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Committed to the NAFTA Region and Increasing Local Footprint

Andreas Buchta

Investor Relations Americas, Volkswagen Group of America

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AKTIENGESELLSCHAFT

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Porsche Cars
North America



PORSCHE



Audi



BENTLEY



Update on emission issue

- The software used enables that a test bench situation is recognized by the vehicle and enables the engine control system to optimize NOx emission levels during the test cycle
- Affected Volkswagen vehicle population in the US includes 3 engine generations, ~ 482,000 cars are impacted between 2009 and 2015
- Volkswagen is working intensively on solutions – free of charge to our customers
- Furthermore we also have to address the recent issues related to the 3-liter 6-cylinder TDI engines that will be discussed and clarified with the agencies as well
- We are cooperating fully with EPA and CARB

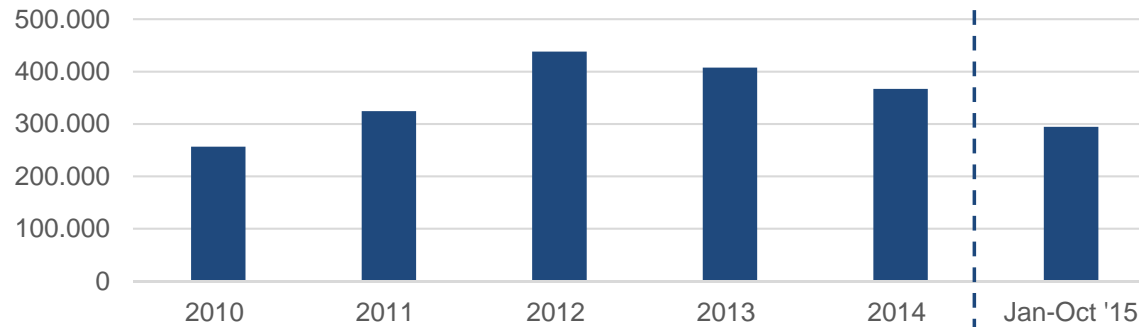
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Strong premium brands with huge potential for Volkswagen Passenger cars – Deliveries to customers in the U.S. since 2010



Deliveries to customers, units

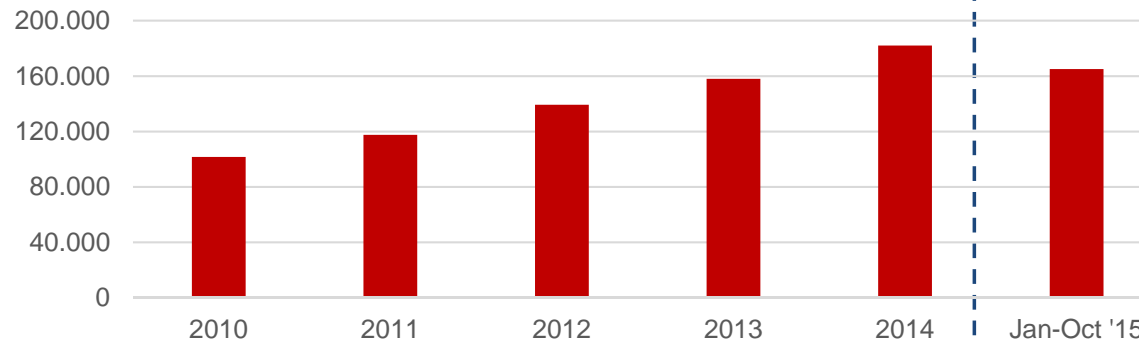


Market share

Jan-Oct '15: 2.0%
CY 2014: 2.2%
(total market)



Audi

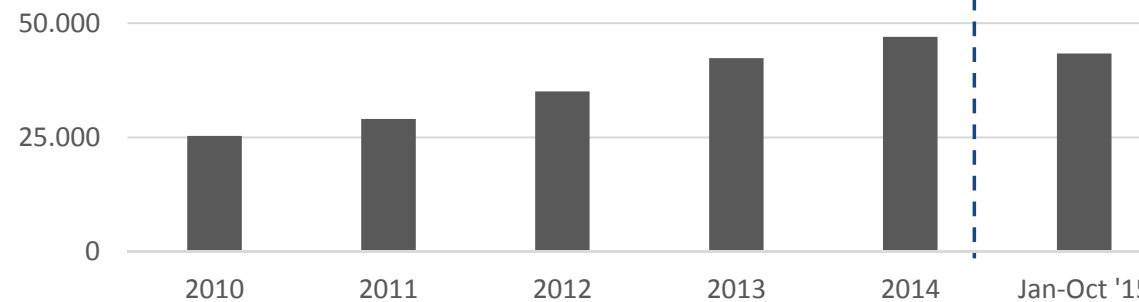


Market share

Jan-Oct '15: 11.3%
CY 2014: 10.9%
(of premium market)



PORSCHE¹⁾



Market share

Jan-Oct '15: 3.0%
CY2014: 2.8%
(of premium market)

¹⁾ Porsche Cars North America is not part of Volkswagen Group of America

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Next steps to increase the local footprint



Product Specific Development
in the U.S. market for the U.S. customer

Local Vehicle Concept Development

Local Product Decisions

Local Interior & Exterior Design

Local Production & Supplier Localization



Platform Development
centralized in
Wolfsburg, Weissach, Ingolstadt
for Volkswagen Group



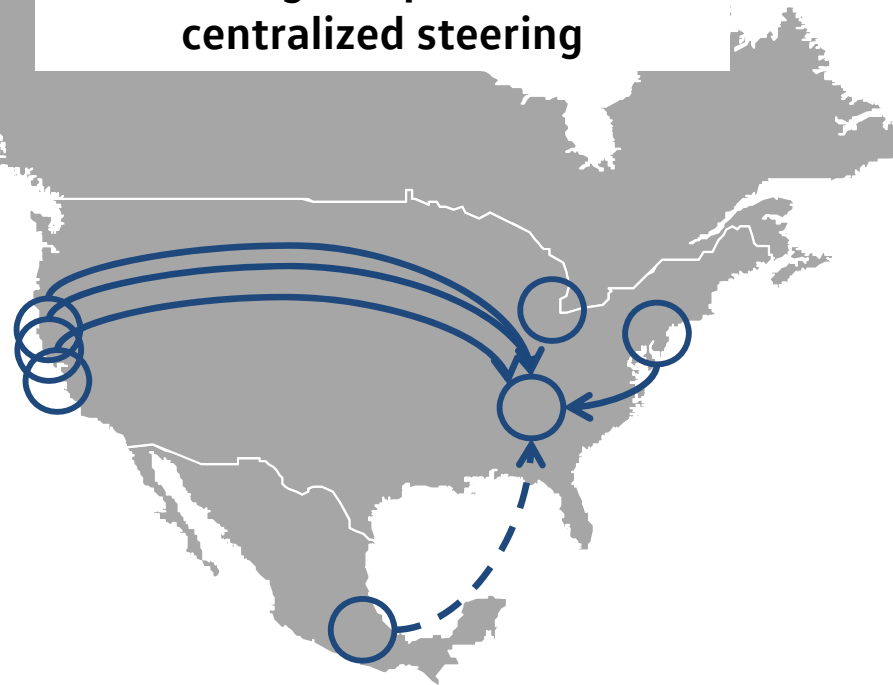
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Vehicle research and development sites in North America are geographically coordinated to achieve strategic targets



Bundling competencies & centralized steering



Electronic Research Lab
Belmont, CA

Technical Center California (TCC)
Oxnard, CA

Design Center California (DCC)
Santa Monica, CA

Proving Grounds
Several locations

EEO, Safety Affairs
Auburn Hills, MI

Test Center Allendale (TCA)
Allendale, NJ

North American Engineering & Planning Center
Chattanooga, TN

Research & Development
Puebla, MX

Strategic targets to become more competitive

Faster Reaction to & Focus on
Customer Needs



Market Specific Vehicle Development



Localization



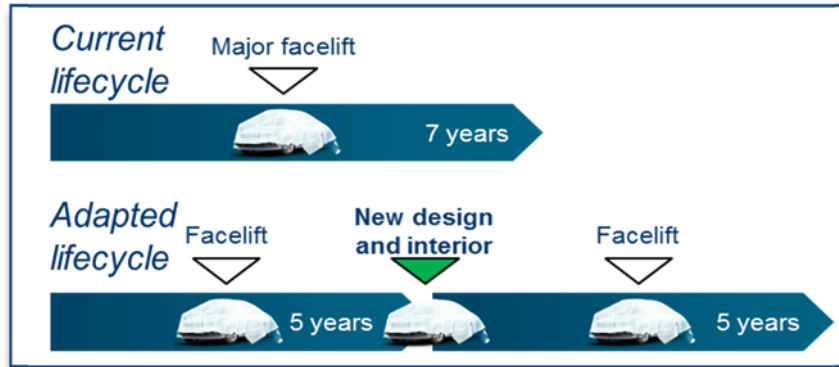
Integration of Regional Strengths



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Renewal and extension of product portfolio and moving towards shorter life cycles



Moving towards a 5 year life cycle while extending the product range by offering more models in major growth segments and continuous model refreshments every 2-3 years

2015

To follow...



1) T-Roc is a concept car and could be subject to change

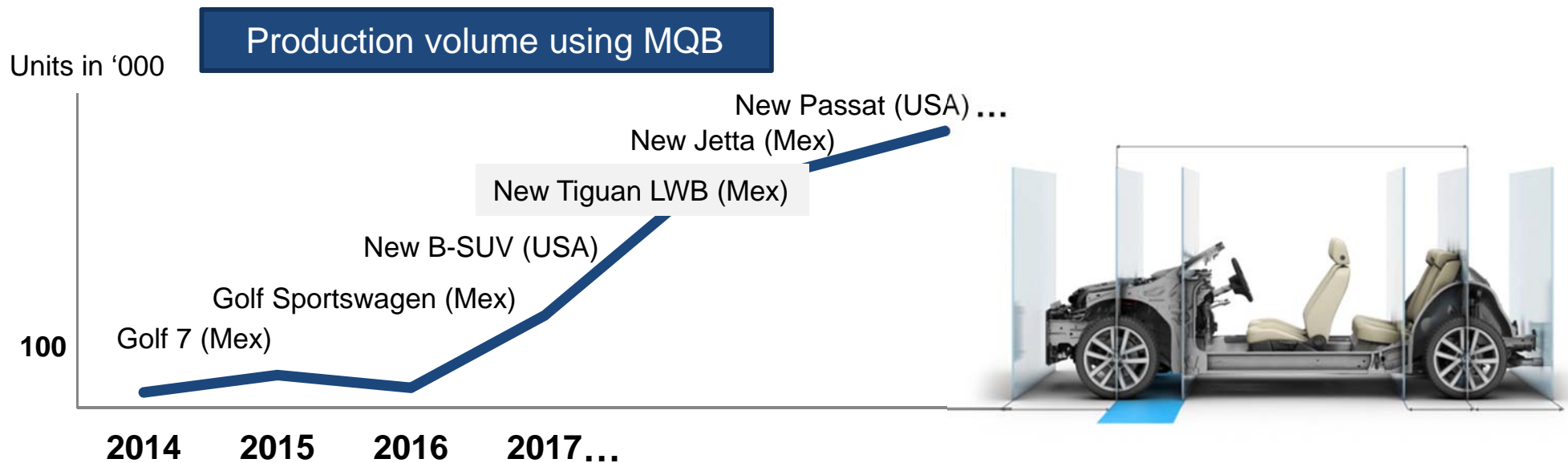
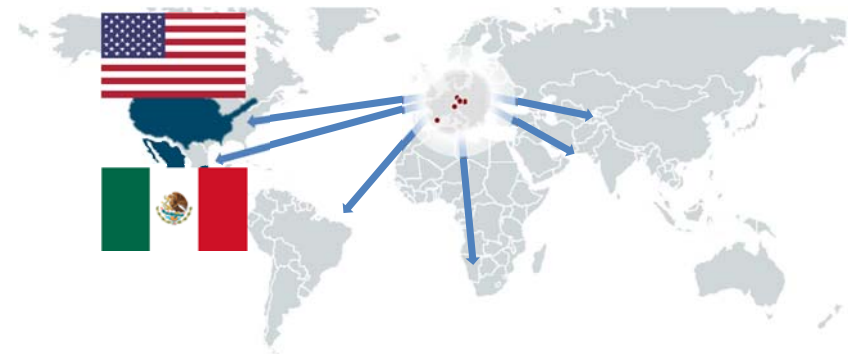


Audi



Rollout of toolkits in the NAFTA region to realize economies of scale – moving major models on to MQB

- Higher local production volume
- Less currency exposures
- Improving fix cost allocations
- Optimized logistics
- Increasing suppliers base



Increase of US production to achieve greater scale and synergies



Investments in Chattanooga:

\$900 Mio. for **plant expansion** for the B-SUV and centralized R&D

From 2016 onwards:

- Significant increase in production volume due to 2 major products
- Moving from 2 platforms (PQ35, MQB) towards MQB only
- Much stronger supplier presence compared to 2011 (plant opening), with huge potential regarding purchasing and logistics (VWoA Purchasing for current Passat only: 10,000 parts, 400 suppliers, purchasing volume \$1.5bn)
- Targeted localization rate for the B-SUV: >90%

Rollout of toolkits into the NAFTA region – the MLBevo

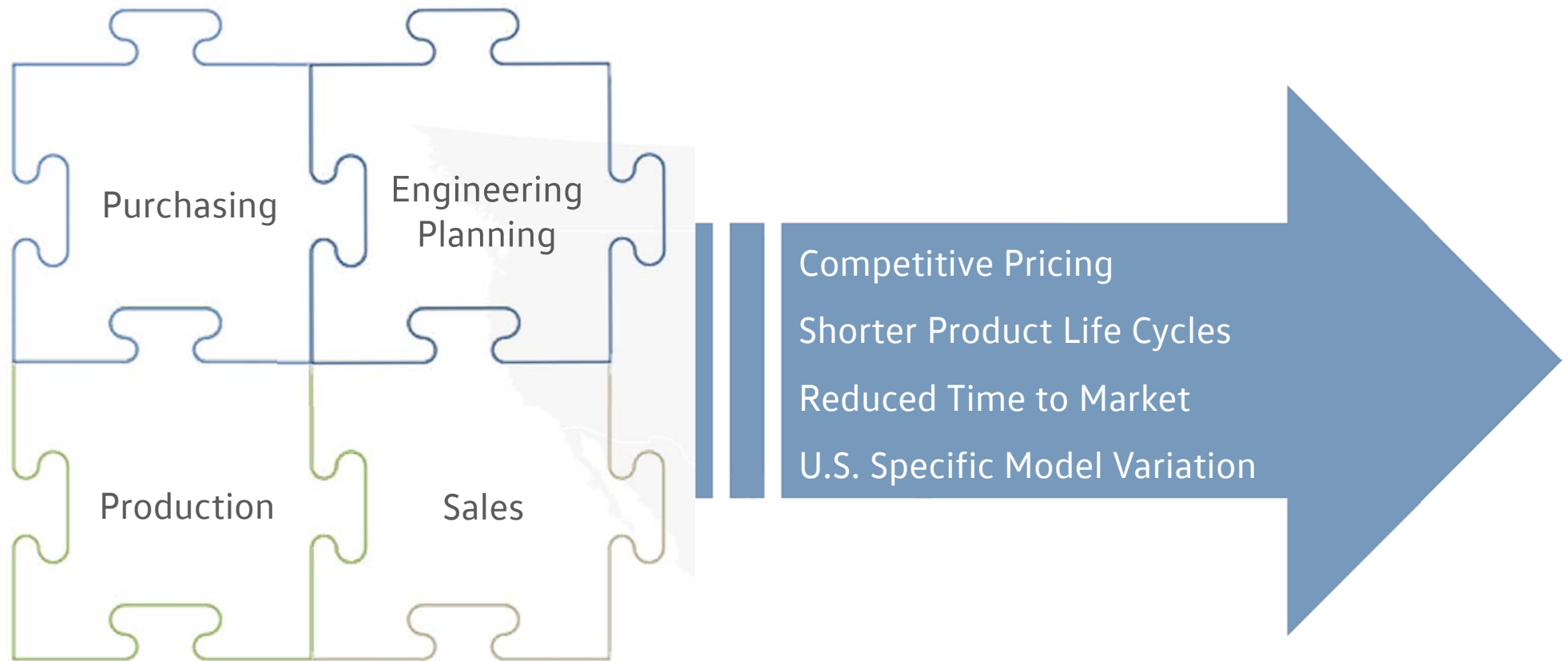


- Investments in San Jose Chiapa (Mex): \$1.3bn (full plant: press shop, body shop, paint shop, assembly)
- Annual Capacity: 150,000 units
- Model: Q5
- Localization rate: from 65% up to 90%
- Using Group synergies, such as intragroup deliveries with VW de Mexico
- Market launch: late summer 2016

The new Q5



Further Steps are being set up



... to a stronger presence in the NAFTA region with a strong focus on the U.S. Market

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Volkswagen models launched in 2015

Golf R



2016 Touareg



Golf SportWagen



2016 Passat



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Audi models launched in 2015



The Q7 and R8 will be available early 2016 in the U.S.

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Actual Lamborghini model in 2015

Huracán LP 610-4 Spyder



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Bentley launches 2015



Porsche models launched in 2015¹⁾

911 GT3 RS



Macan GTS



911 Carrera



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