Volkswagen Group: Robust, Innovative, Delivering

Hans Dieter Pötsch
Member of the Board of Management, Volkswagen Aktiengesellschaft
Exane BNP Paribas / Barclays Geneva Motor Show Conference, 3-4 March 2015
Disclaimer

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 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.

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Development World Car Market vs. Volkswagen Group Car Deliveries to Customers\(^1\)
(Growth y-o-y in deliveries to customers, January to December 2014 vs. 2013)

World: Car Market: 4.5%  Volkswagen Group: 4.9%

<table>
<thead>
<tr>
<th>Region</th>
<th>Car Market</th>
<th>VW Group</th>
</tr>
</thead>
<tbody>
<tr>
<td>North America</td>
<td>6.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Western Europe</td>
<td>4.9%</td>
<td>6.5%</td>
</tr>
<tr>
<td>Central &amp; Eastern Europe</td>
<td>-6.7%</td>
<td>1.3%</td>
</tr>
<tr>
<td>South America</td>
<td>-11.6%</td>
<td>-17.0%</td>
</tr>
<tr>
<td>Rest of World</td>
<td>2.2%</td>
<td>-2.0%</td>
</tr>
<tr>
<td>Asia Pacific</td>
<td>7.6%</td>
<td>11.2%</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 December 2014 vs. 2013)

1) Incl. Volkswagen Commercial Vehicles, Scania and MAN; 4.9% 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.

<table>
<thead>
<tr>
<th></th>
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<tbody>
<tr>
<td>Volkswagen Group</td>
<td>9,731</td>
<td>10,137</td>
</tr>
<tr>
<td>Passenger Cars</td>
<td>6,022</td>
<td>6,119</td>
</tr>
<tr>
<td>Audi</td>
<td>1,575</td>
<td>1,741</td>
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<tr>
<td>SKODA</td>
<td>921</td>
<td>1,037</td>
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<tr>
<td>SEAT</td>
<td>355</td>
<td>391</td>
</tr>
<tr>
<td>PORSCHE</td>
<td>162</td>
<td>190</td>
</tr>
<tr>
<td>BENTLEY</td>
<td>10</td>
<td>11</td>
</tr>
</tbody>
</table>

+4.2%  +1.6%  +10.5%  +12.7%  +10.0%  +17.1%  +8.9%
Volkswagen Group – Commercial Vehicles Deliveries to Customers by Brands (January to December 2014 vs. 2013)

1) Incl. Volkswagen Commercial Vehicles, Scania and MAN; 4.9% 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.
Financial Highlights – Volkswagen Group
(January to December 2014 vs. 2013)

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales Revenue (€ million)</th>
<th>Operating Profit (€ million)</th>
<th>Profit before Tax (€ million)</th>
<th>Profit after Tax (€ million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>197,007</td>
<td>11,671</td>
<td>12,428</td>
<td>9,145</td>
</tr>
<tr>
<td>2014</td>
<td>202,458</td>
<td>12,697</td>
<td>14,794</td>
<td>11,068</td>
</tr>
</tbody>
</table>

+ 2.8%\(\text{% growth rate y-o-y}\)
+ 8.8%\(\text{% growth rate y-o-y}\)
+ 19.0%\(\text{% growth rate y-o-y}\)
+ 21.0%\(\text{% growth rate y-o-y}\)

Operating profit / profit before tax in % of sales revenue:
Volkswagen Group – Analysis of earnings per share development
(January to December 2014 vs. 2013)

Earnings per share (diluted, in €)

<table>
<thead>
<tr>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Ordinary shares</td>
<td>18.61</td>
<td>21.84</td>
</tr>
<tr>
<td>Preferred shares</td>
<td>18.67</td>
<td>21.90</td>
</tr>
</tbody>
</table>

+ 17%

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

¹ Prior-year figures adjusted to reflect application of IAS 33.26.
Continuous dividend development on a sustainable basis

Development of dividend pay-out...

in € per share

- 2010: 2.20
- 2011: 3.00
- 2012: 3.50
- 2013: 4.00
- 2014: 4.86

Ordinary Shares

Preferred Shares

... and pay-out ratio

- 2010: 15.1%
- 2011: 15.7%
- 2012: 17.8%
- 2013: 20.6%
- 2014: 21.2%

Mid-term target: 30%

1) Dividend proposal to Annual General Meeting on 05 May 2015.
2) 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.
Automotive Division – Strong cash generation and robust net liquidity\(^1\) \(^2\)
(January to December 2014, in € billion)

### Automotive cash flow performance 2014 vs. 2013

<table>
<thead>
<tr>
<th>Year</th>
<th>Cash flow from operating activities</th>
<th>Capex(^3)</th>
<th>Other investing cash flow(^3)</th>
<th>Net cash flow</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>20.6</td>
<td>-11.0</td>
<td>-5.2</td>
<td>4.4</td>
</tr>
</tbody>
</table>

### Development of automotive net liquidity

<table>
<thead>
<tr>
<th>Year</th>
<th>Cash flow</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>16.9</td>
</tr>
<tr>
<td>2013</td>
<td>17.6</td>
</tr>
<tr>
<td>2014</td>
<td></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.  
\(^3\)Total cash flows from investing activities attributable to operating activities: €15,476 m (previous year: €16,199 m), excl. acquisition and disposal of equity investments: €15,719 m (previous year: €14,497 m).
Automotive Division – Analysis of net liquidity\(^1\)
(January to December 2014)

<table>
<thead>
<tr>
<th>31 December 2013</th>
<th>Equity capital increase Volkswagen FS and transfer of MAN FS</th>
<th>Issuance of hybrid bond and equity capital increase</th>
<th>Acquisition of Scania shares</th>
<th>Dividend pay-out to Volkswagen AG shareholders and hybrid investors interest</th>
<th>Net cash flow</th>
<th>31 December 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>€ billion</td>
<td>-1.8</td>
<td>4.9</td>
<td>-6.5</td>
<td>6.1</td>
<td></td>
<td>17.6</td>
</tr>
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<td></td>
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<td></td>
</tr>
<tr>
<td></td>
<td>16.9</td>
<td></td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

\(^1\)All figures shown are rounded, minor discrepancies may arise from addition of these amounts.
Volkswagen’s Automotive Division continues to invest in new products, innovative technologies and its global production footprint

Investments in property, plant and equipment

<table>
<thead>
<tr>
<th>Year</th>
<th>€ billion</th>
<th>in % of sales revenue</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>10.3</td>
<td>5.9%</td>
</tr>
<tr>
<td>2013</td>
<td>11.0</td>
<td>6.3%</td>
</tr>
<tr>
<td>2014</td>
<td>11.5</td>
<td></td>
</tr>
</tbody>
</table>

Capex to sales ratio between 6 and 7%

5-year investment program remains on a stable level

- €85.6 bn
- €64.3 bn
  Investments in property, plant and equipment
- €23.0 bn
  Cross-product investments
- €21.9 bn
  Capitalized development costs
- €0.6 bn
  Others

2015 - 2019

- Around 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 €22.0 bn in new production facilities and products (fully self funded)

Note: All figures shown are rounded.
Volkswagen Group – Outlook for 2015

We expect …

■ to moderately increase Volkswagen Group deliveries to customers year-on-year in 2015 in a persistently challenging market environment.

■ 2015 sales revenue for the Volkswagen Group and its business areas to increase by up to 4% above the prior-year figure, depending on the economic conditions. However, economic trends in Latin America and Eastern Europe will need to be continuously monitored in the Commercial Vehicles/Power Engineering Business Area.

In terms of operating profit…

■ we anticipate a Group operating return on sales of between 5.5% and 6.5% in 2015 in light of the challenging economic environment.

■ The operating return on sales is expected to be in the 6.0% to 7.0% range in the Passenger Cars Business Area and between 2.0% and 4.0% in the Commercial Vehicles/Power Engineering Business Area.

■ For the Financial Services Division, we are forecasting an operating profit at the prior-year level.
Development World Car Market vs. Volkswagen Group Car Deliveries to Customers\(^1\)
(Growth y-o-y in deliveries to customers, January 2015 vs. 2014)

### World: Car Market: 4.3%  Volkswagen Group: 1.3%

<table>
<thead>
<tr>
<th>Region</th>
<th>Car Market</th>
<th>VW Group</th>
</tr>
</thead>
<tbody>
<tr>
<td>North America</td>
<td>13.4%</td>
<td>9.0%</td>
</tr>
<tr>
<td>South America</td>
<td>-20.2%</td>
<td>-16.7%</td>
</tr>
<tr>
<td>Western Europe</td>
<td>6.3%</td>
<td>3.5%</td>
</tr>
<tr>
<td>Central &amp; Eastern Europe</td>
<td>-16.9%</td>
<td></td>
</tr>
<tr>
<td>Rest of World</td>
<td>0.4%</td>
<td>0.8%</td>
</tr>
<tr>
<td>Asia Pacific</td>
<td>5.4%</td>
<td>1.7%</td>
</tr>
</tbody>
</table>

\(^1\) Figures excl. Volkswagen Commercial Vehicles, Scania and MAN.
Volkswagen Group – Deliveries to Customers by Brands
(January 2015 vs. 2014)

1) incl. Volkswagen Commercial Vehicles, Scania and MAN; 1.3% excl. Volkswagen Commercial Vehicles, Scania and MAN.
Volkswagen Group – Well on track to achieve targets under Strategy 2018

Volkswagen Group customer satisfaction
(on a scale of 1 to 10)

2007 2010 2013
8.2 8.4 8.7

Group profit before tax margin
(in percent)

2007 2008 2009 2010 2011 2012 2013 2014
6.0 5.8 1.2 7.1 11.9 13.2 6.3 7.3

Group deliveries to customers
(in million units)

2007 2010 2012 2014
6.2 7.2 9.3 10.1

"I am happy to work at the Volkswagen Group"
(Employee opinion survey)

2007/08 2013
84% 90%

1) Own calculation based on key industry studies on customer satisfaction with dealers, after sales and new vehicles. 2) Including China. 3) Group profit before tax margin excluding the nonrecurring effect from the remeasurement of the Porsche put/call options and from remeasurement at the contribution date of the shares already held.
### Volkswagen Group – Key sustainable achievements

<table>
<thead>
<tr>
<th>Superior products</th>
</tr>
</thead>
<tbody>
<tr>
<td>Continued market leadership in Europe and China</td>
</tr>
<tr>
<td>Positioning and cooperation clearly strengthened in the premium segment</td>
</tr>
<tr>
<td>Creation of a leading truck business</td>
</tr>
<tr>
<td>Successful toolkit implementation</td>
</tr>
</tbody>
</table>

Improved segment and market exposure provides stable earnings platform

Registrations

<table>
<thead>
<tr>
<th>Segment</th>
<th>2007</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Western Europe</td>
<td>18%</td>
<td>11%</td>
</tr>
<tr>
<td>Central &amp; Eastern Europe</td>
<td>9%</td>
<td>3%</td>
</tr>
<tr>
<td>North America</td>
<td>7%</td>
<td>6%</td>
</tr>
</tbody>
</table>

Passenger Cars

Production

<table>
<thead>
<tr>
<th>Segment</th>
<th>2007</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hatchback</td>
<td>46%</td>
<td>36%</td>
</tr>
<tr>
<td>Sedan</td>
<td>12%</td>
<td>12%</td>
</tr>
<tr>
<td>SUV</td>
<td>12%</td>
<td>8%</td>
</tr>
<tr>
<td>Station wagon</td>
<td>7%</td>
<td>1%</td>
</tr>
<tr>
<td>Rest of World</td>
<td>7%</td>
<td>14%</td>
</tr>
<tr>
<td>Asia-Pacific</td>
<td>2%</td>
<td>6%</td>
</tr>
<tr>
<td>South America</td>
<td>16%</td>
<td>33%</td>
</tr>
<tr>
<td>Volume</td>
<td>6%</td>
<td>36%</td>
</tr>
</tbody>
</table>

Segments

<table>
<thead>
<tr>
<th>Segment</th>
<th>2007</th>
<th>2014</th>
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<tbody>
<tr>
<td>Premium cars</td>
<td>43%</td>
<td>36%</td>
</tr>
<tr>
<td>CV, PE3)</td>
<td>31%</td>
<td>17%</td>
</tr>
<tr>
<td>VW FS4)</td>
<td>4%</td>
<td>14%</td>
</tr>
<tr>
<td>Rest of World</td>
<td>12%</td>
<td>21%</td>
</tr>
<tr>
<td>Volume cars</td>
<td>13%</td>
<td>11%</td>
</tr>
</tbody>
</table>

Group Operating Profit

2007: 42%  2014: 55%

Key sales markets offer substantial growth opportunities
Market growth 2014 – 2018 (million units)

1) Includes Cyprus and Malta
2) Includes Central America and Caribbean
Source: IHS Automotive (data status: January 2015), rounded
Note: Market = Cars and LCVs
Global passenger car market expected to grow further in 2015 with adverse developments in individual regions

<table>
<thead>
<tr>
<th>Region</th>
<th>Passenger Car Market (2015 growth)</th>
<th>GDP (growth p.a.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>World</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Western Europe</td>
<td></td>
<td></td>
</tr>
<tr>
<td>USA</td>
<td></td>
<td></td>
</tr>
<tr>
<td>China</td>
<td></td>
<td></td>
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<tr>
<td>South America (1)</td>
<td></td>
<td></td>
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<tr>
<td>Russia</td>
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<tbody>
<tr>
<td>World</td>
<td>+2.8%</td>
<td>+3.0%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Western Europe</td>
<td>+1.2%</td>
<td>+1.7%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>USA</td>
<td>+2.4%</td>
<td>+3.0%</td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>China</td>
<td>+7.4%</td>
<td>+6.5%</td>
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<td></td>
<td></td>
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</tr>
<tr>
<td>South America (1)</td>
<td>+0.6%</td>
<td>+0.4%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Russia</td>
<td>+0.6%</td>
<td>-5.0%</td>
<td></td>
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<td></td>
<td></td>
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</tbody>
</table>

Source: IHS Automotive, IHS Economics as of February 2015

1) Includes Central America and Caribbean, excluding Mexico
New registrations of mid-sized and heavy trucks in markets relevant for the Volkswagen Group are set to drop noticeably in 2015.

**Western Europe**
Demand *expected to rise modestly* with economic recovery; pull-forward effects in 2013 related to Euro 6 emission standard negatively affected 2014.

**Germany**
GDP growth in 2015 expected to *slightly increase* over the year with positive effect on truck sales.

**Russia**
Sanctions and sluggish macroeconomic development will have *continuing negative effect on truck demand* in 2015.

**Brazil**
Negative macroeconomic development with adjustment of FINAME-Program have a *significantly negative impact* on Brazilian market.

**India**
- Government change 2014 provides further investment incentives
- *Substantial increase* in truck sales expected

**China**
Sales in China expected to be *almost on the same level* as 2014 despite positive macroeconomic development.
Growth in many major markets, excluding China, below expectations

**GDP growth remains behind forecasts - but recovery expected until 2018**

GDP growth p.a. 2010 – 2018 (%)

**Volume projections for global car markets (ex China) reduced significantly**

Volume projections in million units

Source: IHS Economics
Tightening environmental regulation and major trends driving substantially higher investment and engineering needs today

**... CO₂ and EU6 regulations**

Status and forecast of CO₂-regulations

- **EU**
- **US-LDV (PC+LDT)**
- **China**

<table>
<thead>
<tr>
<th>Year</th>
<th>EU baseline</th>
<th>US baseline</th>
<th>China baseline</th>
<th>China 2015</th>
<th>EU 2020</th>
<th>US 2025</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>270</td>
<td>220</td>
<td>219</td>
<td>219</td>
<td>219</td>
<td>220</td>
</tr>
<tr>
<td>2005</td>
<td>230</td>
<td>200</td>
<td>185</td>
<td>167</td>
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</tr>
<tr>
<td>2010</td>
<td>200</td>
<td>170</td>
<td>185</td>
<td>159</td>
<td>159</td>
<td>160</td>
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<tr>
<td>2015</td>
<td>170</td>
<td>140</td>
<td></td>
<td>142</td>
<td>142</td>
<td>143</td>
</tr>
<tr>
<td>2020</td>
<td>140</td>
<td>110</td>
<td></td>
<td>155</td>
<td>155</td>
<td>156</td>
</tr>
<tr>
<td>2025</td>
<td>110</td>
<td>80</td>
<td></td>
<td>167</td>
<td>167</td>
<td>168</td>
</tr>
</tbody>
</table>

Grams CO₂ per kilometer, normalized to NEDC

Source: based on ICCT

**... Market / consumer trends**

- **Digitalization**
- **Shorter lifecycles**
- **E-mobility**
- **SUV trend**
- **Automated driving**
- **Shift in priorities**
Future Tracks – Paving the way to the future

Strategy for the time beyond 2018

Profitability

Future trends

Economic uncertainty

Costs

Revenues

E-mobility
Digitalization
Business models
Product cycles
Automated driving

Economic uncertainty

Trade barriers
Currencies
Economic development
Regulations

Volkswagen Group 2018 Strategy
Volkswagen Brand: Substantial efficiency measures across all business areas to ensure > 6% target return before 2018

- Adapt lifecycle strategy to meet core regional competition
- Focus on models providing sustainable profitability
- Expand after-sales business

- Reduce complexity and improve decision making process
- Increase use of common parts and reduction of number of variants
- Sharpen target-oriented investment
- Increase localization in core markets
- Enhance R&D efficiency
- Leverage scale effects and groupwide synergy potential further
Cost Discipline & Productivity

Model Portfolio & Cycle Plan
- Continually adapt product lifecycles to the specific regional and competitive requirement
- Challenge every model regarding growth prospects and sustainable profit contribution

Strengthen Regions
- Improve operational and financial robustness of regional business models
- Increase localization of products, production and components as well as research and development

Efficiency Program

Cost Discipline & Productivity
- Strong focus on cost and investment discipline
- Roll-out of efficiency program in order to secure/improve cost efficiency and quality of results

Volkswagen Brand: Three focus areas to improve competitiveness
Drivers assistant systems in the new Passat

- Emergency assist with lane change
- Traffic jam assist with hands-off
- Work zone lane assist
- Automated driving
- Automated parking
- Emergency assist
- Trailer assist
- Front assist with pedestrian monitoring

Transition to automated driving already started and offers huge potential
New Touran: Variants will be reduced in order to compensate complexity drivers and to cut costs

<table>
<thead>
<tr>
<th>Touran current model</th>
<th>Touran successor</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Complexity drivers</strong></td>
<td><strong>Variant reduction</strong></td>
</tr>
<tr>
<td>- Drivers assistant systems</td>
<td>- Steering wheels</td>
</tr>
<tr>
<td>- Legal requirements</td>
<td>- Trunk lining</td>
</tr>
<tr>
<td>- Seating options</td>
<td>- Mirrors</td>
</tr>
<tr>
<td>- ...</td>
<td>- ...</td>
</tr>
</tbody>
</table>
Significant savings potential through various variant reductions
(\% reduction in number of variants)

- Golf 7: Batteries: \(~50\%~
- Golf 7: Interior lamps: \(~50\%~
- Golf 7: Armrests (leather): \(>30\%\)
- Polo successor: Engine/gearbox variants: \(>30\%\)
Improving operating returns at Volkswagen Passenger Cars\(^1\) the latest by 2018 is a core objective of Future Tracks

\(^1\) The joint venture companies in China are accounted for using the equity method and thus are not included in the operating profit of Volkswagen Passenger Cars.
Deep roots and strong market position combined with further growth potential assures continued profitable growth in China

**Production network and implementation of MQB**

Production capacity (250 working days)
- 2014: 3 million
- 2019: 5 million

- Existing production site
- MQB production site by 2016
- Planned MQB production site

**Significant extension of product portfolio**

<table>
<thead>
<tr>
<th>Year</th>
<th>Locally produced</th>
<th>Import</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>25</td>
<td>57</td>
<td>82</td>
</tr>
<tr>
<td>2018e</td>
<td>&gt;40</td>
<td>&gt;65</td>
<td>&gt;105</td>
</tr>
</tbody>
</table>

**Strong operational & financial track record**

(in € bn / million units)

- Proportionate Operating Profit
- Dividends paid to Volkswagen AG
- Deliveries to customers

<table>
<thead>
<tr>
<th>Year</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit</td>
<td>0.4</td>
<td>0.8</td>
<td>1.2</td>
<td>2.0</td>
<td>2.8</td>
<td>3.3</td>
<td>3.7</td>
</tr>
<tr>
<td>Dividend</td>
<td>1.0</td>
<td>1.4</td>
<td>1.9</td>
<td>2.3</td>
<td>2.8</td>
<td>4.3</td>
<td>3.7</td>
</tr>
<tr>
<td>Deliveries to customers</td>
<td>0.40</td>
<td>0.8</td>
<td>0.4</td>
<td>0.8</td>
<td>1.2</td>
<td>2.0</td>
<td>2.8</td>
</tr>
</tbody>
</table>

**Continuous expansion of dealer network**

<table>
<thead>
<tr>
<th>Year</th>
<th>Others</th>
<th>ŠKODA</th>
<th>Audi</th>
<th>Volkswagen</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>2,395</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td>2,659</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2018e</td>
<td>&gt;3,600</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- Others
- ŠKODA
- Audi
- Volkswagen
USA – Extending the business

Expanding local footprint

- Herndon Headquarters
- Chattanooga Plant
- Atlanta Headquarters
- San José Chiapa Plant
- Puebla Plant
- Silao Plant (engines)
- San José Chiapa Plant
- Chattanooga Plant
- Atlanta Headquarters
- Herndon Headquarters
- San José Chiapa Plant
- Puebla Plant
- Silao Plant (engines)

Strong commitment to targets in the U.S. market

Deliveries in ‘000 units by brands

Upgrade/expansion of portfolio

- Introduction of the new Golf
- US Passat facelift
- Tiguan LWB
- Jetta facelift
- B-SUV

LCV segment remains a large opportunity

Segment structure 2014

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

1) Production of global volumes of new Audi Q5 from 2016
2) Figures including Porsche as from 1 August 2012
3) Thereof Passenger Cars +1.8%, Light Commercial Vehicles +10.0%
4) Imported and locally produced vehicles in % of total deliveries (Volkswagen Passenger cars)
Brazil – Short-term challenge, mid-term opportunity

Highly localized passenger car production

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

Deliveries to customers (‘000 units)

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Units</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>&gt; 1,000</td>
</tr>
</tbody>
</table>

A rapidly changing competitive landscape

Number of automotive companies in the Brazilian market

- Importers
- Other local producers
- “Big 4”

Expansion & upgrade of locally produced portfolio

- Audi to start production of A3 Sedan in São José dos Pinhais in 2015 (Audi Q3 to follow in 2016)
- Volkswagen, Fiat, General Motors, Ford

Source: Anfavea, own research

1) Audi to start production of A3 Sedan in São José dos Pinhais in 2015 (Audi Q3 to follow in 2016)
2) Volkswagen, Fiat, General Motors, Ford
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>Vehicle price</th>
</tr>
</thead>
<tbody>
<tr>
<td>A000</td>
<td>A00</td>
</tr>
<tr>
<td>NSF</td>
<td>MQB</td>
</tr>
<tr>
<td>New Small Family</td>
<td>Modular Transverse Toolkit</td>
</tr>
</tbody>
</table>

Responsibilities

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

Vehicle classes:
- A000
- A00
- A0
- A
- B
- C
- D
- E

Markets:
- Established
- Emerging
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 EHpv
- Less one-off expenditures
- Additional serial and option content
- Savings to be partly absorbed to fulfill regulatory and legal requirements
- = Potential savings

Margin improvement

Savings - Expenditures - Invest

Different powertrains

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

- Conventional drive
  - TSI Gasoline EA211
  - TDI Diesel EA288
- Electric drive
  - Hybrid
  - BEV
- Alternative/Regenerative
  - EcoFuel CNG
  - FlexFuel Ethanol
  - BiFuel LPG

1) Engineered Hours per Vehicle
Sustainable success secured through the roll-out of modular toolkits

Global roll-out of modular toolkits

MQB production share of total production volumes

Number of toolkit equipped plants and volume

1) Including China; the Chinese share in the global MQB volume amounted to around one fifth in 2014 and is expected to increase to more than one third in 2018
Innovative technical flexibility made simple

Flexibility of volume

„Turntable“ („Drehscheibe“)

WOLFSBURG  ZWICKAU  EMDEN

Integrated production across three sites (Schematic illustration)

e.g. Additional demand for Volkswagen Passat

Additional Passat volume due to customer demand

EMDEN  ZWICKAU  WOLFSBURG

— Capacity  — Organizational flexibility
New Volkswagen Group models 2015 – a strong basis for profitable growth

### Highlights
- Touran, Passat Alltrack, Tiguan, Lamando, Santana Derivative
- Q7, A4, TT Roadster
- Fabia Combi, Superb Sedan & Superb Combi
- Ibiza
- 911
- Huracán Spyder
- Continental GT, Continental GT Convertible
- T6 Family, Caddy

### Global Roll-Out
- Passat, Touareg, Golf (Brazil)
- TT Coupé, Q3 (US), A3 Sedan (Brazil), A6L (China)
- Fabia, Fabia (China), Superb Sedan (China)
- Cayenne

### Highly Efficient Powertrains
- Passat GTE (PHEV), Jetta Hybrid
- Golf TSI BlueMotion
- Q7 TDI e-tron
Scania transaction is a pre-requisite to improve competitiveness and efficiency based on integration of Volkswagen’s truck businesses

<table>
<thead>
<tr>
<th>Integration drivers</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Foundation</strong>: management of independent and strong brands on the basis of integrated technology and operations</td>
</tr>
<tr>
<td><strong>Objective</strong>: modular toolkit strategy for commercial vehicles with common components and systems</td>
</tr>
<tr>
<td><strong>Scale benefits</strong>: improved efficiency of resource allocation and increased flexibility concerning vertical integration</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Synergies (Operating Profit impact)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Achieved by the end of 2014</td>
</tr>
<tr>
<td>- €200+ million</td>
</tr>
<tr>
<td>- Focus on purchasing</td>
</tr>
<tr>
<td>- Synergy potential limited due to arm’s-length requirements</td>
</tr>
</tbody>
</table>

**Additional potential through the integration**
- €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, e.g. gearbox
- Significant benefits from capex savings
VW Financial Services\textsuperscript{1)}: A global, well diversified and successful business

\textbf{Strong global presence}

\begin{itemize}
  \item Existing markets
  \item Focus markets
  \item Start / market entry
\end{itemize}

\textbf{Rising penetration rates}

\begin{itemize}
  \item \textit{w/o China:} 32.5\% 32.9\% 34.9\% 36.3\% 40.7\% 44.3\% 43.8\%
  \item \textit{with China:} 26.4\% 25.0\% 24.7\% 25.4\% 27.5\% 28.9\% 30.2\%
\end{itemize}

\textbf{Continuous portfolio expansion}

\begin{itemize}
  \item in ‘000 contracts
\end{itemize}

\begin{itemize}
  \item Financing
  \item Leasing
  \item Insurance / Services
\end{itemize}

\begin{itemize}
  \item 2008: 1,964
  \item 2009: 1,505
  \item 2010: 3,163
  \item 2011: 3,567
  \item 2012: 3,712
  \item 2013: 3,930
  \item 9M 2014: 4,551
\end{itemize}

\textbf{Diversified funding structure}

\begin{itemize}
  \item Equity, liabilities to affiliated companies, other
  \item Asset backed securitization
  \item Bonds, Commercial Paper, liabilities to financial institutions
  \item Customer deposits
\end{itemize}

\textbf{September 2014: €132.9 bn}

1\textsuperscript{1)} All shown figures show VW Financial Services as of 30 September 2014, excluding financial service activities of Scania, Porsche AG and Porsche Holding Salzburg; MAN financial services activities are included from 1 January 2014.
**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>Excellent and custom-tailored 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>

Leadership in alternative powertrain technologies

- Leadership in alternative powertrain technologies
- Increasing global footprint and emerging markets presence
- Continuous improvements in internal combustion engines
- Diversified portfolio of drivetrain technologies
- Realization of cost savings, toolkit modularization and localization of products
- Creation of sustainable value

**Volkswagen Group**

**Audi**

**SEAT**

**SKODA**

**BENTLEY**

**BUGATTI**

**AMERICAN VEHICLES**

**PORSCHE**

**RAGUZZI**

**SCANDIA**

**MAN**
Appendix
# Volkswagen Group – Headline figures
*(January to December 2014 vs. 2013)*

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
<th>+/- (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Deliveries to customers</strong></td>
<td>10,137</td>
<td>9,731</td>
<td>+4.2</td>
</tr>
<tr>
<td><strong>Vehicle sales</strong></td>
<td>10,217</td>
<td>9,728</td>
<td>+5.0</td>
</tr>
<tr>
<td><strong>Production</strong></td>
<td>10,213</td>
<td>9,728</td>
<td>+5.0</td>
</tr>
<tr>
<td><strong>Sales revenue</strong></td>
<td>€202,458</td>
<td>€197,007</td>
<td>+2.8</td>
</tr>
<tr>
<td><strong>Operating profit</strong></td>
<td>€12,697</td>
<td>€11,671</td>
<td>+8.8</td>
</tr>
<tr>
<td><strong>Profit before tax</strong></td>
<td>€14,794</td>
<td>€12,428</td>
<td>+19.0</td>
</tr>
<tr>
<td><strong>Profit after tax</strong></td>
<td>€11,068</td>
<td>€9,145</td>
<td>+21.0</td>
</tr>
</tbody>
</table>

**Automotive Division**

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
<th>+/- (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash flows from operating activities</strong></td>
<td>€21,593</td>
<td>€20,612</td>
<td>+4.8</td>
</tr>
<tr>
<td><strong>Cash flows from investing activities attributable to operating activities</strong></td>
<td>€15,476</td>
<td>€16,199</td>
<td>-4.5</td>
</tr>
<tr>
<td>Of which investments in property, plant &amp; equipment</td>
<td>€11,495</td>
<td>€11,040</td>
<td>+4.1</td>
</tr>
<tr>
<td><strong>Net cash flow</strong></td>
<td>€6,117</td>
<td>€4,413</td>
<td>+38.6</td>
</tr>
<tr>
<td><strong>Net liquidity at December 31</strong></td>
<td>€17,639</td>
<td>€16,869</td>
<td>+4.6</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. 2013 deliveries updated on the basis of statistical extrapolations.

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

3) Excluding acquisition and disposal of equity investments: January – December €15,719 million (€14,497 million).
Volkswagen Group – Deliveries to Customers by Markets\(^1\)
(January to December 2014 vs. 2013)

\(^1\) Incl. Volkswagen Commercial Vehicles, Scania and MAN; 4.9% excl. Volkswagen Commercial Vehicles, Scania and MAN.
Volkswagen Group – Deliveries to Customers BRIC-Markets\(^1\)
(January to December 2014 vs. 2013)

\(^1\) Including Volkswagen Commercial Vehicles, Scania and MAN.
Volkswagen Sport Coupé Concept GTE
Volkswagen Passat Alltrack
Volkswagen Cross Coupé GTE
Audi Q7
Audi prologue Avant
ŠKODA Superb
SEAT Leon Cupra ST
Porsche Cayenne Turbo S
Porsche 911 Targa 4 GTS
Bentley Continental GT V8 S
Ducati Diavel Carbon
Volkswagen Caddy
MAN TGX Hybrid
Scania R 730 4x2 Topline
Volkswagen Group: Robust, Innovative, Delivering

Hans Dieter Pötsch
Member of the Board of Management, Volkswagen Aktiengesellschaft
Exane BNP Paribas / Barclays Geneva Motor Show Conference, 3-4 March 2015