Shaping the transformation together.

Investor Roadshow, Frankfurt, 27th April 2018
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, 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. These assumptions relate in particular to the development of the economies of individual countries and markets, the regulatory framework and the development of the automotive industry. Therefore 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 in particular 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 Such statements are valid on the date of publication and can be superseded.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\(^1\)
(Growth y-o-y in deliveries to customers, January to March 2018 vs. 2017)

1\(^{\text{st}}\) Figures excl. Volkswagen Commercial Vehicles, Scania and MAN.
### Volkswagen Group – Deliveries to Customers by Brands
(January to March 2018 vs. 2017)

<table>
<thead>
<tr>
<th>Brand</th>
<th>January – March 2017</th>
<th>January – March 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Passenger Cars</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Volkswagen Group</td>
<td>2,495</td>
<td>2,680</td>
</tr>
<tr>
<td>+7.4%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Audi</td>
<td>1,441</td>
<td>1,525</td>
</tr>
<tr>
<td>+5.9%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SKODA</td>
<td>422</td>
<td>464</td>
</tr>
<tr>
<td>+9.8%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SEAT</td>
<td>283</td>
<td>317</td>
</tr>
<tr>
<td>+11.7%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PORSCHE</td>
<td>117</td>
<td>139</td>
</tr>
<tr>
<td>+18.7%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commercial Vehicles</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Volkswagen Group</td>
<td>122</td>
<td>115</td>
</tr>
<tr>
<td>+6.3%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>MAN incl. MAN Latin America Trucks and Busses GVW &gt; 5t.</td>
<td>25 31</td>
<td>21 23</td>
</tr>
</tbody>
</table>

1) Incl. all brands of Volkswagen Group (Passenger Cars and Commercial Vehicles); +7.9% 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 March 2018 vs. 2017)

\(^1\)Incl. all brands of Volkswagen Group (Passenger Cars and Commercial Vehicles); +7.9% excl. Volkswagen Commercial Vehicles, Scania and MAN.
### Volkswagen Group – Key Financial Figures\(^1\)
(January to March 2018 vs. 2017)

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017 (^2)</th>
<th>+/- (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Vehicle Sales</strong> (^3)</td>
<td>2,769</td>
<td>2,610</td>
<td>+6.1</td>
</tr>
<tr>
<td><strong>Sales revenue</strong></td>
<td>58,228</td>
<td>56,197</td>
<td>+3.6</td>
</tr>
<tr>
<td><strong>Operating profit</strong></td>
<td>4,211</td>
<td>4,367</td>
<td>-3.6</td>
</tr>
<tr>
<td><strong>% of sales revenue</strong></td>
<td>7.2</td>
<td>7.8</td>
<td></td>
</tr>
<tr>
<td><strong>Financial result</strong></td>
<td>266</td>
<td>224</td>
<td>+18.8</td>
</tr>
<tr>
<td>of which: At-equity result (^3)</td>
<td>829</td>
<td>936</td>
<td>-11.5</td>
</tr>
<tr>
<td>of which: Other financial result</td>
<td>-562</td>
<td>-712</td>
<td>+21.1</td>
</tr>
<tr>
<td><strong>Profit before tax</strong></td>
<td>4,477</td>
<td>4,592</td>
<td>-2.5</td>
</tr>
<tr>
<td><strong>% Return on sales before tax</strong></td>
<td>7.7</td>
<td>8.2</td>
<td></td>
</tr>
<tr>
<td><strong>Profit after tax</strong></td>
<td>3,300</td>
<td>3,373</td>
<td></td>
</tr>
</tbody>
</table>

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\(^1\) 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.

\(^2\) Prior-year figures were adjusted due to IFRS.

\(^3\) 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 €1,163 million (€1,112 million).
Volkswagen Group – Analysis of Operating Profit\(^1\)
(January to March 2018 vs. 2017)

\[^1\) All figures shown are rounded, minor discrepancies may arise from addition of these amounts. \(^{*)\) without FS \^{**)\) including PPA\]
‘Best ever’ Automotive Division Net Cash Flow (ex Diesel payments)\(^1\)
(January to March 2017)

\[\begin{align*}
\text{Net Cash flow incl Diesel payments} & \quad 2.4 \\
\text{Diesel outflow} & \quad 0.8 \\
\text{Net Cash flow underlying business} & \quad 3.2
\end{align*}\]

\(^1\) Including allocation of consolidation adjustments between Automotive and Financial Services divisions.
Automotive Division Net Cash Flow Development\(^1\)\(^2\)

(January to March 2018)

\(\begin{array}{cccccccc}
\text{2017} & 0.8 & -1.8 & -1.4 & 0.1 & -2.3 & -0.3 & -2.6 \\
\text{Cash flow from operating activities} & 5.5 & -1.9 & -1.2 & 0.0 & 2.4 & 0.1 & 2.4 \\
\text{Capex} & 3) & \text{Capitalized development costs} & \text{Other} & \text{Net cash flow before equity investments} & \text{Acquisition and disposal of equity investments} & \text{Net cash flow} \\
\end{array}\)

\(^1\) 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 solid level\(^1\)
(January to March 2018)

\[\text{€ billion} \]

\[\begin{array}{cccccc}
31.12.2017 & 22.4 \\
Operating Business & 3.2 & -0.8 & -0.5 \\
31.03.2018 & 24.3 \\
\end{array}\]

\(^1\) All figures shown are rounded, minor discrepancies may arise from addition of these amounts.
## Volkswagen Group – Analysis by Business Line 1)

(January to March 2018 vs. 2017)

<table>
<thead>
<tr>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Volkswagen Passenger Cars</strong></td>
<td>912</td>
<td>862</td>
<td>20,115</td>
<td>19,040</td>
<td>879</td>
<td>869</td>
<td>4.4%</td>
<td>4.6%</td>
</tr>
<tr>
<td>Audi</td>
<td>394</td>
<td>375</td>
<td>15,320</td>
<td>14,378</td>
<td>1,300</td>
<td>1,244</td>
<td>8.5%</td>
<td>8.7%</td>
</tr>
<tr>
<td>ŠKODA</td>
<td>256</td>
<td>252</td>
<td>4,547</td>
<td>4,334</td>
<td>437</td>
<td>415</td>
<td>9.6%</td>
<td>9.6%</td>
</tr>
<tr>
<td>SEAT</td>
<td>167</td>
<td>148</td>
<td>2,782</td>
<td>2,487</td>
<td>85</td>
<td>56</td>
<td>3.0%</td>
<td>2.3%</td>
</tr>
<tr>
<td>Bentley</td>
<td>2</td>
<td>2</td>
<td>351</td>
<td>361</td>
<td>-44</td>
<td>-30</td>
<td>-12.5%</td>
<td>-8.3%</td>
</tr>
<tr>
<td>Porsche Automotive 2)</td>
<td>61</td>
<td>57</td>
<td>5,438</td>
<td>5,035</td>
<td>939</td>
<td>932</td>
<td>17.3%</td>
<td>18.5%</td>
</tr>
<tr>
<td><strong>Volkswagen Commercial Vehicles</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Volkswagen Commercial Vehicles</td>
<td>117</td>
<td>119</td>
<td>2,945</td>
<td>2,875</td>
<td>224</td>
<td>205</td>
<td>7.6%</td>
<td>7.1%</td>
</tr>
<tr>
<td>Scania 3)</td>
<td>23</td>
<td>21</td>
<td>3,118</td>
<td>3,084</td>
<td>331</td>
<td>324</td>
<td>10.4%</td>
<td>10.4%</td>
</tr>
<tr>
<td>MAN Commercial Vehicles</td>
<td>31</td>
<td>25</td>
<td>2,771</td>
<td>2,572</td>
<td>83</td>
<td>93</td>
<td>3.0%</td>
<td>2.3%</td>
</tr>
<tr>
<td>MAN Power Engineering</td>
<td></td>
<td></td>
<td>766</td>
<td>783</td>
<td>21</td>
<td>26</td>
<td>2.7%</td>
<td>3.3%</td>
</tr>
<tr>
<td>VW China 4)</td>
<td>1,040</td>
<td>971</td>
<td>-233</td>
<td>-223</td>
<td>-7,923</td>
<td>-6,628</td>
<td>-652</td>
<td>-319</td>
</tr>
<tr>
<td>Other 5)</td>
<td>-233</td>
<td>-223</td>
<td>7,999</td>
<td>7,876</td>
<td>608</td>
<td>551</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td><strong>Volkswagen Financial Services</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Volkswagen Group before Special Items</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Volkswagen Group</strong></td>
<td>2,769</td>
<td>2,610</td>
<td>58,228</td>
<td>56,197</td>
<td>4,211</td>
<td>4,367</td>
<td>7.2%</td>
<td>7.8%</td>
</tr>
<tr>
<td>Automotive Division 6)</td>
<td>2,769</td>
<td>2,610</td>
<td>49,743</td>
<td>47,825</td>
<td>3,572</td>
<td>3,768</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>of which: Passenger Cars</td>
<td>2,600</td>
<td>2,445</td>
<td>40,298</td>
<td>38,640</td>
<td>3,077</td>
<td>3,299</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>of which: Commercial Vehicles</td>
<td>169</td>
<td>165</td>
<td>8,679</td>
<td>8,402</td>
<td>536</td>
<td>499</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>of which: Power Engineering</td>
<td>-</td>
<td>-</td>
<td>766</td>
<td>783</td>
<td>-42</td>
<td>-30</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Financial Services Division</td>
<td>-</td>
<td>-</td>
<td>8,485</td>
<td>8,372</td>
<td>639</td>
<td>600</td>
<td>4.4%</td>
<td>4.6%</td>
</tr>
</tbody>
</table>

1) All figures shown are rounded, minor discrepancies may arise from addition of these amounts. 2) Porsche (Automotive and Financial Services): sales revenue €5,936 (5,489) million, operating profit €976 (967) million. 3) Including financial services. 4) Including allocation of consolidation adjustments between the Automotive and Financial Services divisions.
Volkswagen Group – Outlook for 2018

Deliveries to customers

- 2016: 10,297
- 2017: 10,741
- Increase: +4.3%

Sales revenue (€ billion)

- 2016: 217.3
- 2017: 230.7
- Increase: +6.2%

Operating return on sales (%)

- 2016: 6.7%
- 2017: 7.4%

Deliveries to customers

- Moderately above prior year

Sales revenue

- By as much as 5% year-on-year

Operating return on sales

- Between 6.5% to 7.5%

1) before Special Items.
Global Passenger Car Market 2017/2020

Slowdown in Western Europe due to falling demand in UK; Stagnation in USA at a high level; Recovery in Brazil and Russia from a low level; China remains largest driver of passenger car demand

million units

<table>
<thead>
<tr>
<th>Year</th>
<th>USA</th>
<th>Western Europe</th>
<th>Russia</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>17.3</td>
<td>14.3</td>
<td>1.5</td>
</tr>
<tr>
<td>2018</td>
<td>17.0</td>
<td>14.5</td>
<td>1.7</td>
</tr>
<tr>
<td>2020</td>
<td>16.8</td>
<td>14.2</td>
<td>2.1</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>Brazil</th>
<th>World</th>
<th>China</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>2.2</td>
<td>84.5</td>
<td>24.0</td>
</tr>
<tr>
<td>2018</td>
<td>2.5</td>
<td>86.2</td>
<td>24.3</td>
</tr>
<tr>
<td>2020</td>
<td>2.9</td>
<td>89.9</td>
<td>26.2</td>
</tr>
</tbody>
</table>

1) Volume for North & South America includes light commercial vehicles (definition 'Light Vehicles') growth 2018-2020 = Compound Annual Growth Rate / yearly average

Data source: IHS Automotive (04.2018)
Upcoming Premium and Luxury models enhancing our portfolio offer

Source: Internal planning.
Strong product momentum continues in Volume segments

Source: Internal planning.
Strong Increase in our SUV mix

SUV mix by region based on expected regional Group sales

Source: Internal planning.
WLTP – Worldwide Harmonized Light Vehicles Test Procedure

**SCOPE**
- In EU-28 States + 6 countries (Norway, Switzerland, Iceland, Turkey, Israel and Liechtenstein) ¹)
- EU Commission driven: Legally binding registration requirements for all OEMs
- Effects communication to customers
- Effects taxation:
  - EU recommendation crossover from Jan 1st 2019

**IMPACT**
- CO₂ exhaust emissions and fuel consumption figures are calculated under more realistic conditions
- CO₂-values vehicle-specific and therefore very precise
- Should close tolerances regarding different test conditions
- WLTP should provide additional transparency

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¹) Different implementation of timelines between countries
²) NEDC: New European Driving Cycle
## Clear Financial Targets and Milestones

### Key financial targets

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating return on sales</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Before Special Items</td>
<td>6.7%</td>
<td>7.4%</td>
<td>6.5-7.5%</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>
<td></td>
</tr>
<tr>
<td>Automotive Division before Special Items</td>
<td>13.9%</td>
<td>14.4%</td>
<td>12-14%</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>
<td></td>
</tr>
<tr>
<td>Automotive Division</td>
<td>6.9%</td>
<td>6.4%</td>
<td>6.5-7%</td>
<td>6%</td>
<td>6%</td>
</tr>
<tr>
<td><strong>R&amp;D cost ratio</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Automotive Division</td>
<td>7.3%</td>
<td>6.7%</td>
<td>6.5-7%</td>
<td>6%</td>
<td>6%</td>
</tr>
</tbody>
</table>

### Cash

<table>
<thead>
<tr>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>a) Net Cashflow</strong></td>
<td>€ 4.3 bn</td>
<td>€ -6.0 bn</td>
<td>≥ € 5 bn</td>
<td>≥ € 10 bn</td>
<td>&gt; € 10 bn</td>
</tr>
<tr>
<td>Automotive Division</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>b) Net Liquidity</strong></td>
<td>€ 27.2 bn</td>
<td>€ 22.4 bn</td>
<td>&gt; € 20 bn</td>
<td>&gt; € 20 bn</td>
<td>&gt; € 20 bn</td>
</tr>
</tbody>
</table>
Improving Group results despite significant challenges\(^1\)

- **Return on Sales**
  - 2016 Base: 6.7%
  - 2017: 7.4%
  - 2020 Target: 6.5 - 7.5%

**Industry transition**
- E-mobility
- Digitalization
- Autonomous Driving
- Mix Trend (+SUV's/-diesel)

**Emission costs\(^1\)**
- EU -27% CO\(_2\) emission
- US -35% CO\(_2\) emission
- CN -40% l/km consumption

\(^1\) Calculation based on 2016 figures.
CAPEX Automotive Division
(€ billion, as % of sales revenue)
R&D Costs Automotive Division
(€ billion, as % of sales revenue)
Automotive Division-Net Cash Flow (ex Diesel payments)\(^1\)
in € billion

\[\text{Automotive Division-Net Cash Flow} = \begin{cases} 
6.1 & 2014 \\
8.9 & 2015 \\
7.3 & 2016^{\text{2)}} \\
10.1 & 2017^{\text{2)}} \\
\geq 10 & 2020 \\
> 10 & 2025 
\end{cases}\]

\(^{1)}\) Incl. allocation of consolidation adjustments between Automotive and Financial Services divisions.

\(^{2)}\) Before around € 3 bn in 2016 and € 16.1 bn in 2017 Diesel related outflow.
Volkswagen AG – Attractive Dividend for Preferred Shares; almost doubled\(^1\)

- **Earnings per Share**
  - 2016: €10.30
  - 2017: €22.69

- **Dividend per Share**
  - 2016: €2.06
  - 2017: €3.96\(^2\)

- **Dividend pay-out ratio**
  - 2016: 19.70%
  - 2017: 19.00\(^2\)

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**Target EPS 2020**
- over €25

**Within current planning round / next 5 years**
- 30% Dividend pay-out ratio\(^1\)

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\(^1\) Total dividend in percent of net income attributable to shareholders of Volkswagen AG.

\(^2\) Proposal for the business year 2017 (adjusted for non-recurring effects related to the tax reform in the USA of €1 bn) to be approved at the Annual General Meeting on May 3rd.
## STRATEGY 2025 – Initiatives at a glance

<table>
<thead>
<tr>
<th>GROW PROFITABLY</th>
<th>DEVELOP STRATEGIC CAPABILITIES</th>
<th>ENHANCE ENTREPRENEURIAL SPIRIT</th>
</tr>
</thead>
<tbody>
<tr>
<td>2. Develop winning vehicle and drivetrain portfolio</td>
<td>11. Develop and expand attractive and profitable smart mobility offering</td>
<td>13. Optimize business portfolio</td>
</tr>
<tr>
<td>3. Streamline modular architectures</td>
<td></td>
<td>Secure funding</td>
</tr>
<tr>
<td>4. Partner with regional players to win in economy segment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Develop self-driving system for autonomous vehicles and artificial intelligence in-house</td>
<td></td>
<td></td>
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<tr>
<td>6. Develop battery technology as new core competency</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7. Develop best-in-class user experience across brands and customer touchpoints</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8. Implement model line organization</td>
<td></td>
<td></td>
</tr>
<tr>
<td>9. Realign “Components” business</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>15. Create organization 4.0</td>
<td></td>
</tr>
<tr>
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</tr>
</tbody>
</table>

**Outlook & Operative Excellence**

- Transform core business

**Key Financials & Cash Strategy**

- Our Brands
- Our Markets
- Diesel
- Integrity & Compliance
- Commitment
Goals of the Revised Management Structure – April 2018

With the realignment, Volkswagen Group presses its transformation ahead.

**Leadership**
Secure the Group’s leadership over the long-term in a phase of dynamic changes

**Group Management**
Create a simple, lean and effective Group management structure

**Responsibilities**
Maximize subsidiarity and establish clear-cut responsibilities

**Capabilities**
Make optimum use of the capabilities and economies of scale available in the Group

**Synergies**
Harness further synergies within the Group

**Profitability**
Further increase profitability and competitiveness of future investments
Creation of Brand Groups will reduce the complexity of the Group structure

<table>
<thead>
<tr>
<th>Volumen</th>
<th>Premium</th>
<th>Super Premium</th>
<th>Truck &amp; Bus</th>
<th>Procurement/Components</th>
<th>Financial Services</th>
<th>China</th>
</tr>
</thead>
<tbody>
<tr>
<td>VW PC</td>
<td>Audi</td>
<td>Porsche</td>
<td>MAN</td>
<td>Procurement</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Škoda</td>
<td>Lamborghini*</td>
<td>Bentley</td>
<td>Scania</td>
<td>Components**</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Seat</td>
<td>Ducati*</td>
<td>Bugatti</td>
<td>Power Engineering*</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>VW LCV</td>
<td></td>
<td></td>
<td>RIO</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MOIA</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

* Allocation will be verified
** Responsibility of Group CEO, will be a combined management function
Focus on strategy: Resolutely making progress toward sustainable mobility

Up to the end of 2022: We will be putting more than €34 billion into e-mobility, digitalization, autonomous driving and mobility services – thereof in 2018: €6.6 bn

Also putting more than €90 billion into the conventional vehicle and drive portfolio – thereof in 2018: €19.8 bn
Efficient combustion engines and alternative powertrains play a major role for the future of sustainable mobility

- Significant improvements in consumption and emissions of gasoline engines
- All new gasoline engines will be equipped with a particulate filter
- Working on synthetic fuels produced from renewable sources
- The latest Euro 6 diesel engines deliver above-average performance in the new WLTP\(^1\) cycle
- Significantly expanding the range of CNG\(^2\) vehicles

\(^{1}\)Worldwide Harmonized Light-Duty Vehicles Test Procedure \(^{2}\)Compressed Natural Gas
Responsibilities for Electric Toolkit Architecture

**MEB**
Modular Electrification Kit

- Economies of scale from use of MEB across entire Group
- Higher productivity and shorter manufacturing time
- Lower material and distribution costs
- Common modules and scale effects save up to 30% development costs (compared to brand excl. developments)
- Flexibility: Architecture open for other brands to be used in the future

**PPE**
Premium Platform Electric

Outlook & Operative Excellence
Strategy
The Volkswagen Brand‘s I.D. family sets the new BEV benchmark in volume segment
Audi e-tron will change the premium electric game

Market launch August 2018.
Advances in battery technology will improve range, weight and costs

* basis: eGolf with comparable battery volume

Energy density, or volumetric energy density, reflects volume in liters (Wh/l).

- **2014**: 190 km (230 Wh/l) - Lithium ion technology
- **2017**: 300 km (410 Wh/l)
- **2018**: 380 km (650 Wh/l)
- **2020**: 420 km (700 Wh/l)
- **2025**: 700 km (1000 Wh/l - all solid state) and 500 km (800 Wh/l - improved anode and cathode)

New battery technologies
Battery costs will decrease significantly by 2020

Target: < 100€ / kWh
Roadmap E - E-mobility model offensive of the Volkswagen Group

- At least one electrified version for each of the Group's 300 or so models
- 50 BEVs + 30 PHEVs
- 2-3m expected units or 20–25% Group sales intended to be purely battery-powered
- Own e-fleet requirements over 150 GWh of battery capacity
- € 50bn battery cell procurement volume up to 2025
Joint Venture of automotive manufacturers enables electric mobility on long-distance journeys

Building of a High-Power-Charging (HPC) Network for electric vehicles starts operation

20 stations in multiple European countries started in 2017

IONITY will implement and operate about 400 fast charging stations across European major thoroughfares until 2020

A charging capacity of up to 350 kW enables to reduce charging time significantly when compared to existing systems

Multi-brand compatibility with current and future generations of electric vehicles through Combined Charging System (CCS)

The founding partners, BMW Group, Daimler AG, Ford Motor Company and the Volkswagen Group, have equal shares in the joint venture, while other automotive manufacturers are invited to help expand the network.
**Investment of $2 billion over the next 10 years** in Zero Emission Vehicle (ZEV) infrastructure and education programs in the U.S.

**Open network** for all (even group external) OEMs and business partners

Highway sites every 70 miles on average, but no more than 120 miles apart, so shorter range ZEVs available today will be able to use this network

1st cycle:
We will establish a network of ~4,700 non-proprietary electric vehicle chargers in 17 metros and on highways in 39 states

Public access for all ZEV drivers will be ensured through multiple technologies (Level 2 and DC fast charging: CCS Combo and Chademo connectors)

Station chargers will be extremely powerful, capable of delivering 150 kW or 350 kW to vehicles

Source: Electrify America Website
Successful launch of MOIA Shuttle at the “TechCrunch” and customers show a high demand for a “Special Purpose Vehicle”

- Test phase in Hanover with 2,000 users under way
- Project start in Hamburg at end-2018: fleet will be expanded to 200 vehicles in the first phase
- Further cities planned
Intensified efforts to develop autonomous vehicles

- Autonomous Audi TTS “Shelley” climbs Pikes Peak
- SEDRIC is Volkswagen Group’s first Level 5 vehicle
- Strategic partnership with Aurora
- Urban Shuttle/Carrier/Pod
- “Stanley” Winner Darpa Grand Challenge
- Volkswagen Group >200 AV related patents
- MOIA Battery Electric Special Purpose Shuttle
- Personal Autonomous Vehicles
- Foundation AID GmbH
- 2005
- 2010
- 2017
- 2018
- 2021+
Driving forward Strategy 2025: Implementation is accelerating

ROADMAP E launched

Center of Excellence for battery technology established

Joint venture for rapid charging network in place

SEDRIC developed and presented

MOIA pilot started and shuttle presented

Joint venture with JAC created for e-mobility

New technology partnerships agreed

Realignment of Group Components approved

Positioning of Group brands sharpened

Board Digitalization Committee established
Why our Value Proposition is one of the best in the Industry?

1. Unique and Compelling Brands and Products and Scale Potential
2. Convincing holistic Strategy
3. Conclusive E-Strategy
4. Optimal Toolkit Infrastructure for conventional and alternative power trains
5. We intend to deliver Self-driving at the touch of a button and become Software leaders
6. Upside Potential in Core and Developing Markets
7. Lead Position in China
8. Truck & Bus Global Champion Potential
9. Culture of willingness to change: agile, innovative and integral backed by committed management and employees
10. Priority to work on protecting our Environment for future generations

Overarching vision is to become a World-leading Provider of Sustainable Mobility
Cascading Group Targets to Brands

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

Commitment

Brand KPIs
- Top-Down Targets
- Committed in Planning Rounds
Successful operating business: Strong contribution by all Group brands in 2017 – “We’re back on the offensive.”

- “TRANSFORM 2025+” strategy driven forward consistently
- Clear improvement in operating profit and margin, successful product initiatives
- Prior-year sales record again exceeded
- A8 as first series car in the world developed for conditional automated driving
- One millionth 911 rolls off production line, new Cayenne well received
- New records for unit sales, sales revenue and profit
- Success story continues with record unit sales, sales revenue and profit
- SUV initiative reinforced by the new Karoq
- Record sales revenue and significant increase in profit
- Powerful model initiative continues with the new Ibiza and Arona
- Further key steps on the way to becoming global champion
- Pioneering role in digitalization reinforced by launch of RIO platform
- Further record profit makes key contribution to Group’s success
- Successful return to the primary market for euro bonds
## Overview Brand Targets (RoS, RoE)

### Return on Sales in %

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>Target 2017</th>
<th>2017</th>
<th>Target 2018</th>
<th>2020</th>
<th>2025</th>
</tr>
</thead>
<tbody>
<tr>
<td>Volkswagen Group</td>
<td>6.7</td>
<td>6-7</td>
<td>7.4</td>
<td>6.5-7.5</td>
<td>6.5-7.5</td>
<td>7.0-8.0</td>
</tr>
<tr>
<td>Volkswagen Brand</td>
<td>1.8</td>
<td>3-5</td>
<td>4.1</td>
<td>4-5</td>
<td>4-5</td>
<td>≥6</td>
</tr>
<tr>
<td>Audi</td>
<td>8.2</td>
<td>8-10</td>
<td>8.4</td>
<td>8-10</td>
<td>8-10</td>
<td>8-10</td>
</tr>
<tr>
<td>Porsche Automotive</td>
<td>17.4</td>
<td>&gt;15</td>
<td>18.5</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>9.7</td>
<td>8-9</td>
<td>6-7</td>
<td>≥7</td>
</tr>
<tr>
<td>Volkswagen Commercial Vehicles</td>
<td>4.1</td>
<td>3-4</td>
<td>7.2</td>
<td>5-6</td>
<td>4-5</td>
<td>≥6</td>
</tr>
<tr>
<td>Truck &amp; Bus Business(^1)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Scania</td>
<td>9.5</td>
<td>6-7</td>
<td>6.9</td>
<td>6-7</td>
<td>9(^2)</td>
<td>9(^2)</td>
</tr>
<tr>
<td>• MAN Commercial Vehicles</td>
<td>2.3</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

\(^1\) For peer-group analysis: Truck & Bus Business RoS is calculated as the sum of Scania and MAN Commercial Vehicles. \(^2\) Through-cycle Target.

### Return on Equity (norm. 8%)

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>Target 2017</th>
<th>2017</th>
<th>Target 2018</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>15.8%</td>
<td>14-16%</td>
<td>14-16%</td>
<td>20%</td>
</tr>
</tbody>
</table>
Starting point „TRANSFORM 2025+“ STRATEGY will put the Volkswagen Brand to the top of the automotive industry

STRENGTHEN CORE BUSINESS
2% RoS\(^1\)

- SUV Offensive
- Turnaround in the Regions
- Brand Positioning
- Productivity / Costs
- New Skills

LEAP TO THE TOP OF ELECTRIC MOBILITY
≥ 4% RoS

- Electric Offensive
- Digital Ecosystem
- Operational Excellence

MAJOR TRANSFORMATION
≥ 6% RoS

- New Business Models
- New Mobility solutions
- Autonomous Driving

GLOBAL MARKET LEADER IN AUTOMOBILITY
> 6% RoS

\(^1\) Before special items.
<table>
<thead>
<tr>
<th></th>
<th>Forecast 2018</th>
<th>Target 2020</th>
<th>Target 2025</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales revenue</td>
<td>up to +10 %</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Operating return on sales</td>
<td>4–5 %</td>
<td>4–5 %</td>
<td>≥ 6 %</td>
</tr>
<tr>
<td>Capex ratio</td>
<td>4–5 %</td>
<td>4–5 %</td>
<td>4–5 %</td>
</tr>
<tr>
<td>R&amp;D ratio</td>
<td>~4 %</td>
<td>4 %</td>
<td>4 %</td>
</tr>
<tr>
<td>Free cash flow</td>
<td>Positive operating cash flow(^{1})</td>
<td>&gt; € 1 bn</td>
<td>&gt;&gt; € 1 bn</td>
</tr>
</tbody>
</table>

\(^{1}\) Before special items.
Further roll-out of MQB offers substantial benefits for Volkswagen Brand
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>
</tbody>
</table>

- Increase of productivity by 25%
- Reduction of plant costs
- Increase of productivity by 25%
- Discontinuation of unprofitable products
- Reduction of hardware-oriented development work
- Increased efficiency in development processes
- Reduction of bureaucracy

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 curve¹)

¹) ~ 9,350 early retirement contracts signed in 2017.
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**
- The megatrend of globalization has a direct influence on future developments in freight transportation and the commercial vehicle industry

**Emission regulations**
- Europe with aggressive regulations, focus shifting to e-mobility and alternative fuels
- Emerging Markets also have ambitious roadmap

**Connectivity & digitalization**
- Platooning and partly-autonomous driving as transition solutions
- Data management for customers and traffic of broad interest (e.g. RIO for digital solutions)

**After sales and future business models**
- After sales increasingly important as alternative source of revenues
- Future business models (e.g. connectivity, clean driving) to actively shape the future of transportation
Strengthening our position

**Become Global Champion**

- Navistar is the alliance partner of Volkswagen Truck & Bus. The strategic partnership includes a procurement joint venture and collaboration on various technical fields. Since March 1, 2017, Volkswagen Truck & Bus GmbH holds shares of Navistar International Corp. (16.9% as of December 31, 2017).\(^1\)
- Via a wholly-owned subsidiary of MAN SE, Volkswagen Truck & Bus GmbH holds 25% and one share of Sinotruk Limited. The cooperation between MAN and Sinotruk was formed in 2009.
- Hino Motors, Ltd. and Volkswagen Truck & Bus GmbH signed on April 12, 2018 an agreement aiming to build a mutually beneficial strategic long-term partnership.

**Project “Next Level”**

- Increase efficiency & innovation
- Achieve capital market readiness
  - Complex; striving to get there within next 12 months
  - Minority interests legal case outstanding, however not a significant hurdle
  - Focus on trucks & buses! Power engineering not part of project
- IPO is one of several options
  - Involves Supervisory Board decision
  - Dependent on capital market conditions & Volkswagen Group strategy

---

\(^1\) An increase in our ownership in Navistar’s stock beyond 20% is not possible without Navistar’s consent.
Volkswagen Financial Services\(^1\): global, well diversified and successful

### Strong global presence

![World Map]

### Rising penetration rates

\[\text{w/o China} \quad 32.5\% \ 32.9\% \ 34.9\% \ 36.3\% \ 40.7\% \ 44.3\% \ 44.5\% \ 46.9\% \ 47.8\% \ 46.7\% \]

\[\text{with China} \quad 26.4\% \ 25.0\% \ 24.7\% \ 25.4\% \ 27.5\% \ 28.9\% \ 30.6\% \ 31.3\% \ 33.1\% \ 33.1\% \ 32.3\% \]

### Continuous portfolio expansion

<table>
<thead>
<tr>
<th>Year</th>
<th>Total portfolio ('000 contracts)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>1,964</td>
</tr>
<tr>
<td>2009</td>
<td>2,148</td>
</tr>
<tr>
<td>2010</td>
<td>2,246</td>
</tr>
<tr>
<td>2011</td>
<td>2,691</td>
</tr>
<tr>
<td>2012</td>
<td>3,281</td>
</tr>
<tr>
<td>2013</td>
<td>3,796</td>
</tr>
<tr>
<td>2014</td>
<td>4,549</td>
</tr>
<tr>
<td>2015</td>
<td>6,322</td>
</tr>
<tr>
<td>2016</td>
<td>7,218</td>
</tr>
<tr>
<td>2017*</td>
<td>7,641</td>
</tr>
<tr>
<td>Q1</td>
<td>7,676</td>
</tr>
</tbody>
</table>

### Diversified funding structure

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

---

\(^1\) Excl. activities of Scania and Porsche Holding Salzburg; incl. Financial Services of Porsche AG and MAN Financial Services.
Volkswagen Brand – Turnaround in the US with new products from 2017 onwards

Deliveries to US customers, ‘000’ units

<table>
<thead>
<tr>
<th>Year</th>
<th>Deliveries</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>500</td>
</tr>
<tr>
<td>2013</td>
<td>250</td>
</tr>
<tr>
<td>2014</td>
<td>250</td>
</tr>
<tr>
<td>2015</td>
<td>250</td>
</tr>
<tr>
<td>2016</td>
<td>250</td>
</tr>
<tr>
<td>2017</td>
<td>500</td>
</tr>
</tbody>
</table>

Market Share %

<table>
<thead>
<tr>
<th>Year</th>
<th>Market Share %</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>3.0</td>
</tr>
<tr>
<td>2013</td>
<td>2.6</td>
</tr>
<tr>
<td>2014</td>
<td>2.2</td>
</tr>
<tr>
<td>2015</td>
<td>2.0</td>
</tr>
<tr>
<td>2016</td>
<td>1.8</td>
</tr>
<tr>
<td>2017</td>
<td>2.0</td>
</tr>
</tbody>
</table>

SUV offensive #1
- 2017: Atlas, Tiguan, Refreshed Golf

New Sedans
- 2018-19: Jetta, Passat, Arteon

SUV offensive #2
- 2019-21: Midsize SUV 5s, Compact SUV, ID Crozz
A product offensive is initiating a new growth phase in South America

**Product offensive in South America**

- Polo G
- Virtus
- Small SUV Global

**Key measures**

- Restructuring: reduce capacities and fixed costs
- Increase productivity, align products to local requirements
- Product offensive, €2.5bn investment
- New brand positioning
- New growth strategy for Latin America
Volkswagen Group China performance
(January to March 2018 vs. 2017)

1) Incl. Hong Kong, excl. Ducati. Group numbers incl. Volkswagen Commercial Vehicles, Scania and MAN.
Regulatory environment for NEV and Fuel Consumption Credits in China

### CAFC\(^1\) and NEV Credit System

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

#### CAFC\(^1\) Credits:
- Transfer between affiliated companies only
- Credit carry-over to next 3 years with depreciation
- Negative results can be offset by NEV credits (own or free trading in market)

#### NEV Credits:
- No transfer from CAFC\(^1\) credits to NEV credits
- No Carry-over except for year 2016 and 2019
- Free Trading of NEV credits allowed

### MIIT\(^2\) for NEV Credit Calculation

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

<table>
<thead>
<tr>
<th>Year</th>
<th>ICE(^3) Volume</th>
<th>NEV credit point ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>None</td>
<td>20%</td>
</tr>
<tr>
<td>2019</td>
<td>10%</td>
<td>20%</td>
</tr>
<tr>
<td>2020</td>
<td>12%</td>
<td>20%</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 under B-Test ≥70% ICE; or e-range ≥ 80km but high electric consumption

---

\(^1\) 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
Volkswagen Group China will be prepared to deliver around 1.5 million zero emission cars to Chinese customers 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 (start 2020/21)**
- Pure electric vehicles based on scalable electric toolkit

### Mass market BEV cooperation
New product offering with an expanded SUV line-up

China deliveries by bodystyle (in ‘000 units)

- **2016**
  - Others: 3,982 (14%)
  - SUV: 4,184 (18%) (Increase of 32%)
  - MPV: ≥40%
- **2017**
  - Others: 3,982 (14%)
  - SUV: 4,184 (18%)
  - MPV: ≥40%

**Target 2020**

SUV offensive of Volkswagen Group China

- **4 Volkswagen brand SUVs in 2018**
  - 3 of which are new models
  - T-Roc LWB
  - Touareg
- **6 additional Audi SUVs in the next 2-3 years**
  - Q2L
- **3 new ŠKODA SUVs in 2018**
  - Kamiq
  - Karoq

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1) Source: IHS. 2) Schematic overview – does not show all models.
A significant amount of the Diesel Dollar-related provisions are hedged and a further substantial amount of the provisions have been utilized. Cash outflows of around € 3 bn in 2016 and € 16.1 bn in 2017.

### 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>Restructuring:</td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td>7.0</td>
<td>Truck Business</td>
<td>0.2</td>
</tr>
<tr>
<td></td>
<td>Other items</td>
<td>Passenger Cars South America</td>
<td>0.2</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Airbags Takata</td>
<td>0.3</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>0.7</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td><strong>16.2</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Total</strong></td>
<td><strong>16.9</strong></td>
</tr>
<tr>
<td>2016</td>
<td>Mainly legal risks</td>
<td>Scania Anti-Trust Proceedings</td>
<td>0.4</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Others</td>
<td>0.7</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td><strong>1.1</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Total</strong></td>
<td><strong>7.5</strong></td>
</tr>
<tr>
<td>2017</td>
<td>Buyback/retrofit program</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Legal</td>
<td>Scania Anti-Trust Proceedings</td>
<td></td>
</tr>
<tr>
<td></td>
<td>2.2</td>
<td>Others</td>
<td></td>
</tr>
<tr>
<td></td>
<td>1.0</td>
<td></td>
<td><strong>3.2</strong></td>
</tr>
<tr>
<td></td>
<td>3.2</td>
<td><strong>Total</strong></td>
<td></td>
</tr>
<tr>
<td>Total to date</td>
<td>25.8</td>
<td>1.8</td>
<td><strong>27.6</strong></td>
</tr>
</tbody>
</table>
Resolving the diesel crisis: Substantial progress in all markets

Worldwide recall/service campaigns driven forward:
Software Flashes in Germany currently 93% complete; Substantial progress also in Europe (74%) and worldwide (68%)

Group environmental incentive makes significant contribution to improving air quality in German cities:
170,000 customers already decided to switch to environmentally friendly vehicles

Major progress in modifications in North America:
On target for modifications/buybacks for 2.0 liter TDI engines; field fix started for 3.0 liter TDI engines

Electrify America underway:
Investment plan for zero emissions vehicles (ZEV) approved by authorities

Timeframe of legal proceedings expected to be long!
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:

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
- Embezzlement 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
New corporate culture: Change is happening

Sustainable strengthening of compliance systems taking effect
- Substantial progress in improving processes, structures and policies
- Zero tolerance of violations of values

Focus on values, integrity and Code of Collaboration becoming firmly rooted in corporate culture
- Volkswagen Convention: Training for 7,600 managers and works council members on integrity, culture and compliance
- Group-wide management development with new requirement profiles launched
- Role model program helps to implement change by example
Upcoming tasks to master challenges and make use of opportunities

**Continue to resolve the diesel crisis**
- Conclude worldwide recall campaigns and service actions
- Manage legal proceedings worldwide

**Improving the Core Business**
- Profitability in NAR / SAM / Russia
- Implementation Future Pact Brand Volkswagen
- Cash Generation and Capex/R&D discipline

**Transformation towards more E-Mobility**
- CO₂ Compliance / WLTP implementation
- Profitability of Electric Vehicles
- Governance / Compliance / Culture

**Strengthen Innovation Power**
- Digitalization & Connectivity
- Profitable Mobility Services
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
### Volkswagen Group – Key Financial Figures

(January to December 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</td>
<td>10,777</td>
<td>10,391</td>
<td>+3.7</td>
</tr>
<tr>
<td>Sales revenue</td>
<td>230,682</td>
<td>217,267</td>
<td>+6.2</td>
</tr>
<tr>
<td>Operating profit before Special Items</td>
<td>17,041</td>
<td>14,623</td>
<td>+16.5</td>
</tr>
<tr>
<td>% of sales revenue</td>
<td>7.4</td>
<td>6.7</td>
<td></td>
</tr>
<tr>
<td>Operating profit</td>
<td>13,818</td>
<td>7,103</td>
<td>+94.5</td>
</tr>
<tr>
<td>% of sales revenue</td>
<td>6.0</td>
<td>3.3</td>
<td></td>
</tr>
<tr>
<td>Financial result</td>
<td>94</td>
<td>189</td>
<td>X</td>
</tr>
<tr>
<td>Profit before tax</td>
<td>13,913</td>
<td>7,292</td>
<td>+90.8</td>
</tr>
<tr>
<td>% Return on sales before tax</td>
<td>6.0</td>
<td>3.4</td>
<td></td>
</tr>
<tr>
<td>Profit after tax</td>
<td>11,638</td>
<td>5,379</td>
<td>X</td>
</tr>
</tbody>
</table>

1) All figures shown are rounded, so minor discrepancies may arise from addition of these amounts. Incl. allocation of consolidation adjustments between the Automotive and Financial Services divisions.

2) Volume data incl. 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 €4.7 billion (€5.0 billion).
Volkswagen Group – Analysis of Operating Profit\(^1\)
(January to December 2017 vs. 2016)

\(\text{€ billion}\)

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating profit before</td>
<td>14.6</td>
<td>17.0</td>
</tr>
<tr>
<td>special items 2016</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Volume / mix / prices</td>
<td>2.6</td>
<td>0.2</td>
</tr>
<tr>
<td>Exchange rates</td>
<td>0.6</td>
<td>0.0</td>
</tr>
<tr>
<td>Product-costs</td>
<td>-2.0</td>
<td>0.2</td>
</tr>
<tr>
<td>Fixed costs</td>
<td>0.7</td>
<td>0.7</td>
</tr>
<tr>
<td>Commercial Vehicles 3)</td>
<td></td>
<td>0.0</td>
</tr>
<tr>
<td>Power Engineering 3)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial Services Division</td>
<td></td>
<td>-3.2</td>
</tr>
<tr>
<td>Operating profit before</td>
<td></td>
<td>13.8</td>
</tr>
<tr>
<td>special items 2017</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Special items</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating profit 2017</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

\(^1\)All figures shown are rounded, minor discrepancies may arise from addition of these amounts. \(^2\) without FS, \(^3\) incl. PPA.

Passenger Cars 2) 3)
### Volkswagen Group – Analysis by Business Line

(January to December 2017 vs. 2016)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Volkswagen Passenger Cars</strong></td>
<td>3,573</td>
<td>4,347</td>
<td>79,979</td>
<td>105,651</td>
<td>3,301</td>
<td>1,869</td>
<td>4.1%</td>
<td>1.8%</td>
</tr>
<tr>
<td><strong>Audi</strong></td>
<td>1,530</td>
<td>1,534</td>
<td>60,128</td>
<td>59,317</td>
<td>5,058</td>
<td>4,846</td>
<td>8.4%</td>
<td>8.2%</td>
</tr>
<tr>
<td><strong>ŠKODA</strong></td>
<td>937</td>
<td>814</td>
<td>16,559</td>
<td>13,705</td>
<td>1,611</td>
<td>1,197</td>
<td>9.7%</td>
<td>8.7%</td>
</tr>
<tr>
<td><strong>SEAT</strong></td>
<td>595</td>
<td>548</td>
<td>9,892</td>
<td>8,894</td>
<td>191</td>
<td>153</td>
<td>1.9%</td>
<td>1.7%</td>
</tr>
<tr>
<td><strong>Bentley</strong></td>
<td>11</td>
<td>11</td>
<td>1,843</td>
<td>2,031</td>
<td>55</td>
<td>112</td>
<td>3.0%</td>
<td>5.5%</td>
</tr>
<tr>
<td><strong>Porsche Automotive</strong></td>
<td>248</td>
<td>239</td>
<td>21,674</td>
<td>20,710</td>
<td>4,003</td>
<td>3,733</td>
<td>18.5%</td>
<td>18.0%</td>
</tr>
<tr>
<td><strong>Volkswagen Commercial Vehicles</strong></td>
<td>498</td>
<td>478</td>
<td>11,909</td>
<td>11,120</td>
<td>853</td>
<td>455</td>
<td>7.2%</td>
<td>4.1%</td>
</tr>
<tr>
<td><strong>Scania</strong></td>
<td>92</td>
<td>83</td>
<td>12,789</td>
<td>11,303</td>
<td>1,289</td>
<td>1,072</td>
<td>10.1%</td>
<td>9.5%</td>
</tr>
<tr>
<td><strong>MAN Commercial Vehicles</strong></td>
<td>114</td>
<td>102</td>
<td>11,087</td>
<td>10,005</td>
<td>362</td>
<td>230</td>
<td>3.3%</td>
<td>2.3%</td>
</tr>
<tr>
<td><strong>MAN Power Engineering</strong></td>
<td>-</td>
<td>-</td>
<td>3,283</td>
<td>3,593</td>
<td>193</td>
<td>194</td>
<td>5.9%</td>
<td>5.4%</td>
</tr>
<tr>
<td><strong>VW China</strong></td>
<td>4,020</td>
<td>3,873</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Other</strong></td>
<td>-840</td>
<td>-1,638</td>
<td>-30,288</td>
<td>-56,617</td>
<td>-2,335</td>
<td>-1,343</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Volkswagen Financial Services</strong></td>
<td>-</td>
<td>-</td>
<td>31,826</td>
<td>27,554</td>
<td>2,460</td>
<td>2,105</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Volkswagen Group before Special Items</strong></td>
<td>-</td>
<td>-</td>
<td>230,682</td>
<td>217,267</td>
<td>13,818</td>
<td>7,103</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Special Items</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-2,322</td>
<td>-7,520</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Volkswagen Group</strong></td>
<td>10,777</td>
<td>10,391</td>
<td>230,682</td>
<td>217,267</td>
<td>13,818</td>
<td>7,103</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>of which: Automotive Division</td>
<td>10,777</td>
<td>10,391</td>
<td>196,949</td>
<td>186,016</td>
<td>11,146</td>
<td>4,668</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>of which: Passenger Cars</td>
<td>10,077</td>
<td>9,729</td>
<td>158,466</td>
<td>150,343</td>
<td>9,309</td>
<td>4,167</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>of which: Commercial Vehicles</td>
<td>700</td>
<td>662</td>
<td>35,200</td>
<td>32,080</td>
<td>1,892</td>
<td>718</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>of which: Power Engineering</td>
<td>-</td>
<td>-</td>
<td>3,283</td>
<td>3,593</td>
<td>-55</td>
<td>-217</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Financial Services Division</strong></td>
<td>-</td>
<td>-</td>
<td>33,733</td>
<td>31,251</td>
<td>2,673</td>
<td>2,435</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

---

1) All figures shown are rounded, minor discrepancies may arise from addition of these amounts.
2) 2017 figures take account of the reclassification of companies; prior-year figures were not adjusted.
3) Porsche (Automotive and Financial Services): sales revenue €23,491 (22,318) million, operating profit €4,144 (3,877) million.
4) Incl. financial services.
5) The sales revenue and operating profits of the joint venture companies in China are not included in the figures for the Group. These Chinese companies are accounted for using the equity method and recorded a proportionate operating profit of €4,746 (4,956) million.
6) Prior year adjusted. In operating profit mainly intragroup items recognized in profit or loss, in particular from the elimination of intercompany profits; the figure includes depreciation and amortization of identifiable assets as part of purchase price allocation for Scania, Porsche Holding Salzburg, MAN and Porsche.
7) Starting January 1, 2017, Porsche’s financial services business is reported as part of Volkswagen Financial Services. Prior-year figures were not adjusted.
8) Incl. allocation of consolidation adjustments between the Automotive and Financial Services divisions.
What’s new with WLTP?

- More realistic driving behaviour
- Higher average and maximum speeds
- Longer test distances
- A greater range of driving situations (urban, suburban, main road, motorway)
- More dynamic and representative accelerations and decelerations
- More realistic ambient temperatures, closer to the European average
- Shorter stops
- Higher average and maximum drive power
- Strictly car set-up and measurement conditions
- Optional equipment: CO₂ values and fuel consumption have to be provided for individual vehicles as built
- Instead of average values, WLTP can give best and worst-case figures – better representing highly diverging driving styles
Volkswagen Group China performance
(January to December 2017 vs. 2016)

VOLKSWAGEN

Deliveries Key Financials & Cash Outlook & Operative Excellence Strategy Our Brands Our Markets Diesel Integrity & Compliance Commitment

Volkswagen Group China performance
(January to December 2017 vs. 2016)

Proportionate operating profit, January to December (in € billion)

<table>
<thead>
<tr>
<th>Year</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>January – December</td>
<td>5.0</td>
<td>4.7</td>
</tr>
</tbody>
</table>

January – December 2017
January – December 2018

Units

<table>
<thead>
<tr>
<th>Year</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deliveries</td>
<td>3,982</td>
<td>4,184</td>
</tr>
<tr>
<td>+5.1%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Key Financials &amp; Cash</td>
<td>2,999</td>
<td>3,177</td>
</tr>
<tr>
<td>+5.9%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strategy</td>
<td>592</td>
<td>598</td>
</tr>
<tr>
<td>+1.1%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Outlook &amp; Operative Excellence</td>
<td>317</td>
<td>325</td>
</tr>
<tr>
<td>+2.5%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Exellence</td>
<td>65</td>
<td>72</td>
</tr>
<tr>
<td>+9.6%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proportionate operating profit, January to December (in € billion)</td>
<td>5.0</td>
<td>4.7</td>
</tr>
<tr>
<td>+4.2%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Units</td>
<td>2016</td>
<td>2017</td>
</tr>
<tr>
<td>Deliveries</td>
<td>1,595</td>
<td>1,872</td>
</tr>
<tr>
<td>+17.4%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>January – December</td>
<td>241</td>
<td>265</td>
</tr>
<tr>
<td>+10.0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Key Financials &amp; Cash</td>
<td>3,980</td>
<td>5,566</td>
</tr>
<tr>
<td>+39.8%</td>
<td></td>
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</tr>
</tbody>
</table>

1) Incl. Hong Kong, excl. Ducati. Group numbers incl. Volkswagen Commercial Vehicles, Scania and MAN.
Automotive Division – Research and Development Costs
(January to March 2018 vs. 2017)
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

Future: forward-looking

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

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.”
Volkswagen Touareg
Audi Q5L
ŠKODA Fabia
SEAT CUPRA Ateca
Porsche 911 Carrera T
Bentley Continental GT
Lamborghini Urus
Volkswagen Amarok
MAN TGX 18.500

MAN TGE 5.180
“We are on the right path and are gaining momentum. We still have plenty of work ahead of us. But: we will reach our goal.”