Leading the transformation.

Dr. Christian Dahlheim
Director Group Sales,
Volkswagen AG

CAPITAL MARKETS DAY 2019
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, and trade disputes among major trading partners 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 Such statements are valid on the date of publication and can be superseded.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.
JANUARY TO DECEMBER 2018 VS. 2017 (thsd. units)

**Volume**
- 2017: 6,245
- 2018: 6,254
- Change: +1.4%

**Premium**
- 2017: 1,812
- 2018: 1,878
- Change: -3.5%

**Sport & Luxury**
- 2017: 256
- 2018: 265
- Change: +3.6%

**Truck & Bus**
- 2017: 111
- 2018: 137
- Change: +19.6%

Change:
- 2017: 10,834
- 2018: 10,742
- Change: -0.9%

1) Incl. all brands of Volkswagen Group (Passenger Cars and Commercial Vehicles); +0.6% excl. Volkswagen Commercial Vehicles, Scania and MAN.
2) MAN incl. MAN Latin America Trucks and Busses GVW > 5t.
GROWTH Y-O-Y IN DELIVERIES TO CUSTOMERS, JANUARY TO DECEMBER 2018 VS. 2017

<table>
<thead>
<tr>
<th>Region</th>
<th>Car Market Cars + LCV</th>
<th>VW Group Cars + LCV</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>North America</strong></td>
<td>-0.6%</td>
<td>-2.1%</td>
</tr>
<tr>
<td><strong>South America</strong></td>
<td>6.2%</td>
<td>11.3%</td>
</tr>
<tr>
<td><strong>World</strong></td>
<td>-1.2%</td>
<td>0.6%</td>
</tr>
<tr>
<td><strong>Central &amp; Eastern Europe</strong></td>
<td>11.0%</td>
<td>6.8%</td>
</tr>
<tr>
<td><strong>Asia-Pacific</strong></td>
<td>0.6%</td>
<td>0.9%</td>
</tr>
</tbody>
</table>

1) Figures excl. Volkswagen Commercial Vehicles, Scania and MAN.
VOLKSWAGEN GROUP CAR PARK CONTINUED TO GROW IN 2018

CAR PARK WORLDWIDE (IN MIL.)

<table>
<thead>
<tr>
<th>Year</th>
<th>Car Park</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>82</td>
</tr>
<tr>
<td>2015</td>
<td>87</td>
</tr>
<tr>
<td>2016</td>
<td>91</td>
</tr>
<tr>
<td>2017</td>
<td>95</td>
</tr>
<tr>
<td>2018</td>
<td>100</td>
</tr>
</tbody>
</table>
GLOBAL PASSENGER CAR MARKET 2018 - 2019

CHINA REMAINS LARGEST DRIVER OF PASSENGER CAR DEMAND, WESTERN EUROPE STABLE, SLOWDOWN IN THE US FROM A HIGH LEVEL (m units)

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>USA</td>
<td>17.3</td>
<td></td>
</tr>
<tr>
<td>Western Europe</td>
<td>14.2</td>
<td></td>
</tr>
<tr>
<td>China</td>
<td>22.8</td>
<td></td>
</tr>
<tr>
<td>World</td>
<td>82.8</td>
<td></td>
</tr>
</tbody>
</table>

Deliveries to customers of the Volkswagen Group in 2019 will still grow moderately amid continuously challenging market conditions.
WE RESPONDED TO THE WORLDWIDE SUV TREND WITH A VERSATILE PRODUCT PORTFOLIO / SUV MIX\(^1\)

**SUV SHARE IN % OF REGIONAL GROUP DELIVERIES TO CUSTOMERS**

\(^1\) Internal Planning
STRONG ELECTRIFICATION OF PORTFOLIO: ENORMOUS INCREASE WORLDWIDE IN BEV DELIVERIES BY 2025 ACROSS ALL BRANDS

(WORLD, IN MIO.)

> 70 models

RoadmapE

~ 3.0
OUR E-OFFENSIVE WILL ENSURE CO2 COMPLIANCE

CO2 COMPLIANCE VOLUME INCL. WLTP-EFFECT

<table>
<thead>
<tr>
<th>Year</th>
<th>CO2 Compliance Volume</th>
<th>e-Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>0.2 - 0.3 Mio.</td>
<td>ca. 5%</td>
</tr>
<tr>
<td>2021</td>
<td>0.4 - 0.5 Mio.</td>
<td>ca. 10%</td>
</tr>
<tr>
<td>2025</td>
<td>ca. 1 Mio.</td>
<td>ca. 25%</td>
</tr>
</tbody>
</table>

0.4 - 0.5 Mio.

ca. 1 Mio.
CUSTOMER DEMAND FOR BEV ADDRESSED BY THREE KEY ELEMENTS

Usability / Range

- e-Golf: up to 231 km (WLTP)
- MEB-platform: up to 550 km (WLTP)
- Scalable

Total Cost of Ownership

- Par value on total costs between ICE and BEV
- State subsidy
- Cost of Ownership
- Cost/Leasing

Systematic Sales Approach

- New Car
- Lifetime Concept
- Used Car

*Rate instead of price*:
- leasing for all customer groups
- Pre-sale offers incl. After Sales
- For new and used vehicles

Effects:
- Stabilization of residual values
- Increase of customer loyalty towards dealers & brand
RANGE ISSUES SOLVED: UP TO 550 KM WITH MEB

- **e-Golf**
  - up to 231 km (WLTP)

- **MEB-platform**
  - up to 550 km (WLTP)
  - scalable

Map showing distances:
- Hamburg: 220 km
- Berlin: 230 km
- Cologne: 380 km
- Frankfurt: 370 km
- Stuttgart: 530 km
- Munich: 610 km
- Wolfsburg: 230 km
THE CHARGING INFRASTRUCTURE: AN ENABLER FOR THE TRANSFORMATION TO E-MOBILITY

- **@ Home**: ~61,000
  - Electrify America: ~5,000 (2020)

- **@ Work**: ~160,000
  - IONITY: 2,400 (2020)

- **@ Public**: ~330,000 (2020)

- **@ Highway**: 11kW AC / 22kW DC
  - 125kW DC / 11kW AC
THE TOTAL COST OF OWNERSHIP IS ON THE LEVEL OF A COMPARABLE ICE

Par value on total costs between ICE and BEV

ICE – e.g. Golf TDI

e-Golf

BEV – ID.

€

State subsidy

Cost of Ownership

Cost/Leasing
INCREASING DEMAND FROM FLEET CUSTOMERS FOR BEV VEHICLES

SURVEY OF CO2 COMPLIANCE POLICY OF CA. 190 MULTINATIONAL COMPANIES. TREND TO MORE POLICY INCREASING.

- No policy: 56%
- External policies: 26%
- Internal policies: 18%
SIMPLIFICATION OF ORDERING PROCESS: CONFIGURATION IN A FEW CLICKS ONLY
EXAMPLE OF VW ID. CONFIGURATION PROCESS

### Customize your contract
- Contract duration: 24 Months
- Mileage per year: 8,000 Km
- Downpayment: 0 €

### See your monthly rate
- Options: Line/Range, Model

### Choose your ID. Lease&Care package
- Service: EXEMPLARY
- Maintenance Tyres Insurance: EXEMPLARY
- Cost:
HOLISTIC SALES APPROACH BENEFITS CUSTOMERS
THE ID. LIFETIME CONCEPT

“Rate instead of price”:
• Leasing for all customer groups
• Package offers incl. After Sales
• For new and used vehicles

Effects:
• Stabilization of residual values
• Increase of customer loyalty towards dealers & brand
CORE IDEA OF ID. LIFETIME CONCEPT: STABILIZE RESIDUAL VALUES AND INCREASE CUSTOMER LOYALTY BY STRONGER FOCUS ON RATES AND ON USED CARS
THE FUTURE SALES MODEL: REDUCTION OF TDC\textsuperscript{1)} AND MORE PRICE CONTROL

Retail partnerships ready for the future – Customer is central to all touch-points

- **Consumer Centricity**
  - Integrated customer data management for direct customer access
  - Digital products, functions on demand and new services for additional business

- **Profitability & Efficiency**
  - Over-the-Air diagnosis and updates sales and service
  - Integrated, direct online channel for lean sales and service activities

\textsuperscript{1)} Total Distribution Costs