Voluntary tender offer to acquire all Scania shares

Dr. Leif Östling, Member of Board of Management, Volkswagen AG
Hans Dieter Pötsch, Member of the Board of Management, Volkswagen AG
Conference Call and Webcast, 21 February 2014
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Transaction to clear the road towards the Integrated Commercial Vehicles Group

1. Background
   - Commercial vehicles is a highly attractive and important strategic business area for Volkswagen
   - Current Scania shareholder structure compromises integration and cooperation efforts significantly

2. Rationale
   - Buy-out of Scania minority shareholders removes operational legal restrictions ("arm's-length cooperation")
   - Clear path to realization of full potential between Volkswagen’s commercial vehicles businesses
   - Expected synergies exceed today's benefits by far
   - Consistency with Volkswagen Group’s value creation strategy: independent and strong brands on the basis of integrated technology and operations

3. Transaction
   - Volkswagen’s objectives: full integration of Scania, and fair treatment of Scania’s minority shareholders
   - Decision to offer full value to Scania shareholders combined with the clear condition that the transaction will only be completed, if more than 90% ownership in Scania’s share capital achieved
   - All-cash offer of SEK 200 per share represents a premium of 57.0% and 53.3% for A and B shares in Scania, respectively, based on the 90 days volume weighted average prices to and including 21st Feb 2014
   - Volkswagen targets the acquisition of 100% of the Scania shares and a de-listing of Scania
   - Offer harmonizes attractive value proposition to Scania minorities today with strong value creation for Volkswagen shareholders in the long-term
   - Offer not dependent on financing; well-balanced refinancing concept comprising equity, debt and net liquidity elements to preserve strong financials and safeguard credit rating
Situation background: Commercial vehicles powerhouse, but significant unrealized potential due to incomplete integration

- Substantial scope of potential benefits of intensified cooperation between Scania, MAN and Volkswagen clearly identified and analyzed
- Full benefits can start to be realised once Volkswagen holds 100% of the shares in Scania

1) Holdings as at December 31, 2013

VOLKSWAGEN

Domination and profit-and-loss-transfer agreement

Voting rights: 75.2%
Capital: 74.0%

Full cooperation

Restricted cooperation

Tender Offer

Minorities

Voting rights: 71.8%
Capital: 49.3%

Voting rights: 10.8%
Capital: 37.4%

VOLKSWAGEN

MAN

SCANIA

Restricted cooperation

Voting rights: 17.4%
Capital: 13.3%
### 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**

- €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

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**Transaction rationale**: Pre-requisite to improve competitiveness and efficiency based on integration of Volkswagen’s trucks businesses
Transaction rationale: Significant synergies through a modular architecture while maintaining distinct brand identities

Cabin
- Joint modular components

Electric/ Electronic
- Joint modular architecture

Engine
- Joint modular architecture
- Joint emission after-treatment
- Joint development of “new cylinder unit” for future engine generations
- Joint components (e.g. turbo charger, intercooler, injection systems)

Chassis
- Joint components
- Joint development of light-weight structures
- Savings through joint purchasing and insourcing

Power train
- Common gearbox family
- Common axle family
- Insourcing of key components
2 Transaction rationale: Consistent attractive perspective for Scania as innovation leader and unique premium brand

**Scania: core strengths**
- Best-in-class efficiency and flexibility
- Innovation leader with industry-leading team and engineering know-how
- Strategy focus on modular vehicle architectures – analogous to the Volkswagen strategy in passenger cars
- Leading premium brand and unique culture
- Strong service and aftermarket potential based on proprietary technology

**Scania: attractive long-term perspective**
- Continued positioning as unique premium brand and core element of Volkswagen’s multi-brand strategy
- Increased opportunities as group-wide technology center in important vehicle systems
- Additional scale and in-sourcing potential
- Leverage global modular kits of Volkswagen Group
- No structural changes at Scania
- Scania and Sweden to continue to play a central and strategic role in the integrated commercial vehicles group

**Volkswagen: committed to Scania’s future success**

**Scania: incremental business opportunities**
### Transaction overview: Highly attractive value realization for Scania minorities, paired with clear, sustainable value creation for Volkswagen

<table>
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<tr>
<th>Key parameters of the Volkswagen public tender offer</th>
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<tr>
<td><strong>Offer price</strong></td>
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<td>• SEK 200 in cash for each class A share and class B share of Scania</td>
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<td><strong>Premium</strong></td>
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<td>• 57.0% and 53.3% to the 90 days volume weighted average prices to and including 21&lt;sup&gt;st&lt;/sup&gt; Feb 2014 for the class A and class B shares respectively</td>
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<td><strong>Total offer size</strong></td>
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<td>• Offer directed at all shares not directly or indirectly held by Volkswagen today, i.e. 19.7m class A shares and 279.2m class B shares</td>
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<td>• Total transaction volume of SEK 59.8 billion or approximately € 6.7 billion</td>
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<td><strong>Tender period</strong></td>
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<td>• 17 March 2014 to 25 April 2014&lt;sup&gt;1)&lt;/sup&gt;</td>
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<td><strong>Minimum ownership condition</strong></td>
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<td>• Transaction subject to Volkswagen achieving more than 90% ownership in the total share capital of Scania</td>
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<td><strong>Volkswagen objectives</strong></td>
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<td>• Acquisition of 100% of Scania’s share capital</td>
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<td>• Subsequent squeeze-out of remaining Scania minorities and de-listing of the Scania shares</td>
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<td><strong>Refinancing</strong></td>
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<td>• Purchase price paid out of existing Volkswagen net liquidity</td>
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<td>• Volkswagen intends to partially refinance the transaction as follows:</td>
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<td>- Up to € 2.0 billion from the issuance of new Volkswagen preference shares</td>
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<td>- The issuance of new hybrid capital</td>
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<sup>1</sup> Volkswagen has reserved the right to extend the offer period
Balanced transaction to create sustainable value

1. Attractive and immediate value realization for Scania shareholders
2. Sustainable value creation for Volkswagen and efficient refinancing
3. Enhanced business opportunities for Scania
4. Stable, attractive industrial perspective for Scania employees
5. Scania to remain an iconic, independent brand with a strong future in Sweden
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