Factbook
2014

12 fascinating brands
9.73 million vehicles sold in 2013
572,800 employees worldwide
153 countries
“We succeeded in keeping the Volkswagen Group on a growth path in fiscal year 2013, despite the difficult economic environment. By implementing our Strategy 2018, we aim to also grow qualitatively in every respect and in all areas of the company.”

Prof. Dr. Martin Winterkorn
Chairman of the Board of Management
Volkswagen Aktiengesellschaft
# Content

**Volkswagen at a Glance** .................................................. 3

Our Brands & Products .................................................. 8

Our Markets ................................................................. 24

Financials & Outlook .................................................. 29

Strategy 2018 ............................................................... 41

Excellence in Production .............................................. 47

Focus on R&D .............................................................. 57

Forming an Integrated Commercial Vehicles Group .......... 65

Shareholder Information ................................................. 69

Investor Relations Team ............................................... 75
The Volkswagen Group with its headquarters in Wolfsburg is one of the world’s leading automobile manufacturers and the largest carmaker in Europe.

The Group operates 106 production plants. Every weekday, 572,800 employees worldwide produce some 39,350 vehicles, and work in vehicle-related services or other fields of business. The Volkswagen Group sells its vehicles in 153 countries.

In 2013, the Group increased the number of vehicles delivered to customers to 9.73 million (2012: 9.28 million), corresponding to a share of 12.8 percent of the world passenger car market.
The Volkswagen Group consists of two divisions: the Automotive Division, including the Passenger Cars and Commercial Vehicles / Power Engineering Business Areas, and the Financial Services Division.

The **Passenger Cars Business Area** is centered on the development of vehicles and engines as well as the production and sale of passenger cars.

The **Commercial Vehicles / Power Engineering Business Area** deals with the production and sale of trucks and busses, and business comprising genuine parts, large-bore diesel engines, turbomachinery, special gear units, propulsion components and testing systems.

The **Financial Services Division’s** portfolio of services combines dealer and customer financing, leasing, banking and insurance activities and fleet management.
The Board of Management of Volkswagen Aktiengesellschaft

(from left to right)

Dr. h. c. Leif Östling
Commercial Vehicles

Christian Klingler
Sales and Marketing

Prof. Rupert Stadler
Chairman of the Board of Management of AUDI AG

Dr.-Ing. E. h. Michael Macht
Production

Prof. Dr. rer. pol. Horst Neumann
Human Resources and Organization

Prof. Dr. rer. pol. Dr.-Ing. E. h. Jochem Heizmann
China

Hans Dieter Pötsch
Finance and Controlling

Prof. Dr. Dr. h.c. mult. Martin Winterkorn
Chairman of the Board of Management of Volkswagen Aktiengesellschaft
Research and Development

Dr. rer. pol. h. c. Francisco Javier García Sanz
Procurement
Content

Volkswagen at a Glance ........................................................ 3
Our Brands & Products ....................................................... 8
Our Markets ........................................................................ 24
Financials & Outlook ......................................................... 29
Strategy 2018 ..................................................................... 41
Excellence in Production .................................................... 47
Focus on R&D ..................................................................... 57
Forming an Integrated Commercial Vehicles Group ............ 65
Shareholder Information ....................................................... 69
Investor Relations Team ...................................................... 75
Volkswagen is the most successful multibrand group in the automotive industry. The Group consists of twelve brands from seven European countries: Volkswagen Passenger Cars, Audi, SEAT, ŠKODA, Bentley, Bugatti, Lamborghini, Porsche, Ducati, Volkswagen Commercial Vehicles, Scania and MAN.

Each brand has its own character and operates as an independent entity in the market to better satisfy the specific needs of the different segments and countries.
Our Huge Product Range satisfies all Major Customer Groups

<table>
<thead>
<tr>
<th>World 2014</th>
<th>Hatchback</th>
<th>Sedan</th>
<th>Estate</th>
<th>MPV</th>
<th>SUV</th>
<th>Coupé</th>
<th>Convertible</th>
<th>Roadster</th>
<th>City Van / Transporter</th>
<th>Pick-Up</th>
</tr>
</thead>
<tbody>
<tr>
<td>E</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>D</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>C</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>B</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A0</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A00</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Segments > 1m cars

New product launch 2014
The “Volkswagen – Das Auto” slogan unites the three core messages that distinguish the Volkswagen Passenger Cars brand: innovative, offering enduring value and responsible.

The Volkswagen Passenger Cars brand premiered a large number of new vehicles in 2013. At the beginning of 2013, the brand unveiled the XL1, the most economical series automobile in the world.

The brand also presented the Golf estate and the sporty Golf GTI and Golf GTD models. The e-up!, the Volkswagen Group’s first pure-play electric drive vehicle, made its debut at the IAA in Frankfurt am Main. The pure-play electric version of the Golf was presented at the same time; production is scheduled to start at the beginning 2014.

**5.9 million**

**Vehicles produced**

The Volkswagen Passenger Cars brand premiered a large number of new vehicles in 2013. At the beginning of 2013, the brand unveiled the XL1, the most economical series automobile in the world.

The brand also presented the Golf estate and the sporty Golf GTI and Golf GTD models. The e-up!, the Volkswagen Group’s first pure-play electric drive vehicle, made its debut at the IAA in Frankfurt am Main. The pure-play electric version of the Golf was presented at the same time; production is scheduled to start at the beginning 2014.

**KEY FIGURES**

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012¹</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deliveries (’000 units)</td>
<td>5,932</td>
<td>5,738</td>
<td>+3.4</td>
</tr>
<tr>
<td>Vehicle sales (’000 units)</td>
<td>4,704</td>
<td>4,850</td>
<td>-3.0</td>
</tr>
<tr>
<td>Production (’000 units)</td>
<td>5,924</td>
<td>5,772</td>
<td>+2.6</td>
</tr>
<tr>
<td>Sales revenue (€ million)</td>
<td>99,397</td>
<td>103,942</td>
<td>-4.4</td>
</tr>
<tr>
<td>Operating profit (€ million)</td>
<td>2,894</td>
<td>3,643</td>
<td>-20.6</td>
</tr>
<tr>
<td>as % of sales revenue</td>
<td>2.9</td>
<td>3.5</td>
<td></td>
</tr>
</tbody>
</table>

¹ Prior-year figures adjusted to reflect application of IAS 19R.

**MOST PRODUCED IN 2013**

- **Jetta/Bora**
- **Golf**
- **Lavida/Sagitar**

Note: Pictures are only examples; regional variations exist.
In the premium segment, Audi has become one of the strongest car brands worldwide under the slogan of “Vorsprung durch Technik”. Its objective is to become the market leader in this segment. To do this, Audi relies heavily on its sporty, high-quality and progressive image. New production facilities further extend the brand’s competitive position in the premium segment worldwide.

In terms of products, the A3 saloon has launched Audi into the world’s fastest growing market segment: the compact saloon class.

The Audi brand also added to its range of especially sporty S and RS models with a large number of product innovations – such as the SQ5, RS 6 Avant and RS 7 Sportback models.

1 Prior-year figures adjusted to reflect application of IAS 19R.
With its “Simply clever” slogan, ŠKODA has become one of the fastest emerging brands, particularly in Europe and China.

The brand image is dominated by a compelling value proposition and an attractive design, coupled with intelligent ideas for the use of space that are technically simple but offer refined and practical details. The numerous awards for its ambitious, innovative and sophisticated vehicle design are proof of the high recognition for this brand concept.

The ŠKODA brand continued the largest model rollout in its history in 2013, launching eight new models or model variants. The Rapid Spaceback is its first model in the compact hatchback segment.
Models that regularly win awards for their outstanding design are representative of Spanish SEAT brand’s image.

SEAT is aiming for stronger growth, particularly in Europe, by sharpening its brand profile and focusing on its distinctive brand values of being dynamic, young and design-oriented. The new brand claim “Enjoyneering” suitably expresses the character of the brand as a passionate perfectionist and emotional technology leader.

The brand drove forward its model rollout in 2013 and further expanded the Leon family. The Leon ST is the brand’s first representative in the compact estate segment. The young model range helped the brand lift its sales figures.

### KEY FIGURES

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deliveries (’000 units)</td>
<td>355</td>
<td>321</td>
<td>+10.6</td>
</tr>
<tr>
<td>Vehicle sales (’000 units)</td>
<td>459</td>
<td>429</td>
<td>+6.9</td>
</tr>
<tr>
<td>Production (’000 units)</td>
<td>353</td>
<td>321</td>
<td>+9.8</td>
</tr>
<tr>
<td>Sales revenue (€ million)</td>
<td>6,874</td>
<td>6,485</td>
<td>+6.0</td>
</tr>
<tr>
<td>Operating profit (€ million)</td>
<td>-152</td>
<td>-156</td>
<td>+2.9</td>
</tr>
<tr>
<td>as % of sales revenue</td>
<td>-2.2</td>
<td>-2.4</td>
<td></td>
</tr>
</tbody>
</table>

### MOST PRODUCED IN 2013

- Ibiza
- Leon
- Altea/Toledo

10.6%

**Increase in deliveries**

Models that regularly win awards for their outstanding design are representative of Spanish SEAT brand’s image.

SEAT is aiming for stronger growth, particularly in Europe, by sharpening its brand profile and focusing on its distinctive brand values of being dynamic, young and design-oriented. The new brand claim “Enjoyneering” suitably expresses the character of the brand as a passionate perfectionist and emotional technology leader.

The brand drove forward its model rollout in 2013 and further expanded the Leon family. The Leon ST is the brand’s first representative in the compact estate segment. The young model range helped the brand lift its sales figures.
To build a good car, a fast car, the best in class – this was the mission of W.O. Bentley when he founded Bentley Motors in 1919. Still today, the definitive British luxury car company dedicates itself to developing and crafting the world’s most desirable high performance cars with the stamina to cross continents at pace, and drive in refined comfort and style. Bentley is located in Crewe, England and belongs to the Volkswagen Group since 1998.

The Bentley brand continued on its successful course in 2013 and posted a new sales record. It launched the new Flying Spur. The Continental GTC Speed Convertible celebrated its world premiere in 2013. Its top speed of 325 km/h makes it the fastest convertible in the world.

10.0%

Operating return on sales in 2013

"To build a good car, a fast car, the best in class" – this was the mission of W.O. Bentley when he founded Bentley Motors in 1919. Still today, the definitive British luxury car company dedicates itself to developing and crafting the world’s most desirable high performance cars with the stamina to cross continents at pace, and drive in refined comfort and style. Bentley is located in Crewe, England and belongs to the Volkswagen Group since 1998.

The Bentley brand continued on its successful course in 2013 and posted a new sales record. It launched the new Flying Spur. The Continental GTC Speed Convertible celebrated its world premiere in 2013. Its top speed of 325 km/h makes it the fastest convertible in the world.
Porsche

KEY FIGURES

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deliveries (’000 units)</td>
<td>162</td>
<td>60</td>
</tr>
<tr>
<td>Vehicle sales (’000 units)</td>
<td>155</td>
<td>62</td>
</tr>
<tr>
<td>Production (’000 units)</td>
<td>166</td>
<td>64</td>
</tr>
<tr>
<td>Sales revenue (€ million)</td>
<td>14,326</td>
<td>5,879</td>
</tr>
<tr>
<td>Operating profit (€ million)</td>
<td>2,579</td>
<td>943</td>
</tr>
<tr>
<td>as % of sales revenue</td>
<td>18.0</td>
<td>16.0</td>
</tr>
</tbody>
</table>

¹ August 1 to December 31, 2012. Prior-year figures adjusted to reflect application of IAS 19R.

MOST PRODUCED IN 2013

Cayenne    911 Coupé/Cabriolet    Boxster/Cayman

911

50 years of a style icon

Porsche is an iconic sports and luxury car brand with leading profitability. High performance meets outstanding everyday practicality, breathtaking dynamics, exceptional occupant comfort and safety.

The Porsche brand can look back on a very successful 2013. Among other things, it made extensive investments to restructure and expand its plants. Porsche aims to appeal to new customers with the Macan. The brand also celebrated a special anniversary last year: 50 years of the Porsche 911.

In addition, Porsche’s next generation Panamera increased the attractiveness of the product range. Finally, the brand unveiled the limited-edition 918 Spyder super sports car, which boasts an innovative plug-in hybrid drive.
Volkswagen Commercial Vehicles stands for superior mobility with its three core values of reliability, economy and partnership. The brand offers a range of different transport solutions at the highest levels of engineering for different customer groups. The light commercial vehicles are tailored to meet the individual transportation needs of customers in retail and craft businesses, as well as civil authorities and service providers. Private customers value family-friendly MPVs and leisure-oriented motor homes.

In 2013, the brand celebrated the 9 million milestone for vehicles manufactured at the main production facility in Hanover since the plant opened in 1956. It also celebrated the 25th anniversary of the California camper. Volkswagen Commercial Vehicles marked this occasion with an attractive special edition.
The Swedish Scania brand follows the core values of “customer first”, “respect for the individual” and “quality”. For over 100 years, this successful company has been manufacturing high-performance trucks and buses featuring extremely innovative technology. The brand offers its customers efficient transport solutions backed by service offerings and financial services.

The Scania brand presented further product innovations in 2013 and rounded off its range of Euro 6 engines. It also unveiled other innovations such as new safety and driver assistance systems – while continuing to focus on individual customer solutions and cost efficiency. The brand presented the new Scania Streamline, a long-distance model that drives forward its ongoing efforts to reduce fuel consumption.
MAN's roots can be traced back to 1758. The core values of the MAN brand are reliability, innovation, dynamic strength and openness. These values are key success factors for MAN, one of Europe’s leading manufacturers of commercial vehicles, engines and mechanical engineering equipment. The company manufactures diesel engines, turbomachinery and special gear units, alongside trucks and buses.

MAN can look back on over 250 consecutive years of company history. For the supplier of trucks, buses, diesel engines, turbomachinery and special gear units, 2013 was dominated by the product changeover to the new Euro 6 emission standard in force in Europe since January 2014. In addition, MAN and its NEOPLAN bus brand unveiled the entire bus portfolio with economical, high-performance Euro 6 engines.

### 140 thousand

**Commercial vehicles sold in 2013**

MAN's roots can be traced back to 1758. The core values of the MAN brand are reliability, innovation, dynamic strength and openness. These values are key success factors for MAN, one of Europe’s leading manufacturers of commercial vehicles, engines and mechanical engineering equipment. The company manufactures diesel engines, turbomachinery and special gear units, alongside trucks and buses.

MAN can look back on over 250 consecutive years of company history. For the supplier of trucks, buses, diesel engines, turbomachinery and special gear units, 2013 was dominated by the product changeover to the new Euro 6 emission standard in force in Europe since January 2014. In addition, MAN and its NEOPLAN bus brand unveiled the entire bus portfolio with economical, high-performance Euro 6 engines.

### Our Markets

- **Excellence in Production**
- **Focus on R&D**
- **Forming an Integrated CV Group**
- **Shareholder Information**
- **Investor Relations Team**

### Volkswagen at a Glance

- **Our Brands & Products**
- **Our Markets**
- **Financials & Outlook**
- **Strategy 2018**
- **Excellence in Production**
- **Focus on R&D**
- **Forming an Integrated CV Group**
- **Shareholder Information**
- **Investor Relations Team**

### Key Figures

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012¹</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Orders received (’000 units)</td>
<td>138</td>
<td>135</td>
<td>+2.4</td>
</tr>
<tr>
<td>Deliveries (’000 units)</td>
<td>140</td>
<td>134</td>
<td>+4.5</td>
</tr>
<tr>
<td>Vehicle sales (’000 units)</td>
<td>140</td>
<td>134</td>
<td>+4.5</td>
</tr>
<tr>
<td>Production (’000 units)</td>
<td>141</td>
<td>124</td>
<td>+13.6</td>
</tr>
<tr>
<td>Sales revenue (€ million)</td>
<td>15,861</td>
<td>15,999</td>
<td>-0.9</td>
</tr>
<tr>
<td>Operating profit (€ million)</td>
<td>319</td>
<td>813</td>
<td>-60.7</td>
</tr>
</tbody>
</table>

¹ Prior-year figures adjusted to reflect application of IAS 19R.
Lamborghini stands for extreme and uncompromising super sports cars of the best Italian tradition. Lamborghini redefined the future of its super sports cars and decided to focus more on weight reduction than on top-speed. Extensive use of carbon fibre, even at a structural level, allows Lamborghini to be at the forefront of development techniques. The successor of the Gallardo, the new Lamborghini Huracán LP 610-4, made its global debut at the Geneva Motor Show 2014 and is currently receiving overwhelming reactions from markets and customers all over the world.

Bugatti has always been the epitome of exclusivity, luxury, elegance, style and extraordinary design, driven by a great passion for automobiles. Unique visions, the strong legacy of legendary sports cars that date back to the year 1901, and high-precision engineering in development, construction, and manufacture distinguish this outstanding automotive brand. Bugatti confirmed its unique position by launching the Veyron Grand Sport Vitesse, the fastest roadster of all time with a top speed of 431 km/h.
Financial Services Division

The Financial Services Division, which corresponds to the Financial Services segment, combines dealer and costumer financing, leasing, banking and insurance activities, fleet management and mobility offerings. Management focuses on increasing the return on equity in the Financial Services Division. Additional goals are to meet the banking authorities’ regulatory capital requirements, to support its external rating by ensuring capital adequacy and to procure equity for the growth planned in the next fiscal years. In the process, it aims overall to achieve the highest possible growth in the value of the Group and its divisions for the benefit of all the Company’s stakeholder groups.

The Financial Services Division once again made a significant contribution to the Group’s earnings with an operating profit of €1.6 billion (€1.4 billion). Return on equity before tax was lower than in the previous year at 14.9% (13.4%).
Volkswagen Financial Services

**KEY FIGURES**

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Assets (€ million)</td>
<td>115,067</td>
<td>111,052</td>
<td>+3.6</td>
</tr>
<tr>
<td>Receivables (€ million)</td>
<td>80,070</td>
<td>77,197</td>
<td>+10.2</td>
</tr>
<tr>
<td>Direct Banking Deposits (€ m)</td>
<td>21,285</td>
<td>22,004</td>
<td>-3.3</td>
</tr>
<tr>
<td>Equity (€ million)</td>
<td>11,582</td>
<td>11,314</td>
<td>+2.4</td>
</tr>
<tr>
<td>Operating profit (€ million)</td>
<td>1,614</td>
<td>1,408</td>
<td>+14.6</td>
</tr>
</tbody>
</table>

**CONTINUOUS PORTFOLIO GROWTH (CONTRACTS ’000)**

Total Portfolio 10,725

<table>
<thead>
<tr>
<th>Year</th>
<th>Financing</th>
<th>Leasing</th>
<th>Insurance / Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>2.169</td>
<td>1.336</td>
<td>3.097</td>
</tr>
<tr>
<td>2008</td>
<td>1.964</td>
<td>1.505</td>
<td>3.163</td>
</tr>
<tr>
<td>2009</td>
<td>2.148</td>
<td>1.508</td>
<td>3.567</td>
</tr>
<tr>
<td>2010</td>
<td>2.246</td>
<td>1.524</td>
<td>3.712</td>
</tr>
<tr>
<td>2011</td>
<td>2.691</td>
<td>1.623</td>
<td>3.930</td>
</tr>
<tr>
<td>2012</td>
<td>3.281</td>
<td>1.808</td>
<td>4.551</td>
</tr>
<tr>
<td>2013</td>
<td>3.796</td>
<td>1.983</td>
<td>4.946</td>
</tr>
</tbody>
</table>

**€1.6 billion**

**Operating profit for 2013**

Volkswagen Financial Services is the largest automotive financial services provider in Europe presently employing more than 10,945 employees worldwide, of which 5,629 work in Germany.

Volkswagen Financial Services offers financial services for more than 60 years in close cooperation with the Volkswagen Group brands in 49 countries worldwide.

Volkswagen Financial Services’ portfolio includes dealer and customer financing, leasing, banking and insurance activities, fleet management and mobility solutions.

---

1 All shown figures show VW Financial Services as of 31 December 2013, excluding financial service activities of MAN, Scania, Porsche AG and Porsche Holding Salzburg.
Audi TT
Content

Volkswagen at a Glance ........................................ 3
Our Brands & Products ........................................ 8

Our Markets .................................................. 24
Financials & Outlook ......................................... 29
Strategy 2018 .................................................... 41
Excellence in Production ..................................... 47
Focus on R&D ................................................... 57
Forming an Integrated Commercial Vehicles Group .... 65
Shareholder Information ...................................... 69
Investor Relations Team ...................................... 75
Overview – World Car Markets and Volkswagen Group

With its twelve brands, the Volkswagen Group has a presence in all important automotive markets around the world.

It is the goal of the Group to offer attractive, safe and environmentally sound vehicles which are competitive and which set world standards in their respective classes.

Currently, the key markets include Western Europe, China, Brazil, the US, Russia, Argentina and Mexico.

The Group continued to extend its strong competitive position in 2013 thanks to its wide range of attractive and environmentally friendly models. We have increased our market share in key markets and again recorded an encouraging global increase in demand.
The importance of the Chinese market has significantly increased in the past years.
As the automotive pioneer, Volkswagen entered the modern Chinese market in 1984 founding a joint venture with the Shanghai Automotive Industrial Corporation (Shanghai Volkswagen Automotive Company Ltd.).

A second joint venture, FAW-Volkswagen Automotive Company Ltd. was set up in 1991 to expand the Group’s activities. Today Volkswagen is producing cars and components at seventeen facilities and is running in addition finance and sales companies in China.

A ‘China’ Board of Management function was created in 2012 to underpin the growing significance of the Chinese market.

Our Chinese product portfolio now covers all segments from small cars to luxury sports cars. We took account of up-and-coming vehicle classes, such as the SUV segment, in our local production at an early stage. The commercial vehicle segment is also gaining in importance for us.
Deliveries of Volkswagen in China January to December 2013

Since it first embarked on economic reform more than 30 years ago, China has become one of the world’s most important automotive markets and is now the Volkswagen Group’s largest sales market.

At the end of the 1990s, the focus began to turn to diversifying the product range. A crucial factor here was the establishment of the import business in 2007, which we had extended to include all of the Group’s passenger car brands by 2013.

<table>
<thead>
<tr>
<th>Import FBU¹ ('000 units)</th>
<th>Locally Produced ('000 units)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>VW, VWN</strong></td>
<td></td>
</tr>
<tr>
<td>87.5</td>
<td><strong>FAW-VW</strong></td>
</tr>
<tr>
<td><strong>Audi</strong></td>
<td><strong>VW</strong></td>
</tr>
<tr>
<td>84.3</td>
<td>1,115.9</td>
</tr>
<tr>
<td><strong>Porsche</strong></td>
<td><strong>Audi</strong></td>
</tr>
<tr>
<td>37.4</td>
<td>407.7</td>
</tr>
<tr>
<td><strong>Other Brands</strong></td>
<td><strong>SVW</strong></td>
</tr>
<tr>
<td>4.9</td>
<td>1,305.5</td>
</tr>
<tr>
<td></td>
<td><strong>VW</strong></td>
</tr>
<tr>
<td></td>
<td>225.6</td>
</tr>
<tr>
<td><strong>Σ 214.1</strong></td>
<td><strong>Σ 3,054.7</strong></td>
</tr>
</tbody>
</table>

Total Deliveries Region China 3,269

¹ incl. Hong Kong, excl. MAN, Scania and Ducati. All figures shown are rounded, so minor discrepancies may arise from addition of these amounts.
ŠKODA Rapid Spaceback
## Content

Volkswagen at a Glance ________________ 3

Our Brands & Products ________________ 8

Our Markets __________________________ 24

**Financials & Outlook** ________________ 29

Strategy 2018 __________________________ 41

Excellence in Production __________________ 47

Focus on R&D __________________________ 57

Forming an Integrated Commercial Vehicles Group __________ 65

Shareholder Information __________________ 69

Investor Relations Team __________________ 75
Key Financial Figures 2013 –
Volkswagen Group continues success story in fiscal year 2013

“The Volkswagen Group continued its success story and further strengthened its market position thanks to its high profitability. Given the ongoing challenges from the macroeconomic environment, we will continue to pursue our disciplined approach to cost and investment management and steadily improve existing processes. This provides a basis from which we can grow successfully in what remains a highly competitive environment.”

- Deliveries to customers went up by 4.9 percent on the record 2012 figure to 9.73 million vehicles; strong growth in China
- Sales revenue rose by 2.2 percent to €197.0 billion; negative exchange rate effects
- Operating profit exceeded record prior-year level at €11.7 billion (€11.5 billion)
- Dividend of €4.00 per ordinary share and €4.06 per preferred share, up €0.50 y-o-y each
- Net liquidity increased to €16.9 billion (€10.6 billion) in the Automotive Division thanks to the robust business model and net cash flow of €4.4 billion

Hans Dieter Pötsch
Finance and Controlling
Our Brands Once Again Proved Their Attraction to Customers

Deliveries to customers in ’000 units

Passenger Cars

Volkswagen Group

1 Incl. Volkswagen Commercial Vehicles, Scania and MAN; 5.1% excl. Volkswagen Commercial Vehicles, Scania and MAN. Incl. Porsche since 08/2012
Volkswagen Group – Truck and Bus Deliveries

January – December 2012

January – December 2013

1 Incl. Volkswagen Commercial Vehicles, Scania and MAN; 5.1% excl. Volkswagen Commercial Vehicles, Scania and MAN.

2 MAN incl. MAN Latin America Trucks and Buses GVW > 5t
Sustained Commitment to Profitable Growth\footnote{The prior-year figures were adjusted to reflect application of IAS 19R.}

In 2013, the Volkswagen Group generated sales revenue of €197.0 billion (+2.2%) and an operating profit of €11.7 billion (+1.5%). At €12.4 billion, the Volkswagen Group’s profit before tax was down on the prior-year period, when measurements effects in connection with the integration of Porsche (€12.3 billion) had a clearly positive impact on the financial result. Profit after tax consequently declined by €12.7 billion to €9.1 billion.
**Strong Performance Across our Business Lines**

<table>
<thead>
<tr>
<th></th>
<th>Vehicle sales</th>
<th>Sales revenue</th>
<th>Operating profit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Volkswagen Passenger Cars</td>
<td>4,704</td>
<td>4,850</td>
<td>99,397</td>
</tr>
<tr>
<td>Audi</td>
<td>1,349</td>
<td>1,299</td>
<td>49,880</td>
</tr>
<tr>
<td>ŠKODA</td>
<td>719</td>
<td>727</td>
<td>10,324</td>
</tr>
<tr>
<td>SEAT</td>
<td>459</td>
<td>429</td>
<td>6,874</td>
</tr>
<tr>
<td>Bentley</td>
<td>11</td>
<td>9</td>
<td>1,679</td>
</tr>
<tr>
<td>Porsche²</td>
<td>155</td>
<td>62</td>
<td>14,326</td>
</tr>
<tr>
<td>Volkswagen Commercial Vehicles</td>
<td>436</td>
<td>437</td>
<td>9,370</td>
</tr>
<tr>
<td>Scania³</td>
<td>80</td>
<td>67</td>
<td>10,360</td>
</tr>
<tr>
<td>MAN³</td>
<td>140</td>
<td>134</td>
<td>15,861</td>
</tr>
<tr>
<td>VW China⁴</td>
<td>3,038</td>
<td>2,609</td>
<td>-</td>
</tr>
<tr>
<td>Other</td>
<td>-1,364</td>
<td>-1,279</td>
<td>-40,047</td>
</tr>
<tr>
<td>Volkswagen Financial Services</td>
<td>-</td>
<td>-</td>
<td>18,983</td>
</tr>
<tr>
<td>Volkswagen Group</td>
<td>9,728</td>
<td>9,345</td>
<td>197,007</td>
</tr>
<tr>
<td>Automotive Division</td>
<td>9,728</td>
<td>9,345</td>
<td>175,003</td>
</tr>
<tr>
<td>of which: Passenger Cars²</td>
<td>9,071</td>
<td>8,706</td>
<td>140,077</td>
</tr>
<tr>
<td>of which: Commercial Vehicles / Power Engineering²</td>
<td>657</td>
<td>639</td>
<td>34,927</td>
</tr>
<tr>
<td>Financial Services Division</td>
<td>-</td>
<td>-</td>
<td>22,004</td>
</tr>
</tbody>
</table>

---

1. All figures shown are rounded, minor discrepancies may arise from addition of these amounts. ² Prior-year figure adjusted due to the revised IAS 19R. ³ Incl. Financial Services; Porsche since August 1, 2012.

² Sales revenue and operating profit of the JV’s in China are not included in the Group figures. The Chinese companies are accounted for using the equity method and recorded an operating profit (proportionate) of €4,296 million (€3,678 million).

³ Mainly intragroup items, in particular from elimination of intercompany profits; incl. depreciation and amortization of identifiable assets as part of the PPA for Scania, Porsche Holding Salzburg, MAN and Porsche.

⁴ Volkswagen Commercial Vehicles has been reported within the Automotive Division under commercial vehicles since January 1, 2013; the prior-year figures have been adjusted.
Automotive Division – Strong Cash Generation

Cash flows from operating activities in the Automotive Division increased by €4.4 billion to €20.6 billion, mainly thanks to a strong operating earnings performance, lower tax payments and a strict working capital management. At €16.2 billion, the cash outflow from investing activities was €0.3 billion lower than in the previous year. As a consequence the Automotive Division’s net cash flow rose significantly by €4.6 billion to €4.4 billion in 2013.

<table>
<thead>
<tr>
<th>Year</th>
<th>Cash flow from operating activities</th>
<th>Capex</th>
<th>Capitalized R&amp;D costs</th>
<th>Other</th>
<th>Net cash flow before equity investments</th>
<th>Acquisition and disposal of equity investments</th>
<th>Net cash flow</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>16.2 (-10.3%)&lt;sup&gt;2&lt;/sup&gt;</td>
<td>-11.0 (6.3%)&lt;sup&gt;2&lt;/sup&gt;</td>
<td>-4.0</td>
<td>0.6</td>
<td>6.1</td>
<td>-1.7</td>
<td>4.4</td>
</tr>
</tbody>
</table>

1 Including allocation of consolidation adjustments between Automotive and Financial Services divisions.
2 Capital expenditure for property, plant and equipment in % of Automotive sales revenue.
Strong cash generation and sufficient net liquidity

<table>
<thead>
<tr>
<th>Operating cash flow and investments (automotive)</th>
<th>Net liquidity (automotive)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>€ billion</strong></td>
<td><strong>€ billion</strong></td>
</tr>
<tr>
<td>2007  13.7</td>
<td>13.5</td>
</tr>
<tr>
<td>2008 -5.7</td>
<td>8.0</td>
</tr>
<tr>
<td>2009  -0.9</td>
<td>12.8</td>
</tr>
<tr>
<td>2010  -2.6</td>
<td>8.8</td>
</tr>
<tr>
<td>2011  -0.1</td>
<td>12.8</td>
</tr>
<tr>
<td>2012  -2.7</td>
<td>5.2</td>
</tr>
<tr>
<td>2013  -2.6</td>
<td>6.9</td>
</tr>
</tbody>
</table>

1 Cash flow from investing activities attributable to operating activities excl. cash flow from acquisition and disposal of equity investments
2 Cash flow from acquisition and disposal of equity investments
3 Net cash flow before acquisition and disposal of equity investments
Volkswagen’s Automotive Division further strengthens innovation and technology leadership

**Investments in property, plant and equipment**

€ billion / in % of sales revenue

<table>
<thead>
<tr>
<th>Year</th>
<th>Capex (€ billion)</th>
<th>Capex to sales ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>5.8</td>
<td>6.2%</td>
</tr>
<tr>
<td>2010</td>
<td>5.7</td>
<td>5.0%</td>
</tr>
<tr>
<td>2011</td>
<td>7.9</td>
<td>5.6%</td>
</tr>
<tr>
<td>2012</td>
<td>5.9</td>
<td>5.9%</td>
</tr>
<tr>
<td>2013</td>
<td>10.3</td>
<td>6.3%</td>
</tr>
<tr>
<td>2014</td>
<td>11.0</td>
<td></td>
</tr>
</tbody>
</table>

Capex to sales ratio between 6 and 7%

**Investment Program 2014 to 2018**

- **€63.4 bn** Investments in property, plant and equipment
- **€22.2 bn** Cross-product investments
- **€19.5 bn** Capitalized R&D
- **€84.2 bn** Modernizing and extending the product range
- **€41.2 bn** Others

- Over two-thirds will continue to flow into increasingly efficient vehicles, drives and technologies, as well as environmentally friendly production
- In addition, China JVs will invest a total of €18.2 bn in new production facilities and products (fully self funded)

Note: All figures shown are rounded.
The Group’s refinancing activities in 2013 continued to focus on the diversification of its issues, in particular using instruments with an equity component and longer maturities. For the first time, we issued unsecured subordinated hybrid notes (€2 billion). In addition, the mandatory convertible note issued in November 2012 (€2.5 billion) was supplemented in June 2013 by another one (€1.2 billion).

To access new groups of investors, we also placed an increasing number of fixed-rate bonds. We have also placed issues outside of Europe, specifically Volkswagen was active in the US with a US$2.15 billion issue. In the asset-backed securities segment, the Volkswagen Group issued securities with a total value of €10.7 billion focused on Europe and North America.

In 2013, rating agencies Standard & Poor’s and Moody’s Investors Service undertook their regular update of their credit ratings. They confirmed Volkswagen's very good rating by sector standards. The outlook remains “positive”.

### Capital Market Programs

<table>
<thead>
<tr>
<th>Program</th>
<th>Authorized volume € billion</th>
<th>Amount utilized on Dec. 31, 2013 € billion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial paper</td>
<td>25.2</td>
<td>5.4</td>
</tr>
<tr>
<td>Bonds</td>
<td>97.9</td>
<td>53.8</td>
</tr>
<tr>
<td>of which USD issues in the USA</td>
<td></td>
<td>8.1</td>
</tr>
<tr>
<td>of which hybrid issues</td>
<td></td>
<td>2.0</td>
</tr>
<tr>
<td>Asset-backed securities</td>
<td>49.3</td>
<td>19.1</td>
</tr>
</tbody>
</table>

### Rating Overview

<table>
<thead>
<tr>
<th>As of Dec. 31, 2013</th>
<th>Volkswagen AG</th>
<th>Volkswagen Financial Services AG</th>
<th>Volkswagen Bank GmbH</th>
</tr>
</thead>
<tbody>
<tr>
<td>Standard &amp; Poor’s</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Short-term</td>
<td>A - 2</td>
<td>A - 2</td>
<td>A – 2</td>
</tr>
<tr>
<td>Long-term</td>
<td>A -</td>
<td>A -</td>
<td>A -</td>
</tr>
<tr>
<td>Outlook</td>
<td>positive</td>
<td>positive</td>
<td>positive</td>
</tr>
<tr>
<td>Moody’s</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Short-term</td>
<td>P - 2</td>
<td>P - 2</td>
<td>P – 2</td>
</tr>
<tr>
<td>Long-term</td>
<td>A3</td>
<td>A3</td>
<td>A3</td>
</tr>
<tr>
<td>Outlook</td>
<td>positive</td>
<td>positive</td>
<td>positive</td>
</tr>
</tbody>
</table>
We expect …

- to moderately increase deliveries to customers year-on-year in 2014 in a still challenging market environment.
- 2014 sales revenue for the Volkswagen Group and its business areas to move within a range of 3 percent around the prior-year figure, depending on the economic condition.

In terms of Group operating profit…

- we are expecting an operating return on sales of between 5.5 percent and 6.5 percent in 2014 in light of the challenging economic environment, and the same range for the Passenger Cars Business Area.
- The Commercial Vehicles/Power Engineering Business Area is likely to moderately exceed the 2013 figure.
- The operating return on sales in the Financial Services Division is expected to be between 8.0 percent and 9.0 percent.
SEAT Leon Cupra
# Content

Volkswagen at a Glance ........................................... 3
Our Brands & Products ........................................ 8
Our Markets ......................................................... 24
Financials & Outlook .......................................... 29

**Strategy 2018** .................................................. 41
Excellence in Production ........................................ 47
Focus on R&D ...................................................... 57
Forming an Integrated Commercial Vehicle Group .......... 65
Shareholder Information ........................................ 69
Investor Relations Team ........................................ 75
Strategy 2018: Sustainable Profitable Growth

We have defined four goals that are designed to support Volkswagen becoming a global and environmental leader by 2018. To achieve these targets we have identified six areas to focus on:

1. **Growth market focus**
   - Increased market penetration
   - Emerging markets expansion
   - Balanced global footprint

2. **Modular toolkit strategy**
   - Reduction in investment, development and unit costs
   - Scale and efficiency effects
   - Increased production flexibility
   - Reduced time to market

3. **Capital discipline**
   - > 16% RoI target in automotive business
   - 20% RoE\(^1\) goal in Financial Services

4. **Operating profit measures**
   - Strong cost control
   - Process/product optimization
   - Regional scale effects

5. **Synergy potential**
   - Leveraging best practices across the Group
   - Purchasing, production, and distribution benefits

6. **Potential upside**
   - Product portfolio extension
   - North American expansion and market recovery
   - Commercial vehicle strategy and market recovery
   - Financial Services: strengthen the automotive value chain

---

1 Normalized RoE based on 8% equity ratio.
2 Including China.

Note: All stated Volkswagen Group figures represent financial targets for 2018.
Strategy 2018: Our Achievements so far

**Volkswagen Group customer satisfaction (on a scale of 1 to 10)***

- 2007: 8.22
- 2008: 8.32
- 2009: 8.34
- 2010: 8.41
- 2011: 8.55
- 2012: 8.67
- 2013: 8.71

**Group profit before tax margin (in percent)**

- 2007: 6.0
- 2008: 5.8
- 2009: 1.2
- 2010: 7.1
- 2011: 11.9
- 2012: 13.2
- 2013: 6.3

**Group deliveries (in million units)**

- 2007: 6.2
- 2008: 6.3
- 2009: 6.3
- 2010: 7.2
- 2011: 8.3
- 2012: 9.3
- 2013: 9.7

---

1. Own calculation based on key industry studies on customer satisfaction with dealers, after sales and new vehicles.
2. Including China.
3. Group profit before tax margin excluding the nonrecurring effect from the remeasurement of the Porsche put/call options and from remeasurement at the contribution date of the shares already held.

"I am happy to work at the Volkswagen Group“ (Employee opinion survey)

- 2007/08: 84%
- 2009: 88%
- 2010: 87%
- 2011: 88%
- 2012: 90%
- 2013: 90%
In 2013, we delivered 9.73 million vehicles to our customers, substantially up from previous years' 9.28 million.

The BRIC markets (Brazil, Russia, India and China) as well as the US offer significant further growth potential while the European market is expected to recover.

To meet regional customer demand and purchasing power and to minimize currency risk a clear focus on local production is necessary.

That's why we are investing in our existing capacity and the continued expansion of our production network, such as in China, Russia and Mexico.

1 Includes Central America and Caribbean.
2 Includes Cyprus and Malta.
Source: IHS Global Insight (data status: March 2014), rounded.
Note: Market = Cars and LCVs.
Positive Long-Term Trend of Return on Investment

The operating profit after tax of the Automotive Division, including the share of the Chinese joint ventures, was €10.5 billion in 2013 (€10.9 billion). The year-on-year decline was mainly caused by deteriorations in exchange rates, higher depreciation charges, higher research and development costs, and contingency reserves. The initial full-year consolidation of Porsche, optimized product costs as well as a considerably improved proportionate operating profit of the Chinese joint ventures had a positive effect.

Invested capital rose to €72.7 billion (€65.7 billion), mainly due to the full effect of the consolidation of Porsche, as well as higher investments in property, plant and equipment. Multiplied by the cost of capital, which also increased as against 2012, the cost of invested capital was up to €6.0 billion (€5.1 billion).

As a result the return on investment decreased in 2013 as against the previous year, but at 14.5% (16.6%) it was still well above our minimum required rate of return of 9%.

Note: Including proportionate inclusion of the Chinese joint ventures (including the relevant sales and component companies) and allocation of consolidation adjustments between the Automotive and Financial Services divisions.

1 Prior year figures adjusted to reflect application of IAS 19R.
Bentley Continental GT V8 S Convertible
## Content

Volkswagen at a Glance ........................................ 3  
Our Brands & Products ...................................... 8  
Our Markets .................................................. 24  
Financials & Outlook ...................................... 29  
Strategy 2018 ............................................... 41  
**Excellence in Production** .................................. 47  
Focus on R&D ................................................. 57  
Forming an Integrated Commercial Vehicles Group .... 65  
Shareholder Information .................................... 69  
Investor Relations Team .................................... 75
Volkswagen is represented in each important region with at least one plant.

Local production allows us to offer model variations that answer the different needs of our regional customers from China to North America, India and Europe.

Our flexible engineering architecture allows this to be achieved in a cost effective and timely manner.

The transfer of the toolkit principle to production is the next step. Our factory of the future is highly flexible, and it can produce a wide range of models and brands on the same production line.
Modular Toolkit – Efficiency Gains Through Synergies

**TECHNICAL CONCEPT**

Significantly reducing the fuel consumption of our vehicles, producing them at globally competitive costs and simultaneously increasing profitability and productivity – these are the Volkswagen Group’s goals for its modular toolkits. They represent the further development of our platform and modular strategy, which has its origins in the mid-1990s. Independent from size and segment, several parts, such as engines, gearboxes or air conditioning, can be used for different vehicles.

This ensures that the synergy effects that exist, both between models in one series and across all series and brands, can be optimized and increased.

Modularisation enables standardization with visible customization whilst maintaining the individual brand identity.
Modular Toolkit – Introduction of the Modular Transverse Matrix

**MODULAR LONGITUDINAL MATRIX (MLB)**

The Modular Longitudinal Matrix is the use of a modular strategy in vehicle platforms in which the drive train is mounted longitudinally to the direction of travel. This modular arrangement of all components enables maximum synergies to be achieved between the vehicle families. This concept is already used at Audi since 2007 to develop vehicles. With the evolutionary step MLB evo, the toolkit will be expanded in the future.

**MODULAR TRANSVERSE MATRIX (MQB)**

The latest member of our toolkit family is the Modular Transverse Toolkit (MQB). It is the basis for vehicles whose engine is mounted in a transverse arrangement. We introduced the first models based on this toolkit in the shape of the new Audi A3, the new Golf and the new SEAT Leon in 2012 followed by the new ŠKODA Octavia in 2013.

With the MQB, the Volkswagen Group’s modular toolkit strategy now extends from the A0 segment to the C segment. The vehicles in the New Small Family are also covered in the A00 segment. We intend to produce over 40 models based on the MQB in the long term and across brands – to the highest quality standards, customized to each brand and tailored to the different market requirements.
### MQB Helping to Improve Product and Margins

#### Distribution of MQB savings
- **MQB platform**
  - ca. 60% of total material costs
- **Lower cost per unit**
- **Less EHpv¹**
- **Less one-off expenditures**
- **= Potential savings**

#### Different powertrains
- **The MQB's flexible design is able to accommodate alternative drives:**
  - **Conventional drive**: TSI Gasoline EA211, MOB
  - **Electric drive**: TDI Diesel EA288, BEV
  - **Alternative/Regenerative**: EcoFuel CNG, FlexFuel Ethanol, BiFuel LPG

### Margin improvement
- **Savings**
- **Expenditures**
- **Invest**

¹ Engineered Hours per Vehicle
The MQB‘s Flexible Design is Able to Accommodate Alternative Drives

In addition to conventional petrol and diesel engines, the MQB also permits alternative drivetrains to be integrated, for example gas, hybrid, or electric drives. Previously, vehicle-specific adaptations were necessary in each case. Now, the MQB basic architecture is pre-configured to accommodate the changes required, be it for battery packs or high pressure gas tanks within the existing structure. Therefore, a quick reaction to changing needs is possible avoiding major product investment and minimizing complexity.
Audi started with the launch of the Modular Longitudinal Toolkit and keeps the responsibility. The know-how which they have gained over the years, helped and helps to develop the following toolkits.

The Volkswagen brand is responsible for the Modular Transverse Toolkit which will be used for the Volkswagen, Audi, SEAT and ŠKODA brands.

Development of the Modular Standard Drivetrain Toolkit is being handled by Porsche, which was made responsible for development of sports car and luxury sedan platforms. The MSB is for a conventional front-engine, rear-wheel drive layout, hence the word “standard” in its title, and it will be used for a range of models including the next-generation Porsche Panamera and Bentley Continental lineup.

In addition, the New Small Family complements the toolkit strategy. The up! and its derivatives are not produced based on the MQB. However, individual components such as engine, gearbox and steering components can be used for vehicles based on MQB.
Global Roll-out of Toolkits supports Flexibility and Localization
<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hybrid vehicle (PHEV)</td>
<td>Volkswagen XL1</td>
<td>Audi A3 e-tron</td>
</tr>
<tr>
<td></td>
<td>Porsche 918 Spyder</td>
<td>Volkswagen Golf GTE</td>
</tr>
<tr>
<td></td>
<td>Porsche Panamera S E-Hybrid</td>
<td></td>
</tr>
<tr>
<td>Battery vehicle (BEV)</td>
<td>Volkswagen e-up!</td>
<td>Volkswagen e-Golf</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Compressed Natural Gas</td>
<td>Audi A3 g-tron</td>
<td>SEAT León TGI</td>
</tr>
<tr>
<td></td>
<td>Volkswagen Golf TGI</td>
<td>ŠKODA Octavia Sedan</td>
</tr>
<tr>
<td></td>
<td></td>
<td>ŠKODA Octavia Combi</td>
</tr>
<tr>
<td></td>
<td></td>
<td>SEAT León ST</td>
</tr>
<tr>
<td>Ethanol²</td>
<td>Volkswagen Saveiro</td>
<td>Volkswagen CrossFox</td>
</tr>
<tr>
<td></td>
<td>Volkswagen Golf Rallye</td>
<td>Volkswagen SpaceFox</td>
</tr>
<tr>
<td></td>
<td>Volkswagen Fox Bluemotion</td>
<td></td>
</tr>
</tbody>
</table>

¹ Market introduction of Volkswagen Group models with alternative drivetrains
² Developed for distribution in the Brazilian market
Content

Volkswagen at a Glance .................................................. 3
Our Brands & Products .................................................. 8
Our Markets ................................................................. 24
Financials & Outlook ................................................... 29
Strategy 2018 ............................................................... 41
Excellence in Production ............................................... 47
Focus on R&D ............................................................. 57
Forming an Integrated Commercial Vehicles Group .......... 65
Shareholder Information ................................................. 69
Investor Relations Team ............................................... 75
R&D Mission

Shaping the future is a fascinating challenge for industry and society. Volkswagen’s automotive future is formed by social conditions and trends. It is the Group’s task to anticipate the future needs of our customers and to convert these needs into innovative technologies.

The technological challenges of the future can only be mastered by intensive research and networked co-operation both inside and outside the company. Our mission is to continue meeting our customers' wishes for individual and affordable mobility through sustainable technologies. We work together with our partners to achieve this goal. Research and development activities in the Group again concentrated on two areas in 2013: expanding the product portfolio and improving the functionality, quality, safety and environmental compatibility of Group products.

Example: From Beetle to XL1 - R&D achieved significant reduction in fuel consumption

1972 BEETLE 1303
Consumed 13l/100km

2013 XL1
Consumes just 0.9l/100km
Volkswagen continues Investment in its Global R&D Activities

The large number and technical quality of the ideas submitted in 2013 demonstrate once again that our employees are an enormous source of innovation. In the reporting period, they applied for 5,948 patents – of which around half in Germany and the rest abroad. The main focus of these innovations was on the areas of infotainment, driver assistance systems, electric drive technology and lightweight steel design.
The Lane Assist helps to prevent accidents caused by unintentionally wandering out of lane, and represents a major safety gain on motorways and major trunk roads. If there is an indication that the vehicle is about to leave the lane unintentionally, Lane Assist alerts the driver visually and by means of a signal on the steering wheel.

The Fatigue Detection system detects waning driver concentration and warns the driver with an acoustic signal lasting five seconds; a visual message also appears in the instrument cluster recommending that the driver takes a break from driving.

The Proactive Occupant Protection System detects critical situations with elevated accident potential. The vehicle occupants and the vehicle are prepared for a possible accident: The front seat belts in use are tensioned to securely hold both the driver and the passenger. Open windows and the sunroof are closed to just a crack.

Parking in tight spaces is made considerably easier with the Park Assist. The latest generation detects parallel and perpendicular parking spaces and automatically steers in several moves into small parallel parking spaces – and out again.

The cruise control system with automatic distance control ACC uses a distance sensor to measure the distance and speed relative to vehicles driving ahead.

The multi-collision brake automatically brakes after the first impact in order to mitigate and avoid further collisions. It reduces the remaining kinetic energy by reducing the speed of the car to 10 kilometers per hour and thereby increases safety significantly.

The cruise control system with automatic distance control ACC uses a distance sensor to measure the distance and speed relative to vehicles driving ahead.
A Technology Portfolio for Eco-friendly Mobility

Integrating a wide range of innovations into fuel-efficient, low emission mobility solutions, Volkswagen’s “green labels” offer technologies and products that are geared to significantly reduced fuel consumption and CO₂ emissions. Volkswagen is committing to reducing the CO₂ output of the European new car fleet to 95 grams per kilometer by 2020. We again recorded impressive results in reducing emission levels last year: we reduced the average CO₂ emissions over the past five years by 23 grams of CO₂ per kilometer to 128 grams of CO₂ per kilometer.
**Steps in Electrification**

Volkswagen is electrifying drivetrains step by step and is on the way to launch the first series e-vehicle for everyone, the e-up!. Volkswagen’s aim is not to be the fastest, but the best and safest for our customers.

<table>
<thead>
<tr>
<th>Start-Stop system</th>
<th>Internal Combustion Engine (ICE)</th>
<th>Mild Hybrid</th>
<th>Full Hybrid</th>
<th>Plug-In Hybrid</th>
<th>Range Extender</th>
<th>Electric Vehicle</th>
<th>Fuel Cell</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recuperation</td>
<td>Gasoline or Diesel Engine</td>
<td>Start-Stop system</td>
<td>Jetta Hybrid®</td>
<td>Golf GTE</td>
<td>Range Extender Electrical Vehicle</td>
<td>E-Golf</td>
<td>Tiguan Hymotion®</td>
</tr>
<tr>
<td>Combination of ICE and electric motor. The electric motor serves to boost power during acceleration. Pure electric driving is not possible.</td>
<td>Mild Hybrid</td>
<td>Full Hybrids, in contrast to mild hybrids, can drive short distances in full electric mode.</td>
<td>The Batteries of Plug-In Hybrids can be charged by plugging into an electric socket. Due to the greater battery capacity, longer electric driving ranges are possible.</td>
<td></td>
<td>Small internal combustion engine which recharges the vehicle’s battery and thereby increases its range.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Both Electric Motor + Electric Generator</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

2 km 20-80 km 50-120 km 80-200 km 400-600 km

In the next decades, today’s technologies will continue to be dominant. Combustion engines – some of them supported by E-motors, pure E-drives and fuel cells – will co-exist side-by-side. On its path towards the future, Volkswagen will continue to research and further develop all potential engine types and introduce them as soon as it makes sense and is technically feasible.
Urban Mobility and Long Distance Mobility

The use of efficient, sustainable drivetrains is a highly important strategic issue for Volkswagen. The Group is not only working to continuously optimize its existing drivetrains but is also – as in the past – pursuing a variety of alternative drive concepts, and especially electric traction.
Porsche Macan Turbo
Content

Volkswagen at a Glance .............................................................. 3
Our Brands & Products .......................................................... 8
Our Markets ........................................................................... 24
Financials & Outlook .............................................................. 29
Strategy 2018 .......................................................................... 41
Excellence in Production .......................................................... 47
Focus on R&D ........................................................................ 56
Forming an Integrated Commercial Vehicles Group ......................... 65
Shareholder Information ............................................................. 69
Investor Relations Team ............................................................. 75
Full integration of commercial vehicle brands releases significant synergy potential

Holdings as at December 31, 2013

Volkswagen press release as of 13 May 2014:

- The offer has been accepted to such extent that Volkswagen after completion of the offer will become the owner of 90.47 percent of all shares in Scania.
- Volkswagen will initiate compulsory acquisition of the remaining shares in Scania as well as promote a delisting of Scania’s shares from NASDAQ OMX Stockholm.
Transaction rationale: Pre-requisite to Improve Competitiveness and Efficiency based on Integration of Volkswagen’s Trucks Businesses

**Integration Drivers**

**Foundation:** management of independent and strong brands on the basis of integrated technology and operations

**Objective:** modular toolkit strategy for commercial vehicles with common components and systems

**Scale benefits:** improved efficiency of resource allocation and increased flexibility concerning vertical integration

---

**Synergies (Operating Profit impact)**

Achieved by the end of 2014 (existing structure)

- €200+ million
- Focus on purchasing
- Synergy potential limited due to arm’s-length requirements

Additional potential through the transaction

- €650+ million per year long-term average with 10-15 years gradual phase-in based on life cycles of vehicles and systems / components
- Majority of benefits from joint R&D, purchasing and sourcing components
- Significant benefits from capex savings
# Content

Volkswagen at a Glance .................................................. 3
Our Brands & Products ................................................. 8
Our Markets .............................................................. 24
Financials & Outlook .................................................. 29
Strategy 2018 ............................................................. 41
Excellence in Production .............................................. 47
Focus on R&D ............................................................. 57
Forming an Integrated Commercial Vehicles Group .......... 65

**Shareholder Information** .............................................. 69

Investor Relations Team ............................................... 75
On the whole, Volkswagen AG’s ordinary and preferred shares performed very positively in 2013, with the Company’s preferred shares reaching a new high. However, movements in the share price over the year were marked by considerable volatility. In spite of price gains, the ordinary and preferred shares both underperformed the overall market and the automotive sector.

In the interests of all stakeholders, we are pursuing continuous dividend growth so that our shareholders can participate appropriately in our business success. The Group is aiming to achieve a distribution ratio of 30% in the medium term.
In 1961, Volkswagen first issued ordinary shares on the Frankfurt stock exchange with a nominal value of DM100 issued at a price of 350 percent. Two stock splits were performed in the course of time. Presently, the majority of the ordinary shares are held by the Group’s three biggest shareholders guaranteeing a stable shareholder structure. In 1986, Volkswagen introduced its preferred shares as an alternative investment vehicle. In December 2009 the ordinary shares were replaced through the preferred shares in the German DAX stock index.

Volkswagen is globally represented with a market capitalization of around €92.8 billion as of December 31, 2013. The shares are listed on different exchanges worldwide, among others in Frankfurt, London and Zurich. In the U.S., Volkswagen has 2 sponsored ADR programs, representing the preference and ordinary shares. Both are sponsored by J.P. Morgan and trade in the US on the over-the-counter (OTC) market.

KEY FACTS & FIGURES (as of December 31, 2013)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Exchanges</td>
<td>Berlin, Düsseldorf, Frankfurt, Hamburg, Hanover, Munich, Stuttgart, Xetra, Luxembourg, New York, SIX Swiss Exchange</td>
<td></td>
</tr>
<tr>
<td>Major market indices</td>
<td>DAX, CDAX, Prime All Share, Prime Automobile, Dow Jones Euro STOXX, Dow Jones Euro STOXX Automobile &amp; Parts, FTSE Eurotop 100 Index, S&amp;P Global 100 Index, Dow Jones Sustainability Index World, FTSE4Good, Advanced Sustainability Performance Index, Dow Jones Euro STOXX 50, MSCI Euro, Classic All Share,</td>
<td></td>
</tr>
<tr>
<td>Preferred shares¹</td>
<td>Unlike ordinary shares, preferred shares do not carry voting rights. Dividends are paid to stockholders in proportion to their share of the capital stock eligible for dividend in such a manner that the preferred shares shall be eligible for a dividend which is higher than that for the ordinary shares by 6 Cents per preferred share.</td>
<td></td>
</tr>
<tr>
<td>American Depositary Receipt (ADR)</td>
<td>An ADR is a U.S. dollar denominated form of equity ownership in a non-U.S. company. It represents the foreign shares of the company held on deposit by a custodian bank in the company’s home country and carries the corporate and economic rights of the foreign shares, subject to the terms specified on the ADR certificate.</td>
<td></td>
</tr>
</tbody>
</table>

¹Definition excludes specific exemptions. For more details see Articles of Association of Volkswagen AG.
**Volkswagen Share – Historical Share Price Development and Shareholder Structure**

### HISTORICAL DEVELOPMENT ORDINARY AND PREFERRED SHARE (€, monthly closing prices)

#### Ordinary Share

- **1969 Stocksplit 1:2**
- **1998 Stocksplit 1:10**

#### Preference Share

- **1986**
- **1989**
- **1990**
- **1992**
- **1994**
- **1996**
- **1998**
- **2000**
- **2002**
- **2004**
- **2006**
- **2008**
- **2010**
- **2012**

### SHAREHOLDER STRUCTURE AND VOTING RIGHTS

**In Percent of Subscribed Capital (as of Dec. 31, 2013)**

- **Porsche Automobil Holding SE**
- **Foreign institutional investors**
- **Qatar Holding LLC**
- **State of Lower Saxony**
- **Private shareholders/Others**
- **German institutional investors**

**Voting Rights (as of Dec. 31, 2013)**

- **32.2%**
- **24.3%**
- **15.6%**
- **12.7%**
- **12.5%**
- **2.7%**

- **17% Qatar Holding**
- **20% State of Lower Saxony, Hanover**
- **12.3% Others**
- **50.73% Porsche Automobil Holding SE, Stuttgart**

---

**Our Markets**

- **Excellence in Production**
- **Focus on R&D**
- **Forming an Integrated CV Group**
- **Strategy 2018**
- **Investor Relations Team**

---

**Volkswagen at a Glance**

- **Our Brands & Products**
- **Our Markets**
- **Financials & Outlook**
- **Strategy 2018**
- **Excellence in Production**
- **Focus on R&D**
- **Forming an Integrated CV Group**
- **Shareholder Information**

---

72
## Events 2014

<table>
<thead>
<tr>
<th>Date</th>
<th>Event Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>May 13, 2014</td>
<td>Volkswagen AG Annual General Meeting 2014 Hanover</td>
</tr>
</tbody>
</table>
MAN TGX Euro 6
## Content

Volkswagen at a Glance .......................................................... 3
Our Brands & Products ......................................................... 8
Our Markets ................................................................. 24
Financials & Outlook ....................................................... 29
Strategy 2018 .............................................................. 39
Excellence in Production ....................................................... 45
Focus on R&D ............................................................. 57
Forming an Integrated Commercial Vehicles Group ..................... 64
Shareholder Information .................................................. 68

**Investor Relations Team** ................................................. 75
Key Investor Relations Contacts

Christine Ritz
Group Head of Investor Relations
E-Mail: Christine.Ritz@volkswagen.de
Telephone: +49 5361 9 49840

Oliver Larkin (London office)
Senior Investor Relations Manager
E-Mail: Oliver.Larkin@volkswagen.de
Telephone: +44 20 3693 6061

Alexander Hunger (Wolfsburg office)
Senior Investor Relations Officer
E-Mail: Alexander.Hunger@volkswagen.de
Telephone: +49 5361 9 47420

Andreas Buchta (Wolfsburg office)
Investor Relations Manager
E-Mail: Andreas.Buchta@volkswagen.de
Telephone: +49 5361 9 47419

Lars Korinth (Wolfsburg office)
Investor Relations Manager
E-Mail: Lars.Korinth@volkswagen.de
Telephone: +49 5361 9 42224

Lennart Schmidt (Wolfsburg office)
Investor Relations Officer
E-Mail: Lennart.Schmidt@volkswagen.de
Telephone: +49 5361 9 49015

Clemens Denks (Volkswagen Group of America, Inc.)
Investor Relations Liaison Manager
Investor Relations Liaison Office
(Questions relating to American Depositary Receipts)
E-Mail: Clemens.Denks@vw.com
Telephone: +1 703 364 7000 111

Thomas Küter (Beijing office)
Investor Relations Manager
E-Mail: Thomas.Kueter@volkswagen.com.cn
Telephone: + 86 10 6531 4715
Scania R 730 6x4
Disclaimer

The offer for shares of Scania AB (the "Offer") referenced in this presentation is not being made, whether directly or indirectly, in Canada, New Zealand or South Africa or in any other jurisdictions where such offer pursuant to legislation and regulations in such relevant jurisdictions would be prohibited by applicable law. Shareholders not resident in Sweden who wish to accept the Offer must make inquiries concerning applicable legislation and possible tax consequences. Shareholders should refer to the offer restrictions included in the tender offer document which has been published on Volkswagen's website www.volkswagenag.com. The Offer is not being made, directly or indirectly, in or into Canada, New Zealand or South Africa by use of mail or any other means or instrumentality (including, without limitation, facsimile transmission, electronic mail, telex, telephone and the Internet) of interstate or foreign commerce, or of any facility of national security exchange, of Canada, New Zealand or South Africa, and the Offer cannot be accepted by any such use, means, instrumentality or facility of, or from within, Canada, New Zealand or South Africa. Accordingly, this presentation and any documentation relating to the Offer are not being and should not be sent, mailed or otherwise distributed or forwarded in or into Canada, New Zealand or South Africa.

This presentation is not being, and must not be, sent to shareholders with registered addresses in Canada, New Zealand or South Africa. Banks, brokers, dealers and other nominees holding shares for persons in Canada, New Zealand or South Africa must not forward this presentation or any other document received in connection with the Offer to such persons.

Statements in this presentation or in the offer document relating to future status or circumstances, including statements regarding future performance, growth and other trend projections and the other benefits of the Offer, are forward-looking statements. These statements may generally, but not always, be identified by the use of words such as "anticipates", "intends", "expects", "believes", or similar expressions. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There can be no assurance that actual results will not differ materially from those expressed or implied by these forward-looking statements due to many factors, many of which are outside the control of Volkswagen AG. Any such forward-looking statements speak only as of the date on which they are made and Volkswagen AG has no obligation (and undertakes no such obligation) to update or revise any of them, whether as a result of new information, future events or otherwise, except for in accordance with applicable laws and regulations.

Special notice to shareholders in the United States

The Offer referenced in this presentation is made for shares of Scania AB, a company incorporated under Swedish law, and is subject to Swedish disclosure and procedural requirements, which are different from those of the United States. The Offer is made in the United States in compliance with Section 14(e) of, and Regulation 14C under, the U.S. Securities Exchange Act of 1934, as amended (the "U.S. Exchange Act"), subject to the exemptions provided by Rule 14d-1(d) under the U.S. Exchange Act and otherwise in accordance with the requirements of Swedish law. Accordingly, the Offer is subject to disclosure and other procedural requirements, including with respect to withdrawal rights, the offer timetable, settlement procedures and timing of payments that are different from those applicable under U.S. domestic tender offer procedures and laws. To the extent permissible under applicable law or regulation, Volkswagen AG and its affiliates or brokers (acting as agents for Volkswagen AG or its affiliates, as applicable) may from time to time, and other than pursuant to the Offer, directly or indirectly purchase, or arrange to purchase, shares of Scania AB, that are the subject of the Offer or any securities that are convertible into, exchangeable for or exercisable for such shares. To the extent information about such purchases or arrangements to purchase is made public in Sweden, such information will be disclosed by means of a press release or other means reasonably calculated to inform U.S. shareholders of Scania AB of such information. In addition, the financial advisors to Volkswagen AG, may also engage in ordinary course trading activities in securities of Scania AB, which may include purchases or arrangements to purchase such securities. Volkswagen AG and/or its affiliates or brokers purchased shares of Scania AB in the extended offer period after the original offer period had ended on April 25, 2014.

NEITHER THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION NOR ANY U.S. STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY HAS APPROVED OR DISAPPROVED OF THIS OFFER, PASSED UPON THE FAIRNESS OR MERITS OF THIS PRESENTATION OR DETERMINED WHETHER THIS PRESENTATION IS ACCURATE OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE IN THE UNITED STATES.

This presentation contains 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. Consequently, 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 retrospecively. 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.