Volkswagen Golf VII: Launch of a new era
Prof. Dr. Martin Winterkorn, Chairman of the Board of Management
Hans Dieter Pötsch, Member of the Board of Management
Volkswagen Aktiengesellschaft
Sardinia, 8 October 2012
Disclaimer

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 retrospectively. Such statements are valid on the date of publication and can be superceded.

This information does not constitute an offer to exchange or sell or an offer to exchange or buy any securities.
Volkswagen Golf VII: Launch of a new era

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

Sardinia, 8 October 2012
The new Golf
Volkswagen Group
Vision: the world’s most profitable, fascinating and sustainable automobile manufacturer

Strategy 2018: Sustainable growth and profitability

Top employer
Return on sales before tax > 8%
Unit sales > 10 million vehicles
Top customer satisfaction & quality
## Volkswagen Group – built on three strong pillars

<table>
<thead>
<tr>
<th>Automotive Division</th>
<th>Financial Services Division</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Passenger Cars</strong></td>
<td><strong>Volkswagen Financial Services</strong></td>
</tr>
<tr>
<td>Volkswagen</td>
<td><strong>Commercial Vehicles</strong></td>
</tr>
<tr>
<td>Audi</td>
<td>Europe / Asia-Pacific / North- and South America</td>
</tr>
<tr>
<td>Škoda</td>
<td><strong>Financial Services</strong></td>
</tr>
<tr>
<td>Bentley</td>
<td>USA / Canada / Spain / Argentina</td>
</tr>
<tr>
<td>Bugatti</td>
<td>Scania Financial Services</td>
</tr>
<tr>
<td>Porsche</td>
<td>MAN Financial Services</td>
</tr>
<tr>
<td>Ducati</td>
<td>Porsche Holding Financial Services</td>
</tr>
<tr>
<td>Remaining companies</td>
<td></td>
</tr>
</tbody>
</table>

1) Organisational structure of Volkswagen Group as from 1 September 2012; reporting structure as from Q1 2013 report
2) Fully consolidated as from 1 August 2012
3) Consolidated as from 19 July 2012
Substantial growth opportunities\textsuperscript{1)}

Cars and Light Commercial Vehicles
World market growth 2011-2018 (million units)

<table>
<thead>
<tr>
<th>Year</th>
<th>2011</th>
<th>2014</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>75.6</td>
<td>87.4</td>
<td>103.1</td>
</tr>
</tbody>
</table>

\textbf{+36%}

Trucks (>6t)
World market growth 2011-2018 (million units)

<table>
<thead>
<tr>
<th>Year</th>
<th>2011</th>
<th>2014</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2.8</td>
<td>3.5</td>
<td>4.3</td>
</tr>
</tbody>
</table>

\textbf{+55%}

\textsuperscript{1)} Source: IHS Global Insight (data status: September 2012), rounded
Volkswagen Group – Deliveries to customers by brands\(^1\)
January to September 2012 vs. 2011

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2012</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Volkswagen Group</td>
<td>6,152(^\circ) (\text{+10.6%})</td>
<td>6,802(^\circ) (\text{+10.5%})</td>
<td>8.3%</td>
</tr>
<tr>
<td>Volkswagen Passenger Cars</td>
<td>3,811 (\text{+12.8%})</td>
<td>4,209 (\text{+7.9%})</td>
<td>10.7%</td>
</tr>
<tr>
<td>Audi</td>
<td>973</td>
<td>1,098 (\text{-10.7%})</td>
<td>-10.7%</td>
</tr>
<tr>
<td>ŠKODA</td>
<td>665</td>
<td>717 (\text{+7.9%})</td>
<td>7.9%</td>
</tr>
<tr>
<td>SEAT</td>
<td>267</td>
<td>238 (\text{-10.7%})</td>
<td>-10.7%</td>
</tr>
<tr>
<td>Bentley</td>
<td>23</td>
<td>5</td>
<td>-100%</td>
</tr>
<tr>
<td>VW Commercial Vehicles</td>
<td>390 (\text{+4.9%})</td>
<td>409 (\text{+24.4%})</td>
<td>24.4%</td>
</tr>
</tbody>
</table>

\(^1\) Preliminary figures incl. Scania (Jan – Jun) and MAN (Jan – Jun; since 9 Nov 2011); 9.7\% excl. Scania and MAN. Porsche AG fully consolidated as from 1 August 2012.
World car markets and Volkswagen Group deliveries to customers\(^1\)
January to September 2012 vs. 2011

World: Car market: 7.9%  VW Group: 9.7%

<table>
<thead>
<tr>
<th>Region</th>
<th>Car market</th>
<th>VW Group</th>
</tr>
</thead>
<tbody>
<tr>
<td>North America</td>
<td>13.5%</td>
<td>25.3%</td>
</tr>
<tr>
<td>South America</td>
<td>4.8%</td>
<td>7.3%</td>
</tr>
<tr>
<td>Western Europe</td>
<td>-7.6%</td>
<td>-2.8%</td>
</tr>
<tr>
<td>Central &amp; Eastern Europe</td>
<td>9.4%</td>
<td>23.1%</td>
</tr>
<tr>
<td>Rest of World</td>
<td>7.6%</td>
<td>20.9%</td>
</tr>
<tr>
<td>Asia Pacific</td>
<td>13.5%</td>
<td>17.9%</td>
</tr>
</tbody>
</table>

\(^1\) Preliminary figures incl. Porsche (since 1 August 2012); excl. Scania and MAN
Volkswagen Golf VII: Launch of a new era

Hans Dieter Pötsch
Member of the Board of Management, Volkswagen Aktiengesellschaft

Sardinia, 8 October 2012
Golf VII – a cornerstone in our Strategy 2018
Sustainable growth combined with sustainable profitability

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

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

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

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

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

Capital discipline
- > 16% RoI target in automotive business
- 20% RoE\(^1\) goal in Financial Services
- Around 6% automotive capex in PPE/sales

Leading in customer satisfaction and quality
- Volkmann Group profit before tax margin > 8%
- Volumes > 10 million units p.a.\(^2\)
- Top employer

Note: All stated Volkswagen Group figures represent financial targets for 2018, excluding Porsche and MAN

\(^1\) Normalized RoE based on 8% equity ratio
\(^2\) Including China
The Golf – a reliable contributor to Volkswagen’s success
More than 29 million Golf deliveries to customers since 1974

1) includes Golf Hatchback, Station Wagon, MPV, Cabrio
The new Golf sets the benchmark in terms of efficiency and sustainability.
Strong position in Europe and substantial growth opportunities for the Golf in key sales markets

Market shares of the Golf* in 2011

* includes Golf Hatchback, Station Wagon, MPV, Cabrio
Introducing premium features in the volume segment

1974
Golf I
- Front-wheel drive
- Transverse engines
- GTI

2008
Golf VI
- Navigation touchscreen
- Knee airbag
- Park Assist
- Damper control DCC
- Common rail TDI
- Dyn. cornering light
- Reversing camera
- Automatic Stop/Start
- Battery regeneration
- Hill hold assist
- LED rear lighting
- KESSY

2012
Golf VII
- Multicollision brake
- Speed limiter
- Front transverse diff. lock
- Touch with proximity sensing
- Progressive steering
- Automatically folding mirror
- LED fog lights
- PreCrash
- Park Assist
- City Emergency Braking
- Fatigue detection
- Traffic sign detection
- Park Pilot
- Dynamic Light Assist
- Lane Assist
- Front Assist
- Adaptive Cruise Control
- Electric parking brake
- Driving profile selection
- Cylinder deactivation
- Deluxe climate window
- Panoramic tilt/slide sunroof
- Ergonomic seats
- Run-flat tyres
- Ambience lighting
More value for money…
Driver assistance systems and vehicle dynamics available for all vehicles based on MQB

- PreCrash
- 360° Park Pilot
- Park Assist 2
- Sign Assist
- Fatigue detection

- Adaptive Cruise Control
- Lane Assist
- City Emergency Breaking
- Multicollision brake
Leveraging economies of scale: One standard across the brands and segments

Modular Infotainment Toolkit

- Common technology but individual surface and controls to safeguard brand differentiation
- Modular Infotainment Toolkit to be used across all segments, also in New Small Family class as well as Trucks and Buses

<table>
<thead>
<tr>
<th>A0</th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
<th>E</th>
</tr>
</thead>
</table>

1) MQB: Modular Querbaukasten / modular transversal toolkit; PQ: Plattform Quer / transversal platform; MLB: Modularer Längsbaukasten / modular longitudinal toolkit; MSB: Modularer Standardbaukasten / modular standard toolkit
Intuitive and high quality infotainment systems for everyone’s taste and budget

**High-quality display**
- Multitouch: Gesture control in operating the touchscreen
- Cover flow for selecting media
- Display size up to 8"

**Situative touchscreen (STS)**
- Proximity sensors detect the user’s finger or hand and then automatically switch from display mode to operating mode
- Detailed information display in display mode
- Safe and convenient user operation in operating mode

**Easy operation**
- Well laid-out and intuitive user menus
- Capacitive touchscreen: Low touch pressure
- Large MIB display makes controls easy to operate and enables individual settings for all vehicle & driver assistance systems
Moving profitability to a higher sustainable level

Increasing operating profit
- Higher avg. revenues per car through better equipped vehicles
- Lower one-off expenditure
- Lower material costs per unit
- Lower engineered hours per vehicle
- Economies of scale

Disciplined management of investment capital
- Shorter development times per car
- Limited one-off expenditure
- Less investments in tooling through high standardisation

RoI in the Automotive Division

<table>
<thead>
<tr>
<th>Year</th>
<th>RoI</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>2.9</td>
</tr>
<tr>
<td>2006</td>
<td>5.8</td>
</tr>
<tr>
<td>2007</td>
<td>9.5</td>
</tr>
<tr>
<td>2008</td>
<td>10.9</td>
</tr>
<tr>
<td>2009</td>
<td>3.8</td>
</tr>
<tr>
<td>2010</td>
<td>13.5</td>
</tr>
<tr>
<td>2011</td>
<td>17.7</td>
</tr>
</tbody>
</table>

Target
- >16 %
- 9 %

Best in class
MQB Toolkit: Driving forward significant economies of scale in unit cost and investment

MQB provides substantial efficiency gains
- Reduction of unit costs
- Lower one-off expenditure
- Less engineered hours per vehicle
- Significant weight and emission reduction

Toolkit affords
- Flexibility in length, height, width
- Significant economies of scale
- Regional variations
- Opportunity for low volume niche models
- Alternative powertrain concepts

1) MQB: Modulärer Querbaukasten / modular transversal toolkit
Modularisation of production material
Example: Underbody framer

Production materials

- Module base plate
- Module moving unit
- Module part supports

Geometric supports

New moving systems allow the realisation of different models and wheelbases from the Golf to the Tiguan to the Passat
### Modularisation of production systems

**Example: Body construction**

<table>
<thead>
<tr>
<th>Production systems</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>30 vehicles / h</td>
<td>Basic module with 30 vehicles / h for one vehicle type</td>
<td>Area for potential expansion in basic layout included</td>
</tr>
<tr>
<td>1 vehicle type</td>
<td></td>
<td></td>
</tr>
<tr>
<td>60 vehicles / h</td>
<td>Expanded basis module with 60 vehicles / h</td>
<td>... and two vehicle types</td>
</tr>
<tr>
<td>2 vehicle types</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The modular production system (MPB) builds in flexibility in production systems regarding quantity, degree of mechanisation and vehicle type.
Higher flexibility in production through standardisation
Example: Turntable concepts

Utilisation of concept within plant ...

- Body shop vehicle type 1
- Body shop vehicle type 2
- Body shop vehicle type 3
- Body shop vehicle type 4

... and across brands and locations

- Polo
- Golf
- Octavia
- Tiguan
- A3

Enhanced flexibility to better react to fluctuations in customer demand
Flexibilisation through standardisation

Example: Flexible gripper in the body shop

Today: single-use tooling

MQB: flexible tooling

Improved flexibility in assembly and savings in tooling
Unification of powertrain installation positions: Considerably reducing number of variants and complexity

- With the MQB all engines receive a uniform assembly position
- Considerable reduction of the number of variants and the complexity by using the modular assembly strategy
The MQB’s flexible design is able to accommodate alternative drives.
Economies of scale through utilisation of MQB
Example: Modular transverse members

- Higher initial investment
+ Higher order volume
+ Lower price per unit

Higher initial investments amortised in the first year
Savings invested in higher quality cockpit and content

<table>
<thead>
<tr>
<th></th>
<th>Golf VI</th>
<th>Golf VII</th>
</tr>
</thead>
<tbody>
<tr>
<td>Initial capex</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Annual volume</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost per unit</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net weight</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
The new Golf: up to 100 kg less weight than its predecessor

<table>
<thead>
<tr>
<th>Component</th>
<th>Weight Reduction</th>
<th>Materials</th>
</tr>
</thead>
<tbody>
<tr>
<td>Superstructure*</td>
<td>-37kg</td>
<td>Use high-strength &amp; advanced high-strength steel grades (HSS) and reduce sheet thickness</td>
</tr>
<tr>
<td>Running gear*</td>
<td>-26kg</td>
<td>Hot formed steel</td>
</tr>
<tr>
<td>Engine*</td>
<td>-22kg</td>
<td>Advanced HSS</td>
</tr>
<tr>
<td>Special equipment*</td>
<td>-12kg</td>
<td>Hot formed steel</td>
</tr>
<tr>
<td>Electrical*</td>
<td>-3kg</td>
<td>Only use material where it is needed</td>
</tr>
</tbody>
</table>

* Model-dependent

- Optimise geometries of profiles and surfaces
Reduced build times through high standardisation and more efficient production

* Build time (blue line): press shop, body shop, paint shop and assembly line
Roll-out of MQB production across the Volkswagen Group

- Volume in units 2012: < 0.1 m
  2014: ~ 2 m
  2016: > 4 m

- More than 40 models will be based on the MQB until 2018

- The ramp up phase for a new model decreases substantially

- Significant up-front investments will pay off in the long run
MQB helping to improve product and margins

Material costs 100%

- Hat ca. 40%
- MQB platform ca. 60%

Distribution of savings

- Additional serial and optional content, previously reserved to premium class
- Potential savings
  - Lower cost per unit
  - Less EHvP¹
  - Less one-off expenditures

Margin improvement

Savings to be partly absorbed to fulfill regulatory and legal requirements:
- EURO 6
- Pedestrian protection

¹ Engineered Hours per Vehicle
Introduction of whole Golf family within two years
Worldwide roll-out in more than 140 countries

- Golf hatchback
- Golf GTI
- Golf GTD
- Golf BlueMotion
- Golf R-Line
- Golf Variant
- E-Golf
- Golf natural gas (CNG)
- Golf R-Model
- Golf Special Models
- Golf China
- Golf Plus
- Golf Plug-In Hybrid

2012  2013  2014
The Golf VII: Strong operating profit improvement
Analysis of profitability¹)

1) Schematic Overview
2) Engineered Hours per Vehicle
Golf VII – a contributor to every element of our Strategy 2018

1. Strong market position in Western Europe and substantial growth opportunities across the world
2. Reduced build times through high standardization and more efficient production
3. Moving profitability to a higher sustainable level
4. Higher average sales revenue per car
5. Improved cost structure
6. Driving forward significant economies of scale in unit costs and investments through the multi-brand approach

- Other Golf derivatives to be launched within short time
- High quality and well equipped
- Attractive financing packages
- Leading in customer satisfaction and quality
- Top employer
- Volkswagen Group profit before tax margin > 8%
- Volumes > 10 million units p.a.¹

¹) Including China

Note: All stated Volkswagen Group figures represent financial targets for 2018, excluding Porsche and MAN
Volkswagen Golf VII: Launch of a new era
Volkswagen Golf VII: Launch of a new era
Prof. Dr. Martin Winterkorn, Chairman of the Board of Management
Hans Dieter Pötsch, Member of the Board of Management
Volkswagen Aktiengesellschaft
Sardinia, 8 October 2012