Half-Yearly Financial Report
JANUARY – JUNE 2019

Live Media Audio Webcast and Conference Call
July 25th, 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 Such statements are valid on the date of publication and can be superseded.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.
Live Media Audio Webcast and Conference Call:
January – June 2019

Frank Witter
Chief Financial Officer
Volkswagen AG

Dr. Jens Effenberger
Head of Group Sales Management
Volkswagen AG

Dr. Marc Langendorf
Head of Corporate Communications
Volkswagen AG
Financial Highlights January – June 2019

Deliveries to Volkswagen Group customers at 5.4 (5.5) million vehicles; decline in Asia-Pacific in particular; growth in South America; passenger car market share expanded in declining overall market worldwide

Group sales revenue rose by 4.9% to €125.2 billion

At €10.0 billion, operating profit before special items exceeds the prior-year figure by €0.2 billion; improvements in the mix and price positioning

Operating profit improves to €9.0 (8.2) billion; negative special items of €–1.0 (–1.6) billion relating to the diesel issue

Profit before tax increased to €9.6 (9.0) billion

Automotive Division’s net cash flow up by €2.2 billion to €5.6 billion; capex ratio of 4.9 (4.3)%

Net liquidity in the Automotive Division of €15.9 billion; negative effect of €5.1 billion on the net liquidity reported due to the application of the new IFRS 16
Volkswagen Group – Deliveries to Customers by Brands ¹)
(January to June 2019 vs. 2018)

¹) Volkswagen Group excl. Ducati
Development World Car Market vs. Volkswagen Group Car Deliveries to Customers ¹)  
(Growth y-o-y in deliveries to customers, January to June 2019 vs. 2018)

1) Volkswagen Group Passenger Cars excl. Volkswagen Commercial Vehicles ²) incl. LCV in North America & South America
Volkswagen Group – Development Deliveries to Customers by Regions 1)
(Growth y-o-y in deliveries to customers, January to June 2019 vs. 2018)

[thsd. units]
Market introductions in Q3 2019

- Audi A4
- ŠKODA Kamiq (EU)
- Jetta VS5 (China)
- Bentley Bentayga Hybrid (PHEV)
# Volkswagen Group – Analysis of Operating Profit ¹)

(January to June 2019 vs. 2018)

<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>Passenger Cars*/**</td>
<td>8.2</td>
<td>9.8</td>
<td>0.8</td>
<td>-0.3</td>
<td>0.3</td>
<td>-0.9</td>
<td>0.3</td>
<td>0.0</td>
<td>-0.1</td>
<td>10.0</td>
<td>9.0</td>
</tr>
</tbody>
</table>

¹) All figures shown are rounded, minor discrepancies may arise from addition of these amounts. *) without FS **) including PPA
### Volkswagen Group – Analysis by Business Line ¹)
(January to June 2019 vs. 2018)

<table>
<thead>
<tr>
<th></th>
<th>Vehicle sales</th>
<th>Sales revenue</th>
<th>Operating profit</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2019</td>
<td>2018</td>
<td>2019</td>
</tr>
<tr>
<td>Volkswagen Passenger Cars</td>
<td>1,886</td>
<td>1,931</td>
<td>44,146</td>
</tr>
<tr>
<td>Audi</td>
<td>632</td>
<td>812</td>
<td>28,761</td>
</tr>
<tr>
<td>SKODA</td>
<td>560</td>
<td>511</td>
<td>10,154</td>
</tr>
<tr>
<td>SEAT</td>
<td>370</td>
<td>347</td>
<td>6,266</td>
</tr>
<tr>
<td>Bentley</td>
<td>5</td>
<td>5</td>
<td>835</td>
</tr>
<tr>
<td>Porsche Automotive ²)</td>
<td>136</td>
<td>123</td>
<td>12,212</td>
</tr>
<tr>
<td>Volkswagen Commercial Vehicles</td>
<td>256</td>
<td>248</td>
<td>6,489</td>
</tr>
<tr>
<td>Scania ³)</td>
<td>52</td>
<td>47</td>
<td>7,115</td>
</tr>
<tr>
<td>MAN Commercial Vehicles</td>
<td>72</td>
<td>65</td>
<td>6,283</td>
</tr>
<tr>
<td>Power Engineering</td>
<td>-</td>
<td>-</td>
<td>1,864</td>
</tr>
<tr>
<td>VW China ⁴)</td>
<td>1,789</td>
<td>1,999</td>
<td>-</td>
</tr>
<tr>
<td>Other ⁵)</td>
<td>-418</td>
<td>-512</td>
<td>-16,919</td>
</tr>
<tr>
<td>Volkswagen Financial Services</td>
<td>-</td>
<td>-</td>
<td>17,992</td>
</tr>
<tr>
<td>Volkswagen Group before Special Items</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Special Items</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Volkswagen Group ⁶)</td>
<td>5,339</td>
<td>5,575</td>
<td>125,197</td>
</tr>
<tr>
<td>Automotive Division</td>
<td>5,339</td>
<td>5,575</td>
<td>106,126</td>
</tr>
<tr>
<td>of which: Passenger Cars ⁷)</td>
<td>5,215</td>
<td>5,463</td>
<td>90,942</td>
</tr>
<tr>
<td>of which: Commercial Vehicles ⁷)</td>
<td>124</td>
<td>113</td>
<td>13,320</td>
</tr>
<tr>
<td>of which: Power Engineering</td>
<td>-</td>
<td>-</td>
<td>1,864</td>
</tr>
<tr>
<td>Financial Services Division</td>
<td>-</td>
<td>-</td>
<td>19,071</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 €11,405 (11,287) million, operating profit before special items €2,209 (2,114) million. ³) Scania (Automotive and Financial Services): sales revenue €7,336 (6,515) million, operating profit €895 (684) million. ⁴) The sales revenue and operating profit 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 €2,180 (2,136) million. ⁵) 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 as well as companies not allocated to the brands. ⁶) Including allocation of consolidation adjustments between the Automotive and Financial Services divisions. ⁷) The Volkswagen Commercial Vehicles brand has been reported as part of the Passenger Cars Business Area since January 1, 2019. The prior-year figures have been adjusted.
Automotive Division – Net Cash Flow ¹)
(January to June 2019)

[€ billion]

<table>
<thead>
<tr>
<th>Year</th>
<th>Cash Flow Including Diesel Payments and M&amp;A</th>
<th>Diesel Outflow</th>
<th>Acquisition and Disposal of Equity Investments</th>
<th>Net Cash Flow Underlying Business</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>5.6</td>
<td>0.9</td>
<td>0.5</td>
<td>6.9</td>
</tr>
</tbody>
</table>

¹) Including allocation of consolidation adjustments between Automotive and Financial Services divisions.
Volkswagen Group – Outlook for 2019

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deliveries to customers (’000 vehicles)</td>
<td>10.7</td>
<td>10.8</td>
<td>+0.9%</td>
</tr>
<tr>
<td>Sales revenue (€ billion)</td>
<td>229.6</td>
<td>235.8</td>
<td>+2.7%</td>
</tr>
<tr>
<td>Operating return on sales (%)</td>
<td>7.4 1)</td>
<td>7.3 1)</td>
<td></td>
</tr>
</tbody>
</table>

- Deliveries to customers slightly exceed the prior-year (2019).
- Sales revenue grow by as much as 5% (2019).
- Operating return on sales in the range of 6.5 – 7.5% before Special Items (2019).

1) before Special Items.