

**VOLKSWAGEN**

AKTIENGESELLSCHAFT



**Half-Yearly Financial Report**  
**January – June 2016**  
**Conference Call and Webcast**  
28 July 2016

## 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 relating to the development of the economies of individual countries, and in particular of the automotive industry, 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. The estimates given involve a degree of risk, and the actual developments may differ from those forecast.

Consequently, 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 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 Such statements are valid on the date of publication and can be superseded.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.

## Conference Call: January – June 2016



**Frank Witter**

Member of the Board of  
Management, Volkswagen AG  
Finance and Controlling



**Fred Kappler**

Head of Group Sales  
Volkswagen AG

## Financial Highlights January – June 2016

Solid development for the Volkswagen Group in H1

Sales Revenue slightly below prior year, negatively effected by exchange rates

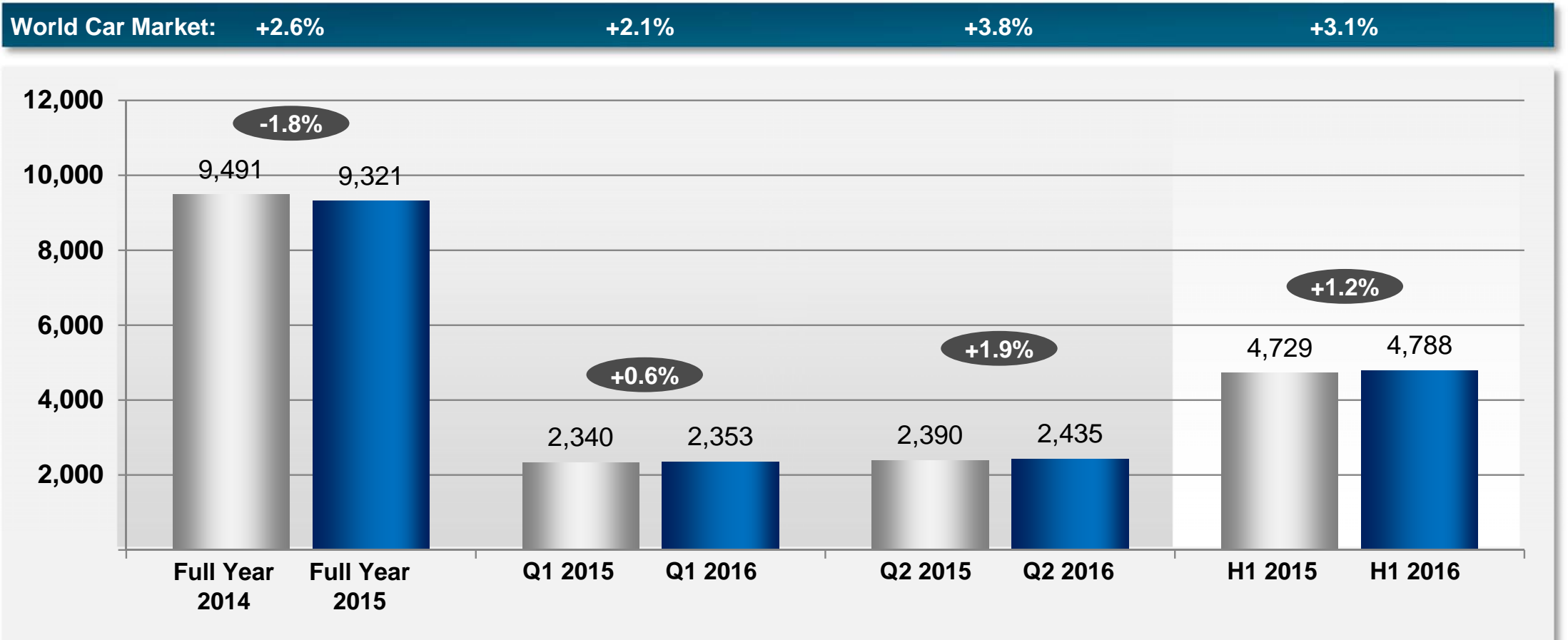
Operating Profit before special items improved

Operating Profit after special items, related in particular to legal risks, below prior year

Profit before tax lower due to special items, reduced earnings from China and increased negative other financial result

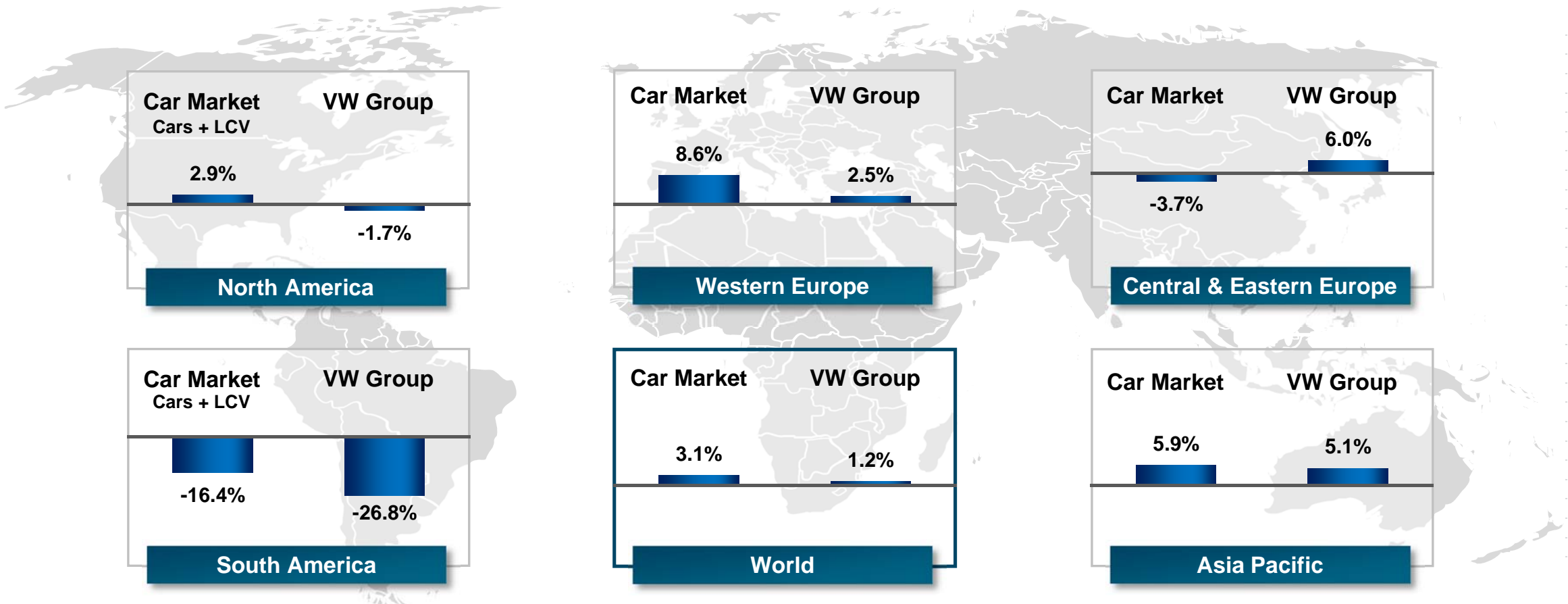
Automotive net liquidity further increased

## Development Volkswagen Group Car Deliveries to Customers<sup>1)</sup> (in comparison to previous year)



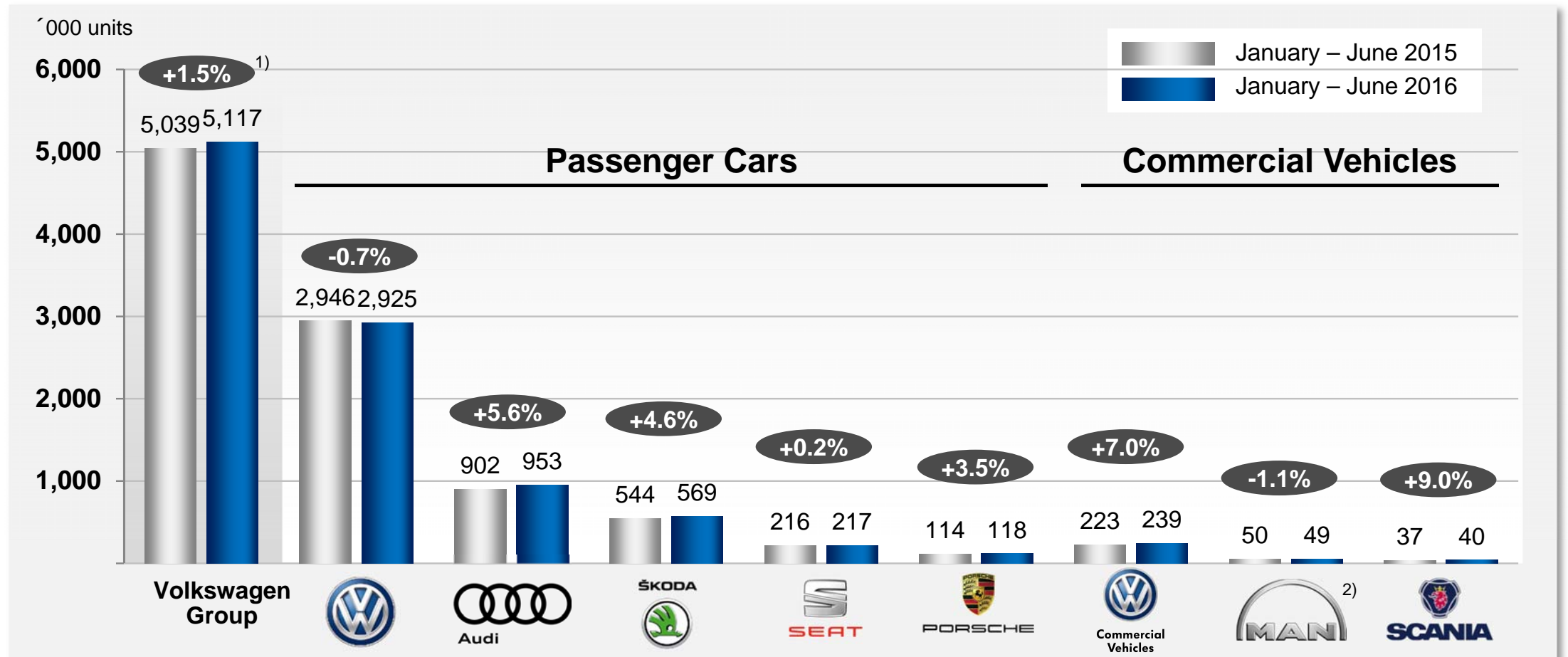
<sup>1)</sup> Figures excl. Volkswagen Commercial Vehicles, Scania and MAN.

## Development World Car Market vs. Volkswagen Group Car Deliveries to Customers<sup>1)</sup> (Growth y-o-y in deliveries to customers, January to June 2016 vs. 2015)



<sup>1)</sup> Figures excl. Volkswagen Commercial Vehicles, Scania and MAN.

## Volkswagen Group – Deliveries to Customers by Brands (January to June 2016 vs. 2015)



<sup>1)</sup> Incl. all brands of Volkswagen Group (Passenger Cars and Commercial Vehicles); +1.2% excl. Volkswagen Commercial Vehicles, Scania and MAN.

<sup>2)</sup> MAN incl. MAN Latin America Trucks and Busses GVW > 5t

# VOLKSWAGEN

AKTIENGESELLSCHAFT



**Volkswagen Ameo**



**Audi Q7 e-tron quattro**



**SEAT Ateca**



**Porsche Boxster and Cayman**



## Volkswagen Group – Key Financial Figures<sup>1)</sup> (January to June 2016 vs. 2015)

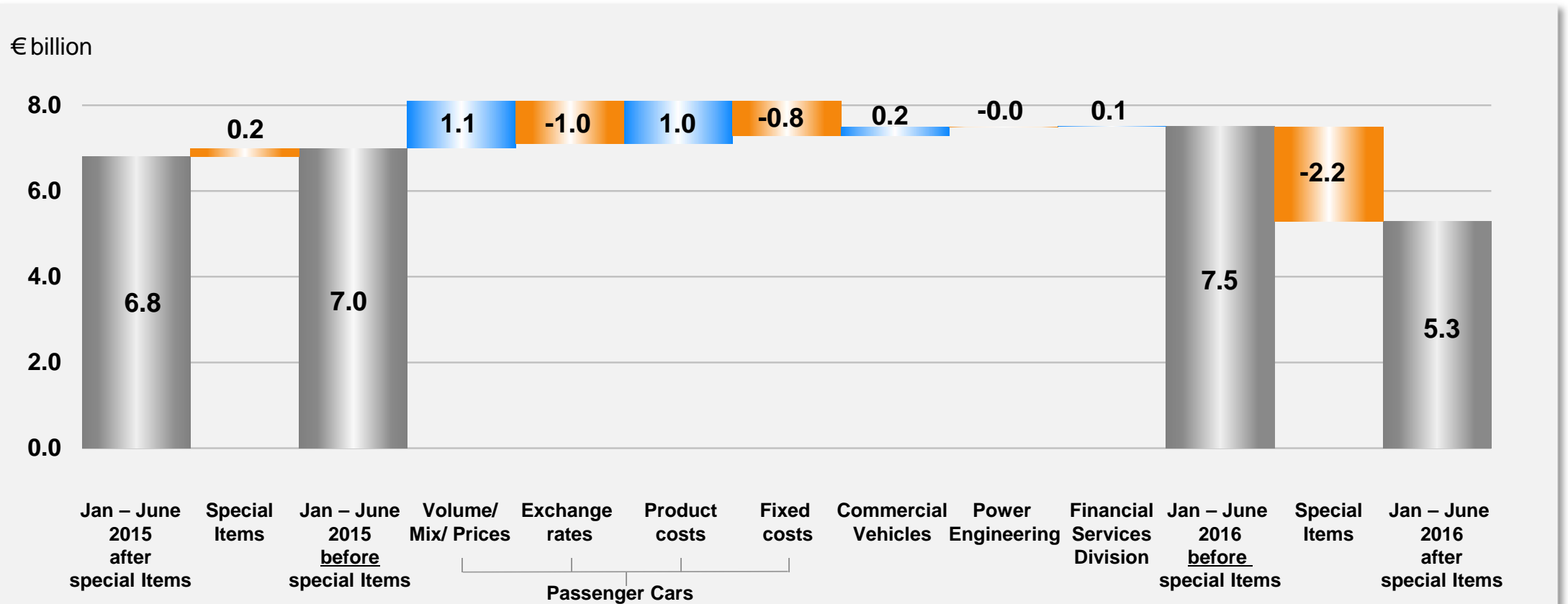
thousand vehicles / € million	2016	2015	+/- (%)
Vehicle Sales <sup>2)</sup>	5,199	5,090	+2.1
Sales revenue	107,935	108,776	-0.8
Operating profit before special items	7,517	6,990	+7.5
<i>% of sales revenue</i>	7.0	6.4	
Operating profit	5,339	6,820	-21.7
<i>% of sales revenue</i>	4.9	6.3	
Financial result	-528	843	x
of which: At-equity result <sup>2)</sup>	1,715	2,241	-23.5
of which: Other financial result	-2,243	-1,397	60.6
Profit before tax	4,810	7,664	-37.2
<i>% Return on sales before tax</i>	4.5	7.0	
Profit after tax	3,579	5,663	-36.8

<sup>1)</sup> 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.

<sup>2)</sup> 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 €2,366 million (€2.744 million).

# Volkswagen Group – Analysis of Operating Profit<sup>1)</sup>

(January to June 2016 vs. 2015)



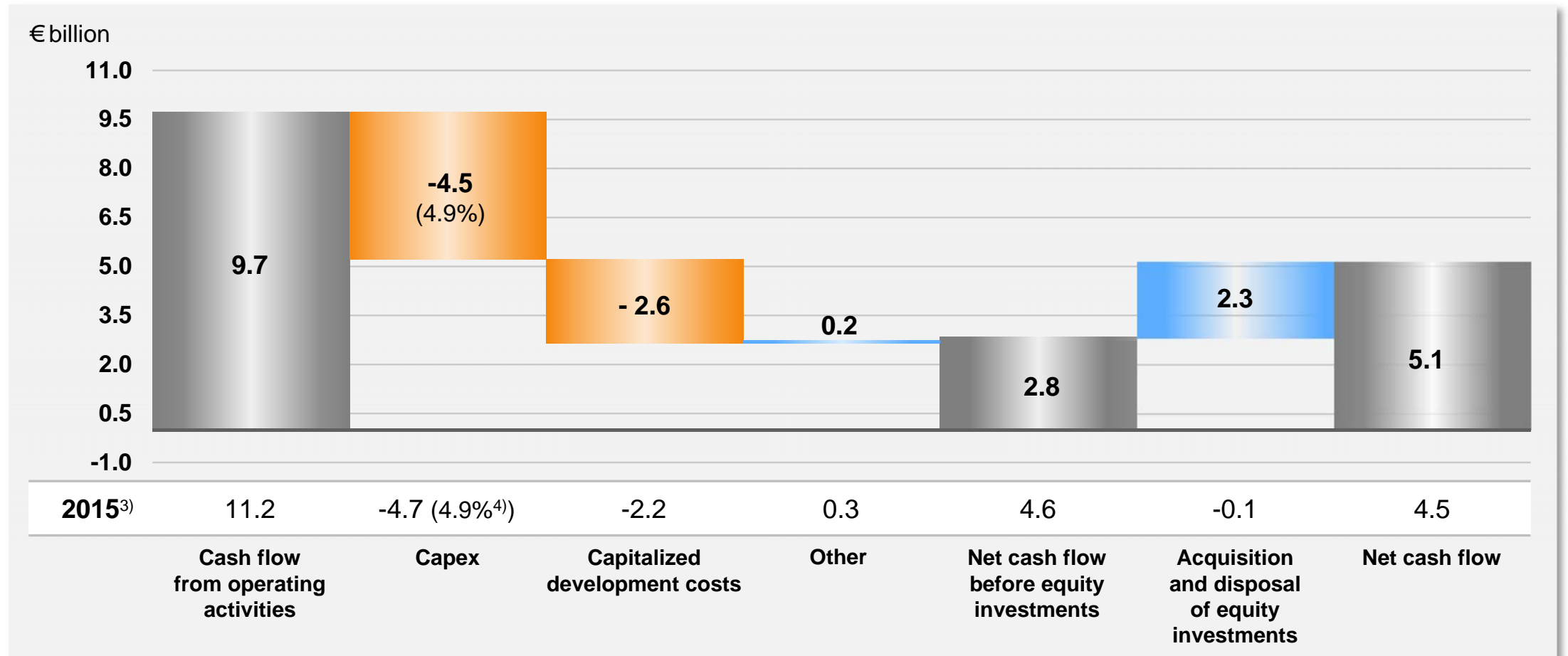
<sup>1)</sup> All figures shown are rounded, minor discrepancies may arise from addition of these amounts.

## Volkswagen Group – Analysis by Business Line<sup>1)</sup> (January to June 2016 vs. 2015)

thousand vehicles/ € million	Vehicle sales		Sales revenue		Operating profit	
	2016	2015	2016	2015	2016	2015
Volkswagen Passenger Cars	2,232	2,251	53,006	53,578	881	1,428
Audi	799	784	30,134	29,784	2,666	2,914
ŠKODA	431	421	7,114	6,421	685	522
SEAT	276	286	4,485	4,469	93	52
Bentley	5	5	883	939	-22	54
Porsche <sup>2)</sup>	117	109	10,929	10,850	1,830	1,698
Volkswagen Commercial Vehicles	231	231	5,406	5,223	299	268
Scania <sup>2)</sup>	41	38	5,575	5,182	550	503
MAN Commercial Vehicles	49	50	4,798	4,919	186	54
MAN Power Engineering	-	-	1,673	1,813	103	135
VW China <sup>3)</sup>	1,867	1,743	-	-	-	-
Other	-849	-827	-29,679	-27,420	-749 <sup>4)</sup>	-1,608 <sup>4)</sup>
Volkswagen Financial Services	-	-	13,611	13,018	995	970
<b>Volkswagen Group before special items</b>	-	-	-	-	<b>7,517</b>	<b>6,990</b>
Special items	-	-	-	-	-2,178	-170
<b>Volkswagen Group</b>	<b>5,199</b>	<b>5,090</b>	<b>107,935</b>	<b>108,776</b>	<b>5,339</b>	<b>6,820</b>
Automotive Division <sup>5)</sup>	5,199	5,090	92,547	94,093	4,162	5,700
of which: Passenger Cars	4,879	4,772	75,285	77,129	3,895	5,346
of which: Commercial Vehicles	320	318	15,589	15,151	285	349
of which: Power Engineering	-	-	1,673	1,813	-18	5
Financial Services Division	-	-	15,388	14,683	1,177	1,120

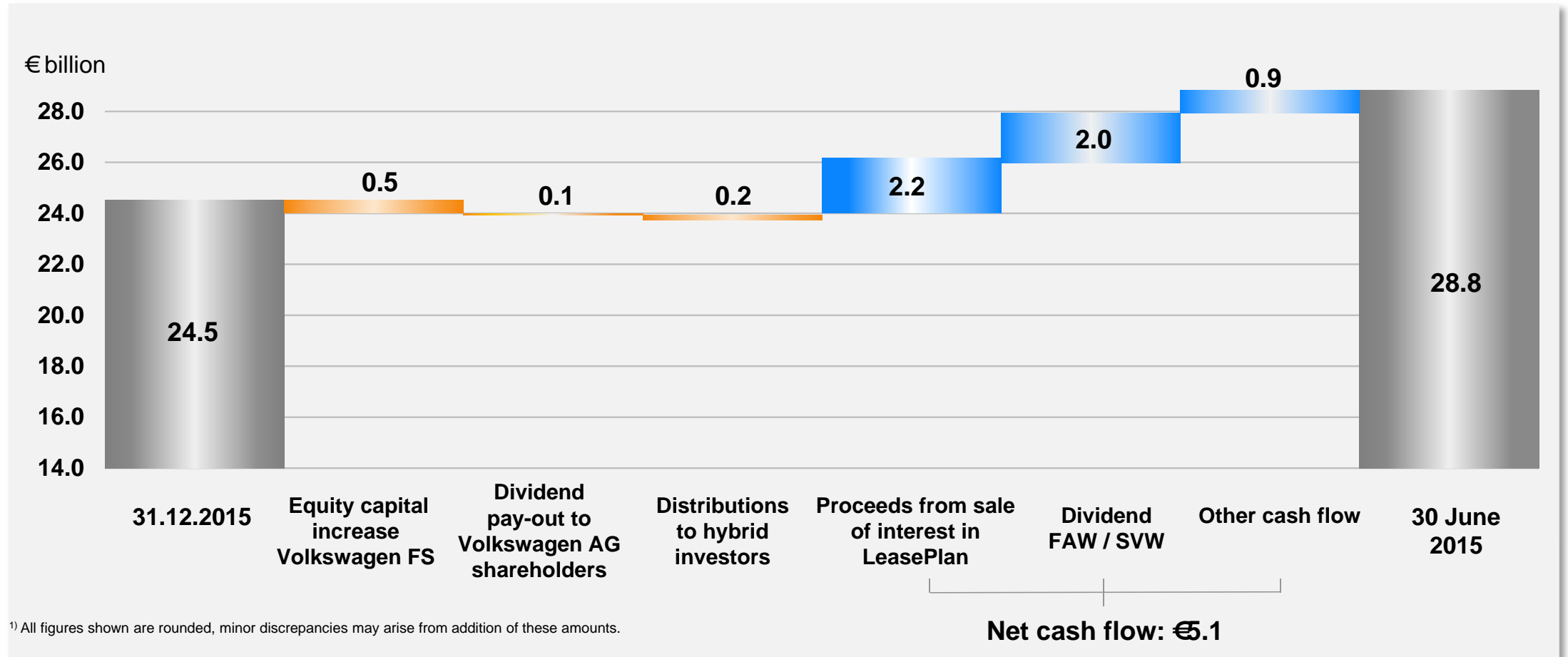
<sup>1)</sup> All figures shown are rounded, minor discrepancies may arise from addition of these amounts. <sup>2)</sup> Incl. financial services. <sup>3)</sup> Sales revenue and operating profit of the JV's in China are not included in the Group figures. The Chinese companies are accounted for using the equity method and recorded an operating profit (proportionate) of €2,366 million (€2,744 million). <sup>4)</sup> Mainly intragroup items, in particular from elimination of intercompany profits; incl. depreciation and amortization of identifiable assets as part of the PPA for Scania, Porsche Holding Salzburg, MAN and Porsche. <sup>5)</sup> Including allocation of consolidation adjustments between Automotive and Financial Services divisions.

## Automotive Division – Strong Cash Generation<sup>1) 2)</sup> (January to June 2016)



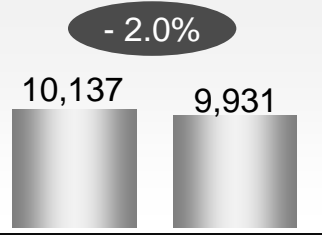
<sup>1)</sup> All figures shown are rounded, minor discrepancies may arise from addition of these amounts. <sup>2)</sup> Including allocation of consolidation adjustments between Automotive and Financial Services divisions. <sup>3)</sup> prior- year figures adjusted  
<sup>4)</sup> Capital expenditure for property, plant and equipment in% of Automotive sales revenue.

## Automotive Division – Analysis of Net Liquidity<sup>1)</sup>

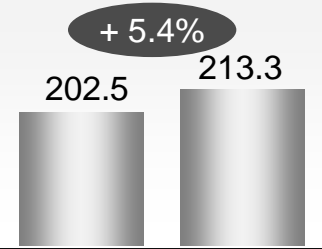


## Volkswagen Group – Outlook for 2016

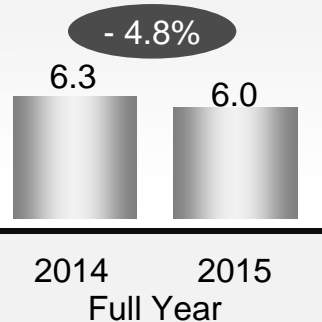
**Deliveries to customers**  
(‘000 vehicles)



**Sales revenue**  
(€ billion)



**Operating return on sales**  
(before special items)  
(%)



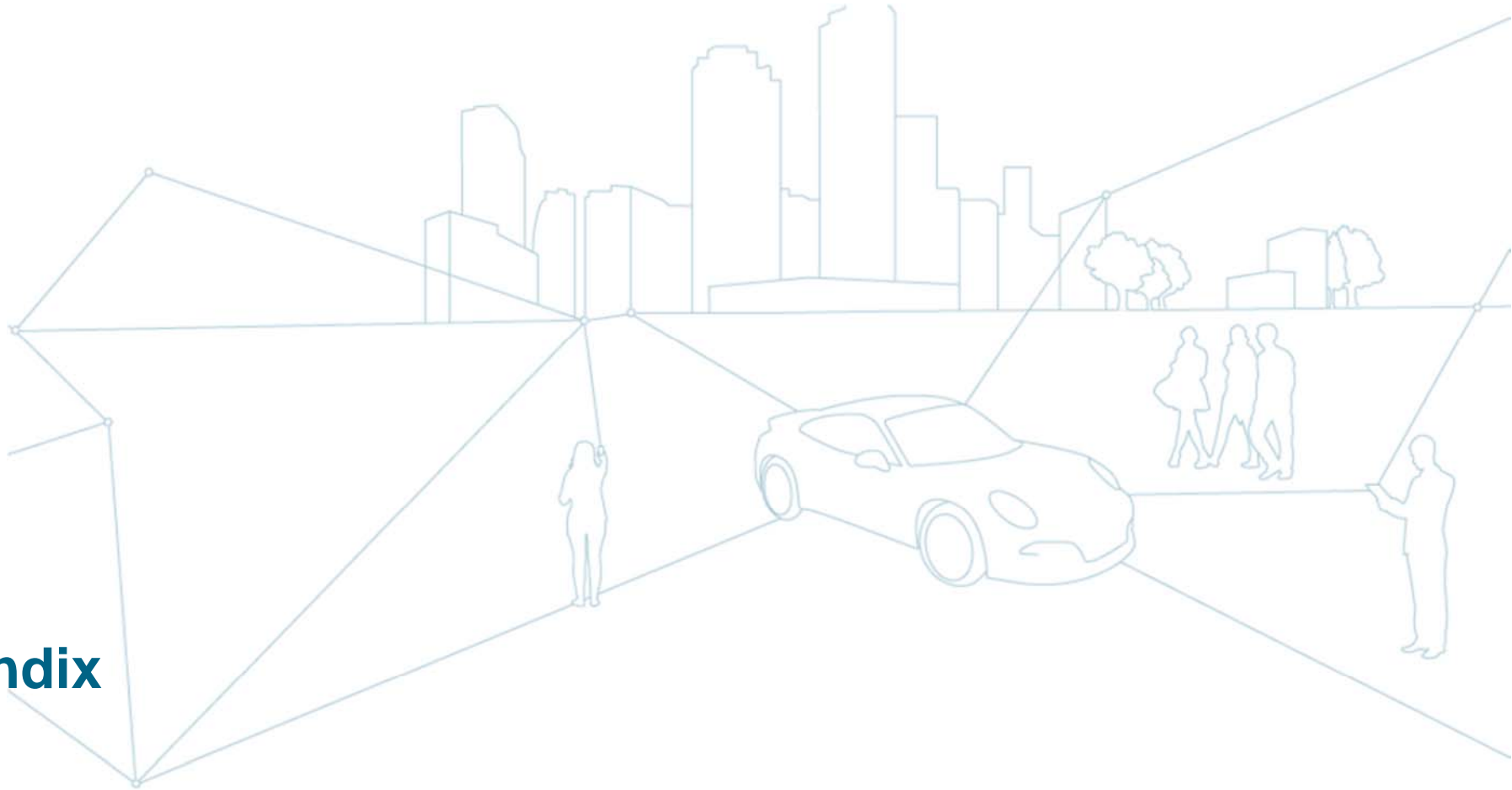
**Deliveries to customers**  
slightly above prior year



**Sales revenue**  
up to 5% below prior year

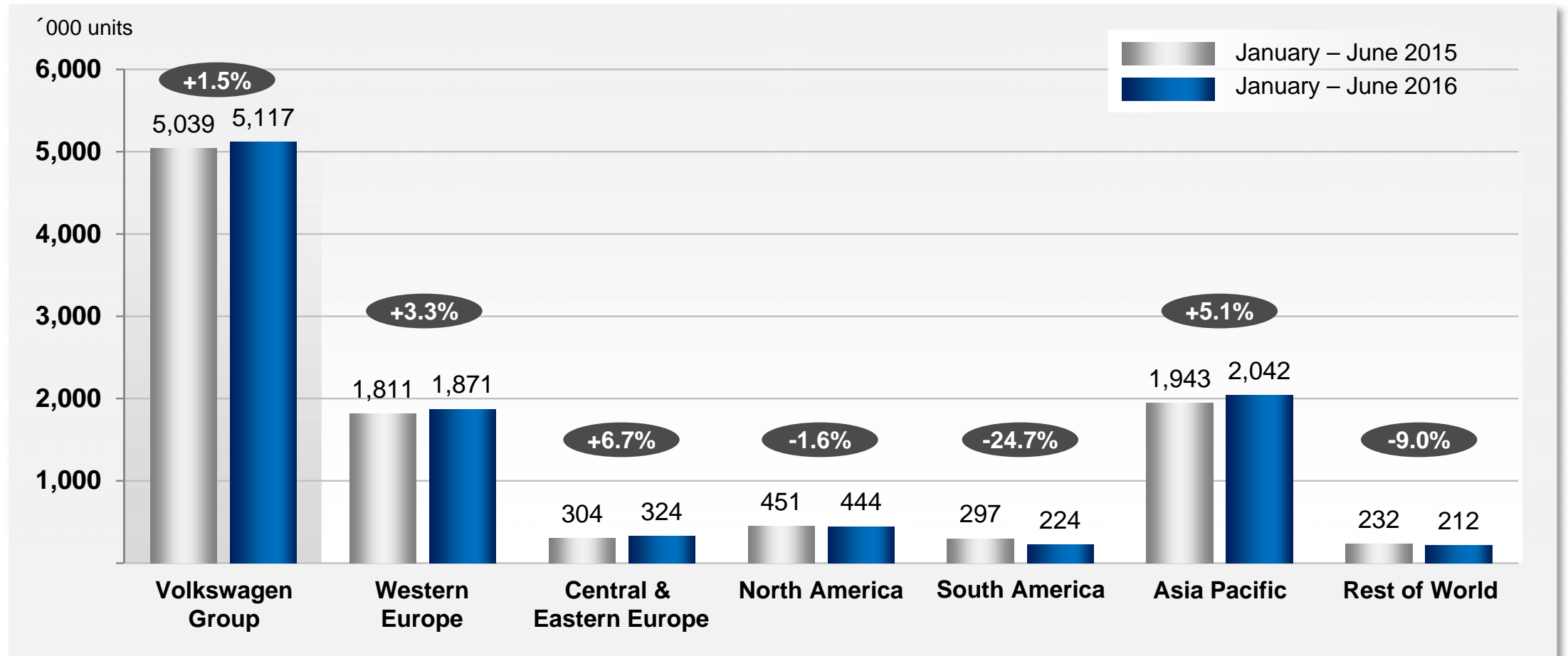


**Operating return on sales**  
(before special items) between 5.0% and 6.0%



## Appendix

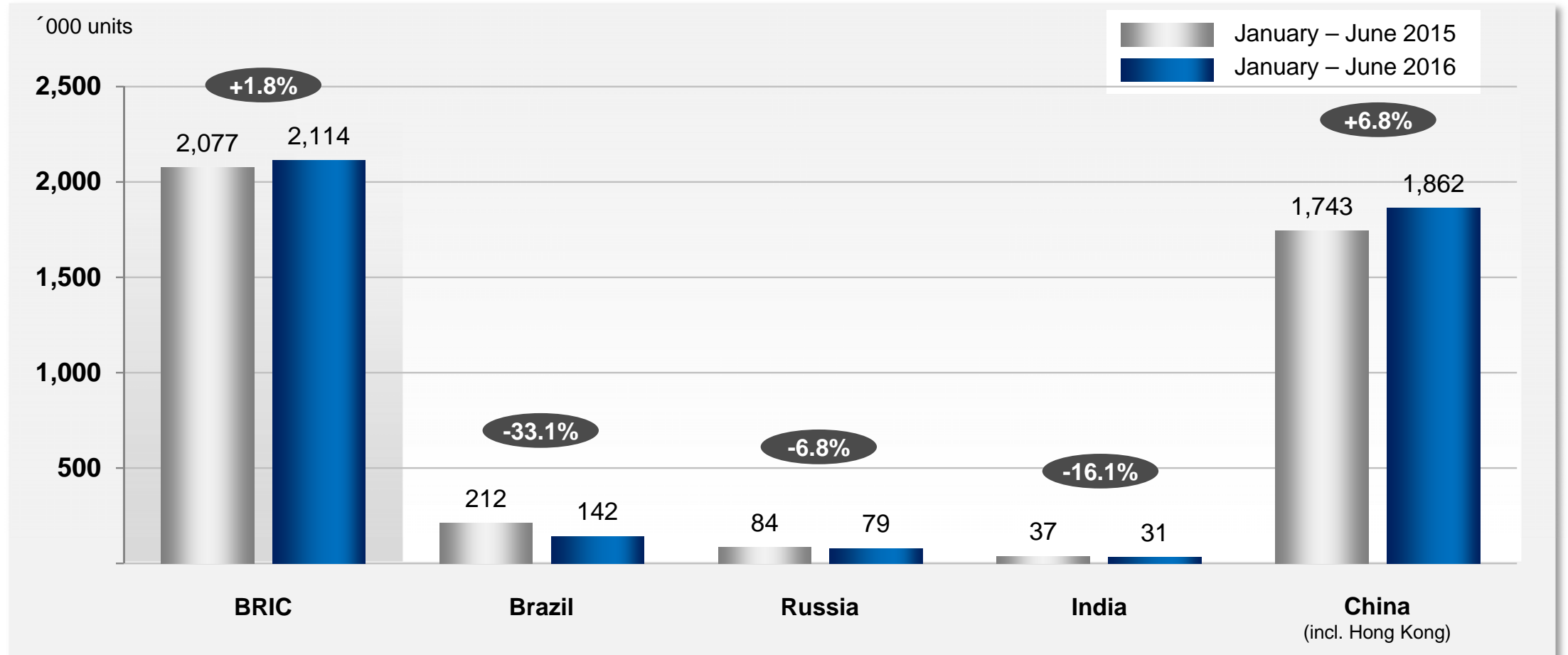
## Volkswagen Group – Deliveries to Customers by Markets<sup>1)</sup> (January to June 2016 vs. 2015)



<sup>1)</sup> Incl. all brands of Volkswagen Group (Passenger Cars and Commercial Vehicles); +1.2% excl. Volkswagen Commercial Vehicles, Scania and MAN.



## Volkswagen Group – Deliveries to Customers BRIC-Markets<sup>1)</sup> (January to June 2016 vs. 2015)



<sup>1)</sup> Incl. all brands of Volkswagen Group (Passenger Cars and Commercial Vehicles).

## Volkswagen Group – Headline Figures (January to June 2016 vs. 2015)

		2016	2015	+/- (%)
Deliveries to customers <sup>1)</sup>	'000 units	5,117	5,039	+1.5
Vehicle sales <sup>1)</sup>	'000 units	5,199	5,090	+2.1
Production <sup>1)</sup>	'000 units	5,268	5,314	-0.9
Sales revenue	€ million	107,935	108,776	-0.8
Operating profit before special items	€ million	7,517	6,990	+7.5
Special items	€ million	-2,178	-170	x
Operating profit	€ million	5,339	6,820	-21.7
Profit before tax	€ million	4,810	7,664	-37.2
Profit after tax	€ million	3,579	5,663	-36.8
<b>Automotive Division<sup>2)</sup></b>				
Cash flows from operating activities <sup>3)</sup>	€ million	9,736	11,234	-13.3
Cash flows from investing activities attributable to operating activities <sup>4)</sup>	€ million	4,601	6,761	-31.9
of which investments in property, plant & equipment	€ million	4,515	4,652	-2.9
Net cash flow	€ million	5,135	4,473	+14.8
Net liquidity at June 31	€ million	28,778	21,489	+33.9

<sup>1)</sup> Volume data including the unconsolidated Chinese joint ventures. These companies are accounted for using the equity method. All figures shown are rounded, so minor discrepancies may arise from addition of these amounts. 2015 deliveries updated reflect subsequent statistical trends. <sup>2)</sup> Including allocation of consolidation adjustments between the Automotive and Financial Services divisions.

<sup>3)</sup> prior-year figures adjusted <sup>4)</sup> Excluding acquisition and disposal of equity investments: January – June €6,939 million (€6,672 million).

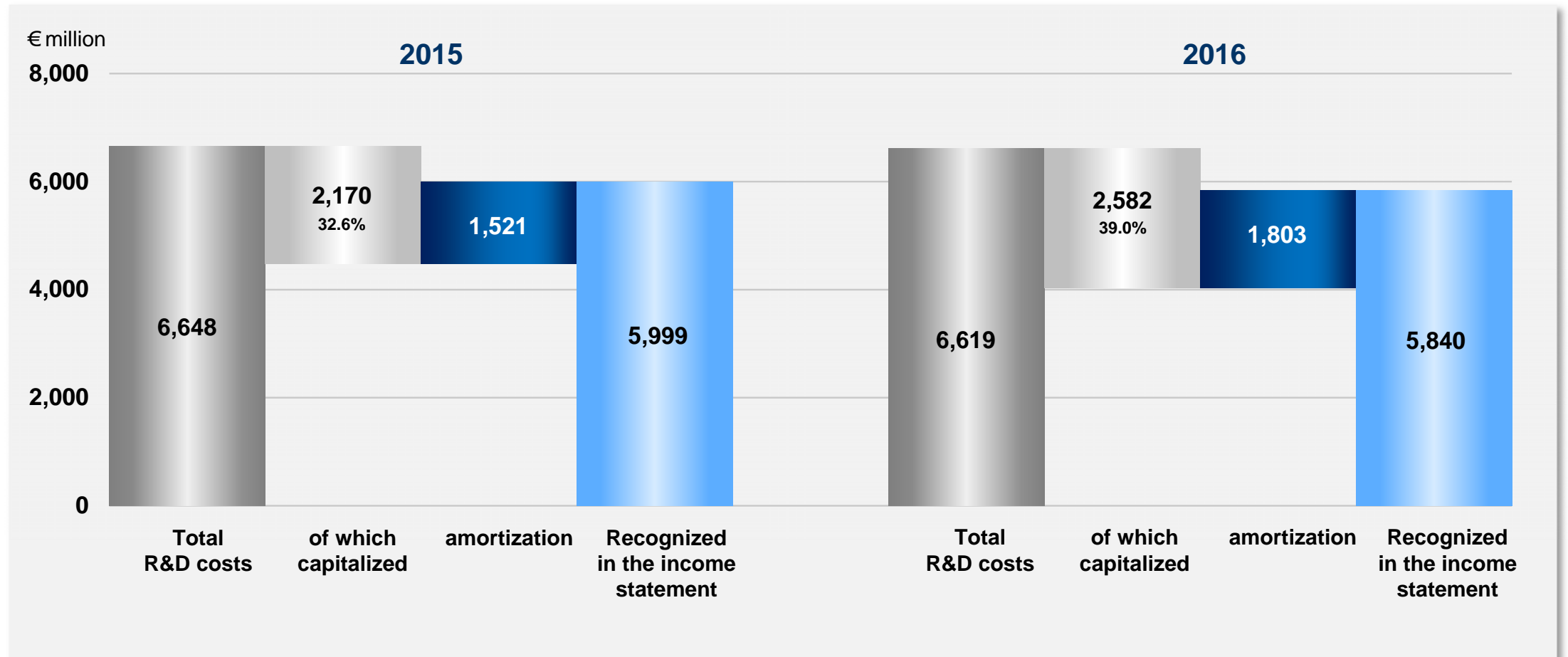
## Volkswagen Group – Analysis by Market<sup>1)</sup> (January to June 2016 vs. 2015)

vehicles / €million	Vehicle sales			Sales revenue		
	2016	2015	+/- (%)	2016	2015	+/- (%)
Europe / Remaining markets	2,392	2,321	3.1	69,861	67,568	3.4
North America	469	457	2.6	17,044	17,414	-2.1
South America	219	283	-22.6	3,777	5,365	-29.6
Asia-Pacific <sup>2)</sup>	2,119	2,030	4.4	17,254	18,429	-6.4
<b>Volkswagen Group<sup>2)</sup></b>	<b>5,199</b>	<b>5,090</b>	<b>2.1</b>	<b>107,935</b>	<b>108,776</b>	<b>-0.8</b>

<sup>1)</sup> All figures shown are rounded, so minor discrepancies may arise from addition of these amounts.

<sup>2)</sup> The sales revenue of the joint venture companies in China is not included in the figures for the Group and the Asia-Pacific market.

## Automotive Division – Research and Development Costs (January to June 2016 vs. 2015)



VOLKSWAGEN

AKTIENGESELLSCHAFT

# Volkswagen Beetle Dune



# Audi A5 Coupé



VOLKSWAGEN

AKTIENGESELLSCHAFT

# Porsche 718 Cayman S



VOLKSWAGEN

AKTIENGESELLSCHAFT

# ŠKODA OCTAVIA RS





VOLKSWAGEN

AKTIENGESELLSCHAFT

# SEAT Ateca



VOLKSWAGEN

AKTIENGESELLSCHAFT

# Bentley Bentayga



# Lamborghini Aventador Miura Homage



VOLKSWAGEN

AKTIENGESELLSCHAFT

# Volkswagen Amarok



VOLKSWAGEN

AKTIENGESELLSCHAFT

MAN TGX



VOLKSWAGEN

AKTIENGESELLSCHAFT

# Scania R440 4x2 Topline



**VOLKSWAGEN**

AKTIENGESELLSCHAFT



**Half-Yearly Financial Report**  
**January – June 2016**  
**Conference Call and Webcast**  
28 July 2016