We are redefining mobility.

Volkswagen Group
Frank Witter
Chief Financial Officer
US Roadshow with Goldman Sachs, New York & Boston, 30-31 October 2017
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. The Volkswagen Group currently faces 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 the Volkswagen Group may be negatively affected by these ongoing claims and investigations remains uncertain.

Consequently, a negative impact relating to ongoing claims or investigations, 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 Such statements are valid on the date of publication and can be superseded.

This information does not constitute an offer to exchange or sell or an offer to exchange or buy any securities.
## Development World Car Market vs. Volkswagen Group Car Deliveries to Customers
(Growth y-o-y in deliveries to customers, January to September 2017 vs. 2016)

<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>-1.0%</td>
<td>4.5%</td>
</tr>
<tr>
<td>Western Europe</td>
<td>2.8%</td>
<td>1.1%</td>
</tr>
<tr>
<td>Central &amp; Eastern Europe</td>
<td>12.2%</td>
<td>12.1%</td>
</tr>
<tr>
<td>South America</td>
<td>12.0%</td>
<td>21.6%</td>
</tr>
<tr>
<td>World</td>
<td>3.2%</td>
<td>2.4%</td>
</tr>
<tr>
<td>Asia Pacific</td>
<td>5.3%</td>
<td>0.6%</td>
</tr>
</tbody>
</table>

Volkswagen Group – Deliveries to Customers by Brands
(January to September 2017 vs. 2016)

1) Incl. all brands of Volkswagen Group (Passenger Cars and Commercial Vehicles); +2.4% 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 September 2017 vs. 2016)

- **Passenger Cars**
  - Škoda: 1,409 (2016), 1,381 (2017)

- **Commercial Vehicles**
  - Škoda: 59 (2016), 64 (2017)

1) Incl. all brands of Volkswagen Group (Passenger Cars and Commercial Vehicles); +2.4% excl. Volkswagen Commercial Vehicles, Scania and MAN.
2) MAN incl. MAN Latin America Trucks and Busses GVW > 5t
Volkswagen Group – Deliveries to Customers by Markets\(^1\) (January to September 2017 vs. 2016)

\(^1\) Incl. all brands of Volkswagen Group (Passenger Cars and Commercial Vehicles); +2.4% excl. Volkswagen Commercial Vehicles, Scania and MAN.
Volkswagen Group: Environmental and Future Incentives Program

- Promoting the renewal of the vehicle fleet through the changeover to Euro 6 and e-mobility
- Improve air quality in cities
- Incentives on purchasing a Volkswagen, Volkswagen Commercial Vehicles, Audi, SEAT, ŠKODA or Porsche with Euro 6 Standard

**Example Germany:**
- Program is available until December 31st, 2017
- Incentives for scrapping an old diesel vehicle of any brand with Euro 4 or older and purchase of a new vehicle (Volkswagen: €2,000 to €10,000; Audi: €3,000 to €10,000; SEAT: €1,750 to €8,000; ŠKODA: €1,750 to €5,000; Porsche: €5,000)
- Additional bonus for the purchase of alternative powertrain (electric, hybrid or natural gas)

**Example Incentive Volkswagen Brand**:  

<table>
<thead>
<tr>
<th>Model</th>
<th>„Environmental“ Incentive</th>
<th>„Future“ Incentive</th>
</tr>
</thead>
<tbody>
<tr>
<td>up!</td>
<td>€2,000</td>
<td></td>
</tr>
<tr>
<td>Polo</td>
<td>€3,000</td>
<td></td>
</tr>
<tr>
<td>Golf, Golf Sportsvan, Golf Estate, Tiguan, Tiguan Allspace, Beetle Cabrio</td>
<td>€5,000</td>
<td></td>
</tr>
<tr>
<td>Touran</td>
<td>€6,000</td>
<td></td>
</tr>
<tr>
<td>Passat Sedan/Estate, Arteon, Sharan</td>
<td>€8,000</td>
<td></td>
</tr>
<tr>
<td>Touareg</td>
<td>€10,000</td>
<td></td>
</tr>
<tr>
<td>Natural gas (e.g. Golf TGI)</td>
<td>€1,000</td>
<td></td>
</tr>
<tr>
<td>Hybrid (e.g. Golf GTE; Passat GTE)</td>
<td>€1,785</td>
<td></td>
</tr>
<tr>
<td>Electric (e.g. e-up!; e-Golf)</td>
<td>€2,380</td>
<td></td>
</tr>
</tbody>
</table>

\[ \text{Total support available per model} = \text{State subsidy} + \text{Incentives} \]

**Cost of Programs anticipated to be balanced through higher volumes, benefits of gaining new customers and raising customer loyalty**

1) Germany  
2) existed already, only valid for electric vehicles
### Global Passenger Car Market 2017/2020

Slowdown in Western Europe; Stagnation in USA at a high level; Recovery in Brazil though from a low level; Strong growth in India; China remains largest driver of passenger car demand

<table>
<thead>
<tr>
<th>Million Units</th>
<th>USA</th>
<th>Western Europe</th>
<th>Russia</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>17.6</td>
<td>14.0</td>
<td>1.3</td>
</tr>
<tr>
<td>2017</td>
<td>17.1</td>
<td>14.4</td>
<td>1.5</td>
</tr>
<tr>
<td>2020</td>
<td>16.9</td>
<td>14.1</td>
<td>2.1</td>
</tr>
</tbody>
</table>

**Brazil**

<table>
<thead>
<tr>
<th>Million Units</th>
<th>2016</th>
<th>2017</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>2.0</td>
<td>2.1</td>
<td>2.7</td>
</tr>
<tr>
<td>2017</td>
<td>2.1</td>
<td>2.1</td>
<td>2.1</td>
</tr>
<tr>
<td>2020</td>
<td>2.1</td>
<td>2.1</td>
<td>2.1</td>
</tr>
</tbody>
</table>

**World**

<table>
<thead>
<tr>
<th>Million Units</th>
<th>2016</th>
<th>2017</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actuals</td>
<td>82.0</td>
<td>83.8</td>
<td>89.6</td>
</tr>
<tr>
<td>Forecast</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

\*Data source: IHS Automotive (10.2017)\*

1. Volume for North & South America includes light commercial vehicles (definition 'Light Vehicles')

\*growth 2017-2020 = CAGR\*
### Volkswagen Group – Key Financial Figures 1)
(January to September 2017 vs. 2016)

<table>
<thead>
<tr>
<th>thousand vehicles / € million</th>
<th>2017</th>
<th>2016</th>
<th>+/- (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vehicle Sales 2)</td>
<td>7,913</td>
<td>7,653</td>
<td>+3.4</td>
</tr>
<tr>
<td>Sales revenue</td>
<td>170,864</td>
<td>159,932</td>
<td>+6.8</td>
</tr>
<tr>
<td>Operating profit before Special Items</td>
<td>13,231</td>
<td>11,267</td>
<td>+17.4</td>
</tr>
<tr>
<td>% of sales revenue</td>
<td>7.7</td>
<td>7.0</td>
<td></td>
</tr>
<tr>
<td>Operating profit</td>
<td>10,636</td>
<td>8,647</td>
<td>+23.0%</td>
</tr>
<tr>
<td>% of sales revenue</td>
<td>6.2</td>
<td>5.4</td>
<td></td>
</tr>
<tr>
<td>Financial result</td>
<td>-84</td>
<td>-488</td>
<td>X</td>
</tr>
<tr>
<td>of which: At-equity result 2)</td>
<td>2,378</td>
<td>2,627</td>
<td>-9.5</td>
</tr>
<tr>
<td>of which: Other financial result</td>
<td>-2,462</td>
<td>-3,116</td>
<td>-21.0</td>
</tr>
<tr>
<td>Profit before tax</td>
<td>10,552</td>
<td>8,159</td>
<td>+29.3</td>
</tr>
<tr>
<td>% Return on sales before tax</td>
<td>6.2</td>
<td>5.1</td>
<td></td>
</tr>
<tr>
<td>Profit after tax</td>
<td>7,735</td>
<td>5,915</td>
<td>+30.8</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 €3,305 million (€3,594m).
**Volkswagen Group – Analysis of Operating Profit**¹
(January to September 2017 vs. 2016)

All figures shown are rounded, minor discrepancies may arise from addition of these amounts. *) without FS **) including PPA
**Volkswagen Group – Analysis by Business Line**

(January to September 2017 vs. 2016)

<table>
<thead>
<tr>
<th></th>
<th>Vehicle sales</th>
<th>Sales revenue</th>
<th>Operating profit</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Volkswagen Passenger Cars</strong>&lt;sup&gt;2)&lt;/sup&gt;</td>
<td>2,632</td>
<td>3,234</td>
<td>58,871</td>
</tr>
<tr>
<td>Audi</td>
<td>1,147</td>
<td>1,166</td>
<td>44,235</td>
</tr>
<tr>
<td>ŠKODA</td>
<td>700</td>
<td>606</td>
<td>12,338</td>
</tr>
<tr>
<td>SEAT</td>
<td>436</td>
<td>400</td>
<td>7,255</td>
</tr>
<tr>
<td>Bentley</td>
<td>7</td>
<td>8</td>
<td>1,321</td>
</tr>
<tr>
<td>Porsche Automotive&lt;sup&gt;3)&lt;/sup&gt;</td>
<td>180</td>
<td>177</td>
<td>15,703</td>
</tr>
<tr>
<td>Volkswagen Commercial Vehicles</td>
<td>371</td>
<td>342</td>
<td>8,919</td>
</tr>
<tr>
<td>Scania&lt;sup&gt;4)&lt;/sup&gt;</td>
<td>65</td>
<td>60</td>
<td>9,304</td>
</tr>
<tr>
<td>MAN Commercial Vehicles</td>
<td>80</td>
<td>74</td>
<td>7,970</td>
</tr>
<tr>
<td>MAN Power Engineering</td>
<td>-</td>
<td>-</td>
<td>2,355</td>
</tr>
<tr>
<td>VW China&lt;sup&gt;5)&lt;/sup&gt;</td>
<td>2,917</td>
<td>2,803</td>
<td>-</td>
</tr>
<tr>
<td>Other&lt;sup&gt;6)&lt;/sup&gt;</td>
<td>-623</td>
<td>-1,217</td>
<td>-21,272</td>
</tr>
<tr>
<td><strong>Volkswagen Financial Services</strong>&lt;sup&gt;7)&lt;/sup&gt;</td>
<td>-</td>
<td>-</td>
<td>23,864</td>
</tr>
<tr>
<td><strong>Volkswagen Group before Special Items</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Special Items</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Volkswagen Group</strong></td>
<td>7,913</td>
<td>7,653</td>
<td>170,864</td>
</tr>
<tr>
<td><strong>Automotive Division</strong>&lt;sup&gt;8)&lt;/sup&gt;</td>
<td>7,913</td>
<td>7,653</td>
<td>145,553</td>
</tr>
<tr>
<td>of which: Passenger Cars</td>
<td>7,400</td>
<td>7,178</td>
<td>117,441</td>
</tr>
<tr>
<td>of which: Commercial Vehicles</td>
<td>513</td>
<td>475</td>
<td>25,757</td>
</tr>
<tr>
<td>of which: Power Engineering</td>
<td>-</td>
<td>-</td>
<td>2,355</td>
</tr>
<tr>
<td><strong>Financial Services Division</strong></td>
<td>-</td>
<td>-</td>
<td>25,311</td>
</tr>
</tbody>
</table>

<sup>1)</sup> All figures shown are rounded, minor discrepancies may arise from addition of these amounts. 
<sup>2)</sup> 2017 figures take account of the reclassification of companies; prior-year figures were not adjusted. 
<sup>3)</sup> Including financial services. 
<sup>4)</sup> The sales revenue and operating profits of the joint venture companies in China are not included in the figures for the Group. 
<sup>5)</sup> Including financial services. 
<sup>6)</sup> The sales revenue and operating profits of the joint venture companies in China are not included in the figures for the Group. 
<sup>7)</sup> Starting January 1, 2017, Porsche’s financial services business is reported as part of Volkswagen Financial Services. Prior-year figures were not adjusted. 
<sup>8)</sup> Including allocation of consolidation adjustments between the Automotive and Financial Services divisions.
‘Best ever’ Automotive Division Net Cash Flow (ex Diesel payments) 1)
(January to September 2017)

€ billion

-5 0 5 10 15

Net Cash flow incl Diesel payments  Diesel outflow  Net Cash flow underlying business

14.5

-2.9

11.62)

1) Including allocation of consolidation adjustments between Automotive and Financial Services divisions.
2) Including Chinese dividends in the amount of €3bn.
Automotive Division Net Cash Flow Development ¹ ²
(January to September 2017)

<table>
<thead>
<tr>
<th>Year</th>
<th>Cash flow before Diesel Outflow</th>
<th>Diesel Outflow</th>
<th>Cash flow from operations</th>
<th>Capex ³</th>
<th>Capitalized development costs</th>
<th>Other</th>
<th>Net cash flow before equity investments</th>
<th>Acquisition and disposal of equity investments</th>
<th>Net cash flow</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>17.0</td>
<td>0.0</td>
<td>17.0</td>
<td>-7.8 (5.7%)</td>
<td>-4.2</td>
<td>0.2</td>
<td>5.2</td>
<td>2.3</td>
<td>7.5</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 - Net Liquidity on a robust level at September 30\textsuperscript{th} 1)

<table>
<thead>
<tr>
<th>Date</th>
<th>Amount (€ billion)</th>
</tr>
</thead>
<tbody>
<tr>
<td>31.12.2016</td>
<td>27.2</td>
</tr>
<tr>
<td>Hybrid Bond</td>
<td>3.5</td>
</tr>
<tr>
<td>Capital increase Volkswagen FS AG</td>
<td>-1.0</td>
</tr>
<tr>
<td>Dividend pay-out to Volkswagen AG shareholders</td>
<td>-1.0</td>
</tr>
<tr>
<td>Chinese Dividends</td>
<td>3.0</td>
</tr>
<tr>
<td>Diesel Outflow</td>
<td>-14.5</td>
</tr>
<tr>
<td>Operating Business</td>
<td>8.0</td>
</tr>
<tr>
<td>Other</td>
<td>0.3</td>
</tr>
<tr>
<td>30.09.2017</td>
<td>25.4</td>
</tr>
</tbody>
</table>

1) All figures shown are rounded, minor discrepancies may arise from addition of these amounts.
Volkswagen Group – Outlook for 2017

Deliveries to customers (‘000 vehicles)

<table>
<thead>
<tr>
<th>Year</th>
<th>Deliveries to customers</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>9,931</td>
</tr>
<tr>
<td>2016</td>
<td>10,297</td>
</tr>
</tbody>
</table>

+ 3.7%

Sales revenue (€ billion)

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>213.3</td>
</tr>
<tr>
<td>2016</td>
<td>217.3</td>
</tr>
</tbody>
</table>

+ 1.9%

Operating return on sales (%)

<table>
<thead>
<tr>
<th>Year</th>
<th>Operating return on sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>6.0*</td>
</tr>
<tr>
<td>2016</td>
<td>6.7*</td>
</tr>
</tbody>
</table>

* before Special Items

Deliveries to customers
moderately above prior year

Sales revenue
Up more than 4% above prior year level

Operating return on sales
Moderately above range of 6.0% to 7.0%
Improving Group results despite significant challenges

- **Emission costs**
  - EU -27% CO₂ emission
  - US -35% CO₂ emission
  - CN -40% l/km consumption

- **Industry transition**
  - e-mobility
  - Digitalization
  - Autonomous Driving
### Clear Financial Targets and Milestones

<table>
<thead>
<tr>
<th>Key financial targets</th>
<th>2016 Actual</th>
<th>2017 Targets</th>
<th>2020 Targets</th>
<th>2025 Targets</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating return on sales</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Before special items</td>
<td>6.7%</td>
<td>6-7%</td>
<td>6.5-7.5%</td>
<td>7-8%</td>
</tr>
<tr>
<td><strong>Return on investment</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Automotive Division before special items</td>
<td>13.9%</td>
<td>11-13%</td>
<td>13-15%</td>
<td>&gt;15%</td>
</tr>
<tr>
<td><strong>Capex ratio</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Automotive Division</td>
<td>6.9%</td>
<td>6.6%</td>
<td>6% (2020/21)</td>
<td>6%</td>
</tr>
<tr>
<td><strong>R&amp;D cost ratio</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Automotive Division</td>
<td>7.3%</td>
<td>6.7%</td>
<td>6% (2020/21)</td>
<td>6%</td>
</tr>
<tr>
<td><strong>Cash</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Automotive Division</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a) Net Cashflow</td>
<td>€ 4.3 bn</td>
<td>negative</td>
<td>positive 1)</td>
<td>positive 1)</td>
</tr>
<tr>
<td>b) Net Liquidity</td>
<td>€ 27.2 bn</td>
<td>&gt; 15 bn</td>
<td>≥ € 20 bn</td>
<td>~10% of Group turnover</td>
</tr>
</tbody>
</table>

1) after considering a strategic target of 30% Payout Ratio based on Group profit after tax
CAPEX Automotive Division
(€ bn, as % of sales revenue)
R&D Cost Automotive Division
(€ bn, as % of sales revenue)
STRATEGY 2025 – INITIATIVES AT A GLANCE

**GROW PROFITABLY**

1. Sharpen positioning of brands
2. Develop winning vehicle and drivetrain portfolio
3. Streamline modular architectures
4. Partner with regional players to win in economy segment
5. Develop self-driving system for autonomous vehicles and artificial intelligence in-house
6. Develop battery technology as new core competency
7. Develop best-in-class user experience across brands and customer touchpoints
8. Implement model line organization
9. Realign “Components” business

**DEVELOP STRATEGIC CAPABILITIES**

10. Build mobility solutions business
11. Develop and expand attractive and profitable smart mobility offering
12. Improve operational excellence
13. Optimize business portfolio

**ENHANCE ENTREPRENEURIAL SPIRIT**

14. Drive digital transformation
15. Create organization 4.0
16. Strengthen innovation power

Better integrated and strategic planning process
Building blocks to provide sustainable mobility solutions

Efficient conventional combustion engines & alternative powertrains

Mobility Services
Self Driving System
E-mobility
Battery
Charging infrastructure
Sustainable Mobility
MOIA
Gett

Deliveries & Global Trends
Key Financials & Cash
Strategic Outlook & Milestones
Brands / Regions
Diesel
Remuneration
Integrity & Compliance
Commitment
Advances in battery technology will improve range, weight and costs

Lithium ion technology

* basis: eGolf with comparable battery volume

New battery technologies

700 km
1000 Wh/l
all solid state

500 km
800 Wh/l
improved anode and cathode

190 km
230 Wh/l

300 km
410 Wh/l

380 km
650 Wh/l

420 km
700 Wh/l

700 km
1000 Wh/l
all solid state

500 km
800 Wh/l
improved anode and cathode

21
Battery costs will decrease significantly by 2020

Target: < 100€ / kWh

MQB

MEB

2013
2020

€ / kWh

battery system

battery cell
Roadmap E - E-mobility model offensive of the Volkswagen Group

2017  |  3 BEVs, 8 PHEVs

2025  |  80 new EVs,
     |  thereof some 50 purely battery powered vehicles
     |  and 30 plug-in-hybrids
     |  €50bn battery cell procurement volume up to 2025

2030  |  >€20bn capex but in the period to 2030
Multi OEM Joint Venture to deploy a HPC charging network in Europe

European High Power Charging GmbH & Co. KG

- Unprecedented collaboration among automakers
- Deployed power levels up to 350 kW
- Network based on the Combined Charging System (CCS) international standard
- Open brand-independent network

~400 charging stations
Electrify America: Start to execute the National ZEV plan (Zero Emissions Vehicles)

Electrify America first cycle network

First 30-month investment cycle – focus on EV infrastructure, including highway and community chargers

Key features of Appendix C

**Investment**
- $2B total investment over 10 years at $500M per 30-month cycle
  - $1.2B Nationally (EPA)
  - $800M in California (CARB)

**Goal**
- Goal to increase EV adoption for US market through brand-neutral and self-sustaining ZEV investments

**Plan**
- 30-month investment, planning, and reporting cycles allow for changes in technology, customer behavior, and car capabilities
Intensified efforts to develop autonomous vehicles

- 2005: Winner Darpa Grand Challenge
- 2010: Autonomous Audi TTS "Shelley" climbs Pikes Peak
- 2016: Volkswagen Group >200 AV related patents
- 2017: SEDRIC is Volkswagen Group’s first Level 5 vehicle
- 2018: Battery Electric Special Purpose Shuttle
- 2021: Production-ready by 2021: Self-Driving System

Volkswagen Group >200 AV related patents
Cascading Group Targets to Brands

Group KPIs
- RoS
- Rol
- Capex
- R&D
- CF/Liquidity

Brand KPIs
- Top-Down Targets
- Committed in Planning Rounds

Commitment
## Overview Brand Targets (RoS, RoE)

<table>
<thead>
<tr>
<th>Return on Sales in %</th>
<th>2016</th>
<th>2017</th>
<th>2020</th>
<th>2025</th>
</tr>
</thead>
<tbody>
<tr>
<td>Volkswagen Group</td>
<td>6.7</td>
<td>6.0-7.0</td>
<td>6.5-7.5</td>
<td>7.0-8.0</td>
</tr>
<tr>
<td>Volkswagen Brand</td>
<td>1.8</td>
<td>2.5-3.5</td>
<td>≥4</td>
<td>≥6</td>
</tr>
<tr>
<td>Audi</td>
<td>8.2</td>
<td>8-10</td>
<td>8-10</td>
<td>8-10</td>
</tr>
<tr>
<td>Porsche</td>
<td>17.4</td>
<td>&gt;15</td>
<td>&gt;15</td>
<td>&gt;15</td>
</tr>
<tr>
<td>ŠKODA</td>
<td>8.7</td>
<td>7-8</td>
<td>6-7</td>
<td>≥7</td>
</tr>
<tr>
<td>Volkswagen Commercial Vehicles</td>
<td>4.1</td>
<td>3-4</td>
<td>4-5</td>
<td>&gt;6</td>
</tr>
<tr>
<td>Truck &amp; Bus Business&lt;sup&gt;1)&lt;/sup&gt;</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Scania</td>
<td>9.5</td>
<td>6-7</td>
<td></td>
<td>9&lt;sup&gt;2)&lt;/sup&gt;</td>
</tr>
<tr>
<td>• MAN Commercial Vehicles</td>
<td>2.3</td>
<td></td>
<td></td>
<td>9&lt;sup&gt;2)&lt;/sup&gt;</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Return on Equity (norm. 8%)</th>
<th>2016</th>
<th>2017</th>
<th>2020</th>
<th>2025</th>
</tr>
</thead>
<tbody>
<tr>
<td>Volkswagen Financial Services</td>
<td>15.6%</td>
<td>14-16%</td>
<td>14-16%</td>
<td>20%</td>
</tr>
</tbody>
</table>

<sup>1)</sup> For peer-group analysis: Truck & Bus Business RoS is calculated as the sum of Scania and MAN Commercial Vehicles (equals ~6.1% in 2016)

<sup>2)</sup> Through-cycle Target
The „TRANSFORM 2025+“ strategy will put the brand to the top of the automotive industry

1. **Radical restructuring**
   - Brand positioning „top of volume“
   - SUV offensive
   - Regions (China, NAR, SAM)
   - Economy markets
   - Zukunftspakt
   - Product margins
   - Agile organisation

2. **Leap to the top of electric mobility**
   - Electro offensive
   - Digital ecosystem
   - Operational excellence

3. **Major transformation**
   - Automated driving
   - New fields of mobility

---

* Diesel crisis 2% RoS*
* Leading & profitable volume manufacturer 4% RoS
* Global leader in e-mobility 6% RoS
* Global leader in auto-mobility >6% RoS

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

2016: 1.8
2017 Outlook: 2.5 – 3.5
“at the upper end of the range”
2020 Target: ≥ 4.0
2025 Target: ≥ 6.0
Increase in competitiveness and safeguarding the future are the focus points of the Future Pact agreement

<table>
<thead>
<tr>
<th>Working Group 1</th>
<th>Working Group 2</th>
<th>Working Group 3</th>
<th>Working Group 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Production</td>
<td>Components</td>
<td>Technical</td>
<td>Administration</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Development</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Increase of productivity by 25%</td>
<td>• Increase of productivity by 25%</td>
<td>• Reduction of hardware-oriented development work</td>
<td>• Reduction of bureaucracy</td>
</tr>
<tr>
<td>• Reduction of plant costs</td>
<td>• Discontinuation of unprofitable products</td>
<td>• Increased efficiency in development processes</td>
<td></td>
</tr>
</tbody>
</table>

Secure the Future

• 4 additional models: 2 conventional and 2 MEB vehicles

• Investments in:
  • Electric drive trains
  • Pilot facility battery cell
  • Battery system

• Competency/capacity increase in autonomous driving, electrification, connectivity etc.

• Creation of employment in new business segments

Reduction in workforce based on demographic curve
Volkswagen brand: Productivity will increase by 7.5 percent this year

**PRODUCTIVITY IMPROVEMENT**
(percent | Targets)

**FIXED COSTS IN GERMANY**
(€ billion)

- 2017: 7.5
- 2018: 7.5
- 2019: 5.0
- 2020: 5.0

- 2012: 
- 2015: ≈
- 2016: ≈
- Target 2017: 25.0
Volkswagen brand is planning a strong comeback in the USA

Focus on US Core Segments

- Atlas
- Tiguan LWB
- Jetta
- Passat

Key measures

- Extend SUV offering, focus on US core segments (SUVs, sedans)
- Market-oriented pricing
- Market-oriented alignment to local standards and customer expectations
- Reduce material, product and fixed costs
- “Electrify America”: infrastructure and locally produced cars from 2021
Rollout of MQB in the North American region to realize economies of scale and efficiencies

Local MQB production is increasing from around 10% to > 80% midterm, positive impacts:

- Increasing capacity utilization
- Improving fix costs
- Higher investment efficiency as MQB basic investments are already complete
A product offensive will initiate a new growth phase in South America

Product offensive in South America

Key measures

- Restructuring: reduce capacities and fixed costs
- Increase productivity, align products to local requirements
- Product offensive, €2.5 bn investment
- New brand positioning
- New growth strategy for Latin America
2017 is being shaped by a high product momentum

Volkswagen

Atlas (NAR) | Arteon (EU) | Polo (EU) | Phideon PHEV (CN) | Touareg (EU)

Jan | Feb | March | April | May | June | July | Aug | Sept | Oct | Nov | Dec

up! PA (SAM) | Tiguan LWB (NAR) | T-Roc (EU) | Virtus (SAM) | Jetta (NAR)

Dates: Start of Production

Key Financials & Cash
Strategic Outlook & Milestones
Brands / Regions
Diesel
Remuneration
Integrity & Compliance
Commitment
Further roll-out of MQB offers substantial benefits
All electric platform: The basis for profitable electric cars

- Concept determined by: customer benefit and package for cost-optimized design of e-components
- Economies of scale from use of MEB across entire Group
- “Design for manufacturing“: higher productivity, shorter manufacturing time
- Lower material and distribution costs
- Significant reduction in variants
- Early involvement of suppliers
Three models of Volkswagen’s “Starting Five“ for the Electric Age
Core challenges in the 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
Long-term synergy potential will enable savings of up to €1 bn p.a.

Synergy potential from brand collaboration and expanded platform strategy

€ million p.a.

- Material costs
- Production costs / tooling
- R&D

Key common powertrain platforms

- Base engine
- After-treatment
- Transmission
- Axles
Global expansion on track with Navistar alliance

1. Equity investment
   - 16.9% equity stake in Navistar by way of capital increase*

2. Strategic technology and supply cooperation
   - Companies to collaborate on technology for powertrain systems, as well as other advanced technologies

3. Procurement joint venture
   - Procurement joint venture is pursuing joint global sourcing opportunities

4. Governance
   - 2 VW T&B representatives nominated to Navistar Board of Directors. Joint Alliance Board to govern overall alliance

* As at 30.09.2017
Volkswagen Group China performance
(January to September 2017 vs. 2016)

Proportionate operating profit, January to September (in € million)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Volkswagen</td>
<td>3,594</td>
<td>3,305</td>
</tr>
<tr>
<td>SKODA</td>
<td>440</td>
<td>419</td>
</tr>
<tr>
<td>PORSCHE</td>
<td>225</td>
<td>213</td>
</tr>
<tr>
<td>AUDI</td>
<td>190</td>
<td>201</td>
</tr>
<tr>
<td>LEONARDO</td>
<td>1.018</td>
<td>1.245</td>
</tr>
<tr>
<td>BENTLEY</td>
<td>49</td>
<td>54</td>
</tr>
<tr>
<td>Commercial</td>
<td>2,745</td>
<td>4,169</td>
</tr>
<tr>
<td>Vehicles</td>
<td>+22.3%</td>
<td>+51.9%</td>
</tr>
<tr>
<td>Volkswagen</td>
<td>-4.9%</td>
<td>-5.6%</td>
</tr>
<tr>
<td>SKODA</td>
<td>-4.9%</td>
<td>-5.6%</td>
</tr>
<tr>
<td>PORSCHE</td>
<td>-9.9%</td>
<td>-9.9%</td>
</tr>
<tr>
<td>AUDI</td>
<td>-22.3%</td>
<td>-22.3%</td>
</tr>
<tr>
<td>LEONARDO</td>
<td>-5.6%</td>
<td>-5.6%</td>
</tr>
<tr>
<td>BENTLEY</td>
<td>-5.6%</td>
<td>-5.6%</td>
</tr>
<tr>
<td>Commercial</td>
<td>+22.3%</td>
<td>+51.9%</td>
</tr>
<tr>
<td>Vehicles</td>
<td>-22.3%</td>
<td>-22.3%</td>
</tr>
<tr>
<td>Volkswagen</td>
<td>-4.9%</td>
<td>-5.6%</td>
</tr>
<tr>
<td>SKODA</td>
<td>-4.9%</td>
<td>-5.6%</td>
</tr>
<tr>
<td>PORSCHE</td>
<td>-9.9%</td>
<td>-9.9%</td>
</tr>
<tr>
<td>AUDI</td>
<td>-22.3%</td>
<td>-22.3%</td>
</tr>
<tr>
<td>LEONARDO</td>
<td>-5.6%</td>
<td>-5.6%</td>
</tr>
<tr>
<td>BENTLEY</td>
<td>-5.6%</td>
<td>-5.6%</td>
</tr>
<tr>
<td>Commercial</td>
<td>+22.3%</td>
<td>+51.9%</td>
</tr>
<tr>
<td>Vehicles</td>
<td>-22.3%</td>
<td>-22.3%</td>
</tr>
<tr>
<td>Volkswagen</td>
<td>-4.9%</td>
<td>-5.6%</td>
</tr>
<tr>
<td>SKODA</td>
<td>-4.9%</td>
<td>-5.6%</td>
</tr>
<tr>
<td>PORSCHE</td>
<td>-9.9%</td>
<td>-9.9%</td>
</tr>
<tr>
<td>AUDI</td>
<td>-22.3%</td>
<td>-22.3%</td>
</tr>
<tr>
<td>LEONARDO</td>
<td>-5.6%</td>
<td>-5.6%</td>
</tr>
<tr>
<td>BENTLEY</td>
<td>-5.6%</td>
<td>-5.6%</td>
</tr>
<tr>
<td>Commercial</td>
<td>+22.3%</td>
<td>+51.9%</td>
</tr>
<tr>
<td>Vehicles</td>
<td>-22.3%</td>
<td>-22.3%</td>
</tr>
<tr>
<td>Volkswagen</td>
<td>-4.9%</td>
<td>-5.6%</td>
</tr>
<tr>
<td>SKODA</td>
<td>-4.9%</td>
<td>-5.6%</td>
</tr>
<tr>
<td>PORSCHE</td>
<td>-9.9%</td>
<td>-9.9%</td>
</tr>
<tr>
<td>AUDI</td>
<td>-22.3%</td>
<td>-22.3%</td>
</tr>
<tr>
<td>LEONARDO</td>
<td>-5.6%</td>
<td>-5.6%</td>
</tr>
<tr>
<td>BENTLEY</td>
<td>-5.6%</td>
<td>-5.6%</td>
</tr>
<tr>
<td>Commercial</td>
<td>+22.3%</td>
<td>+51.9%</td>
</tr>
<tr>
<td>Vehicles</td>
<td>-22.3%</td>
<td>-22.3%</td>
</tr>
</tbody>
</table>
Regulatory environment for NEV and Fuel Consumption Credits in China

**CAFC and NEV Credit System**

- Independent management of CAFC\(^1\) and NEV credits
- Companies need to fulfill **both requirements**

**CAFC\(^1\) Credits:**

- Transfer between affiliated companies
- Credit carry-over to next 3 years with depreciation
- Option to use positive NEV credits

**NEV Credits:**

- No transfer from CAFC credits to NEV credits
- Carry-over of positive and negative NEV credits from 2019 to 2020
- Trading of NEV credits allowed

The rules will be further supplemented.

**MIIT\(^2\) draft for NEV Credit Calculation**

\[
\text{min. NEV credit points} = \text{ICE}^3 \times \text{Volume} \times \text{NEV credit point ratio}
\]

<table>
<thead>
<tr>
<th>Year</th>
<th>CAFC</th>
<th>NEV Credit</th>
<th>ICE Volume</th>
<th>NEV Credit Point Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>None</td>
<td>None</td>
<td>100%</td>
<td>10%</td>
</tr>
<tr>
<td>2019</td>
<td>None</td>
<td>None</td>
<td>10%</td>
<td>12%</td>
</tr>
<tr>
<td>2020</td>
<td>None</td>
<td>None</td>
<td>12%</td>
<td></td>
</tr>
</tbody>
</table>

Example 2019:
1 million ICEs need 100,000 NEV credit points

**NEV Credit Point Attribution per NEV Type**

**BEV\(^4\):**  
Basic credit = 0.012 x Range + 0.8  
(max. 5 basic credits)  
BEV additional factor for low electric consumption up to 1.2

**PHEV\(^5\):**  
Basic credit = 2  
(min. e-Range 50km)  
PHEV credit = 1 if e-range 50-80km and consumption ≥ 70% ICE

---

\(^1\) CAFC – Corporate Average Fuel Consumption  
\(^2\) MIIT – Ministry of Industry and Information Technology  
\(^3\) ICE – Internal Combustion Engine  
\(^4\) BEV – Battery Electric Vehicle  
\(^5\) PHEV – Plug-in Hybrid Electric Vehicle
We will be prepared to deliver around 400,000 NEVs by 2020 and 1,500,000 by 2025.

**Introduction of locally produced NEV**

- **Phase 1**
  - Plug-in hybrids based on current toolkits
  - 

- **Phase 2**
  - Pure electric vehicles based on current toolkits
  - 

- **Phase 3**
  - Pure electric vehicles based on scalable electric toolkit
  - 

**Mass market BEV cooperation**
New product offering with an expanded SUV line-up  \(^1\)

### Body style trends until 2020\(^1\)

- **Rest**
  - 2016: 40%
  - 2020e: 46%
- **SUV**
  - 2016: 53%
  - 2020e: 47%
- **MPV**
- **Notchback & Hatchback**

### New vehicle launches 2017 and to follow\(^2\)

#### SUV
- Teramont
- Q5
- KODIAQ
- Tiguan LWB
- KAROQ
- ...  

#### Others

#### imported
- Panamera Turbo
- A5 Coupé
- TT
- Q7 e-tron
- R8 Spyder
- Panamera LWB
- Variant GTE

#### locally produced
- Phideon PHEV
- Lavida
- Bora

---

\(^1\) Source: IHS  \(^2\) Schematic overview – does not show all models
Volkswagen Financial Services\(^1\): global, well diversified and successful

### Strong global presence

![World map showing global presence](image)

### Rising penetration rates

<table>
<thead>
<tr>
<th>Year</th>
<th>w/o China (%)</th>
<th>with China (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>26.4%</td>
<td>33.1%</td>
</tr>
<tr>
<td>2009</td>
<td>25.0%</td>
<td>33.5%</td>
</tr>
<tr>
<td>2010</td>
<td>24.7%</td>
<td>33.1%</td>
</tr>
<tr>
<td>2011</td>
<td>25.4%</td>
<td>33.1%</td>
</tr>
<tr>
<td>2012</td>
<td>27.5%</td>
<td>33.1%</td>
</tr>
<tr>
<td>2013</td>
<td>28.9%</td>
<td>33.1%</td>
</tr>
<tr>
<td>2014</td>
<td>30.6%</td>
<td>33.1%</td>
</tr>
<tr>
<td>2015</td>
<td>31.3%</td>
<td>33.1%</td>
</tr>
<tr>
<td>2016</td>
<td>33.1%</td>
<td>33.5%</td>
</tr>
<tr>
<td>Ytd 2017</td>
<td>33.5%</td>
<td>33.5%</td>
</tr>
</tbody>
</table>

\(^1\) Excluding activities of Scania and Porsche Holding Salzburg; including Financial Services of Porsche AG and MAN Financial Services.

### Continuous portfolio expansion

<table>
<thead>
<tr>
<th>Year</th>
<th>Total portfolio</th>
<th>Financing</th>
<th>Leasing</th>
<th>Insurance / Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>16,940</td>
<td>1.964</td>
<td>2.148</td>
<td>2.246</td>
</tr>
<tr>
<td>2009</td>
<td>21,019</td>
<td>2.105</td>
<td>2.152</td>
<td>2.186</td>
</tr>
<tr>
<td>2010</td>
<td>24,096</td>
<td>2.691</td>
<td>1.623</td>
<td>3.281</td>
</tr>
<tr>
<td>2011</td>
<td>26,274</td>
<td>3.796</td>
<td>1.983</td>
<td>4.549</td>
</tr>
<tr>
<td>2012</td>
<td>27,967</td>
<td>4.322</td>
<td>2.741</td>
<td>5.319</td>
</tr>
<tr>
<td>2013</td>
<td>29,508</td>
<td>4.946</td>
<td>2.518</td>
<td>5.833</td>
</tr>
<tr>
<td>2014</td>
<td>30,963</td>
<td>5.560</td>
<td>2.518</td>
<td>6.588</td>
</tr>
<tr>
<td>2015</td>
<td>31,566</td>
<td>6.322</td>
<td>2.760</td>
<td>7.218</td>
</tr>
<tr>
<td>2016</td>
<td>32,405</td>
<td>7.151</td>
<td>3.016</td>
<td>7.568</td>
</tr>
<tr>
<td>Jan-Sep 2017</td>
<td>7.356</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Diversified funding structure

- **31%** Customer deposits
- **32%** Bond, Commercial Paper, liabilities to financial institutions
- **19%** Asset backed securitization
- **18%** Equity, liabilities to affiliated companies, other

30.09.2017: €181.1 bn
### Optimized structure for Volkswagen Financial Services AG
(Effective from 1. September 2017)

**Organisational set-up of Volkswagen Financial Services**

- **VOLKSWAGEN Aktiengesellschaft**
  - Volkswagen Bank GmbH
    - European VW Bank GmbH branches
    - European credit business affiliates
  - Volkswagen Financial Services AG
    - European non-bank-related affiliates
    - Affiliates in: Asia-Pacific, Latin America

**New Corporate Structure**

- All the credit and deposit business within the European Economic Area (EEA) is bundled in Volkswagen Bank GmbH
- Volkswagen Bank GmbH is a wholly owned subsidiary of Volkswagen AG
- The credit business outside Europe - excluding NAR, Scania FS and PHS - as well as all other activities, such as the leasing, insurance, service and mobility business, remain with Volkswagen Financial Services AG

**Advantages:**

- Optimized capital requirements
- Reduced complexity & improved transparency
- Supports future growth path
## Special Items: Diesel related and other

<table>
<thead>
<tr>
<th>Year</th>
<th>Diesel</th>
<th>Other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Legal</td>
<td>Other items</td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Legal</td>
<td>7.0</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Other items</td>
<td>9.2</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td><strong>16.2</strong></td>
</tr>
<tr>
<td>2016</td>
<td></td>
<td>Mainly legal risks</td>
<td>6.4</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2017-Jan-Sept</td>
<td>Buyback/retrofit program</td>
<td></td>
<td>2.1</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Legal</td>
<td>0.5</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td><strong>2.6</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Scania Anti-Trust Proceedings</td>
<td>0.4</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Others</td>
<td>0.7</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td><strong>7.5</strong></td>
</tr>
<tr>
<td>Total to date</td>
<td></td>
<td></td>
<td><strong>1.8</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td><strong>27.0</strong></td>
</tr>
</tbody>
</table>

*Note: A significant amount of the Diesel Dollar-related provisions are hedged and a further substantial amount of the provisions have been utilized as we had cash outflows of around €3bn in Q4 2016, around €5bn in Q1 2017, around €7bn in Q2 and around €2.5bn in Q3.*
Technical solution in Europe/RoW simple and relatively easy to implement

Predominantly software-only solution

Update status

- Technical solution already generally confirmed for all concepts by KBA\(^1\)
- Gradual approval of clusters after cluster-specific KBA inspection\(^1\)
- Software update in < 30 min. for 2.0L and 1.2L TDI; also simple, very cost-effective hardware solution “flow rectifier” for 1.6L TDI in < 60 min.

\(^1\) KBA approval relevant for EU28 and ECE user states (e.g., Turkey)

Almost 6.2m units have been updated (status 19 October 2017)
Integrity, Compliance & Culture: a selection of three current activity areas

1. Implementation of Holistic Integrity Programme:

Six action fields form the basis for a holistic integrity programme:

- Dialogue and Communications
- Sounding Board Programm
- Leadership Programme
- Processes and Instruments
- Internationalization
- Reporting and Confirmation of Effectiveness

2. Evolution of Group Compliance:

Three areas were defined:

1. Development of Group Compliance Values
2. Clear definition of Group Compliance Objectives
3. Adjustment of Group Compliance structure

Compliance scope:

- Anti-corruption
- Fraud Prevention
- Embezzlement Prevention
- Investigation of Compliance violations
- Human Rights
- Money laundering Prevention

3. Development of Code of Cooperation:

Mutual rules and guidelines of working together were developed:

- Cross functional
- Aims at corporate culture
- Includes all brands
In Summary:

We know we have to earn your trust!

We are only promising what we have commitments for!

We will improve our targets once we make visible progress!

We have a plan and strongly believe in it!
Investor Relations Team

Oliver Larkin (Wolfsburg / London office)
Group Head of Investor Relations
E-Mail: Oliver.Larkin1@volkswagen.de
Telephone: +49 5361 9 49840

Helen Beckermann (Wolfsburg office)
Senior Investor Relations Manager
E-Mail: Helen.Beckermann@volkswagen.de
Telephone: +49 5361 9 49015

Alexander Hunger (Wolfsburg office)
Senior Investor Relations Officer
E-Mail: Alexander.Hunger@volkswagen.de
Telephone: +49 5361 9 47420

Andreas Kowalczyk (Wolfsburg office)
Investor Relations Officer
E-Mail: Andreas.Kowalczyk@volkswagen.de
Telephone: +49 5361 9 23183

Andreas Buchta (Wolfsburg office)
Investor Relations Manager
E-Mail: Andreas.Buchta@volkswagen.de
Telephone: + 49 5361 9 40765

Ulrich Hauswaldt (Wolfsburg office)
Investor Relations Officer
E-Mail: Ulrich.Hauswaldt@volkswagen.de
Telephone: +49 5361 9 42224

Lennart Schmidt (China office)
Investor Relations Manager
E-Mail: Lennart.Schmidt@volkswagen.com.cn
Telephone: + 86 10 6531 4732
The new remuneration system is designed to be completely forward-looking

Current system: backward-looking

- LTI (4 years retrospectively)
- Special remuneration (2 years retrospectively)
- PLB
- Fixed remuneration

Payout after FY_n

Future: forward-looking

- Performance Share Plan (3 years forward-looking)
- Annual Bonus
- Fixed remuneration

Payout after FY_{n+2}

Adjusted recommendation of no. 4.2.3 sec. 2 German Corporate Governance Code

“Variable remuneration components shall generally be based on a multi-year assessment, which shall be materially related to the future.”
The new remuneration system harmonizes the interests of different stakeholder groups

- ... is based on clear remuneration policy guidelines
- ... constitutes a core element of the realignment of the Group
- ... integrates strategic objectives of the TOGETHER strategy 2025
- ... is capital market-oriented and reflects human resource-related transformation objectives
- ... sets ambitious objectives for sustainable corporate development
- ... incorporates a higher long-term orientation
- ... reflects no past events and is therefore completely forward-looking
- ... is based on a transparent target remuneration approach
- ... incorporates a total cap noticeably lower than the individual caps
- ... is transparent and is easy to comprehend
- ... is common market practice and conforms to regulatory requirements
Volkswagen T-Roc
Volkswagen I.D.BUZZ
AUDI Q5
Porsche Cayenne
ŠKODA Karoq
SEAT Arona
Bentley Bentayga
Lamborghini Centenario
Bugatti Chiron
Volkswagen Crafter
Volkswagen Group
Frank Witter
Chief Financial Officer
US Roadshow with Goldman Sachs, New York & Boston, 30-31 October 2017