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.

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 Such statements are valid on the date of publication and can be superceded.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.
How the NOx issue will be solved

**Europe** (approved by KBA)

**EA189 2.0 l (EU5): ~ 5.2m units**
- Software fix only
- Working time ca 30 min.
- Fix started in Q1 2016

**EA189 1.6 l (EU5): ~ 3m units**
- Soft- and Hardware fix required
- Working time < 1h
- Fix starts in Q3 2016

**EA189 1.2 l (EU5): ~ 0.3m units**
- Software fix only
- Working time ca 30 min.
- Fix starts in Q2 2016

**USA**

**EA189 2.0 l (Gen 1): ~ 0.4m units**

**EA189 2.0 l (Gen 2): ~ 0.1m units**

**EA288 2.0 l (Gen 3): ~ 0.1m units**

Currently coordinating viable solution concepts and time lines with the responsible authorities EPA and CARB
<table>
<thead>
<tr>
<th>Our 5 top priorities</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Helping our customers</strong></td>
<td>Communicating &amp; providing effective technical solutions</td>
</tr>
<tr>
<td><strong>Uncovering what happened</strong></td>
<td>Finding out the truth and learning from it</td>
</tr>
<tr>
<td><strong>New structure</strong></td>
<td>Launching a more entrepreneurial &amp; decentralized Group structure</td>
</tr>
<tr>
<td><strong>New mindset</strong></td>
<td>Profoundly changing the way we do things</td>
</tr>
<tr>
<td><strong>New destination</strong></td>
<td>Re-evaluating what we do &amp; re-defining our targets</td>
</tr>
</tbody>
</table>
Publications of 2015 figures and AGM delayed due to remaining open questions and resulting valuation calculations relating to diesel issue

<table>
<thead>
<tr>
<th>Event</th>
<th>Previous Date</th>
<th>Status</th>
<th>Statement regarding result 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual press conference</td>
<td>March 10, 2016</td>
<td>Delayed</td>
<td></td>
</tr>
<tr>
<td>Annual General Meeting</td>
<td>April 21, 2016</td>
<td>Delayed</td>
<td></td>
</tr>
<tr>
<td>Jones Day report on background and responsibilities connected to Diesel issue</td>
<td>Second half of April 2016</td>
<td>Sticking to timing</td>
<td>“Before special items Volkswagen anticipates the Operating Result for the Group at the level of the prior year”</td>
</tr>
</tbody>
</table>
Volkswagen Group reduces level of capex and resets priorities

Investments in property, plant and equipment

<table>
<thead>
<tr>
<th>Prior planning as of November 2014</th>
<th>New planning as of November 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>€64.3 bn</td>
<td>~€13 bn</td>
</tr>
<tr>
<td>Ø per year</td>
<td>max €12 bn</td>
</tr>
</tbody>
</table>

Prioritization and focus on digitalization and e-mobility

- Uncertainty requires prioritization of investments
- Cancellation or delay of all projects that are not absolutely necessary
- Not jeopardizing our future: spending on digitalization and alternative drive train technologies will be increased further
- Focus on new products, continuing rollout and enhancement of toolkits, completion of ongoing capacity expansion

2015 - 2019

2016
Development World Car Market vs. Volkswagen Group Car Deliveries to Customers\(^1\)
(Growth y-o-y in deliveries to customers, January to December 2015 vs. 2014)

<table>
<thead>
<tr>
<th>Region</th>
<th>Market</th>
<th>VW Group</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>World</strong></td>
<td>2.6%</td>
<td>-1.8%</td>
</tr>
<tr>
<td>North America</td>
<td>6.1%</td>
<td>4.3%</td>
</tr>
<tr>
<td>Western Europe</td>
<td>9.0%</td>
<td>5.1%</td>
</tr>
<tr>
<td>Central &amp; Eastern Europe</td>
<td>-23.3%</td>
<td>-7.7%</td>
</tr>
<tr>
<td>South America</td>
<td>-21.2%</td>
<td>-29.0%</td>
</tr>
<tr>
<td>Rest of World</td>
<td>2.5%</td>
<td>2.6%</td>
</tr>
<tr>
<td>Asia Pacific</td>
<td>4.0%</td>
<td>-3.0%</td>
</tr>
</tbody>
</table>

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

1) Incl. all brands of Volkswagen Group (Passenger Cars and Commercial Vehicles); -1.8% excl. Volkswagen Commercial Vehicles, Scania and MAN.

2) MAN incl. MAN Latin America Trucks and Busses GVW > 5t
Volkswagen Group – Generating cash and robust financial position

### Automotive Division - Net Liquidity

<table>
<thead>
<tr>
<th>Year</th>
<th>Net Liquidity (in € bn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>16.9</td>
</tr>
<tr>
<td>2014</td>
<td>17.6</td>
</tr>
<tr>
<td>Sept 30 2015</td>
<td>27.8</td>
</tr>
</tbody>
</table>

### Funding programs as of September 30 1)

<table>
<thead>
<tr>
<th>Segment</th>
<th>Amount (in € bn)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Money and Capital Markets</strong></td>
<td></td>
</tr>
<tr>
<td>Commercial Papers</td>
<td>5.5</td>
</tr>
<tr>
<td>Medium Term Notes / Bonds</td>
<td>60.0</td>
</tr>
<tr>
<td><strong>thereof: Hybrid Bonds</strong></td>
<td>7.5</td>
</tr>
<tr>
<td>ABS</td>
<td>26.5</td>
</tr>
<tr>
<td><strong>Borrowings</strong></td>
<td></td>
</tr>
<tr>
<td>Committed Lines</td>
<td>2.2</td>
</tr>
<tr>
<td>Uncommitted Lines</td>
<td>7.7</td>
</tr>
<tr>
<td>Supranationals, development banks, government, other</td>
<td>16.0</td>
</tr>
<tr>
<td>Direct Banking Deposits</td>
<td>23.5</td>
</tr>
<tr>
<td><strong>Total Amount</strong></td>
<td>141.4</td>
</tr>
</tbody>
</table>

**Bridge facility** up to €20 bn

1) Excluding Porsche, MAN, Scania
2) Including Porsche, MAN

Source: Volkswagen Group
Volkswagen Group – Outlook for 2015

- As commented in our Press Release on February 5th, 2016, the Operating Result for the Group before Special Items will be at the level of the prior year with an Operating Margin within the forecast range between 5.5% and 6.5%.

In terms of Operating Profit…
- due to the impact relating to the Diesel issue we anticipate a Group Operating Profit after Special Items as well as for the Passenger Cars Business Area significantly below the prior year level.

- For the Financial Services Division, we are forecasting an Operating Profit at the prior-year level.
Passenger car market forecast 2016 – overall growth expected (in million units)

North America 1)

Western Europe

Eastern Europe

South America 1)

Asia-Pacific

Rest of World

Source: IHS Economics as of February 2016

1) Passenger cars and Light Commercial Vehicles
Volkswagen Group – all major brands grew deliveries in January (January 2016 vs. 2015)

<table>
<thead>
<tr>
<th></th>
<th>'000 units</th>
<th>January 2015</th>
<th>January 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Passenger Cars</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Volkswagen Group</td>
<td>818</td>
<td>848</td>
<td></td>
</tr>
<tr>
<td>Skoda</td>
<td>138</td>
<td>143</td>
<td></td>
</tr>
<tr>
<td>SEAT</td>
<td>28</td>
<td>28</td>
<td></td>
</tr>
<tr>
<td><strong>Commercial Vehicles</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Volkswagen Group</td>
<td>507</td>
<td>521</td>
<td></td>
</tr>
<tr>
<td>Audi</td>
<td>87</td>
<td>92</td>
<td></td>
</tr>
<tr>
<td>SEAT</td>
<td>16</td>
<td>20</td>
<td></td>
</tr>
<tr>
<td><strong>Group</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>January 2015</td>
<td>+2.8%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>January 2016</td>
<td>+3.7%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1) Incl. all brands of Volkswagen Group (Passenger Cars and Commercial Vehicles); +3.6% excl. Volkswagen Commercial Vehicles, Scania and MAN.

2) MAN incl. MAN Latin America Trucks and Busses GVW > 5t
Product firework\(^1\) aligns with expected future market trends

**Body group trends until 2020**\(^2\)

<table>
<thead>
<tr>
<th>Body Group</th>
<th>Volume in 2015 3)</th>
<th>until 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sedan</td>
<td></td>
<td>+9%</td>
</tr>
<tr>
<td>SUV</td>
<td></td>
<td>+30%</td>
</tr>
<tr>
<td>Hatchback</td>
<td></td>
<td>+15%</td>
</tr>
<tr>
<td>Pick-Up</td>
<td></td>
<td>+11%</td>
</tr>
<tr>
<td>MPV</td>
<td></td>
<td>+4%</td>
</tr>
<tr>
<td>Transporter</td>
<td></td>
<td>+13%</td>
</tr>
<tr>
<td>Micro Van</td>
<td></td>
<td>+14%</td>
</tr>
<tr>
<td>Estate</td>
<td></td>
<td>-6%</td>
</tr>
<tr>
<td>City Van</td>
<td></td>
<td>+20%</td>
</tr>
<tr>
<td>Coupe</td>
<td></td>
<td>+15%</td>
</tr>
</tbody>
</table>

**New models 2016 and to follow**

<table>
<thead>
<tr>
<th>Body Group</th>
<th>New Models</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sedan</td>
<td>A6L e-tron, Panamera, Phideon, Magotan, Voyage</td>
</tr>
<tr>
<td>SUV</td>
<td>Bentayga, Tiguan, Ateca, A+ SUV, B-SUV, Entry SUV, Q5</td>
</tr>
<tr>
<td>Hatchback</td>
<td>A3, Leon, Rapid (IND), Gol, up!</td>
</tr>
<tr>
<td>Other</td>
<td>Beetle, Amarok, 911, Saveiro, A5, Boxster, Cayman</td>
</tr>
</tbody>
</table>

1) Schematic overview – does not show all models
2) Source: IHS
3) Final figures
Tightening environmental regulation and major trends driving R&D expenditures and Group strategy

**... CO₂ and EU6 regulations**

<table>
<thead>
<tr>
<th>Year</th>
<th>EU baseline</th>
<th>US baseline</th>
<th>China baseline</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>142</td>
<td>219</td>
<td>185</td>
</tr>
<tr>
<td>2010</td>
<td>142</td>
<td>219</td>
<td>185</td>
</tr>
<tr>
<td>2015</td>
<td>142</td>
<td>219</td>
<td>185</td>
</tr>
<tr>
<td>2020</td>
<td>95</td>
<td>250</td>
<td>167</td>
</tr>
<tr>
<td>2025</td>
<td>107</td>
<td>250</td>
<td>167</td>
</tr>
</tbody>
</table>

**Source:** based on ICCT

**... Market / consumer trends**

- Digitalization
- Shorter lifecycles
- E-mobility
- SUV trend
- Automated driving
- Shift in priorities
Volkswagen is making digital transformation a top priority with focus on digitalization and autonomous driving

**Volkswagen Group Future Centers**

- Three new Volkswagen Group Future Centers in Europe, California and Asia
- **Approach:** designers and digitalization experts work hand in hand to create the car of the future
- **Goal:** best in class customer experience, interface design and user friendliness, new interior concepts, integration of infotainment and entertainment systems

### Autonomous driving

- 91% of accidents caused by human error → reduce number of accidents
- People spend more than 4 years of their life in the car on average → make that time usable for the driver
- Huge potential for trucks → significantly higher productivity
- Car parked most of the day → customer achieves best return on investment by fully utilizing the car
- Infrastructure limited → has to be used more efficiently

### 20th Century: Engine is the core of the automobile

### 21st Century: Self-driving system is the core of the automobile

### Top fields of use

- Individual urban mobility
- Commercial vehicles
- Premium cars
- Public transportation

Group is building on strong knowledge base – initiative started to get to market ahead of competitors
12 focus areas for a stronger Volkswagen Brand

NEW VOLKSWAGEN
- Volkswagen brand to develop to a mobility provider
- Electric, fully networked car as part of a complete ecosystem

CORPORATE CULTURE
- Board, management, staff to create modern corporate culture
- More responsibility, creativity and open exchange

POSITIONING
- Checking brand positioning in major markets and adapt product range

EFFICIENCY
- Strong focus in order to strengthen competitiveness
- e.g. large-scale launch of fast and fault free processes

STRATEGY HOUSE
- Successor of mach18 strategy
- Strategic planning strengthened (staff and organization)

REGIONAL STEERING
- Strengthen regional management and increase responsibility
- Regions will be given scope to make decisions

MARKETS OF OPPORTUNITY
- Special teams take care of better access in markets such as Asia, South America and Africa

COMMUNICATION
- Brand is establishing it’s own communication
- Important to strengthen trust of customers, authorities and media

STRUCTURES
- Corporate responsibility strengthened
- New structures created

PROCESSES
- Accelerate decision making of management
- Reduce committees and bureaucracy, eradicate duplicate tasks

EXCELLENT LEADERSHIP
- Revamp management style
- New clearer mission statement focused on transparency, authenticity and openness

COSTS
- Scrutinize all costs and standards
- Thriftiness is imperative
Volkswagen brand vehicle development: bundling of competencies into four model series and pooling of responsibilities

Competencies bundled into four model series

<table>
<thead>
<tr>
<th>Strategy division</th>
<th>Polo</th>
<th>Golf</th>
<th>Passat</th>
<th>e-up!</th>
</tr>
</thead>
<tbody>
<tr>
<td>Small</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Compact</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mid-/Fullsize</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>e-Mobility</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Pooling responsibilities - entrepreneurial approach

One person responsible for:
- Technology
- Quality
- Profitability
- Deadlines

End of life-cycle

Core of “new Volkswagen” initiative
- Clear structures and responsibilities
- More time for workforce to focus on core tasks
- Strengthen personal responsibility, initiative and team spirit
- Stronger focus on profitability
- Acceleration of development

1. Define lifecycles
2. Coordinate

17
Volkswagen Brand: Substantial efficiency measures across all business areas

- 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
USA - Shorter life cycles, presence in growth segments and higher economies of scale

- Moving towards a 2 x 5 year life cycle
- Extending the product range by offering more models in growth segments
- New vehicle projects are steered locally by North American Planning & Engineering Center in Chattanooga, TE
- Moving all major models onto MQB to realize economies of scale
- Significant increase of local production, sourcing and cost reduction
- Volkswagen Group Future Center in Silicon Valley currently being established: designers and digitalization experts work hand in hand to create the car of the future

---

**Nafta Production in '000 units on MQB**

- Golf SportWagen (Mex)
- New B-SUV (USA)
- New Tiguan LWB (Mex)
- New Jetta (Mex)
- New Passat (USA)

**New products from 2016 onwards**

- Golf Alltrack
- B-SUV
- Tiguan
- T-Roc ¹)

¹) T-Roc is a concept car and could be subject to change
Product innovation and cost reduction are the key pillars of Volkswagen’s strategy to cope with challenges in emerging markets.

1. **Restructure business**, streamline cost position and intensify export
2. **Refresh existing product portfolio** and extend range of drivetrain technologies
3. **Introduce range of MQB vehicles** incl. A0/SUVs utilizing global sourcing and synergies in R&D and production

- Intensified competitive environment
- Volume under pressure in difficult environment
- Export difficult due to high cost base & trade barriers

**Volkswagen Group Deliveries to Customers [Brazil, Passenger Cars and LCVs]**

- 2012: -14%
- 2013: -16%
- 2014: -36%
- 2015: -36%
- Jan 2016: -39%
Deep roots and strong market position combined with further growth potential assures continued profitable growth in China.

**Deliveries to customers – strong January 2016**

<table>
<thead>
<tr>
<th>(thousand units)</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>± 13.9%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td>881</td>
<td>898</td>
<td>933</td>
<td>845</td>
</tr>
<tr>
<td>Q2</td>
<td>906</td>
<td>835</td>
<td>906</td>
<td>835</td>
</tr>
<tr>
<td>Q3</td>
<td>955</td>
<td>969</td>
<td>3,675</td>
<td>3,549</td>
</tr>
<tr>
<td>Q4</td>
<td>351</td>
<td>400</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY</td>
<td></td>
<td></td>
<td>3,675</td>
<td>3,549</td>
</tr>
<tr>
<td>Jan</td>
<td></td>
<td></td>
<td>351</td>
<td>400</td>
</tr>
</tbody>
</table>

**Strong operational & financial track record**

<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Proportionate Operating Profit</td>
<td>0,403</td>
<td>0,824</td>
<td>1,938</td>
<td>2,643</td>
<td>3,743</td>
<td>4,332</td>
<td>5,243</td>
<td>4,443</td>
</tr>
<tr>
<td>Dividends paid to Volkswagen AG</td>
<td>0,403</td>
<td>0,824</td>
<td>1,938</td>
<td>2,643</td>
<td>3,743</td>
<td>4,332</td>
<td>5,243</td>
<td>4,443</td>
</tr>
</tbody>
</table>

**Localization of New Electric Vehicles**

- > 15 models
- 2013 import
- 2016 local production

**Significant extension of SUV portfolio until 2020**

- Market Segmentation 2014: 24% Other Bodystyles, 76% SUVs
- Market Segmentation 2015: 30% Other Bodystyles, 70% SUVs
- Locally produced SUVs mid-term: 4 > 10
Core challenges in commercial vehicle industry ...

- **Cyclical markets**: Strong correlation to GDP in developed world. Not all regions hit by economic downturns at the same time.
- **Further globalization**: Local OEMs dominating in BRIC markets. Improving infrastructure, stronger regulations open opportunities for Volkswagen.
- **Emission regulations**: Europe with aggressive regulations, focus shifting to diesel lock-outs. BRIC trailing behind, but with ambitious roadmap.
- **Connectivity & digitalization**: Platooning and partly-autonomous driving as transition solutions. Data management for customers and traffic of broad interest.
- **After sales and new business opportunities**: After sales increasingly important as alternative source of revenues. New business models (e.g. enhanced telematics) can stabilize revenues.
... require Volkswagen truck brands to cooperate closely

- **Cyclical markets**
- **Further globalization**
- **Emission regulations**
- **Connectivity & digitalization**
- **After sales and new business opportunities**

**Global market reach** to ensure sufficient volume in local up- & downturns

**Reduced fixed costs** through modularization and shared components

**Combined R&D know-how** for competitive product development

**Additional value** through customer services

**Close cooperation going forward**
Volkswagen Financial Services\textsuperscript{1): A global, well diversified and successful business

Volkswagen Financial Services

\textbf{Strong global presence}

- Existing markets
- Focus markets
- Start / market entry

\textbf{Rising penetration rates}

\begin{align*}
\text{w/o China} & : 32.5\% & 32.9\% & 34.9\% & 36.3\% & 40.7\% & 44.3\% & 44.5\% & 45.8\% \\
\text{with China} & : 26.4\% & 25.0\% & 24.7\% & 25.4\% & 27.5\% & 28.9\% & 30.6\% & 31.0\%
\end{align*}

\textbf{Continuous portfolio expansion}

\begin{align*}
\text{in '000 contracts} & : \\
2008 & : 1,964 & 1,505 & 3,163 \\
2009 & : 2,148 & 1,508 & 3,567 \\
2010 & : 2,246 & 1,524 & 3,712 \\
2011 & : 2,691 & 1,623 & 3,930 \\
2012 & : 3,281 & 1,808 & 4,551 \\
2013 & : 3,796 & 1,983 & 4,946 \\
2014 & : 4,549 & 2,274 & 5,560 \\
9M2015 & : 4,727 & 2,371 & 5,719
\end{align*}

\textbf{Diversified funding structure}

- Equity, liabilities to affiliated companies, other
- Financing
- Leasing
- Insurance / Services
- Asset backed securitization
- Bonds, Commercial Paper, liabilities to financial institutions

\begin{align*}
\text{September 2015: €148.2 bn} & : \\
30\% & : \text{Customer deposits} \\
17\% & : \text{Other} \\
15\% & : \text{Asset backed securitization} \\
38\% & : \text{Bonds, Commercial Paper, liabilities to financial institutions}
\end{align*}

\textsuperscript{1) All shown figures show Volkswagen Financial Services as of 30 June 2015, excluding financial service activities of Scania, Porsche AG and Porsche Holding Salzburg; MAN financial services activities are included from 1 January 2014.}
Strategy 2025 is being developed to prepare the Volkswagen Group for the new challenges of the automotive industry

New focus areas

Digitalization
- New function reporting to Group CEO
- Group-wide initiative
- Digital Future Labs
- Industry / Business 4.0

Sustainability
- 20 additional e-models by 2020
- Focus on battery technology
- Innovative conventional drive trains

Integrity/Compliance
- New function in Board of Management
- Firmly anchored in structures and processes

Foundation

Strategy 2018

Future Tracks

Strategy 2025
(to be presented mid-2016)
Appendix
Volkswagen T-Cross Breeze
Audi e-tron quattro concept
Audi Q2
Porsche Mission E Concept
ŠKODA Superb Combi SportLine
SEAT Ateca
Lamborghini Huracán Spyder LP 610-4
Bugatti Chiron
Volkswagen Group – New Perspectives

Frank Witter
Member of the Board of Management