Shaping the transformation together.

Volkswagen Group
Oliver Larkin, Martin Büdke, Katja Hauer, Maik Knappe Volkswagen AG, Volkswagen Financial Services
Crédit Agricole CIB’s Auto Credit Day, Paris, 4th October 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 Such statements are valid on the date of publication and can be superseded.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 August 2018 vs. 2017)

<table>
<thead>
<tr>
<th>Region</th>
<th>Car Market</th>
<th>VW Group</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>North America</strong></td>
<td>0.2%</td>
<td>0.1%</td>
</tr>
<tr>
<td><strong>South America</strong></td>
<td>10.3%</td>
<td>11.1%</td>
</tr>
<tr>
<td><strong>Western Europe</strong></td>
<td>4.9%</td>
<td>9.8%</td>
</tr>
<tr>
<td><strong>Central &amp; Eastern Europe</strong></td>
<td>16.6%</td>
<td>12.0%</td>
</tr>
<tr>
<td><strong>World</strong></td>
<td>2.8%</td>
<td>7.5%</td>
</tr>
<tr>
<td><strong>Asia Pacific</strong></td>
<td>2.5%</td>
<td>6.8%</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th></th>
<th>January – August 2017</th>
<th>January – August 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Volkswagen Group¹</td>
<td>6,796</td>
<td>7,303</td>
</tr>
<tr>
<td>Passenger Cars</td>
<td>3,897</td>
<td>4,138</td>
</tr>
<tr>
<td>Commercial Vehicles</td>
<td>2,909</td>
<td>3,165</td>
</tr>
</tbody>
</table>

¹ Incl. all brands of Volkswagen Group (Passenger Cars and Commercial Vehicles); +7.5% 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 August 2018 vs. 2017)

\(^1\)Incl. all brands of Volkswagen Group (Passenger Cars and Commercial Vehicles); +7.5% excl. Volkswagen Commercial Vehicles, Scania and MAN.
### Volkswagen Group – Key Financial Figures¹
(January to June 2018 vs. 2017)

|                             | 2018      | 2017 ²)  | +/- (%)
|-----------------------------|-----------|----------|---------
| **Vehicle Sales** ³)        | 5,575     | 5,270    | +5.8    |
| **Sales revenue**           | 119,377   | 115,349  | +3.5    |
| **Operating profit before Special Items** | 9,794     | 8,916    | +9.8    |
| **% of sales revenue**      | 8.2       | 7.7      |         |
| **Operating profit**        | 8,160     | 8,916    | -8.5    |
| **% of sales revenue**      | 6.8       | 7.7      |         |
| **Financial result**        | 813       | -117     | x       |
|   of which: At-equity result ³) | 1,680     | 1,635    | 2.8     |
|   of which: Other financial result | -867      | -1,753   | -50.5   |
| **Profit before tax**       | 8,972     | 8,799    | +2.0    |
| **% Return on sales before tax** | 7.5       | 7.6      | +2.1    |
| **Profit after tax**        | 6,613     | 6,474    | +2.1    |

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 €2,318 million (€2,135 million).
Volkswagen Group – Analysis of Operating Profit¹)
(January to June 2018 vs. 2017)

1) All figures shown are rounded, minor discrepancies may arise from addition of these amounts. *) without FS **) including PPA

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>8.9</td>
<td>1.1</td>
<td>0.2</td>
<td>0.3</td>
<td>-0.9</td>
<td>0.2</td>
<td>0.0</td>
<td>0.0</td>
<td>9.8</td>
<td>-1.6</td>
<td>8.2</td>
</tr>
</tbody>
</table>

Passenger Cars**

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¹) All figures shown are rounded, minor discrepancies may arise from addition of these amounts. *) without FS **) including PPA
Automotive Division Net Cash Flow Development¹⁾²⁾ (January to June 2018)

<table>
<thead>
<tr>
<th>2017</th>
<th>Cash flow from operating activities</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></td>
<td>€ billion</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.0</td>
<td>10.2</td>
<td>-4.4</td>
<td>-2.9</td>
<td>0.1</td>
<td>-4.8</td>
<td>-0.1</td>
<td>3.3</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 Cash Flow drives solid Net Liquidity1) (January to June 2018)

Automotive Net Cash Flow € 3.3bn

1) All figures shown are rounded, minor discrepancies may arise from addition of these amounts.
# Volkswagen Group – Analysis by Business Line¹)
(January to June 2018 vs. 2017)

<table>
<thead>
<tr>
<th>Period</th>
<th>Thousand Vehicles</th>
<th>Sales Revenue</th>
<th>Operating Profit</th>
<th>Margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>Volkswagen Passenger Cars</td>
<td>1931</td>
<td>1812</td>
<td>42704</td>
<td>39661</td>
</tr>
<tr>
<td>Audi</td>
<td>812</td>
<td>783</td>
<td>31183</td>
<td>30011</td>
</tr>
<tr>
<td>ŠKODA</td>
<td>511</td>
<td>501</td>
<td>9161</td>
<td>8720</td>
</tr>
<tr>
<td>SEAT</td>
<td>347</td>
<td>304</td>
<td>5786</td>
<td>5054</td>
</tr>
<tr>
<td>Bentley</td>
<td>5</td>
<td>5</td>
<td>757</td>
<td>867</td>
</tr>
<tr>
<td>Porsche Automotive ²)</td>
<td>123</td>
<td>124</td>
<td>11231</td>
<td>10841</td>
</tr>
<tr>
<td>Volkswagen Commercial Vehicles</td>
<td>248</td>
<td>244</td>
<td>6324</td>
<td>5927</td>
</tr>
<tr>
<td>MAN Commercial Vehicles</td>
<td>47</td>
<td>44</td>
<td>6515</td>
<td>6307</td>
</tr>
<tr>
<td>VW China ⁴)</td>
<td>1999</td>
<td>1870</td>
<td>16644</td>
<td>15999</td>
</tr>
<tr>
<td>Other ⁵)</td>
<td>-512</td>
<td>-469</td>
<td>-18399</td>
<td>-14915</td>
</tr>
</tbody>
</table>

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

## Diesel

### Volkswagen Group before Special Items

<table>
<thead>
<tr>
<th>Period</th>
<th>Thousand Vehicles</th>
<th>Sales Revenue</th>
<th>Operating Profit</th>
<th>Margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>Volkswagen Group</td>
<td>5575</td>
<td>5270</td>
<td>119377</td>
<td>115349</td>
</tr>
<tr>
<td>of which: Automotive Division ⁶)</td>
<td>5575</td>
<td>5270</td>
<td>101715</td>
<td>98388</td>
</tr>
<tr>
<td>of which: Passenger Cars</td>
<td>5219</td>
<td>4930</td>
<td>81766</td>
<td>79557</td>
</tr>
<tr>
<td>of which: Commercial Vehicles</td>
<td>357</td>
<td>340</td>
<td>18312</td>
<td>17252</td>
</tr>
<tr>
<td>of which: Power Engineering</td>
<td>-</td>
<td>-</td>
<td>1637</td>
<td>1579</td>
</tr>
<tr>
<td>Financial Services Division</td>
<td>-</td>
<td>-</td>
<td>17662</td>
<td>16961</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 €21,287 (€21,270) million, operating profit €2,254 (€2,318) million. ³) Including financial services. ⁴) 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 €2,318 (€2,313) million. ⁵) Including allocation of consolidation adjustments between the Automotive and Financial Services divisions.
## Volkswagen Group – Funding Programs & Outstandings

June 30, 2018 in € billion

<table>
<thead>
<tr>
<th>Money and Capital Markets</th>
<th>Utilization</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial Papers</td>
<td>16.8</td>
</tr>
<tr>
<td>Medium Term Notes / Bonds</td>
<td>64.4</td>
</tr>
<tr>
<td><strong>thereof: Hybrid Bonds</strong></td>
<td><strong>13.8</strong></td>
</tr>
<tr>
<td>ABS</td>
<td>37.3</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Borrowings</th>
<th>Frame</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Committed Lines</td>
<td>18.5</td>
<td>3.4</td>
</tr>
<tr>
<td>Uncommitted Lines</td>
<td>27.0</td>
<td>10.2</td>
</tr>
<tr>
<td>Supranationals, development banks, government, other</td>
<td>20.4</td>
<td>20.4</td>
</tr>
<tr>
<td>Direct Banking Deposits</td>
<td>./.</td>
<td>30.5</td>
</tr>
</tbody>
</table>
Volkswagen Group Funding Strategy – Overview\(^1\)
# Volkswagen Group Funding Strategy – Major Issuances in 2017 / 2018*

<table>
<thead>
<tr>
<th>Month</th>
<th>Issuance Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>March</td>
<td>EUR 8bn Volkswagen International Finance N.V.</td>
</tr>
<tr>
<td>April</td>
<td>GBP 850mn Volkswagen Financial Services N.V.</td>
</tr>
<tr>
<td>May</td>
<td>EUR 3.5bn Volkswagen International Finance N.V. - Hybrid Bond</td>
</tr>
<tr>
<td>June</td>
<td>EUR 3.5bn Volkswagen Leasing GmbH</td>
</tr>
<tr>
<td>September</td>
<td>EUR 2.25bn Volkswagen Leasing GmbH</td>
</tr>
<tr>
<td>December</td>
<td>EUR 3.0bn Volkswagen Bank GmbH</td>
</tr>
<tr>
<td>March</td>
<td>CAD 1.5bn Volkswagen Credit Canada, Inc.</td>
</tr>
<tr>
<td>April</td>
<td>EUR 2.25bn Volkswagen Financial Services AG</td>
</tr>
<tr>
<td>June</td>
<td>EUR 2.00bn Volkswagen Bank GmbH</td>
</tr>
<tr>
<td></td>
<td>EUR 2.75bn Volkswagen International Finance N.V. - Hybrid Bond</td>
</tr>
<tr>
<td>August</td>
<td>EUR 2.5bn Volkswagen Leasing GmbH</td>
</tr>
</tbody>
</table>

*as per August 31st 2018
Volkswagen Group Funding Strategy – Maturity Profile (in € million)¹)

¹) as of June 30, 2018
### Volkswagen Group – Main Ratings as of 31 August 2018

<table>
<thead>
<tr>
<th></th>
<th>S&amp;P Global</th>
<th></th>
<th>Moody’s</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Long Term</td>
<td>Short Term</td>
<td>Long Term</td>
<td>Short Term</td>
</tr>
<tr>
<td>Volkswagen AG</td>
<td>BBB+</td>
<td>A-2</td>
<td>A3</td>
<td>P-2</td>
</tr>
<tr>
<td>Volkswagen Financial Services AG</td>
<td>BBB+</td>
<td>A-2</td>
<td>A3</td>
<td>P-2</td>
</tr>
<tr>
<td>Volkswagen Bank GmbH*</td>
<td>A-**</td>
<td>A-2</td>
<td>A1**</td>
<td>P-1</td>
</tr>
<tr>
<td>Outlook</td>
<td>Stable (*Negative)</td>
<td></td>
<td>Stable</td>
<td></td>
</tr>
</tbody>
</table>

**S&P: BBB+ Senior Subordinated Rating; Moody’s: A3 Junior Senior Unsecured Rating**
Volkswagen Group Funding Strategy – Main Guarantors and Issuers

- Volkswagen AG
  - BBB+ (s) / A3 (s)
  - Volkswagen International Finance N.V.
  - Volkswagen Group of America Finance, LLC
  - Volkswagen Credit Canada, Inc.

- Volkswagen FS AG
  - BBB+ (s) / A3 (s)
  - Volkswagen Financial Services AG
  - Volkswagen Financial Services N.V.
  - Volkswagen Leasing GmbH

- Volkswagen Bank GmbH
  - A- (n) / A1 (s)

1Credit Ratings from Standard&Poors / Moody’s as per 31 Aug 2018; (s) Outlook stable; (n) Outlook negative
2S&P: BBB+ Senior Subordinated Rating; Moody’s: A3 Junior Senior Unsecured Rating
Volkswagen Group Funding Strategy – Major Commercial Paper Programmes in Europe

**Volkswagen AG**
- EUR 15.0bn Multi CCY CP-Programme
- Volkswagen International Finance N.V.
- Volkswagen Group of America Finance, LLC
- EUR 5.0bn Belgian Short-Term Treasury Notes Programme
- Volkswagen International Belgium NV/SA

**Volkswagen FS AG**
- EUR 5.0bn Multi CCY CP-Programme
- Volkswagen Financial Services AG
- Volkswagen Financial Services N.V.
- Volkswagen Leasing GmbH

**Volkswagen Bank GmbH**
- EUR 2.5bn Multi CCY CP-Programme
- Volkswagen Bank GmbH
Volkswagen Group – Outlook for 2018

- **Deliveries to customers**: ∼4.3% increase to 10,741 thousand vehicles.
- **Sales revenue**: ∼6.2% increase to €230.7 billion.
- **Operating return on sales**: 6.7% (2016) to 7.4% (2017) before Special Items.

**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% before Special Items.

1) before Special Items. 2) Operating return on sales after Special Items is expected to be moderately below that range.

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

### USA
- **Actuals**: 2017 - 17.3 million units, 2018 - 17.1 million units, 2020 - 16.7 million units
- **Forecast**: 2017 - 17.1 million units, 2018 - 17.3 million units, 2020 - 16.7 million units

### Western Europe
- **Actuals**: 2017 - 14.3 million units, 2018 - 14.5 million units, 2020 - 14.3 million units
- **Forecast**: 2017 - 14.5 million units, 2018 - 14.3 million units, 2020 - 14.3 million units

### Russia
- **Actuals**: 2017 - 1.5 million units, 2018 - 1.7 million units, 2020 - 2.1 million units
- **Forecast**: 2017 - 1.7 million units, 2018 - 2.1 million units, 2020 - 2.1 million units

### Brazil
- **Actuals**: 2017 - 2.2 million units, 2018 - 2.4 million units, 2020 - 2.9 million units
- **Forecast**: 2017 - 2.4 million units, 2018 - 2.9 million units, 2020 - 2.9 million units

### World
- **Actuals**: 2017 - 84.5 million units, 2018 - 86.5 million units, 2020 - 90.4 million units
- **Forecast**: 2017 - 86.5 million units, 2018 - 90.4 million units, 2020 - 90.4 million units

### China
- **Actuals**: 2017 - 24.0 million units, 2018 - 24.9 million units, 2020 - 27.6 million units
- **Forecast**: 2017 - 24.9 million units, 2018 - 27.6 million units, 2020 - 27.6 million units

Data source: IHS Automotive (08.2018)

1) Volume for North & South America includes light commercial vehicles (definition 'Light Vehicles') growth 2018-2020 = Compound Annual Growth Rate / yearly average
Upcoming Premium and Luxury models enhancing our portfolio offer

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

### Q1
- up! GTI
- Polo GTI
- Virtus (SAM)
- Karoq LWB (China)

### Q2
- Touareg
- Jetta (US)
- Lavida (China)
- Kodiaq (Russia)

### Q3
- Fabia
- Bora (China)
- T-Roc LWB (China)
- e-Crafter

### Q4
- Cupra Ateca
- Compact SUVs (China)
- Kamiq (China)

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)
- Legally binding registration requirements for all OEM’s
- Effects taxation:
  - EU recommendation crossover from Jan. 1, 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

1) Different implementation of timelines between countries ²) NEDC: New European Driving Cycle

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

### Key financial targets

<table>
<thead>
<tr>
<th></th>
<th>2016 Actual</th>
<th>2017 Actual</th>
<th>2018 Outlook</th>
<th>2020 Targets</th>
<th>2025 Targets</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating return on sales</strong>&lt;br&gt;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>&lt;br&gt;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>&lt;br&gt;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>&lt;br&gt;Automotive Division</td>
<td>7.3%</td>
<td>6.7%</td>
<td>6.5-7%</td>
<td>6%</td>
<td>6%</td>
</tr>
<tr>
<td><strong>Cash</strong>&lt;br&gt;a) Net Cashflow&lt;sup&gt;2&lt;/sup&gt;&lt;br&gt;Automotive Division</td>
<td>€ 7.2 bn</td>
<td>€ 10.1 bn</td>
<td>≥ € 9 bn</td>
<td>≥ € 10 bn</td>
<td>&gt; € 10 bn</td>
</tr>
<tr>
<td>b) Net Liquidity</td>
<td>€ 27.2 bn</td>
<td>€ 22.4 bn</td>
<td>&gt; € 20 bn</td>
<td>&gt; € 20 bn</td>
<td>&gt; € 10 bn</td>
</tr>
</tbody>
</table>

\(^1\) As of 1\(^{st}\) August, 2018.  \(^2\) Ex diesel payments; cash outflows of around € 3 bn in 2016, € 16.1 bn in 2017 and € 2.6 bn in H1 2018.
Improving Group results despite significant challenges\textsuperscript{1)}

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

- **Emission costs\textsuperscript{1)}**
  - EU -27% CO\textsubscript{2} emission
  - US -35% CO\textsubscript{2} emission
  - CN -40% l/km consumption

\textsuperscript{1)} Calculation based on 2016 figures.

<table>
<thead>
<tr>
<th>Return on Sales</th>
<th>2016 Base</th>
<th>2017</th>
<th>2020 Target</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>6.7%</td>
<td>7.4%</td>
<td>6.5 - 7.5%</td>
</tr>
</tbody>
</table>

**Key Financials & Cash**

**Strategy**

**Outlook & Operative Excellence**

**Our Brands**

**Our Markets**

**Diesel**

**Integrity & Compliance**

**Commitment**
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

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>6.1</td>
<td>8.9</td>
<td>7.3</td>
<td>10.1</td>
<td>≥ 10</td>
<td>&gt; 10</td>
<td>&gt; 10</td>
</tr>
</tbody>
</table>

$^1$ Incl. allocation of consolidation adjustments between Automotive and Financial Services divisions.

Volkswagen AG – Attractive Dividend for Preferred Shares; almost doubled\(^1\)

<table>
<thead>
<tr>
<th>Earnings per Share (€)</th>
<th>Dividend per Share (€)</th>
<th>Dividend pay-out ratio(^1) (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>10.30</td>
<td>2.06</td>
<td>19.70</td>
</tr>
<tr>
<td>22.69</td>
<td>3.96</td>
<td>19.00(^2)</td>
</tr>
<tr>
<td>2016</td>
<td>2017</td>
<td>2016</td>
</tr>
</tbody>
</table>

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

\(^{2}\) Business year 2017 adjusted for non-recurring effects related to the tax reform in the USA of € 1 bn.

**Target EPS 2020**
over € 25

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

**ENHANCE ENTREPRENEURIAL SPIRIT**

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

10. Build mobility solutions business
11. Develop and expand attractive and profitable smart mobility offering
12. Improve operational excellence
13. Optimize business portfolio
14. Drive digital transformation
15. Create organization 4.0
16. Better integrated and strategic planning process

Secure funding

Transform core business
The Volkswagen Group is speeding up its transformation with the organizational realignment

<table>
<thead>
<tr>
<th>Distributed Group Functions</th>
<th>Brand Groups</th>
<th>Subsidiarity</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Group steering</strong></td>
<td><strong>Strong brands</strong></td>
<td><strong>Independence</strong></td>
</tr>
<tr>
<td>Lean and effective Group steering by transferring responsibilities to Group BoM members</td>
<td>Use and develop core competences of each individual brand</td>
<td>Maximum subsidiarity for responsibility at all levels</td>
</tr>
<tr>
<td><strong>Focusing</strong></td>
<td><strong>Synergies</strong></td>
<td><strong>Decision-making</strong></td>
</tr>
<tr>
<td>Group BoM focuses on strategic challenges</td>
<td>Closer cooperation between brands by bundling in brand groups</td>
<td>Efficient decision-making through swifter processing in committees, etc. and use of fewer resources</td>
</tr>
<tr>
<td>„All for one and one for all“</td>
<td><strong>High maturity level</strong></td>
<td><strong>Stability</strong></td>
</tr>
<tr>
<td>Shared goals</td>
<td>More intensive exchange, synchronization and harmonization on strategy issues</td>
<td>Strategy process with clear targets, content and workflows</td>
</tr>
</tbody>
</table>
Creation of Brand Groups will reduce the complexity of the Group structure

- Allocation will be verified
- Temporarily responsibility of Group CEO, will be a combined Board of Management function

<table>
<thead>
<tr>
<th>Volume</th>
<th>Premium</th>
<th>Sport &amp; Luxury</th>
<th>Truck &amp; Bus</th>
<th>Procurement/ Components</th>
<th>Finance &amp; IT</th>
<th>China</th>
</tr>
</thead>
<tbody>
<tr>
<td>VW</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></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MOIA</td>
<td>MOIA</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Region China

VW, Škoda, SEAT, VW LCV, MOIA, Audi, Lamborghini, Bentley, Ducati, Porsche, Bugatti, MAN, Scania, Power Engineering, Procurement, Components, Volkswagen Financial Services.
Focus on strategy: Resolutely making progress toward sustainable mobility

E-mobility

- Efficient combustion engines and alternative drives
- Battery technology
- Charging infrastructure
- Mobility services
- Self-driving system (SDS)
Paving the way for sustainable mobility

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

Up to the end of 2022: Volkswagen Group and its joint-venture partners in China will be making around €15 bn available for e-mobility, autonomous driving, digitalization and new mobility services.

Also putting more than €90 bn 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
- The latest Euro 6 diesel engines deliver above-average performance in the new WLTP\(^1\) cycle
- All new gasoline engines will be equipped with a particulate filter
- Significantly expanding the range of CNG\(^2\) vehicles
- Working on synthetic fuels produced from renewable sources

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

- 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

- Economies of scale from use of MEB across entire Group
- Higher productivity and shorter manufacturing time
- Lower material and distribution costs
Audi e-tron and Porsche Taycan will change the premium electric game

with a range of more than 400 km

Market launch in September 2018.

~ €500 m for the development of Taycan variants and derivatives

Market launch in the second half of next year.
The Volkswagen Brand’s I.D. family sets the new BEV benchmark in the volume segment

Market launch early 2020 and onwards.
Advances in battery technology will improve range, weight and costs

Energy density, or volumetric energy density, reflects volume in liters (Wh/l).
Battery costs will decrease significantly by 2020

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

- 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
- MEB: €50 bn battery cell procurement volume up to 2025, of which €40 bn has already been awarded to suppliers
- At least one electrified version for each of the Group’s 300 or so models
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.
Electrify America - Powering electric mobility

**Investment of $2 billion over 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.

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

**Public access for all ZEV drivers will be ensured through multiple technologies (Level 2 and DC fast charging: CCS Combo and Chademo connectors)**
Successful launch of MOIA Shuttle at end of 2017, customers show a high demand for this alternative form of mobility

- Prepared for Shadow/ security driver mode
- MOIA branded
- Unique recognizable design
- Connected to backend
- Customized interior with high comfort/ connectivity
- App-based ride pooling service
- Electric door concept
- BEV with > 300 km real range

- 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

Timeline:
- 2005: “Stanley” Winner Darpa Grand Challenge
- 2010: Volkswagen Group >200 AV related patents
- 2017: MOIA Battery Electric Special Purpose Shuttle
- 2021+: Personal Autonomous Vehicles

- Foundation AID GmbH
- MOIA Battery Electric
- Special Purpose Shuttle
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

Joint venture with JAC created for e-mobility

MOIA pilot started and shuttle presented

New technology partnerships agreed

Realignment of Group Components approved

Positioning of Group brands sharpened

Board Digitalization Committee established

TOGETHER
STRATEGY 2025
Driving forward Strategy 2025: Implementation is accelerating II

- **Autonomy for Truck & Bus**: making good progress
- **Volkswagen Components**: becomes independent entity from January 2019
- **Fuel cell technology partnership**: agreed
- **Product & technology offensive in China**: agreed
- **Strategic cooperation**: in discussion
- **Turnaround in South America**: initiated
- **INDIA 2.0 project**: launched
- **Volkswagen**: becomes largest shareholder
Volkswagen AG and Ford to explore Strategic Alliance, extend Capabilities, strengthen Competitiveness and better serve Customers

Volkswagen AG and Ford Motor Company announced a Memorandum of Understanding\(^1\)

**Explore Strategic Alliance**

Volkswagen AG and Ford are exploring a strategic alliance.

**Extend Capabilities & Better Serve Customers**

The companies are investigating several joint projects – including joint development of a range of commercial vehicles to better serve the evolving needs of customers globally.

**Strengthen Competitiveness**

Potential projects aim to strengthen each company’s competitiveness; the companies will share updates as talks progress.

**Equity Arrangements not involved**

Volkswagen AG and Ford said any strategic alliance would not involve equity arrangements, including cross ownership stakes.

---

\(^1\) As of June 19th, 2018.
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 **TOGETHER – Strategy 2025** with embedded financial **KPI Targets**

3. Comprehensive **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. **TRATON** Global Champion Potential and clear plan to achieve **Capital Market Readiness**

9. **Culture** of willingness to change: agile, innovative and integral backed by committed management and employees

10. Priority to work on protecting our **Society** and **Environment** for future generations also focusing on **Sustainable Supplier Relations**

**Overarching vision is to become a**

**World-leading Provider of Sustainable Mobility**
## Overview Brand Targets (RoS, RoE)

### Return on Sales in %\(^1\)

<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>Moderately exceed</td>
<td>7.4</td>
<td>6.5-7.5</td>
<td>6.5-7.5</td>
</tr>
<tr>
<td>Volkswagen Brand</td>
<td>1.8</td>
<td>3-5</td>
<td>Moderately exceed</td>
<td>4.1</td>
<td>4-5</td>
<td>4-5</td>
</tr>
<tr>
<td>Audi</td>
<td>8.2</td>
<td>8-10</td>
<td>Moderately exceed</td>
<td>8.4</td>
<td>8-10</td>
<td>8-10</td>
</tr>
<tr>
<td>Porsche Automotive</td>
<td>17.4</td>
<td>&gt;15</td>
<td>&gt;15</td>
<td>18.5</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>&gt;6</td>
</tr>
<tr>
<td><strong>Truck &amp; Bus Business</strong></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(^3))</td>
<td>9(^3))</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>

### 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>

---

\(^1\) Before special items.  
\(^2\) For peer-group analysis: Truck & Bus Business RoS is calculated as the sum of Scania and MAN Commercial Vehicles.  
\(^3\) Through-cycle Target.
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

2015 2020 2025 2030

\(^1\) Before special items.
## Volkswagen Brand Clear Financial Targets and updated Milestones

<table>
<thead>
<tr>
<th></th>
<th>Forecast 2018</th>
<th>Target 2020</th>
<th>Target 2025</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sales revenue</strong></td>
<td>up to +10 %</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Operating return on sales</strong></td>
<td>4–5 %</td>
<td>4–5 %</td>
<td>≥ 6 %</td>
</tr>
<tr>
<td><strong>Capex ratio</strong></td>
<td>4–5 %</td>
<td>4–5 %</td>
<td>4–5 %</td>
</tr>
<tr>
<td><strong>R&amp;D ratio</strong></td>
<td>~4 %</td>
<td>4 %</td>
<td>4 %</td>
</tr>
<tr>
<td><strong>Free cash flow</strong></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

MQB share in overall production (percent | rounded)
Increase in competitiveness and safeguarding the future are the focus points of the Future Pact agreement.

**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

---

**Working Group 1**
Production

- Increase of productivity by 25%
- Reduction of plant costs

---

**Working Group 2**
Components

- Increase of productivity by 25%
- Discontinuation of unprofitable products

---

**Working Group 3**
Technical Development

- Reduction of hardware-oriented development work
- Increased efficiency in development processes

---

**Working Group 4**
Administration

- Reduction of bureaucracy

---

Reduction in workforce based on demographic curve

---

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

- **Core challenges in the commercial vehicle industry**
  - Cyclical markets
  - Further globalization
  - Emission regulations
  - Connectivity & digitalization
  - After sales and future business models
Shaping the future of the Commercial Vehicles business

Global Champion strategy

- Goal is becoming the Global Champion of the Commercial Vehicles sector: Leader in profitability, global presence and innovation.
- Further enhancement of brands’ performance with individual identities, strengths and profiles.
- Increase cooperation and leverage synergies between brands.
- Further global expansion to leverage scale and be ahead of competition (e.g. Navistar in the USA, Sinotruk in China, Hino Motors in Japan and Asia).
- Also develop solutions for Commercial Vehicles in such areas as autonomous driving, electrification and connectivity.
- RIO covers logistics solutions for all transportations sectors.

Project "Next Level"

- Further increase the company’s matureness, efficiency and innovativeness.
- Achievement of capital market readiness: meet technical and structural requirements of the capital market; complex scope.
- Change of legal structure of Volkswagen Truck & Bus GmbH to a German stock corporation (AG) and in a second step into a Societas Europaea (SE).
- Changed name to TRATON Group.
- Focus on Commercial Vehicles.1)
- IPO is just one of several options.
- Dependent on capital market conditions & Volkswagen Group strategy.
- Minority interests legal case closed.

1) Allocation will be verified as part of creation of new Volkswagen Group structure.
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>
<th>Market Share %</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>300</td>
<td>3.0</td>
</tr>
<tr>
<td>2013</td>
<td>250</td>
<td>2.6</td>
</tr>
<tr>
<td>2014</td>
<td>220</td>
<td>2.2</td>
</tr>
<tr>
<td>2015</td>
<td>200</td>
<td>2.0</td>
</tr>
<tr>
<td>2016</td>
<td>180</td>
<td>1.8</td>
</tr>
<tr>
<td>2017</td>
<td>1-8 2017</td>
<td>180</td>
</tr>
<tr>
<td></td>
<td>1-8 2018</td>
<td>220</td>
</tr>
<tr>
<td></td>
<td></td>
<td>+7.0%</td>
</tr>
</tbody>
</table>

### SUV offensive #1
- **2017**: Atlas, Tiguan, Refreshed Golf
- **2018-19**: Jetta, Passat, arteon

### New Sedans
- **2018-19**: Jetta
- **2019-21**: Midsize SUV 5s, Compact SUV, ID Crozz
A product offensive is initiating a new growth phase in South America

<table>
<thead>
<tr>
<th>Product offensive in South America</th>
<th>Key measures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Polo G</td>
<td>• Restructuring: reduce capacities and fixed costs</td>
</tr>
<tr>
<td>Virtus</td>
<td>• Increase productivity, align products to local requirements</td>
</tr>
<tr>
<td>Small SUV Global</td>
<td>• Product offensive, €2.5bn investment</td>
</tr>
<tr>
<td></td>
<td>• New brand positioning</td>
</tr>
<tr>
<td></td>
<td>• New growth strategy for Latin America</td>
</tr>
</tbody>
</table>
Volkswagen Group China performance
(January to August 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**

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

<table>
<thead>
<tr>
<th>Year</th>
<th>CAFC Credit Points</th>
<th>ICE Volume</th>
<th>NEV Credit Point Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>None</td>
<td>10%</td>
<td>12%</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\(^1\)

**China deliveries by bodystyle (in ‘000 units)**

<table>
<thead>
<tr>
<th>Volkswagen Group</th>
<th>2016</th>
<th>2017</th>
<th>Target 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Others</td>
<td>3,982</td>
<td>4,184</td>
<td>≥40%</td>
</tr>
<tr>
<td>SUV</td>
<td>14%</td>
<td>18%</td>
<td></td>
</tr>
<tr>
<td>MPV</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hatchback</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sedan</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**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

---

\(^1\) Source: IHS.  \(^2\) Schematic overview – does not show all models.
Volkswagen Group China opens new factories to strengthen SUV offensive and e-Mobility

### Production capacity will increase

<table>
<thead>
<tr>
<th>Region</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tianjin</td>
<td>Start in August</td>
</tr>
<tr>
<td>Qingdao</td>
<td>Opening ceremony on May 28</td>
</tr>
<tr>
<td>Hefei</td>
<td>First production model unveiled in May 25</td>
</tr>
<tr>
<td>Foshan</td>
<td>Start in June</td>
</tr>
</tbody>
</table>

#### Factories starting in 2018

- **Tianjin**: Start in August
  - New Bora & 2 Audi models on MQB platform
  - ICE & EV production on one production line
  - Production of battery systems

- **Qingdao**: Opening ceremony on May 28
  - New Bora & 2 Audi models on MQB platform
  - ICE & EV production on one production line
  - Production of battery systems

- **Hefei**: First production model unveiled in May 25
  - Production of JAC Volkswagen’s SOL brand

- **Foshan**: Start in June
  - Focus on the SUVs (Audi and Volkswagen)
  - Additional factory at the production site
  - MQB platform will be electrified
  - Battery system assembly and MEB to follow

---

1) Actual production volume in ‘000 vehicles  2) Available capacity on the basis of 250 working days.
### 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></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>9.2</td>
<td>Airbags Takata</td>
<td>0.3</td>
</tr>
<tr>
<td></td>
<td></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>2015</td>
<td>16.2</td>
<td></td>
<td>16.9</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Mainly legal risks</td>
<td>6.4</td>
</tr>
<tr>
<td>2016</td>
<td></td>
<td></td>
<td>7.5</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Buyback/retrofit program</td>
<td>2.2</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Legal</td>
<td>1.0</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>3.2</td>
</tr>
<tr>
<td>2017</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Legal</td>
<td>1.6</td>
</tr>
<tr>
<td>2018</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total to date</td>
<td></td>
<td></td>
<td>29.2</td>
</tr>
</tbody>
</table>

A significant amount of the Diesel Dollar-related provisions are hedged and a further substantial amount of the provisions have been utilized.
Resolving the diesel crisis: Substantial progress in all markets

**Worldwide recall/service campaigns driven forward:**
Software Flashes in Germany currently 96% complete; Substantial progress also in Europe (77%) and worldwide (71%)

**Major progress in modifications in North America:**
Around 90 percent of the 2.0l and 3.0l TDI vehicles affected in the U.S. have already been retrofitted, bought back, or otherwise remediated (as of June 2018)

We have reached the targets set by EPA and Carb for the 2.0L settlement and are on track to achieve the targets in the 3.0L settlement within the specified timeframe.

**Group environmental incentive made significant contribution to improving air quality in German cities:**
More than 240,000 customers decided to switch to environmentally friendly vehicles (terminated by 30.06.2018)

**Electrify America underway:**
Investment plan for zero emissions vehicles (ZEV) approved by authorities and implementation has already started

**Timeframe of legal proceedings expected to be long!**
With “Together4Integrity” we have launched a Group-wide integrity and compliance program

**STRATEGY**
Ethics and compliance is central to business strategy

**RISK MANAGEMENT**
Ethics and compliance risks are identified, owned, managed and mitigated

**SPEAK-UP ENVIRONMENT**
The organization encourages, protects and values the reporting of concerns and suspected wrongdoing

**CULTURE OF INTEGRITY**
Leaders at all levels across the organization build and sustain a culture of integrity

**RESOLUTE ACCOUNTABILITY**
The organization takes action and holds itself accountable when wrongdoing occurs
We need to foster and live a new culture

- **Fair competition** instead of war
- **Brand collaboration** instead of internal rivalry
- **Open and honest** instead of backdoor approach
- **Transparent communication** instead of corral mentality
- **Multicultural** instead of “Mittellandkanal”
- **More Pikes Peak** instead of Le Mans
- **Decentralized** instead of centralistic
Overview of timeline and 1st Monitor Audit-Report

Structure
- 50 pages, 14 chapters + 1 Appendix
- two violations are referenced
- seven “recommended actions to achieve compliance” with the Consent Decrees are separately embedded

Further information online available at: https://www.vwcourtsettlement.com/en/2-0-models/.
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
- Drive Future Pact Brand Volkswagen further
- 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

We are pleased to answer your inquiries regarding Volkswagen shares and other capital market related questions.

**Oliver Larkin (Wolfsburg / London office)**
Head of Group 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

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

**Lennart Schmidt (China office)**
Investor Relations Manager
E-Mail: Lennart.Schmidt@volkswagen.com.cn
Telephone: + 86 10 6531 4732

**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

**Monika Kowalski (Wolfsburg office)**
Investor Relations
E-Mail: Monika.Kowalski@volkswagen.de
Telephone: +49 5361 9 31106

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

The official website of Volkswagen Group Investor Relations. [Company topics, brandchannels, innovation and informations.]
Shaping the transformation together.
The Shareholder Structure, Supervisory and Management Board

<table>
<thead>
<tr>
<th>Shareholder Structure of Volkswagen AG</th>
<th>Supervisory Board of Volkswagen AG</th>
<th>Board of Management of Volkswagen AG¹</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Number of Outstanding Shares</strong></td>
<td><strong>Chairman</strong></td>
<td><strong>Chairman of VW AG</strong></td>
</tr>
<tr>
<td>Preferred shares</td>
<td>Hans Dieter Pötsch</td>
<td>Dr. Herbert Diess</td>
</tr>
<tr>
<td>206,205,445</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ordinary shares</td>
<td><strong>Porsche</strong></td>
<td>Dr. Oliver Blume</td>
</tr>
<tr>
<td>295,089,818</td>
<td>Dr. Louise Kiesling</td>
<td></td>
</tr>
<tr>
<td><strong>Current Voting Rights Distribution</strong></td>
<td><strong>Automobil</strong></td>
<td>Prof. Dr. rer. pol. Dr.-Ing. E. h. Jochem Heizmann</td>
</tr>
<tr>
<td>Others</td>
<td>Dr. jur. Hans Michel Piëch</td>
<td></td>
</tr>
<tr>
<td>20.0%</td>
<td><strong>Holding SE</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Dr. jur. Ferdinand Oliver Porsche</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Dr. rer. comm. Wolfgang Porsche</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>State of Lower Saxony</strong></td>
<td><strong>Qatar Holding</strong></td>
<td></td>
</tr>
<tr>
<td>Dr. Bernd Althusmann</td>
<td>Dr. Hussain Ali Al Abdulla</td>
<td></td>
</tr>
<tr>
<td>Stephan Weil</td>
<td>Dr. Hessa Sultan Al Jaber</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Others</strong></td>
<td><strong>Works Council</strong></td>
<td></td>
</tr>
<tr>
<td>Marianne Heiß</td>
<td>Bernd Osterloh</td>
<td>Abraham Schot</td>
</tr>
<tr>
<td></td>
<td>Birgit Dietze</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Dr. Hans-Peter Fischer</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Jörg Hofmann</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Uwe Hück</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Johan Järvklo</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Ulrike Jakob</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Peter Mosch</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Bertina Murkovic</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Athanasios Stimoniaris</td>
<td></td>
</tr>
</tbody>
</table>

¹ Each Board Member is responsible for one or more functions within the Volkswagen Group. The work of the Board of Management of Volkswagen AG is supported by the boards of the brands and regions as well as by the other group business units and holdings.

Key Financials & Cash

| Strategy | Deliveries |

Outlook & Operative Excellence

| Strategy | Our Brands |

Our Markets

| Strategy | Diesel |

Integrity & Compliance

| Strategy | Commitment |

Deliveries

| Strategy | Key Financials & Cash |

Outlook & Operative Excellence

| Strategy | Key Financials & Cash |

Integrity & Compliance

| Strategy | Key Financials & Cash |

Commitment

| Strategy | Key Financials & Cash |
# Volkswagen Group – Key Credit Ratings

### Current Ratings1)

<table>
<thead>
<tr>
<th></th>
<th>S&amp;P Global</th>
<th>Moody’s</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>Long Term</strong></td>
<td><strong>Short Term</strong></td>
</tr>
<tr>
<td>Volkswagen AG</td>
<td>BBB+</td>
<td>A-2</td>
</tr>
<tr>
<td>Volkswagen Financial Services AG</td>
<td>BBB+</td>
<td>A-2</td>
</tr>
<tr>
<td>Volkswagen Bank GmbH*</td>
<td>A-**</td>
<td>A-2</td>
</tr>
</tbody>
</table>

**Outlook**: Stable (*Negative)  
Stable

---

1) as of August 31, 2018  
**S&P: BBB+ Senior Subordinated Rating; Moody’s: A3 Junior Senior Unsecured Rating**
Automotive Division Net Cash Flow (ex Diesel payments)\textsuperscript{1)}
(January to June 2018)

\begin{align*}
\text{Net Cash flow incl Diesel payments} & : 3.3 \\
\text{Diesel outflow} & : 2.6 \\
\text{Net Cash flow underlying business} & : 5.9
\end{align*}

\textsuperscript{1)} Including allocation of consolidation adjustments between Automotive and Financial Services divisions.
Automotive Division – Research and Development Costs
(January to June 2018 vs. 2017)

€ million

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total R&amp;D costs</td>
<td>6,759</td>
<td>6,747</td>
</tr>
<tr>
<td>of which capitalized</td>
<td>-2,919 (43.2%)</td>
<td>-2,490 (36.9%)</td>
</tr>
<tr>
<td>amortization</td>
<td>1,705</td>
<td>1,845</td>
</tr>
<tr>
<td>Recognized in the income statement</td>
<td>5,546</td>
<td>6,102</td>
</tr>
</tbody>
</table>

-2,490 amortization Recognized in the income statement
The remuneration system is designed to be completely forward-looking

Old system: backward-looking

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

Since January 2017: forward-looking

- **Payout after FY\(_n\)**
- **Payout after FY\(_{n+2}\)**
- **Performance Share Plan** (3 years forward-looking)
- **Annual Bonus**
- **Fixed remuneration**

FY\(_n-3\) FY\(_n-2\) FY\(_n-1\) FY\(_n\) FY\(_{n+1}\) FY\(_{n+2}\)
What's new with WLTP?

- more realistic driving behaviour
- a greater range of driving situations (urban, suburban, main road, motorway)
- longer test distances
- more dynamic and representative accelerations and decelerations
- higher average and maximum speeds
- higher average and maximum drive power
- shorter stops
- more realistic ambient temperatures, closer to the European average
- stricter 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

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.
Audi e-tron
ŠKODA Kamiq
SEAT Tarraco
Porsche Cayenne E-Hybrid
Bentley Continental GT
Lamborghini Urus
Volkswagen Crafter Combi
MAN TGX 18.500

MAN TGE 5.180
The Key to Mobility
Creating Value with Financial Services
Investor Update –
Volkswagen Financial Services
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.

Under the brand “Volkswagen Financial Services – the key to mobility“ the subsidiaries of Volkswagen Financial Services AG as well as its sister company Volkswagen Bank GmbH render various services under the joint brand "Volkswagen Financial Services". Such services are banking services (through Volkswagen Bank GmbH), leasing services (through Volkswagen Leasing GmbH), insurance services (through Volkswagen Versicherung AG, Volkswagen Autoversicherung AG) as well as mobility services (inter alia through Volkswagen Leasing GmbH). In addition, insurance products of other providers are offered.
### Volkswagen Group Structure

<table>
<thead>
<tr>
<th>Volume</th>
<th>Premium</th>
<th>Sport &amp; Luxury</th>
<th>Truck &amp; Bus</th>
<th>Procurement/Components</th>
<th>Finance &amp; IT</th>
<th>China</th>
</tr>
</thead>
<tbody>
<tr>
<td>VW</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></td>
<td></td>
<td></td>
<td>Region China</td>
</tr>
<tr>
<td>MOIA</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Allocation will be verified

** Temporarily responsibility of Group CEO, will be a combined Board of Management function
Optimized Structure for Financial Services Business (starting 01.09.2017) Substantial Effects

Volkswagen Bank GmbH
- European Volkswagen Bank branches
- Affiliates with European credit business
- Domination and profit and loss transfer agreement with Volkswagen AG
- Supervised and regulated by ECB

Volkswagen Financial Services AG
- Non-bank-related European affiliates
- Affiliates in: Asia-Pacific, Latin America
- Domination and profit and loss transfer agreement with Volkswagen AG
- No supervision and regulation by ECB anymore

Advantages:
- Optimized capital requirement
- Reduced complexity & improved transparency
- Agile for new business models
We offer the whole range of services under one roof*

*Displayed portfolio depends on the market; products offered or mediated by different operative subsidiaries.
At a Glance (06/30/2018)

<table>
<thead>
<tr>
<th>Volkswagen Bank GmbH</th>
<th>Volkswagen Financial Services AG</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total assets € 84.3 bn</td>
<td>Total assets € 73.6 bn</td>
</tr>
<tr>
<td>Equity € 11.4 bn</td>
<td>Equity € 8.0 bn</td>
</tr>
<tr>
<td>Customer deposits € 33.7 bn</td>
<td>Customer deposits 68.5 m</td>
</tr>
<tr>
<td>Operating profit € 567 m</td>
<td>Operating profit € 329 m</td>
</tr>
<tr>
<td>Employees 3,584</td>
<td>Employees 8,449</td>
</tr>
<tr>
<td>Contracts (units) 5.7 m</td>
<td>Contracts (units) 8.4 m</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Business Volume* € 68.4 bn</th>
<th>Business Volume* € 51.5 bn</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leasing € 25.3 bn</td>
<td>Leasing € 31.5 bn</td>
</tr>
<tr>
<td>Credit € 30.0 bn</td>
<td>Credit € 16.1 bn</td>
</tr>
<tr>
<td>Dealer financing € 13.1 bn</td>
<td>Dealer financing € 3.9 bn</td>
</tr>
</tbody>
</table>

*Receivables + Leased Assets
Operating Income

Volkswagen Bank GmbH

Volkswagen Financial Services AG*

* Figures of Volkswagen Bank GmbH consolidated within Volkswagen Financial Services AG until 2016
Contract Portfolio

Continuous portfolio expansion

**Volkswagen Bank GmbH**
in ‘000 units

- **Credit**
  - 2011: 2,055
  - 2013: 2,351
  - 2015: 2,820
  - 2017: 5,534
  - HY 18: 5,711

- **Leasing**
  - 2011: 2,462
  - 2013: 1,489
  - 2015: 1,760

**Volkswagen Financial Services AG***
in ‘000 units

- **Insurance/Services**
  - 2011: 2,201
  - 2013: 1,617
  - 2015: 2,055
  - 2017: 8,524
  - HY 18: 8,397

- **Credit**
  - 2011: 4,579
  - 2013: 2,351
  - 2015: 2,820
  - 2017: 8,848

*Figures of Volkswagen Bank GmbH consolidated within Volkswagen Financial Services AG until 2016*
Credit Risk is the predominant risk type whereof the major share is originated from well diversified retail business with a low risk profile.

Other relevant risk types:
- Residual Value Risk
- Earning Risk
- Operational Risk
- Marketprice Risk
- Shareholder Risk
Credit risk remains at low level despite challenging market environment

- **Total Provision Ratio**
  - According to IAS 39 = total provisions in proportion to the total receivables’ volume at reporting date

- **Ø Dynamic Loss Ratio**
  - Dynamic Loss Ratio = drawings on provisions including direct write-offs relative to the average volume of receivables (last four quarters)
• Generally, Automotive and Financial Services Division are operating “at Arms Length” when setting residual values. Adequate provisioning for our existing portfolio is done on the basis of a regular portfolio assessment.
• All residual value risks are completely covered by provisions and equity according to IAS 36.
The International Used Car Broker is the additional and international channel in remarketing, implemented in several European countries

- Currently 8 VW FS AG countries participating
- 2 additional countries in discussion
Strategic Funding Allocation as of June 30, 2018

**Volkswagen Bank GmbH**
Total € 84.3 bn

**Volkswagen Financial Services AG**
Total € 73.7 bn
**Rating History (09/15/2018)**

<table>
<thead>
<tr>
<th></th>
<th>Moody's</th>
<th>S&amp;P</th>
</tr>
</thead>
<tbody>
<tr>
<td>Toyota</td>
<td>Aa3</td>
<td>AA-</td>
</tr>
<tr>
<td>Honda</td>
<td>A2</td>
<td>A+</td>
</tr>
<tr>
<td>BMW</td>
<td>A1</td>
<td>A+</td>
</tr>
<tr>
<td>VW AG</td>
<td>A3</td>
<td>BBB+</td>
</tr>
<tr>
<td>VW FS AG</td>
<td>A3</td>
<td>BBB+</td>
</tr>
<tr>
<td>VW Bank GmbH</td>
<td>A1</td>
<td>A-</td>
</tr>
<tr>
<td>Scania</td>
<td>--</td>
<td>BBB+</td>
</tr>
<tr>
<td>Daimler</td>
<td>A2</td>
<td>A</td>
</tr>
<tr>
<td>RCI Banque</td>
<td>Baa1</td>
<td>BBB</td>
</tr>
<tr>
<td>FMCC</td>
<td>Baa2</td>
<td>BBB</td>
</tr>
<tr>
<td>Banque PSA</td>
<td>A3</td>
<td>-*</td>
</tr>
</tbody>
</table>

**Development of credit ratings (Moody's)**

1) Outlook: negative  
2) Outlook: stable  
3) Bonds are rated senior subordinated BBB+ (S&P) and junior senior unsecured A3 (Moody's) * withdrawn at bank's request

Volkswagen Financial Services has a solid and stable rating history.
Volkswagen Financial Services organisational structure and guarantee scheme

Volkswagen AG
BBB+ (s) / A3 (s)¹

100% Owner +
Control and Profit & Loss Transfer Agreement

Volkswagen FS AG
BBB+ (s) / A3 (s)¹

Guarantee

Volkswagen Financial Services Australia
Volkswagen Financial Services Japan
Volkswagen Financial Services N.V.
Volkswagen Leasing GmbH

Volkswagen Bank GmbH
A- (n) / A1 (s)¹

¹Credit Ratings from Standard&Poors / Moody's as per 13 August 2018; (n) Outlook negative, (s) Outlook stable
Worldwide Capital Market Activities

VW Leasing Mexico
MXN 20 bn Dual CP + MTN Program

VW Bank Mexico
MXN 7 bn Debt Issuance Program

VDF Turkey
Domestic TRY Bond Issuances

Banco VW Brazil
Domestic Letra Financeira

VW FS Group
€ 5 bn CP Program
€ 25 bn Debt Issuance Program

VW Bank
€ 2.5 bn CP Program
€ 10 bn Debt Issuance Program

VW Bank Russia
Domestic 100bn RUB Bond Program

VW FS Korea
Domestic KRW Bond Issuances

VW FS Japan
JPY 60 bn ECP Program

VW Finance (China)
Domestic RMB Bond Issuances

VW FS Australia
AUD 3 bn Debt Issuance Program

* Guarantee Volkswagen Financial Services AG
Volkswagen Bank GmbH Programs
Worldwide ABS Activities

- **Volkswagen Bank GmbH Programs**
  - **VW Leasing/DutchLease**
    - VCL Master
    - DFM
    - DFM Master
  - **VW Finance Spain**
    - Driver España program
  - **VW Finance China**
    - Driver China program
  - **VW Finance Australia**
    - Driver Australia program
  - **VW FS UK**
    - Driver UK program
    - Driver UK Master
  - **VW FS Japan**
    - Driver Japan program
  - **VW Bank France**
    - Driver France program
  - **VW Bank Italy**
    - Driver Italia program
  - **VW Finance Spain**
    - Driver España program
  - **Banco VW Brazil**
    - Driver Brasil program
  - **VW Bank**
    - Driver program
    - Driver Master
  - **MAN Financial Services**
    - Trucknology
    - **VW Bank**
      - Driver program
      - Driver Master
    - **VW FS UK**
      - Driver UK Master
    - **VW FS Australia**
      - Driver Australia Master
    - **VW FS Japan**
      - Driver Japan program
    - **VDF Turkey**
      - Driver Turkey Master
## Recent Public DCM Deals 2018

**(Volkswagen Financial Services AG and Volkswagen Bank GmbH)**

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<th>Bank/Company</th>
<th>Deal Details</th>
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<td>Volkswagen Bank GmbH</td>
<td>06/2018 EUR 2bn, due 09/2021, 12/2021, 06/2024</td>
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<td>12/2017 EUR 2bn, due 06/2021, 06/2023, 12/2025</td>
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<td>Volkswagen Financial Services N.V.</td>
<td>GBP 300m 02/2018, due 06/2022</td>
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<td>Volkswagen Financial Services AG</td>
<td>EUR 2.25bn 04/2018, due 10/19, 04/21 &amp; 04/23</td>
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<td>Volkswagen Financial Services N.V.</td>
<td>NOK 500m 04/2018, due 04/2021</td>
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<td>Volkswagen Financial Services Australia PTY LTD</td>
<td>AUD 400m 04/2018, due 04/2021</td>
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<td>Banco Volkswagen S.A.</td>
<td>BRL 489.2m 06/2018, due 06/2020</td>
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<td>Volkswagen Financial Services AG</td>
<td>EUR 500m 07/2018, due 07/2020</td>
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<td>Volkswagen Leasing GmbH</td>
<td>EUR 2.5bn 08/2018, due 02/2021 &amp; 02/2023 &amp; 08/2025</td>
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<td>Volkswagen Financial Services N.V.</td>
<td>GBP 500m 08/2018, due 09/2021</td>
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<tr>
<td>OOO Volkswagen Bank RUS</td>
<td>RUB 5bn 08/2018, due 08/2021</td>
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<td>Volkswagen Financial Services Australia PTY LTD</td>
<td>AUD 350m 08/2018, due 02/2022</td>
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<tr>
<td>Volkswagen Leasing Mexico S.A. de C.V.</td>
<td>MXN 2.5bn 09/2018, due 09/2021</td>
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<tr>
<td>Volkswagen Financial Services N.V.</td>
<td>SEK 500m 09/2018, due 09/2021</td>
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### Recent Public ABS Deals 2018

(Volkswagen Financial Services AG and Volkswagen Bank GmbH)

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<th>Volkswagen Bank GmbH</th>
<th>Volkswagen Financial Services AG</th>
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<td>Driver Espania five (Volkswagen Finance S.A.): EUR 1.0bn (02/2018)</td>
<td>Driver China eight (Volkswagen Finance (China) Co.): RMB 3.2 bn (12/2017)</td>
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<td>Driver Italia one (Volkswagen Bank GmbH): EUR 500m (04/2018)</td>
<td>Driver Turkey Master (Volkswagen Dogus Finansman S.A.): TRY 1.1 bn (02/2018)</td>
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<tr>
<td>Driver fifteen (Volkswagen Bank GmbH): EUR 750m (08/2018)</td>
<td>VCL 26 (Volkswagen Leasing GmbH): EUR 1.5 bn (03/2018)</td>
</tr>
<tr>
<td>VCL 26 (Volkswagen Leasing GmbH): EUR 1.5 bn (03/2018)</td>
<td>Driver Australia five (Volkswagen Financial Services Australia Pty Ltd.): AUD 750m (04/2018)</td>
</tr>
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</table>
Volkswagen Financial Services follows consequently its vision and the targets of Route2025.
ROUTE 2025 | Our Focus Topics

Digitalization

Operational Excellence

Mobility Services

Used Car Business
Volkswagen Financial Services will digitalize all core products by 2020 and extends its distribution channels

Past: single channel  
By 2020: multi channel  
By 2025: omni channel

Digitalization

Past: single channel

By 2020: multi channel

By 2025: omni channel

3rd Credit Agricole CIB Auto Credit Day | 04 October, 2018 | Investor Update Volkswagen Financial Services
Growing business with leading companies per business segment

Growing business with leading companies per business segment

**VW FS MOBILITY UNIT**

- **Charge & Fuel**
  - Charge & Fuel card and app and tolling solutions

- **RENTAL & CARSHARING**
  - Car & Truck rental and car sharing

- **SMART PARKING**
  - Cashless parking, access and payment

**VW FS DIGITAL UNIT**

- **PAYMENT**
  - Electronic payments and wallet

**USED CARS**

- **Used Car multi-brand platform**
  - Volkswagen Finance Luxemburg II S.A.

3rd Credit Agricole CIB Auto Credit Day | 04 October, 2018 | Investor Update Volkswagen Financial Services
Used Car Business - Hey Car: development of a real alternative to the current duopoly

- **mobile.de** and **AUTO SCOUT 24** counts for 85% of the Market
- **Constant price increase** for both platforms
- Dominant platforms **controlled by American tech companies**

Hey Car is being developed as an alternative in close cooperation with dealers

**Daimler Financial Services** acquire 20% stake*

* deal subject to approval by antitrust authorities
Thank You.

Volkswagen Financial Services AG
Gifhorner Str. 57
38112 Braunschweig
Germany
www.vwfsag.de/en

Katja Hauer
Investor Relations
Volkswagen Financial Services

Tel.: +49 531 212 84608
katja.hauer@vwfs.com
We are stepping on the gas in terms of profitability, innovative power and sustainability