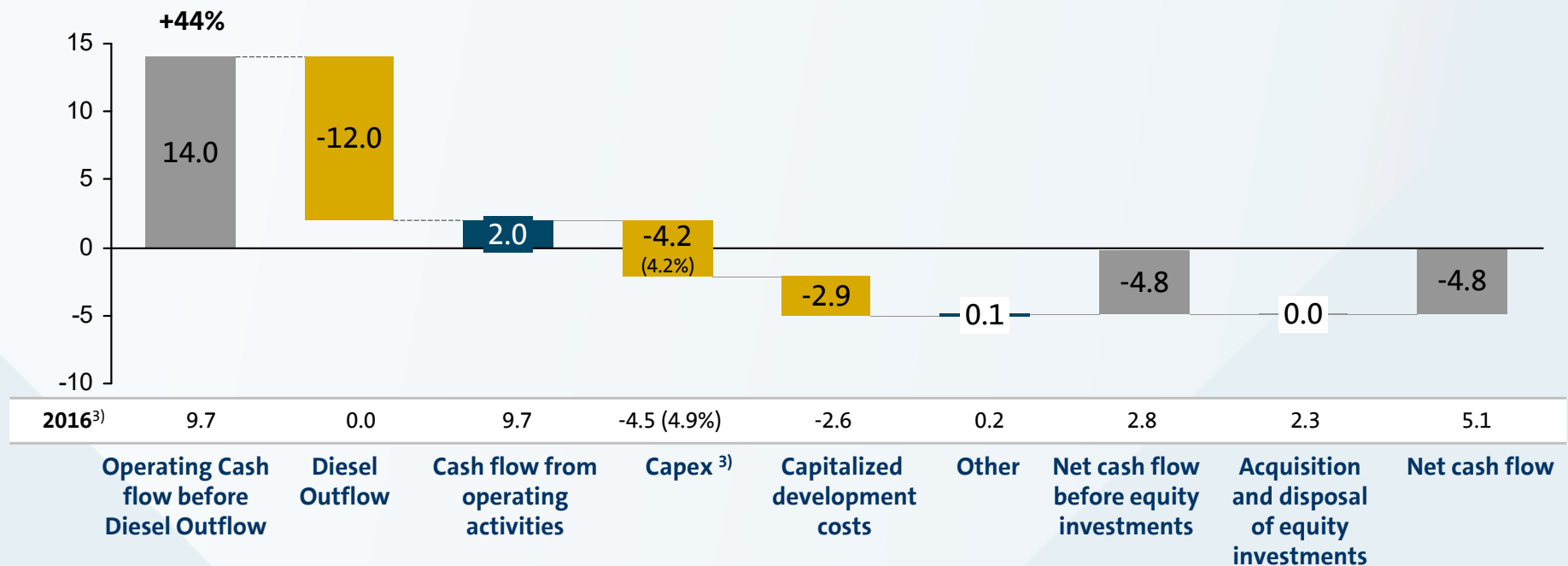
All figures shown are rounded, minor discrepancies may arise from addition of these amounts. \*) without FS \*\*) including PPA

## Strong brands contributed to the operating profit of the Group in H1 2017

thousand vehicles/ € million	Vehicle sales		Sales revenue		Operating profit	
	2017	2016	2017	2016	2017	2016
Volkswagen Passenger Cars <sup>2)</sup>	1,812	2,232	39,855	53,006	1,776	881
Audi	783	799	30,143	30,134	2,680	2,666
ŠKODA	501	431	8,720	7,114	860	685
SEAT	304	276	5,054	4,485	130	93
Bentley	5	5	867	883	13	-22
Porsche Automotive <sup>3)</sup>	124	117	10,841	10,151	2,056	1,768
Volkswagen Commercial Vehicles	244	231	5,927	5,406	448	299
Scania <sup>4)</sup>	44	41	6,307	5,575	673	550
MAN Commercial Vehicles	53	49	5,297	4,798	193	186
MAN Power Engineering	-	-	1,579	1,673	73	103
VW China <sup>5)</sup>	1,870	1,867	-	-	-	-
Other <sup>6)</sup>	-469	-849	-14,728	-28,901	-1,152	-687
Volkswagen Financial Services <sup>7)</sup>	-	-	15,999	13,611	1,165	995
<b>Volkswagen Group before Special Items</b>	-	-	-	-	<b>8,916</b>	<b>7,517</b>
Special Items	-	-	-	-	-	-2,178
<b>Volkswagen Group</b>	<b>5,270</b>	<b>5,199</b>	<b>115,862</b>	<b>107,935</b>	<b>8,916</b>	<b>5,339</b>
Automotive Division <sup>8)</sup>	5,270	5,199	98,901	92,547	7,651	4,162
of which: Passenger Cars	4,930	4,879	80,070	75,285	6,654	3,895
of which: Commercial Vehicles	340	320	17,252	15,589	1,043	285
of which: Power Engineering	-	-	1,579	1,673	-46	-18
Financial Services Division	-	-	16,961	15,388	1,265	1,177

<sup>1)</sup> All figures shown are rounded, minor discrepancies may arise from addition of these amounts. <sup>2)</sup> 2017 figures take account of the reclassification of companies; prior-year figures were not adjusted. <sup>3)</sup> Porsche (Automotive and Financial Services): sales revenue €11,778 (10,929) million, operating profit €2,131 (1,830) million. <sup>4)</sup> Including financial services. <sup>5)</sup> The sales revenue and operating profits of the joint venture companies in China are not included in the figures for the Group. These Chinese companies are accounted for using the equity method and recorded a proportionate operating profit of €2,135 (2,366) million. <sup>6)</sup> Prior year adjusted. In operating profit mainly intragroup items recognized in profit or loss, in particular from the elimination of intercompany profits; the figure includes depreciation and amortization of identifiable assets as part of purchase price allocation for Scania, Porsche Holding Salzburg, MAN and Porsche. <sup>7)</sup> Starting January 1, 2017, Porsche's financial services business is reported as part of Volkswagen Financial Services. Prior-year figures were not adjusted. <sup>8)</sup> Including allocation of consolidation adjustments between the Automotive and Financial Services divisions.

## Automotive Division net cash flow H1 2017: Significant increase in operating cash flow



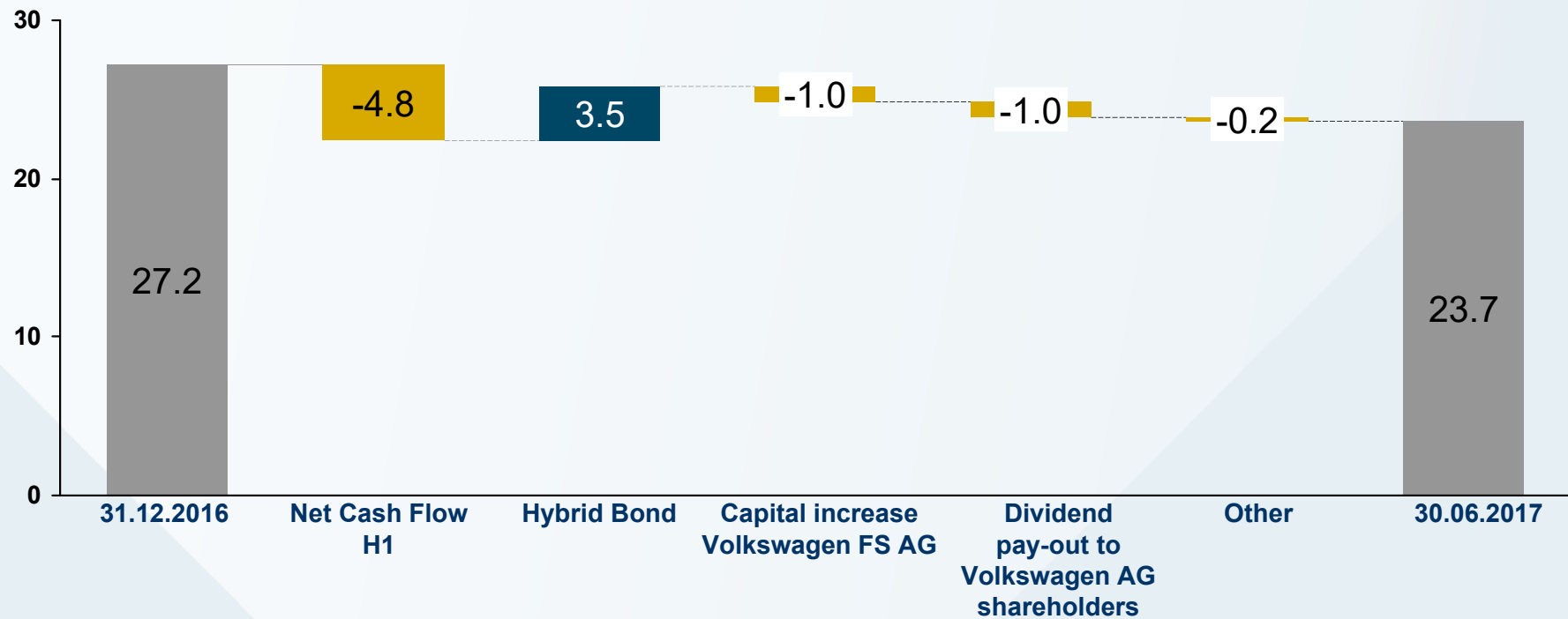
<sup>1)</sup> All figures shown are rounded, minor discrepancies may arise from addition of these amounts. <sup>2)</sup> Including allocation of consolidation adjustments between Automotive and Financial Services divisions.

<sup>3)</sup> Capital expenditure for property, plant and equipment in % of Automotive sales revenue.

## Automotive Division net liquidity on a robust level at June 30<sup>th</sup>

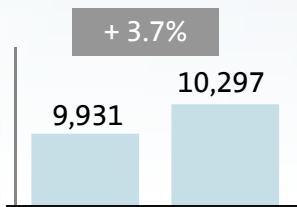
€ billion

€ billion



## Volkswagen Group – Outlook for 2017

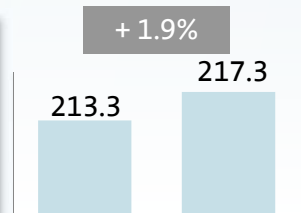
### Deliveries to customers (‘000 vehicles)



### Deliveries to customers

moderately above prior year

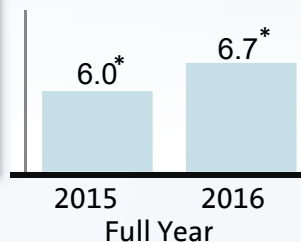
### Sales revenue (€ billion)



### Sales revenue\*

Up more than 4% above prior year level

### Operating return on sales (%)



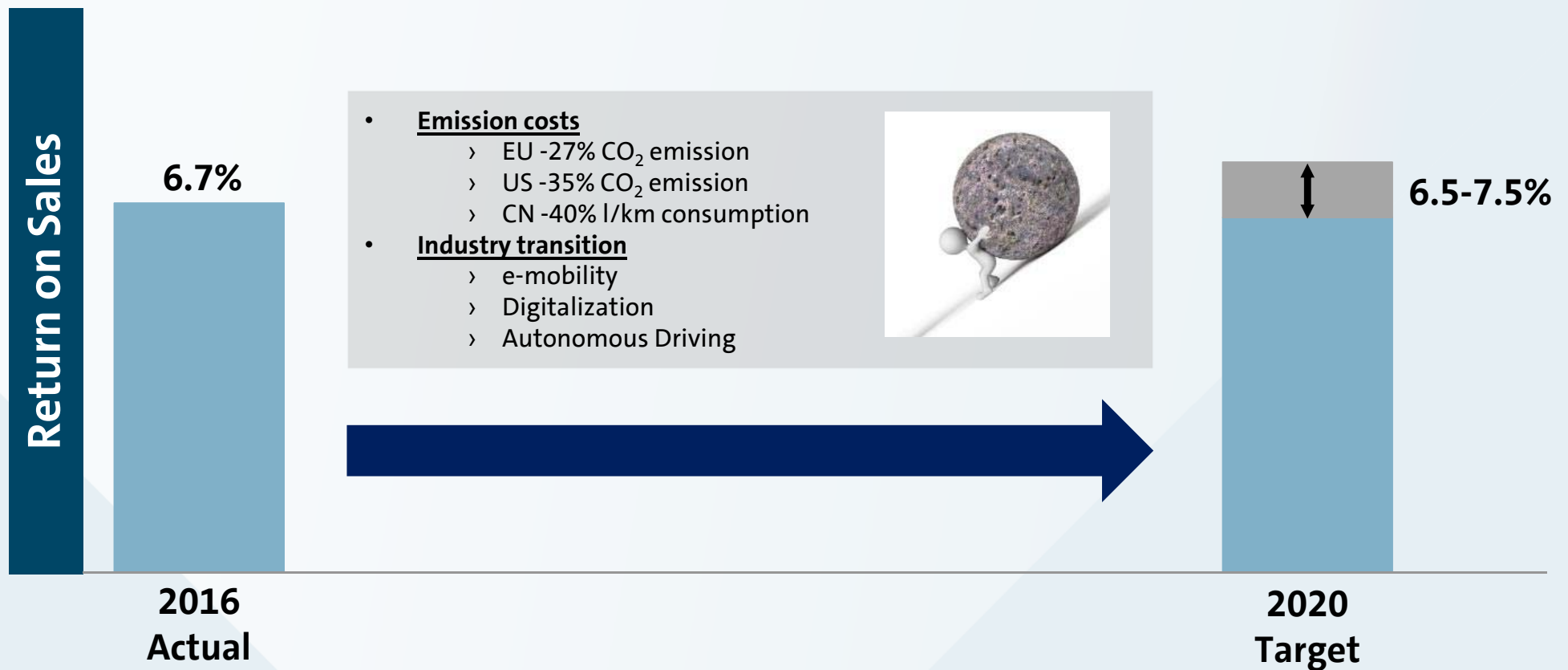
### Operating return on sales

between 6.0% and 7.0%

\*before Special Items

\* Upgraded at H1

## Improving Group results despite significant challenges



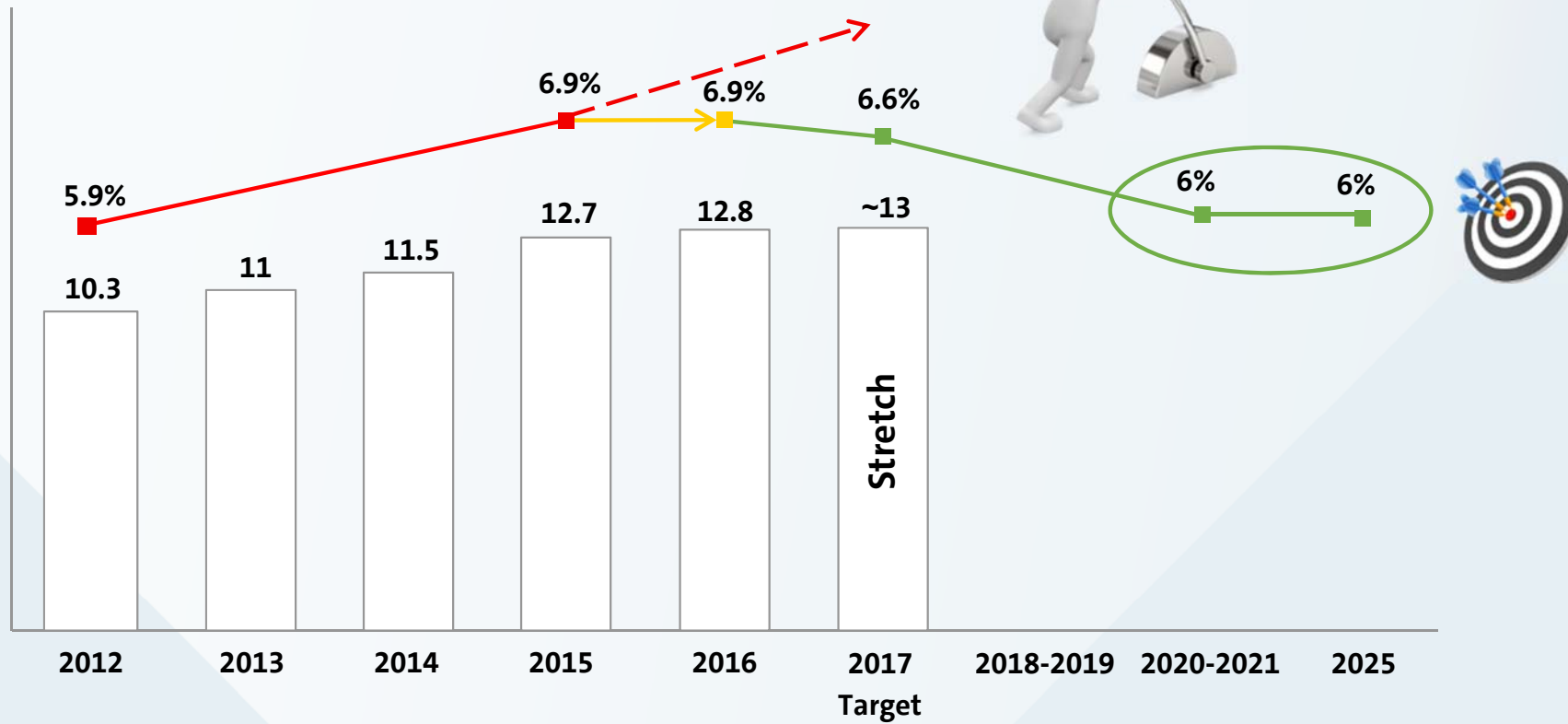
## Clear Financial Targets and Milestones

Key financial targets		2016 Actual	2017 Targets	2020 Targets	2025 Targets
<b>Operating return on sales</b> <u>Before</u> special items		6.7%	6-7%	6.5-7.5%	7-8%
<b>Return on investment</b> Automotive Division <u>before</u> special items		13.9%	11-13%	13-15%	>15%
<b>Capex ratio</b> Automotive Division		6.9%	6.6%	6% (2020/21)	6%
<b>R&amp;D cost ratio</b> Automotive Division		7.3%	6.7%	6% (2020/21)	6%
<b>Cash</b> Automotive Division	a) Net Cashflow	€ 4.3 bn	negative	positive <sup>1)</sup>	positive <sup>1)</sup>
	b) Net Liquidity	€ 27.2 bn	> 15 bn	≥€ 20 bn	~10% of Group turnover

1) after considering a strategic target of 30% Payout Ratio based on Group profit after tax

## CAPEX Automotive Division

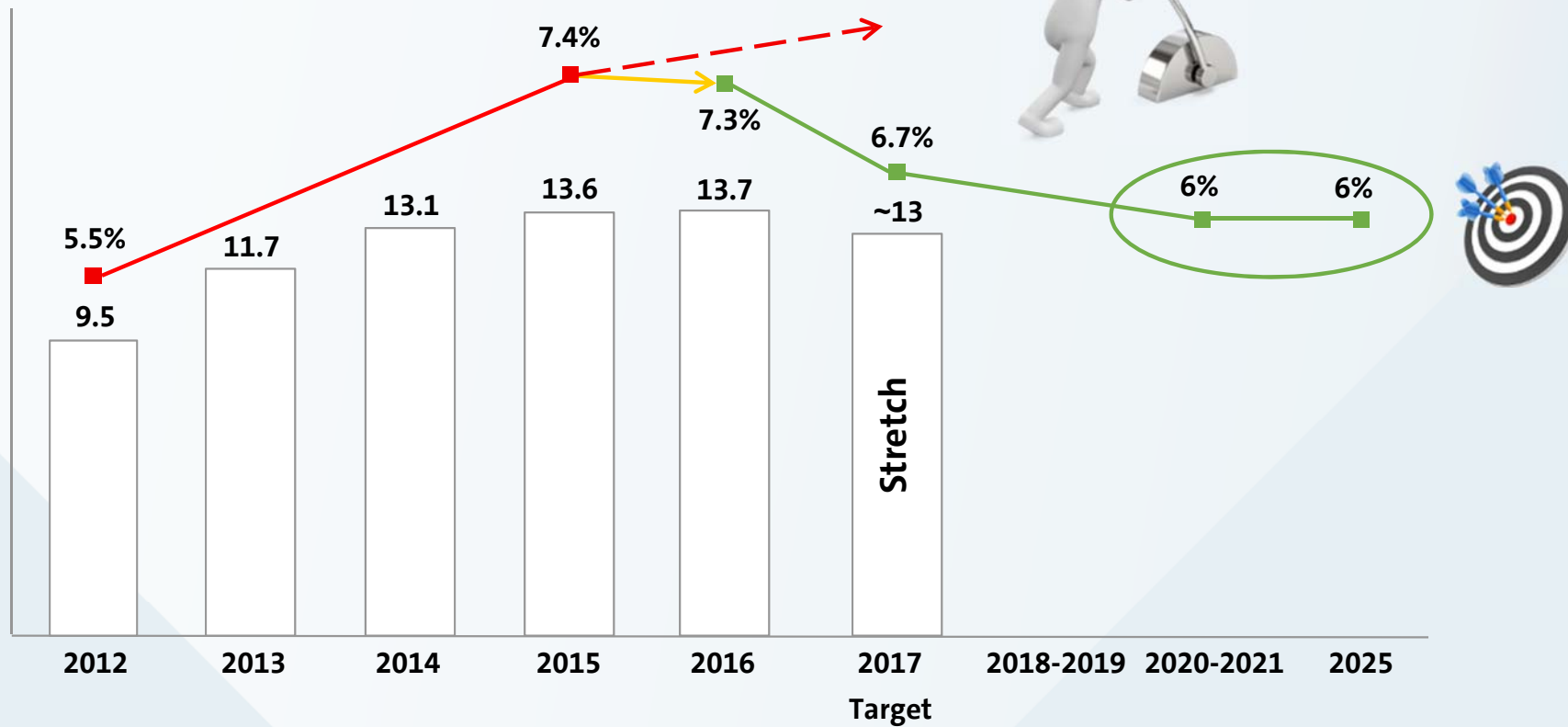
(€ bn, as % of sales revenue)





## R&D Cost Automotive Division

(€ bn, as % of sales revenue)



# STRATEGY 2025 – INITIATIVES AT A GLANCE

## GROW PROFITABLY

- 1 Sharpen positioning of brands
- 2 Develop winning vehicle and drivetrain portfolio
- 3 Streamline modular architectures
- 4 Partner with regional players to win in economy segment



Transform core business

## DEVELOP STRATEGIC CAPABILITIES

- 5 Develop self-driving system for autonomous vehicles and artificial intelligence in-house
- 6 Develop battery technology as new core competency
- 7 Develop best-in-class user experience across brands and customer touchpoints

## ENHANCE ENTREPRENEURIAL SPIRIT

- 8 Implement model line organization
- 9 Realign "Components" business

- 10 Build mobility solutions business

- 11 Develop and expand attractive and profitable smart mobility offering



Build mobility solutions business

- 12 Improve operational excellence

- 13 Optimize business portfolio



Secure funding

- 14 Drive digital transformation

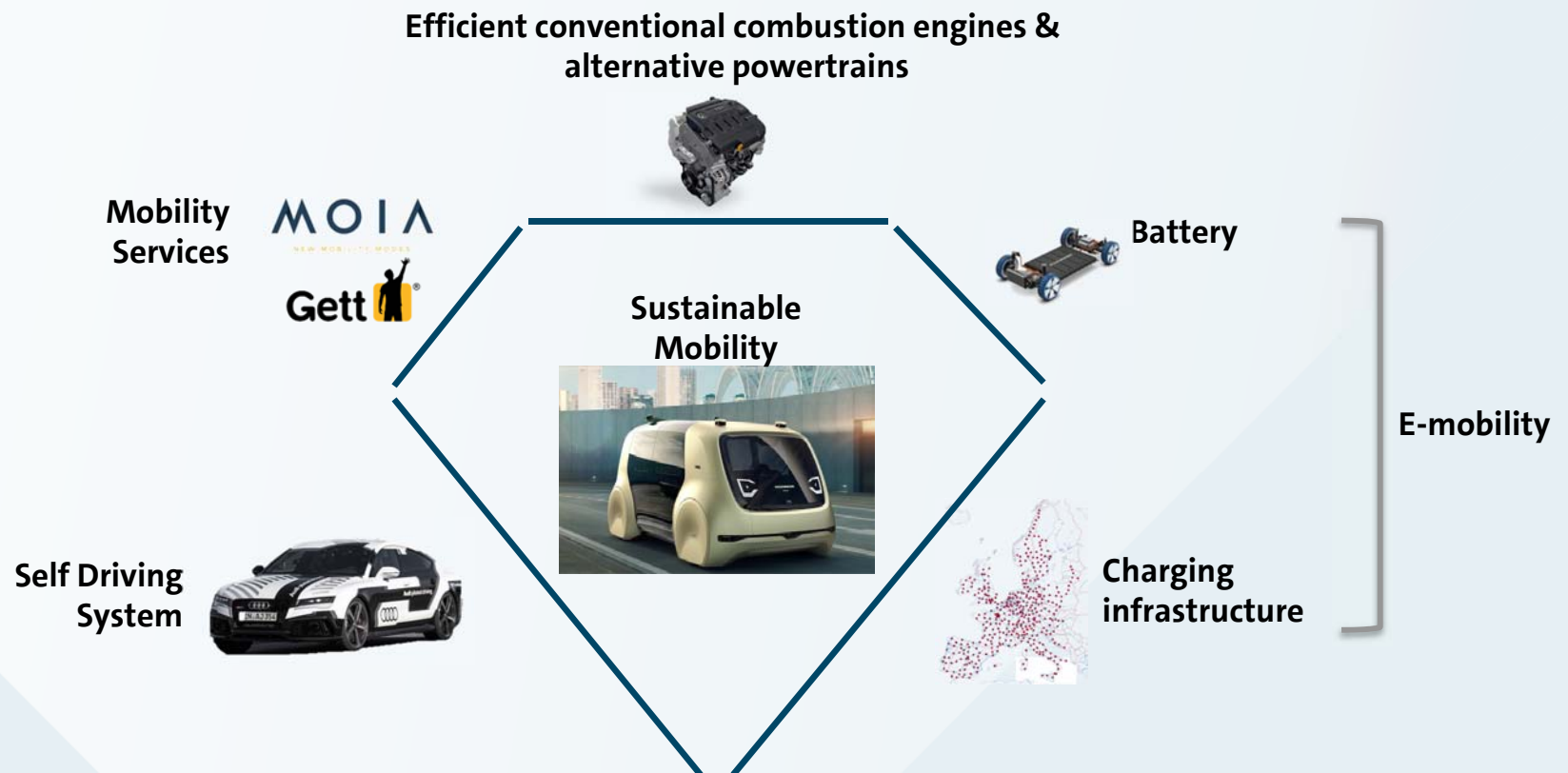
- 15 Create organization 4.0



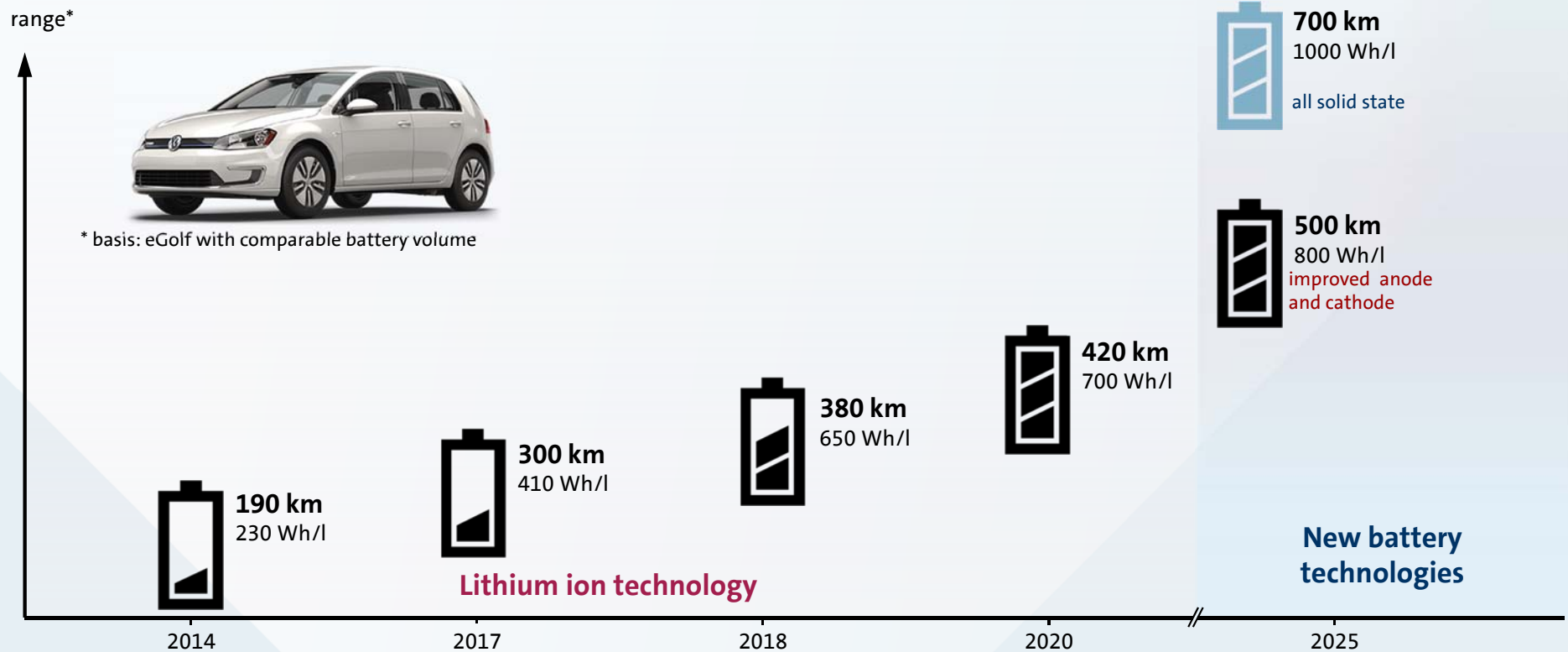
Strengthen innovation power

- 16 Better integrated and strategic planning process

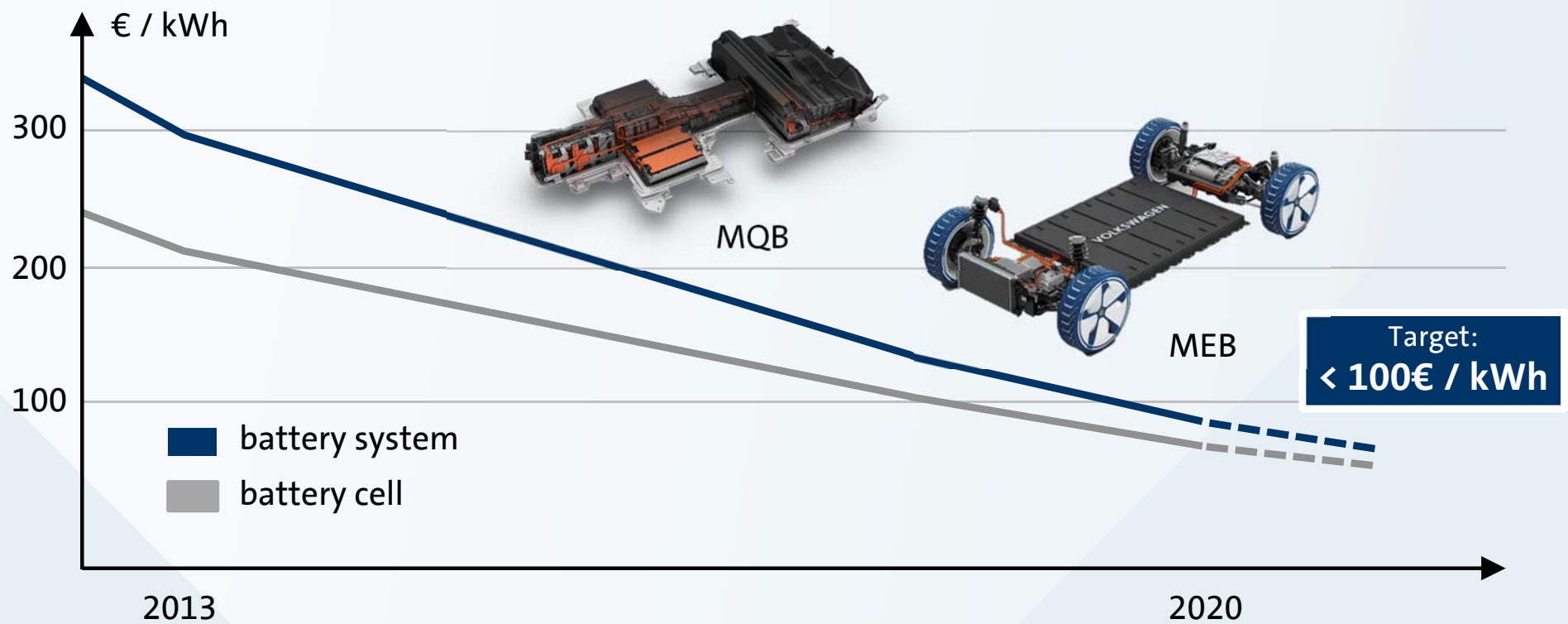
## Building blocks to provide sustainable mobility solutions



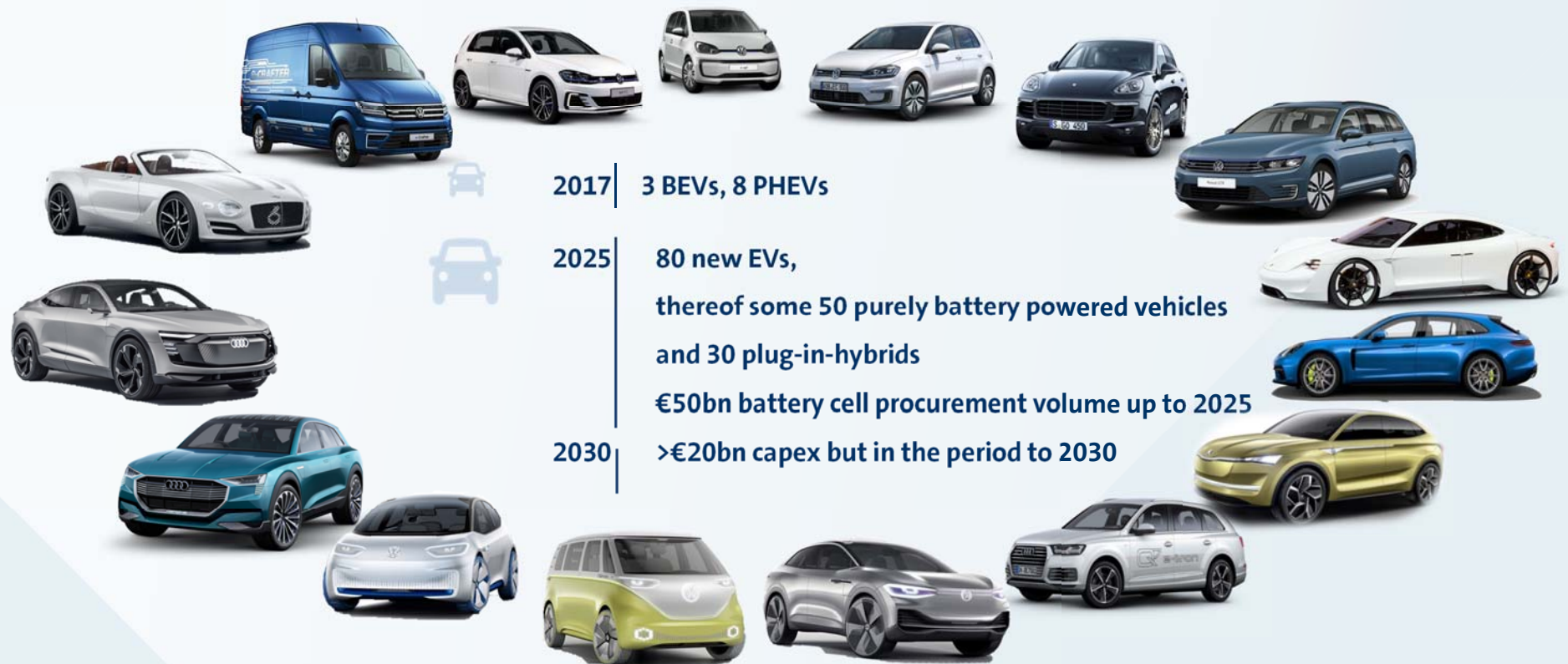
## Advances in battery technology will improve range, weight and costs



## Battery costs will decrease significantly by 2020



## Roadmap E - E-mobility model offensive of the Volkswagen Group





## Multi OEM Joint Venture to deploy a HPC charging network in Europe

### European High Power Charging GmbH & Co. KG

**BMW  
GROUP****DAIMLER**

~ 400 charging stations

**VOLKSWAGEN**

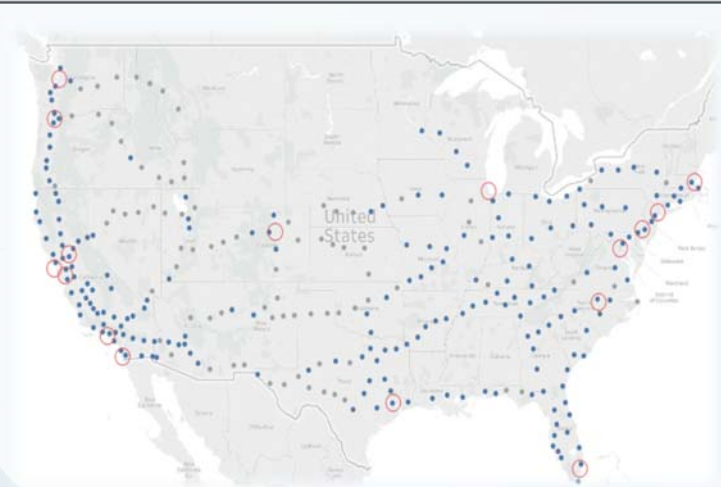
AKTIENGESELLSCHAFT



- ◆ Unprecedented collaboration among automakers
- ◆ Deployed power levels up to 350 kW
- ◆ Network based on the Combined Charging System (CCS) international standard
- ◆ Open brand-independent network

## Electrify America: Start to execute the National ZEV plan (Zero Emissions Vehicles)

### Electrify America first cycle network



- Phase 1 long-distance site (initial implementation)
- Phase 2 long-distance site
- Potential metro area

**First 30-month investment cycle – focus on EV infrastructure, including highway and community chargers**

### Key features of Appendix C

#### Investment

- **\$2B total investment over 10 years at \$500M per 30-month cycle**
  - \$1.2B Nationally (EPA)
  - \$800M in California (CARB)

#### Goal

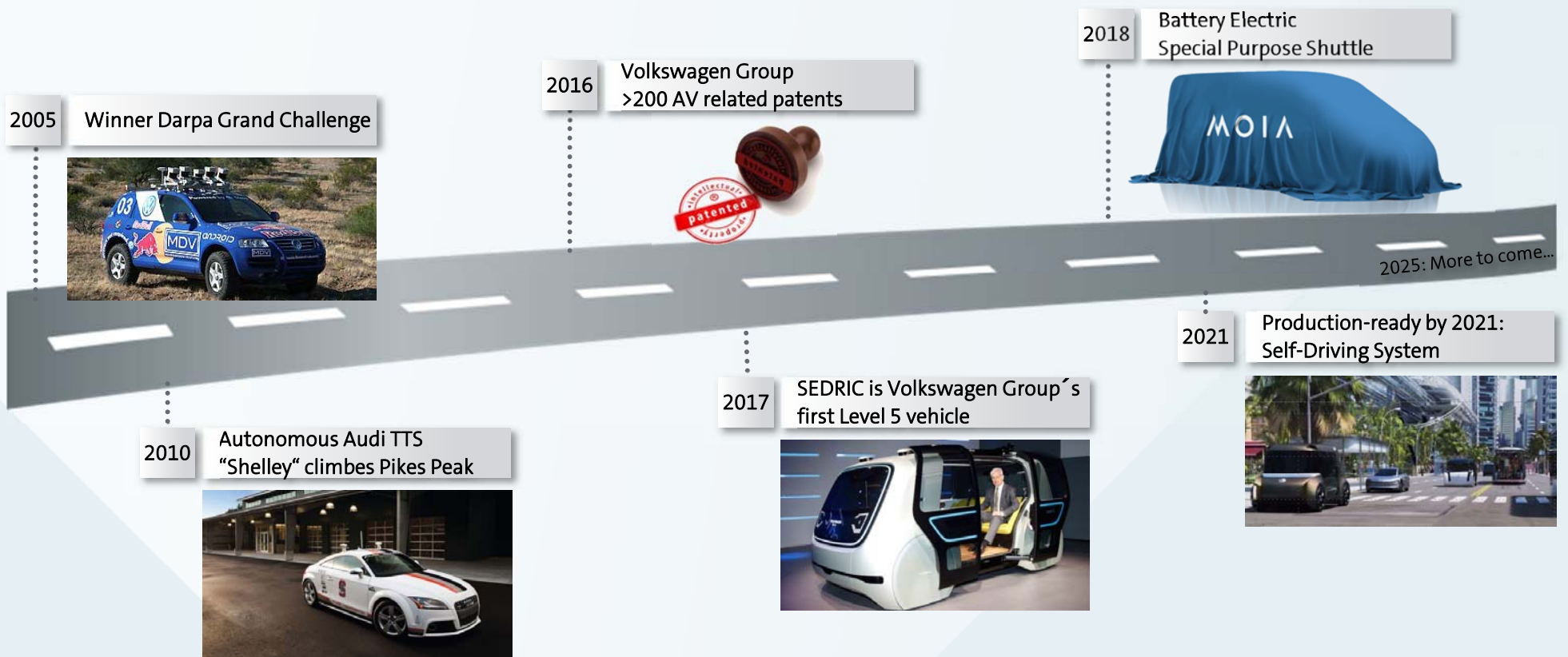
- **Goal to increase EV adoption for US market** through brand-neutral and self-sustaining ZEV investments

#### Plan

- **30-month investment, planning, and reporting cycles** allow for changes in technology, customer behavior, and car capabilities



## Intensified efforts to develop autonomous vehicles





## Cascading Group Targets to Brands

Group KPIs

RoS

RoI

Capex

R&D

CF/Liquidity



Commitment



Brand KPIs

Top-Down Targets



Committed in Planning Rounds

Specific KPIs

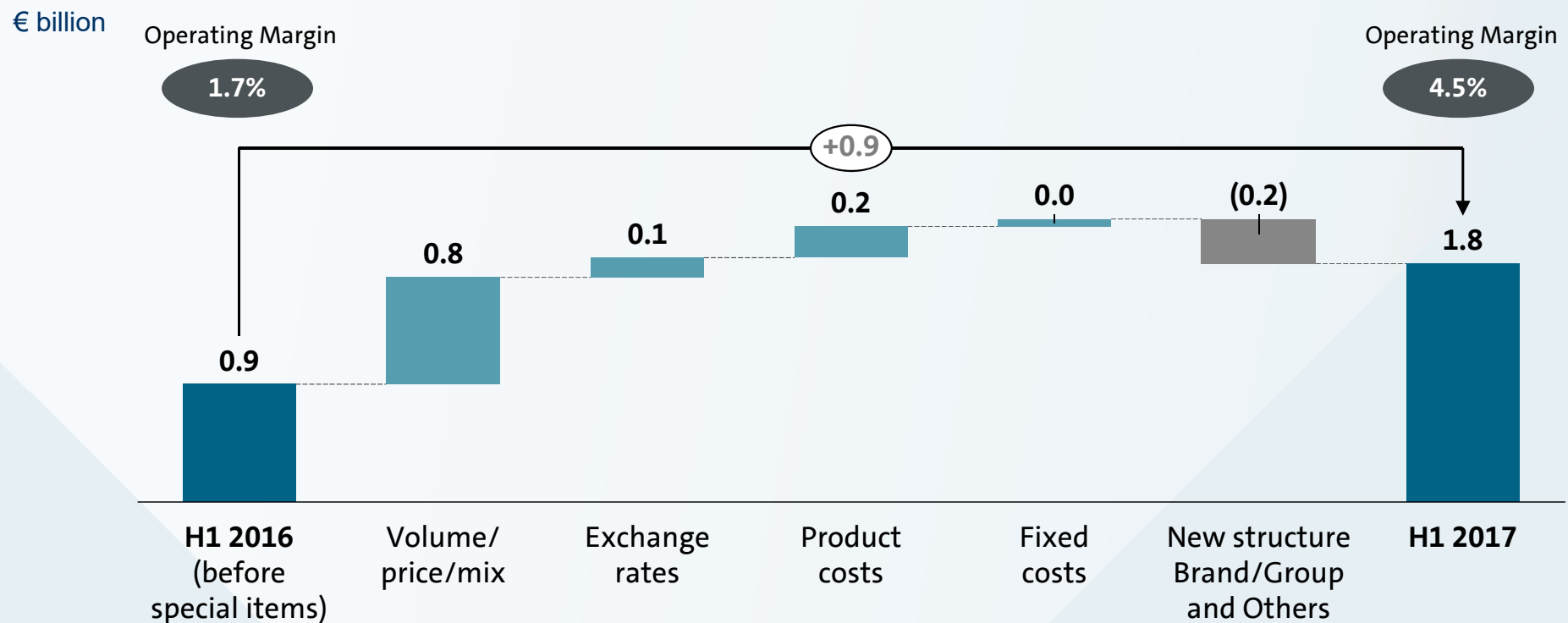
## Overview Brand Targets (RoS, RoE)

Return on Sales in %	<u>2016</u>	<u>2017</u>	<u>2020</u>	<u>2025</u>
Volkswagen Group	6.7	6.0-7.0	6.5-7.5	7.0-8.0
Volkswagen Brand	1.8	2.5-3.5	≥4	≥6
Audi	8.2	8-10	8-10	8-10
Porsche	17.4	>15	>15	>15
ŠKODA	8.7	7-8	6-7	≥7
Volkswagen Commercial Vehicles	4.1	3-4	4-5	>6
Truck & Bus Business <sup>1)</sup>				
• Scania	9.5			
• MAN Commercial Vehicles	2.3	6-7	9 <sup>2)</sup>	9 <sup>2)</sup>
Return on Equity (norm. 8%)	<u>2016</u>	<u>2017</u>	<u>2020</u>	<u>2025</u>
Volkswagen Financial Services	15.6%	14-16%	14-16%	20%

<sup>1)</sup> For peer-group analysis: Truck & Bus Business RoS is calculated as the sum of Scania and MAN Commercial Vehicles (equals ~6.1% in 2016)

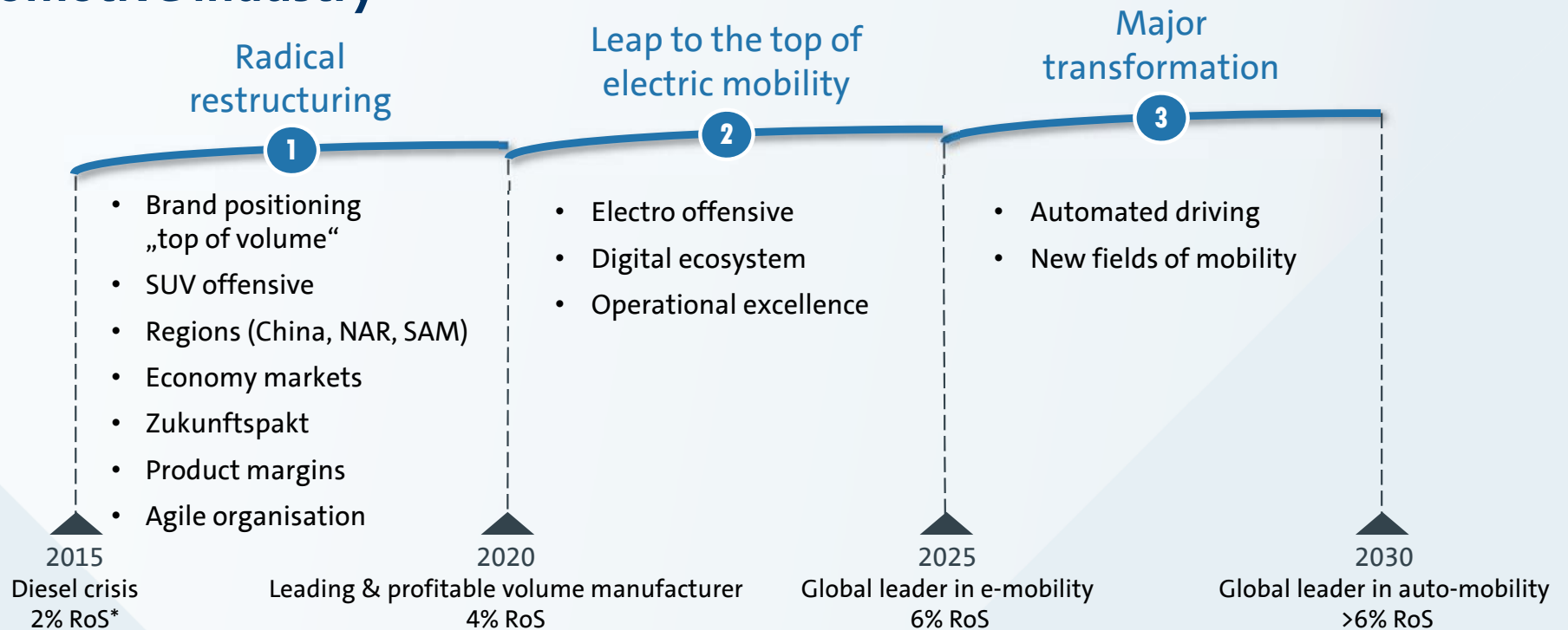
<sup>2)</sup> Through-cycle Target

## Analysis of Operating Result – H1 2016 vs. H1 2017



Note, due to rounding the sum of single variations can differ to total variation.

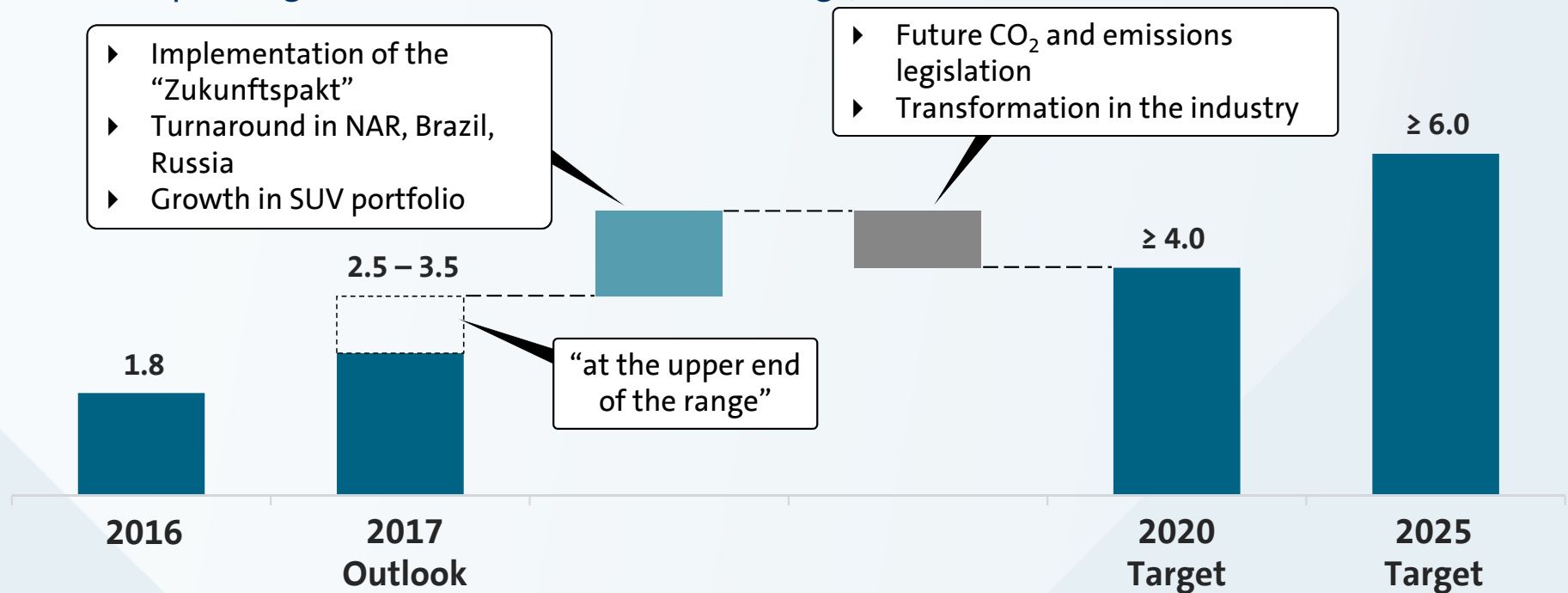
# The „TRANSFORM 2025+“ strategy will put the brand to the top of the automotive industry



\* Before special items

## Result outlook for 2017 follows TRANSFORM 2025+ strategy path

(Growth in operating return on sales as % of net earnings)



## Increase in competitiveness and safeguarding the future are the focus points of the Future Pact agreement

Working Group 1 Production	<ul style="list-style-type: none"> <li>• Increase of productivity by 25%</li> <li>• Reduction of plant costs</li> </ul>
Working Group 2 Components	<ul style="list-style-type: none"> <li>• Increase of productivity by 25%</li> <li>• Discontinuation of unprofitable products</li> </ul>
Working Group 3 Technical Development	<ul style="list-style-type: none"> <li>• Reduction of hardware-oriented development work</li> <li>• Increased efficiency in development processes</li> </ul>
Working Group 4 Administration	<ul style="list-style-type: none"> <li>• Reduction of bureaucracy</li> </ul>

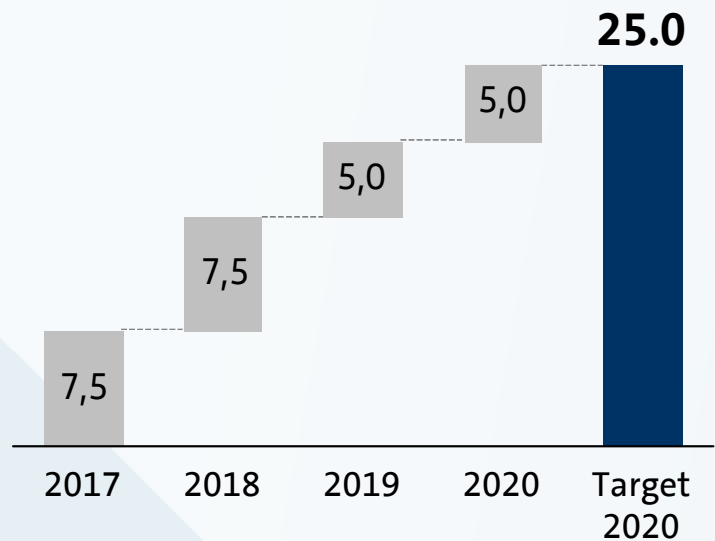
### Secure the Future

- 4 additional models:  
2 conventional and 2 MEB vehicles
- Investments in:
  - Electric drive trains
  - Pilot facility battery cell
  - Battery system
- Competency/capacity increase in autonomous driving, electrification, connectivity etc.
- Creation of employment in new business segments

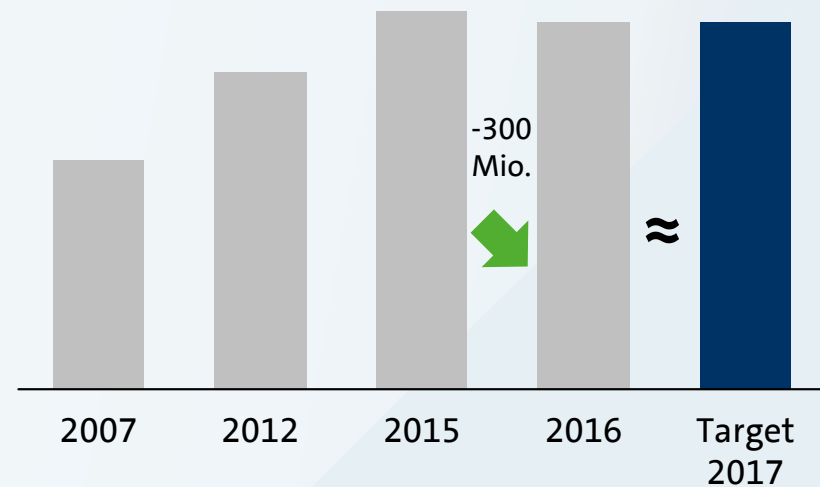
Reduction in workforce based on demographic curve

## Volkswagen brand: Productivity will increase by 7.5 percent this year

**PRODUCTIVITY IMPROVEMENT**  
(percent | Targets)



**FIXED COSTS IN GERMANY**  
(€ billion)





## Volkswagen brand is planning a strong comeback in the USA

### Focus on US Core Segments



Atlas



Tiguan LWB



Jetta



Passat

### Key measures

- Extend SUV offering, focus on US core segments (SUVs, sedans)
- Market-oriented pricing
- Market-oriented alignment to local standards and customer expectations
- Reduce material, product and fixed costs
- “Electrify America”: infrastructure and locally produced cars from 2021

## A product offensive will initiate a new growth phase in South America

### Product offensive in South America



Polo Global



Polo Sedan Global



Small SUV Global

### Key measures

- Restructuring: reduce capacities and fixed costs
- Increase productivity, align products to local requirements
- Product offensive, €2.5 bn investment
- New brand positioning
- New growth strategy for Latin America

## 2017 will be shaped by a high product momentum

Atlas (NAR)



Arteon (EU)



Polo (EU)



Phideon PHEV (CN)



Touareg (EU)



Jan

**Feb**

**March**

April

May

**June**

July

**Aug**

Sept

Oct

**Nov**

**Dec**



up! PA (SAM)

Dates: Start of Production



Tiguan LWB (NAR)



T-Roc (EU)

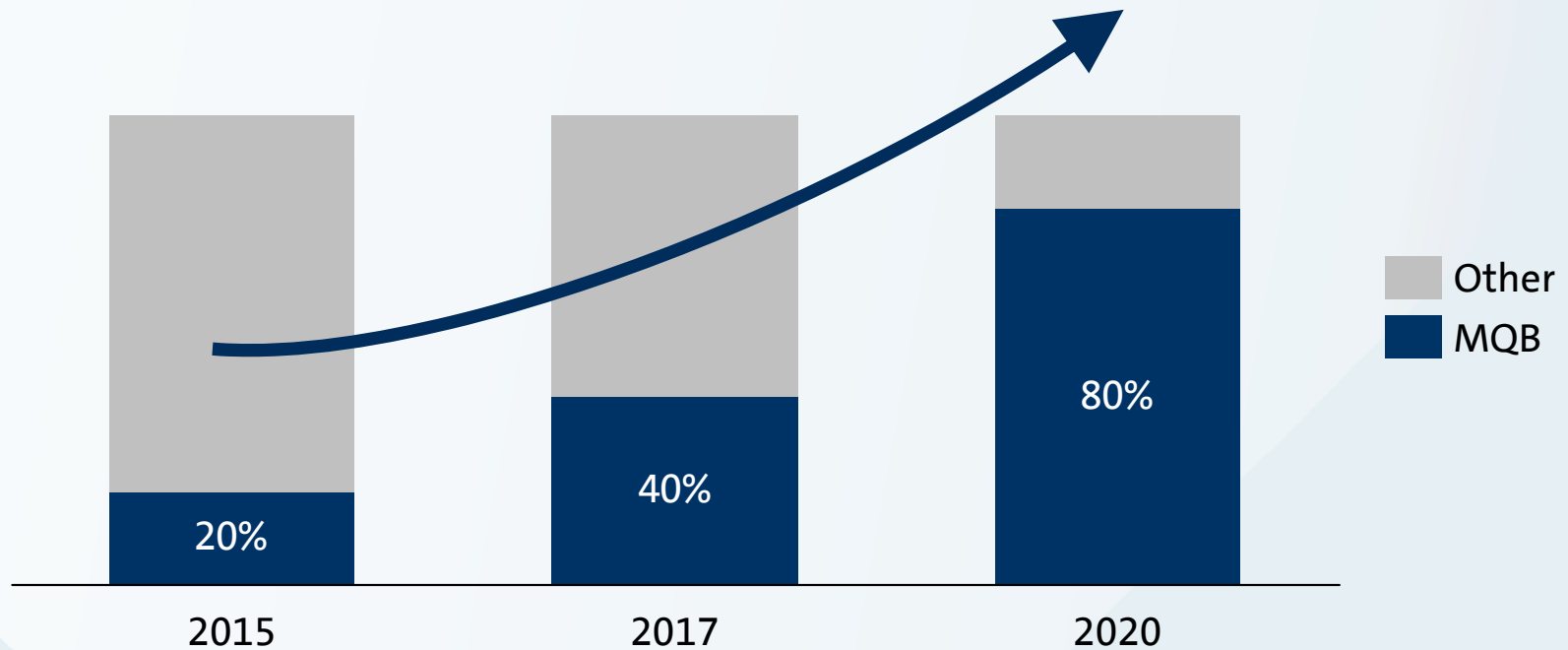


Virtus (SAM)



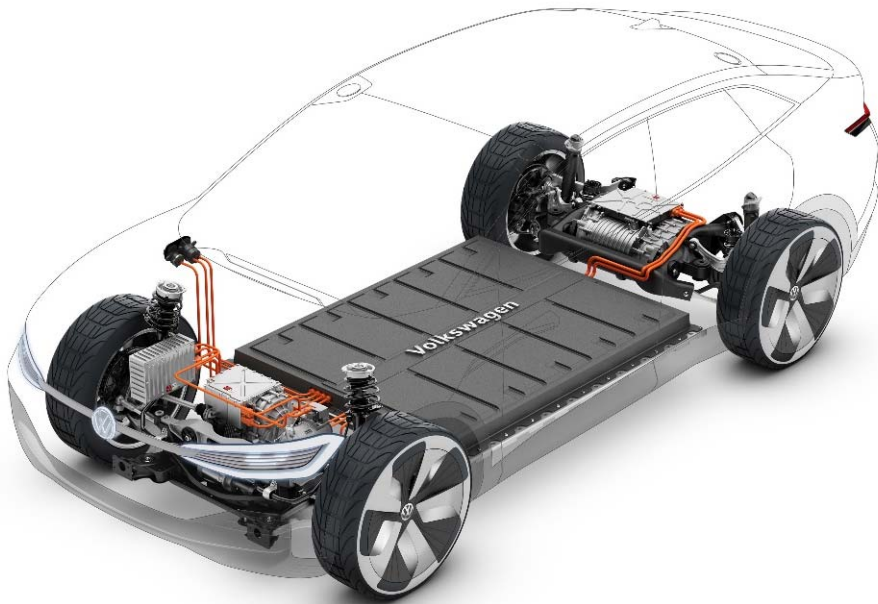
Jetta (NAR)

## Further roll-out of MQB offers substantial benefits



SHARE OF MQB (ROUNDED) | TOTAL PRODUCTION VOLUME | VOLKSWAGEN PKW

## All electric platform: The basis for profitable electric cars



- Concept determined by: customer benefit and package for cost-optimized design of e-components
- Economies of scale from use of MEB across entire Group
- “Design for manufacturing”: higher productivity, shorter manufacturing time
- Lower material and distribution costs
- Significant reduction in variants
- Early involvement of suppliers



## Three models of Volkswagen's "Starting Five" for the Electric Age



## Core challenges in the commercial vehicle industry ...

### Cyclical markets



Strong correlation to GDP in developed world

Not all regions hit by economic downturns at the same time

### Further globalization



Local OEMs dominating in BRIC markets

Improving infrastructure, stronger regulations open opportunities for Volkswagen

### Emission regulations



Europe with aggressive regulations, focus shifting to diesel lock-outs

BRIC trailing behind, but with ambitious roadmap

### Connectivity & digitalization



Platooning and partly-autonomous driving as transition solutions

Data management for customers and traffic of broad interest

### After sales and new business opportunities



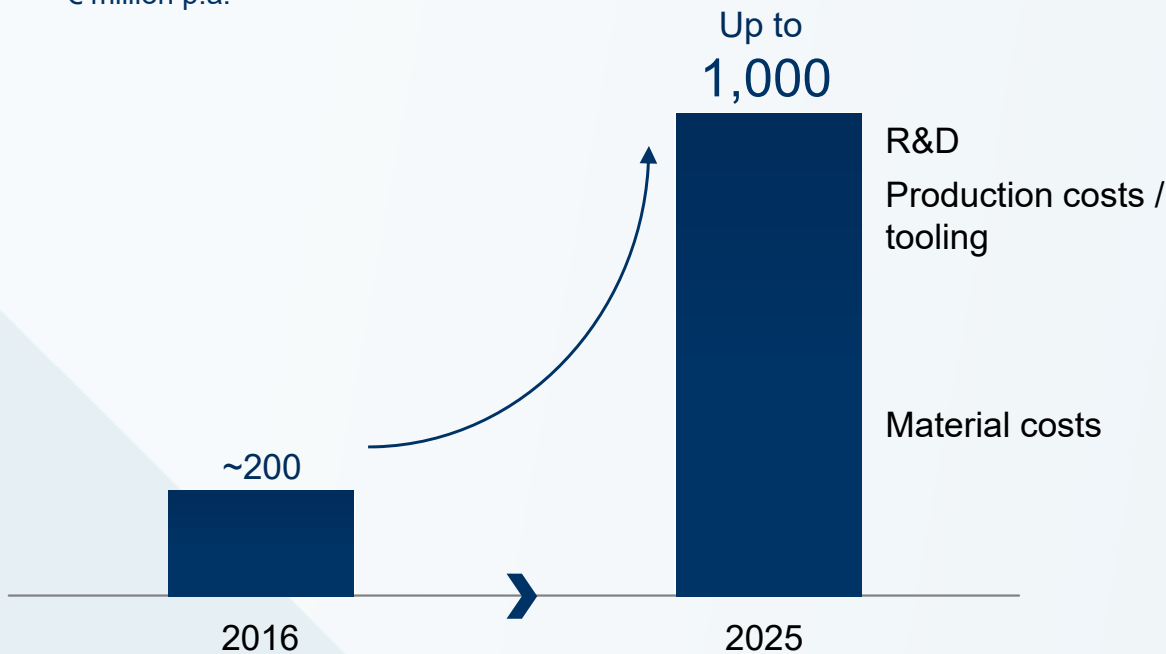
After sales increasingly important as alternative source of revenues

New business models (e.g. enhanced telematics) can stabilize revenues

## Long-term synergy potential will enable savings of up to €1 bn p.a.

### Synergy potential from brand collaboration and expanded platform strategy

€ million p.a.



### Key common powertrain platforms



Base engine



After-treatment







Transmission



Axles



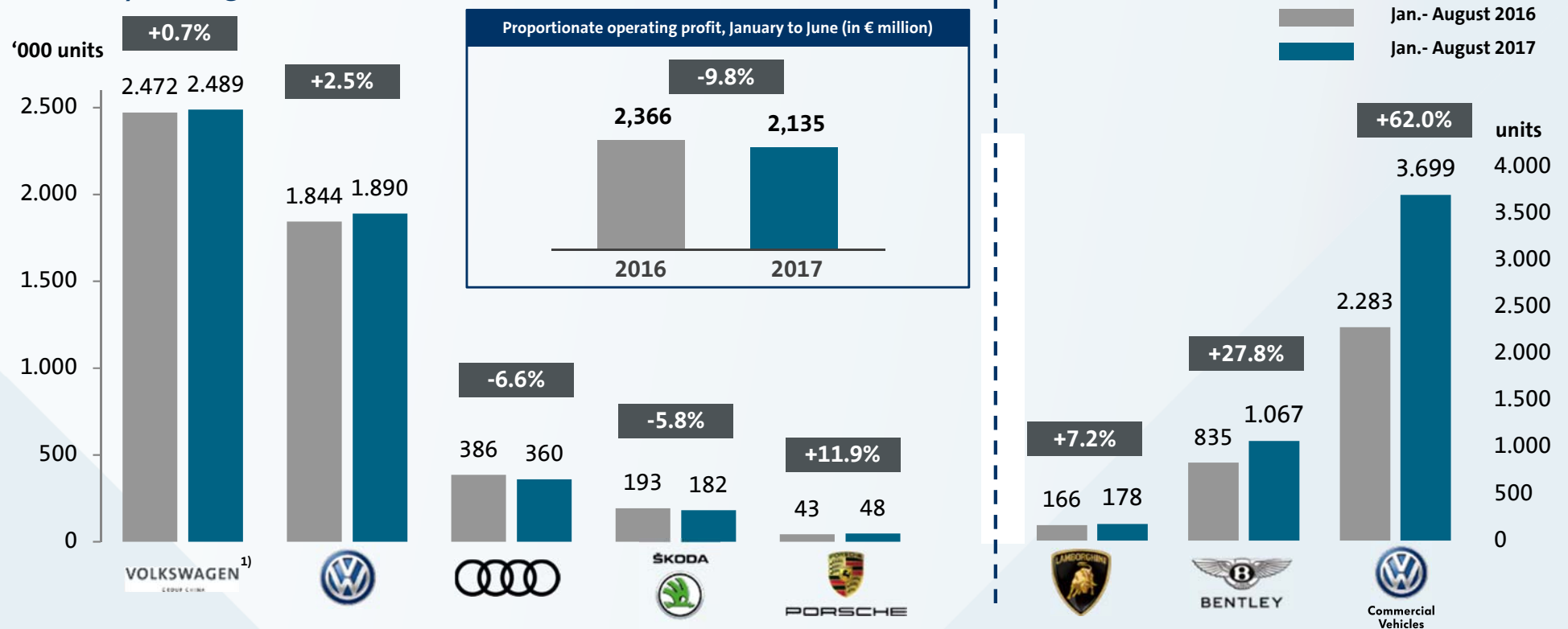
## Global expansion on track with Navistar alliance

1	Equity investment		16.8% equity stake in Navistar by way of capital increase*
2	Strategic technology and supply cooperation		Companies to collaborate on technology for powertrain systems, as well as other advanced technologies
3	Procurement joint venture		Procurement joint venture is pursuing joint global sourcing opportunities
4	Governance		2 VW T&B representatives nominated to Navistar Board of Directors. Joint Alliance Board to govern overall alliance

\* As at 30.06.2017 41



## Volkswagen Group China performance (January to August 2017 vs. 2016)

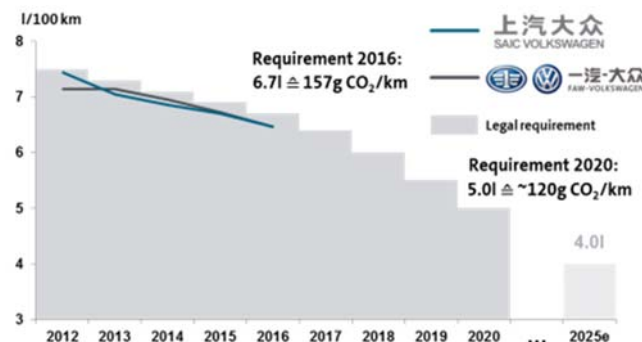


<sup>1)</sup> incl. Hong Kong, excl. Ducati. Group numbers incl. MAN and Scania



## Regulatory environment in China

### CAFC - Fuel consumption target



### China 6 regulation

Emission regulation China 6 for gasoline engines

Implementation on national level for **C6a** from **July 2020**, for **C6b** from **July 2023**

**Beijing and Shanghai** may start with similar regulation in **2018** and other key regions in **2019**

### MIIT proposal for NEV credit system <sup>1)</sup>

NEV credit point ratio

	2017	2018	2019	2020
	None	8%	10%	12%

NEV Credit Point Attribution per NEV Type

	BEV				PHEV	FCEV	
E-Range (in km)	80 - 150	150 - 250	250 - 350	>350	>50	250 - 350	>350
Credit Point	2	3	4	5	2	4	5

### NEV subsidies scheme

**New Requirement** on national subsidies for NEVs

- raise the entry threshold
- may be adjusted dynamically

**Direct national subsidy (20% reduced in 2017)**

(up to 44,000 RMB for BEV and 24,000 RMB for PHEV)

**Additional subsidies from local provinces**

(≤50% of national subsidy)

<sup>1)</sup> Simplified schematic overview.



# We will be prepared to deliver around 400,000 NEVs by 2020 and 1,500,000 by 2025

## Introduction of locally produced NEV

## Mass market BEV cooperation

### Phase 1

Plug-in hybrids based on current toolkits



### Phase 2

Pure electric vehicles based on current toolkits



### Phase 3

Pure electric vehicles based on scalable electric toolkit



VOLKSWAGEN  
GROUP CHINA

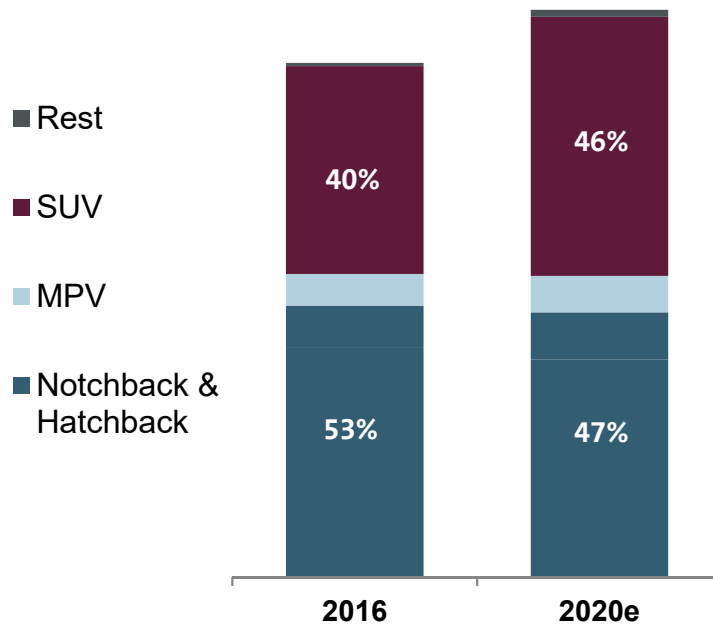
**JAC** 江淮汽车



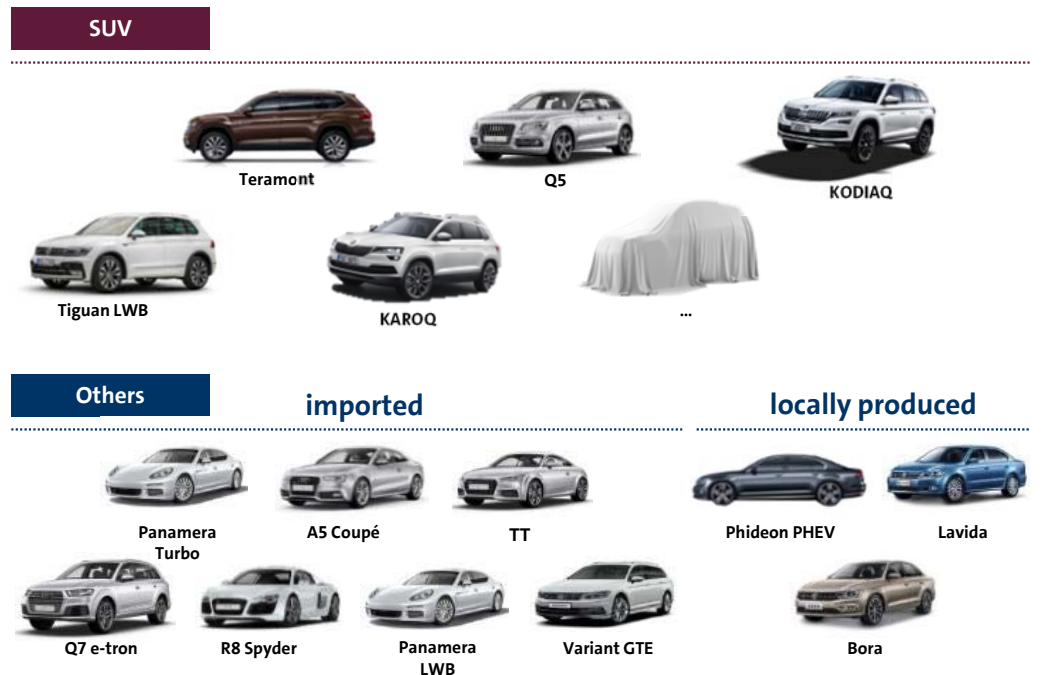


## New product offering with an expanded SUV line-up <sup>1)</sup>

### Body style trends until 2020<sup>1)</sup>



### New vehicle launches 2017 and to follow<sup>2)</sup>



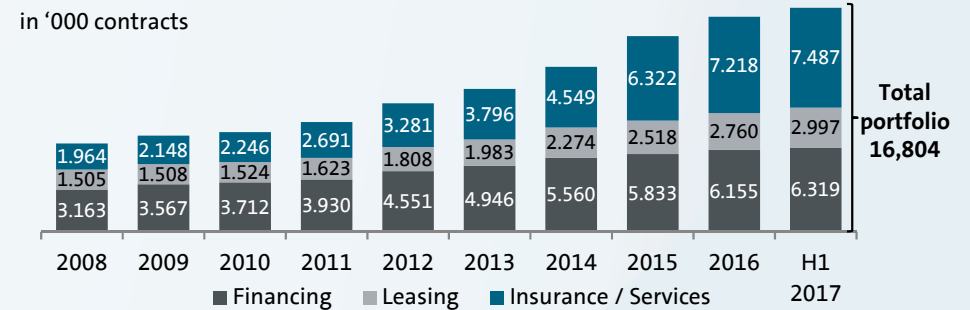
<sup>1)</sup> Source: IHS <sup>2)</sup> Schematic overview – does not show all models

# Volkswagen Financial Services<sup>1)</sup>: global, well diversified and successful

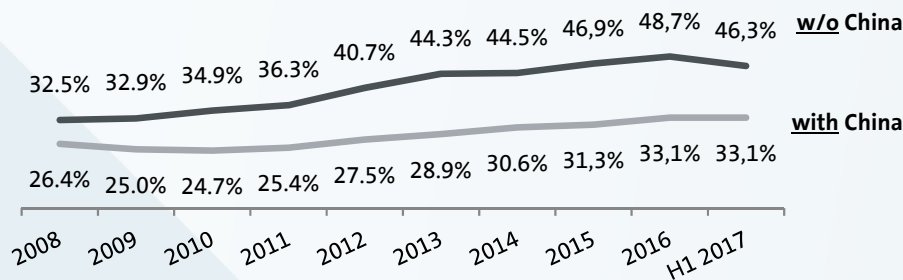
## Strong global presence



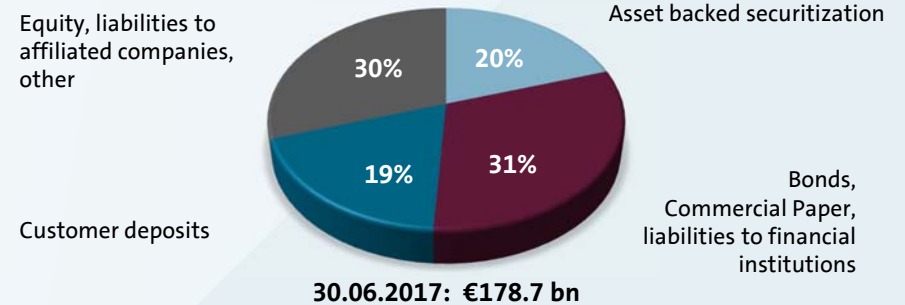
## Continuous portfolio expansion



## Rising penetration rates



## Diversified funding structure

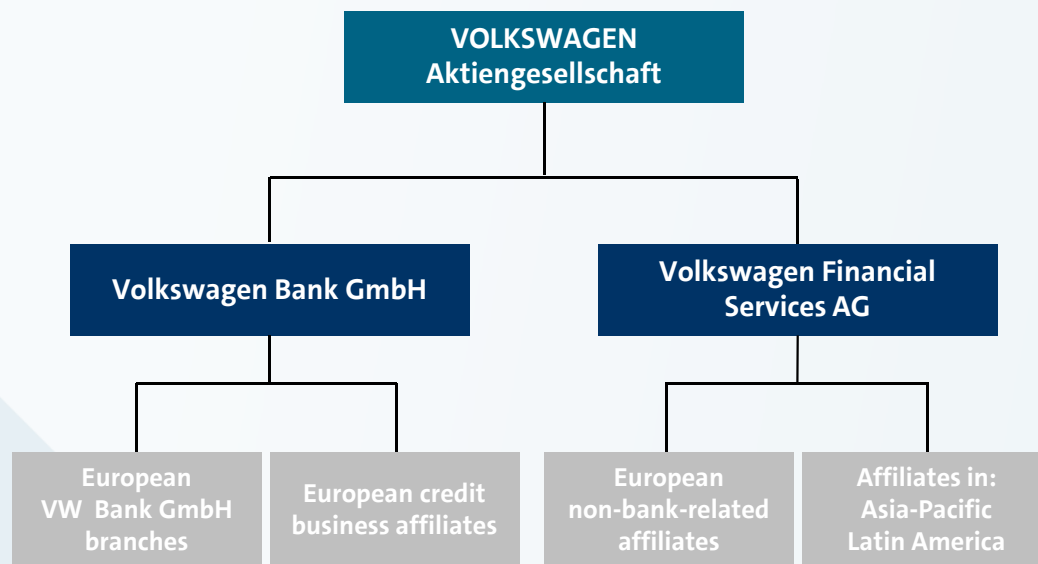


<sup>1)</sup> Excluding activities of Scania and Porsche Holding Salzburg; including Financial Services of Porsche AG and MAN Financial Services,

## Optimized structure for Volkswagen Financial Services AG

(Effective from 1. September 2017)

### Organisational set-up of Volkswagen Financial Services



### New Corporate Structure

- All the credit and deposit business within the European Economic Area (EEA) is bundled in Volkswagen Bank GmbH
- Volkswagen Bank GmbH is a wholly owned subsidiary of Volkswagen AG
- The credit business outside Europe - excluding NAR, Scania FS and PHS - as well as all other activities, such as the leasing, insurance, service and mobility business, remain with Volkswagen Financial Services AG

#### Advantages:

- Optimized capital requirements
- Reduced complexity & improved transparency
- Supports future growth path

## Special Items: Diesel related and other

(In € bn)	Diesel		Other		Total
2015	Legal	7.0	Restructuring:		
	Other items	9.2		Truck Business	0.2
				Passenger Cars South America	0.2
				Airbags Takata	0.3
		16.2		0.7	16.9
2016	Mainly legal risks	6.4	Scania Anti-Trust Proceedings	0.4	
				Others	0.7
				1.1	7.5
Total to date		22.6		1.8	24.4
Expected for Q3 2017	Increased Costs for buyback/retrofit program	2.5			

No material special items in H1 2017. A significant amount of the Diesel dollar-related provisions are hedged and a further substantial amount of the provisions have been utilized as we had cash outflows of around €3bn in Q4 2016, around €5bn in Q1 2017 and around €7bn in Q2. Further special items to be booked in Q3 2017, relating to an increase in provisions for the buyback/retrofit program of 2,01 TDI vehicles.



## Technical solution in Europe/RoW simple and relatively easy to implement



### Predominantly software-only solution

### Update status



Almost 5.9m units have been updated  
(status 31<sup>st</sup> August 2017)

- Technical solution already generally confirmed for all concepts by KBA<sup>1</sup>
- Gradual approval of clusters after cluster-specific KBA inspection<sup>1</sup>
- Software update in < 30 min. for 2.0L and 1.2L TDI; also simple, very cost-effective hardware solution “flow rectifier” for 1.6L TDI in < 60 min.

<sup>1</sup> KBA approval relevant for EU28 and ECE user states (e.g., Turkey)

## Integrity, Compliance & Culture: a selection of three current activity areas

### 1. Implementation of Holistic Integrity Programme:



Six action fields form the basis for a holistic integrity programme:



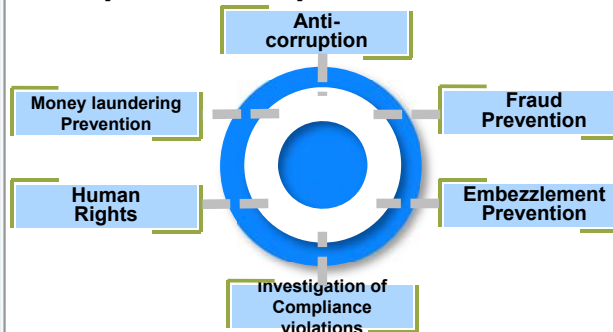
### 2. Evolution of Group Compliance:



Three areas were defined:

1. Development of Group Compliance Values
2. Clear definition of Group Compliance Objectives
3. Adjustment of Group Compliance structure

#### Compliance scope:



### 3. Development of Code of Cooperation:



Mutual rules and guidelines of working together were developed:

- Cross functional
- Aims at corporate culture
- Includes all brands



## In Summary:



**We know we have to earn your trust!**



**We are only promising what we have commitments for!**



**We will improve our targets once we make visible progress!**



**We have a plan and strongly believe in it!**

## Investor Relations Team



### **Oliver Larkin (Wolfsburg / London office)**

*Group Head of Investor Relations*

*E-Mail: [Oliver.Larkin1@volkswagen.de](mailto:Oliver.Larkin1@volkswagen.de)*

*Telephone: +49 5361 9 49840*



### **Helen Beckermann (Wolfsburg office)**

*Senior Investor Relations Manager*

*E-Mail: [Helen.Beckermann@volkswagen.de](mailto:Helen.Beckermann@volkswagen.de)*

*Telephone: +49 5361 9 49015*



### **Alexander Hunger (Wolfsburg office)**

*Senior Investor Relations Officer*

*E-Mail: [Alexander.Hunger@volkswagen.de](mailto:Alexander.Hunger@volkswagen.de)*

*Telephone: +49 5361 9 47420*



### **Andreas Kowalczyk (Wolfsburg office)**

*Investor Relations Officer*

*E-Mail: [Andreas.Kowalczyk@volkswagen.de](mailto:Andreas.Kowalczyk@volkswagen.de)*

*Telephone: +49 5361 9 23183*



### **Andreas Buchta (Wolfsburg office)**

*Investor Relations Manager*

*E-Mail: [Andreas.Buchta@volkswagen.de](mailto:Andreas.Buchta@volkswagen.de)*

*Telephone: + 49 5361 9 40765*



### **Ulrich Hauswaldt (Wolfsburg office)**

*Investor Relations Officer*

*E-Mail: [Ulrich.Hauswaldt@volkswagen.de](mailto:Ulrich.Hauswaldt@volkswagen.de)*

*Telephone: +49 5361 9 42224*



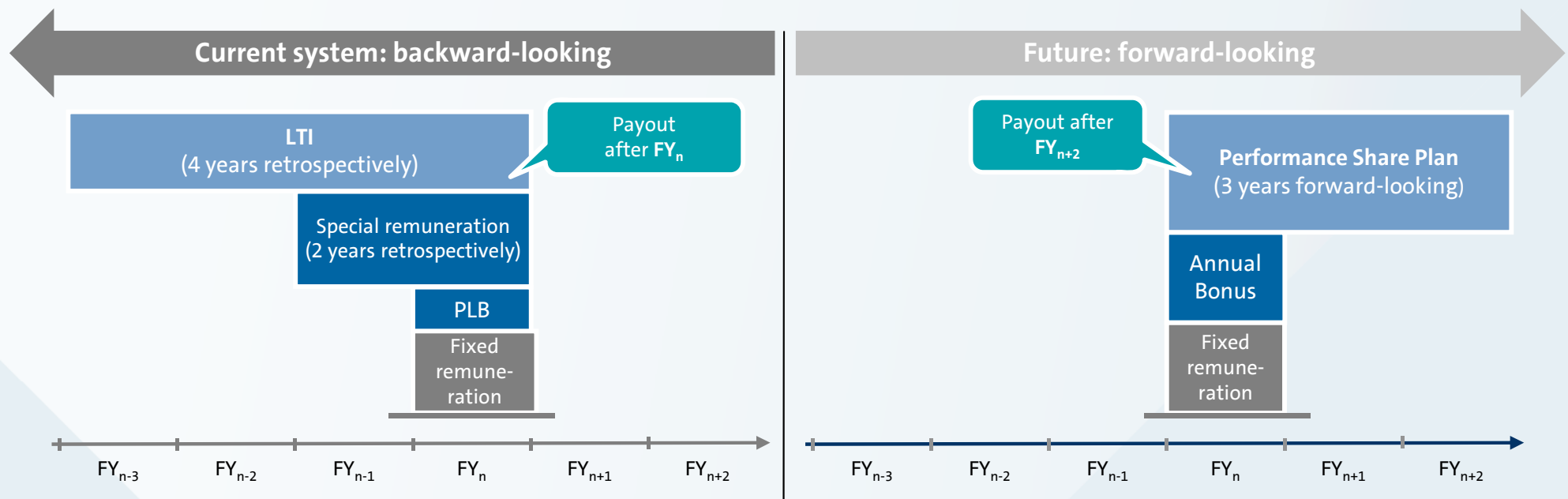
### **Lennart Schmidt (China office)**

*Investor Relations Manager*

*E-Mail: [Lennart.Schmidt@volkswagen.com.cn](mailto:Lennart.Schmidt@volkswagen.com.cn)*

*Telephone: + 86 10 6531 4732*

## The new remuneration system is designed to be completely forward-looking



### Adjusted recommendation of no. 4.2.3 sec. 2 German Corporate Governance Code

“Variable remuneration components shall generally be based on a multi-year assessment, **which shall be materially related to the future.**”

## The new remuneration system harmonizes the interests of different stakeholder groups

- ✓ ... is based on **clear remuneration policy guidelines**
- ✓ ... constitutes a **core element of the realignment** of the Group
- ✓ ... integrates strategic objectives of the **TOGETHER strategy 2025**
- ✓ ... is **capital market-oriented** and reflects human resource-related transformation objectives
- ✓ ... sets ambitious objectives for **sustainable corporate development**
- ✓ ... incorporates a **higher long-term orientation**
- ✓ ... reflects no past events and is therefore **completely forward-looking**
- ✓ ... is based on a **transparent target remuneration** approach
- ✓ ... incorporates a **total cap noticeably lower** than the individual caps
- ✓ ... is **transparent** and is easy to comprehend
- ✓ ... is **common market practice** and conforms to regulatory requirements



## Volkswagen T-Roc



## Volkswagen I.D.BUZZ





## AUDI Q5



## Porsche 718 Boxster





## ŠKODA KODIAQ



## SEAT Ibiza





## Bentley Bentayga



## Lamborghini Centenario



## Bugatti Chiron





## Volkswagen Crafter







**VOLKSWAGEN**  
AKTIENGESELLSCHAFT

**We are  
redefining  
mobility.**

## **Volkswagen Group**

**Christian Senger**

Head of the e-Mobility Vehicle Series

Video Conference with Exane BNP Paribas, Wolfsburg | London , 09<sup>th</sup> October 2017