Volkswagen Group
Frank Witter
Member of the Board of Management, Finance and Controlling
Natixis Roadshow, Paris, 2 June 2016
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 Such statements are valid on the date of publication and can be superceded.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.
Fiscal year 2015 in particular dominated by special items resulting from the diesel issue:

- Sales revenue rose by 5.4% to €213.3 billion; positive effects from mix, exchange rates and Financial Services
- Operating result excluding the special items was on a level with the previous year at €12.8 billion (€12.7 billion)
- Operating result including the special items declined sharply to €-4.1 billion

Special items of €16.9 billion in operating result:

- Diesel issue: All known risks are covered in particular technical measures planned for the diesel engines affected, repurchases and legal risks result in exceptional charges of €16.2 billion
- Restructuring expenses in the area of commercial vehicles and in the passenger cars area in South America of €0.2 billion respectively

Solid liquidity position:

- Net liquidity of the Automotive Division increases to €24.5 billion (€17.6 billion)
- Successful placement of hybrid notes (€2.5 billion)
- Dividend proposal for fiscal year 2015: €0.11 per ordinary share and €0.17 per preferred share
Solid start to the year for the Volkswagen Group:
- Deliveries to customers slightly above prior year
- Sales Revenue decreased, influenced mainly by exchange rate effects
- Operating Profit before special items slightly below prior year

Robust operating profit including special items:
- Special items positively influenced by exchange rate effects; negatively impacted by Takata airbags recall and restructuring within Trucks
- Negative fair value of financial instruments results in lower Profit before tax

Solid liquidity position:
- Strong Automotive net liquidity boosted by sale of interest in LeasePlan
Financial highlights – Volkswagen Group
(January to December 2015 vs. 2014)

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales revenue</td>
<td>€202m</td>
<td>€213m (+5.4%)</td>
</tr>
<tr>
<td>Operating profit</td>
<td>€12.6m</td>
<td>€12.8m (+1.0%)</td>
</tr>
<tr>
<td>Profit before tax</td>
<td>€14.8m</td>
<td>€14.8m</td>
</tr>
<tr>
<td>Profit after tax</td>
<td>€11.1m</td>
<td>€11.1m</td>
</tr>
</tbody>
</table>

Operating profit / profit before tax in % of sales revenue:
- 2014: 6.3% (-1.9%)
- 2015: 6.0%

1) After Special items
2) Before Special items

Outlook 2016
Diesel Status
Volkswagen going forward

Natixis Roadshow, Paris, 2 June 2016
Financial highlights – Volkswagen Group
(January to March 2016 vs. 2015)

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2016</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales revenue</td>
<td>€52,735</td>
<td>€50,964</td>
<td>-3.4%</td>
</tr>
<tr>
<td>Operating profit</td>
<td>€3,328</td>
<td>€3,440</td>
<td>+3.4%</td>
</tr>
<tr>
<td>Profit before tax</td>
<td>€3,968</td>
<td>€3,203</td>
<td></td>
</tr>
<tr>
<td>Profit after tax</td>
<td>€2,932</td>
<td>€2,365</td>
<td></td>
</tr>
</tbody>
</table>

1) After Special items
2) Before Special items

Natixis Roadshow, Paris, 2 June 2016
Development Volkswagen Group car deliveries to customers\(^1\)
(in comparison to previous year)

<table>
<thead>
<tr>
<th>World Car Market:</th>
<th>+2.6%</th>
<th>+2.1%</th>
<th>+3.0%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1000 units</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>12,000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Full Year 2014</td>
<td>9,491</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Full Year 2015</td>
<td>9,321</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q1 2015</td>
<td>2,340</td>
<td>+0.6%</td>
<td></td>
</tr>
<tr>
<td>Q1 2016</td>
<td>2,353</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jan – Apr 2015</td>
<td>3,139</td>
<td>+0.3%</td>
<td></td>
</tr>
<tr>
<td>Jan – Apr 2016</td>
<td>3,150</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

\(^1\) Figures excl. Volkswagen Commercial Vehicles, Scania and MAN.
Development world car market vs. Volkswagen Group car deliveries to customers\(^1\)
(Growth y-o-y in deliveries to customers, January to April 2016 vs. 2015)

<table>
<thead>
<tr>
<th>Region</th>
<th>Car Market Cars + LCV</th>
<th>VW Group</th>
</tr>
</thead>
<tbody>
<tr>
<td>North America</td>
<td>4.6%</td>
<td>-0.2%</td>
</tr>
<tr>
<td>South America</td>
<td>-18.7%</td>
<td>-25.4%</td>
</tr>
<tr>
<td>Western Europe</td>
<td>7.9%</td>
<td>3.3%</td>
</tr>
<tr>
<td>Central &amp; Eastern Europe</td>
<td></td>
<td>-4.6%</td>
</tr>
<tr>
<td>World</td>
<td>3.0%</td>
<td>0.3%</td>
</tr>
<tr>
<td>Asia Pacific</td>
<td>4.7%</td>
<td>3.1%</td>
</tr>
</tbody>
</table>

\(^1\) Figures excl. Volkswagen Commercial Vehicles, Scania and MAN.
Volkswagen Group – Deliveries to customers by brands
(January to April 2016 vs. 2015)

1) Incl. all brands of Volkswagen Group (Passenger Cars and Commercial Vehicles); +0.3% excl. Volkswagen Commercial Vehicles, Scania and MAN.
2) MAN incl. MAN Latin America Trucks and Busses GVW > 5t

Volkswagen Group – Deliveries to customers by brands
(January to April 2016 vs. 2015)

1,000 units

Volkswagen Group

Passenger Cars

Commercial Vehicles

3,341,362

1,975,193

591

357

138

148

1,000

2,000

3,000

4,000

January – April 2015

January – April 2016

Volkswagen Group

Audi

SKODA

SEAT

PORSCHE

Commercial Vehicles

MAN

SCANDIA

+0.6%

-2.0%

+4.9%

+4.7%

+0.1%

+6.8%

+4.7%

+4.9%

+5.6%
### Volkswagen Group – Key financial figures

(January to March 2016 vs. 2015)

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
<th>+/- (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>thousand vehicles / € million</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vehicle Sales <strong>1)</strong></td>
<td>2,577</td>
<td>2,607</td>
<td>-1.2</td>
</tr>
<tr>
<td>Sales revenue</td>
<td>50,964</td>
<td>52,735</td>
<td>-3.4</td>
</tr>
<tr>
<td>Operating profit before special items</td>
<td>3,131</td>
<td>3,328</td>
<td>-5.9</td>
</tr>
<tr>
<td>% of sales revenue</td>
<td>6.1</td>
<td>6.3</td>
<td></td>
</tr>
<tr>
<td>Operating profit</td>
<td>3,440</td>
<td>3,328</td>
<td>+3.4</td>
</tr>
<tr>
<td>% of sales revenue</td>
<td>6.8</td>
<td>6.3</td>
<td></td>
</tr>
<tr>
<td>Financial result</td>
<td>-237</td>
<td>639</td>
<td>x</td>
</tr>
<tr>
<td>of which: At-equity result <strong>2)</strong></td>
<td>1.114</td>
<td>1.146</td>
<td>-2.8</td>
</tr>
<tr>
<td>of which: Other financial result</td>
<td>-1.351</td>
<td>-506</td>
<td>x</td>
</tr>
<tr>
<td>Profit before tax</td>
<td>3,203</td>
<td>3,968</td>
<td>-19.3</td>
</tr>
<tr>
<td>% Return on sales before tax</td>
<td>6.3</td>
<td>7.5</td>
<td></td>
</tr>
<tr>
<td>Profit after tax</td>
<td>2,365</td>
<td>2,932</td>
<td>-19.3</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)** Volume data including the unconsolidated Chinese joint ventures. The joint venture companies in China are accounted for using the equity method and recorded an operating profit (proportionate) of €1,174 million (€1,598 million).
Volkswagen Group – Analysis of operating profit\(^1\)
(January to March 2016 vs. 2015)

\[^1\] All figures shown are rounded, minor discrepancies may arise from addition of these amounts.
## Volkswagen Group – Analysis by business line

(February to March 2016 vs. 2015)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Volkswagen Passenger Cars</td>
<td>1,069</td>
<td>1,117</td>
<td>25,068</td>
<td>26,291</td>
<td>73</td>
<td>514</td>
</tr>
<tr>
<td>Audi</td>
<td>398</td>
<td>399</td>
<td>14,511</td>
<td>14,651</td>
<td>1,302</td>
<td>1,422</td>
</tr>
<tr>
<td>ŠKODA</td>
<td>207</td>
<td>217</td>
<td>3,379</td>
<td>3,175</td>
<td>315</td>
<td>242</td>
</tr>
<tr>
<td>SEAT</td>
<td>127</td>
<td>138</td>
<td>2,070</td>
<td>2,182</td>
<td>54</td>
<td>33</td>
</tr>
<tr>
<td>Bentley</td>
<td>2</td>
<td>3</td>
<td>376</td>
<td>472</td>
<td>-54</td>
<td>49</td>
</tr>
<tr>
<td>Porsche2)</td>
<td>59</td>
<td>51</td>
<td>5,378</td>
<td>5,078</td>
<td>895</td>
<td>765</td>
</tr>
<tr>
<td>Volkswagen Commercial Vehicles</td>
<td>118</td>
<td>121</td>
<td>2,716</td>
<td>2,698</td>
<td>142</td>
<td>165</td>
</tr>
<tr>
<td>Scania2)</td>
<td>19</td>
<td>18</td>
<td>2,551</td>
<td>2,463</td>
<td>244</td>
<td>237</td>
</tr>
<tr>
<td>MAN Commercial Vehicles</td>
<td>23</td>
<td>22</td>
<td>2,291</td>
<td>2,293</td>
<td>65</td>
<td>-13</td>
</tr>
<tr>
<td>MAN Power Engineering</td>
<td>-</td>
<td>-</td>
<td>832</td>
<td>800</td>
<td>48</td>
<td>52</td>
</tr>
<tr>
<td>VW China3)</td>
<td>980</td>
<td>963</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other</td>
<td>-415</td>
<td>-431</td>
<td>-14,821</td>
<td>-13,513</td>
<td>-445</td>
<td>-541</td>
</tr>
<tr>
<td>Volkswagen Financial Services</td>
<td>-</td>
<td>-</td>
<td>6,612</td>
<td>6,145</td>
<td>492</td>
<td>403</td>
</tr>
<tr>
<td><strong>Volkswagen Group before special items</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td><strong>3,131</strong></td>
<td><strong>3,328</strong></td>
</tr>
<tr>
<td><strong>Special items</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>309</td>
<td>-</td>
</tr>
<tr>
<td><strong>Volkswagen Group</strong></td>
<td>2,577</td>
<td>2,607</td>
<td>50,964</td>
<td>52,735</td>
<td>3,440</td>
<td>3,328</td>
</tr>
<tr>
<td><strong>Automotive Division</strong>5)</td>
<td>2,577</td>
<td>2,607</td>
<td>43,530</td>
<td>45,806</td>
<td>2,850</td>
<td>2,856</td>
</tr>
<tr>
<td>of which: Passenger Cars</td>
<td>2,417</td>
<td>2,447</td>
<td>35,219</td>
<td>37,636</td>
<td>2,603</td>
<td>2,634</td>
</tr>
<tr>
<td>of which: Commercial Vehicles</td>
<td>160</td>
<td>161</td>
<td>7,487</td>
<td>7,370</td>
<td>256</td>
<td>236</td>
</tr>
<tr>
<td>of which: Power Engineering</td>
<td>-</td>
<td>-</td>
<td>832</td>
<td>800</td>
<td>-9</td>
<td>-14</td>
</tr>
<tr>
<td>Financial Services Division</td>
<td>-</td>
<td>-</td>
<td>7,434</td>
<td>6,928</td>
<td>591</td>
<td>473</td>
</tr>
</tbody>
</table>

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1) All figures shown are rounded; minor discrepancies may arise from addition of these amounts. 2) Incl. financial services. 3) 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 €1.174 million (€1.598 million). 4) 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. 5) Including allocation of consolidation adjustments between Automotive and Financial Services divisions.
Automotive Division – Strong cash generation\(^1\) \(^2\)\n(January to March 2016)

<table>
<thead>
<tr>
<th>€ billion</th>
<th>2015</th>
<th>-2.1 (4.5%)(^3)</th>
<th>-1.1</th>
<th>0.1</th>
<th>1.3</th>
<th>0</th>
<th>1.2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash flow from operating activities</td>
<td>4.4</td>
<td>(____)</td>
<td>(____)</td>
<td>(____)</td>
<td>(____)</td>
<td>(____)</td>
<td>(____)</td>
</tr>
<tr>
<td>Capex</td>
<td>(____)</td>
<td>(____)</td>
<td>(____)</td>
<td>(____)</td>
<td>(____)</td>
<td>(____)</td>
<td>(____)</td>
</tr>
<tr>
<td>Capitalized development costs</td>
<td>-1.1</td>
<td>-1.2</td>
<td>(____)</td>
<td>(____)</td>
<td>(____)</td>
<td>(____)</td>
<td>(____)</td>
</tr>
<tr>
<td>Other</td>
<td>0.1</td>
<td>0.0</td>
<td>-0.9</td>
<td>(____)</td>
<td>(____)</td>
<td>(____)</td>
<td>(____)</td>
</tr>
<tr>
<td>Net cash flow before equity investments</td>
<td>1.3</td>
<td>(____)</td>
<td>(____)</td>
<td>(____)</td>
<td>(____)</td>
<td>(____)</td>
<td>(____)</td>
</tr>
<tr>
<td>Acquisition and disposal of equity investments</td>
<td>2.2</td>
<td>(____)</td>
<td>(____)</td>
<td>(____)</td>
<td>(____)</td>
<td>(____)</td>
<td>(____)</td>
</tr>
<tr>
<td>Net cash flow</td>
<td>1.3</td>
<td>(____)</td>
<td>(____)</td>
<td>(____)</td>
<td>(____)</td>
<td>(____)</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.  
\(^3\) Capital expenditure for property, plant and equipment in % of Automotive sales revenue.
Automotive Division – Analysis of net liquidity\(^1\)

\(^1\) All figures shown are rounded, minor discrepancies may arise from addition of these amounts.
Volkswagen Group – Net liquidity and funding

Automotive Division - Net Liquidity

<table>
<thead>
<tr>
<th>Year</th>
<th>(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>Q1 2016</td>
<td>26.0</td>
</tr>
</tbody>
</table>

Funding programs as of 31 March 2016

<table>
<thead>
<tr>
<th>Money and Capital Markets</th>
<th>(in € bn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial Papers</td>
<td>7.7</td>
</tr>
<tr>
<td>Medium Term Notes / Bonds</td>
<td>54.9</td>
</tr>
<tr>
<td>thereof: Hybrid Bonds</td>
<td>7.5</td>
</tr>
<tr>
<td>ABS(^2)</td>
<td>30.9</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Borrowings</th>
<th>(in € bn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Committed Lines</td>
<td>8.8</td>
</tr>
<tr>
<td>Uncommitted Lines</td>
<td>9.6</td>
</tr>
<tr>
<td>Supranationals, development banks, government, other</td>
<td>13.9</td>
</tr>
<tr>
<td>Direct Banking Deposits</td>
<td>30.3</td>
</tr>
<tr>
<td>Total Amount</td>
<td>156.1</td>
</tr>
</tbody>
</table>

| Bridge facility | up to €20 bn |

2) Including Porsche, MAN
Volkswagen Group – Outlook for 2016

Deliveries to customers
- stable at high level

Sales revenue
- up to 5% below prior year

Operating return on sales
- between 5.0% and 6.0%

Deliveries to customers ('000 vehicles)
- 10,137 (2014) vs 9,931 (2015)
  -2.0%

Sales revenue (€ billion)
  +5.4%

Operating return on sales (before special items) (%)
- 6.3 (2014) vs 6.0 (2015)
  -4.8%

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Sales revenue (€ billion)
  +5.4%

Operating return on sales (before special items) (%)
- 6.3 (2014) vs 6.0 (2015)
  -4.8%
Passenger car market forecast 2016 – Overall growth expected
(in million units)

<table>
<thead>
<tr>
<th>Region</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>North America 1)</td>
<td>19.6</td>
<td>20.8</td>
<td>21.3</td>
</tr>
<tr>
<td>Western Europe</td>
<td>12.1</td>
<td>13.2</td>
<td>13.8</td>
</tr>
<tr>
<td>Eastern Europe</td>
<td>3.6</td>
<td>2.8</td>
<td>3.4</td>
</tr>
<tr>
<td>South America 1)</td>
<td>5.2</td>
<td>4.3</td>
<td>3.7</td>
</tr>
<tr>
<td>Asia-Pacific</td>
<td>30.4</td>
<td>31.6</td>
<td>33.4</td>
</tr>
<tr>
<td>Rest of World</td>
<td>4.1</td>
<td>4.0</td>
<td>3.9</td>
</tr>
</tbody>
</table>

Source: IHS Economics as of May 2016

1) Passenger cars and Light Commercial Vehicles
Our 5 priorities: Focus on crisis management and realignment

**Customer solutions**
- Implementation of technical solutions launched in Germany
- Schedule for further refits in Europe to be adapted in consultation with authorities
- Agreement in principle reached with U.S. authorities

**Investigation**
- Process audit by Group Audit already completed at 2015 year-end, proposed measures being rapidly implemented
- Detailed investigation of facts by Jones Day ongoing

**Structure**
- New management team in place
- Intensive work on new structures and leaner processes

**Mindset**
- Numerous individual changes made to renew corporate and leadership culture
- Structured change process initiated

**Destination**
- Development of “Strategy 2025” proceeding to plan
- Priorities and objectives to be presented before summer break as announced
How the NOx issue will be solved in the USA

**Diesel Status**
- Agreement in principle with US authorities:
  - Dept. of Justice (Environmental Division)
  - Environmental Protection Agency (EPA)
  - California Air Resources Board (CARB)
  - Federal Trade Commission (FTC)
- Publication of settlement 21st June 2016
- Finalization of settlement 26th July 2016

Currently coordinating viable solution concepts and time lines with the responsible authorities EPA and CARB

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
How the NOx issue will be solved in Europe

**Diesel Status Europe** (approved by KBA)

- Modifications started and effective

---

EA189 2.0 l (EU5): ~ 5.2m units
- Software fix only
- Working time ca 30 min.

EA189 1.2 l (EU5): ~ 0.3m units
- Software fix only
- Working time ca 30 min.

EA189 1.6 l (EU5): ~ 3m units
- Soft- and Hardware fix required
- Working time < 1h
Product roadmap aligns with expected future market trends

**Body group trends until 2020**

<table>
<thead>
<tr>
<th>Body Group</th>
<th>Volume in 2015</th>
<th>Until 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>SUV</td>
<td>10</td>
<td>+30%</td>
</tr>
<tr>
<td>Sedan</td>
<td>15</td>
<td>+9%</td>
</tr>
<tr>
<td>Hatchback</td>
<td>5</td>
<td>+15%</td>
</tr>
<tr>
<td>Pick-Up</td>
<td>20</td>
<td>+11%</td>
</tr>
<tr>
<td>MPV</td>
<td>10</td>
<td>+4%</td>
</tr>
<tr>
<td>Transporter</td>
<td>5</td>
<td>+13%</td>
</tr>
<tr>
<td>Micro Van</td>
<td>10</td>
<td>+14%</td>
</tr>
<tr>
<td>Estate</td>
<td>20</td>
<td>-6%</td>
</tr>
<tr>
<td>City Van</td>
<td>10</td>
<td>+20%</td>
</tr>
<tr>
<td>Coupe</td>
<td>5</td>
<td>+15%</td>
</tr>
</tbody>
</table>

**New models 2016 and to follow**

**SUV**
- Bentayga
- Tiguan
- A4 (TIG)
- Audi Q2
- Skoda Kodiaq
- B-SUV
- Entry SUV
- Audi Q5

**Sedan**
- A4L e-tron
- Panamera
- Phideon
- Magotan
- Voyage

**Hatchback**
- A3
- Leon
- Rapid (IND)
- Golf
- up!

**Other**
- Beetle
- Amarok
- Saveiro
- A5
- Boxster
- Cayman

1) Source: IHS
2) final figures

Volkswagen going forward

Natixis Roadshow, Paris, 2 June 2016
Volkswagen Group reduces level of capex and resets priorities

**Investments in property, plant and equipment**

Prior planning as of November 2014: €64.3 bn

New planning as of November 2015:
- 2015 - 2019: Ø per year
- 2016: max €12 bn
- ~€13 bn

**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
## 12 focus areas for a stronger Volkswagen Brand

<table>
<thead>
<tr>
<th>NEW VOLKSWAGEN</th>
<th>CORPORATE CULTURE</th>
<th>POSITIONING</th>
<th>EFFICIENCY</th>
<th>STRATEGY HOUSE</th>
<th>REGIONAL STEERING</th>
</tr>
</thead>
<tbody>
<tr>
<td>Volkswagen brand to develop to a mobility provider</td>
<td>Board, management, staff to create modern corporate culture</td>
<td>Checking brand positioning in major markets and adapt product range</td>
<td>Strong focus in order to strengthen competitiveness</td>
<td>Successor of mach18 strategy</td>
<td>Strengthen regional management and increase responsibility</td>
</tr>
<tr>
<td>Electric, fully networked car as part of a complete ecosystem</td>
<td>More responsibility, creativity and open exchange</td>
<td></td>
<td>e.g. large-scale launch of fast and fault free processes</td>
<td>Strategic planning strengthened (staff and organization)</td>
<td>Regions will be given scope to make decisions</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>MARKETS OF OPPORTUNITY</th>
<th>COMMUNICATION</th>
<th>STRUCTURES</th>
<th>PROCESSES</th>
<th>EXCELLENT LEADERSHIP</th>
<th>COSTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Special teams take care of better access in markets such as Asia, South America and Africa</td>
<td>Brand is establishing it’s own communication</td>
<td>Corporate responsibility strengthened</td>
<td>Accelerate decision making of management</td>
<td>Revamp management style</td>
<td>Scrutinize all costs and standards</td>
</tr>
<tr>
<td></td>
<td>Important to strengthen trust of customers, authorities and media</td>
<td>New structures created</td>
<td>Reduce committees and bureaucracy, eradicate duplicate tasks</td>
<td>New clearer mission statement focused on transparency, authenticity and openness</td>
<td>Thriftiness is imperative</td>
</tr>
</tbody>
</table>

**Volkswagen going forward**
Group
Volkswagen Brand
Volkswagen Truck & Bus
Regions / FS
Trends

**Natixis Roadshow, Paris, 2 June 2016**
More efficient and faster: New series organization – Volkswagen brand

- Nurtures big-picture entrepreneurial vision and results focus
- Makes for significantly faster & leaner decision-making processes
- Promotes teamwork and open mindedness
- Improves overall process, especially at interfaces
Volkswagen passenger cars: Efficiency actions allow for financial flexibility

- Critical review of infrastructure investments
- Prioritization of IT-projects
- Reduction of bureaucracy as well as more efficient committees
- Process optimization in specific departments
- Optimization of product portfolio with focus on models providing sustainable profitability
- Adaption of product cycles to regional main competitors
- Improve localization in core markets
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.

Natixis Roadshow, Paris, 2 June 2016
... 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 TRUCK & BUS

Natixis Roadshow, Paris, 2 June 2016
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 new vehicles** incl. A0/SUVs utilizing global sourcing and synergies in R&D and production

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

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

- 2012
- 2013
- 2014
- 2015

January - April 2016: -33.6%
US market segmentation and trends offer potential as Volkswagen Group’s model portfolio will be renewed and extended

Total market segmentation ytd 2016

<table>
<thead>
<tr>
<th>Segment</th>
<th>Market share April '16 (%)</th>
<th>Δytd '16 vs '15 (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sedan</td>
<td>33</td>
<td>-2</td>
</tr>
<tr>
<td>Hatchback</td>
<td>5</td>
<td>-18</td>
</tr>
<tr>
<td>Coupe</td>
<td>3</td>
<td>-5</td>
</tr>
<tr>
<td>Wagon</td>
<td>1</td>
<td>-8</td>
</tr>
<tr>
<td>Cabrio/Roadster</td>
<td>1</td>
<td>-16</td>
</tr>
<tr>
<td>SUV</td>
<td>36</td>
<td>+10</td>
</tr>
<tr>
<td>Pick-Up</td>
<td>15</td>
<td>+7</td>
</tr>
<tr>
<td>MPV</td>
<td>4</td>
<td>+23</td>
</tr>
<tr>
<td>Transporter</td>
<td>3</td>
<td>+20</td>
</tr>
<tr>
<td>City Van</td>
<td>0</td>
<td>+177</td>
</tr>
</tbody>
</table>

Total volume ytd 2016: 5,595 tsd units

Source: Autodata 01.05.2016

Volkswagen Group’s recently launched and upcoming models:

- Q7
- A4
- R8
- Golf Alltrack
- Midsize SUV
- Q5
- Tiguan

Volkswagen going forward
Deep roots and strong market position combined with further growth potential continues robust performance in China

### Deliveries to customers – strong Jan-April 2016

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td>881</td>
<td>898</td>
<td>898</td>
</tr>
<tr>
<td>Q2</td>
<td>933</td>
<td>845</td>
<td>906</td>
</tr>
<tr>
<td>Q3</td>
<td>906</td>
<td>835</td>
<td>969</td>
</tr>
<tr>
<td>Q4</td>
<td>955</td>
<td>969</td>
<td>3,549</td>
</tr>
<tr>
<td>FY</td>
<td>3,675</td>
<td>1,193</td>
<td>1,251</td>
</tr>
</tbody>
</table>

### Strong operational & financial track record

<table>
<thead>
<tr>
<th>Year</th>
<th>Dividends paid to Volkswagen AG</th>
<th>Proportionate Operating Profit</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>0.4</td>
<td>0.3</td>
</tr>
<tr>
<td>2009</td>
<td>0.8</td>
<td>0.4</td>
</tr>
<tr>
<td>2010</td>
<td>1.9</td>
<td>1.2</td>
</tr>
<tr>
<td>2011</td>
<td>2.6</td>
<td>2.0</td>
</tr>
<tr>
<td>2012</td>
<td>3.7</td>
<td>2.8</td>
</tr>
<tr>
<td>2013</td>
<td>4.3</td>
<td>3.0</td>
</tr>
<tr>
<td>2014</td>
<td>5.2</td>
<td>4.5</td>
</tr>
<tr>
<td>2015</td>
<td>5.2</td>
<td>3.0</td>
</tr>
</tbody>
</table>

### Localization of New Electric Vehicles

- **Import** 2013
- **Local production** 2016
- > 15 models

### Significant extension of SUV portfolio until 2020

- 2013: Import
- 2016: Local production

<table>
<thead>
<tr>
<th>Market Segmentation</th>
<th>Locally produced SUVs mid-term</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014: 24% Other Bodystyles</td>
<td>4</td>
</tr>
<tr>
<td>2015: 76% SUVs</td>
<td>&gt;10</td>
</tr>
<tr>
<td>2015: 30% Other Bodystyles</td>
<td>70%</td>
</tr>
<tr>
<td>2016: 70% SUVs</td>
<td></td>
</tr>
</tbody>
</table>
Volkswagen Group’s 360° business model for the budget car family

- Utilization of existing platforms
- Limited number of vehicle variants
- Minimized one-off expenditure
- Flat organizational structure
- 100% local sourcing
- Simple distribution system
- High equipment standard with low-cost solutions
- Lower-cost manufacturing technologies
Volkswagen Financial Services\textsuperscript{1)}: global, well diversified and successful

**Strong global presence**

- Global presence
- Rising penetration rates

**Rising penetration rates**

- w/o China
- with China

**Continuous portfolio expansion**

- in ‘000 contracts
- Total portfolio 14,984

**Diversified funding structure**

- Equity, liabilities to affiliated companies, other
- Asset backed securitization
- Bonds, Commercial Paper, liabilities to financial institutions

31.03.2016: €160.3 bn

1\textsuperscript{) excluding financial service activities of Scania, Porsche AG and Porsche Holding Salzburg; including MAN Financial Services
Challenging emission regulations, trends and business transformation opportunities

**... CO₂ and EU6 regulations**

Status and forecast of CO₂-regulations

- **EU baseline:** 142
- **US baseline:** 219
- **China baseline:** 185
- **EU 2020:** 95
- **US 2025:** 107
- **China 2015:** 167

**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 concentrating on digitalization and autonomous driving

Volkswagen Group Future Centers

- **Three new Volkswagen Group Future Centers** in Silicon Valley, Potsdam and Beijing
- **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

### 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

20th Century: Engine is the core of the automobile

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

Natixis Roadshow, Paris, 2 June 2016
Modular toolkits – Brand responsibilities

**MQB**
- Modular Transverse Toolkit

**MLB Evo**
- Modular Longitudinal Toolkit

**MSB**
- Modular Standard Drivetrain Toolkit

**MNB**
- Modular Light Commercial Vehicle Toolkit

**MMB**
- Modular Mid-engine Toolkit

Volkswagen going forward
Modular toolkits offered across segments, regions and brands

MSB: Modular Standard Drivetrain Toolkit
MLB: Modular Longitudinal Toolkit
MQB: Modular Transverse Toolkit
MNB: Modular Commercial Vehicles Toolkit
MMB: Modular Mid-engine-Toolkit

Continuous Roll-out of Toolkit Strategy across Segments, Regions & Brands
We are working on the key trends in our industry …

- Digitalization
- CONNECTIVITY
- Sustainability
- Smart mobility
- E-mobility
- Autonomous driving
Volkswagen – On the road to providing integrated mobility solutions

Global ride hailing provider

US freight trucking market
“Together, we will create a new Volkswagen and play a key role in designing the mobility world of tomorrow”
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Natixis Roadshow, Paris, 2 June 2016
Events 2016


Volkswagen Group Appendix

Natixis Roadshow, Paris, 2 June 2016
### Rating Volkswagen Group

<table>
<thead>
<tr>
<th>Investment grade</th>
<th>AAA</th>
<th>AA+</th>
<th>AA</th>
<th>AA-</th>
<th>A+</th>
<th>A</th>
<th>A-</th>
<th>BBB+</th>
<th>BBB</th>
<th>BBB-</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subinvestment grade</td>
<td>VW FS AG (N), Volkswagen Bank GmbH (N)</td>
<td>Volkswagen AG (N)</td>
<td>Volkswagen Bank GmbH (N)</td>
<td>Volkswagen AG (N), VW FS AG (N)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Outlook -> (P)ositive, (S)table, (N)egative, RfD = Ratings under review for Downgrade, RfU = Ratings under review for Upgrade

as of: May 31st, 2016
Automotive division – Research and development costs
(January to March 2016 vs. 2015)

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total R&amp;D costs</td>
<td>3,318</td>
<td>3,314</td>
</tr>
<tr>
<td>of which capitalized</td>
<td>1,137 (34.3%)</td>
<td>1,240 (37.4%)</td>
</tr>
<tr>
<td>amortization</td>
<td>730</td>
<td>808</td>
</tr>
<tr>
<td>Recognized in the income statement</td>
<td>2,911</td>
<td>2,882</td>
</tr>
</tbody>
</table>

Natixis Roadshow, Paris, 2 June 2016
Porsche 911 Turbo S Cabrio

Porsche 911 Turbo S
ŠKODA VisionS
Bentley Bentayga
Lamborghini Huracán LP 610-4 Spyder
Volkswagen Group
Frank Witter
Member of the Board of Management, Finance and Controlling
Natixis Roadshow, Paris, 2 June 2016