– Check against delivery –

Prof. Dr. Martin Winterkorn
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Annual Media Conference and Investor Conference
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– Part I –

Good morning, Ladies and Gentlemen,

And a very warm welcome to our Annual Media and Investor Conference.

You find us in a good mood today – upbeat and self-confident.

Firstly because cars are more popular than ever. At 62 million vehicles, the global passenger car market reached a new all-time high last year. And secondly, because no one embodies this car boom better than the Volkswagen Group. Our Company reached new heights in 2011 in every respect.

- We achieved new record figures for unit sales, sales revenue and earnings.
- We again significantly outperformed the market.
- And we made substantial progress not just in our key financial figures, but also in terms of the environment and sustainability.

More on this later – and on our ambitious goals on the way to becoming the world's most ecological automaker. The fact is that the Volkswagen Group has extended its string of unbroken successes in 2011. We are still very firmly on track to the top of the automotive industry.

Chart “Key Figures”

Turning to our key figures:

- At 8.3 million deliveries, the Volkswagen Group sold over one million more vehicles than in the previous year.
- Sales revenue increased by 25.6 percent to €159.3 billion.
- And to cap it all, operating profit rose by more than half – to €11.3 billion.

To this must be added our €2.6 billion proportional share of the operating profit from our business in China. That healthy performance is reflected in our financial result, as our Chinese joint ventures are accounted for using the equity method.

Chart “Deliveries to Customers by Market Volkswagen Group”

Our Group’s success is built on solid and above all broad foundations. We have recorded growth in all areas of the world – even where we faced headwinds. In Europe, for example, we saw growth of 11.3 percent. By contrast, the overall market rose by only 3.6 percent.

We also continued to extend our leading position in the Asia-Pacific region. China, our second home market, is and remains a particularly strong driver for the Group, with vehicle deliveries of around 2.3 million.

However, we are also seeing strong growth in other key markets.

- The USA was up 23 percent.
- Russia grew by 74 percent.
- And India rose 109 percent.

We clearly outperformed our competitors in all these regions. And we also increased our market share in all of them.

Chart “Deliveries to Customers by Brand Volkswagen Group”

As you can see, the Volkswagen Group is systematically leveraging its opportunities for growth. As well as our broad global presence, this is due above all to our multibrand strategy. All Group brands saw clear growth in fiscal year 2011. This helped us to significantly expand our share of the global passenger car market to 12.3 percent. This is a whole percentage point more than in the previous year.

Chart “Deliveries to Customers by Market Volkswagen Passenger Cars”

The Volkswagen Passenger Cars brand is and remains a powerful driver for the Group. Last year, for the first time, it delivered more than 5 million vehicles. Its excellent growth in the USA is particularly encouraging. Our new plant in Chattanooga and the US Passat have put us squarely back on track for success there.

Chart “Volkswagen up!”

The product highlight in 2011 was undoubtedly the up! The up! shows that Volkswagen can earn good money with small cars as well. And without compromising on quality, design and technology.

Chart “Deliveries to Customers by Market Audi”

Audi is preparing to overtake on its way to the top of the premium segment. With more than 1.3 million deliveries, the brand has already outstripped its first core competitor. This is matched by impressive earnings figures. Audi is increasingly occupying pole position in terms of profitability, too.

Chart "Audi Q3"

New models such as the Q3 demonstrate the brand's significant potential to conquer the market. This small premium SUV opens up another promising growth segment. What is more, our colleagues from Ingolstadt have again underscored their role as technology pioneers on a broad front – from hybrid drives through lightweight construction to intelligent vehicle networking.

Chart "Deliveries to Customers by Market ŠKODA"

ŠKODA has been part of the Volkswagen family for 20 years and has long been much more than a hidden champion. The brand recorded its ninth successive record year in 2011. At 880,000 vehicles, ŠKODA's deliveries have increased more than fivefold since 1991 – particularly as a result of the cooperation within the Group.

Chart "ŠKODA Rapid"

The goal is for deliveries to rise to at least 1.5 million units by 2018. This growth will be fueled by vehicles such as the Rapid for the Indian market offering high quality at a low price. This is precisely the combination that millions of people the world over are looking for. In China, India and Russia, but also increasingly here in Europe as well.

Chart "Deliveries to Customers by Market SEAT"

SEAT is also recording an upward trend again, at around 350,000 vehicles. In fact, the brand saw clear double-digit growth in Germany and France. Consequently, SEAT has held its ground well on European markets despite the difficult environment.

Chart "SEAT Toledo Concept"

And the brand is shifting up another gear in the current year:

- By expanding into China, where sales of the Leon will start in the coming days.
- With promising new models such as the Mii.
- And with an emotional new design language embodied by the Toledo Concept.

As you can see, SEAT is currently reinventing itself. And I am certain that this "new" SEAT will be a real source of strength for the Group.

Chart "Deliveries to Customers by Market Bentley"

The luxury segment is a demanding, but extremely high-growth business. Bentley demonstrated this impressively in fiscal year 2011: At around 7,000 vehicles and an almost 37 percent increase in deliveries, our luxury British brand is back in the black following the temporary blip caused by the financial crisis.

Chart "Bentley Continental GT Convertible"

Bentley also intends to grow rapidly in the coming years and more than double its unit sales. Bentley stands for emotional, contemporary luxury. This is clearly expressed by vehicles such as the new Continental GT Convertible and the Bentley SUV concept car, which we are currently presenting in Geneva.

Chart "Deliveries to Customers by Market Lamborghini"

Lamborghini has also upped the tempo appreciably. The brand delivered around 1,600 vehicles in 2011 – an increase of 23 percent. Lamborghini benefited from the growing demand for exclusive super sports cars – especially in China, the Middle East and the USA.

Chart “Lamborghini Aventador”

The Aventador is Lamborghini’s impressive new flagship. The lightweight carbon-fiber monocoque weighs a mere 147 kilograms. The Aventador is yet another example of our Group’s expertise in lightweight construction.

Chart “Deliveries to Customers by Market Volkswagen Commercial Vehicles”

Volkswagen Commercial Vehicles also continued its upward trend and sold more than half a million vehicles for the first time ever in 2011. Continued internationalization is one of the main driving factors here:

- The brand continued to extend its already strong position in Europe and South America.
- And the Transporter and the Multivan are also being launched this month in China and Southeast Asia.

Chart “Volkswagen Amarok SingleCab”

Following the successful international launch of the Amarok, a further variant debuted in 2011: The Amarok SingleCab. Volkswagen Commercial Vehicles is also setting new benchmarks in efficiency. The new Multivan BlueMotion, for example, has a fuel consumption of only 6.4 liters per 100 km.

Chart “Deliveries to Customers by Market Scania”

Let’s now move from light to heavy commercial vehicles. Scania set a new record in 2011 with sales of around 80,000 trucks and busses. And its 13.6 percent return on sales continues to be highly encouraging. The cyclical heavy trucks business has recently shown signs of slowing down.

But our colleagues in Sweden have responded quickly and systematically, among other things imposing a temporary cut in production.

Chart "Scania"

At the same time, Scania is working hard to extend its lead as the premium provider in the commercial vehicles business. Among other things, this is demonstrated by the new, highly-efficient Euro 6 engines that represent a milestone when it comes to cutting fuel consumption and emissions.

Chart "MAN Strengthens the Volkswagen Group"

You already know that the Volkswagen Group acquired a majority stake in the voting rights of MAN SE on November 9 last year. Since then, this brand, with its centuries-old tradition, has been a permanent member of the Volkswagen family, contributing a broad range of vehicles, products and services. The combination of MAN, Scania and Volkswagen means that a new top player has now arrived on the global truck market.

- Working together, we can take the initiative in the commercial vehicles markets worldwide.
- Together, we can chart a long-term, stable growth route in this cyclical business.
- And together, we can leverage synergies, invest strongly in new technologies and make jobs crisis-proof.

All options are open to us when it comes to the further structuring of an integrated commercial vehicles group. What matters most is close, mutual collaboration across the different brands – and this is something we have significantly stepped up in recent weeks and months. The focus here at present is on common strategies in procurement and for technical projects, such as powertrains or state-of-the-art production technologies.

Chart "Deliveries to Customers by Market MAN"

The key figures illustrate exactly how powerful MAN's contribution to the Group is:

- MAN SE closed fiscal year 2011 with record unit sales and revenue.
- And it delivered close to 25,000 vehicles in the consolidation period from November 9 to December 31.

The healthy performance by MAN and Scania also demonstrates the overall potential that lies in the commercial vehicles market. Despite all the cyclical fluctuations: this business offers excellent prospects in the medium and long term, and it will increasingly become the second strong pillar on our way to becoming the leading mobility group.

Chart "Volkswagen Financial Services"

Ladies and Gentlemen,

2011 was also a successful year for Volkswagen Financial Services. Operating profit jumped 29.1 percent and exceeded the one billion euro barrier for the first time. Of course, Financial Services is not only an important earnings contributor, it is also a sales driver for our brands. More than one-third of all Group vehicles were financed or leased through our Financial Services in 2011. That means around three million units.

- These figures firstly reflect our consistent internationalization strategy. Last year, for example, we received our financial services license in India.
- Secondly, Financial Services is developing innovative product packages that allow us to offer "mobility for everybody". A good example here is the "Quicar" car sharing program developed jointly with the Volkswagen brand.

Chart “Integrated Automotive Group with Porsche”

One topic that captured our and your attention last year was the integrated automotive group with Porsche. We significantly increased our sales capability with the acquisition of Porsche Holding Salzburg. PHS is one of the world’s most efficient and most profitable trading organizations.

What is more, we are enjoying smooth, successful operational cooperation with Porsche AG in a large number of technical projects and business fields. However, there are still some hurdles to cross on the way towards full integration. All parties involved are continuing to work at full speed on achieving the integrated automotive group with Porsche at conditions that make good economic sense. What I can tell you today is that the integrated Volkswagen and Porsche group will happen.

Ladies and Gentlemen,

I’d like to conclude by summing up fiscal year 2011 as follows: Volkswagen didn’t just turn in a sparkling performance with its outstanding figures. Its sparkle also extends to fantastic new cars, satisfied customers and a clear strategy for the future.

And there’s something that’s really important for me at this point: This success is underpinned by a strong workforce that now numbers more than 500,000 people. Our vehicles, technologies and services benefit from their passion and their outstanding skills. My Board of Management colleagues and I would like to express our sincere thanks to the entire workforce for this. But we have more to offer them than just words. Because at Volkswagen, the principle is that record results also mean a record bonus for the workforce. So this year, Volkswagen AG employees will receive a profit share of €7,500. That’s almost 90 percent more than the year before.

So much for my review of 2011.

Mr. Pötsch will now explain our key figures to you in detail.