



**Volkswagen Brand  
Financial Results January – June 2017  
Conference Call and Webcast**



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# Conference Call on the results January – June 2017



**Dr. Arno Antlitz**

Member of the Volkswagen Brand  
Board of Management for  
Controlling and Accounting



**Jürgen Stackmann**

Member of the Volkswagen Brand  
Board of Management for Sales,  
Marketing and After Sales

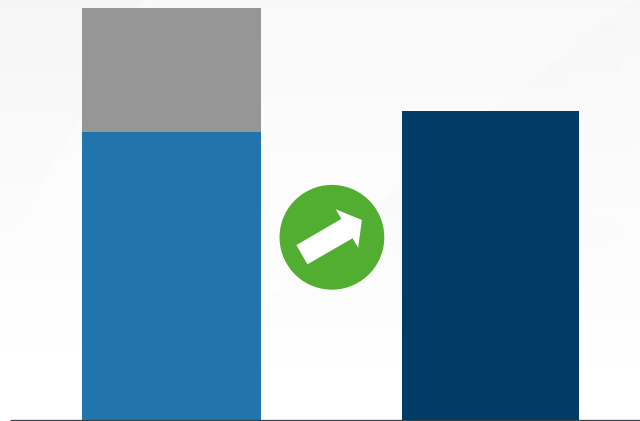


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# Successful operating performance in H1 2017

2016 2016 (adjusted) 2017

**EUR 39.9 billion**



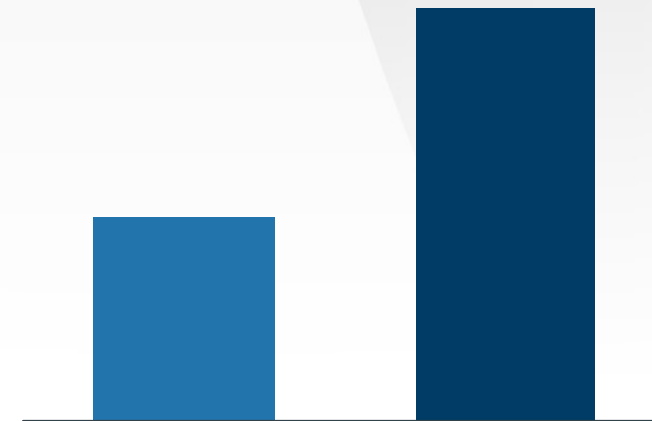
2016

2017

**Total sales revenue**

not comparable with prev. year  
("New Structure")

**EUR 1.8 billion**



2016

before  
special items

2017

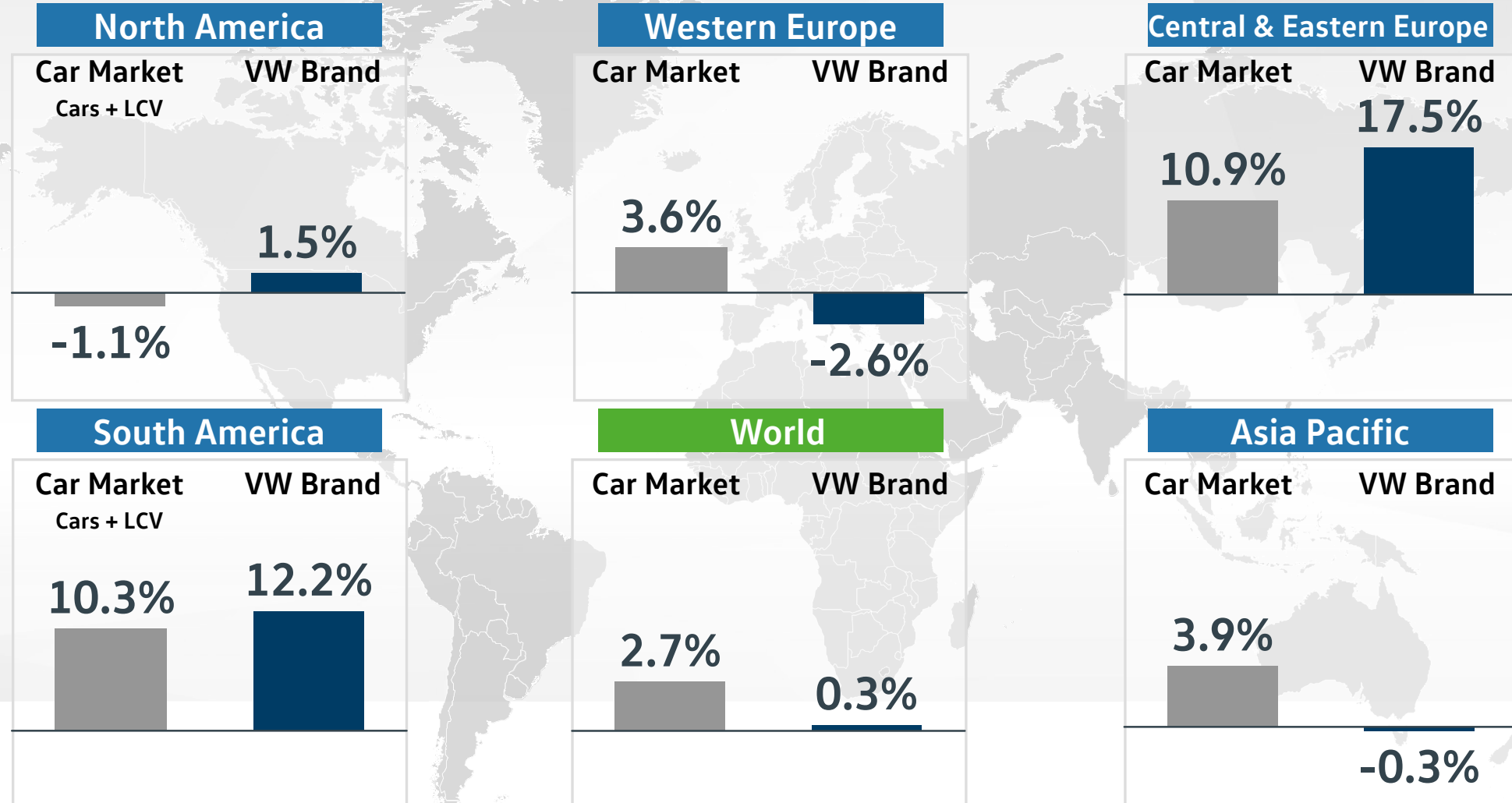
**Operating result**



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# Development World Car Market vs. Volkswagen Brand Deliveries to Customers

Growth y-o-y January to June 2017 vs. 2016



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# Volkswagen Brand Deliveries to Customers

January to June 2017 vs. 2016

	Jan.-Jun. cum. 2017	Δ 2016 (in %)
<b>Europe</b>	<b>889,600</b>	<b>-0.2</b>
Western Europe	763,800	-2.6
Germany	278,500	-5.5
Central & Eastern Europe	125,800	+17.5
Russia	39,600	+17.9
<b>North America</b>	<b>279,400</b>	<b>+1.5</b>
USA	161,200	+8.2
<b>South America</b>	<b>201,300</b>	<b>+12.2</b>
Brazil	121,600	+0.9
<b>Asia Pacific</b>	<b>1,479,800</b>	<b>-0.3</b>
China	1,395,500	+0.2
<b>World</b>	<b>2,935,100</b>	<b>+0.3</b>



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# Product Highlights – First half-year



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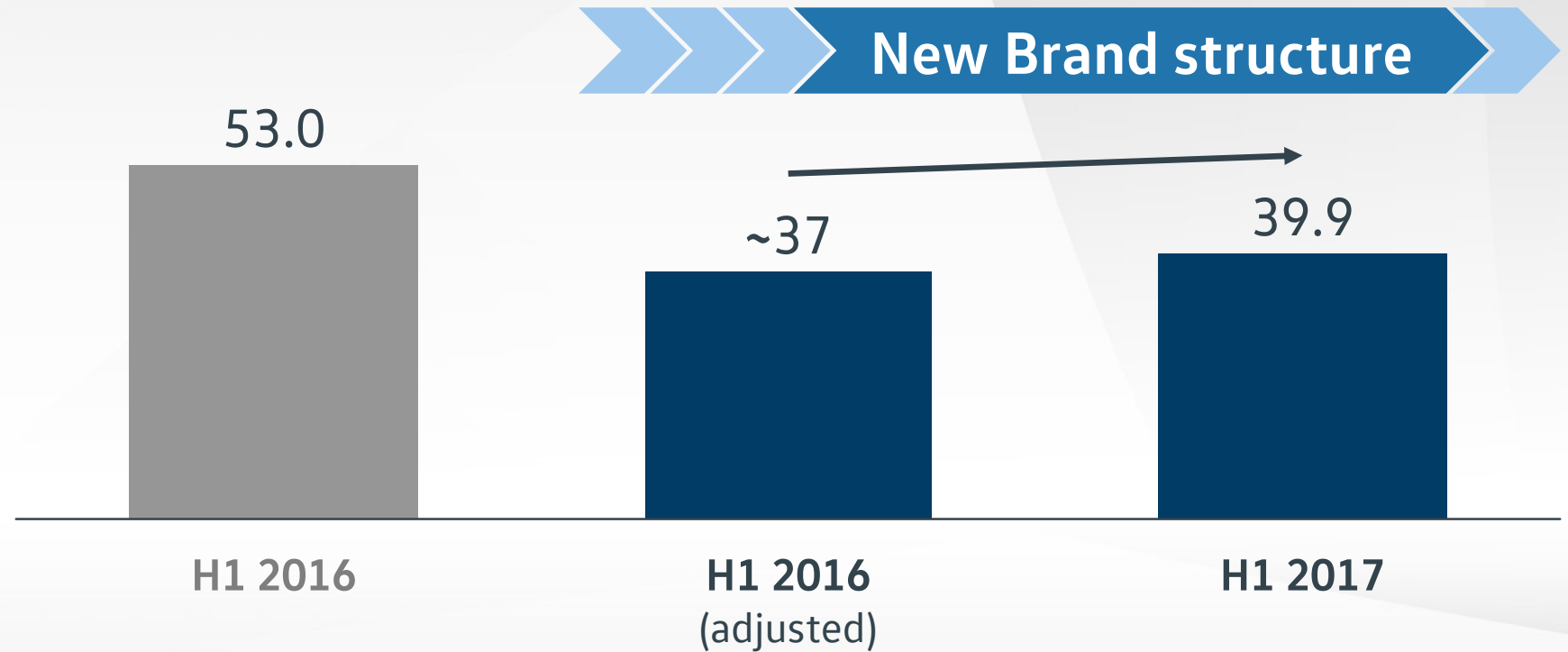
# Product Highlights – Second half-year





# Increase in revenue in H1 compared to previous year

Sales revenue in EUR billion



Sales <sup>1)</sup> [thousand vehicles]	H1 2016	H1 2016 (adjusted)	H1 2017
	2,232	1,782	1,812

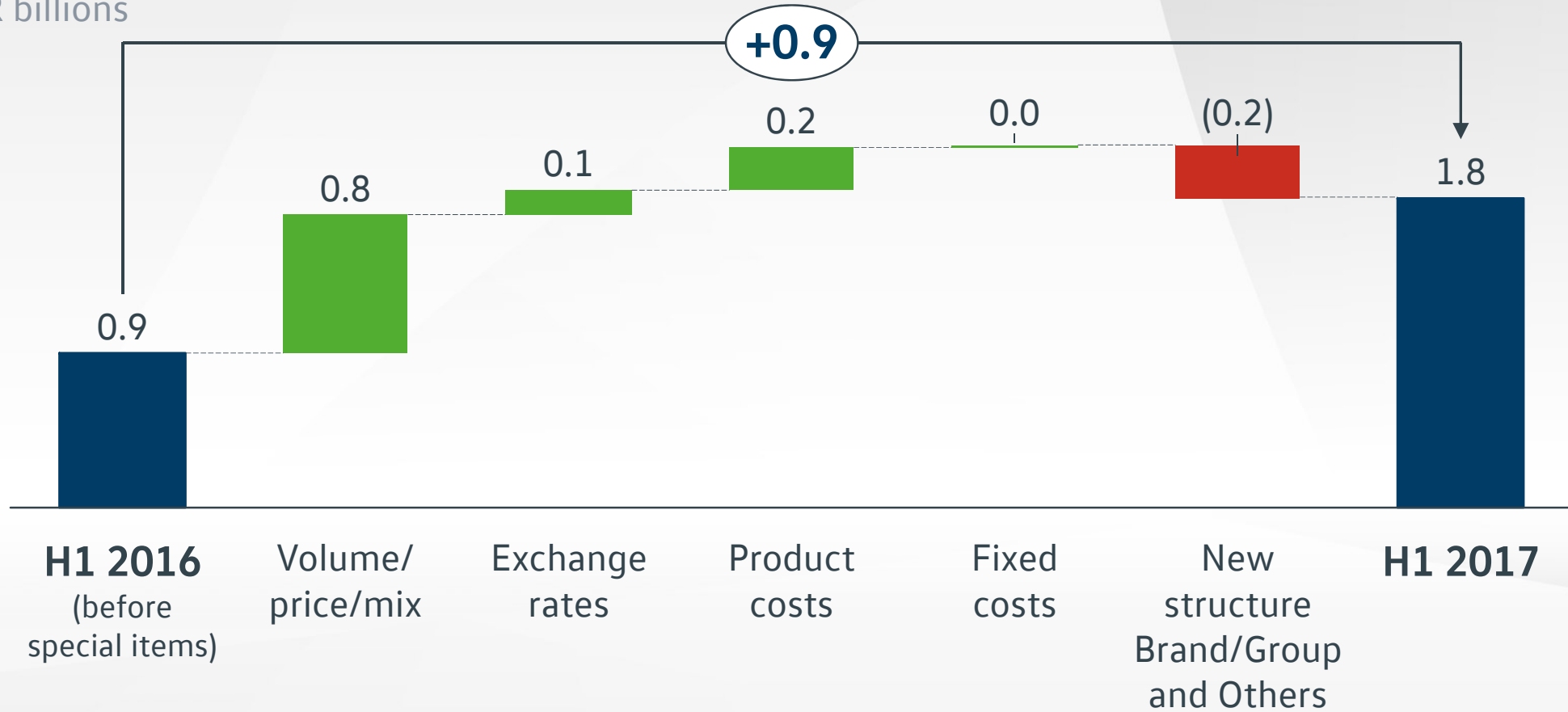
1) Unit sales from the joint venture companies in China are not included in the figures.



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

in EUR billions



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



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# Levers to increase competitiveness within the Zukunftspakt

## Levers of Competitiveness

### Production and Logistics

- Increase of productivity by 25%
- Reduction of factory costs

### Components

- Increase of productivity by 25%
- Discontinuation of unprofitable products
- Reduction of investments in conventional technologies

### Administration

- Reduction of bureaucracy
- Automatization and digitalization of processes

### Development

- Reduction of hardware-oriented development work
- Transformation of ~1,700 employees
- Efficiency in development processes



**Secure the Future**

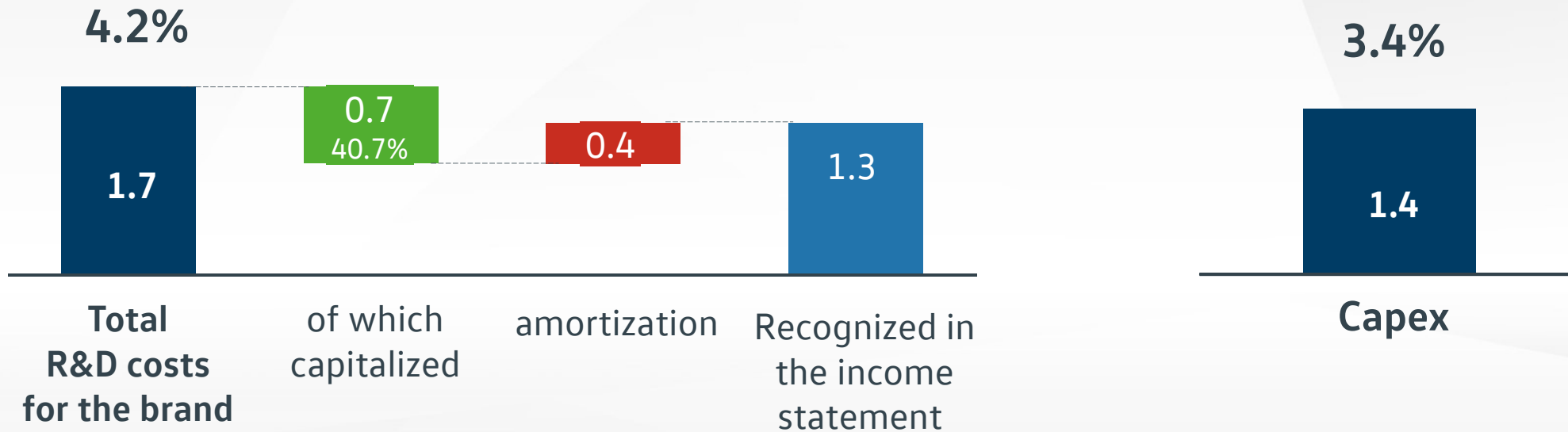


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# Research & Development costs and Capex in H1 2017

in EUR billion and as % of sales revenues



# Outlook 2017

SALES REVENUE

RETURN ON SALES

## Guidance

approx. +10% vs. prior year

Upper end of 2.5 – 3.5 %



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# Key levers for improving the result of the Volkswagen brand by 2020 begin to work in 2017

## Product offensive



- SUV offensive
- MQB roll-out
- Global electrification of fleet (CO<sub>2</sub> conformity)



## Future Pact

ZUKUNFTS  
PAKT

- Productivity 25%
- Reduction in factory costs
- Development/Capex efficiency
- Lean administration and cutting bureaucracy



## Turnaround plans for the regions



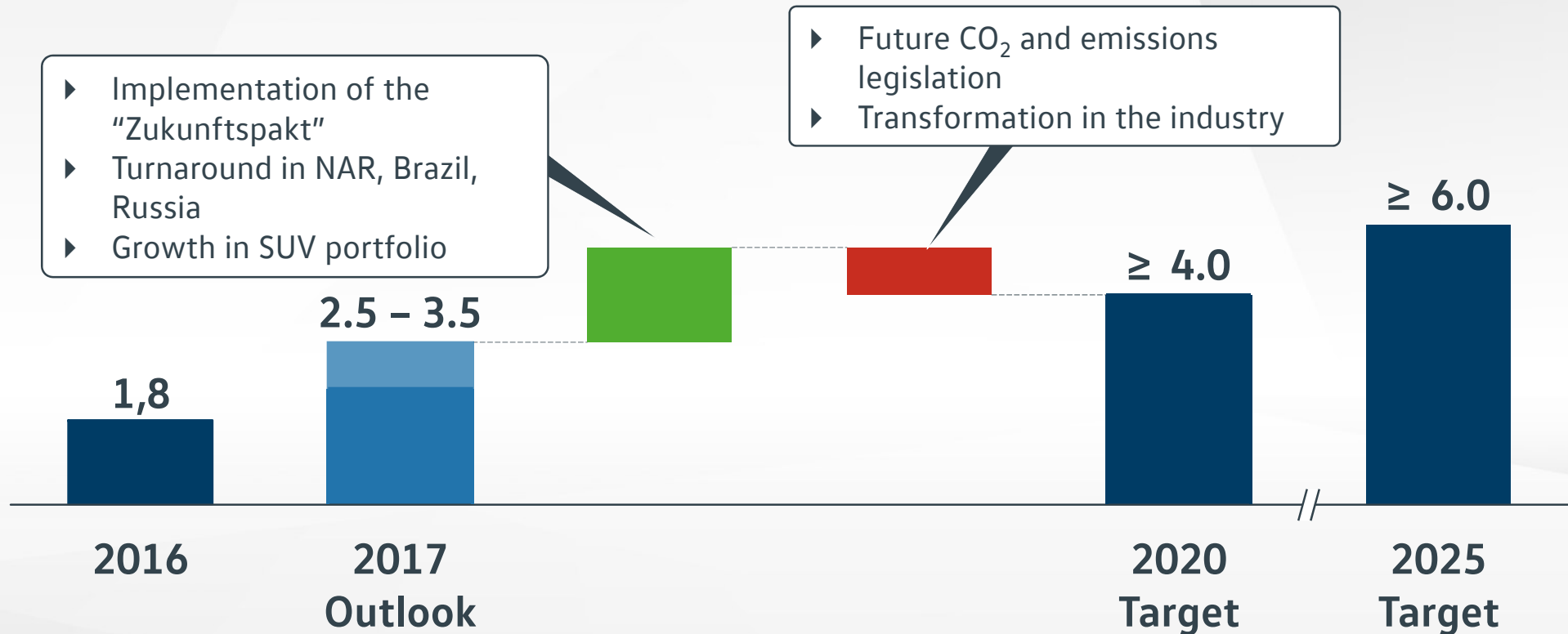
- Massive restructuring
- Product offensive
- "Top of volume" brand positioning





# Result outlook for 2017 follows TRANSFORM 2025+ strategy path

Operating return on sales as % of net earnings



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