

**Live INVESTOR and ANALYST
Audio Webcast and Conference Call**

July 30th, 2020

Half-Yearly Financial Report

JANUARY – JUNE 2020

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 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.

The outbreak of COVID-19 (commonly referred to as coronavirus) has negatively impacted and may continue to impact economic and social conditions in some of Volkswagen's primary markets, including China and Europe, as public, private, and government entities implement containment and quarantine measures. The continued spread of COVID-19 may cause shortages of necessary materials and parts from suppliers directly or indirectly affected by the outbreak and may cause operational disruptions and interruptions at Volkswagen's production facilities, leading to significant production downtimes

A negative development relating to ongoing claims or investigations, the continuation of COVID-19, an 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.



Frank Witter

Chief Financial Officer
Volkswagen AG



Dr. Christian Dahlheim

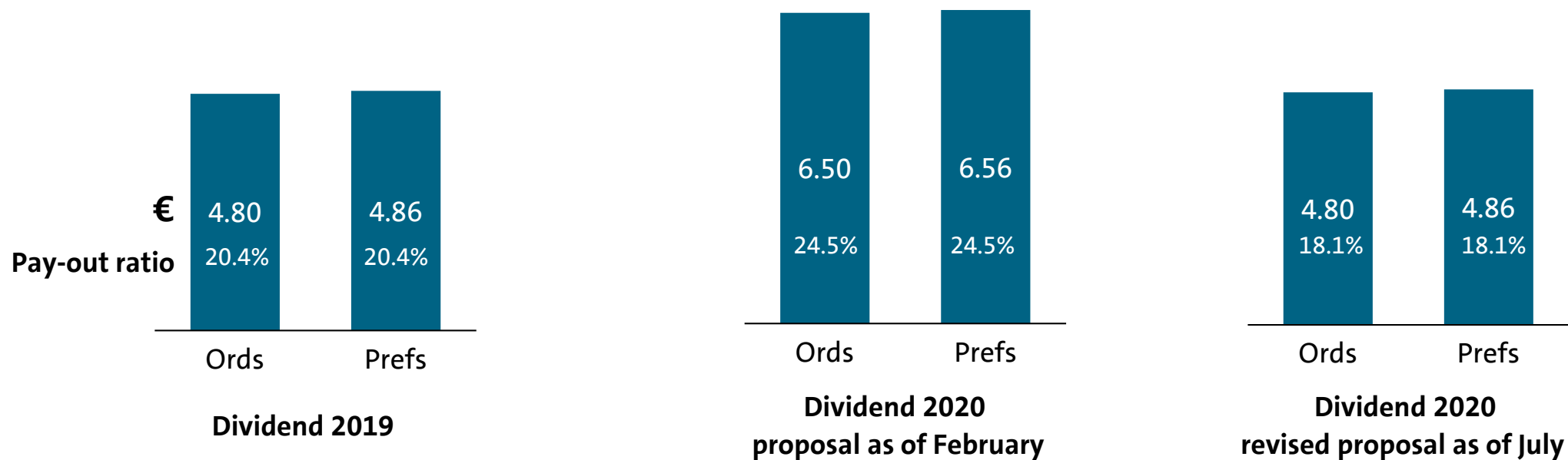
Director Group Sales
Volkswagen AG



Helen Beckermann

Head of Group Investor Relations
Volkswagen AG

Revised Dividend Proposal: Prudent Approach in light of circumstances



**Carry over of remaining net retained profit of 855 million Euro to 2021
Volkswagen AG still fully committed to the strategic target of a 30% payout ratio!**

Financial Highlights January – June 2020

Volkswagen Group's business strongly impacted by Covid-19 pandemic in first half of 2020; countermeasures implemented worldwide

Deliveries to Volkswagen Group customers down 27.4% at 3.9 (5.4) million vehicles; declines in all regions, passenger car market share increased

Group sales revenue decreases by 23.2% to €96.1 billion

Operating result before special items falls to EUR –0.8 (10.0) billion; demand-related fall in volumes; Fair value valuations on derivatives outside Hedge accounting and currency effects have a negative impact of € 0.9 billion, the contribution of AID into the autonomous driving joint venture with Ford leads to a non-cash gain of EUR 0.8 billion

Operating result of €–1.5 billion down €10.5 billion on prior-year figure; negative special items of €–0.7 (–1.0) billion relating to diesel issue

Earnings before tax decrease to €–1.4 (9.6) billion

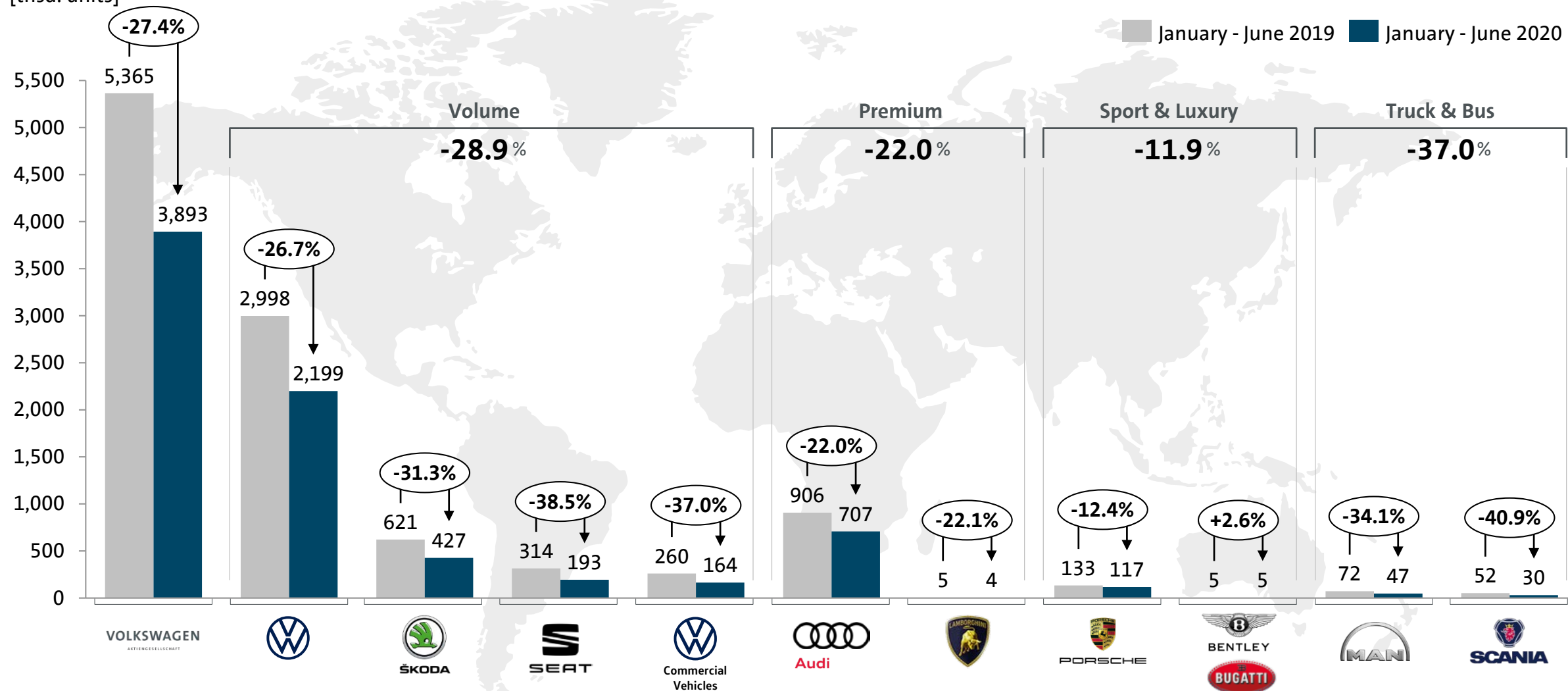
Automotive Division's net cash flow at €–4.8 (5.6) billion; capex ratio is 5.4 (4.9)% only due to falling revenues

Net liquidity in the Automotive Division at €18.7 billion; successful placement of hybrid notes strengthens capital base

Annual General Meeting will take place on September 30, 2020; dividend proposal amended, remaining net retained profits will be carried forward to next year's accounts

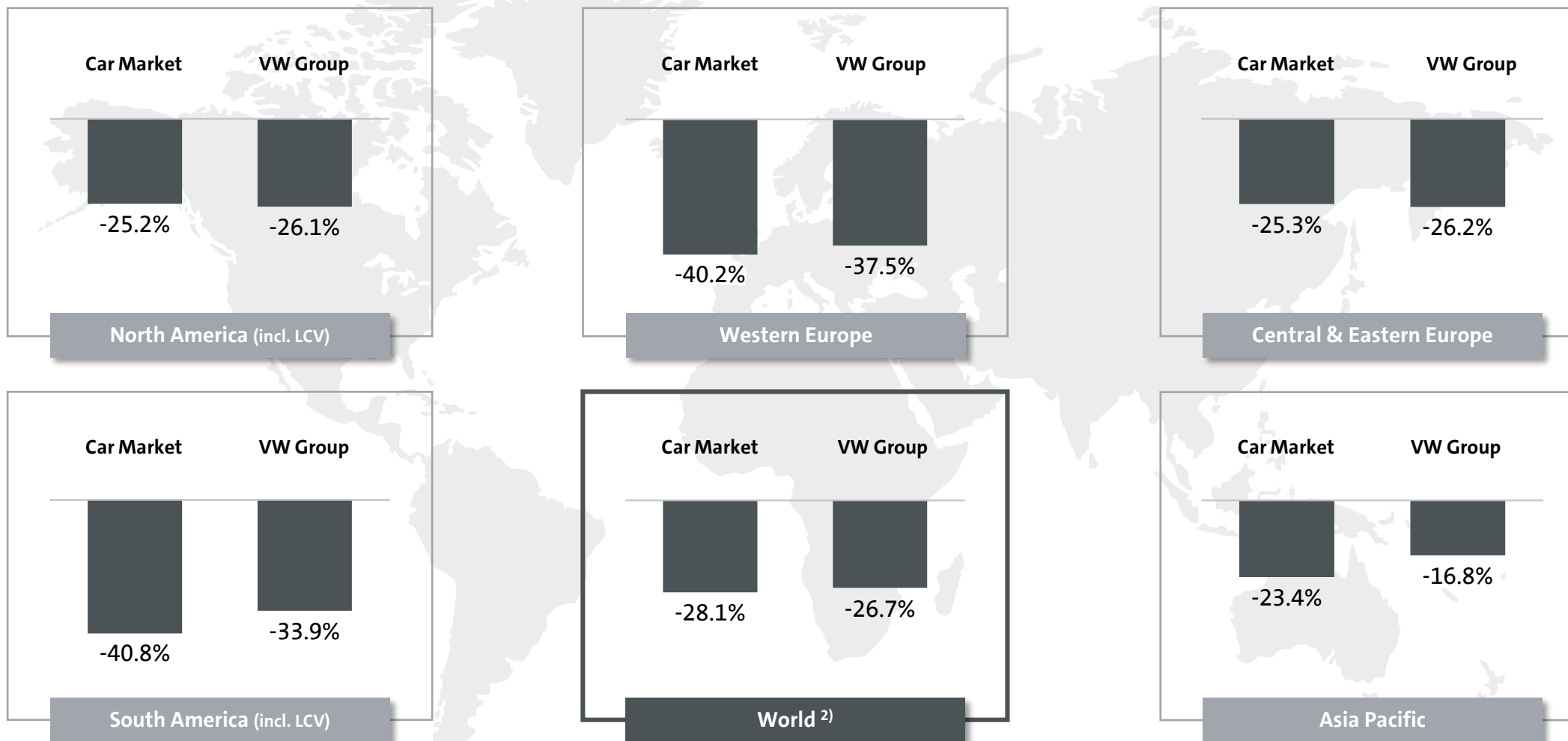
Volkswagen Group – Deliveries to Customers by Brands ¹⁾ (January to June 2020 vs. 2019)

[thsd. units]



¹⁾ Volkswagen Group excl. Ducati

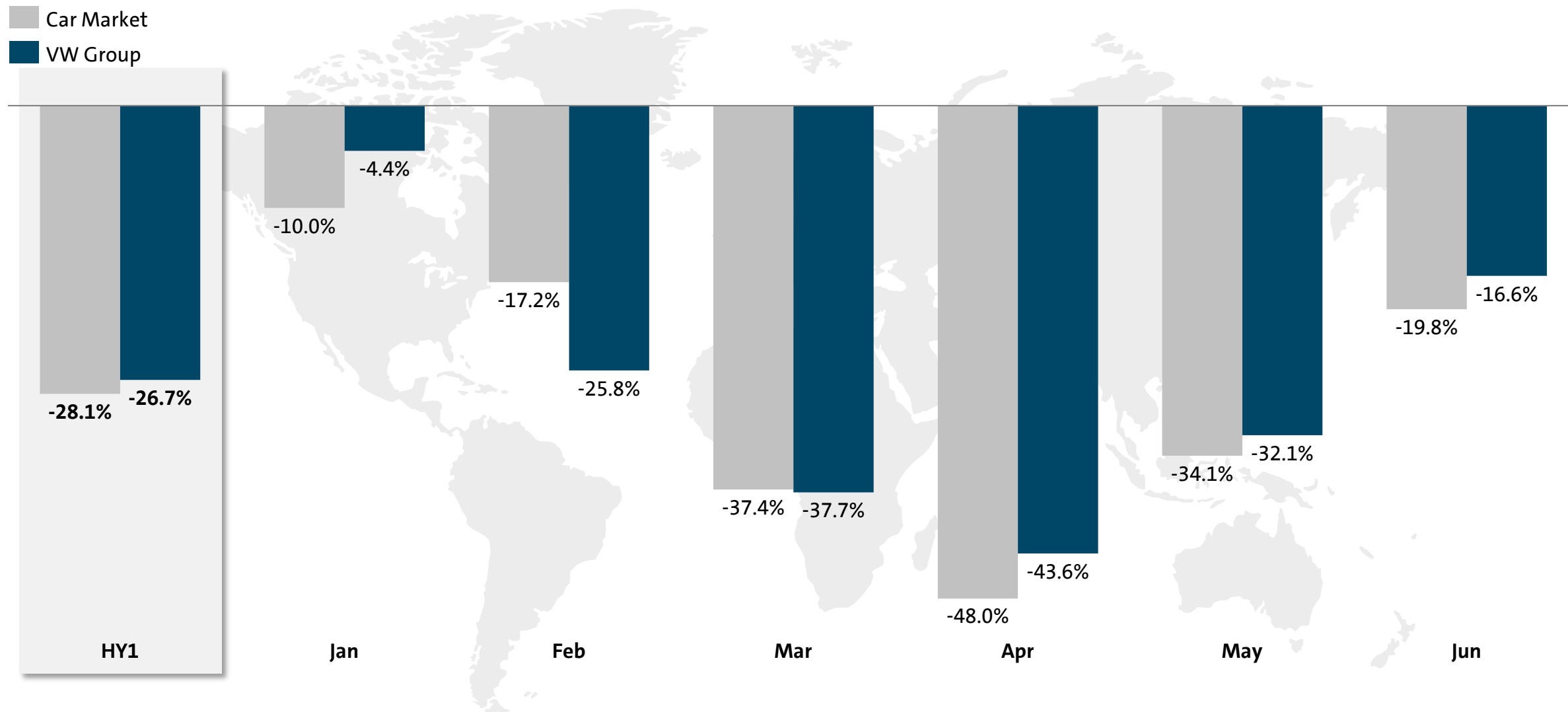
Development World Car Market vs. Volkswagen Group Car Deliveries to Customers by Regions ¹⁾ (Growth y-o-y, January to June 2020 vs. 2019)



¹⁾ Volkswagen Group Passenger Cars excl. Volkswagen Commercial Vehicles ²⁾ incl. LCV in North America & South America

Development World Car Market vs. Volkswagen Group Car Deliveries to Customers ¹⁾

(Growth y-o-y, January to June 2020 vs. 2019)



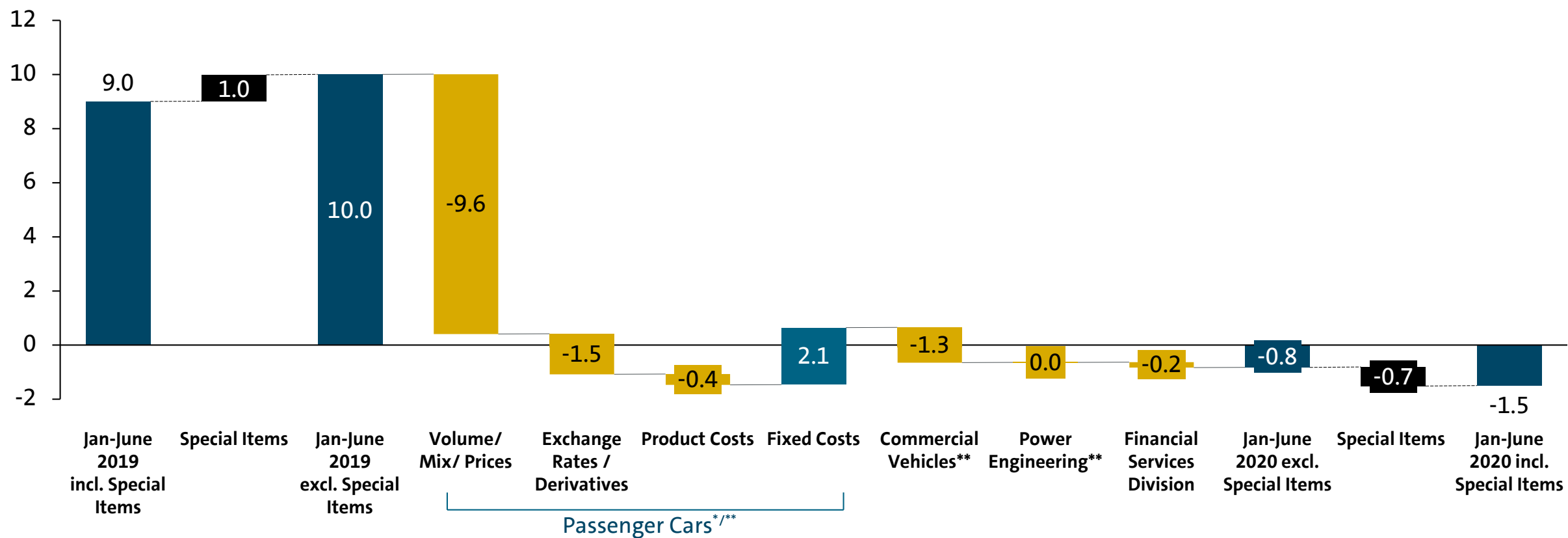
¹⁾ Volkswagen Group Passenger Cars excl. Volkswagen Commercial Vehicles, incl. LCV in North America & South America

We are entering a new era of electro mobility



Volkswagen Group – Analysis of Operating Profit ¹⁾ (January to June 2020)

[€ billion]



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⁾

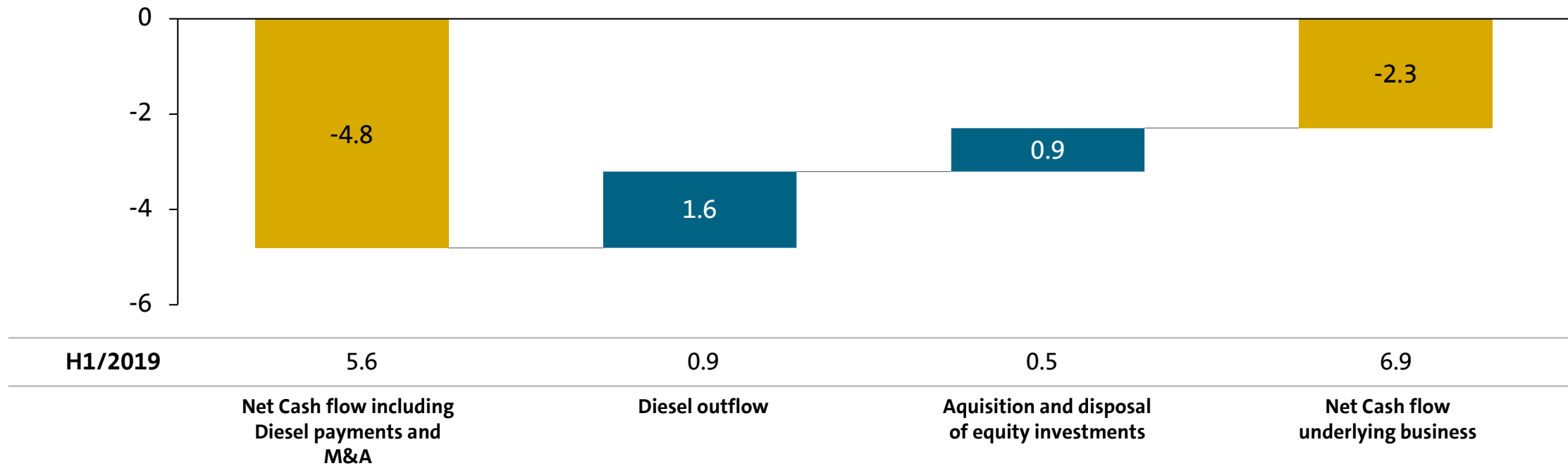
(January to June 2020)

	Vehicle sales		Sales revenue		Operating profit		Operating margin	
	2020	2019	2020	2019	2020	2019	2020	2019
thousand vehicles / € million / percentage								
Volkswagen Passenger Cars	1,134	1,886	28,580	44,146	- 1,491	2,286	- 5.2%	5.2%
Audi	416	632	20,476	28,761	- 643	2,300	- 3.1%	8.0%
ŠKODA	372	560	7,546	10,154	228	824	3.0%	8.1%
SEAT	197	370	3,749	6,266	- 271	216	- 7.2%	3.4%
Bentley	5	5	860	835	- 99	57	- 11.6%	6.8%
Porsche Automotive ²⁾	116	136	11,192	12,212	1,143	2,117	10.2%	17.3%
Volkswagen Commercial Vehicles	157	256	4,238	6,489	- 334	506	- 7.9%	7.8%
Scania ³⁾	31	52	5,269	7,115	221	828	4.2%	11.6%
MAN Commercial Vehicles	47	72	4,669	6,283	- 423	248	- 9.1%	4.0%
Power Engineering	-	-	1,850	1,864	21	42	1.1%	2.3%
VW China ⁴⁾	1,422	1,789	-	-	-	-	-	-
Other ⁵⁾	- 160	- 418	- 10,361	- 16,919	- 312	- 727	-	-
Volkswagen Financial Services	-	-	18,063	17,992	1,155	1,281	-	-
Volkswagen Group before Special Items	-	-	-	-	- 803	9,979	- 0.8%	8.0%
Special Items	-	-	-	-	- 687	- 981	-	-
Volkswagen Group	3,736	5,339	96,131	125,197	- 1,490	8,997	- 1.5%	7.2%
Automotive Division ⁶⁾	3,736	5,339	77,015	106,126	- 2,738	7,589	-	-
of which: Passenger Cars	3,658	5,215	65,312	90,942	- 2,350	6,693	-	-
of which: Commercial Vehicles	78	124	9,854	13,320	- 295	959	-	-
of which: Power Engineering	-	-	1,850	1,864	- 93	- 63	-	-
Financial Services Division	-	-	19,115	19,071	1,248	1,409	-	-

¹⁾ All figures shown are rounded, minor discrepancies may arise from addition of these amounts. ²⁾ Porsche (Automotive and Financial Services): sales revenue € 12,421 (13,405) million, operating profit € 1,233 (2,209) million. ³⁾ Scania (Automotive and Financial Services): sales revenue € 5,488 (7,336) million, operating profit € 266 (895) million. 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 € 1,404 (2,103) 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 for Scania, Porsche Holding Salzburg, MAN and Porsche. ⁶⁾ Including allocation of consolidation adjustments between the Automotive and Financial Services divisions.

Automotive Division – Net Cash Flow ¹⁾ (January to June 2020)

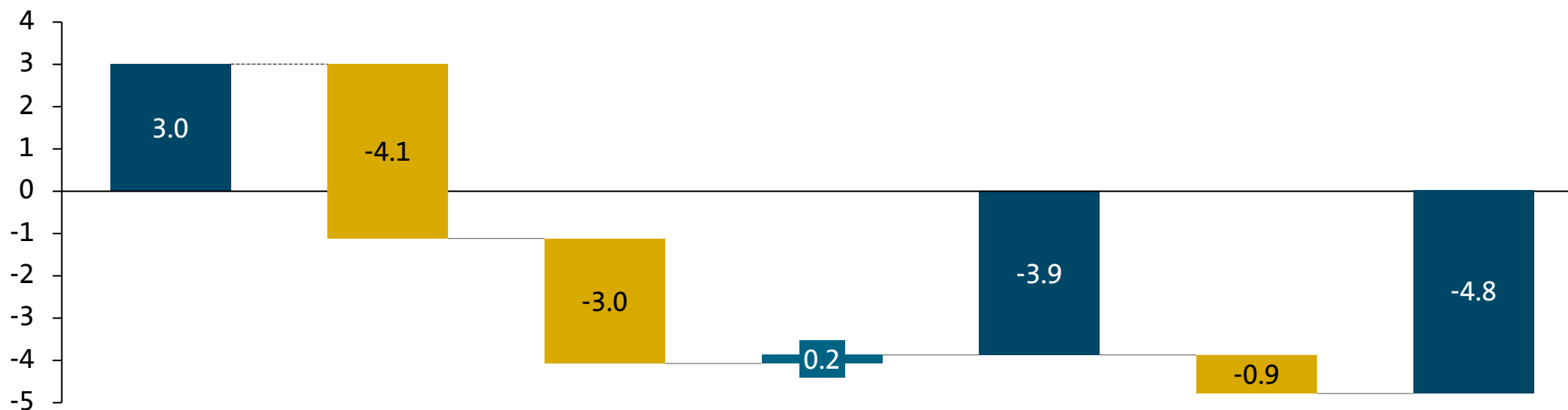
[€ billion]



¹⁾Including allocation of consolidation adjustments between Automotive and Financial Services divisions.

Automotive Division – Net Cash Flow Development ^{1) 2)} (January to June 2020)

[€ billion]

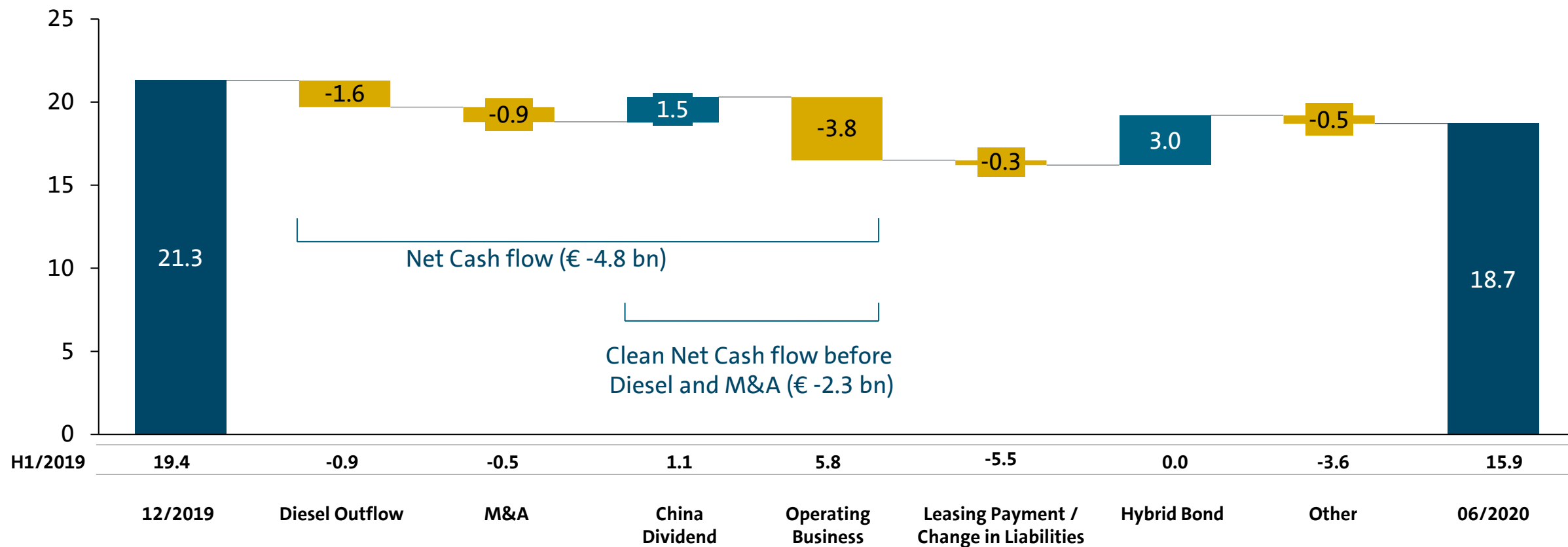


H1/2019	13.5	-5.2	-2.3	0.1	6.1	-0.5	5.6
	Cash flow from operating activities	Capex	Capitalized development costs	Other	Net cash flow before equity investments	Acquisition and disposal of equity investments	Net Cash flow

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.

Automotive Division – Analysis of Net Liquidity ¹⁾ (January to June 2020)

[€ billion]

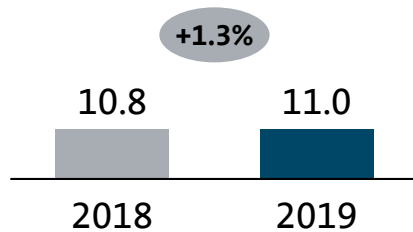


¹⁾ All figures shown are rounded, minor discrepancies may arise from addition of these amounts.

Volkswagen Group – Outlook for 2020 ¹⁾



Deliveries to customers
(million vehicles)

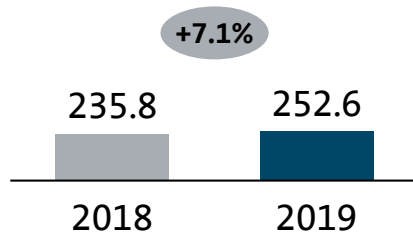


significantly below prior year

2020



Sales revenue
(€ billion)

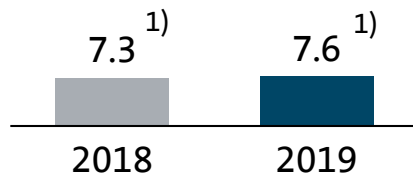


significantly below prior year

2020



Operating return on sales
(%)



Operating result (before and including Special Items)
severely below prior year
However, positive

2020

¹⁾ Before Special Items.