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Investor Webcast with Exane BNP Paribas, 14 September 2018, Beijing
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The Chinese market had a good start into 2018 and slowed down during the summer.

<table>
<thead>
<tr>
<th>Total market development (in ‘000 units)</th>
<th>2017 vs. 2016</th>
<th>Q1: +1.3%</th>
<th>Q2: +5.2%</th>
<th>Q3: +6.5%</th>
<th>Q4: +4.7%</th>
<th>2018 vs. 2017</th>
<th>Q1: +6.7%</th>
<th>Q2: +3.9%</th>
</tr>
</thead>
</table>

2018 YTD: +2.5%
FY2017: +4.5%
FY2016: +18.0%

Source: CPCA, Insurance data
Volkswagen Group China is clearly outperforming the market

1) incl. Hong Kong, excl. Ducati. Group numbers incl. MAN and Scania. All figures are rounded.
Highly localized product offering of our JVs is complemented by our import business¹)

Deliveries to customers Jan-Aug 2018 (in ’000 veh.)

- 1,250
- 1,291
- 115

Imported < 5%

Total deliveries in the region China amounted to 2.7 million in Jan-Aug 2018

Import business Jan-Aug 2018 (deliveries in ’000 veh.)

- 8
- 23
- 36
- 48

Others

¹) incl. Hong Kong, excl. Ducati. Group numbers incl. MAN and Scania. All figures are rounded.
Volkswagen Group – No. 1 in the Chinese passenger vehicle market

Passenger vehicles market share January to August 2018

<table>
<thead>
<tr>
<th>Rank</th>
<th>Group</th>
<th>Market share (August)</th>
<th>Market share (2018 YTD)</th>
<th>Market share (2017 YTD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Volkswagen Group</td>
<td>19.6%</td>
<td>18.3%</td>
<td>17.5%</td>
</tr>
<tr>
<td>2</td>
<td>Competitor 1</td>
<td>11.4%</td>
<td>11.7%</td>
<td>11.8%</td>
</tr>
<tr>
<td>3</td>
<td>Competitor 2</td>
<td>7.4%</td>
<td>7.4%</td>
<td>5.4%</td>
</tr>
<tr>
<td>4</td>
<td>Competitor 3</td>
<td>6.3%</td>
<td>5.9%</td>
<td>5.5%</td>
</tr>
<tr>
<td>5</td>
<td>Competitor 4</td>
<td>6.5%</td>
<td>5.7%</td>
<td>6.3%</td>
</tr>
</tbody>
</table>

Source: CKD data from China Passenger Car Association (CPCA); FBU from Insurance data
Proportionate operating profit of our Joint Ventures increased in H1 2018

Proportionate operating profit of Chinese Joint Ventures January to June (in € million)

H1 2017: 2,135
H1 2018: 2,318

+ 183
+8.6%

Mix effect
(e.g. Teramont & Audi situation)
Volume increase
Material cost improvements

Currency effect
Competitive market environment
The second half of 2018 is characterized by a firework of locally produced models hitting the Chinese market.
Volkswagen Group China opens new factories to strengthen SUV offensive and e-Mobility

Production capacity will increase

- New vehicle plants
- Vehicle plants expansions
- New component plants
- Component plant expansion
- Existing plants

Factories starting in 2018

- **Tianjin**
  - SUV models for Volkswagen and Audi including PHEV models
  - Component plant for chassis

- **Qingdao**
  - New Bora & 2 Audi models on MQB platform
  - ICE & EV production on one production line
  - Production of battery systems

- **Hefei**
  - Production of JAC Volkswagen’s brand first production model – battery electric E20X

- **Foshan**
  - Focus on SUVs (Audi & VW)
  - Additional factory at the production site
  - MQB platform will be electrified
  - Battery system assembly and MEB to follow
Volkswagen Group China looks forward to a successful year 2018

**Vehicles Sales Chinese Market**
Growth expected despite uncertainty

2016: 22,867
2017: 23,893

+ 4.5%

**Deliveries to Customers**
Potential to outperform the overall market

2016: 3,982
2017: 4,184

+ 5.1%

**Prop. Operating Profit of JVs**
Around the level of last year

2016: 4,956
2017: 4,746

- 4.2%

Outlook 2018
Shaping the transformation together.

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