Volkswagen Group: Financial sustainability on core strengths

Hans Dieter Pötsch
Member of the Board of Management, Volkswagen Aktiengesellschaft
Credit Suisse 2014 Paris Auto Show Conference, 2 - 3 October 2014
The following presentations contain 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 rinminbi 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 Such statements are valid on the date of publication and can be superceded.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.
Highlights January – June 2014

Sales revenue was flat due to significant currency headwinds

Operating result improved in an ongoing difficult market environment

Profit before tax increased supported by higher earnings from Chinese joint ventures and an improved other financial result

Automotive net liquidity remained solid following the acquisition of Scania shares due to a capital increase from issuing new preferred shares and a hybrid note
Financial Highlights – Volkswagen Group
(January to June 2014 vs. 2013)

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2014</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales revenue</td>
<td>€ 98,687</td>
<td>€ 98,808</td>
<td>+ 0.1%</td>
</tr>
<tr>
<td>Operating profit</td>
<td>€ 5,780</td>
<td>€ 6,186</td>
<td>+ 7.0%</td>
</tr>
<tr>
<td>Profit before tax</td>
<td>€ 6,620</td>
<td>€ 7,777</td>
<td>+ 17.5%</td>
</tr>
<tr>
<td>Profit after tax</td>
<td>€ 4,793</td>
<td>€ 5,716</td>
<td>+ 19.3%</td>
</tr>
</tbody>
</table>
### Volkswagen Group – Analysis of Earnings per Share Development
(January to June 2014 vs. 2013)

#### Earnings per share (diluted, in €)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Preferred</td>
<td>10.04</td>
<td>11.33</td>
</tr>
<tr>
<td>Ordinary</td>
<td>10.10</td>
<td>11.39</td>
</tr>
</tbody>
</table>

+ 12.8%

#### Key driving factors for EPS

- **Increase of Group operating profit**
- **Improved at-equity result, mainly due to continued strong performance of Chinese joint venture companies**
- **Improved other financial result**
- **Higher minority and hybrid investors' interest in net profit reconciliation**
- **Slightly increased average number of shares outstanding following issuance of equity capital and convertibles**
**Development World Car Market vs. Volkswagen Group Car Deliveries to Customers**

(Growth y-o-y in deliveries to customers, January to August 2014 vs. 2013)

<table>
<thead>
<tr>
<th>Region</th>
<th>Car Market</th>
<th>VW Group</th>
</tr>
</thead>
<tbody>
<tr>
<td>World</td>
<td>Car Market: 4.2%</td>
<td>Volkswagen Group: 6.1%</td>
</tr>
<tr>
<td>World: Car Market</td>
<td></td>
<td></td>
</tr>
<tr>
<td>North America</td>
<td>4.9%</td>
<td>-2.0%</td>
</tr>
<tr>
<td>Western Europe</td>
<td>5.1%</td>
<td>7.6%</td>
</tr>
<tr>
<td>Central &amp; Eastern Europe</td>
<td>-7.2%</td>
<td>4.1%</td>
</tr>
<tr>
<td>South America</td>
<td>-13.4%</td>
<td>-20.0%</td>
</tr>
<tr>
<td>Rest of World</td>
<td>-0.3%</td>
<td>-5.0%</td>
</tr>
<tr>
<td>Asia Pacific</td>
<td>8.4%</td>
<td>14.9%</td>
</tr>
</tbody>
</table>

1) Figures excl. Volkswagen Commercial Vehicles, Scania and MAN. The Saveiro model, previously Volkswagen Commercial Vehicles, is reported in the Volkswagen Passenger Cars brand retrospectively as of January 1, 2013.
Volkswagen Group – Deliveries to Customers by Brands
(January to August 2014 vs. 2013)

1) Incl. Volkswagen Commercial Vehicles, Scania (Jan – Jun) and MAN (Jan – Jun); 6.1% excl. Volkswagen Commercial Vehicles, Scania and MAN.

2) The Saveiro model, previously Volkswagen Commercial Vehicles, is reported in the Volkswagen Passenger Cars brand retrospectively as of January 1, 2013.
Volkswagen Group – Commercial Vehicles Deliveries to Customers by Brands (January to August 2014 vs. 2013)

<table>
<thead>
<tr>
<th>Brand</th>
<th>January – August 2013</th>
<th>January – August 2014</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Volkswagen Group</td>
<td>6,276</td>
<td>6,615</td>
<td>+5.4%</td>
</tr>
<tr>
<td>Scania</td>
<td>299</td>
<td>287</td>
<td>-3.9%</td>
</tr>
<tr>
<td>MAN</td>
<td>65</td>
<td>58</td>
<td>-11.1%</td>
</tr>
<tr>
<td>MAN Latin America</td>
<td>38</td>
<td>38</td>
<td>+1.1%</td>
</tr>
</tbody>
</table>

1) Incl. Volkswagen Commercial Vehicles, Scania and MAN; 6.1% excl. Volkswagen Commercial Vehicles, Scania and MAN. 2) The Saveiro model, previously Volkswagen Commercial Vehicles, is reported in the Volkswagen Passenger Cars brand retrospectively as of January 1, 2013. 3) MAN incl. MAN Latin America Trucks and Buses GVW > 5t.
**Volkswagen Group – Analysis by Division**

*(January to June 2014 vs. 2013)*

<table>
<thead>
<tr>
<th></th>
<th>Volkswagen Group</th>
<th>Automotive Division</th>
<th>Financial Services Division</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>thousand vehicles / € million</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vehicle sales</td>
<td>5,207</td>
<td>4,873</td>
<td>5,207</td>
</tr>
<tr>
<td>Sales revenue</td>
<td>98,808</td>
<td>98,687</td>
<td>87,044</td>
</tr>
<tr>
<td>Operating profit</td>
<td>6,186</td>
<td>5,780</td>
<td>5,262</td>
</tr>
<tr>
<td>% of sales revenue</td>
<td>6.3</td>
<td>5.9</td>
<td>6.0</td>
</tr>
<tr>
<td>Financial result</td>
<td>1,591</td>
<td>839</td>
<td>1,520</td>
</tr>
<tr>
<td>of which: At-equity result</td>
<td>2,143</td>
<td>1,841</td>
<td>2,127</td>
</tr>
<tr>
<td>of which: Other financial result</td>
<td>-552</td>
<td>-1,002</td>
<td>-608</td>
</tr>
<tr>
<td>Profit before tax</td>
<td>7,777</td>
<td>6,620</td>
<td>6,782</td>
</tr>
<tr>
<td>% Return on sales before tax</td>
<td>7.9</td>
<td>6.7</td>
<td>7.8</td>
</tr>
<tr>
<td>Profit after tax</td>
<td>5,716</td>
<td>4,793</td>
<td>4,974</td>
</tr>
</tbody>
</table>

---

1) All figures shown are rounded, so minor discrepancies may arise from addition of these amounts. Including allocation of consolidation adjustments between the Automotive and Financial Services divisions.

2) The joint venture companies in China are accounted for using the equity method and recorded an operating profit (proportionate) of €2,622 million (€2,370 million).
Volkswagen Group – Analysis of Operating Profit\(^1\)
(January to June 2014 vs. 2013)

\(^1\) All figures shown are rounded, minor discrepancies may arise from addition of these amounts.
### Volkswagen Group – Analysis by Business Line

(February to June 2014 vs. 2013)

<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>2,302</td>
<td>2,376</td>
<td>49,259</td>
</tr>
<tr>
<td>Audi</td>
<td>750</td>
<td>692</td>
<td>26,690</td>
</tr>
<tr>
<td>ŠKODA</td>
<td>426</td>
<td>362</td>
<td>5,974</td>
</tr>
<tr>
<td>SEAT</td>
<td>258</td>
<td>244</td>
<td>3,948</td>
</tr>
<tr>
<td>Bentley</td>
<td>6</td>
<td>4</td>
<td>887</td>
</tr>
<tr>
<td>Porsche2)</td>
<td>89</td>
<td>78</td>
<td>8,162</td>
</tr>
<tr>
<td>Volkswagen Commercial Vehicles</td>
<td>221</td>
<td>220</td>
<td>4,724</td>
</tr>
<tr>
<td>Scania2)</td>
<td>38</td>
<td>38</td>
<td>5,067</td>
</tr>
<tr>
<td>MAN3)</td>
<td>58</td>
<td>65</td>
<td>6,699</td>
</tr>
<tr>
<td>VW China4)</td>
<td>1,847</td>
<td>1,517</td>
<td>-</td>
</tr>
<tr>
<td>Other</td>
<td>-788</td>
<td>-724</td>
<td>-23,026</td>
</tr>
<tr>
<td>Volkswagen Financial Services3)</td>
<td>-</td>
<td>-</td>
<td>10,423</td>
</tr>
</tbody>
</table>

### Volkswagen Group

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>5,207</td>
<td>4,873</td>
<td>98,808</td>
<td>98,678</td>
</tr>
<tr>
<td>of which: Passenger Cars</td>
<td>5,207</td>
<td>4,873</td>
<td>87,044</td>
<td>87,515</td>
</tr>
<tr>
<td></td>
<td>4,890</td>
<td>4,551</td>
<td>70,711</td>
<td>70,345</td>
</tr>
<tr>
<td>of which: Commercial Vehicles, Power Engineering</td>
<td>317</td>
<td>323</td>
<td>16,333</td>
<td>17,170</td>
</tr>
<tr>
<td>Financial Services Division</td>
<td>-</td>
<td>-</td>
<td>11,764</td>
<td>11,173</td>
</tr>
</tbody>
</table>

---

1) All figures shown are rounded, minor discrepancies may arise from addition of these amounts. 2) Incl. financial services. 3) MAN Finance International GmbH has been reported within Volkswagen Financial Services since its acquisition by Financial Services AG as of January 1, 2014. The prior-year figures have not been adjusted. 4) 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 €2,622 million (€2,370 million). 5) 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.
Automotive Division – Strong Cash Generation¹ ²)
(January to June 2014)

<table>
<thead>
<tr>
<th>in € billion</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash flow from operating activities</td>
<td>8.4</td>
</tr>
<tr>
<td>Capex</td>
<td>-3.9 (4.5%³)</td>
</tr>
<tr>
<td>Capitalized R&amp;D costs</td>
<td>-1.6</td>
</tr>
<tr>
<td>Other</td>
<td>0.2</td>
</tr>
<tr>
<td>Net cash flow before equity investments</td>
<td>3.1</td>
</tr>
<tr>
<td>Acquisition and disposal of equity investments</td>
<td>-1.8</td>
</tr>
<tr>
<td>Net cash flow</td>
<td>1.2</td>
</tr>
</tbody>
</table>

¹) All figures shown are rounded, minor discrepancies may arise from addition of these amounts.
²) Including allocation of consolidation adjustments between Automotive and Financial Services divisions.
³) Capital expenditure for property, plant and equipment in % of Automotive sales revenue.
Automotive Division – Analysis of Net Liquidity

1) All figures shown are rounded, minor discrepancies may arise from addition of these amounts.
Volkswagen’s Automotive Division further strengthens innovation and technology leadership

Investments in property, plant and equipment

<table>
<thead>
<tr>
<th>Year</th>
<th>Capex / Sales</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>

- 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.
Continuous dividend development on a sustainable basis

<table>
<thead>
<tr>
<th>Year</th>
<th>Volkswagen Ordinary Shares</th>
<th>Volkswagen Preferred Shares</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>3.00</td>
<td>3.00</td>
</tr>
<tr>
<td>2012</td>
<td>3.50</td>
<td>3.56</td>
</tr>
<tr>
<td>2013</td>
<td>4.00</td>
<td>4.06</td>
</tr>
</tbody>
</table>

Mid-term target: 30%

1) Total dividend in percent of net income attributable to shareholders adjusted for noncash income mainly from the updated measurement of the put/call rights relating to the acquisition of the stake in Porsche AG indirectly held by Porsche SE, as well as the remeasurement of the existing stake held at the contribution date.
# Strong cash generation and sufficient net liquidity

### Operating cash flow and investments (automotive)

<table>
<thead>
<tr>
<th>Year</th>
<th>Op. cash flow</th>
<th>Investing cash flow</th>
<th>Equity investments</th>
<th>Net cash flow</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>13.7</td>
<td>-5.7</td>
<td>-0.9</td>
<td>8.0</td>
</tr>
<tr>
<td>2008</td>
<td>8.0</td>
<td>-8.9</td>
<td>-2.6</td>
<td>8.8</td>
</tr>
<tr>
<td>2009</td>
<td>12.8</td>
<td>-7.6</td>
<td>2.7</td>
<td>5.2</td>
</tr>
<tr>
<td>2010</td>
<td>13.9</td>
<td>-7.0</td>
<td>-7.7</td>
<td>6.9</td>
</tr>
<tr>
<td>2011</td>
<td>17.1</td>
<td>-9.4</td>
<td>-6.6</td>
<td>7.7</td>
</tr>
<tr>
<td>2012</td>
<td>16.1</td>
<td>-12.5</td>
<td>-3.9</td>
<td>3.7</td>
</tr>
<tr>
<td>2013</td>
<td>20.6</td>
<td>-14.5</td>
<td>-1.7</td>
<td>6.1</td>
</tr>
</tbody>
</table>

### Net liquidity (automotive)

<table>
<thead>
<tr>
<th>Year</th>
<th>Net liquidity</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>13.5</td>
</tr>
<tr>
<td>2008</td>
<td>8.0</td>
</tr>
<tr>
<td>2009</td>
<td>10.6</td>
</tr>
<tr>
<td>2010</td>
<td>18.6</td>
</tr>
<tr>
<td>2011</td>
<td>17.0</td>
</tr>
<tr>
<td>2012</td>
<td>10.6</td>
</tr>
<tr>
<td>2013</td>
<td>16.9</td>
</tr>
<tr>
<td>H1 2014</td>
<td>14.0</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
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.
Volkswagen Group – A global economic and environmental leader by 2018

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

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

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

Leading in customer satisfaction and quality

Volkswagen Group profit before tax margin > 8%

Volumes > 10 million units p.a.\(^2\)

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

\(^1\) Normalized RoE based on 8% equity ratio
\(^2\) Including China
Note: All stated Volkswagen Group figures represent financial targets for 2018
Volkswagen Group – Leveraging the power of 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>Europe / Asia-Pacific / North and South America</td>
</tr>
<tr>
<td>Audi</td>
<td>Financial Services</td>
</tr>
<tr>
<td>ŠKODA</td>
<td>USA / Canada / Spain / Argentina</td>
</tr>
<tr>
<td>Bentley</td>
<td>Scania Financial Services</td>
</tr>
<tr>
<td>Bugatti</td>
<td>Porsche Financial Services</td>
</tr>
<tr>
<td>PORSCHE</td>
<td></td>
</tr>
<tr>
<td>Remaining companies</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Commercial Vehicles / Power Engineering</strong></td>
<td></td>
</tr>
<tr>
<td>Volkswagen</td>
<td></td>
</tr>
<tr>
<td>MAN</td>
<td></td>
</tr>
<tr>
<td>SCANIA</td>
<td></td>
</tr>
</tbody>
</table>
Passenger Cars – Nine independent brands addressing all customer needs

Automotive Division

Passenger Cars

- Volkswagen
- Audi
- Škoda
- Bentley
- Seat
- Bugatti
- Porsche
- Ducati

Remaining companies
Passenger Cars – Strong market penetration through well positioned and differentiated brands

Positioning focus

**Volume brands:**
- **Volkswagen**
  Mainstream mobility for the upmarket driver
- **ŠKODA**
  Functional and roomy cars for the product-value focussed audience
- **SEAT**
  Sporty and stylish for the young and young-in-mind driver

**Premium brands:**
- **Audi**
  Progressive prestige for innovation seekers
- **Porsche**
  Sporty prestige for the elite high end client

Source: Volkswagen Group, EU 5 markets
Key sales markets offer substantial growth opportunities
Market growth 2013 – 2018 (million units)

North America

Western Europe\(^1\)

Central & Eastern Europe (incl. Russia)

China (incl. HK)

South America\(^2\)

India

World

1) Includes Cyprus and Malta
2) Includes Central America and Caribbean

Source: IHS Automotive (data status: August 2014), rounded
Note: Market = Cars and LCVs
All brands contribute substantially to the targets of the Volkswagen Group

<table>
<thead>
<tr>
<th>Targets</th>
<th>Deliveries to customers</th>
<th>Sustainable operating profit margin</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2007</td>
<td>2008</td>
</tr>
<tr>
<td>Deliveries to customers</td>
<td>6,600,000</td>
<td>&gt; 1,500,000</td>
</tr>
<tr>
<td>Sustainable operating profit margin</td>
<td>&gt; 6%</td>
<td>6-8%</td>
</tr>
</tbody>
</table>

Return on Investment in the Automotive Division

- 9.5% (2007)
- 10.9% (2008)
- 3.8% (2009)
- 13.5% (2010)
- 17.7% (2011)
- 16.6% (2012)
- 14.5% (2013)
- > 16% (2018 Target)

1) Including deliveries to customers by joint venture companies in China
2) Target for year 2020
3) Excluding operating profit of joint venture companies in China which are accounted for using the equity method
Volkswagen Passenger Cars – The Group’s new markets spearhead

1 Expected growth of number of dealerships 2008 – 2015

Dealer increase:
- >50%
- >120%
- >170%

1) Dealer increase 1):
- >20%

High investments, such as:
- ramping up local production
- technology transfer
- building up dealer network …

will pay off with:
- higher deliveries to customers
- higher brand returns
- significant synergy potential within the Group

1) Expected growth of number of dealerships 2008 – 2015

Production locations       Production locations under construction

Volkswagen Passenger Cars – The Group’s new markets spearhead

Dealer increase:
- Ningbo (2013)
- Changsha (2015)
- Urumqi (2013)
- Foshan (2013)

Dealer increase:
- Kaluga (2007)
- >120%

Dealer increase:
- Pune (2009)
- >650%

Dealer increase:
- Silao (2013)
- >50%

Dealer increase 1):
- Chattanooga (2011)
- >20%

High investments, such as:
- ramping up local production
- technology transfer
- building up dealer network …

will pay off with:
- higher deliveries to customers
- higher brand returns
- significant synergy potential within the Group

Ningbo (2013)
Changsha (2015)
Urumqi (2013)
Foshan (2013)
Volkswagen Passenger Cars – The Group’s front-runner

Deliveries to customers (‘000 units)¹

- Rest of World
- Asia Pacific
- South America
- North America
- Europe (w/o Germany)
- Germany

<table>
<thead>
<tr>
<th>Year</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>...</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>6,6 m</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Lead role in terms of...

- Powertrain
- MQB
- Sustainability

Production footprint expansion

Products

Key drivers to achieve targets

- Drive regional diversification in sales and production with local products for local needs
- Continue product firework including further derivatives
- Utilize margin potential in growth regions
- Successful execution of MQB strategy
- Strict cost and investment discipline while retaining quality and price leadership

Operating profit margin²

<table>
<thead>
<tr>
<th>Year</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>...</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>2.6%</td>
<td>3.7%</td>
<td>0.9%</td>
<td>2.7%</td>
<td>4.0%</td>
<td>3.5%</td>
<td>2.9%</td>
<td>&gt; 6%</td>
</tr>
</tbody>
</table>

¹ Including deliveries to customers by joint venture companies in China
² Excluding operating profit of joint venture companies in China which are accounted for using the equity method
ŠKODA – Growing sustainably and profitably

Deliveries to customers ('000 units)¹)

<table>
<thead>
<tr>
<th>Year</th>
<th>Rest of world</th>
<th>Asia Pacific</th>
<th>CEE</th>
<th>Western Europe</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2008</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2009</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2010</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2011</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2012</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Portfolio expansion

- Citigo +1
- Rapid +1
- Spaceback +1
- New SUV 9

Key drivers to achieve targets

- Continue model firework and improving positioning
- Entering new segments (broader model portfolio)
- Continue regional diversification in sales and production: focus on emerging markets
- Increase production efficiency

¹ Including deliveries to customers by joint venture companies in China
² Joint Venture companies in China are consolidated at equity in the financial result of the Volkswagen Group
³ Sustainable operating profit margin target range to be achieved in the mid-term
SEAT – Three cornerstones to sustainable profitability

**Deliveries to customers ('000 units)**

- Rest of world
- Americas
- CEE
- Western Europe

**Operating profit margin**

- 0.1%
- -1.5%
- -7.4%
- -6.2%
- -4.2%
- -2.4%
- -2.2%
- Target: > 5%

**Strategic actions to achieve targets**

1. Focus on models and segments with higher profitability
2. Increase sales performance through comprehensive structure enhancement and streamlining of dealerships
3. Strict cost and investment discipline in all areas to improve profitability
Audi – Focused on leadership in image, volume and profit

Deliveries to customers ('000 units)\(^1\)

<table>
<thead>
<tr>
<th>Year</th>
<th>Rest of world</th>
<th>Asia Pacific</th>
<th>North America</th>
<th>Europe</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2008</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2009</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2010</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2011</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2012</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2020</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Operating return on sales\(^2\)

<table>
<thead>
<tr>
<th>Year</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>8.0%</td>
<td>8.1%</td>
<td>5.4%</td>
<td>9.4%</td>
<td>12.1%</td>
<td>11.0%</td>
<td>10.1%</td>
<td>8-10%</td>
</tr>
</tbody>
</table>

The most progressive brand

Vorsprung durch Technik

Operating return on sales

8.0% 8.1% 5.4% 9.4% 12.1% 11.0% 10.1% 8-10%

Six target dimensions

- Top image position and customer mix
- Leaders in innovation
- Profitable growth, including enhanced N. America foothold
- Attractive employer worldwide
- Superior financial strength
- Sustainability of products and processes

\(^1\) Including deliveries to customers by joint venture companies in China  
\(^2\) Excluding operating profit of joint venture companies in China which are accounted for using the equity method
Porsche – Value creating growth ahead

**Deliveries to customers (‘000 units)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Asia Pacific/RoW</th>
<th>Americas</th>
<th>Europe</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>50</td>
<td>100</td>
<td>150</td>
</tr>
<tr>
<td>2011</td>
<td>60</td>
<td>120</td>
<td>180</td>
</tr>
<tr>
<td>2012</td>
<td>70</td>
<td>140</td>
<td>210</td>
</tr>
<tr>
<td>2013</td>
<td>80</td>
<td>160</td>
<td>240</td>
</tr>
<tr>
<td>2018</td>
<td>90</td>
<td>180</td>
<td>270</td>
</tr>
</tbody>
</table>

**Operating profit margin**

<table>
<thead>
<tr>
<th>Year</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Margin</td>
<td>17.8%</td>
<td>18.7%</td>
<td>17.5%</td>
<td>18.0%</td>
<td>&gt; 15%</td>
</tr>
</tbody>
</table>

**Successful model line-up**

- Asia Pacific / RoW
  - Americas
  - Europe

**Key drivers to achieve targets**

- Extension of Porsche model line-up while maintaining superior brand image
- Customer enthusiasm for high-end quality premium vehicles
- Development of modular toolkits for luxury brands
- Continuous value-adding investments
- Realization of annual synergies within the Integrated Automotive Group

---

1) Porsche fully consolidated as from 1 August 2012
Substantial synergies throughout the Group from the creation of the Integrated Automotive Group with Porsche

- **New models / segments**
  - Porsche Macan
  - New C-SUV generation (Q7, Touareg and Cayenne)

- **Shared engine portfolio**
  - V6 / V8 TDI
  - New gasoline engines (3.0 TFSI)

- **Financial Services**
  - Improved refinancing conditions
  - Leasing

- **Purchasing**
  - Volume bundling in production and non-production

- **Sales and Marketing**
  - Shared national sales companies
  - Sports car market in China

---

**Total synergy potential**

- Mid-term targeted operating profit improvement of more than €1 billion per year within the Volkswagen Group
New Volkswagen Group models 2014 – a strong basis for profitable growth

**Alternative Powertrains**
- **Volkswagen** Golf PHEV & e-Golf
- **Audi** A3 e-tron
- ŠKODA Octavia CNG
- **SEAT** Leon & Leon ST CNG
- **Porsche** 918 Spyder

**Highlights**
- **Volkswagen** Golf Sportsvan, Passat Lim. & Estate
- **Audi** A3-Family (S3 Lim. & Cabrio), TT Coupe
- ŠKODA Octavia Scout, Fabia & Fabia Estate
- **Porsche** Macan & 911 Targa
- **Lamborghini** Huracán
- **Bentley** Continental GT V8 S, Flying Spur V8

**Global Roll-out**
- **Volkswagen** Golf-Family (China/USA), up! (SAM)
- **Audi** A3-Family (China, USA, SAM)
- ŠKODA Rapid (Russia), Octavia & Rapid Spaceback (China)
- **SEAT** Leon ST (Russia)
- **Porsche** 911 Turbo
Broad product and segment mix highlights opportunity to capture further profitable growth across all segments (world 2014)

<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
Strong market position and profitability in China

Key financial figures

- Operating profit (proportionate) (Jan - Jun 2014 vs. 2013): €2.62 bn (€2.37 bn)
- Dividends paid to Volkswagen Group in 2013: €2.8 bn
- Retail finance penetration rate Volkswagen Group China (Jan – Jul 2014): 27% (total)
- Investments 2014 - 2018 (fully self-funded): €18.2 bn

Deliveries to Chinese customers by brand

- Total: 2,397 (+17%)
- Volkswagen: 1,827 (+17%)
- Audi: 364 (+16%)
- ŠKODA: 173 (+11%)
- Porsche: 28 (+15%)

Volkswagen Group China (y-t-d): 21.5%

Continuous expansion of dealer network

- 2013: 2,395
- 2014e: ~2,750
- 2018e: >3,600

Passenger car market share

- Volkswagen Group China (y-t-d): 21.5%

Production network and implementation of MQB

Locally produced models
- Today: 21
- 2015: > 30

MQB production site by 2016
- Urumqi
- Chengdu
- Tianjing
- Nanjing
- Shanghai
- Changsha
- Ningbo
- Foshan
- Changchun
- Qingdao
- Beijing

Existing production site

Planned MQB production site

- Hefei
- Weifang
- Wuhan
- Jinhua
- Qingdao
- Shanghai
- Tianjing
- Qingdao
- Changsha
- Chengdu
- Beijing
- Ningbo
- Foshan
- Changchun

Notes:

1) China (incl. Hong Kong), including Volkswagen Commercial Vehicles, excl. Scania and MAN.
Less developed cities in China still provide substantial growth potential

- **Level I cities**
  - Beijing
  - Shanghai
  - Guangzhou
  - Number of cities: 9
  - Average # of inhabitants (m): 16.7
  - Level I share: 41%

- **Level II cities**
  - Dalian
  - Xi’an
  - Changsha
  - Number of cities: 26
  - Average # of inhabitants (m): 8.4
  - Level II share: 37%

- **Level III cities**
  - Shantou
  - Hengshui
  - Jingdezhen
  - Number of cities: 62
  - Average # of inhabitants (m): 4.8
  - Level III share: 59%

- **Level IV cities**
  - Guyuan
  - Yaan
  - Zigong
  - Number of cities: 29
  - Average # of inhabitants (m): 109
  - Level IV share: 63%

- **Level V cities**
  - Haibei
  - Jinchang
  - Turpan
  - Number of cities: 25
  - Average # of inhabitants (m): 135
  - Level V share: 67%
USA – Returning to sustainable profit

Expanding local footprint
- Electronics Research Laboratory
- Chattanooga Plant
- Atlanta Headquarters
- San José Chiapa Plant (SOP 2016)
- Puebla Plant
- Silao Plant (engines)

Continued growth momentum in the U.S. market

Deliveries in ‘000 units by brands

LCV segment remains a large opportunity

Segment structure 2013

Deliveries to customers Jan-Aug 2014 vs. Jan-Aug 2013

Clean Diesel as a strong USP in the U.S.

Diesel deliveries in ‘000 units (Volkswagen Group)

Diesel Passenger Car and LCV market in the U.S. in 2013

1) Figures including Porsche as from 1 August 2012
2) Thereof Passenger Cars +1.2%, Light Commercial Vehicles +9.0%
Brazil – Short-term challenge, mid-term opportunity

Local production of market-leading models

- Goiás
- Taubaté
- Anchieta (Curitiba 1)
- São Carlos (engines)

A rapidly changing competitive landscape

- Number of automotive companies in the Brazilian market
  - Source: Anfavea; own research
  - 1 Audí to start production in São José dos Pinhais in 2015 (Audi A3 Sedan and Q3)
  - 2 Volkswagen, Fiat, General Motors, Ford

Deliveries to customers (’000 units)

- 2007: 250
- 2008: 300
- 2009: 350
- 2010: 400
- 2011: 450
- 2012: 500
- 2013: 550
- ... 2018: > 1,000

Actions to reach the 2018 sales target for Brazil

- Introduction of MQB technology
- Reach 95% market coverage
- ~20 new models in 2013 - 2018

- Cost-focused restructuring
- Renew existing products

Target: > 1 million units
Improved segment and market exposure provides stable earnings platform

2) Split of Group Operating Profit excluding Other / Consolidation and PPA
3) Commercial Vehicles / Power Engineering
4) VW Financial Services figures do not include financial service activities of Scania, Porsche AG and Porsche Holding Salzburg
Volkswagen Group toolkit strategy and responsibilities

Continuous roll-out of toolkit strategy across segments, regions and brands

<table>
<thead>
<tr>
<th>Vehicle classes</th>
<th>NSF</th>
<th>MQB</th>
<th>MLB</th>
<th>MSB</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vehicle price</td>
<td>A000</td>
<td>A00</td>
<td>A0</td>
<td>A</td>
</tr>
<tr>
<td>Responsibilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- NSF: New Small Family
- MQB: Modular Transverse Toolkit
- MLB: Modular Longitudinal Toolkit
- MSB: Modular Standard Drivetrain Toolkit

- Established markets
- Emerging markets

38
Global roll-out of toolkits supports flexibility and localization

Global roll-out of toolkit strategy

<table>
<thead>
<tr>
<th>MQB locations (year-end)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
</tr>
<tr>
<td>2013</td>
</tr>
<tr>
<td>2014</td>
</tr>
<tr>
<td>2016</td>
</tr>
</tbody>
</table>

Existing MQB production locations

MQB & MLB share in Volkswagen Group production

- MQB
- MLB
- Rest
- MQB volume China
MQB – Driving forward economies of scale in unit cost, investment and supporting achievement of emission targets

**Distribution of MQB savings**

MQB platform ca. 60% of total material costs

- Lower cost per unit
- Less EHPV¹)
- Less one-off expenditures

= Potential savings

- Additional serial and option content
- Savings to be partly absorbed to fulfill regulatory and legal requirements

**Margin improvement**

- Savings
- Expenditures
- Invest

**Different powertrains**

The MQB’s flexible design is able to accommodate alternative drives:

- **Conventional drive**
  - TSI Gasoline
    - EA211
  - MOB

- **Electric drive**
  - Hybrid
  - TDI Diesel
    - EA288
    - MDB
  - BEV

- **Alternative/Regenerative**
  - Eco Fuel
    - CNG
  - Flex Fuel
    - Ethanol
  - Bi Fuel
    - LPG

¹) Engineered Hours per Vehicle
Driving the future – Serving all customer needs\(^1\)

<table>
<thead>
<tr>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><img src="image" alt="Hybrid vehicle (PHEV)" /></td>
<td><img src="image" alt="Volkswagen XL1" /></td>
</tr>
<tr>
<td><img src="image" alt="Battery vehicle (BEV)" /></td>
<td><img src="image" alt="Volkswagen e-up!" /></td>
</tr>
<tr>
<td><img src="image" alt="Compressed Natural Gas" /></td>
<td><img src="image" alt="Audi A3 g-tron" /></td>
</tr>
<tr>
<td><img src="image" alt="Ethanol" /></td>
<td><img src="image" alt="Volkswagen Saveiro" /></td>
</tr>
</tbody>
</table>

1. Market introduction of Volkswagen Group models with alternative drivetrains
2. Developed for distribution in the Brazilian market
Commercial Vehicles – A cornerstone in Volkswagen Group’s Strategy 2018
Full integration of commercial vehicle brands releases significant synergy potential

Holdings as at December 31, 2013

Volkswagen controls 99.57 percent of the shares in Scania as per the end of the acceptance period on 5 June 2014.

On 21 February 2014, Volkswagen Aktiengesellschaft announced a public offer to the shareholders of Scania Aktiebolag to tender all shares in Scania to Volkswagen at a price of SEK 200 in cash per share, regardless of share class. Volkswagen announced on 13 May 2014 that the offer will be completed.

Volkswagen has initiated compulsory acquisition of the remaining shares in Scania.

Scania’s shares have been delisted from NASDAQ OMX Stockholm, the last day of trading was 5 June 2014.
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
Volkswagen Commercial Vehicles

Deliveries to customers ('000 units)

- Rest of world
- Asia Pacific
- Central & Eastern Europe
- Western Europe

Earnings potential LCV

- Increase in earnings along the whole value chain

Key drivers to achieve targets

- Improving positioning in a difficult economic environment
- Renewal of model range
- Improving business case for light commercial vehicles
- Regional diversification in sales and production
- Increase production efficiency

Operating profit margin

Finance & leasing
Spare parts business
Maintenance contracts
Mobility guarantees

1) Including former Volkswagen Caminhões e Ônibus Indústria e Comércio de Veículos Comerciais Ltda
**Operational Profit Margin**

- 2007: 14.4%
- 2008: 14.1%
- 2009: 4.0%
- 2010: 16.3%
- 2011: 14.1%
- 2012: 10.4%
- 2013: 9.7%

**Carbon Dioxide Emissions per Tonne-km**

- Rest of World: +16%
- Asia Pacific: -3%
- Latin America: -41%
- Eurasia: +26%
- Europe: -16%
- Europe: +19%

**Key Drivers**

- Strengthen market position and increase of market share
- Expansion of sales and services capacity in fast-growing markets
- Leading in quality with efficient and sustainable technology
- Prioritized R&D investments aimed at strengthening competitiveness

**Production to Customers**

- 2007: 100,000 units
- 2008: 75,000 units
- 2009: 50,000 units
- 2010: 25,000 units
- 2011: 12,500 units
- 2012: 16,250 units
- 2013: 19,375 units

**Support from:**
- Customer collaboration
- Legislators

**Logistics Emissions**

- 2000: 75%
- 2020: 25%

**Vehicle Engineering**

- Biofuels

**Key Drivers**

- Strengthen market position and increase of market share
- Expansion of sales and services capacity in fast-growing markets
- Leading in quality with efficient and sustainable technology
- Prioritized R&D investments aimed at strengthening competitiveness
MAN Commercial Vehicles

Deliveries to customers (‘000 units)

<table>
<thead>
<tr>
<th>Year</th>
<th>Buses</th>
<th>Trucks</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>50</td>
<td>100</td>
</tr>
<tr>
<td>2008</td>
<td>75</td>
<td>150</td>
</tr>
<tr>
<td>2009 1)</td>
<td>-10%</td>
<td>-20%</td>
</tr>
<tr>
<td>2010</td>
<td>+53%</td>
<td>+10%</td>
</tr>
<tr>
<td>2011</td>
<td>+23%</td>
<td>-14%</td>
</tr>
<tr>
<td>2012</td>
<td>-14%</td>
<td>+5%</td>
</tr>
<tr>
<td>2013</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Efficient transport solutions

Continuous development of product range and customer oriented service solutions

Operating profit margin 2)

<table>
<thead>
<tr>
<th>Year</th>
<th>2007</th>
<th>2008</th>
<th>2009 1)</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>10.0%</td>
<td>10.0%</td>
<td>0.7%</td>
<td>5.0%</td>
<td>7.7%</td>
<td>3.9%</td>
<td>3.8%</td>
</tr>
</tbody>
</table>

Key drivers

- Organic and profitable growth worldwide – strengthening of backbone Europe and Latin America and expansion of business to overseas countries
- Leading in quality with efficient and sustainable technology
- Further development of after sales product portfolio

---

1) Integration of MAN Latin America (formerly Volkswagen Caminhões e Ônibus Indústria e Comércio de Veículos Comerciais Ltda)
2) Operating profit margin MAN Commercial Vehicles business area as reported by MAN SE
VW Financial Services\(^1\): A global, well diversified and successful business

### Strong global presence

- **Existing markets**
- **Focus markets**
- **Start / market entry**

### Rising penetration rates

<table>
<thead>
<tr>
<th>Year</th>
<th>w/o China</th>
<th>with China</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>32.5%</td>
<td>26.4%</td>
</tr>
<tr>
<td>2009</td>
<td>32.9%</td>
<td>25.0%</td>
</tr>
<tr>
<td>2010</td>
<td>34.9%</td>
<td>24.7%</td>
</tr>
<tr>
<td>2011</td>
<td>36.3%</td>
<td>25.4%</td>
</tr>
<tr>
<td>2012</td>
<td>40.7%</td>
<td>27.5%</td>
</tr>
<tr>
<td>2013</td>
<td>44.3%</td>
<td>28.9%</td>
</tr>
<tr>
<td>H1 2014</td>
<td>44.2%</td>
<td>29.7%</td>
</tr>
</tbody>
</table>

### Continuous portfolio expansion

- **in '000 contracts**
- **Total portfolio 11,514**

<table>
<thead>
<tr>
<th>Year</th>
<th>Financing</th>
<th>Leasing</th>
<th>Insurance / Services</th>
</tr>
</thead>
<tbody>
<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>
<tr>
<td>H1 2014</td>
<td>4,173</td>
<td>2,103</td>
<td>5,238</td>
</tr>
</tbody>
</table>

### Diversified funding structure

- **June 2014: €126.6 bn**
- **Equity, liabilities to affiliated companies, other**
- **Asset backed securitization**
- **Bonds, Commercial Paper, liabilities to financial institutions**

\(^1\) All shown figures show VW Financial Services as of 30 June 2014, excluding financial service activities of Scania, Porsche AG and Porsche Holding Salzburg; MAN financial services activities are included from 1 January 2014.
VW Financial Services – Credit and residual value risks well under control

**Credit risk remains at low level despite challenging market environment**

- **Provision Ratio**
  - 2010: 2.5%
  - 2011: 2.2%
  - 2012: 2.0%
  - 2013: 2.0%

- **Ø Dynamic Loss Ratio**
  - 2010: 0.7%
  - 2011: 0.5%
  - 2012: 0.5%
  - 2013: 0.4%

**Residual value risks well covered by provisions**

- **Units**
  - Jun 2012: 1,102,203
  - Dec 2012: 1,204,341
  - Jun 2013: 1,279,833
  - Dec 2013: 1,410,842
  - Jun 2014: 1,538,292

- **€ per unit**
  - Jun 2012: 282
  - Dec 2012: 386
  - Jun 2013: 423
  - Dec 2013: 352
  - Jun 2014: 352

- **€ m**
  - Jun 2012: 310
  - Dec 2012: 495
  - Jun 2013: 465
  - Dec 2013: 556
  - Jun 2014: 541

1) Figures including employee /staff car leasing and long-term rental contracts
Volkswagen Group – Core strategic achievements provide foundation for robust shareholder returns

- Continuous development of outstanding product portfolio
- Expansion of international sales & production footprint
- Integrated Automotive Group
- Start-up of MQB
- DPLTA\(^1\)

1. Expansion of product portfolio and execution of toolkit strategy
2. Focus on growth markets and segments
3. Leveraging of synergies within the Group
4. Strict cost and investment discipline
5. Improving processes and structure

2007 2008 2009 2010 2011 2012 2013

\(^1\) Domination and Profit & Loss Transfer Agreement
# Volkswagen Group: Global automotive leader 2018

**Economic and environmental leadership in the global automotive industry**

<table>
<thead>
<tr>
<th>Economic leadership</th>
<th>Environmental leadership</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expansion of brand and product portfolio</td>
<td>Diversified portfolio of drivetrain technologies</td>
</tr>
<tr>
<td>Increasing global footprint and emerging markets presence</td>
<td>Continuous improvements in internal combustion engines</td>
</tr>
<tr>
<td>Realization of cost savings, toolkit modularization and localization of products</td>
<td>Leadership in alternative powertrain technologies</td>
</tr>
<tr>
<td>Creation of sustainable value</td>
<td>25 percent less energy and water consumption, waste and emissions in Group production</td>
</tr>
</tbody>
</table>

---

![Logos of various Volkswagen Group brands](image_url)
Appendix
### Volkswagen Automotive Division

Research and development costs

<table>
<thead>
<tr>
<th></th>
<th>January – June 2013</th>
<th>January – June 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total R&amp;D costs</td>
<td>€5,571</td>
<td>€6,478</td>
</tr>
<tr>
<td>of which capitalized</td>
<td>€1,635 (29.4%)</td>
<td>€2,396 (37.0%)</td>
</tr>
<tr>
<td>amortization</td>
<td>€1,118</td>
<td>€1,391</td>
</tr>
<tr>
<td>Recognized in the income statement</td>
<td>€5,054</td>
<td>€5,474</td>
</tr>
</tbody>
</table>
### Volkswagen Group – Headline Figures
(January to June 2014 vs. 2013)

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
<th>+/- (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deliveries to customers¹)</td>
<td>'000 units</td>
<td>5,066</td>
<td>4,797</td>
</tr>
<tr>
<td>Vehicle sales¹)</td>
<td>'000 units</td>
<td>5,207</td>
<td>4,873</td>
</tr>
<tr>
<td>Production¹)</td>
<td>'000 units</td>
<td>5,234</td>
<td>4,886</td>
</tr>
<tr>
<td>Sales revenue</td>
<td>€ million</td>
<td>98,808</td>
<td>98,687</td>
</tr>
<tr>
<td>Operating profit</td>
<td>€ million</td>
<td>6,186</td>
<td>5,780</td>
</tr>
<tr>
<td>Profit before tax</td>
<td>€ million</td>
<td>7,777</td>
<td>6,620</td>
</tr>
<tr>
<td>Profit after tax</td>
<td>€ million</td>
<td>5,716</td>
<td>4,793</td>
</tr>
</tbody>
</table>

#### Automotive Division²)

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
<th>+/- (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash flows from operating activities</td>
<td>€ million</td>
<td>8,388</td>
<td>8,431</td>
</tr>
<tr>
<td>Cash flows from investing activities³)</td>
<td>€ million</td>
<td>5,469</td>
<td>7,201</td>
</tr>
<tr>
<td>Of which investments in property, plant &amp; equipment</td>
<td>€ million</td>
<td>3,578</td>
<td>3,924</td>
</tr>
<tr>
<td>Net cash flow</td>
<td>€ million</td>
<td>2,919</td>
<td>1,231</td>
</tr>
<tr>
<td>Net liquidity at June 30</td>
<td>€ million</td>
<td>13,979</td>
<td>11,313</td>
</tr>
</tbody>
</table>

¹) Volume data including the unconsolidated Chinese joint ventures. These companies are accounted for using the equity method. All figures shown are rounded, so minor discrepancies may arise from addition of these amounts.

²) Including allocation of consolidation adjustments between the Automotive and Financial Services divisions.

Volkswagen Group – Deliveries to Customers by Markets¹)
(January to August 2014 vs. 2013)

¹) Incl. Volkswagen Commercial Vehicles, Scania (Jan – Jun) and MAN (Jan – Jun); 6.1% excl. Volkswagen Commercial Vehicles, Scania and MAN.
1) Including Volkswagen Commercial Vehicles, Scania and MAN.

Volkswagen Group – Deliveries to Customers BRIC-Markets1) (January to August 2014 vs. 2013)
Volkswagen Golf GTE
Audi TT
ŠKODA Fabia
SEAT Leon X-Perience
Bentley Continental GT3-R
Lamborghini Huracán LP 610-4
Ducati Diavel
Volkswagen Amarok
MAN TGX Euro 6
Scania R 730 6x4
Volkswagen Group: Financial sustainability on core strengths

Hans Dieter Pötsch
Member of the Board of Management, Volkswagen Aktiengesellschaft
Credit Suisse 2014 Paris Auto Show Conference, 2 - 3 October 2014