

# Deutsche Bank Global Auto Industry Conference



## Hardy Brennecke

*Executive Vice President and Chief Financial Officer*

*Volkswagen Group of America, Inc.*

Detroit, 15 January 2014

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# AGENDA

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**Sales Update**

**Qualitative Growth**

**TDI Clean Diesel**

**Audi in the USA**

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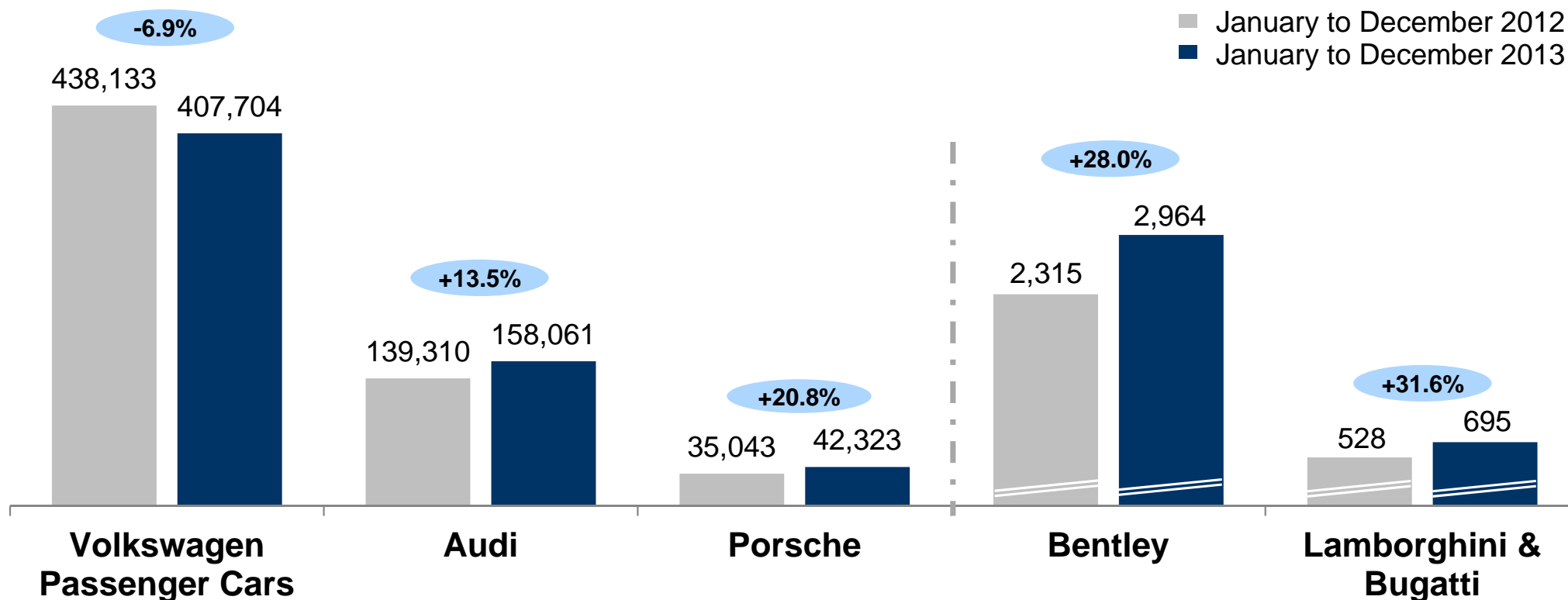


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## Volkswagen Group in the USA – Deliveries to Customers by Brands

January to December 2013 vs. 2012



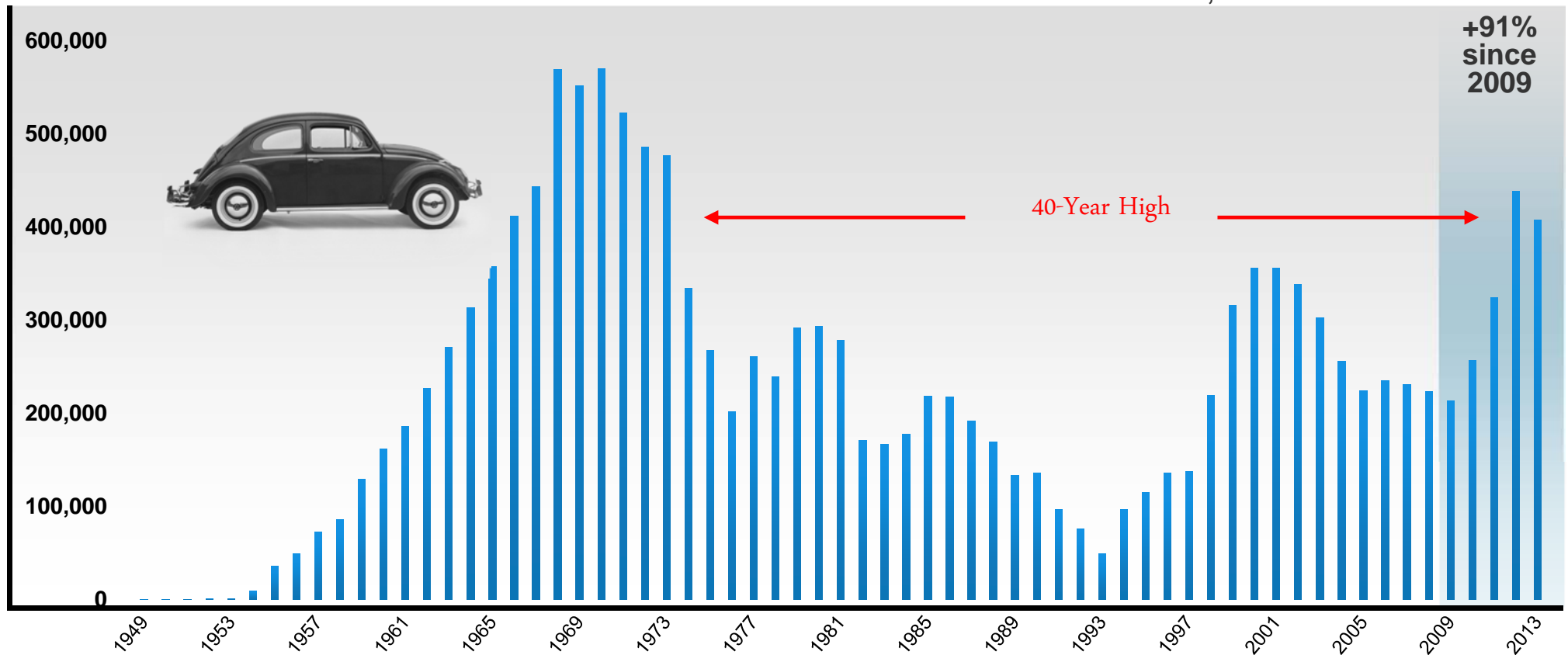
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# US SALES OF THE VOLKSWAGEN BRAND HAVE CLOSE TO DOUBLED SINCE 2009

Top US Sales Year: 1968 (569,292)

**2013:** 2<sup>nd</sup> year of sales over 400,000 units since 1973

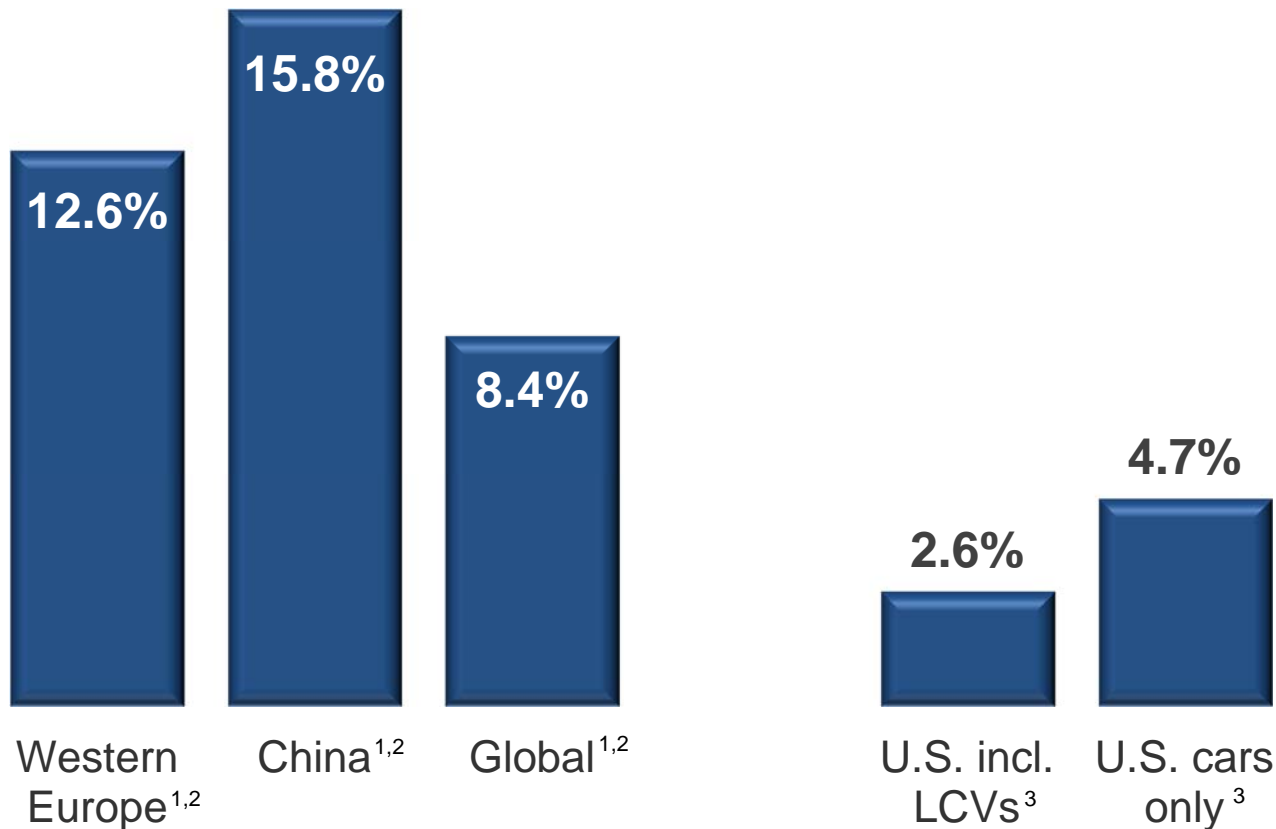


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# US MARKET: LONG TERM GROWTH OPPORTUNITY

## Volkswagen Brand Market Share



- 1) January – September 2013
- 2) Passenger cars
- 3) January – December 2013

### Market environment - key drivers

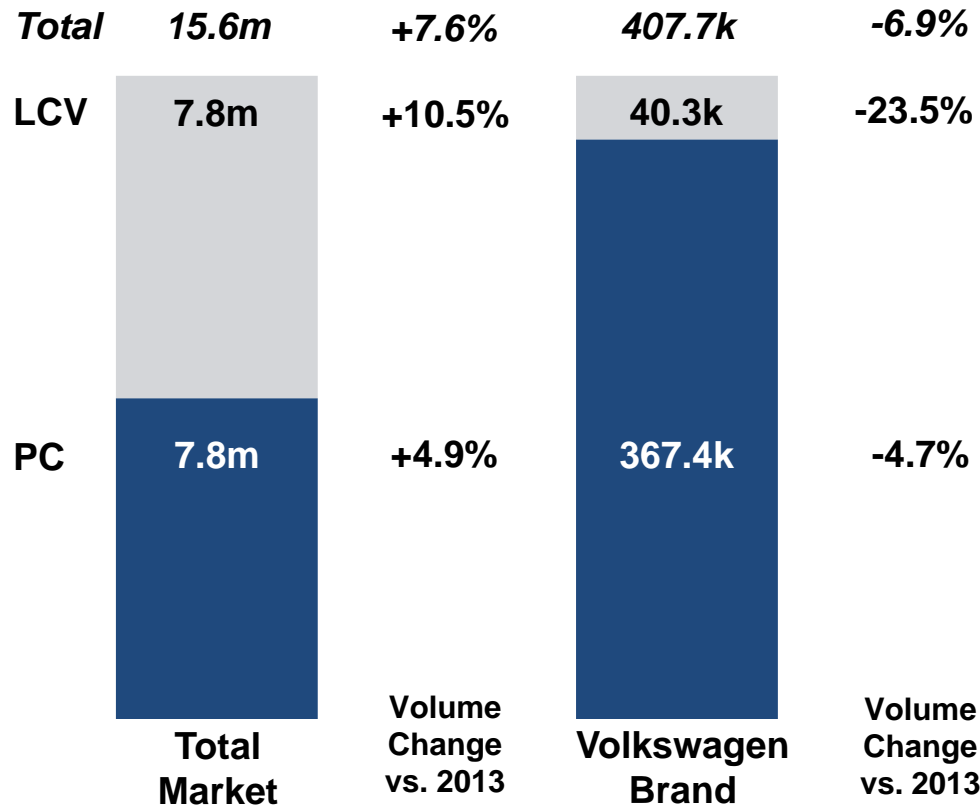
- Product Offerings and Brand Growth
- Quality and Customer Experience
- Dealer Network and CPO / Fleet

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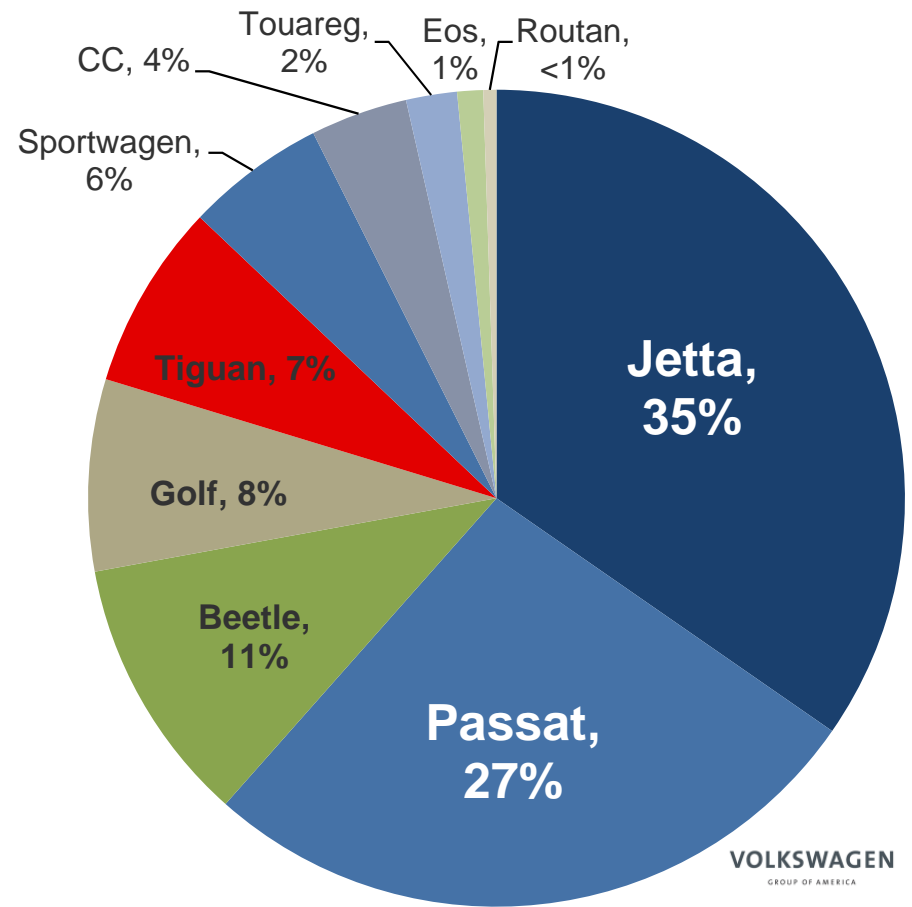
# SALES QUALITY AND COMPOSITION

## Segmentation of Total Market and Volkswagen Brand Sales in 2013



Source: Autodata

## Model Mix Volkswagen Brand in 2013



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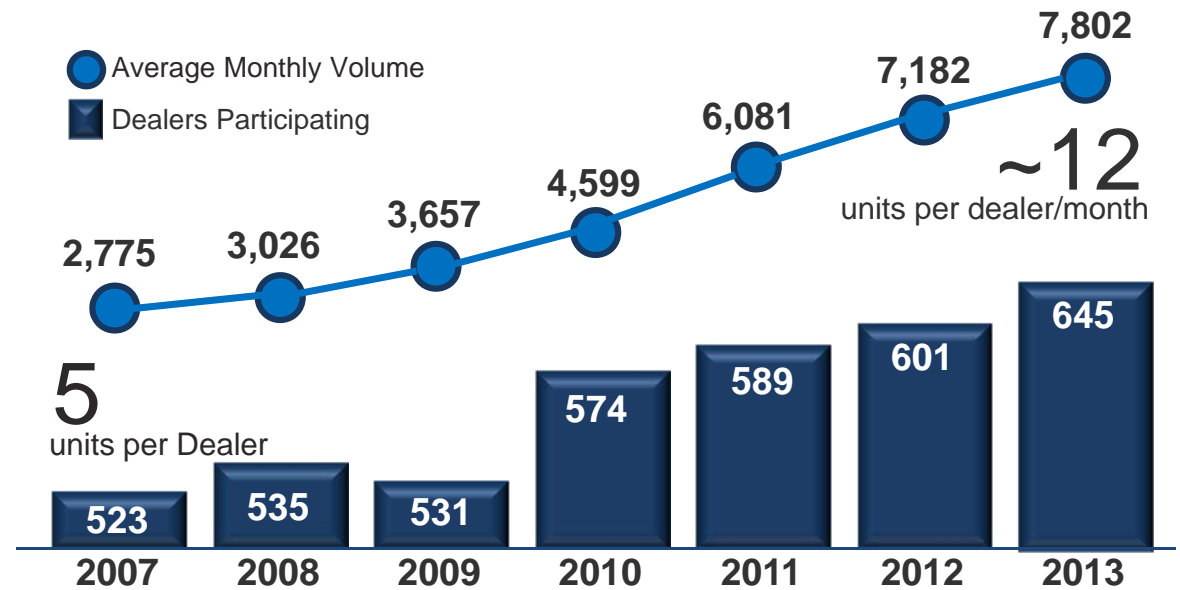
Audi in the USA

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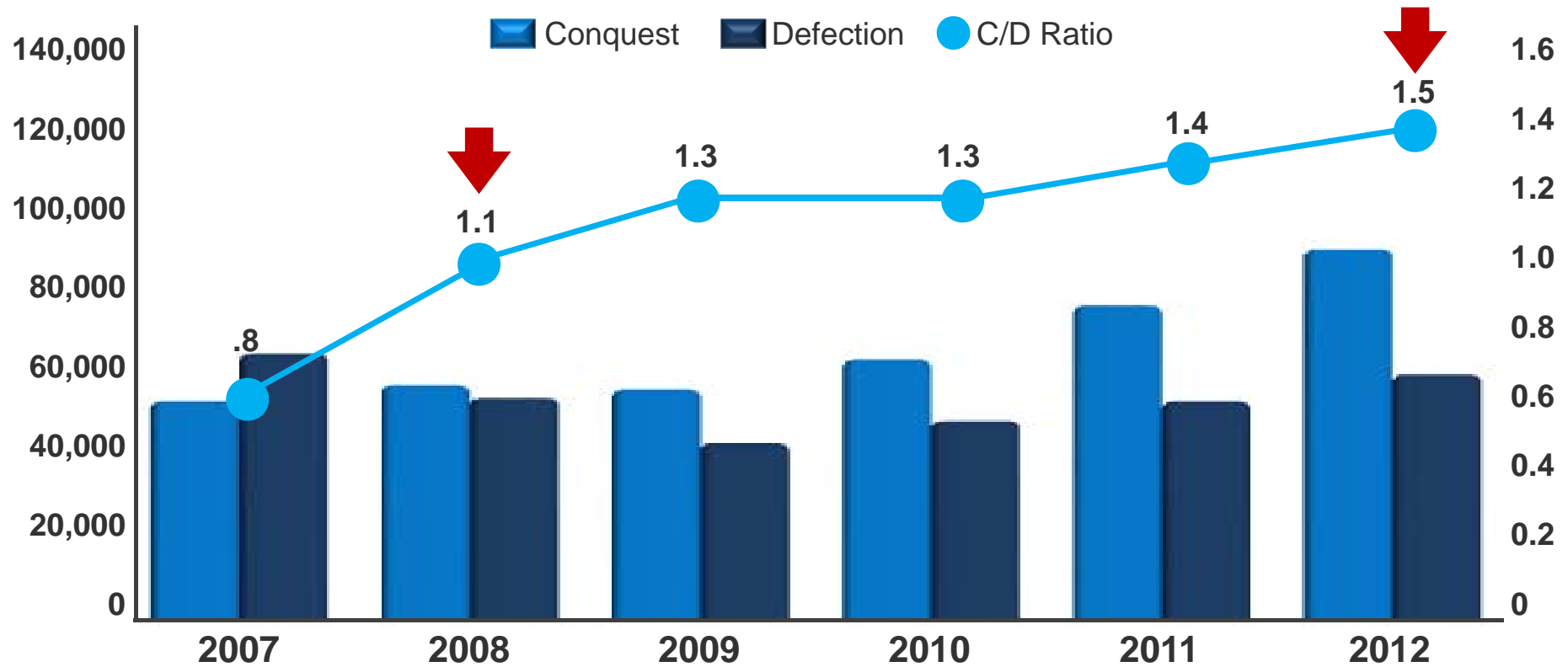
# CERTIFIED PRE-OWNED SALES DEVELOPMENT



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# CONQUEST/DEFECTION RATIO HAS IMPROVED 50%

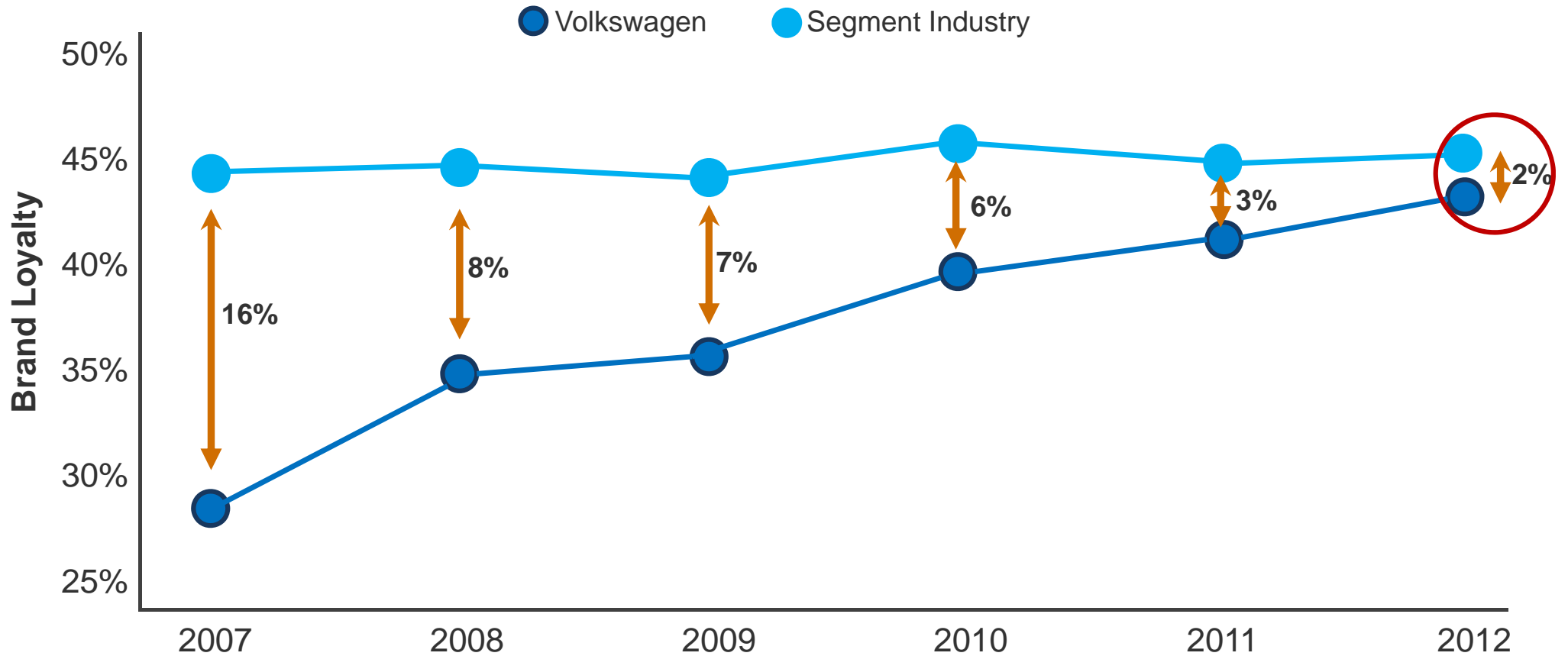


Source: POLK/IHS

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# VOLKSWAGEN BRAND LOYALTY HIGHEST IN SIX YEARS

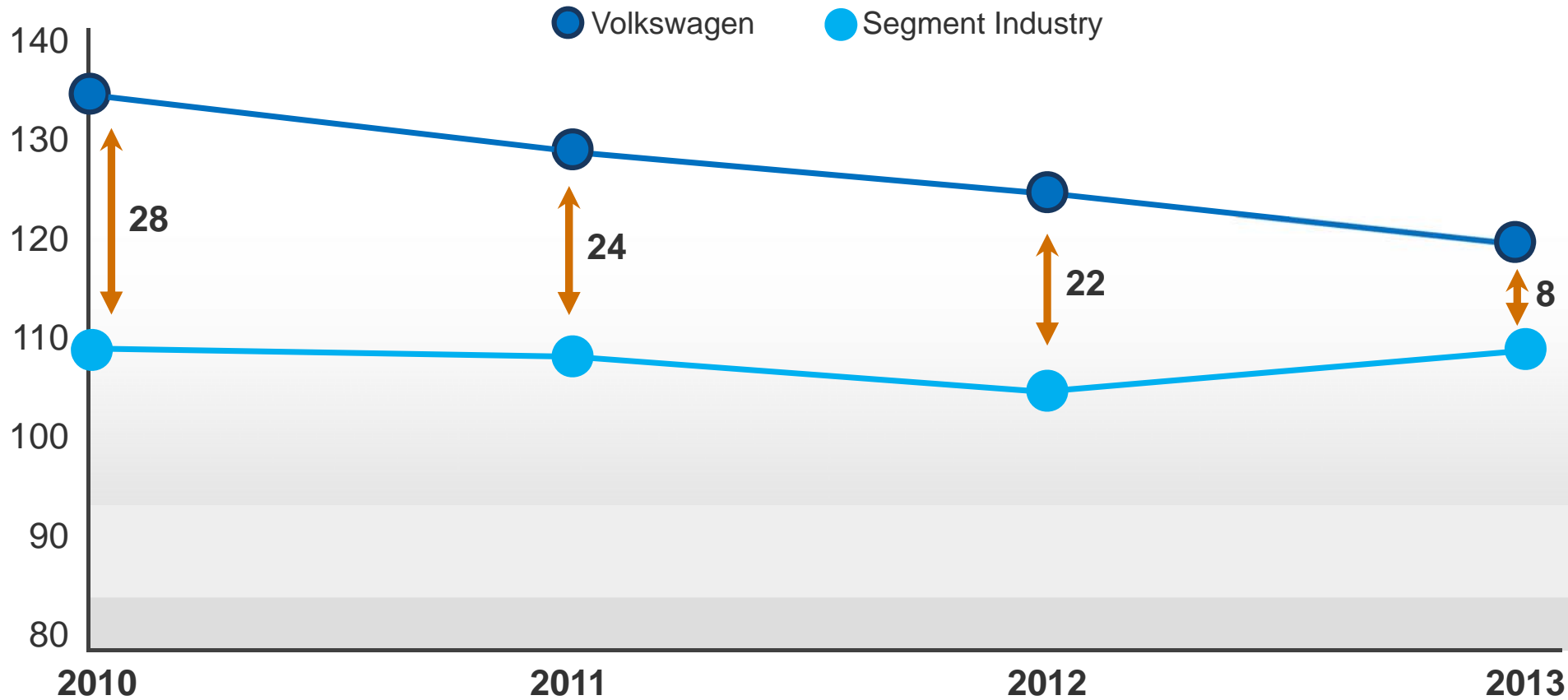


Source: POLK/IHS

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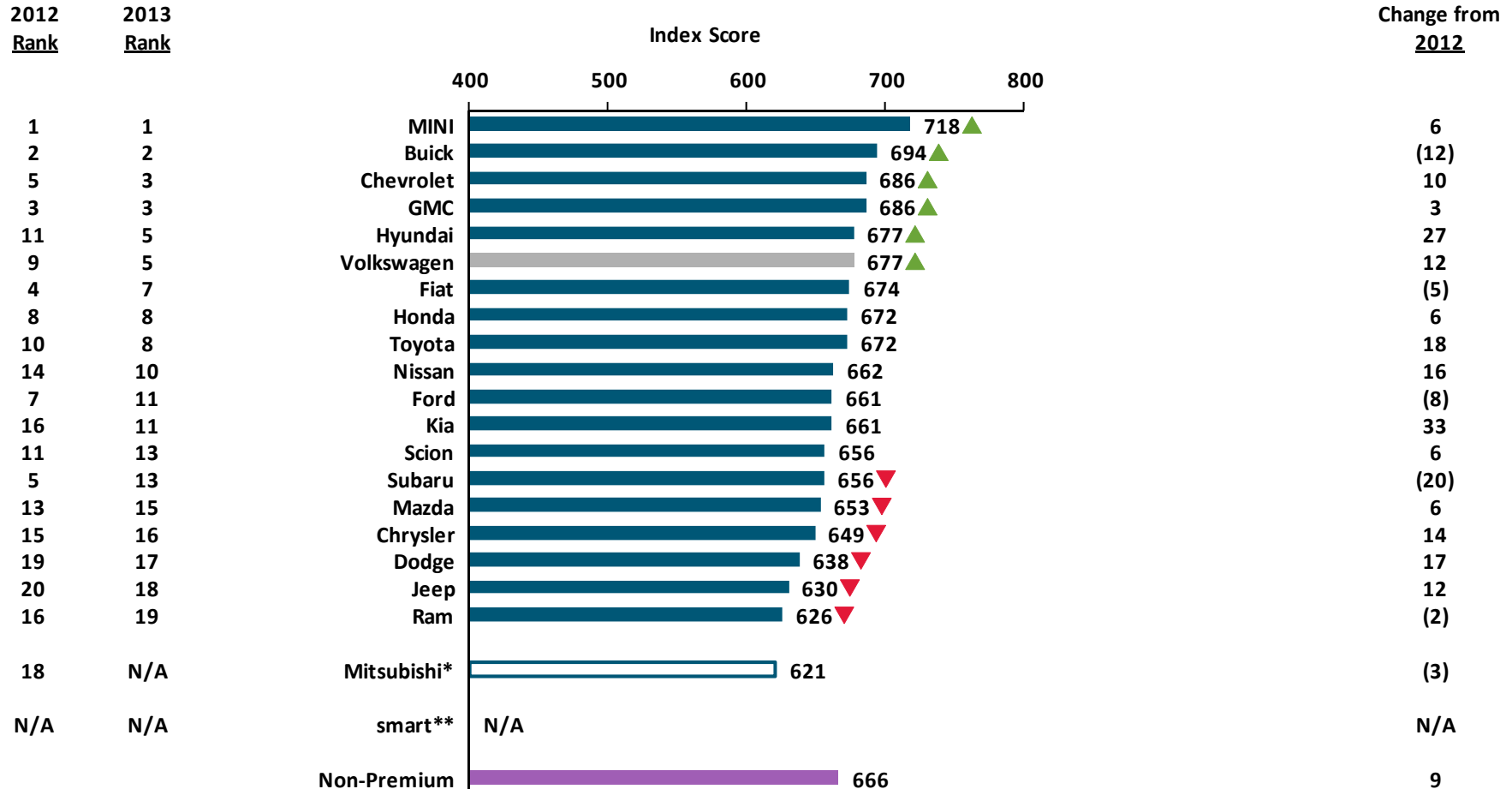
# VOLKSWAGEN IQS PERFORMANCE SHOWS CONTINUAL IMPROVEMENT



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# 2013 SSI Survey: Volkswagen leads Toyota, Honda and Nissan and only trails Chevrolet among the high volume brands



\*Small sample size  
 \*\*Insufficient sample

▲ Significantly higher at 90% significance level.  
 ▼ Significantly lower at 90% significance level.

# SIX ALL-NEW MODELS LAUNCHING IN 2014



**GTI**



**Golf**



**Jetta GP**



**e-Golf**



**Touareg GP**



**SportWagen**

**Market Launches**

**Press Launches**

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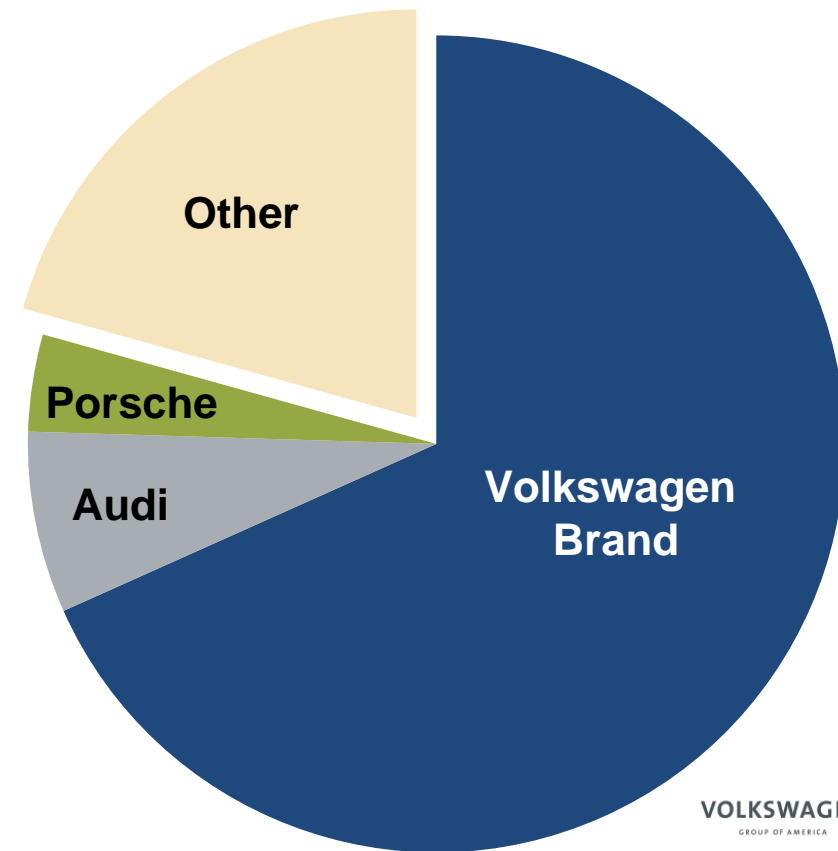
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# TDI CLEAN DIESEL SUCCESS

- The Volkswagen Group represents over 75% of all US diesel passenger cars and LCVs delivered in the US in 2013.
- Volkswagen Brand delivered an all-time record of 95,823 TDI vehicles in 2013 (+6.1% vs. 2012), representing a diesel mix of 23.5%.
- More than 500,000 Volkswagen Brand diesel vehicles delivered since 2000.
- Audi and Porsche also with new records; delivering more than 15,000 clean diesel vehicles in 2013.

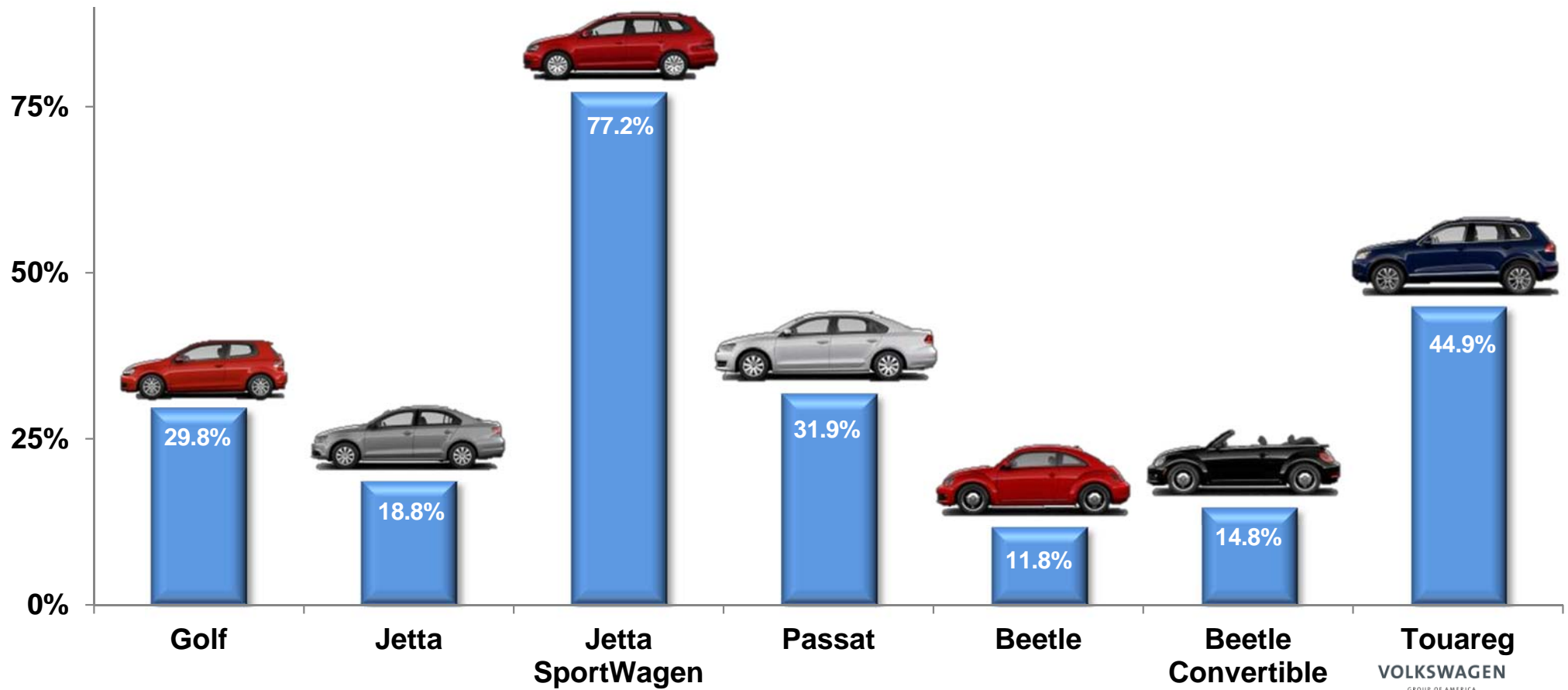
Total US Diesel Passenger Car and LCV Market by Brand, 2013





# VOLKSWAGEN BRAND DIESEL MIX BY MODEL

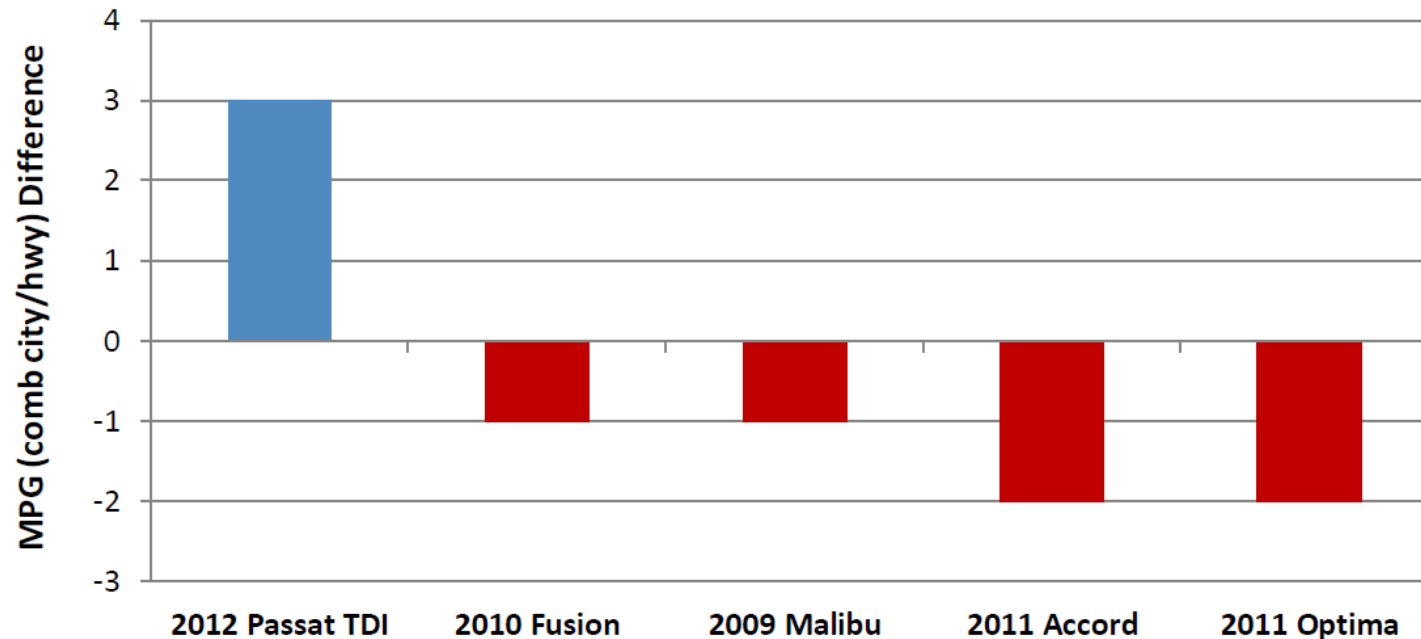
TDI Installation Rates by Model in 2013



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# REAL WORLD FUEL ECONOMY FROM CONSUMER REPORTS AND AUTOBLOG

MPG Difference between EPA test values and Consumer Reports real world test figures



Can you name a fun-to-drive sedan with a manual transmission that can transport five adults and their luggage comfortably while sipping fuel at the rate of **50 mpg**? The answer is the **Volkswagen Passat TDI** – a **German antonym** for "range anxiety." - *Michael Harley, AutoBlog*

Source: Consumer Report / AutoBlog

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# VW PASSAT TDI SETS NEW WORLD RECORD FOR FUEL ECONOMY



Volkswagen of America announced on June 24, 2013 that it has set a new **GUINNESS WORLD RECORDS®** achievement for the “lowest fuel consumption—48 U.S. states for a non-hybrid car” category.

- **77.99 mpg** more than **10 mpg better** than the previous mark of 67.9 mpg
- The achievement also beats the **hybrid vehicle** record of **64.6 mpg** by more than **13 mpg**
- **8,122 miles** on just **104.94 gallons** of fuel

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# HISTORY OF AUDI OF AMERICA

Over the past decade, Audi has achieved a significant increase in sales volume and market share in the US, while remaining well positioned for future growth.



STRATEGY 1 2020

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# PRODUCT LAUNCHES OF AUDI OF AMERICA

2013

A8 TDI



Audi A7 TDI



Audi A6 TDI



Audi Q5 TDI



Audi R8 PI



2014+

Audi A3 Sport Sedan



Audi A3 e-tron



Audi A3 Cabriolet



Audi Q3 SUV



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