Last month, deliveries increased worldwide

<table>
<thead>
<tr>
<th>Region</th>
<th>MAY 2017</th>
<th>vs. 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Germany</td>
<td>50,800</td>
<td>+6.0 %</td>
</tr>
<tr>
<td>Europe</td>
<td>99,800</td>
<td>+5.9 %</td>
</tr>
<tr>
<td>International</td>
<td>35,700</td>
<td>-9.1 %</td>
</tr>
<tr>
<td>North America</td>
<td>50,600</td>
<td>-1.9 %</td>
</tr>
<tr>
<td>South America</td>
<td>35,000</td>
<td>+14.7 %</td>
</tr>
<tr>
<td>World without China</td>
<td>271,900</td>
<td>+3.2 %</td>
</tr>
<tr>
<td>China</td>
<td>241,600</td>
<td>+4.0 %</td>
</tr>
<tr>
<td>World</td>
<td>513,500</td>
<td>+3.5 %</td>
</tr>
</tbody>
</table>
The global product campaign has been launched successfully

- **Atlas (NAR)**
- **Arteon (EU)**
- **Polo (EU)**
- **Phideon PHEV (CN)**
- **Touareg (EU)**
- **up! PA (SAM)**
- **Tiguan LWB (NAR)**
- **T-Roc (EU)**
- **Virtus (SAM)**
- **Jetta (NAR)**

*START OF PRODUCTION*
The strategic realignment is being executed in three stages:

- **2015**: Strengthen core business with a 2% RoS. Focus on productivity/cost focus, sharpen the positioning, SUV offensive, regional focus, and transform know-how.
- **2020**: Leap to the top of electric mobility with at least a 4% RoS. Focus on E-mobility offensive, digital ecosystem, operational excellence.
- **2025**: Major transformation with at least a 6% RoS. Focus on new business models, new mobility solutions, autonomous driving.
- **2030**: Global leader auto-mobility with more than 6% RoS.
The Zukunftspakt has started

COMPETITIVENESS
• Action plan for improving productivity by 7.5% in 2017 has been prepared
• Plan includes job downsizing

SECURING THE FUTURE
• “Center of Excellence” for battery cells/modules now operating in Salzgitter
• Fourth model for the Emden plant is in the development phase
• Decision on additional model for Wolfsburg
Earnings Momentum of the Volkswagen brand
Dr. Arno Antlitz
The "TRANSFORM 2025+" strategy will put the brand to the top of the automotive industry

1. Radical restructuring
   - With focus on:
     - brand positioning "Top of Volume"
     - Costs
     - Product margins
     - Regional turnarounds
   - 2015
   - Diesel crisis 2% RoS*

2. Leap to the top of electric mobility
   - 2020
   - Leading & profitable volume manufacturer ≥4% RoS
   - Electric offensive
   - Go digital (ecosystem)

3. Major transformation
   - 2025
   - Global market leader in e-mobility ≥ 6% RoS
   - Autonomous driving
   - New mobility solutions
   - Global leader in auto-mobility >6% RoS

* Before special items
Result outlook for 2017 follows TRANSFORM 2025+ strategic path

Growth in operating return on sales as % of net earnings

- Implementation of the “Zukunftspakt”
- Turnaround in NAR, Brazil, Russia
- Growth in SUV portfolio

- Future CO₂ and emissions legislation
- Transformation in the industry

<table>
<thead>
<tr>
<th>Year</th>
<th>2016</th>
<th>2017 Outlook</th>
<th>2020 Target</th>
<th>2025 Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Growth in operating return on sales</td>
<td>1.8</td>
<td>2.5 – 3.5</td>
<td>≥ 4.0</td>
<td>≥ 6.0</td>
</tr>
</tbody>
</table>
Key levers for improving the result of the Volkswagen brand by 2020

Product offensive
- SUV offensive
- MQB roll-out
- Global electrification of fleet (CO₂ conformity)

Future Pact
- Productivity 25%
- Reduction in factory costs
- Development/Capex efficiency
- Lean administration and cutting bureaucracy

Turnaround plans for the regions
- Massive restructuring
- Product offensive
- “Top of volume” brand positioning
Challenges from regulation, MEB implementation and product margins for electric vehicles

**CO₂ and emission legislation**
- Additional costs to reach CO₂ fleet targets
- Additional costs from future emission legislation, esp. for Diesel cars

**Upfront cost for new electric architecture**
- Investments and R&D costs
- Lower product margins in the ramp up phase for vehicles based on the new electric architecture
The „TRANSFORM 2025+“ strategy will put the brand to the top of the automotive industry.

1. Radical restructuring (2015)
   - Diesel crisis
   - 2% RoS*

2. Leap to the top of electric mobility (2020)
   - Leading & profitable volume manufacturer
   - ≥4% RoS

3. Major transformation (2025)
   - Global market leader in e-mobility
   - ≥ 6% RoS

4. Global leader in auto-mobility (2030)
   - >6% RoS

* Before special items
Backup
Structural adjustments leads to financial changes in the Volkswagen Passenger Cars brand

Key figures VW Passenger Cars brand 2016\(^1\) and “2016 adjusted”\(^1\) with new structure

<table>
<thead>
<tr>
<th></th>
<th>2016 (before special items, prior reporting)</th>
<th>2016 (adjusted)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sales revenue</strong></td>
<td>EUR 106 billion</td>
<td>EUR ~74 billion</td>
</tr>
<tr>
<td><strong>Operating result</strong></td>
<td>EUR 1.9 billion</td>
<td>EUR ~1.6 billion</td>
</tr>
<tr>
<td><strong>Return on sales</strong></td>
<td>1.8%</td>
<td>~2.1%</td>
</tr>
</tbody>
</table>

\(^1\) All figures shown are rounded, so minor discrepancies may arise during arithmetic operations involving these amounts.