Disclaimer

The following presentations contain forward-looking statements and information on the business development of the Volkswagen Group of America. 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. Volkswagen AG and its subsidiaries (together the "Volkswagen Group") currently face additional risks and uncertainty related to pending claims and investigations of Volkswagen Group members in a number of jurisdictions in connection with findings of irregularities relating to exhaust emissions from diesel engines in certain Volkswagen Group vehicles. The degree to which Volkswagen Group of America may be negatively affected by these ongoing claims and investigations remains uncertain. Consequently, a negative impact relating to ongoing claims or investigations, an unexpected fall in demand or economic stagnation in our key sales markets, such as the USA 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 Euro, US dollar, sterling, yen or other currencies.

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 Such statements are valid on the date of publication and can be superseded.

This information does not constitute an offer to exchange or sell or an offer to exchange or buy any securities.
U.S. Market Development
Volume growth has plateaued, while SUV mix increases.
U.S. Market Development >>
October YTD

**PREMIUM MARKET VOLUME**

| 1,470,000 | 1,466,070 | 2015 YTD |
| 1,465,000 | 1,459,097 | 2016 YTD |

Oct YTD: -1.8%

PREMIUM SHARE OF TOTAL MARKET

| 10.15% | 10.1% | 2015 YTD |
| 10.10% | 9.9% | 2016 YTD |

Oct YTD: -0.2 pts

SUV SHARE OF PREMIUM MARKET

| 54.0% | 53.0% |
| 52.0% | 51.0% |
| 50.0% | 50.0% |
| 48.0% | 48.0% |
| 46.0% | 46.0% |
| 44.0% | 44.0% |
| 42.0% | 42.0% |
| 40.0% | 40.0% |

Oct YTD: 7.3 ppts

**PREMIUM SEDAN SEGMENT YoY PERFORMANCE**

| October YTD YoY | YTD Premium Share |
| A0 | NA | NA |
| A | -16.7% | 3.9% |
| B | -15.7% | 21.6% |
| C | -15.1% | 7.7% |
| D | -10.0% | 2.8% |

Total Sedan: -15.3%

**PREMIUM SUV SEGMENT YoY PERFORMANCE**

| October YTD YoY | YTD Premium Share |
| A0 | -24.3% | 0.8% |
| A | 24.1% | 4.0% |
| B | 21.5% | 24.9% |
| C | 7.1% | 19.3% |
| D | 6.9% | 4.0% |

Total SUV: 13.9%

**2016 PREMIUM MARKET FORECAST HISTORY**

- 06+12: 1.89
- 03+09: 1.83
- 06+06: 1.8

06+06 Forecast: Total reduction of 90k
Audi Development
Volume has doubled since 2010 as Audi outpaces the Luxury market.
## Current Market >> Closing the Gaps

### Units closer YoY

**Competitor 1:** 30,582  
**Competitor 2:** 17,682  
**Competitor 3:** 5,776

### October 2016

<table>
<thead>
<tr>
<th>Brand</th>
<th>October Sales</th>
<th>Growth/Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jaguar</td>
<td>3,219</td>
<td>167.5%</td>
</tr>
<tr>
<td>Volvo</td>
<td>6,340</td>
<td>-14.6%</td>
</tr>
<tr>
<td>Lincoln</td>
<td>9,069</td>
<td>6.9%</td>
</tr>
<tr>
<td>Land Rover</td>
<td>5,532</td>
<td>-23.2%</td>
</tr>
<tr>
<td>Porsche</td>
<td>4,506</td>
<td>10.7%</td>
</tr>
<tr>
<td>Audi</td>
<td>17,721</td>
<td>0.1%</td>
</tr>
<tr>
<td>Infiniti</td>
<td>11,208</td>
<td>0.6%</td>
</tr>
<tr>
<td>Mercedes-Benz</td>
<td>28,659</td>
<td>-1.0%</td>
</tr>
<tr>
<td><strong>Premium Marques</strong></td>
<td><strong>142,828</strong></td>
<td><strong>-7.6%</strong></td>
</tr>
</tbody>
</table>

### October 2016 YTD

<table>
<thead>
<tr>
<th>Brand</th>
<th>2016 YTD Sales</th>
<th>Growth/Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jaguar</td>
<td>23,588</td>
<td>81.4%</td>
</tr>
<tr>
<td>Volvo</td>
<td>64,874</td>
<td>20.6%</td>
</tr>
<tr>
<td>Lincoln</td>
<td>89,504</td>
<td>8.6%</td>
</tr>
<tr>
<td>Land Rover</td>
<td>59,923</td>
<td>7.8%</td>
</tr>
<tr>
<td>Porsche</td>
<td>44,752</td>
<td>3.2%</td>
</tr>
<tr>
<td>Audi</td>
<td>169,900</td>
<td>2.9%</td>
</tr>
<tr>
<td>Infiniti</td>
<td>107,963</td>
<td>1.2%</td>
</tr>
<tr>
<td>Mercedes-Benz</td>
<td>277,863</td>
<td>-0.4%</td>
</tr>
<tr>
<td><strong>Premium Marques</strong></td>
<td><strong>1,439,470</strong></td>
<td><strong>-1.8%</strong></td>
</tr>
</tbody>
</table>

### Audi Share

- **Oct 2016:** 12.4%  
- **Oct 2015:** 11.5%  
- **2016 YTD:** 11.8%  
- **2015 YTD:** 11.3%

*Cadillac and Lincoln and for reference only and are excluded from the Premium total*
<table>
<thead>
<tr>
<th>Brand</th>
<th>Fixed Operations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Products</td>
<td>Network</td>
</tr>
</tbody>
</table>

**Keys to Sustainment**
Conquest is Strong
+16,473
European Competitors & Mass Market
Aug YTD
Fixed Operations

#1

Customer Service Index

+ Repair Order increase 47%
  562k to 842K
  2010 - 2015

+ Units in Operation increase 50%
  1.35M to 1.99M
  2010 - 2015

+ 73.68%
  Service Market Share (Sept YTD)
  BEST IN INDUSTRY
Products

#1 Consumer Reports Best European Brand

Transaction Price

$41,400 → $49,400

2008 → 2016

+$8,000
Audi Sugar Land (TX) | Sewell
252,000 sq. ft | $34.3 mi investment
+ Audi North Texas

Audi Freehold (NJ) | Ray Catena
73,100 sq. ft | $20.2 mi investment

$1 billion

Fletcher Jones Audi (IL)
Fletcher Jones Audi Group
327,000 sq. ft | $86.0 mi investment

C. Houston (TX) | Sonic Auto Group
160,000 sq. ft | $20.3 mi investment
+ Audi Birmingham (AL)
74% of Audi volume (lifecycle) will launch over the next three years.

Q7 +49.3% YoY
+3.0 pts share YoY

A4 +17.6% YoY
Segment down 15.7%
Future Investment ➤ Q5 Factory

Mexico Plant
The Future >> Evolution
In the Industry

Electrification
Autonomous Driving
Shared Mobility
The Future >> Battery Electric Vehicles

Our BEV Strategy

+ 250 miles to the charge

Expand to 3 BEV models by 2020
The Future Regulatory Environment

CONTINUOUS WITHDRAWAL OF THE DRIVER FROM THE TASK OF DRIVING

ASSIST

CONTINUALLY GROWING AUTOMATION OF DRIVING TASKS

PILOT

AUTOMATION LEVELS PER SAE

LEVEL 0
MANUAL

LEVEL 1
ASSISTED

LEVEL 2
SEMI-AUTOMATED

LEVEL 3
HIGHLY-AUTOMATED

LEVEL 4
FULLY-AUTOMATED

LEVEL 5
AUTONOMOUS

A6 (model year 1999) with adaptive cruise control

A8 (MY 2003) with adaptive cruise control
Connect with the Brand
not just the car

Industry Leading Tech
Virtual Cockpit
Traffic Light Online
Google integration

Cloud-based Infrastructure

On-Demand Content
V2V and V2I Communication

Data Driven Business Models

The Future >>

Connected Future