Shaping the transformation together.
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.

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Where the Volkswagen Group is today

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Where we came from: Our way out of the crisis

2015
SETBACK
Diesel crisis the biggest challenge in our history

2016
NEW BEGINNING
Volkswagen launches strategic realignment

2017
OFFENSIVE
Full speed ahead – in terms of our operating business and future trends
What we accomplished in 2017: Great progress on all Group goals

- Continue to resolve the diesel crisis [12/2017]
- Focus on successful operating business
- Further increases in efficiency and synergies
- Drive forward Strategy 2025
- Promote and live new corporate culture [01/2017]
Resolving the diesel crisis: Substantial progress in all markets

<table>
<thead>
<tr>
<th>Worldwide recall/service campaigns driven forward:</th>
<th>Major progress in modifications in North America:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Processing rate for Germany currently 93%; substantial progress also in Europe (74%) and worldwide (68%)</td>
<td>On target for modifications/buybacks for 2.0 liter TDI engines; field fix started for 3.0 liter TDI engines</td>
</tr>
</tbody>
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<thead>
<tr>
<th>Group environmental incentive makes significant contribution to improving air quality in German cities:</th>
<th>Agreed flanking measures being consistently implemented:</th>
</tr>
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<tbody>
<tr>
<td>160,000 customers already decided to switch to environmentally friendly vehicles</td>
<td>Investment plan for zero emissions vehicles (ZEV) approved by authorities; implementation started</td>
</tr>
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<thead>
<tr>
<th>Legal processing still in progress</th>
<th>Legal processing well advanced</th>
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</table>

Legal processing still in progress

Legal processing well advanced
Successful operating business: Record deliveries, sales revenue and profit

- **Deliveries (units):** 10.7 million
  - 2016: 10.3 million
  - 2017: 10.7 million
  - +4.3% vs. prior year

- **Sales revenue:** €230.7 billion
  - 2016: €214.3 billion
  - 2017: €230.7 billion
  - +6.2% vs. prior year

- **Operating profit (before special items):** €17.0 billion
  - 2016: €14.0 billion
  - 2017: €17.0 billion
  - +16.5% vs. prior year
Successful operating business: Growth in all core regions

- Deliveries in Western Europe again up slightly
- Strong momentum in Central and Eastern Europe

4.3 million | +3.3%
deliveries | vs. prior year

- Deliveries exceed strong prior-year figure
- Strong market position further extended

4.2 million | +5.1%
deliveries | vs. prior year

- Positive unit sales trend stabilized
- Above-average growth in fiercely competitive US market

0.98 million | +4.0%
deliveries | vs. prior year
Successful operating business: Strong contribution by all Group brands

<table>
<thead>
<tr>
<th>Brand</th>
<th>Highlights</th>
</tr>
</thead>
</table>
| Volkswagen | • “TRANSFORM 2025+” strategy driven forward consistently  
• Clear improvement in operating profit and margin, successful product initiative |
| Audi | • Prior-year sales record again exceeded  
• A8 as first series car in the world developed for conditional automated driving |
| Porsche | • One millionth 911 rolls off production line, new Cayenne well received  
• New records for unit sales, sales revenue and profit |
| Skoda | • Success story continues with record unit sales, sales revenue and profit  
• SUV initiative reinforced by the new Karoq |
| Seat | • Record sales revenue and significant increase in profit  
• Powerful model initiative continues with the new Ibiza and Arona |
| Volkswagen Truck & Bus | • Further key steps on the way to becoming global champion  
• Pioneering role in digitalization reinforced by launch of RIO platform |
| Volkswagen Financial Services | • Further record profit makes key contribution to Group’s success  
• Successful return to the primary market for euro bonds |
“2017 was an excellent year for the Volkswagen Group and its brands. We’re back on the offensive.”
Efficiency gains and synergies: Measures increasingly effective

**Efficiency gains on target:**
Group brand programs successfully initiated (e.g. Zukunftspakt at VW brand); excellence initiative also launched for Group functions

**Cooperation intensified:**
Large number of issues being addressed on a cross-brand basis, e.g. common platform (PPE) launched for Audi and Porsche premium electric cars, plant allocation decided for first wave of MEB vehicles

**Synergies leveraged:**
Intensified cooperation at Volkswagen Truck & Bus and in the “Luxury/Sport” brand group increasingly bearing fruit

**Improved investment discipline:**
Capex and R&D ratios toward 6 percent target by 2020
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
New corporate culture: Change gaining breadth and depth

- **Sustainable strengthening of compliance systems taking effect**
  - Substantial progress in improving processes, structures and policies
  - Zero tolerance of violations of values
- **Focus on values, integrity and Code of Collaboration becoming firmly rooted in corporate culture**
  - Volkswagen Convention: Training for 7,600 managers and works council members on integrity, culture and compliance
  - Group-wide management development with new requirements profiles launched
  - Role model program helps to implement change by example
“We are on track toward the future. And we’re not going to let up halfway there. We are stepping on the gas.”
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What we’re planning for 2018: Accelerating change

ACCELERATION
We are driving forward change at Volkswagen at full speed
## Our priorities for 2018

<table>
<thead>
<tr>
<th>Priority</th>
<th>Specific Actions</th>
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<tbody>
<tr>
<td>Continue to resolve the diesel crisis</td>
<td>Conclude worldwide recall campaigns and service actions</td>
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<td></td>
<td>Manage legal proceedings worldwide</td>
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<td>Focus on successful operating business</td>
<td>Continue the positive trend at all brands</td>
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<td>Further extend market shares in the regions</td>
</tr>
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<td>Further increases in efficiency and synergies</td>
<td>Further improve disciplined approach to investment</td>
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<td>Drive forward cooperation within the Group</td>
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<tr>
<td>Drive forward Strategy 2025</td>
<td>Accelerate Group initiatives under the future program</td>
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<td>Define the transformation phase from 2020 to 2025</td>
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<tr>
<td>Promote and live new corporate culture</td>
<td>Fill Code of Collaboration with life</td>
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<td>Firmly root role model function of executives</td>
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</table>
Focus on operating business: Ambitious outlook for 2018

- **Deliveries to customers**: Moderate increase over prior-year record
- **Sales revenue**: Further increase by up to 5 percent
- **Group operating return on sales**: Target corridor lifted to 6.5 to 7.5 percent
Focus on strategy: Resolutely making progress toward sustainable mobility

- Efficient combustion engines and alternative drives
- Battery technology
- Charging infrastructure
- Mobility services
- Self-driving system (SDS)

E-mobility
Volkswagen’s largest-ever investment program focusing on future trends now being rolled out

Up to the end of 2022:

- More than €34 billion for e-mobility, digitalization, autonomous driving and mobility services – thereof in 2018: €6.6 billion
- More than €90 billion for the conventional vehicle and drive portfolio – thereof in 2018: €19.8 billion
Core project “Roadmap E”: The most comprehensive electrification initiative in the auto industry

2025
• + 50 BEVs and 30 PHEVs
• Up to 25% of new Group vehicles to be purely electric-powered

2030
• At least one electrified version of each of the >300 Group models
How we are implementing “Roadmap E”: Battery expertise, stage by stage

- **Center of Excellence for battery cells**: started operating
- **Battery strategy** is being implemented in stages:
  - Battery capacity required by 2025: 150 GWh per year
  - Procurement volume for MEB: more than €50bn over the cycle
  - First MEB partners contracted for Europe and China
  - Supplier decision for North America to be taken shortly
- Key issue of **safeguarding supplies of raw materials** is being systematically addressed with selected suppliers
We are bringing the future to life with new mobility services

- App-based ride pooling service from MOIA closes the gap between taxis and buses
- Test phase in Hanover with 2,000 users
- Own e-shuttle for 6 passengers developed
- Project start in Hamburg at end-2018: fleet will be expanded to 200 vehicles in the first phase
- Further cities planned
We’re stepping on the gas with autonomous driving

- SEDRIC, Audi AICON and I.D. Vizzion showcase the potential of autonomous driving
- The new Audi A8: conditional automated driving up to 60 km/h
- Autonomous Intelligent Driving GmbH at Audi is developing self-driving system
- Cooperation with Aurora Innovation launched
- Group-wide activities are being synchronized, expanded and accelerated
Focus on sustainability: Volkswagen is realigning its energy supply

- **Converting** the two large power stations in Wolfsburg from coal to natural gas
- **Saving 1.5 million tons of CO₂ per year**, equal to the annual CO₂ emissions of 870,000 vehicles
- **Investing about €400 million** in new gas and steam turbine systems
“We are on the right path and are gaining momentum. We still have plenty of work ahead of us. But: we will reach our goal.”
Where we are headed: Strategic Group goals 2025 confirmed

The Volkswagen Group

... remains one of the largest automobile manufacturers.
... is the #1 in e-mobility worldwide.
... is a model in terms of environment, safety and integrity.
... sets standards in mobility services.