

A large, stylized graphic of the Volkswagen logo, composed of two overlapping triangles. The left triangle is light blue, and the right triangle is a darker blue. The top right corner of the right triangle is a dark maroon color.

VOLKSWAGEN
AKTIENGESELLSCHAFT

**We are
redefining
mobility.**

Volkswagen Group

Frank Witter

Chief Financial Officer

US Roadshow with Goldman Sachs, New York & Boston, 30-31 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.

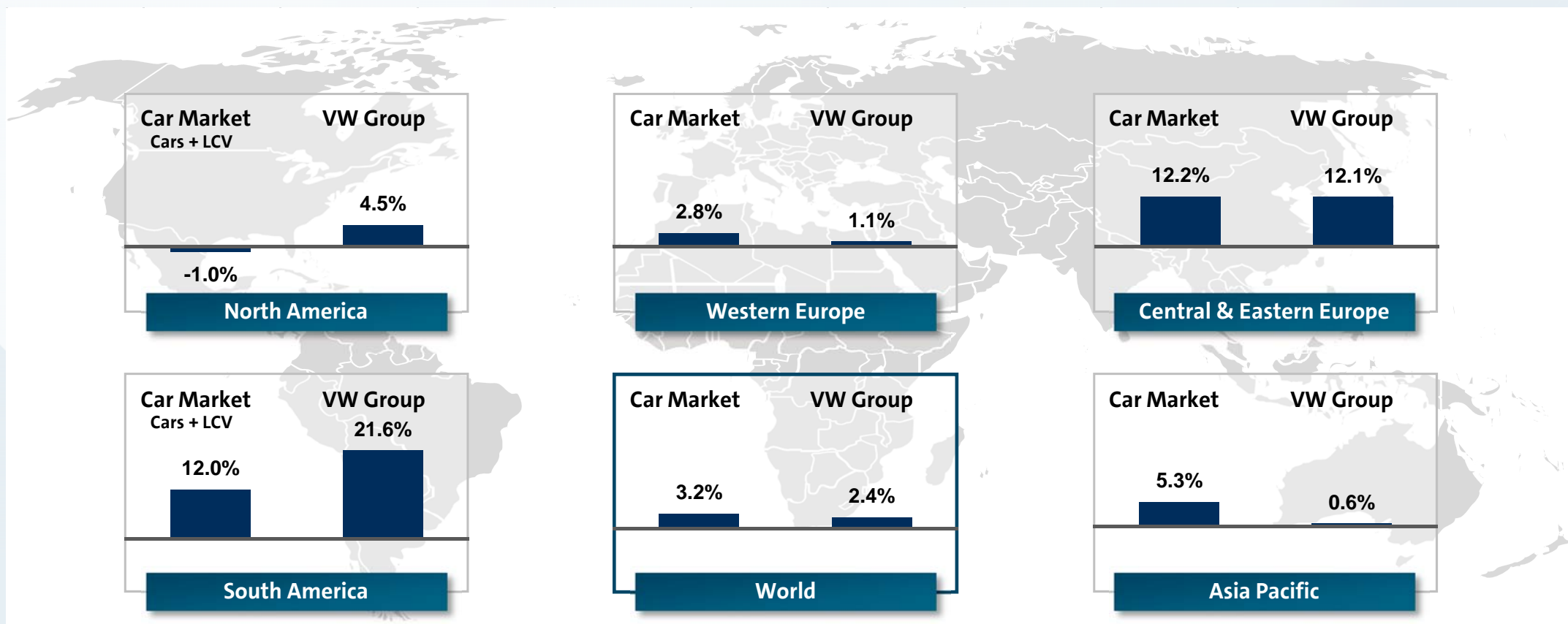
If any of these or other risks occur, or if the assumptions underlying any of these statements prove incorrect, the actual results may significantly differ from those expressed or implied by such statements.

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 Customers¹⁾

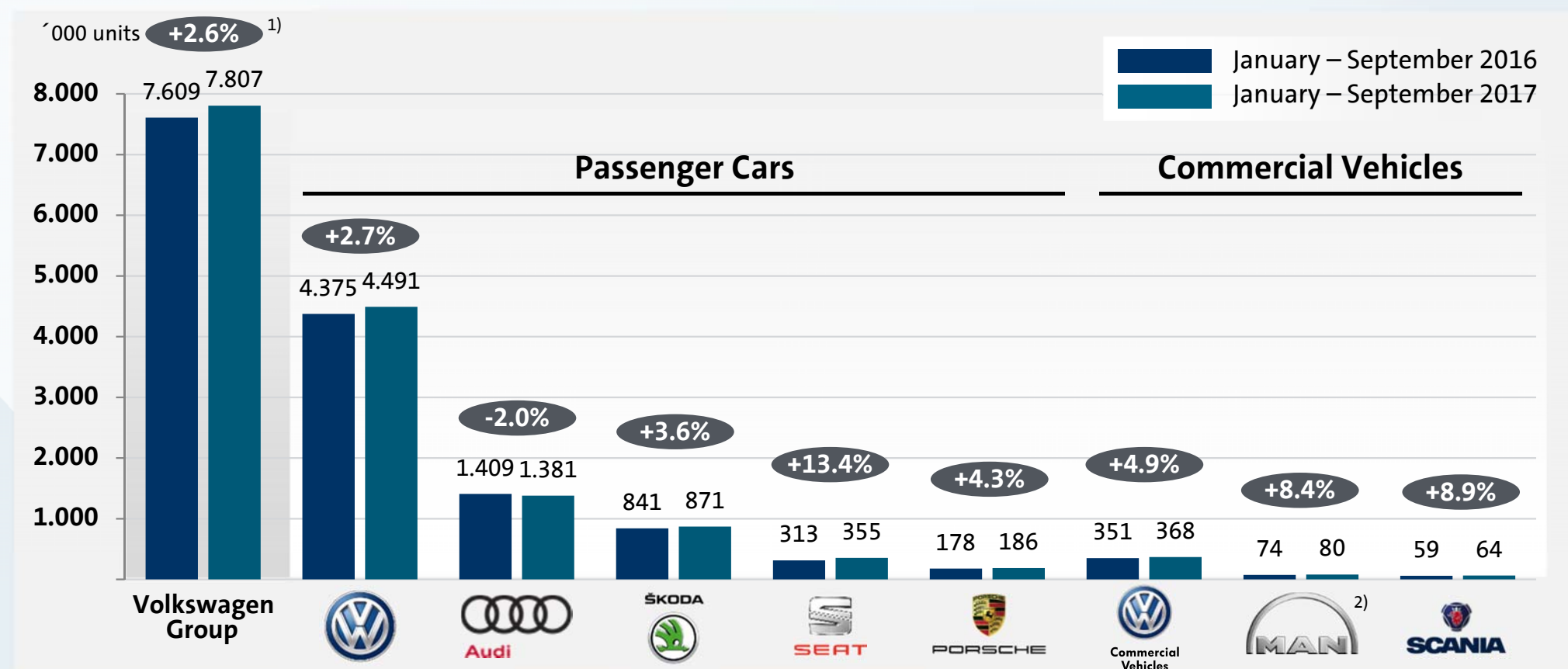
(Growth y-o-y in deliveries to customers, January to September 2017 vs. 2016)



¹⁾ Figures excl. Volkswagen Commercial Vehicles, Scania and MAN Commercial Vehicles.

Volkswagen Group – Deliveries to Customers by Brands

(January to September 2017 vs. 2016)

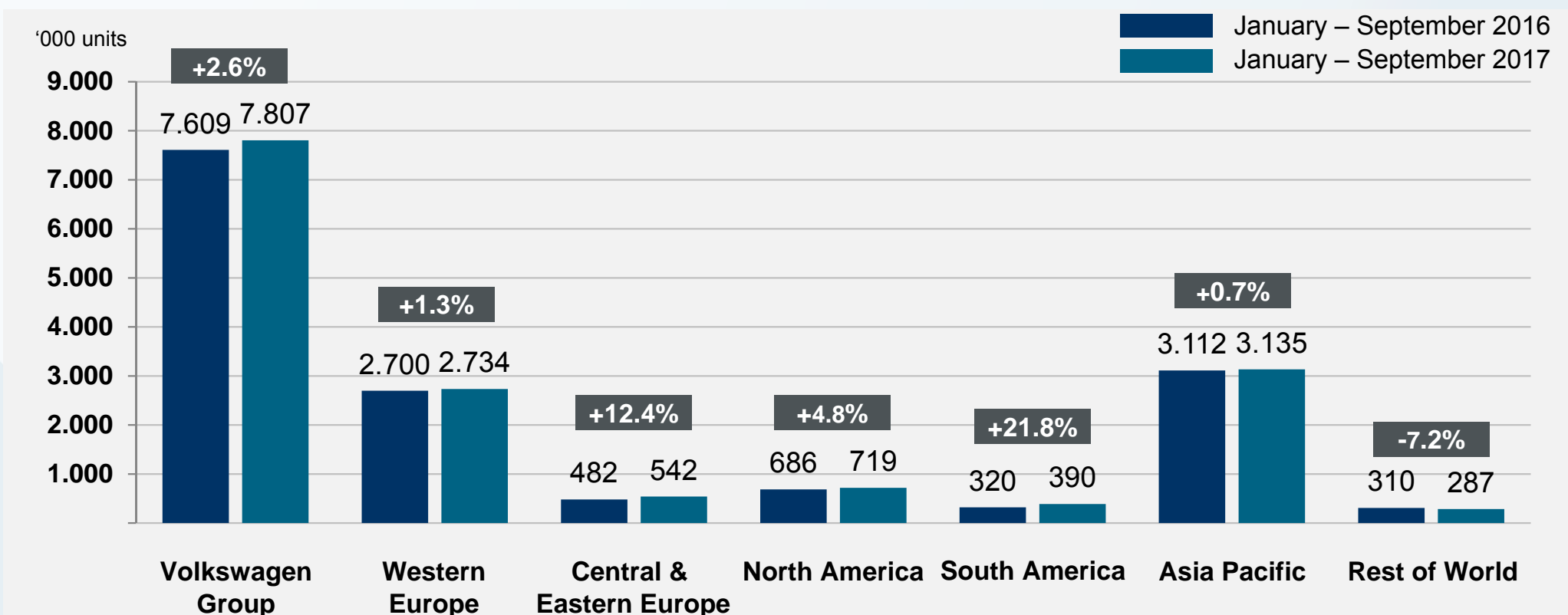


¹⁾ Incl. all brands of Volkswagen Group (Passenger Cars and Commercial Vehicles); +2.4% excl. Volkswagen Commercial Vehicles, Scania and MAN.

²⁾ MAN incl. MAN Latin America Trucks and Busses GVW > 5t

Volkswagen Group – Deliveries to Customers by Markets¹⁾

(January to September 2017 vs. 2016)



¹⁾ Incl. all brands of Volkswagen Group (Passenger Cars and Commercial Vehicles); +2.4% excl. Volkswagen Commercial Vehicles, Scania and MAN.

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 31st, 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 Brand¹⁾:

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 ²	
= Total support available per model	

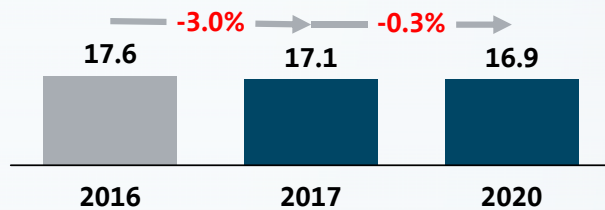
Cost of Programs anticipated to be balanced through higher volumes, benefits of gaining new customers and raising customer loyalty

Global Passenger Car Market 2017/2020

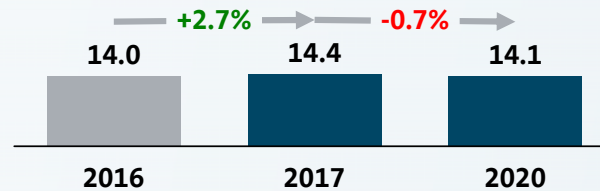
Slowdown in Western Europe; Stagnation in USA at a high level; Recovery in Brazil though from a low level; Strong growth in India; China remains largest driver of passenger car demand

million units

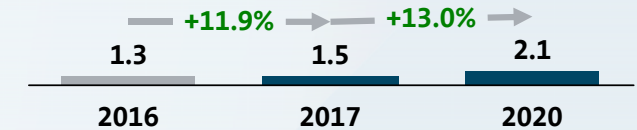
USA¹



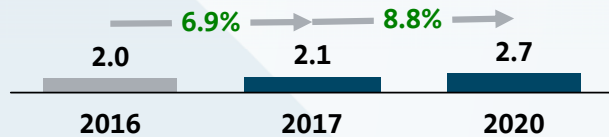
Western Europe



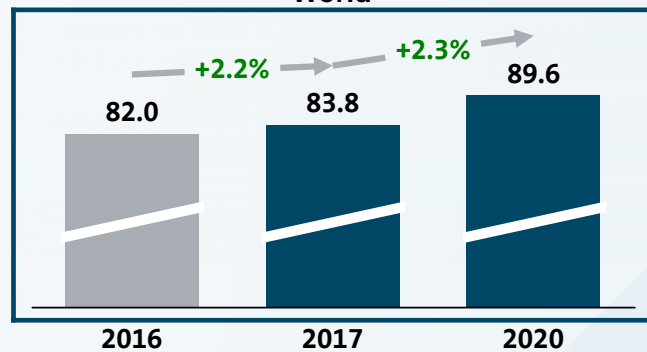
Russia



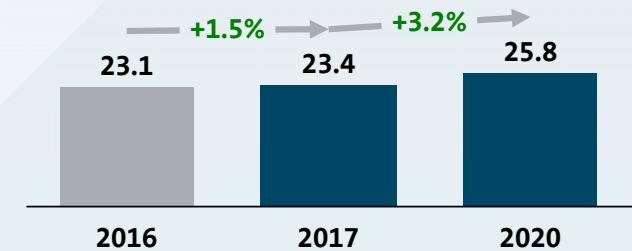
Brazil¹



World¹



China



Actuals | Forecast | Data source: IHS Automotive (10.2017) | 1 – Volume for North & South America includes light commercial vehicles (definition 'Light Vehicles') | growth 2017-2020 = CAGR

Volkswagen Group – Key Financial Figures ¹⁾

(January to September 2017 vs. 2016)

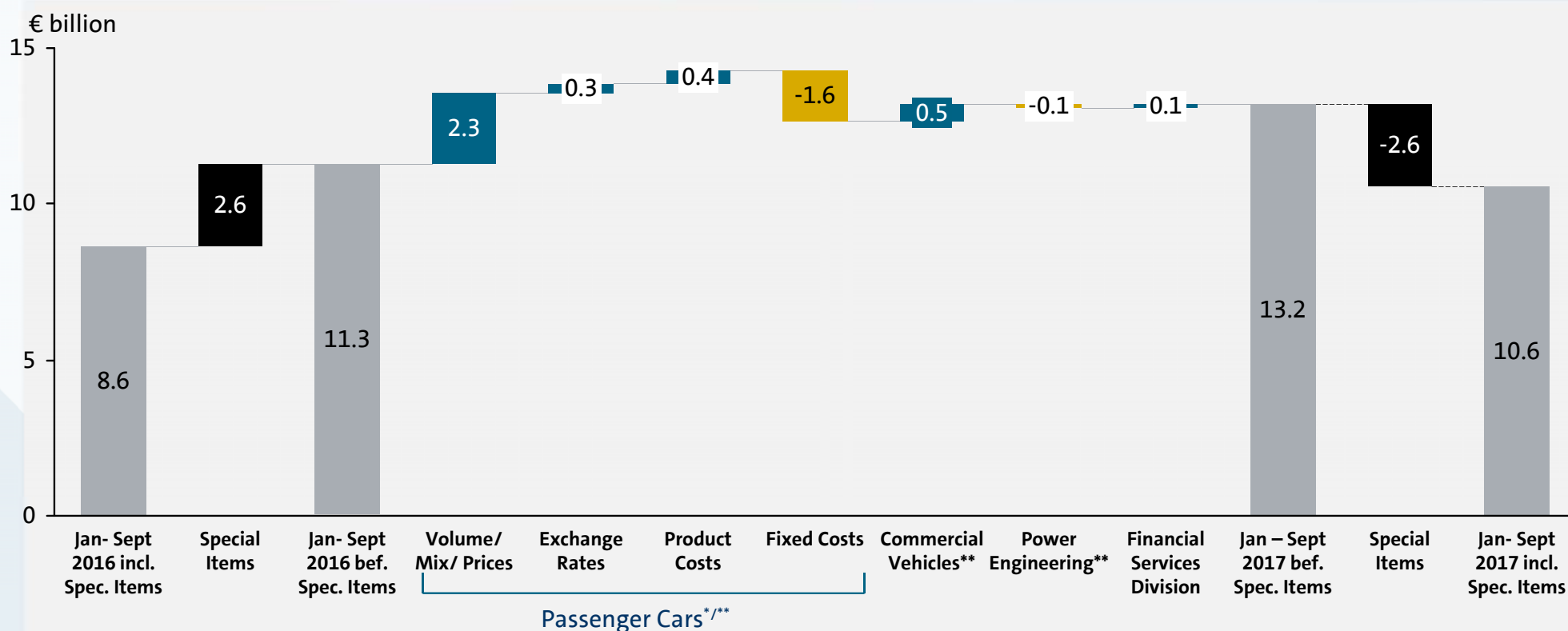
thousand vehicles / € million	2017	2016	+/- (%)
Vehicle Sales ²⁾	7,913	7,653	+3.4
Sales revenue	170,864	159,932	+6.8
Operating profit before Special Items	13,231	11,267	+17.4
% of sales revenue	7.7	7.0	
Operating profit	10,636	8,647	+23.0%
% of sales revenue	6.2	5.4	
Financial result	-84	-488	X
of which: At-equity result ²⁾	2,378	2,627	-9.5
of which: Other financial result	-2,462	-3,116	-21.0
Profit before tax	10,552	8,159	+29.3
% Return on sales before tax	6.2	5.1	
Profit after tax	7,735	5,915	+30.8

¹⁾ 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.

²⁾ 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 €3,305 million (€3,594m).

Volkswagen Group – Analysis of Operating Profit¹⁾

(January to September 2017 vs. 2016)



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

Volkswagen Group – Analysis by Business Line ¹⁾

(January to September 2017 vs. 2016)

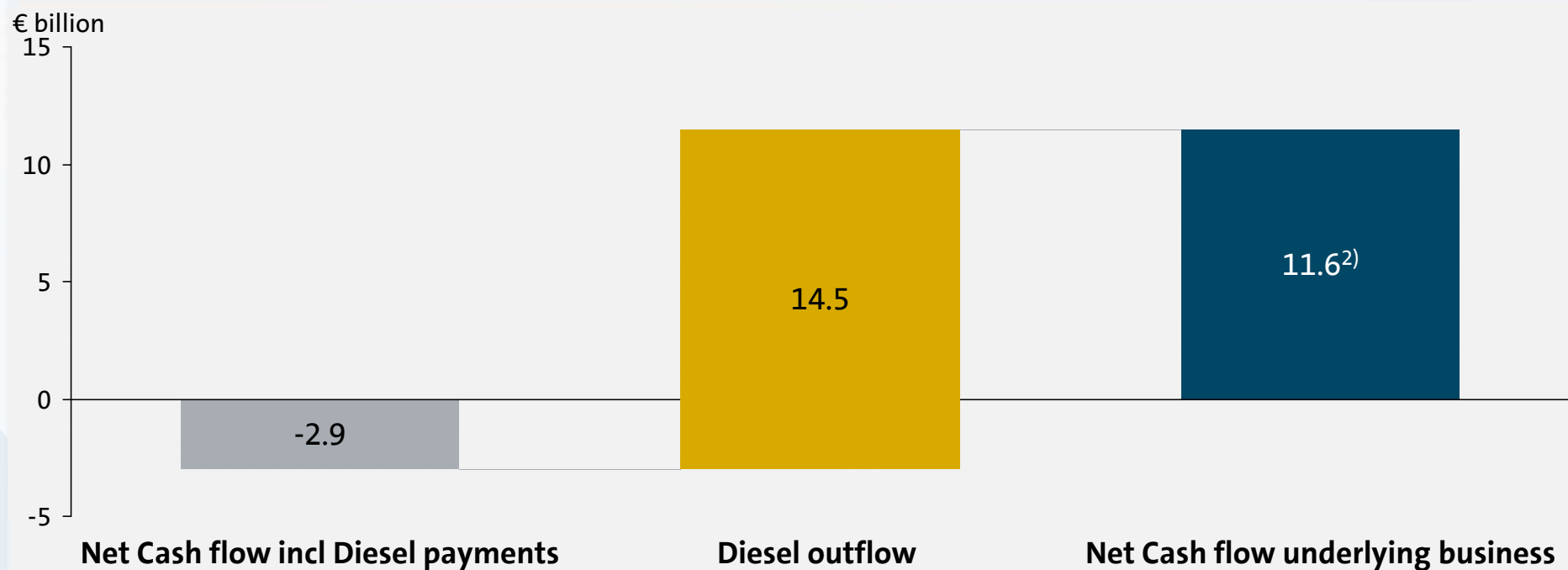
thousand vehicles/ € million	Vehicle sales		Sales revenue		Operating profit	
	2017	2016	2017	2016	2017	2016
Volkswagen Passenger Cars ²⁾	2,632	3,234	58,871	77,725	2,504	1,244
Audi	1,147	1,166	44,235	44,017	3,941	3,918
ŠKODA	700	606	12,338	10,113	1,206	940
SEAT	436	400	7,255	6,535	154	137
Bentley	7	8	1,321	1,411	31	54
Porsche Automotive ³⁾	180	177	15,703	15,291	2,890	2,760
Volkswagen Commercial Vehicles	371	342	8,919	8,045	698	392
Scania ⁴⁾	65	60	9,304	8,272	947	802
MAN Commercial Vehicles	80	74	7,970	7,213	269	204
MAN Power Engineering	-	-	2,355	2,567	107	176
VW China ⁵⁾	2,917	2,803	-	-	-	-
Other ⁶⁾	-623	-1,217	-21,272	-41,592	-1,277	-896
Volkswagen Financial Services ⁷⁾	-	-	23,864	20,337	1,763	1,534
Volkswagen Group before Special Items	-	-	-	-	13,231	11,267
Special Items	-	-	-	-	-2,595	-2,620
Volkswagen Group	7,913	7,653	170,864	159,932	10,636	8,647
Automotive Division ⁸⁾	7,913	7,653	145,553	136,889	8,717	6,841
of which: Passenger Cars	7,400	7,178	117,441	111,044	7,308	6,359
of which: Commercial Vehicles	513	475	25,757	23,278	1,484	491
of which: Power Engineering	-	-	2,355	2,567	-75	-9
Financial Services Division	-	-	25,311	23,042	1,919	1,806

¹⁾ All figures shown are rounded, minor discrepancies may arise from addition of these amounts. ²⁾ 2017 figures take account of the reclassification of companies; prior-year figures were not adjusted. ³⁾ Porsche (Automotive and Financial Services): sales revenue €17,120 (16,470) million, operating profit €3,006 (2,858 million). ⁴⁾ Including financial services. ⁵⁾ 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 €3,305 (3,594) million. ⁶⁾ 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. ⁷⁾ Starting January 1, 2017, Porsche's financial services business is reported as part of Volkswagen Financial Services. Prior-year figures were not adjusted.

⁸⁾ Including allocation of consolidation adjustments between the Automotive and Financial Services divisions.

'Best ever' Automotive Division Net Cash Flow (ex Diesel payments) ¹⁾

(January to September 2017)

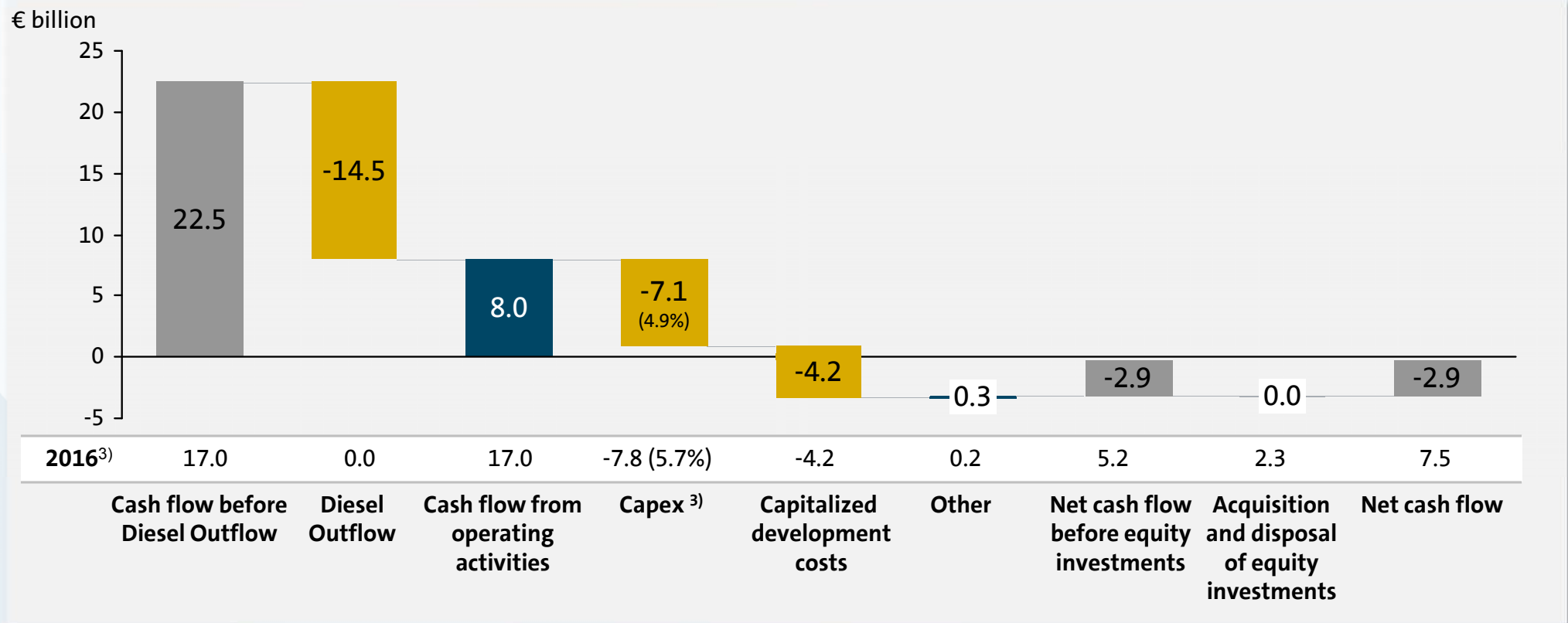


¹⁾ Including allocation of consolidation adjustments between Automotive and Financial Services divisions.

²⁾ Including Chinese dividends in the amount of €3bn.

Automotive Division Net Cash Flow Development ^{1) 2)}

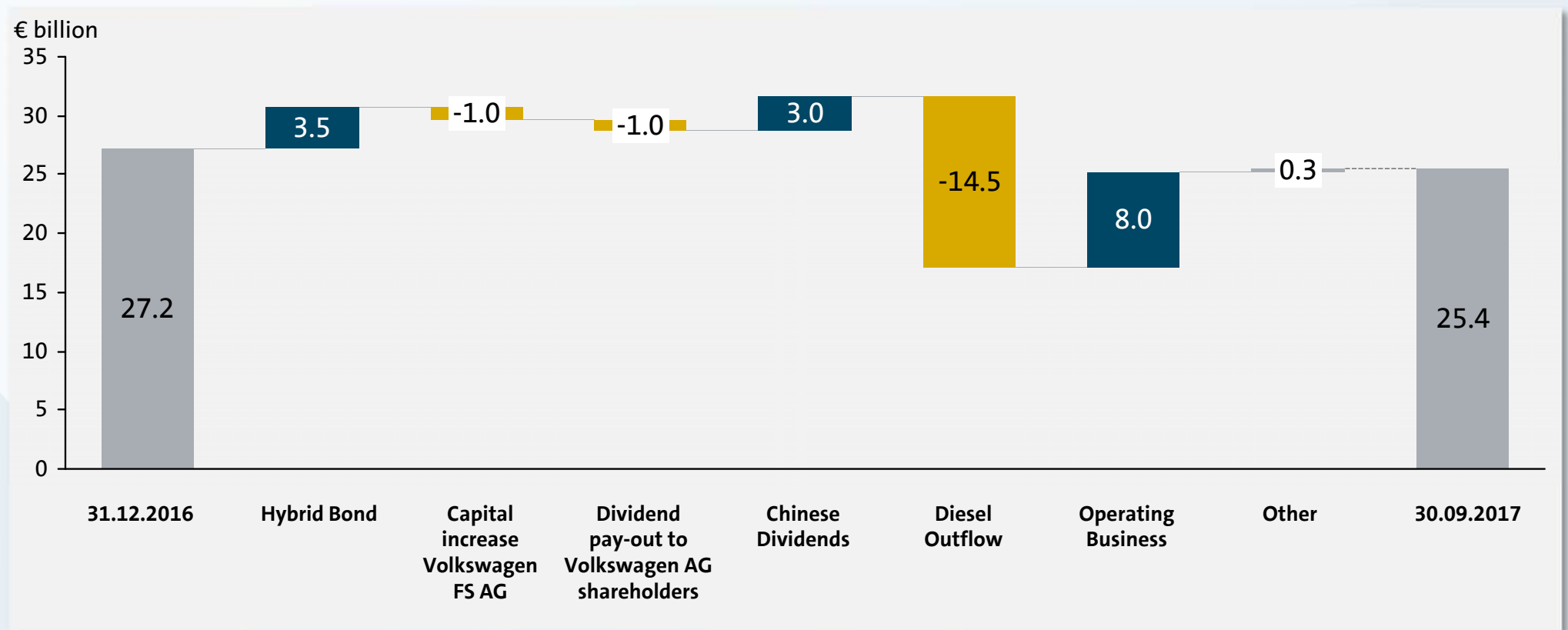
(January to September 2017)



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

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

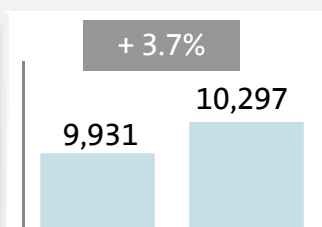
Automotive Division - Net Liquidity on a robust level at September 30th 1)



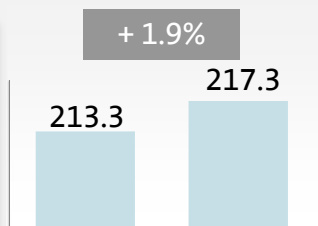
¹⁾ All figures shown are rounded, minor discrepancies may arise from addition of these amounts.

Volkswagen Group – Outlook for 2017

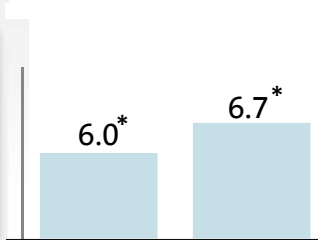
Deliveries to customers (‘000 vehicles)



Sales revenue (€ billion)



Operating return on sales (%)



*)before Special Items

2015 2016
Full Year



Deliveries to customers

moderately above prior year



Sales revenue

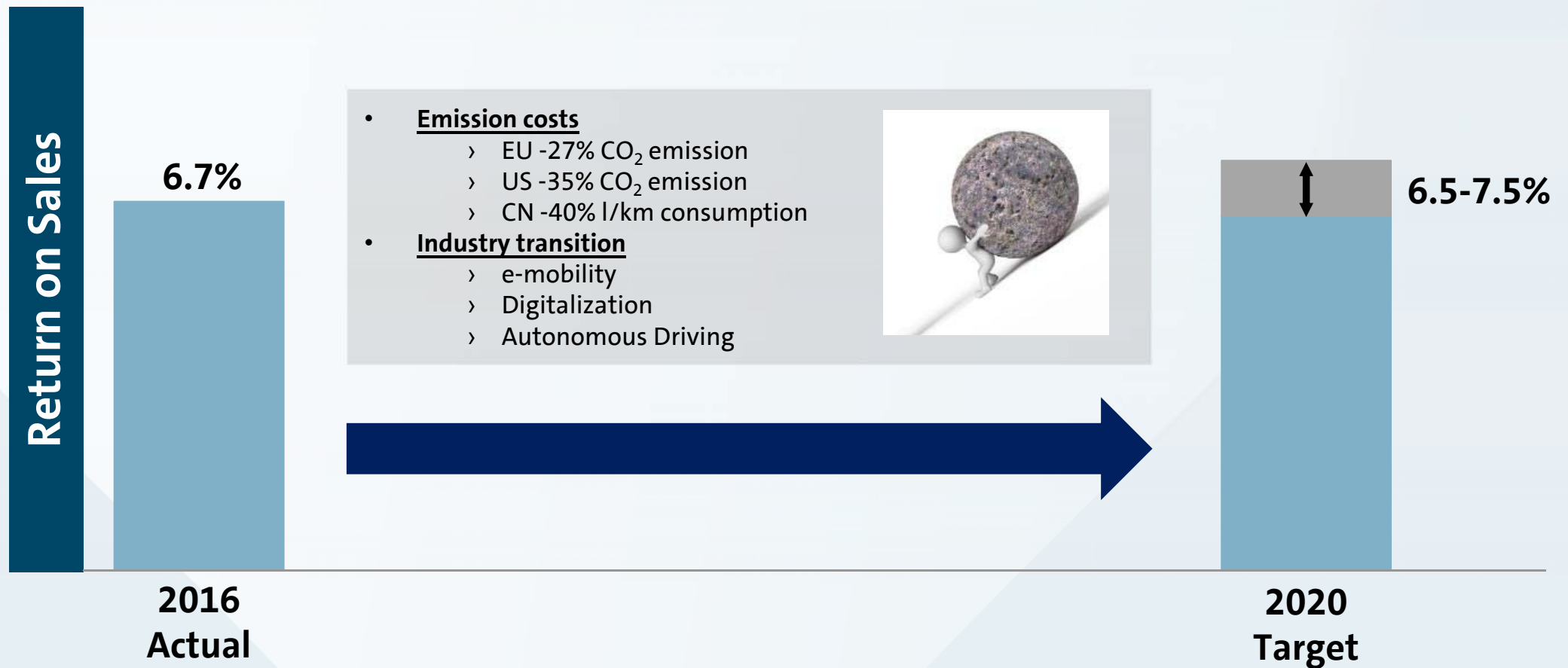
Up more than 4% above prior year level



Operating return on sales

Moderately above range of 6.0% to 7.0%

Improving Group results despite significant challenges



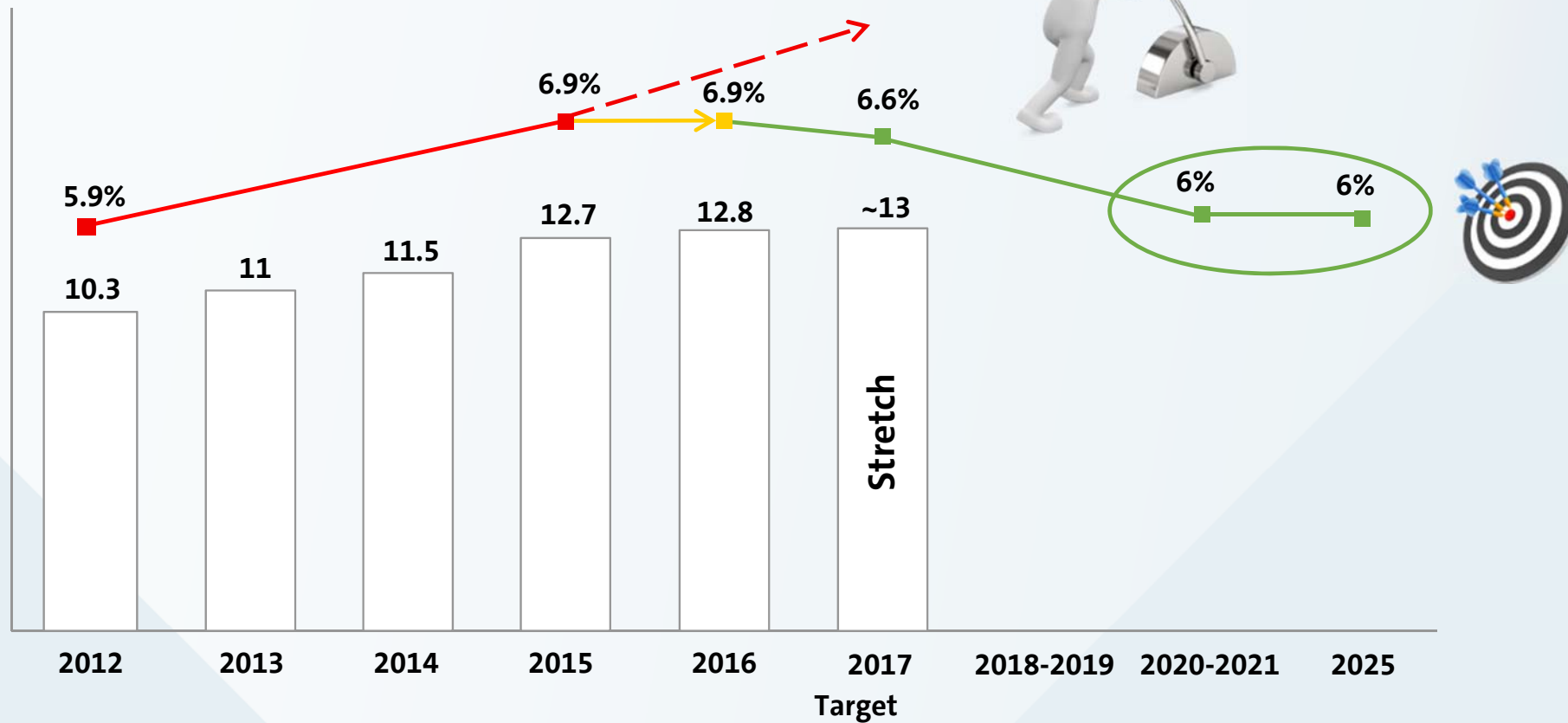
Clear Financial Targets and Milestones

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

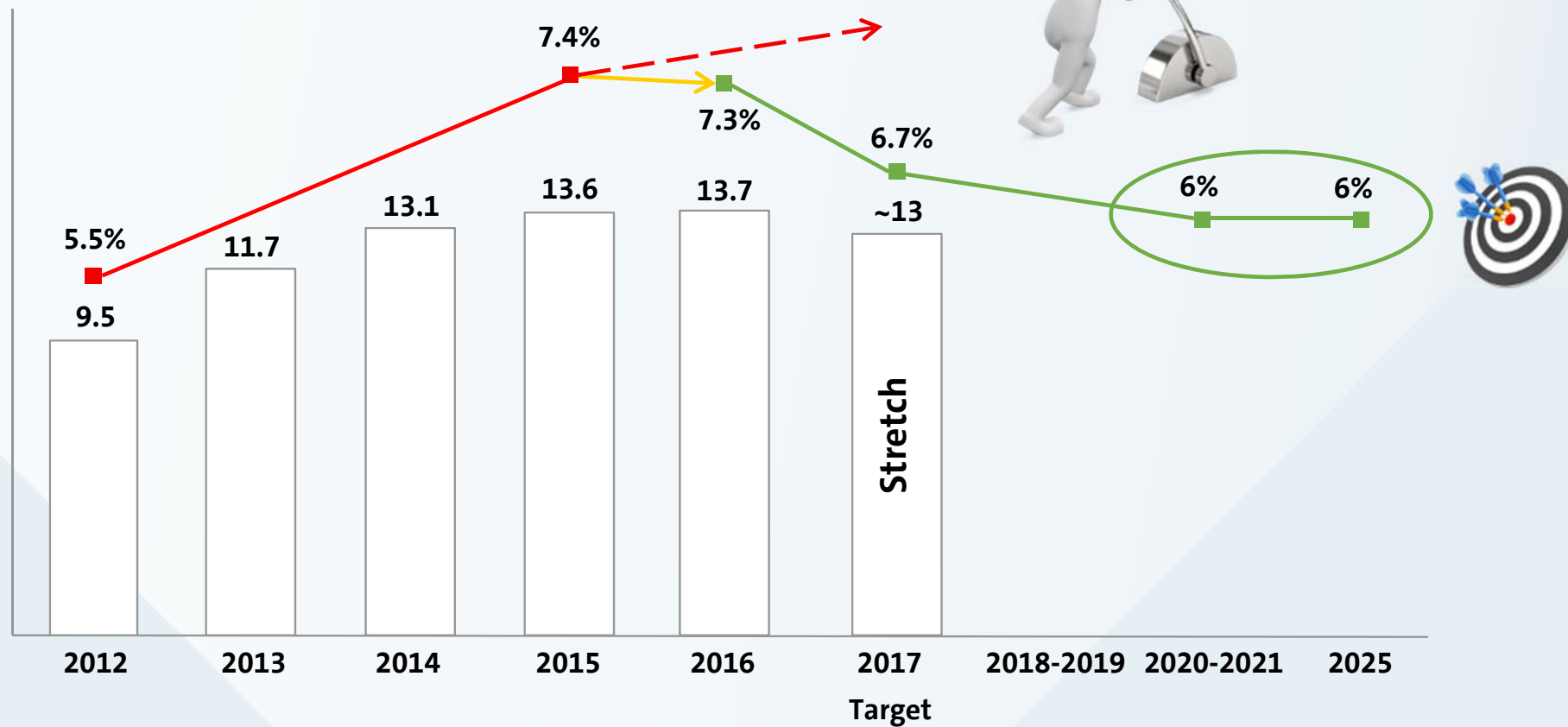
CAPEX Automotive Division

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



Transform core business

DEVELOP STRATEGIC CAPABILITIES

ENHANCE ENTREPRE-NEURIAL SPIRIT

- 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

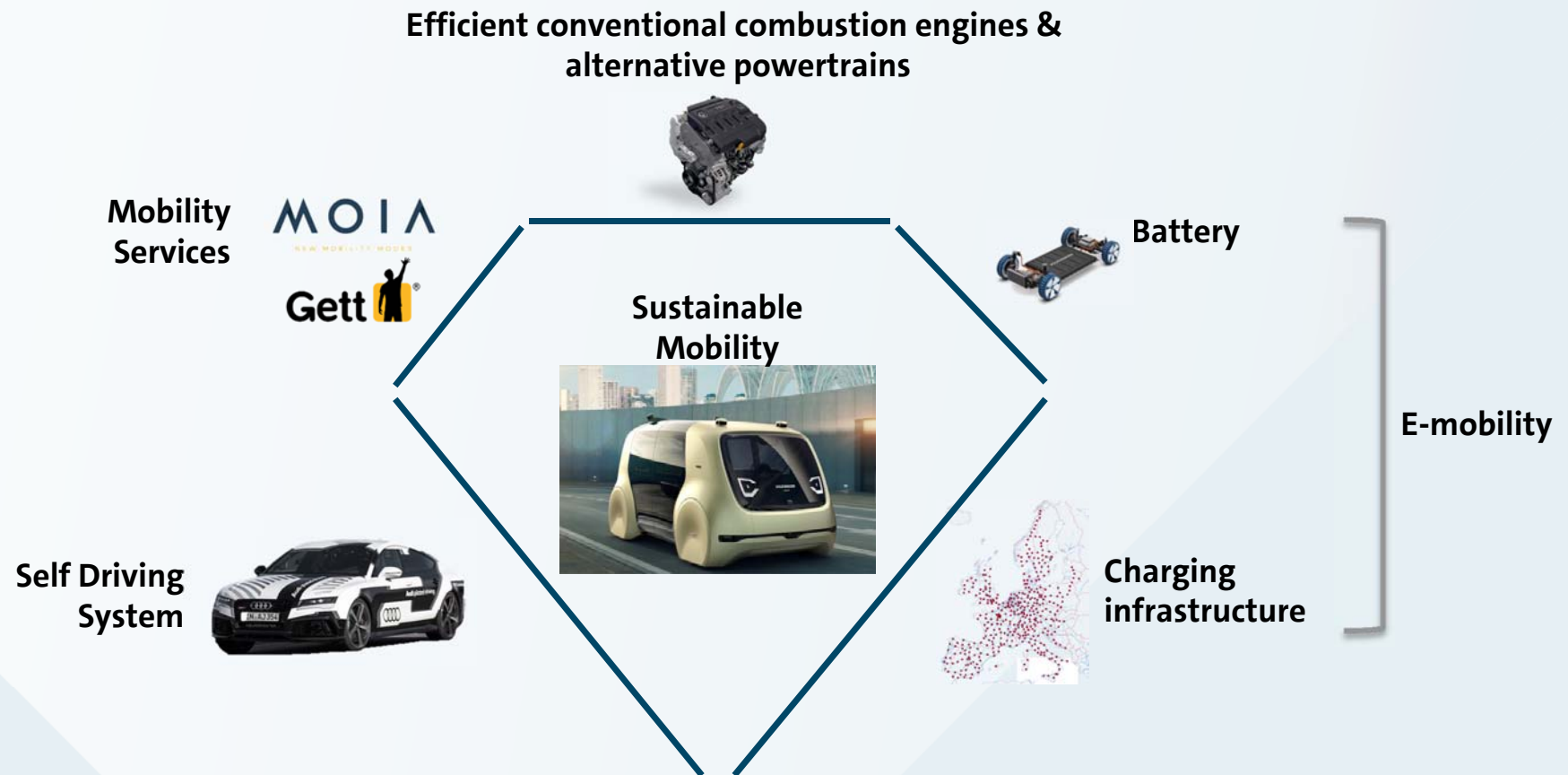
- 15 Create organization 4.0



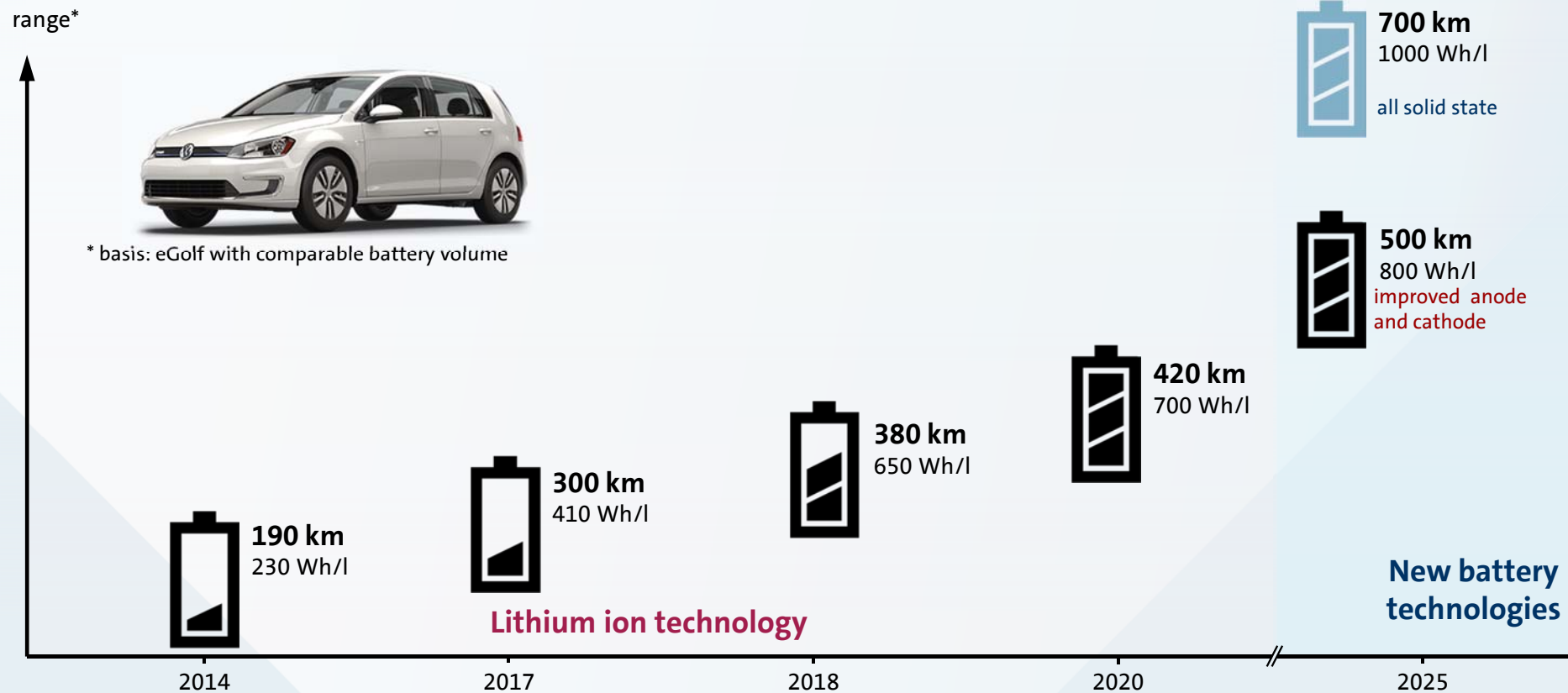
Strengthen innovation power

- 16 Better integrated and strategic planning process

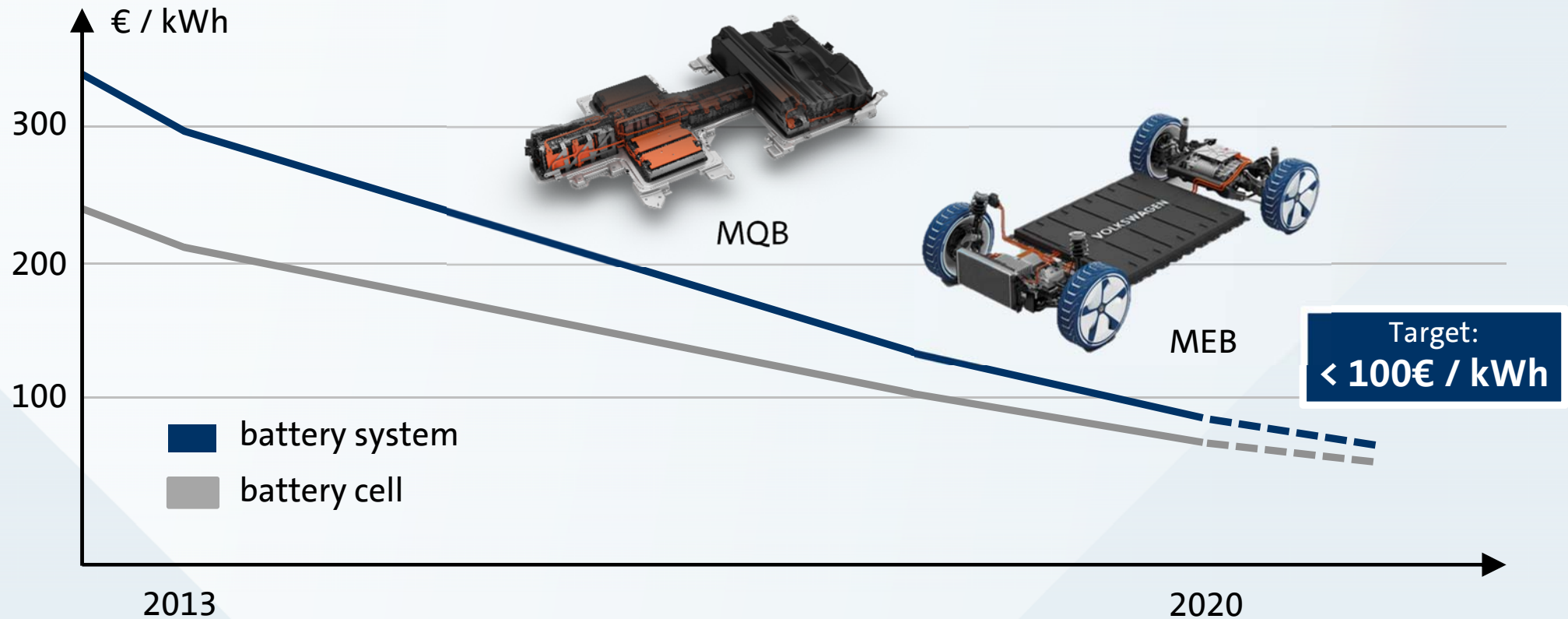
Building blocks to provide sustainable mobility solutions



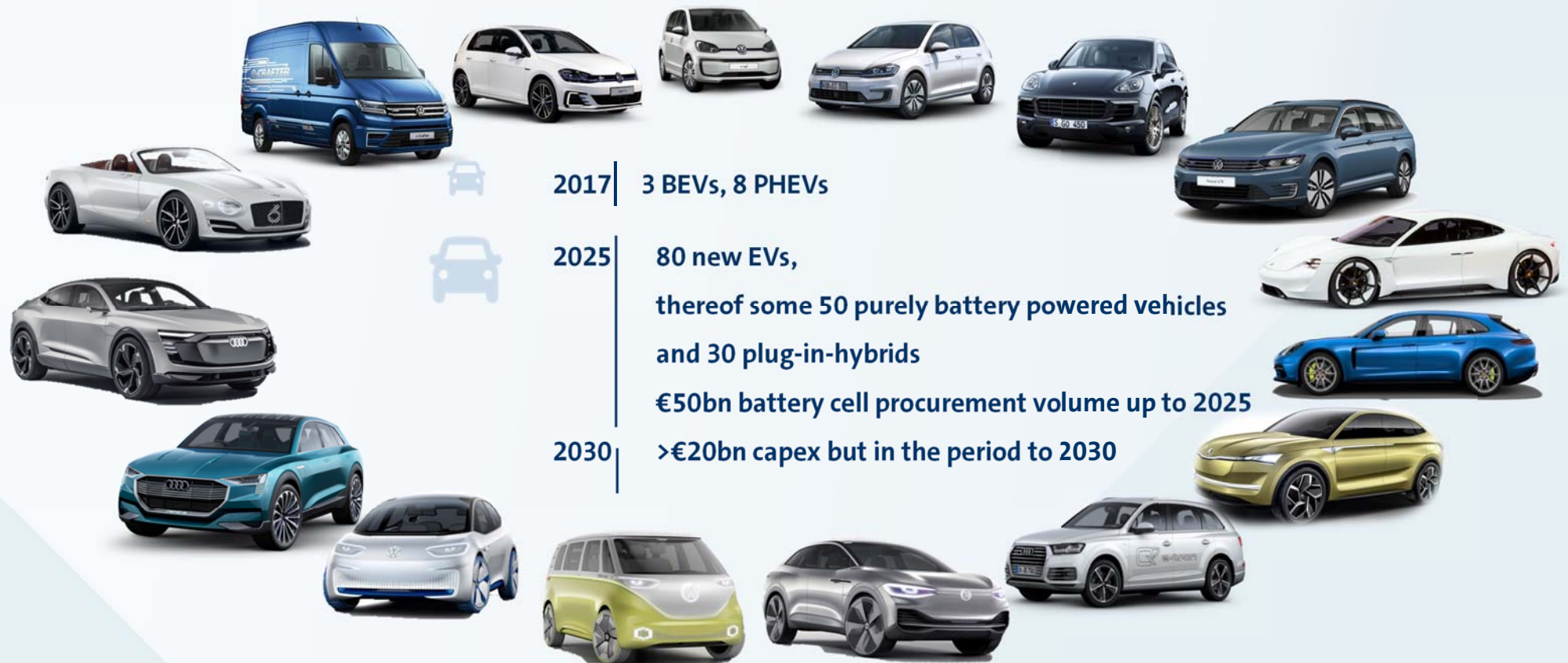
Advances in battery technology will improve range, weight and costs



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

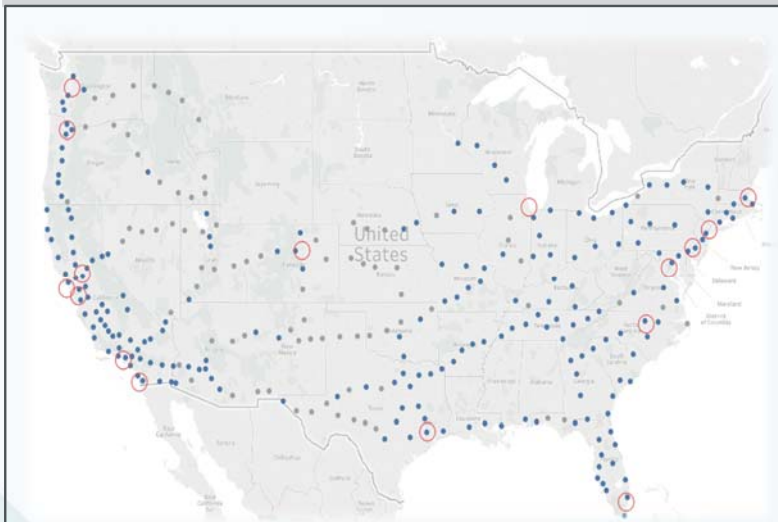
AKTIENGESELLSCHAFT



- ◆ 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)

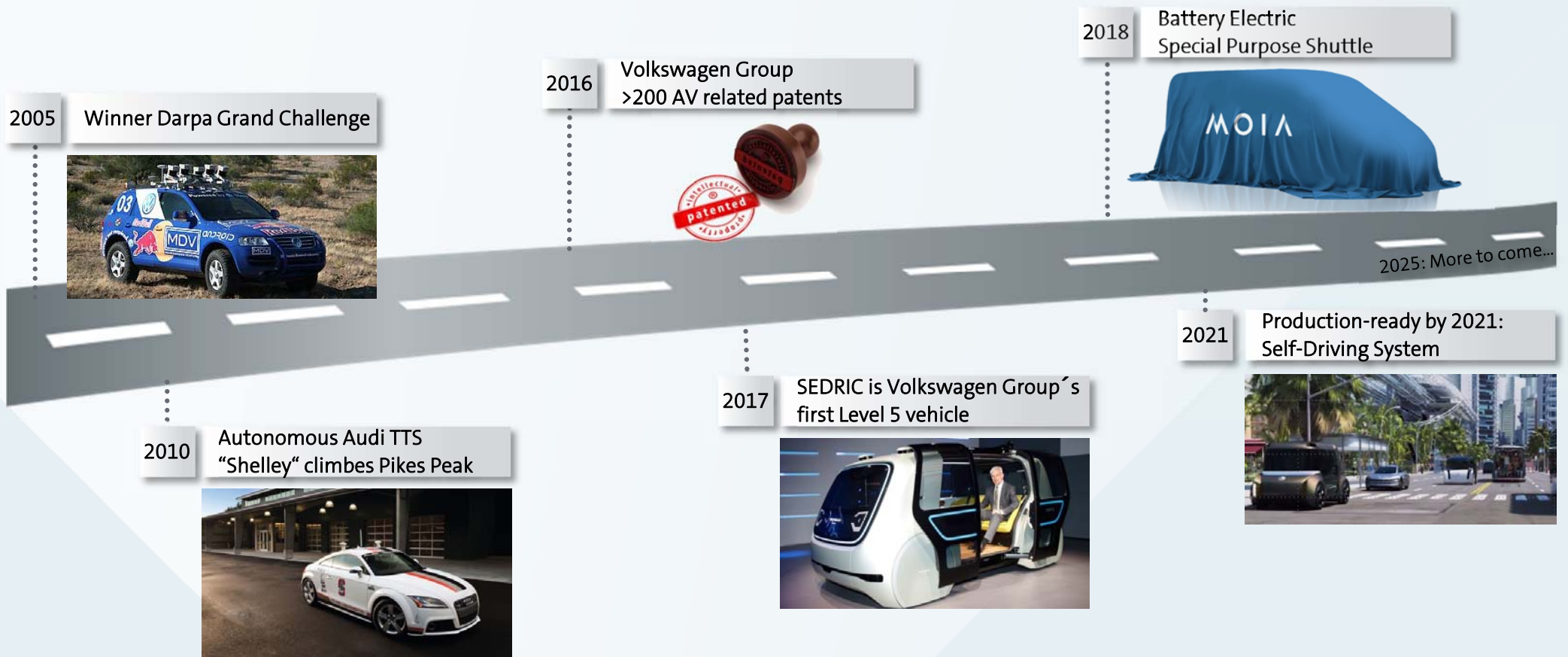
Goal

- **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



VOLKSWAGEN FINANCIAL SERVICES
AKTIENGESELLSCHAFT

Specific KPIs

Brand KPIs

Top-Down Targets



Committed in Planning Rounds

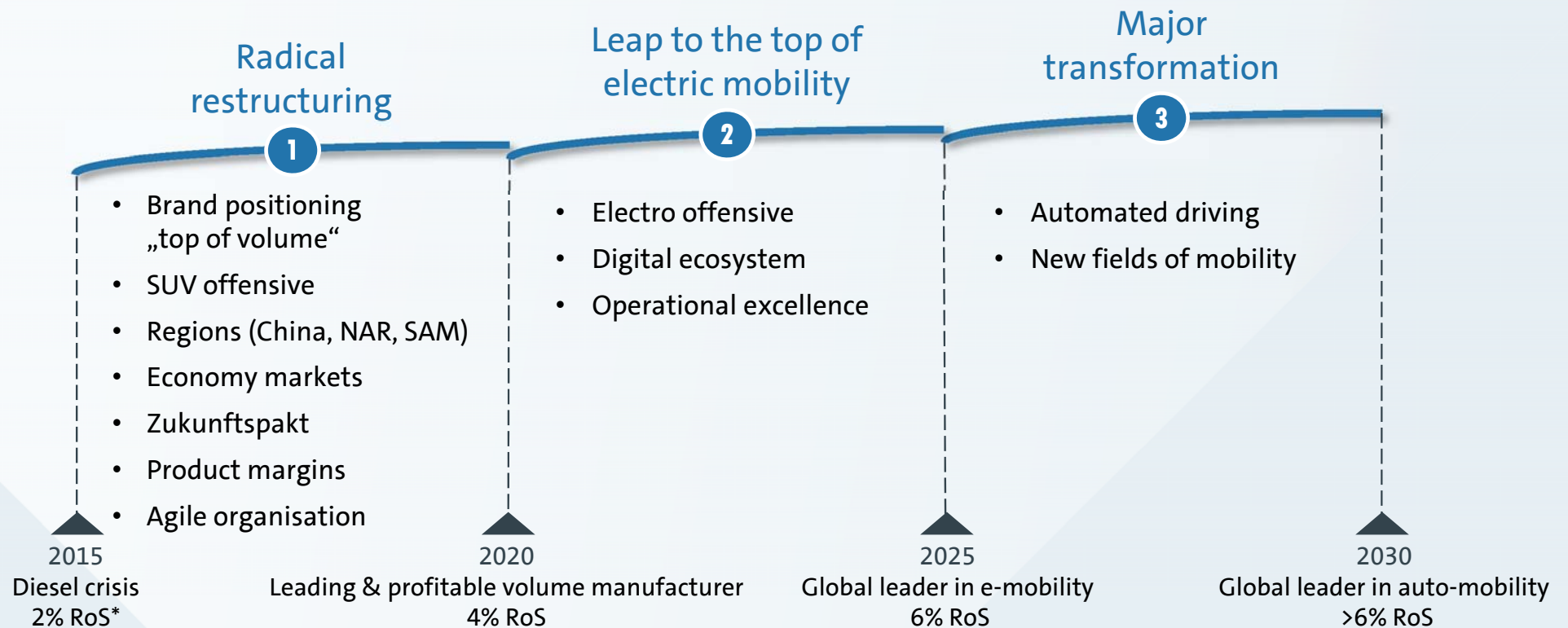
Overview Brand Targets (RoS, RoE)

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 ¹⁾				
• Scania	9.5		9 ²⁾	9 ²⁾
• MAN Commercial Vehicles	2.3	6-7		
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%

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

²⁾ Through-cycle Target

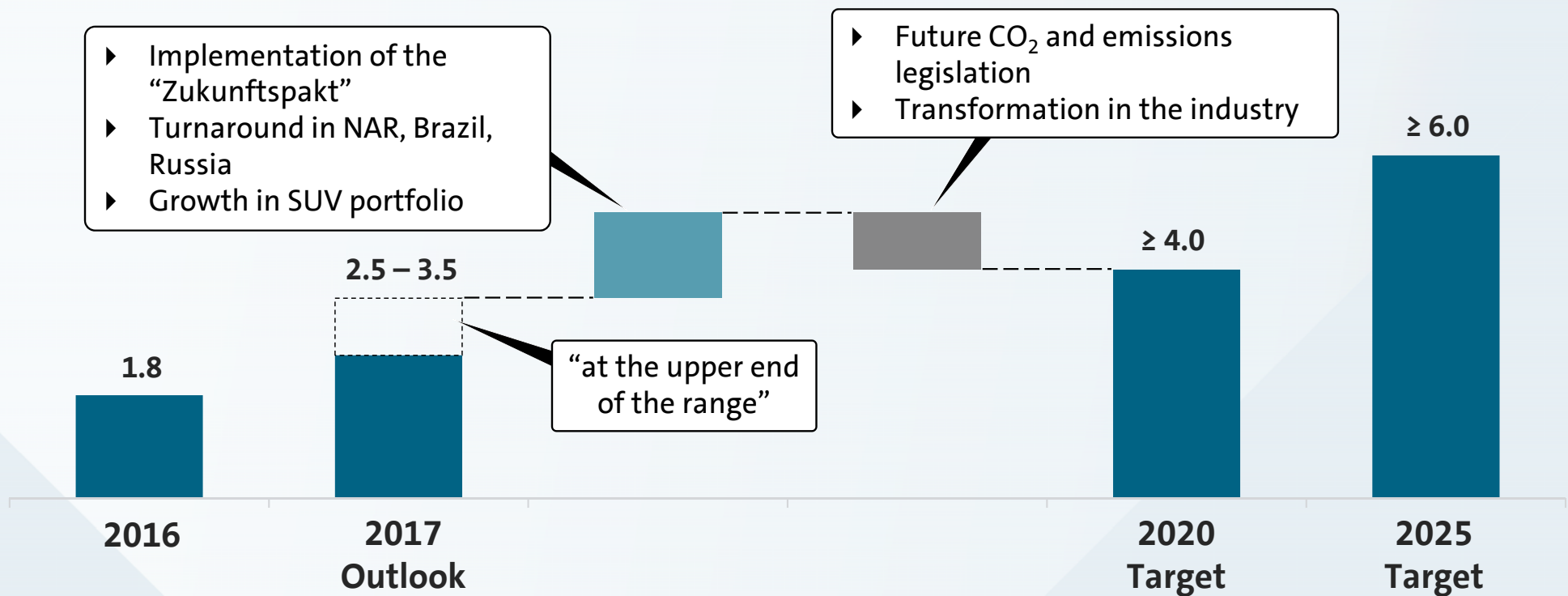
The „TRANSFORM 2025+“ strategy will put the brand to the top of the automotive industry



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

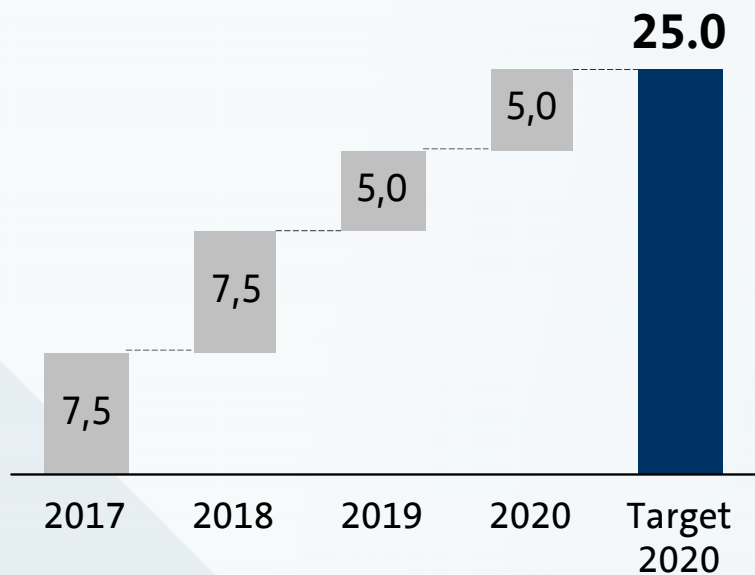
Secure the Future

- 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

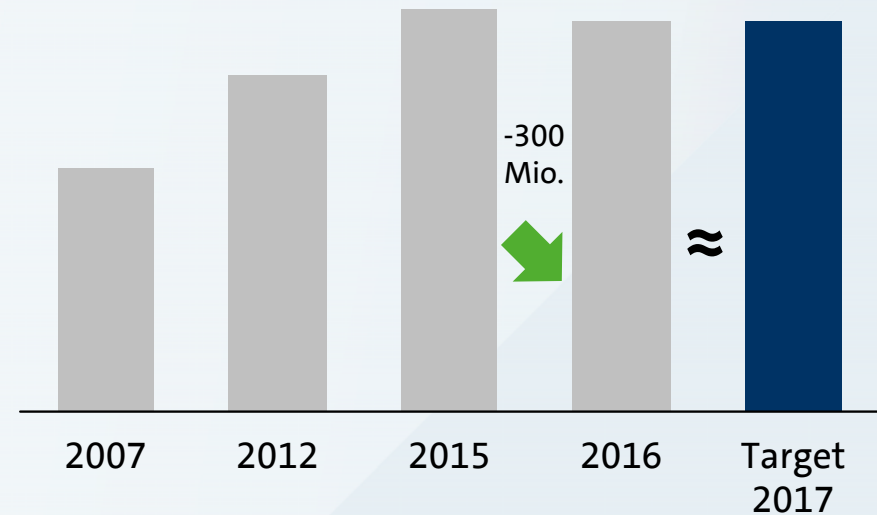
Reduction in workforce based on demographic curve

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

Rollout of MQB in the North American region to realize economies of scale and efficiencies

Local MQB production is increasing from around 10% to > 80% midterm,

positive impacts:

- Increasing capacity utilization
- Improving fix costs
- Higher investment efficiency as MQB basic investments are already complete



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 is being 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)

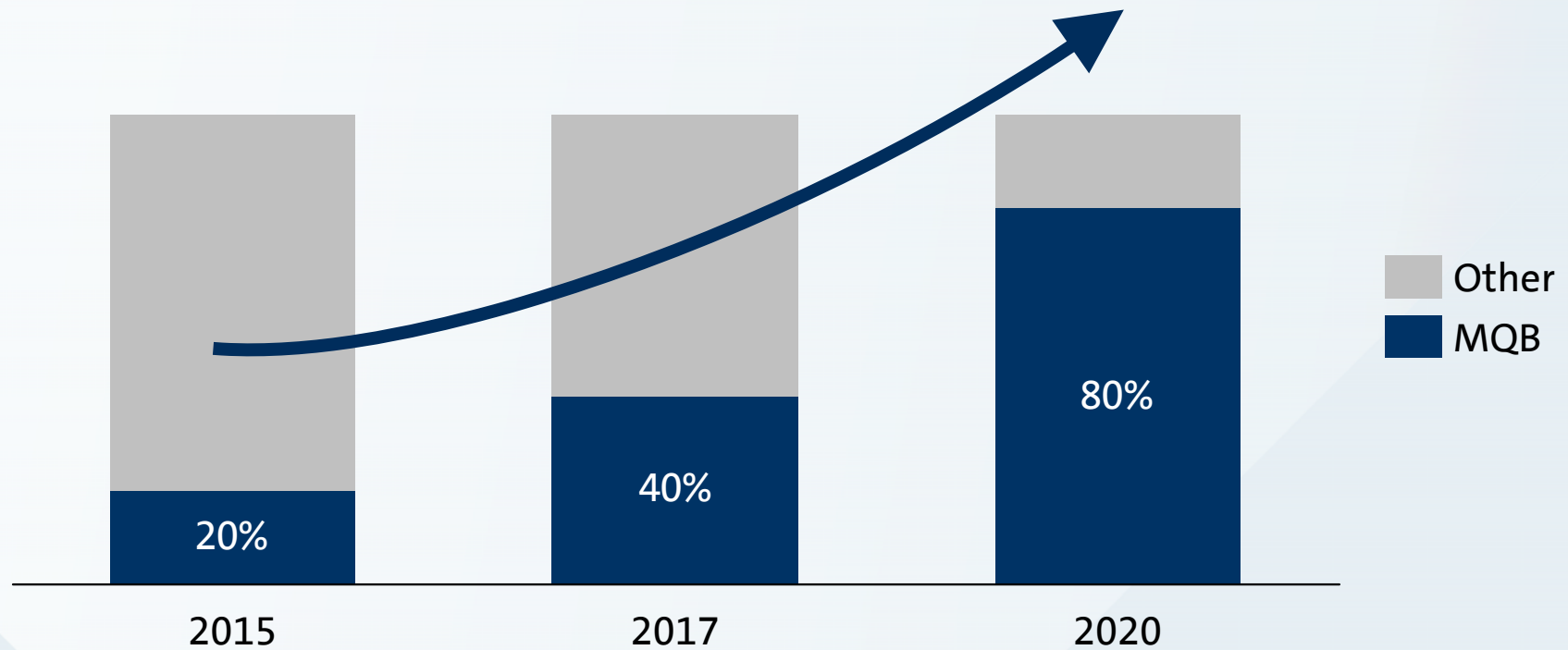


Virtus (SAM)



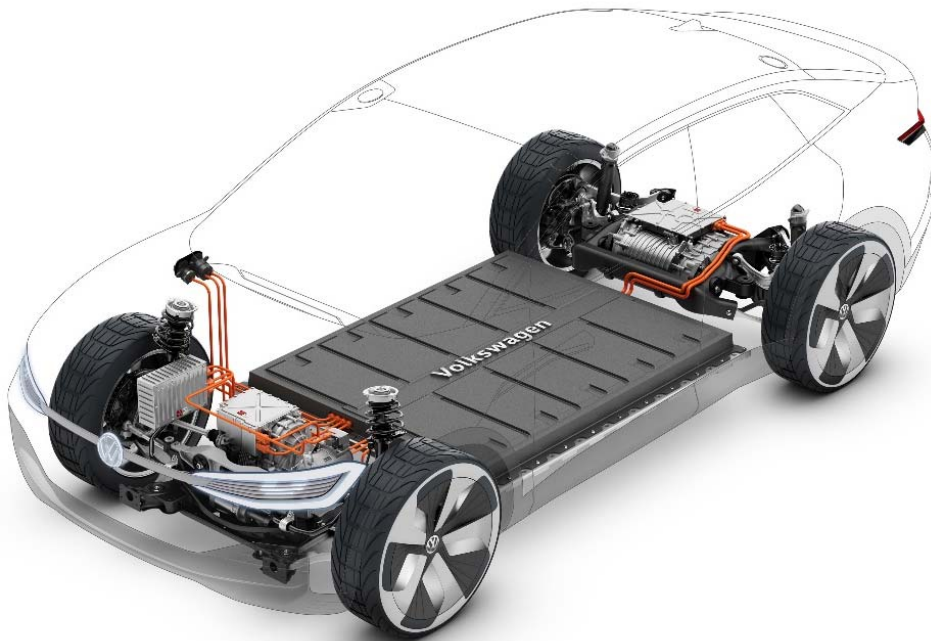
Jetta (NAR)

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

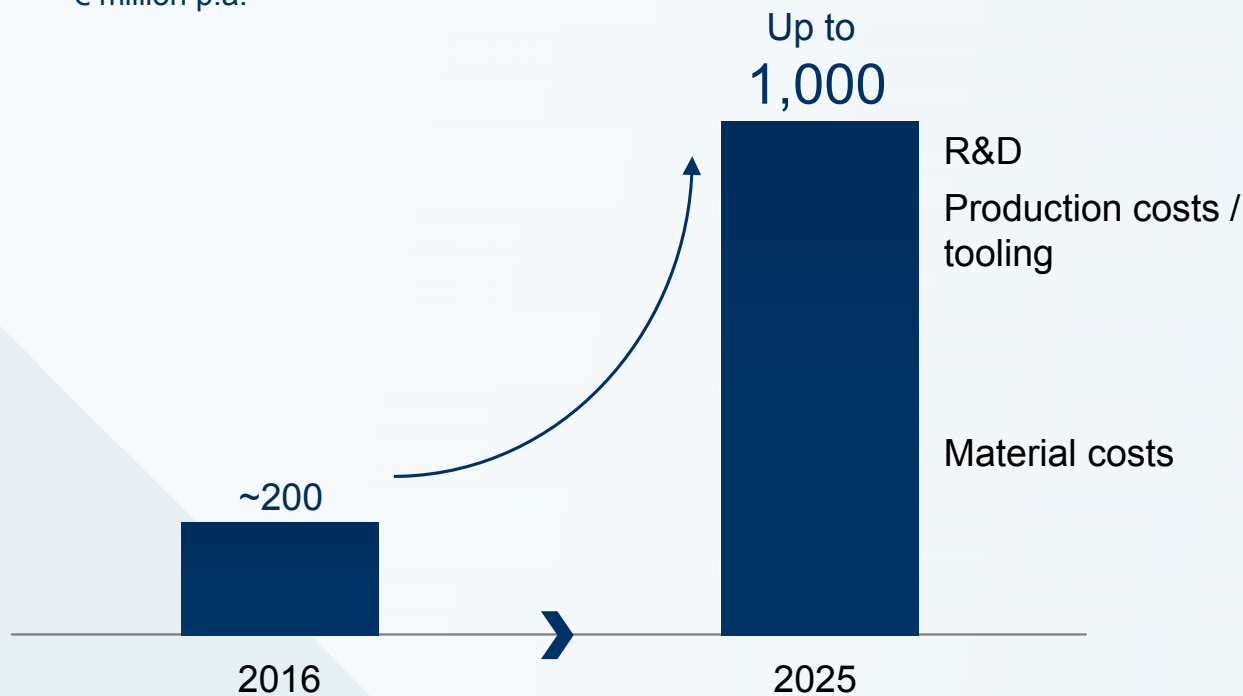


After sales increasingly important as alternative source of revenues
New business models (e.g. enhanced telematics) can stabilize revenues

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

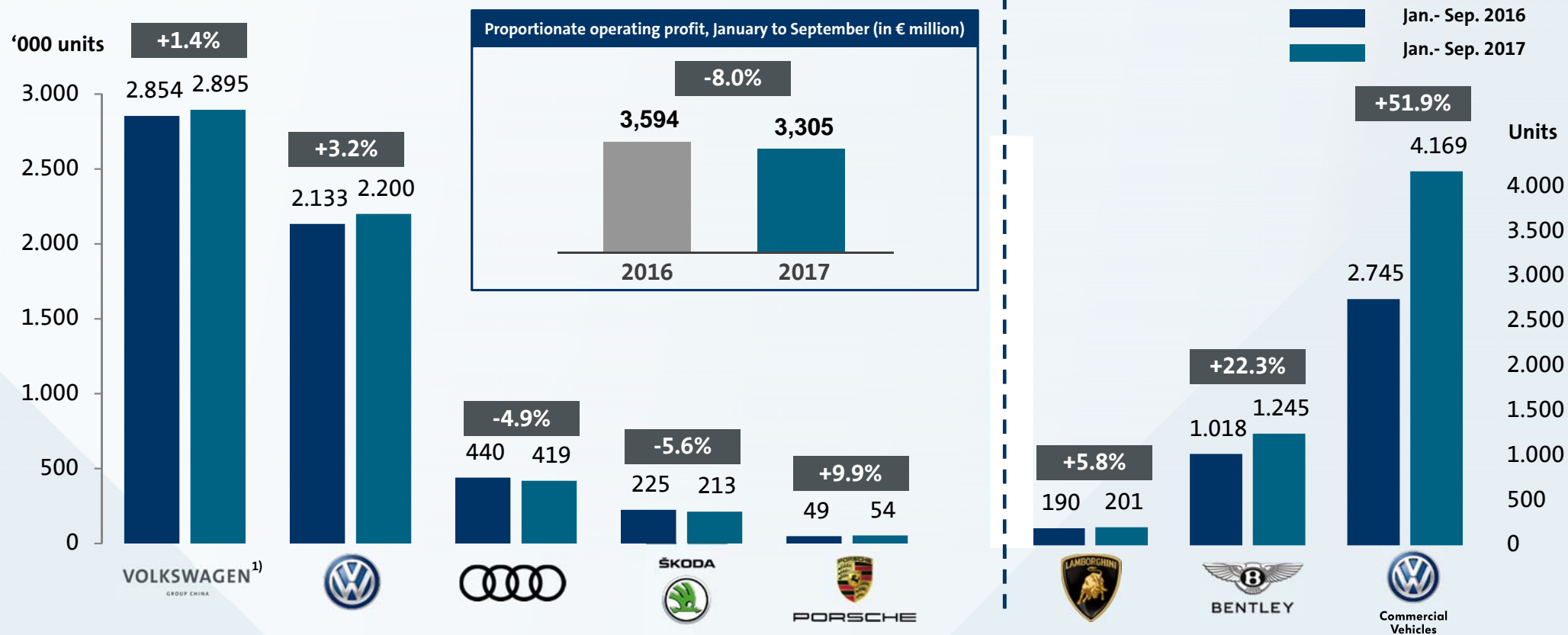
Global expansion on track with Navistar alliance

1	Equity investment		16.9% 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 30.09.2017



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





Regulatory environment for NEV and Fuel Consumption Credits in China

CAFC and NEV Credit System

- Independent management of **CAFC¹⁾** and **NEV credits**
- Companies need to fulfill **both requirements**

CAFC¹⁾ Credits:

- Transfer between affiliated companies
- Credit carry-over to next 3 years with depreciation
- Option to use positive NEV credits

NEV Credits:

- No transfer from CAFC credits to NEV credits
- Carry-over of positive and negative NEV credits from 2019 to 2020
- Trading of NEV credits allowed

The rules will be further supplemented.

MIIT²⁾ draft for NEV Credit Calculation

$$\text{min. NEV credit points} = \text{ICE}^3 \text{ Volume} \times \text{NEV credit point ratio}$$

2018	2019	2020
None	10%	12%

ICEs
min. NEV credit

Example 2019:
1 million ICEs need
100,000 NEV credit points

NEV Credit Point Attribution per NEV Type

BEV⁴⁾: Basic credit = $0.012 \times \text{Range} + 0.8$ (max. 5 basic credits)
BEV additional factor for low electric consumption up to 1.2

PHEV⁵⁾: Basic credit = 2 (min. e-Range 50km)
PHEV credit = 1 if e-range 50-80km and consumption $\geq 70\%$ ICE

¹⁾ CAFC – Corporate Average Fuel Consumption ²⁾ MIIT – Ministry of Industry and Information Technology ³⁾ ICE – Internal Combustion Engine ⁴⁾ BEV – Battery Electric Vehicle ⁵⁾ PHEV – Plug-in Hybrid Electric Vehicle

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

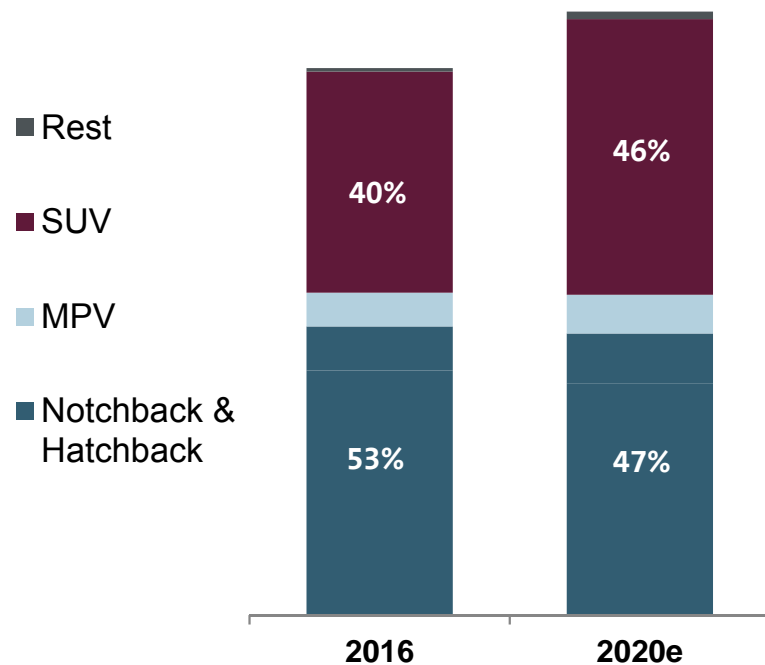
JAC 江淮汽车



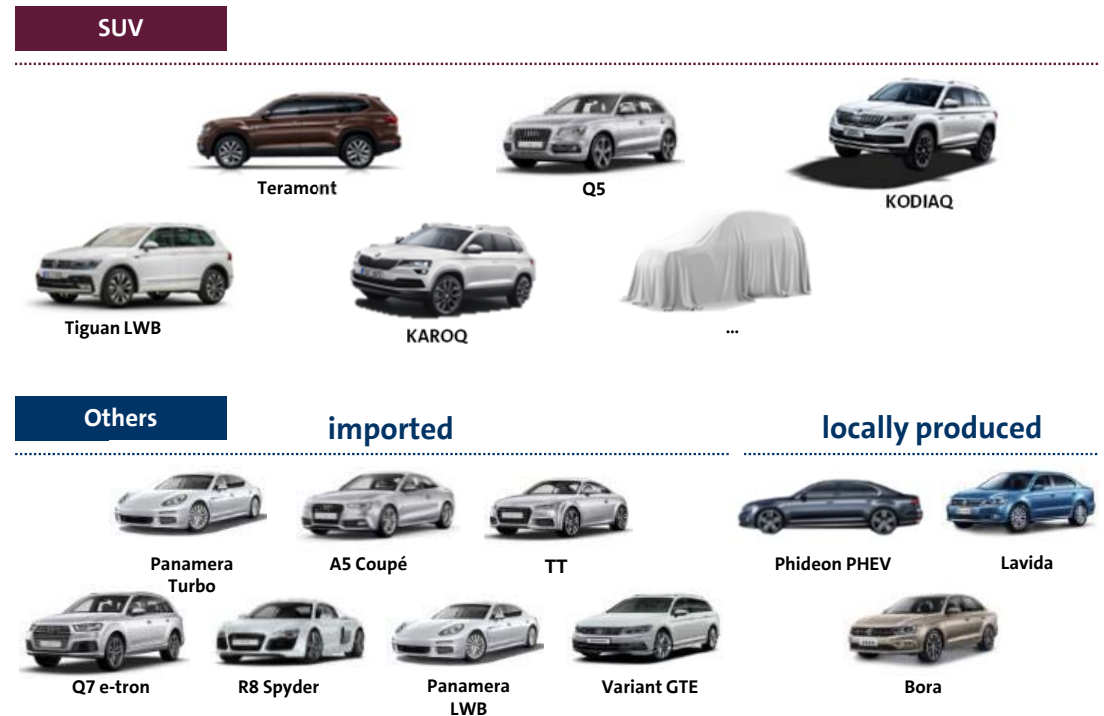


New product offering with an expanded SUV line-up ¹⁾

Body style trends until 2020¹⁾



New vehicle launches 2017 and to follow²⁾



¹⁾ Source: IHS ²⁾ Schematic overview – does not show all models

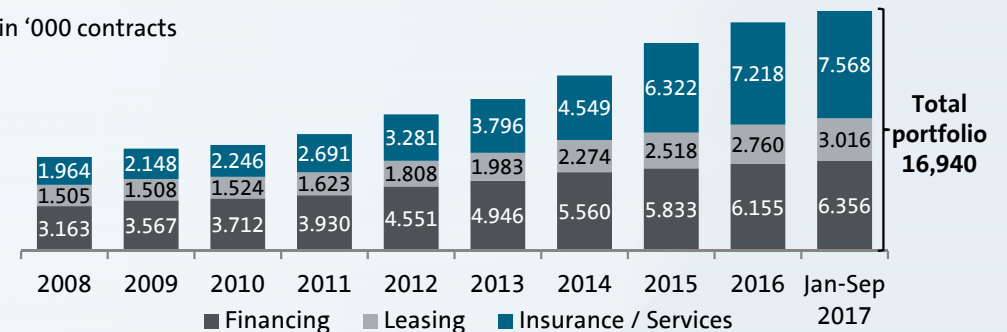
Volkswagen Financial Services¹⁾: global, well diversified and successful

Strong global presence

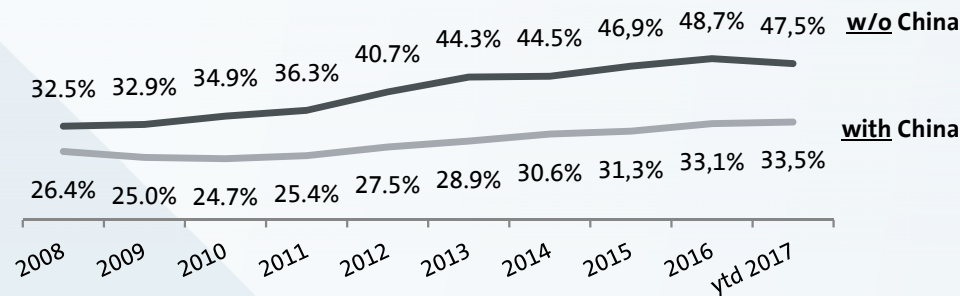


Continuous portfolio expansion

in '000 contracts



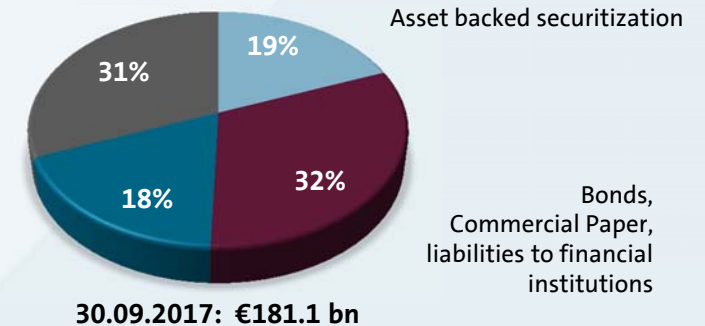
Rising penetration rates



Diversified funding structure

Equity, liabilities to affiliated companies, other

Customer deposits

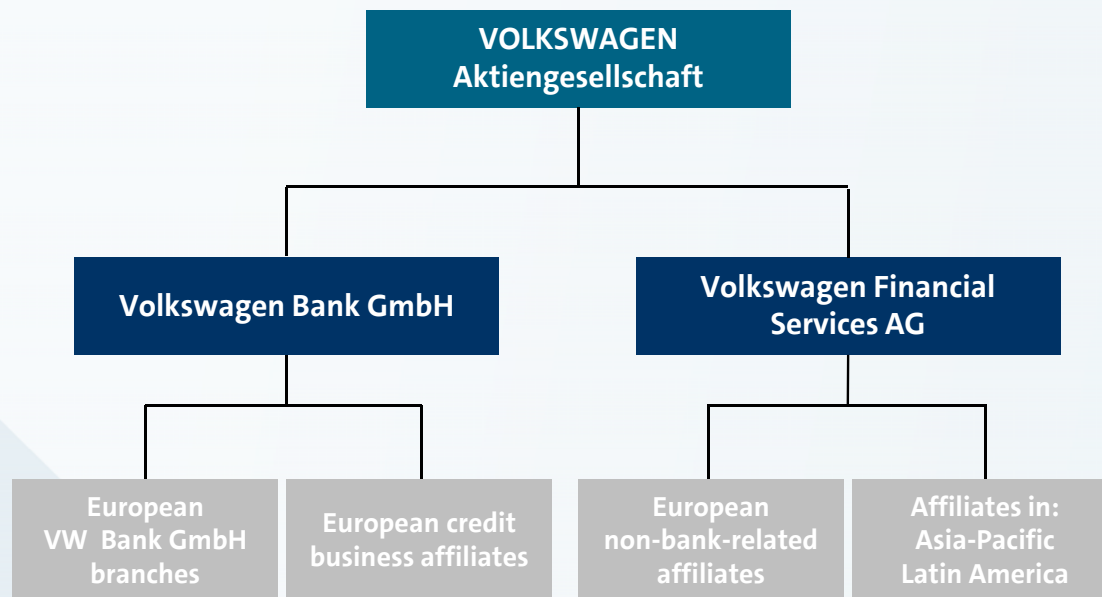


¹⁾ Excluding activities of Scania and Porsche Holding Salzburg; including Financial Services of Porsche AG and MAN Financial Services.

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: Truck Business 0.2 Passenger Cars South America 0.2 Airbags Takata 0.3 0.7	16.9
	Other items 9.2		
	16.2		
2016	Mainly legal risks 6.4	Scania Anti-Trust Proceedings 0.4	7.5
		Others 0.7 1.1	
Jan-Sept 2017	Buyback/retrofit program 2.1		2.6
	Legal 0.5		
	2.6		
Total to date	25.2	1.8	27.0

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, around €7bn in Q2 and around €2.5bn in Q3.

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



Predominantly software-only solution



- Technical solution already generally confirmed for all concepts by KBA¹
- Gradual approval of clusters after cluster-specific KBA inspection¹
- 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.

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

Update status

Almost 6.2m units have been updated
(status 19 October 2017)

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:



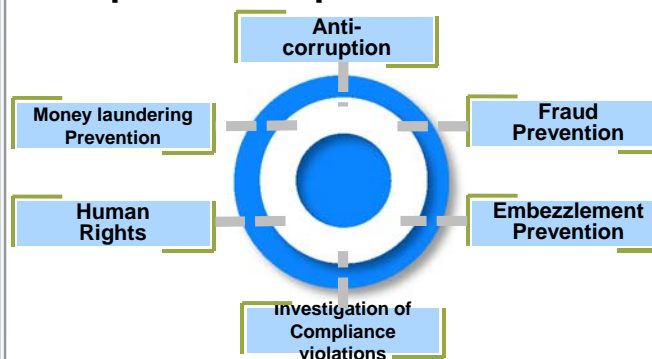
2. Evolution of Group Compliance:



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

Telephone: +49 5361 9 49840



Helen Beckermann (Wolfsburg office)

Senior Investor Relations Manager

E-Mail: Helen.Beckermann@volkswagen.de

Telephone: +49 5361 9 49015



Alexander Hunger (Wolfsburg office)

Senior Investor Relations Officer

E-Mail: Alexander.Hunger@volkswagen.de

Telephone: +49 5361 9 47420



Andreas Kowalczyk (Wolfsburg office)

Investor Relations Officer

E-Mail: Andreas.Kowalczyk@volkswagen.de

Telephone: +49 5361 9 23183



Andreas Buchta (Wolfsburg office)

Investor Relations Manager

E-Mail: Andreas.Buchta@volkswagen.de

Telephone: + 49 5361 9 40765



Ulrich Hauswaldt (Wolfsburg office)

Investor Relations Officer

E-Mail: Ulrich.Hauswaldt@volkswagen.de

Telephone: +49 5361 9 42224



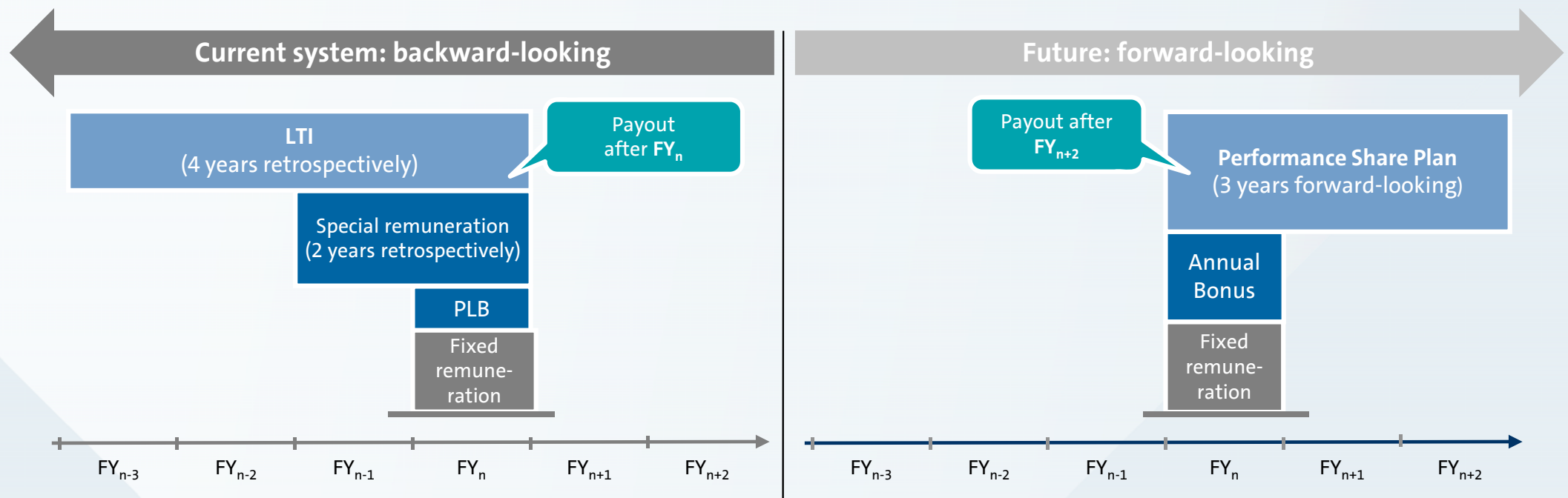
Lennart Schmidt (China office)

Investor Relations Manager

E-Mail: 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 Cayenne

ŠKODA Karoq





SEAT Arona

Bentley Bentayga



Lamborghini Centenario



Bugatti Chiron



Volkswagen Crafter



A large, stylized graphic of the Volkswagen logo, composed of two overlapping triangles. The left triangle is light blue, and the right triangle is a darker blue. The top right corner of the right triangle is a dark maroon color.

VOLKSWAGEN

AKTIENGESELLSCHAFT

**We are
redefining
mobility.**

Volkswagen Group

Frank Witter

Chief Financial Officer

US Roadshow with Goldman Sachs, New York & Boston, 30-31 October 2017