

VOLKSWAGEN

AKTIENGESELLSCHAFT



Volkswagen Group: Robust, Innovative, Delivering

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Highlights January – June 2015

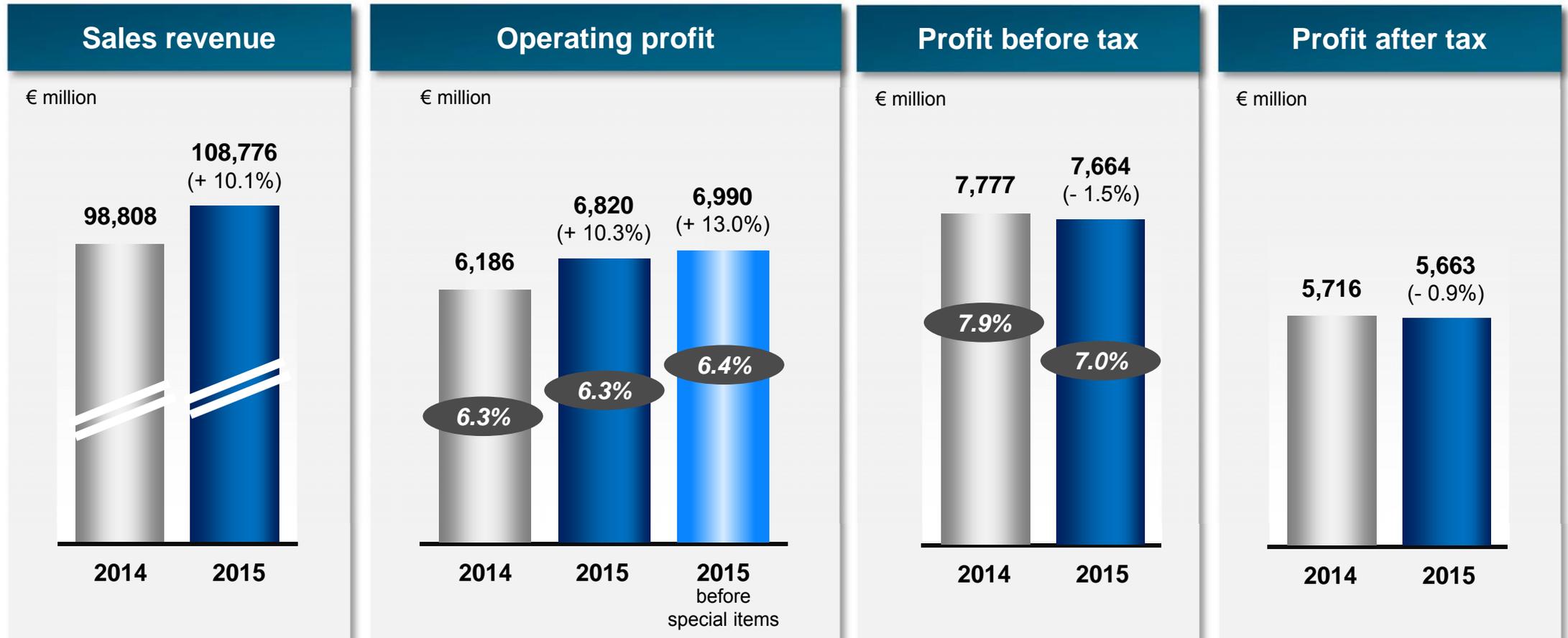
Sales revenue increased partly due to positive influences from exchange rates and mix

Operating result, before and after special items, improved in a regionally very mixed market environment

Profit before tax lower despite slightly higher at-equity earnings from Chinese joint ventures due to significantly negative fair value measurement of derivatives

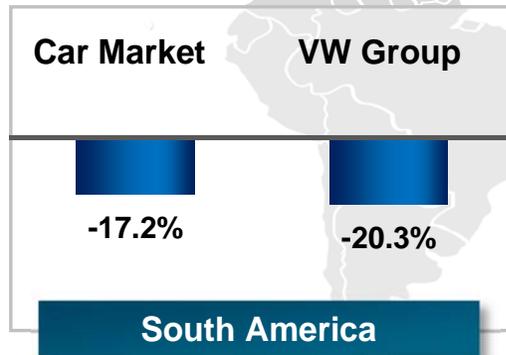
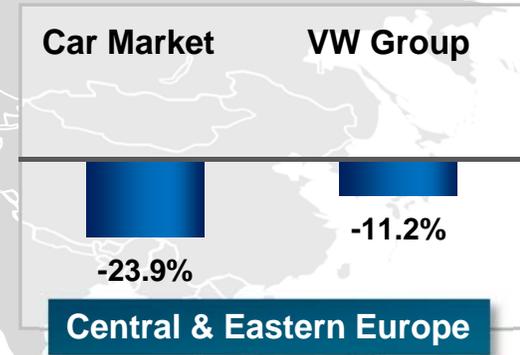
Strong net cash flow generation facilitates robust automotive net liquidity

Financial Highlights – Volkswagen Group (January to June 2015 vs. 2014)



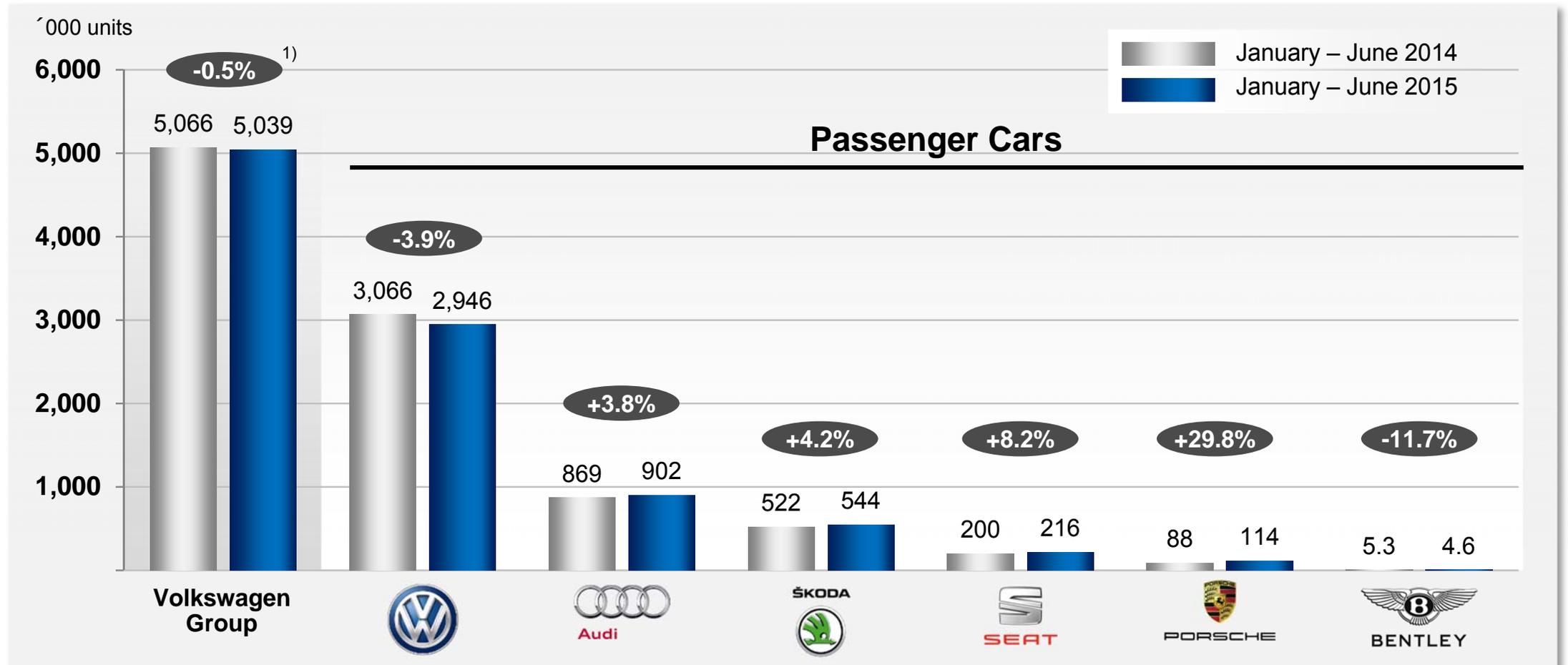
Development World Car Market vs. Volkswagen Group Car Deliveries to Customers¹⁾ (Growth y-o-y in deliveries to customers, January to June 2015 vs. 2014)

World: Car Market: 2.6% Volkswagen Group: -0.5%



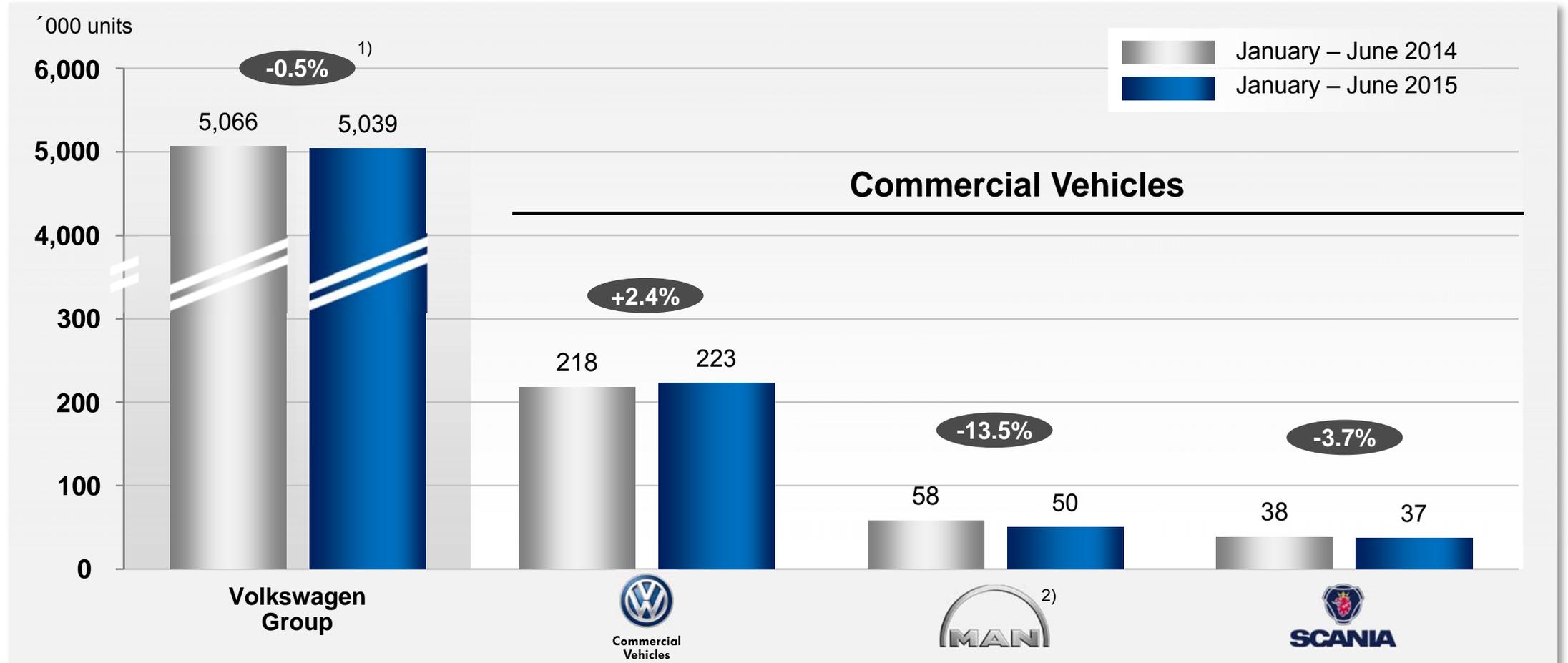
¹⁾ Figures excl. Volkswagen Commercial Vehicles, Scania and MAN

Volkswagen Group – Deliveries to Customers by Brands (January to June 2015 vs. 2014)



¹⁾ Incl. all brands of Volkswagen Group (Passenger Cars and Commercial Vehicles); -0.5% excl. Volkswagen Commercial Vehicles, Scania and MAN.

Volkswagen Group – Commercial Vehicles Deliveries to Customers by Brands (January to June 2015 vs. 2014)



¹⁾ Incl. all brands of Volkswagen Group (Passenger Cars and Commercial Vehicles); -0.5% excl. Volkswagen Commercial Vehicles, Scania and MAN.

²⁾ MAN incl. MAN Latin America Trucks and Buses GVW > 5t

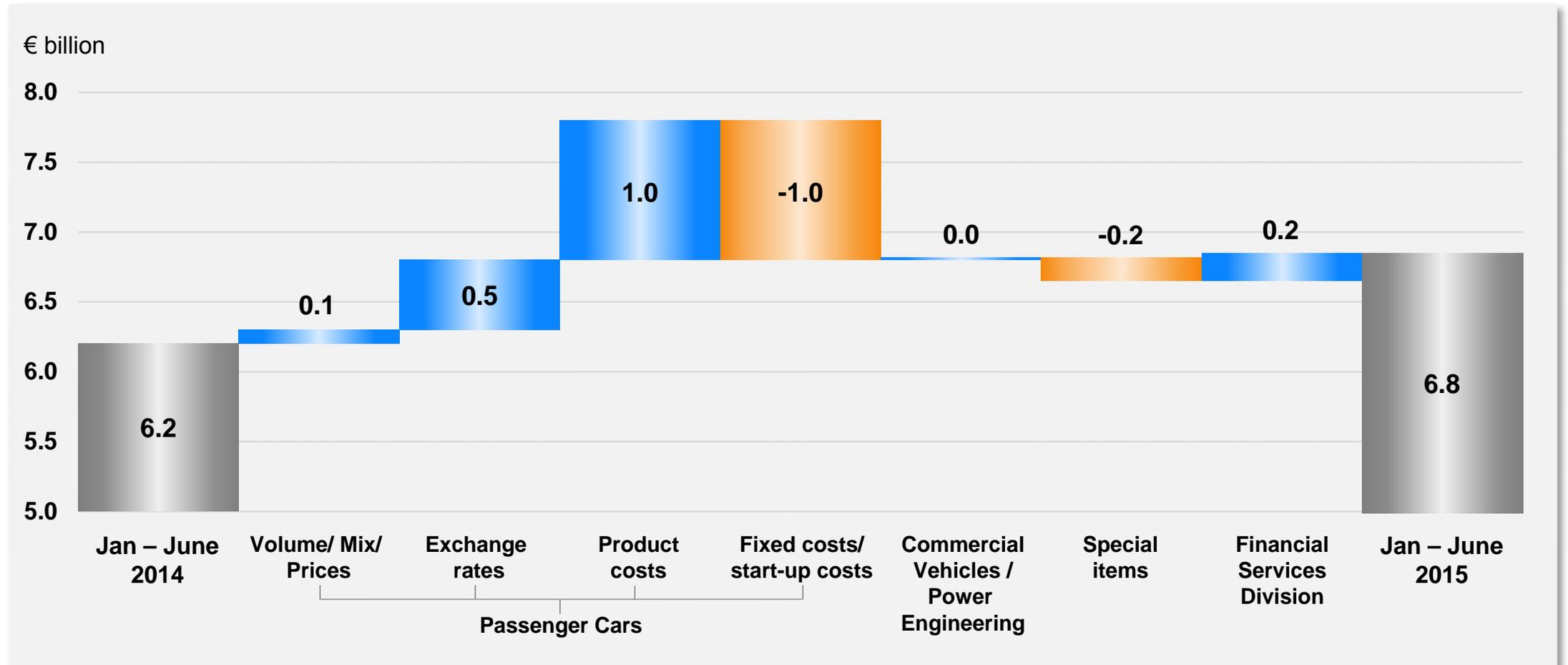
Volkswagen Group – Analysis by Division¹⁾ (January to June 2015 vs. 2014)

thousand vehicles / € million	Volkswagen Group		Automotive Division		Financial Services Division	
	2015	2014	2015	2014	2015	2014
Vehicle sales	5,090	5,207	5,090	5,207	-	-
Sales revenue	108,776	98,808	94,093	87,044	14,683	11,764
Operating profit before special items	6,990	6,186	5,870	5,262	1,120	924
<i>% of sales revenue</i>	6.4	6.3	6.2	6.0	7.6	7.9
Special items	-170	-	-170	-	-	-
Operating profit	6,820	6,186	5,700	5,262	1,120	924
<i>% of sales revenue</i>	6.3	6.3	6.1	6.0	7.6	7.9
Financial result	843	1,591	785	1,520	58	71
of which: At-equity result ²⁾	2,241	2,143	2,222	2,127	19	16
of which: Other financial result	-1,397	-552	-1,437	-608	39	56
Profit before tax	7,664	7,777	6,485	6,782	1,179	995
<i>% Return on sales before tax</i>	7.0	7.9	6.9	7.8	8.0	8.5
Profit after tax	5,663	5,716	4,882	4,974	781	742

¹⁾ 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.

²⁾ The joint venture companies in China are accounted for using the equity method and recorded an operating profit (proportionate) of €2,744 million (€2,622 million).

Volkswagen Group – Analysis of Operating Profit¹⁾ (January to June 2015 vs. 2014)



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

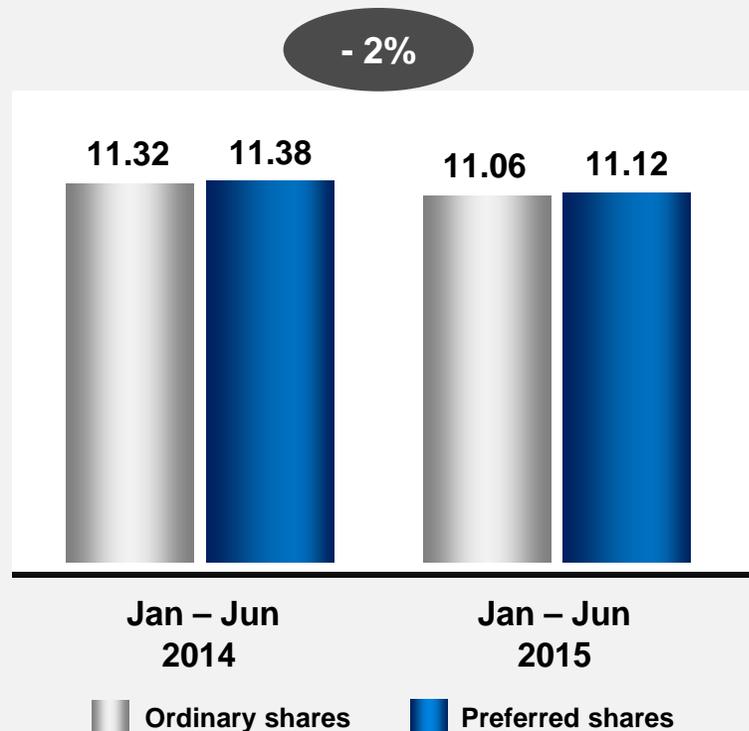
Volkswagen Group – Analysis by Business Line¹⁾ (January to June 2015 vs. 2014)

thousand vehicles/ € million	Vehicle sales		Sales revenue		Operating profit	
	2015	2014	2015	2014	2015	2014
Volkswagen Passenger Cars	2,251	2,302	53,578	49,259	1,428	1,012
Audi	784	750	29,784	26,690	2,914	2,671
ŠKODA	421	426	6,421	5,974	522	425
SEAT	286	258	4,469	3,948	52	-37
Bentley	5	6	939	887	54	95
Porsche ²⁾	109	89	10,850	8,162	1,698	1,398
Volkswagen Commercial Vehicles	231	221	5,223	4,724	268	280
Scania ²⁾	38	38	5,182	5,067	503	476
MAN	50	58	6,719	6,699	185	222
VW China ³⁾	1,743	1,847	-	-	-	-
Other	-827	-788	-27,407	-23,026	-1,605 ⁴⁾	-1,132 ⁴⁾
Volkswagen Financial Services	-	-	13,018	10,423	970	776
Volkswagen Group before special items	-	-	-	-	6,990	6,186
Special items	-	-	-	-	-170	-
Volkswagen Group	5,090	5,207	108,776	98,808	6,820	6,186
Automotive Division ⁵⁾	5,090	5,207	94,093	87,044	5,700	5,262
of which: Passenger Cars	4,772	4,890	77,129	70,711	5,346	4,748
of which: Commercial Vehicles, Power Engineering	318	317	16,964	16,333	354	514
Financial Services Division	-	-	14,683	11,764	1,120	924

¹⁾ All figures shown are rounded, minor discrepancies may arise from addition of these amounts. ²⁾ Incl. financial services. ³⁾ 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 €2,744 million (€2,622 million). ⁴⁾ 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. ⁵⁾ Including allocation of consolidation adjustments between Automotive and Financial Services divisions.

Volkswagen Group – Analysis of Earnings per Share Development (January to June 2015 vs. 2014)

Earnings per share (diluted, in €)¹⁾

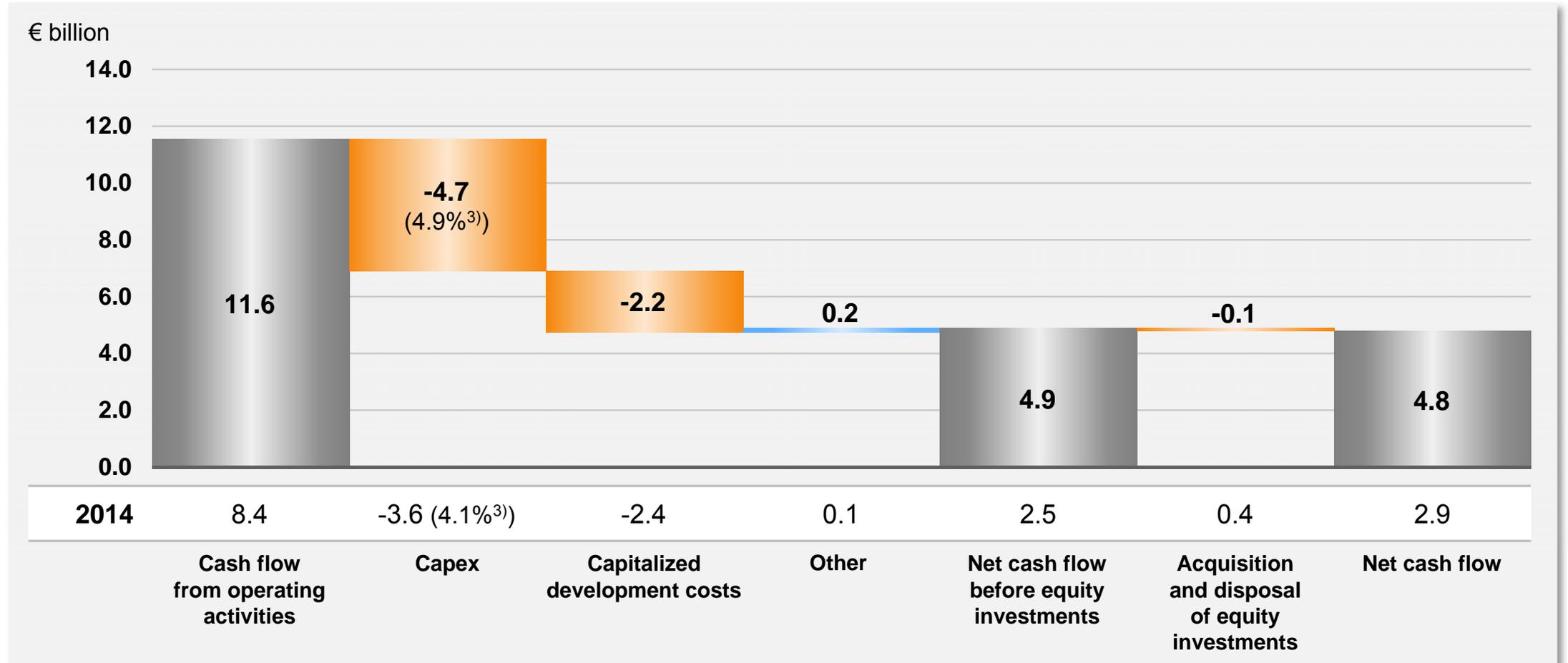


Key driving factors for EPS

- + Increase of Group operating profit
- + Slightly improved at-equity result, mainly from Chinese joint venture companies
- Significantly more negative other financial results, mainly due to significantly negative fair value measurement effects
- Slightly increased average number of shares outstanding following issuance of equity capital in 2014

¹⁾ Prior-year figures adjusted to reflect application of IAS 33.26.

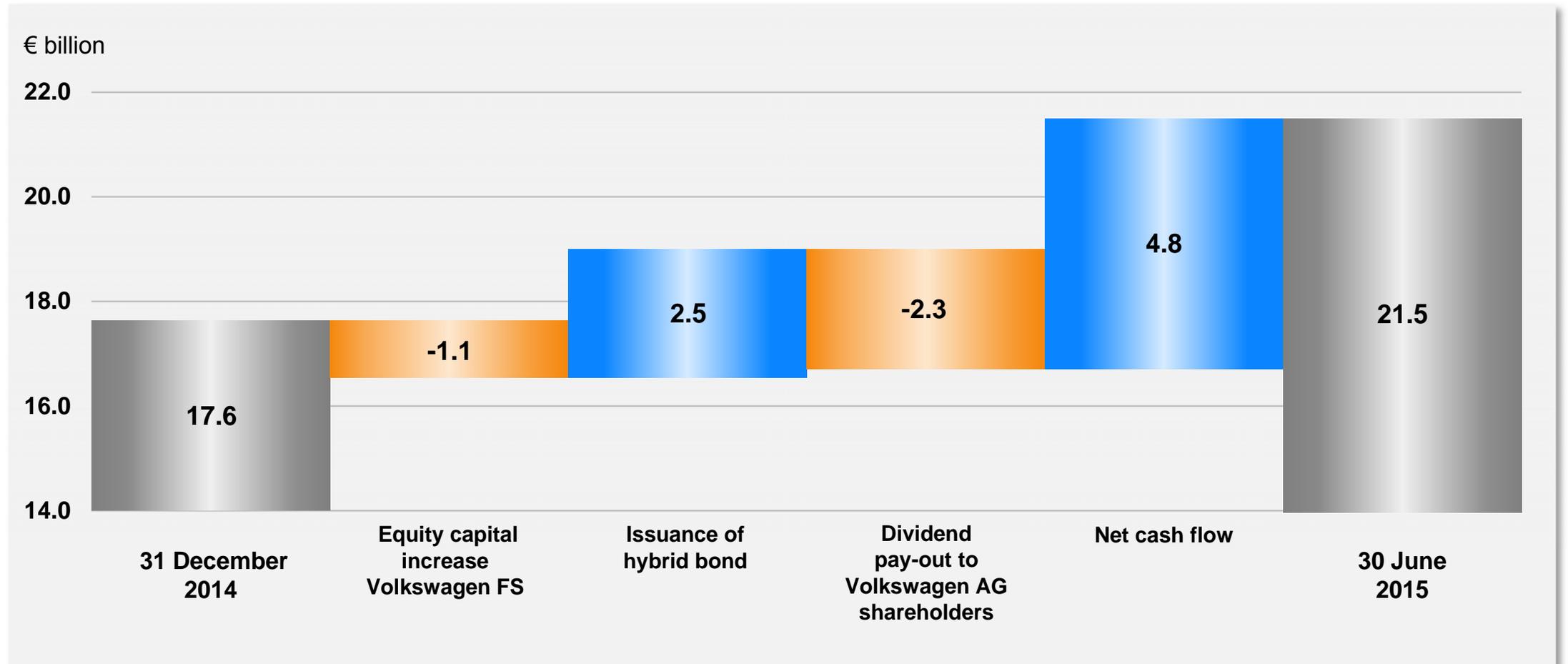
Automotive Division – Strong Cash Generation^{1) 2)} (January to June 2015)



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.

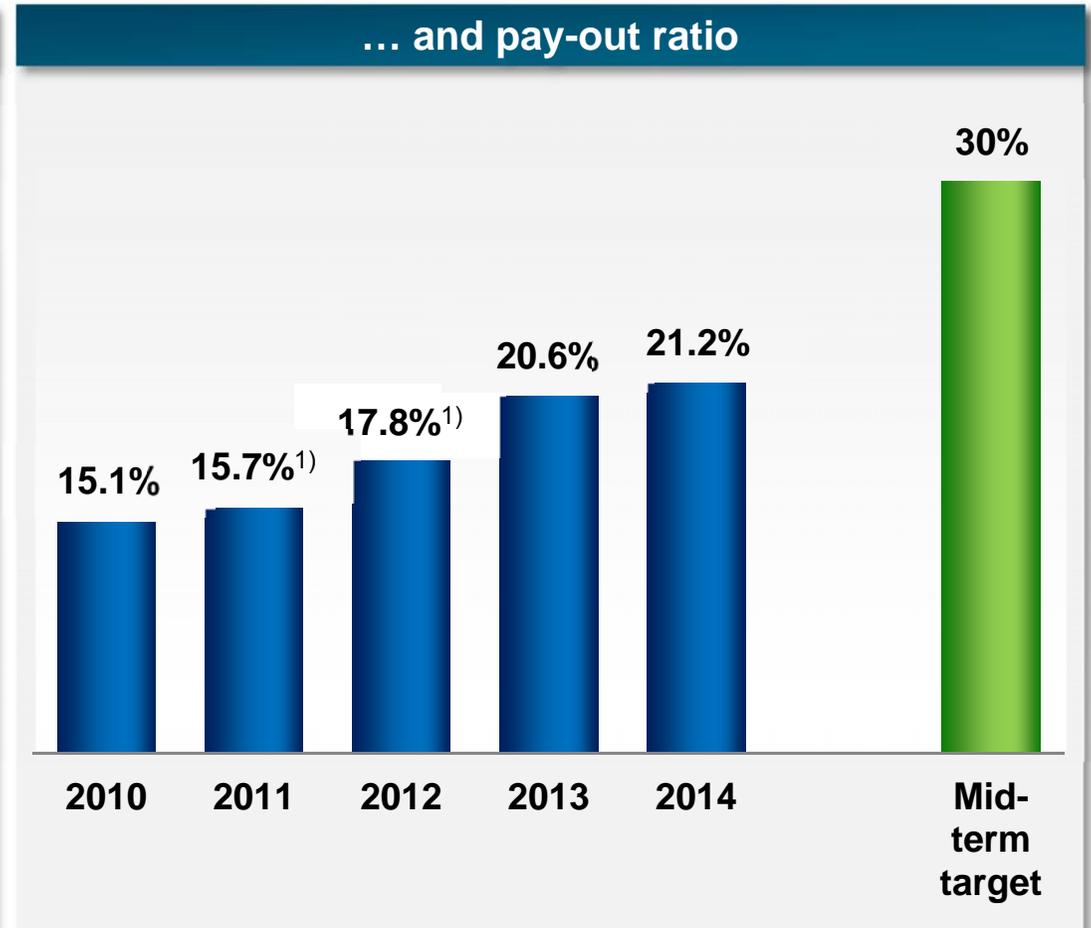
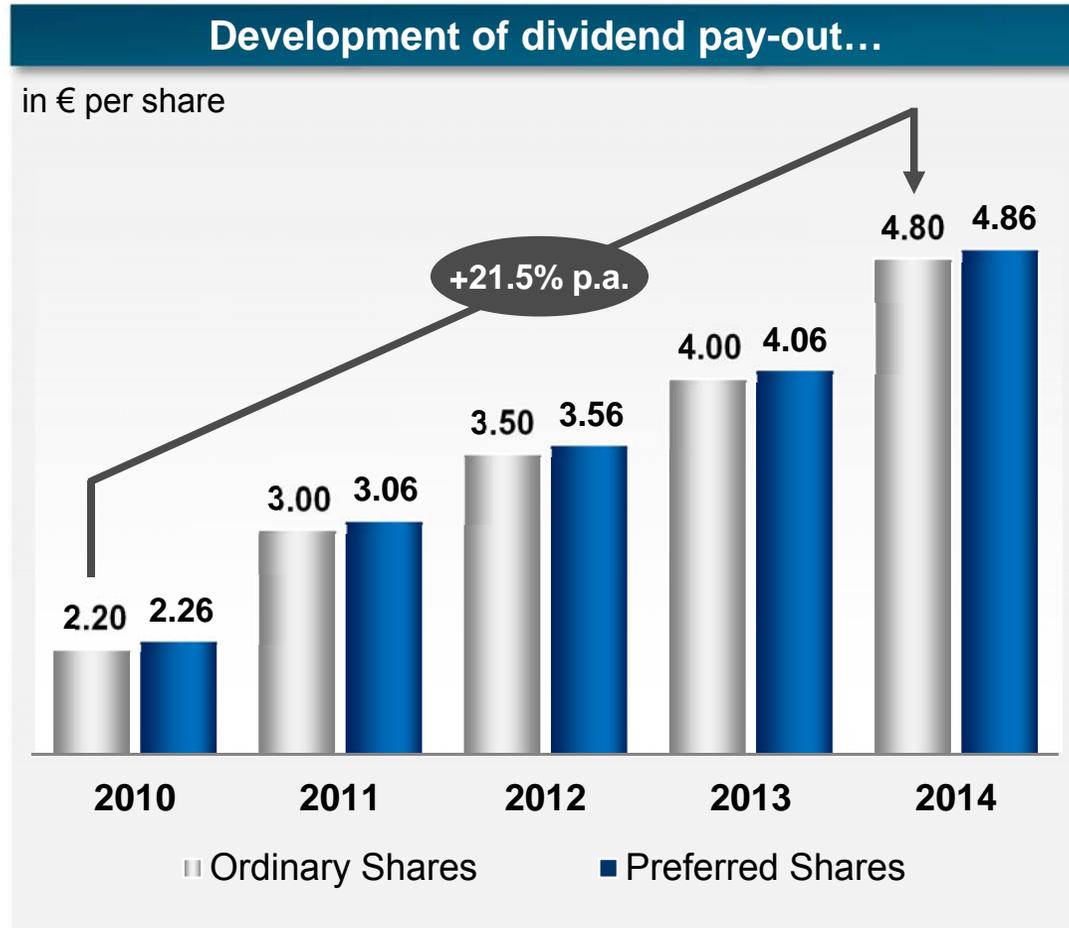
³⁾ Capital expenditure for property, plant and equipment in % of Automotive sales revenue.

Automotive Division – Analysis of Net Liquidity¹⁾



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

Continuous dividend development on a sustainable basis

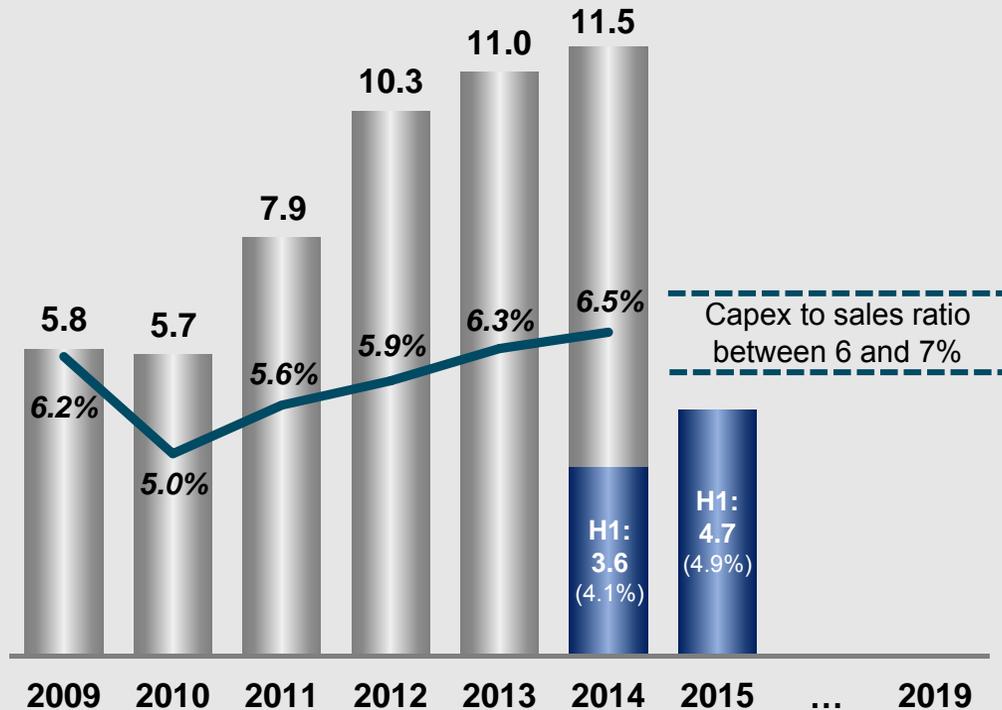


¹⁾ Total dividend in percent of net income attributable to shareholders adjusted for noncash income mainly from the updated measurement of the put/call rights relating to the acquisition of the stake in Porsche AG indirectly held by Porsche SE, as well as the remeasurement of the existing stake held at the contribution date.

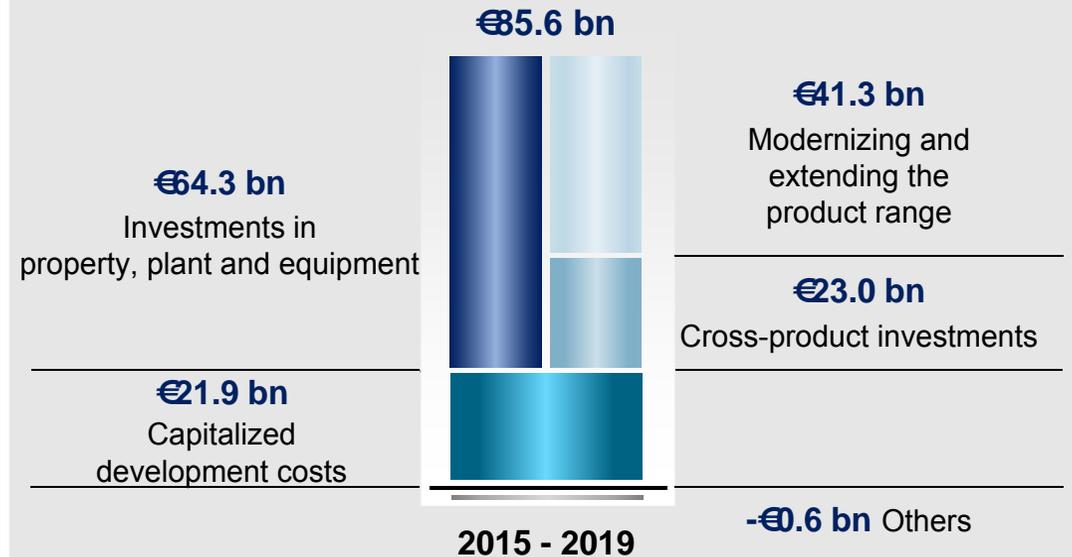
Volkswagen's Automotive Division continues to invest in new products, innovative technologies and its global production footprint

Investments in property, plant and equipment

€ billion / in % of sales revenue

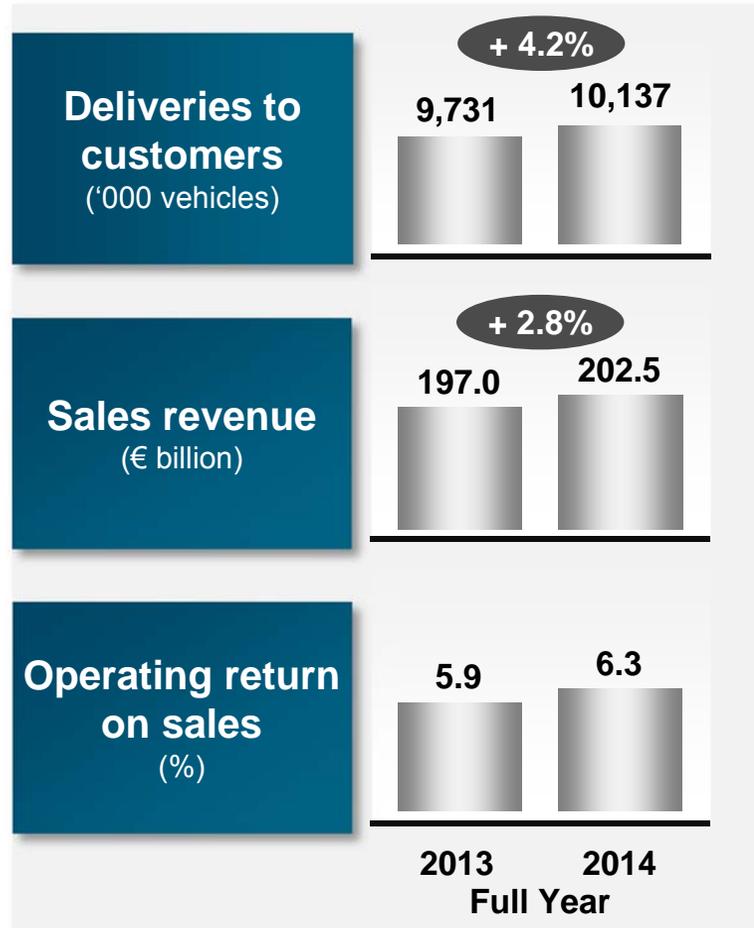


5-year investment program remains on a stable level



- Around two-thirds will continue to flow into increasingly efficient vehicles, drives and technologies, as well as environmentally friendly production
- In addition, China JVs will invest a total of €22.0 bn in new production facilities and products (fully self funded)

Volkswagen Group – Outlook for 2015



We expect ...

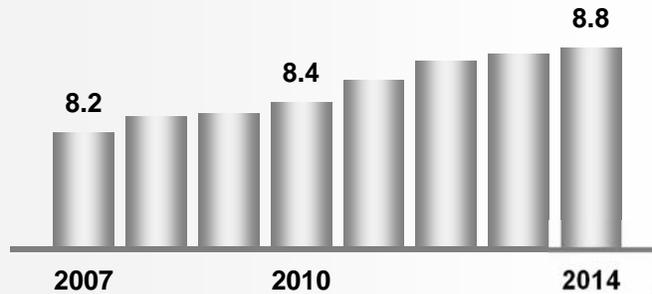
- deliveries to customers for the Volkswagen Group in 2015 to remain on a level with the previous year in a persistently challenging market environment.
- 2015 sales revenue for the Volkswagen Group and its business areas to increase by up to 4% above the prior-year figure, depending on the economic conditions. However, economic trends in Latin America and Eastern Europe will need to be continuously monitored in the Commercial Vehicles/Power Engineering Business Area.

In terms of operating profit ...

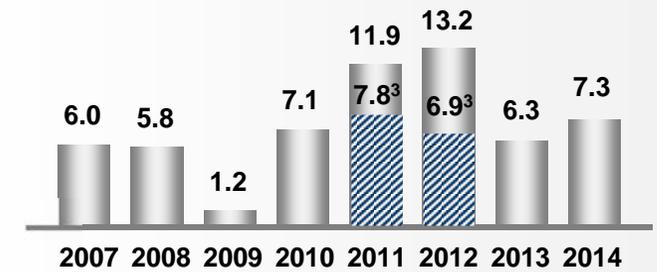
- we anticipate a Group operating return on sales of between 5.5% and 6.5% in 2015 in light of the challenging economic environment.
- The operating return on sales is expected to be in the 6.0% to 7.0% range in the Passenger Cars Business Area and between 2.0% and 4.0% in the Commercial Vehicles/Power Engineering Business Area.
- For the Financial Services Division, we are forecasting an operating profit at the prior-year level.

Volkswagen Group – Well on track to achieve targets under Strategy 2018

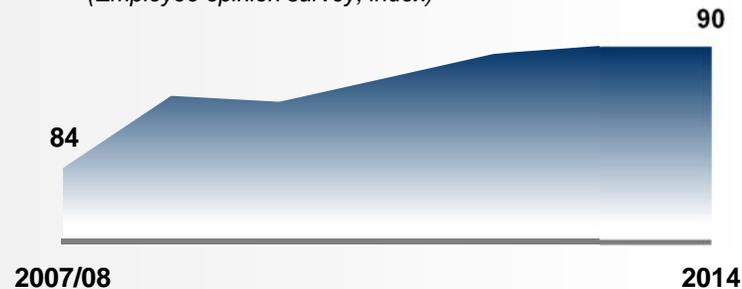
Volkswagen Group customer satisfaction
(on a scale of 1 to 10¹)



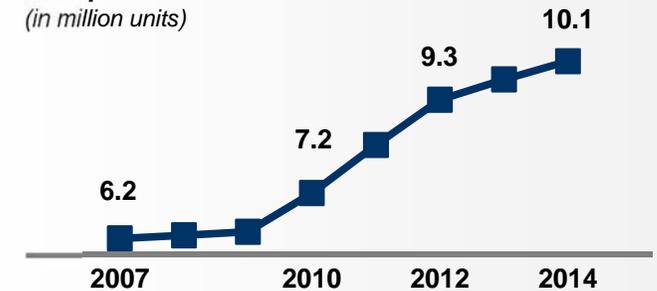
Group profit before tax margin
(in percent)



„I am happy to work at the Volkswagen Group“
(Employee opinion survey, index)



Group deliveries to customers
(in million units)



¹ Own calculation based on key industry studies on customer satisfaction with dealers, after sales and new vehicles. ² Including China.

³ Group profit before tax margin excluding the nonrecurring effect from the remeasurement of the Porsche put/call options and from remeasurement at the contribution date of the shares already held.

Volkswagen Group – Key sustainable achievements

Superior products



Continued market leadership
in Europe and China



Positioning and cooperation clearly
strengthened in the premium segment



Audi



PORSCHE

Creation of a leading truck business

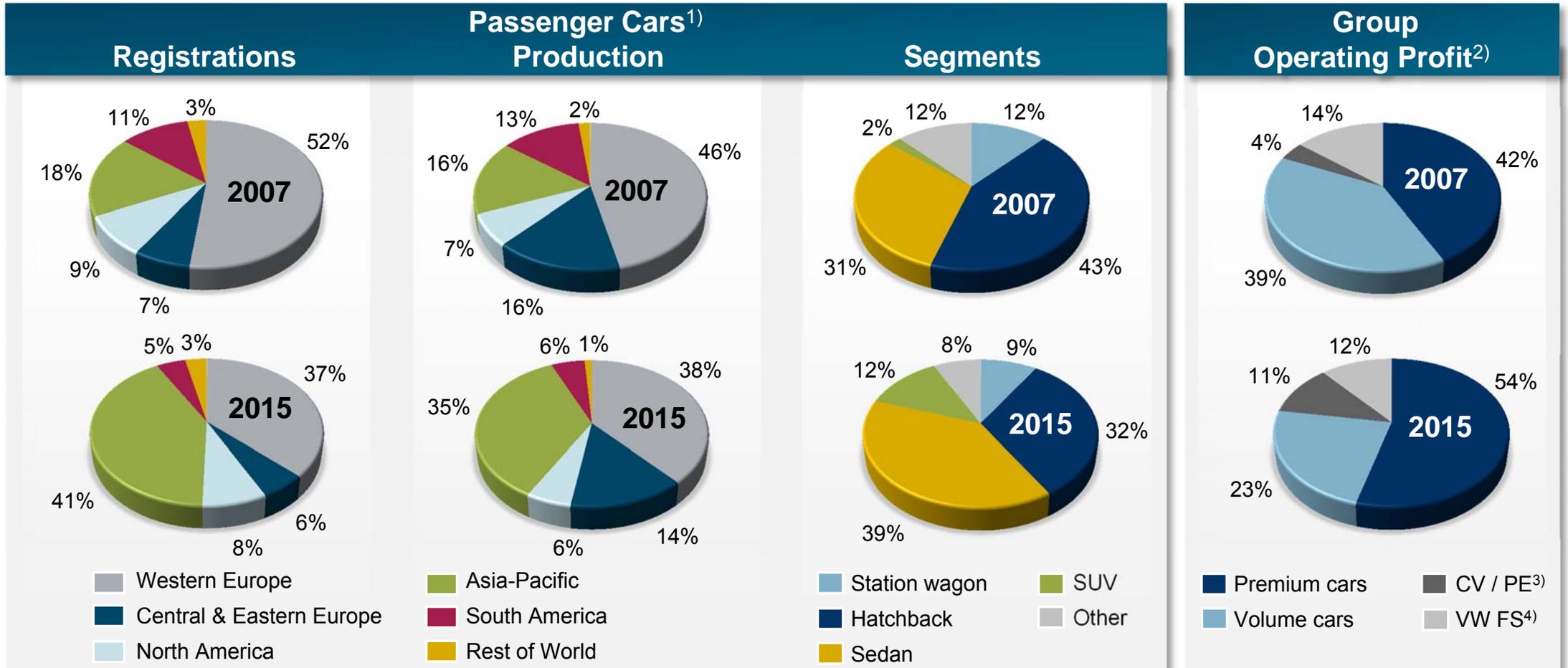


SCANIA

Successful toolkit implementation



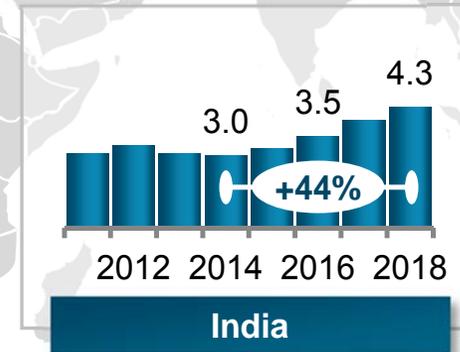
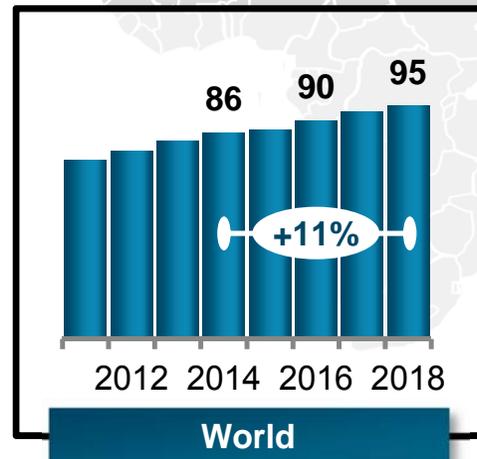
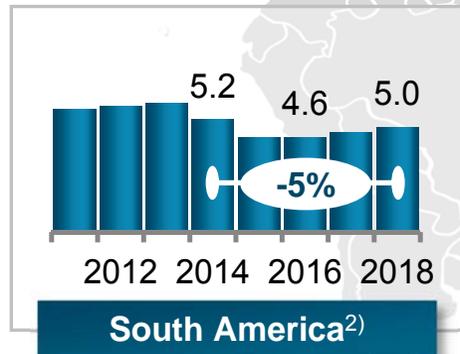
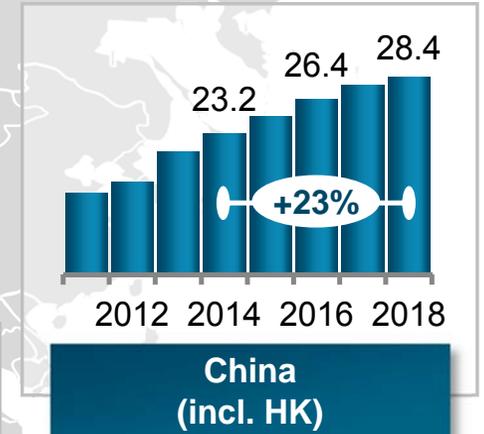
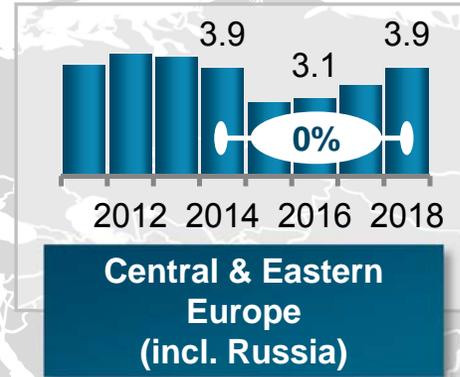
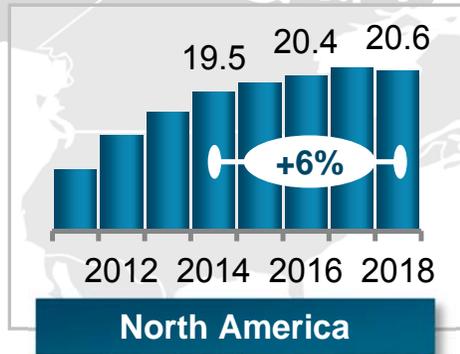
Improved segment and market exposure provides stable earnings platform



¹⁾ Source: Polk; Jan – Jun 2015 vs. FY 2007, figures excl. Volkswagen Commercial Vehicles, MAN and Scania. Porsche fully consolidated as from 1 August 2012 ²⁾ Split of Group Operating Profit excl. Other / Consolidation and PPA, Jan - Jun 2015 vs. FY 2007 ³⁾ Commercial Vehicles / Power Engineering, H1 2015 Operating Profit before special items ⁴⁾ VW Financial Services figures do not include financial service activities of Scania, Porsche AG and Porsche Holding Salzburg

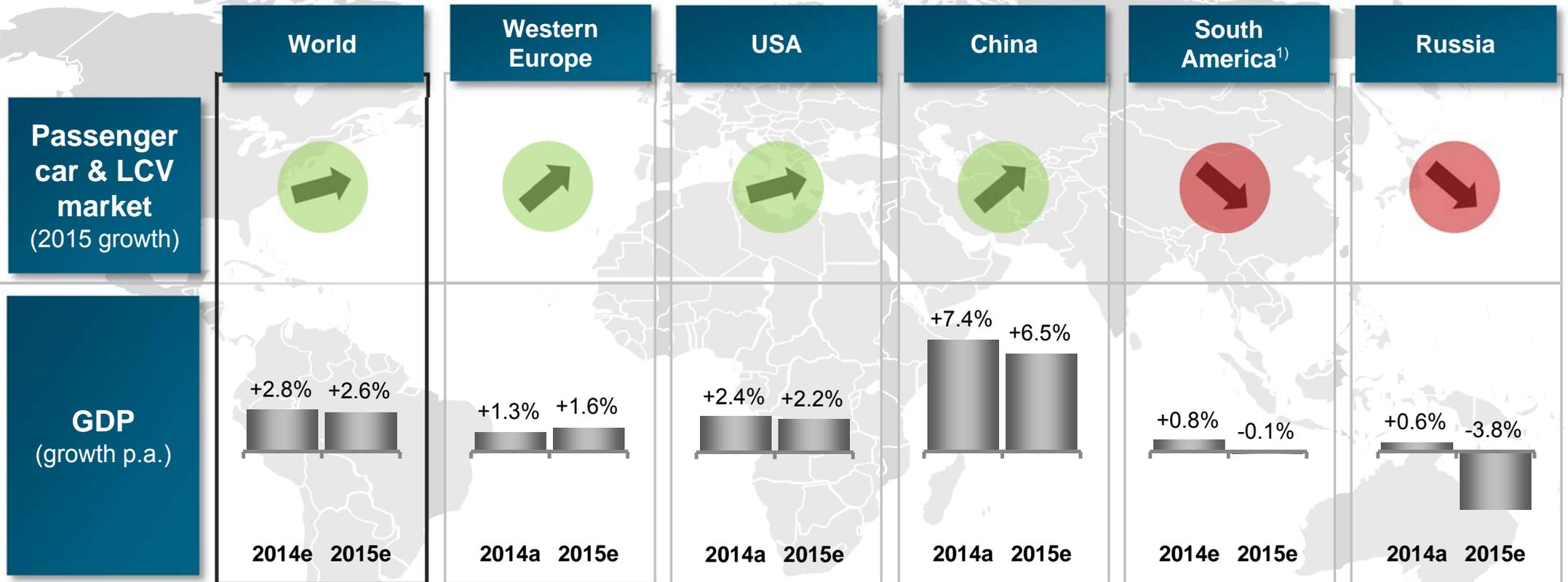
Key sales markets offer substantial growth opportunities

Market growth 2014 – 2018 (million units)



¹⁾ Includes Cyprus and Malta
²⁾ Includes Central America and Caribbean
 Source: IHS Automotive (data status: July 2015), rounded
 Note: Market = Cars and LCVs

Global light vehicle market expected to grow further in 2015 with adverse developments in individual regions

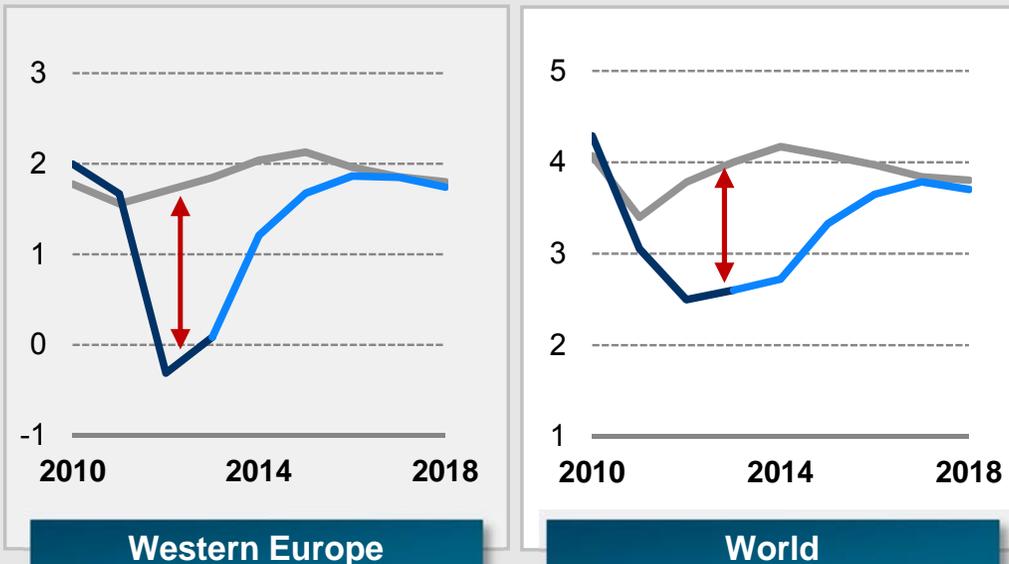


Source: IHS Automotive, IHS Economics as of July 2015
¹⁾ Includes Central America and Caribbean, excluding Mexico

Growth in many major markets, excluding China, below expectations

GDP growth remains behind forecasts - but recovery expected until 2018

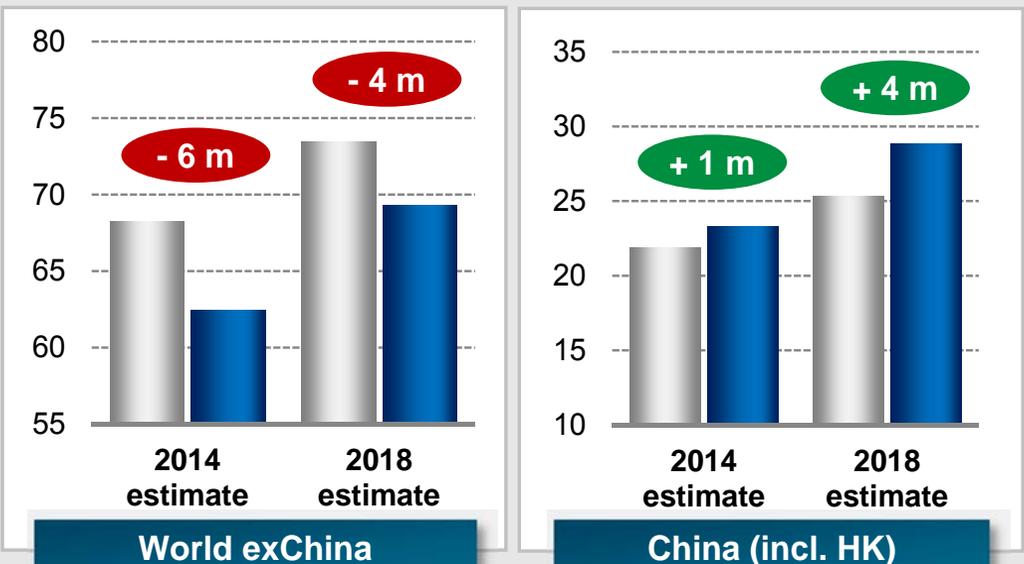
GDP growth p.a. 2010 – 2018 (%)



— Dec 2010 forecast
— Actuals
— Sept 2014 forecast

Volume projections for global car markets (ex China) reduced significantly

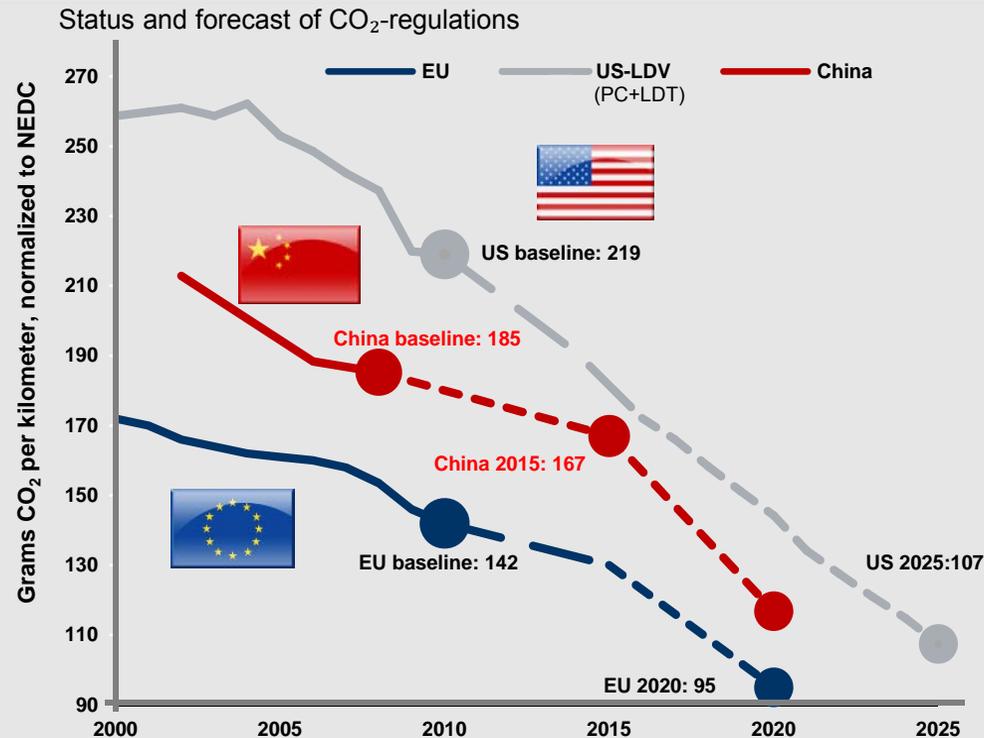
in million units



— Projection as per end of 2010
— Projection as per October 2014

Tightening environmental regulation and major trends driving substantially higher investment and engineering needs today

... CO₂ and EU6 regulations



Source: based on ICCT

... Market / consumer trends

Digitalization



Shorter lifecycles



E-mobility



SUV trend



Automated driving



Shift in priorities



Future Tracks – Paving the way to the future



Strategy for the time beyond 2018



Profitability



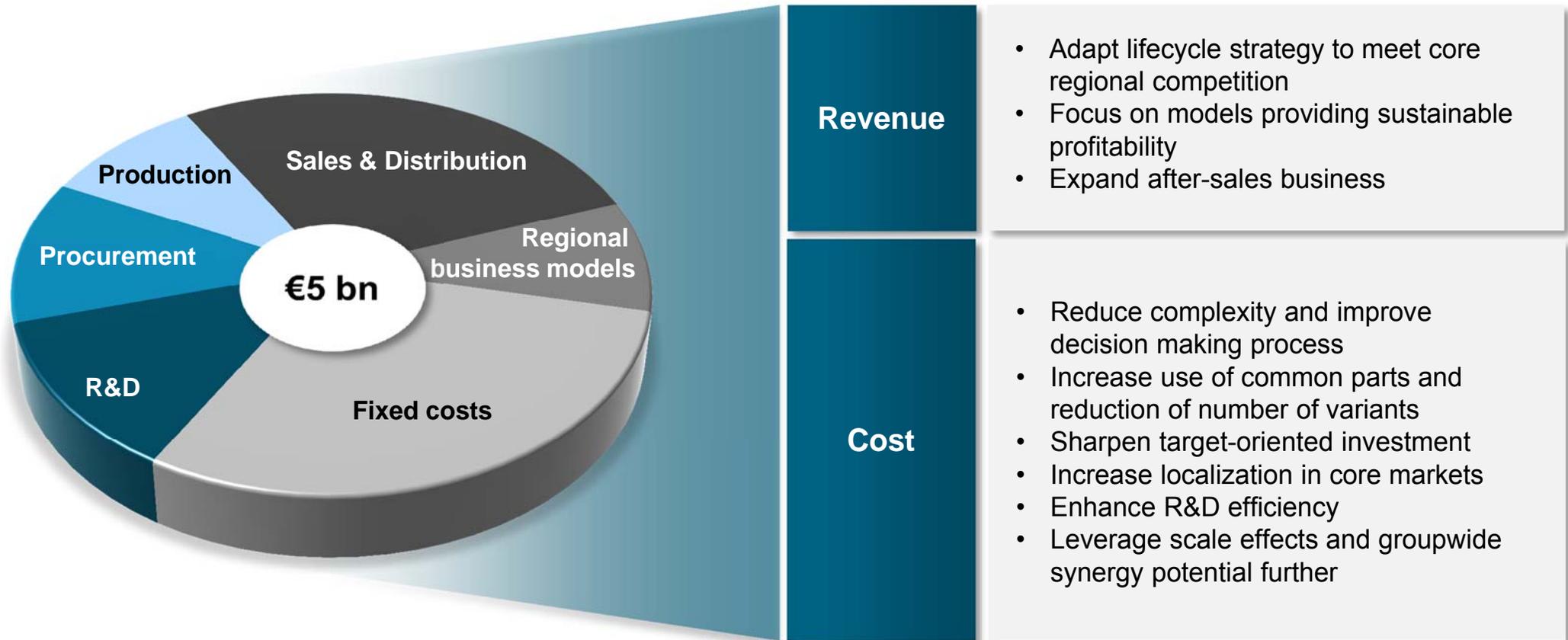
Economic uncertainty



Volkswagen Group 2018 Strategy



Volkswagen Brand: Substantial efficiency measures across all business areas to ensure > 6% target return before 2018

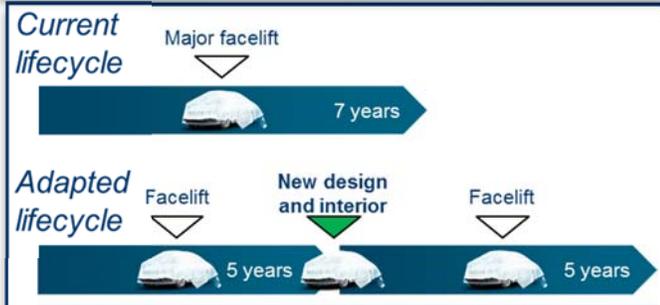




Volkswagen Brand: Three focus areas to improve competitiveness

Efficiency Program

Model Portfolio & Cycle Plan



- Continually adapt product lifecycles to the specific regional and competitive requirement
- Challenge every model regarding growth prospects and sustainable profit contribution

Strengthen Regions



- Improve operational and financial robustness of regional business models
- Increase localization of products, production and components as well as research and development

Cost Discipline & Productivity



- Strong focus on cost and investment discipline
- Roll-out of efficiency program in order to secure/improve cost efficiency and quality of results

Efficiency program well on the way in all business areas

Revenue enhancement through increased sales of Golf R and R-line-packages



Logistics cost optimization



Test fleet vehicle efficiencies



Factory 4.0



Complexity reduction

Touran current model

Complexity drivers

- Drivers assistant systems
- Legal requirements
- Seating options
- ...

Touran successor

Variant reduction

- Steering wheels
- Trunk lining
- Mirrors
- ...



Golf 7: Batteries



~50%

Golf 7: Interior lamps



~50%

Golf 7: Armrests (leather)



>30%

Polo successor: Engine/gearbox variants

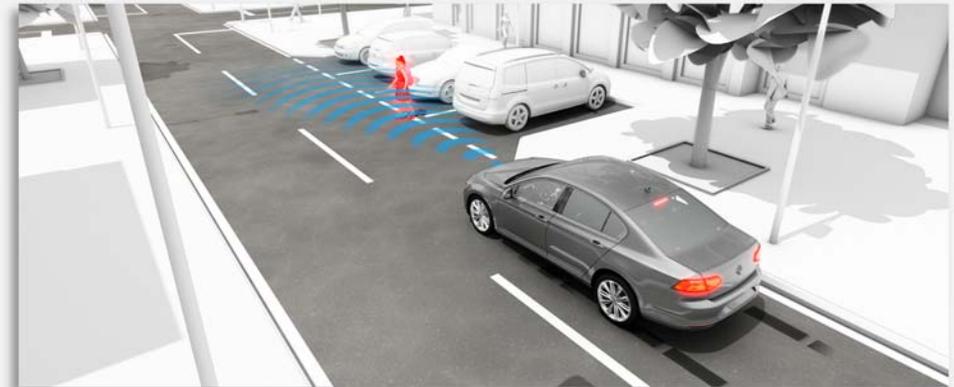


>30%

Transition to automated driving already started and offers huge potential

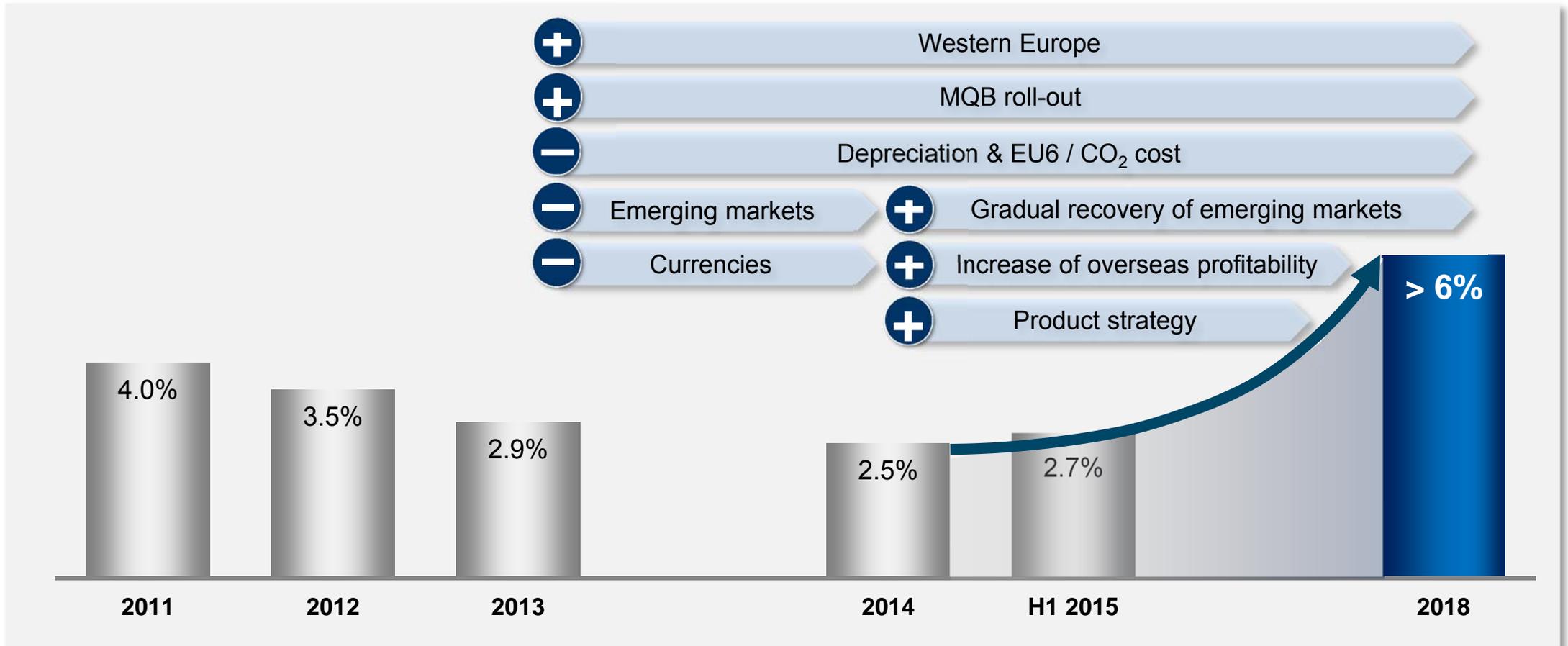
Drivers assistant systems in the new Passat

- Emergency assist with lane change
- Traffic jam assist with hands-off
- Work zone lane assist
- Automated driving
- Automated parking
- Traffic jam assist
- Emergency assist
- Trailer assist
- Front assist with pedestrian monitoring





Improving operating returns at Volkswagen Passenger Cars¹⁾ the latest by 2018 is a core objective



¹⁾ The joint venture companies in China are accounted for using the equity method and thus are not included in the operating profit of Volkswagen Passenger Cars.

Deep roots and strong market position combined with further growth potential assures continued profitable growth in China



Production network and implementation of MQB

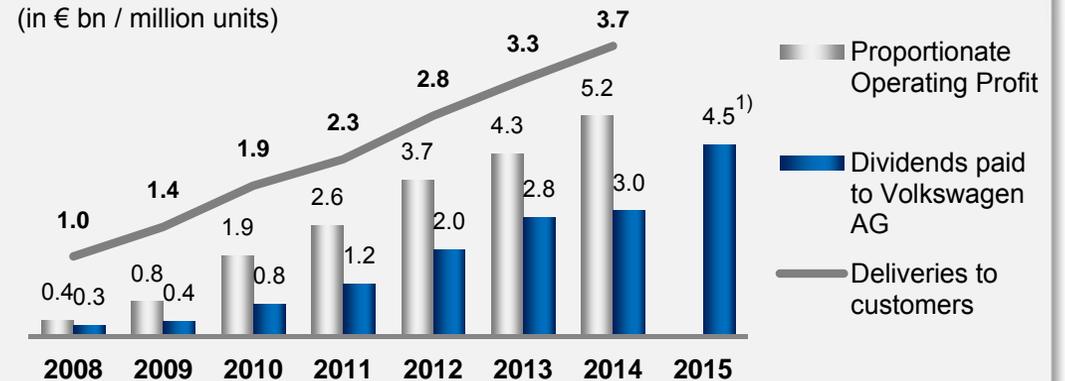
Production capacity (250 working days)
2014: 3 million
2019: >5 million

- Existing production site
- MQB production site by 2016
- Planned MQB production site



Strong operational & financial track record

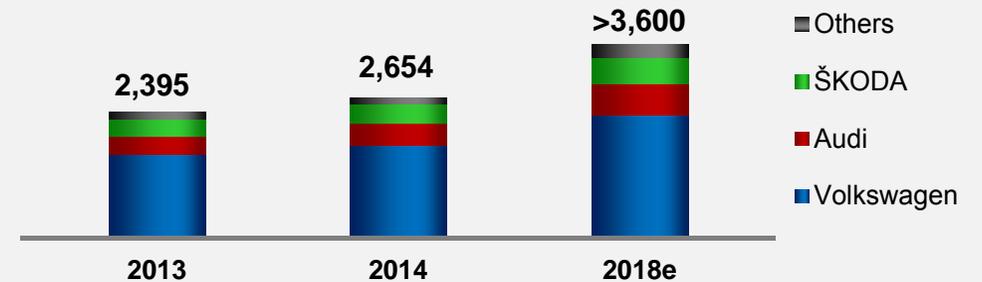
(in € bn / million units)



Significant extension of product portfolio



Continuous expansion of dealer network



¹⁾ Dividend proposal

USA – Extending the business



Expanding local footprint



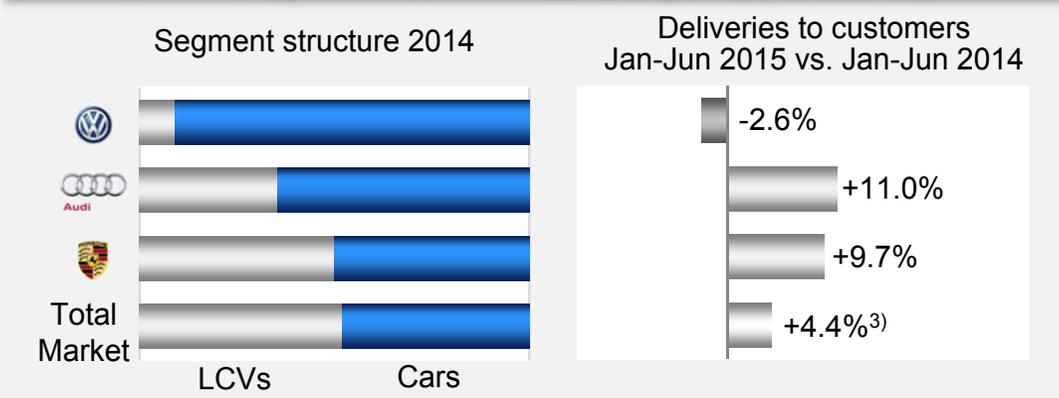
Strong commitment to targets in the U.S. market



Upgrade/expansion of portfolio



LCV segment remains a large opportunity



¹⁾ Production of global volumes of new Audi Q5 from 2016 ²⁾ Figures including Porsche as from 1 August 2012
⁴⁾ Imported and locally produced vehicles in % of total deliveries (Volkswagen Passenger cars)

³⁾ Thereof Passenger Cars -1.7%, Light Commercial Vehicles +10.3%

Brazil – Short-term challenge, mid-term opportunity



Highly localized passenger car production



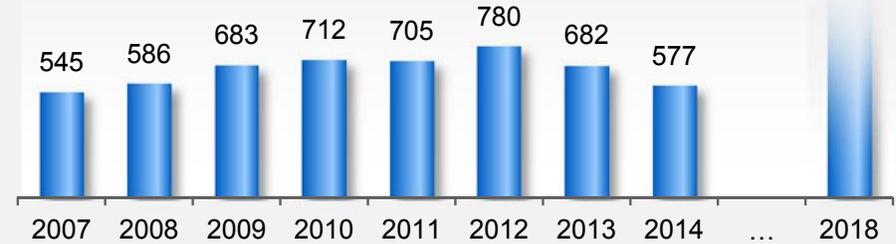
São Carlos (engines)

Anchieta

Taubaté

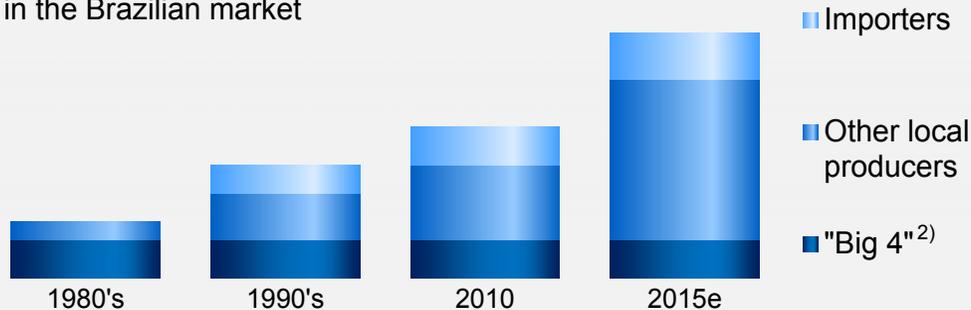
Curitiba¹⁾

Deliveries to customers ('000 units)



A rapidly changing competitive landscape

Number of automotive companies in the Brazilian market



Source: Anfavea, own research

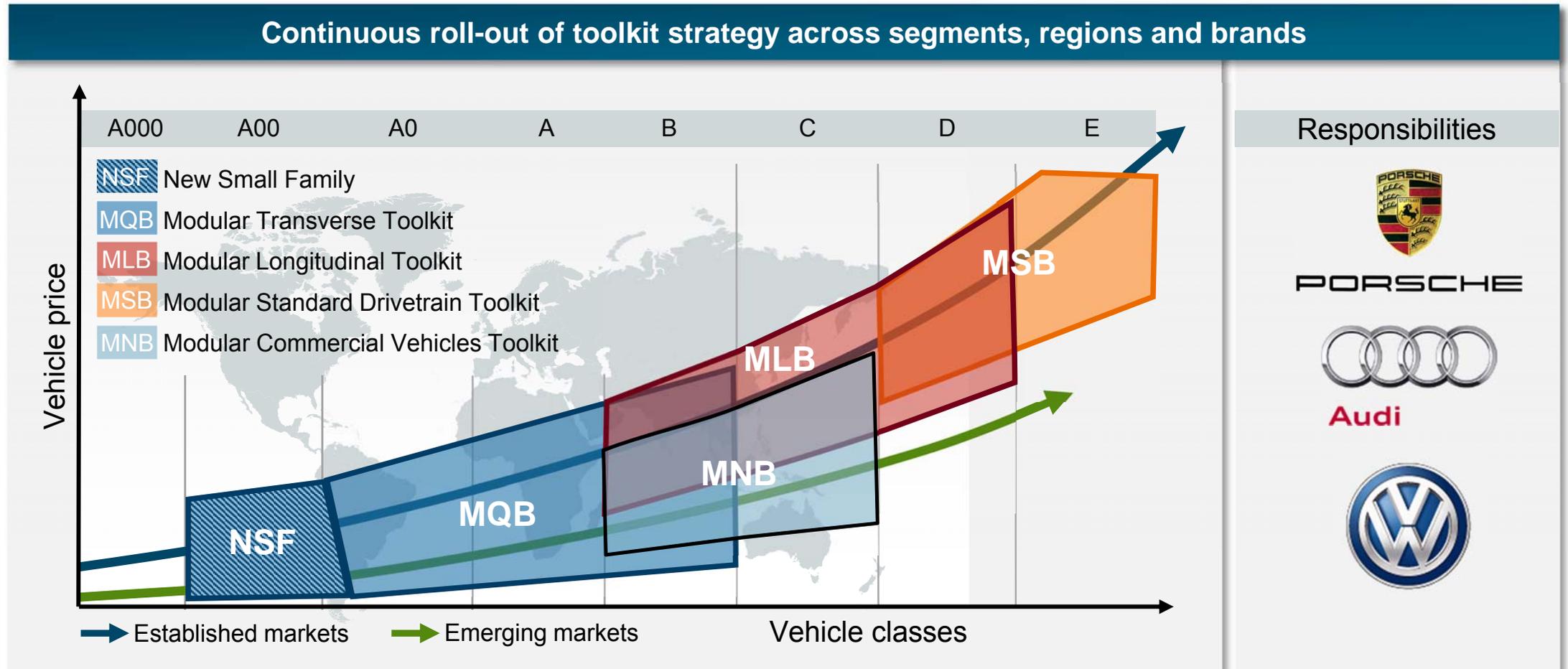
Expansion & upgrade of locally produced portfolio



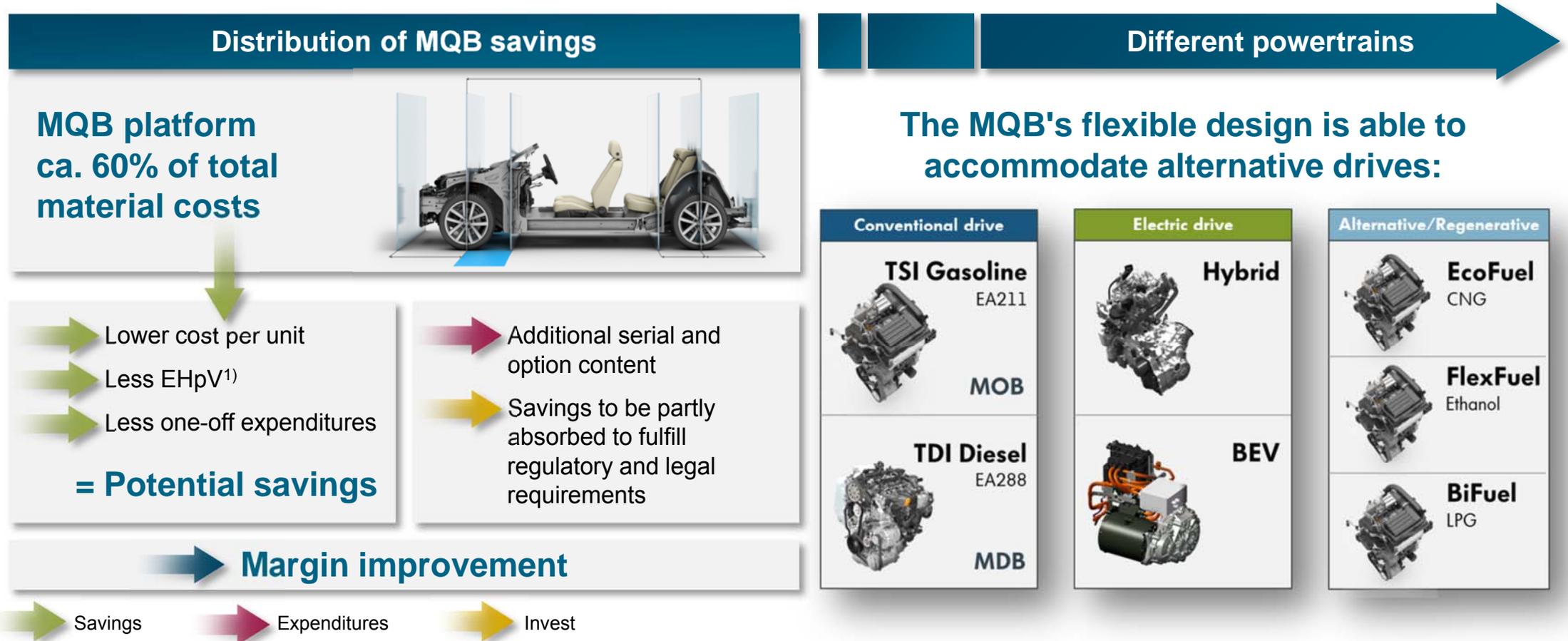
¹⁾ Audi to start production of A3 Sedan in São José dos Pinhais in 2015, Q3 to be produced from 2016

²⁾ Volkswagen, Fiat, General Motors, Ford

Volkswagen Group toolkit strategy and responsibilities



MQB – Driving forward economies of scale in unit cost, investment and supporting achievement of emission targets



¹⁾ Engineered Hours per Vehicle

Sustainable success secured through the roll-out of modular toolkits

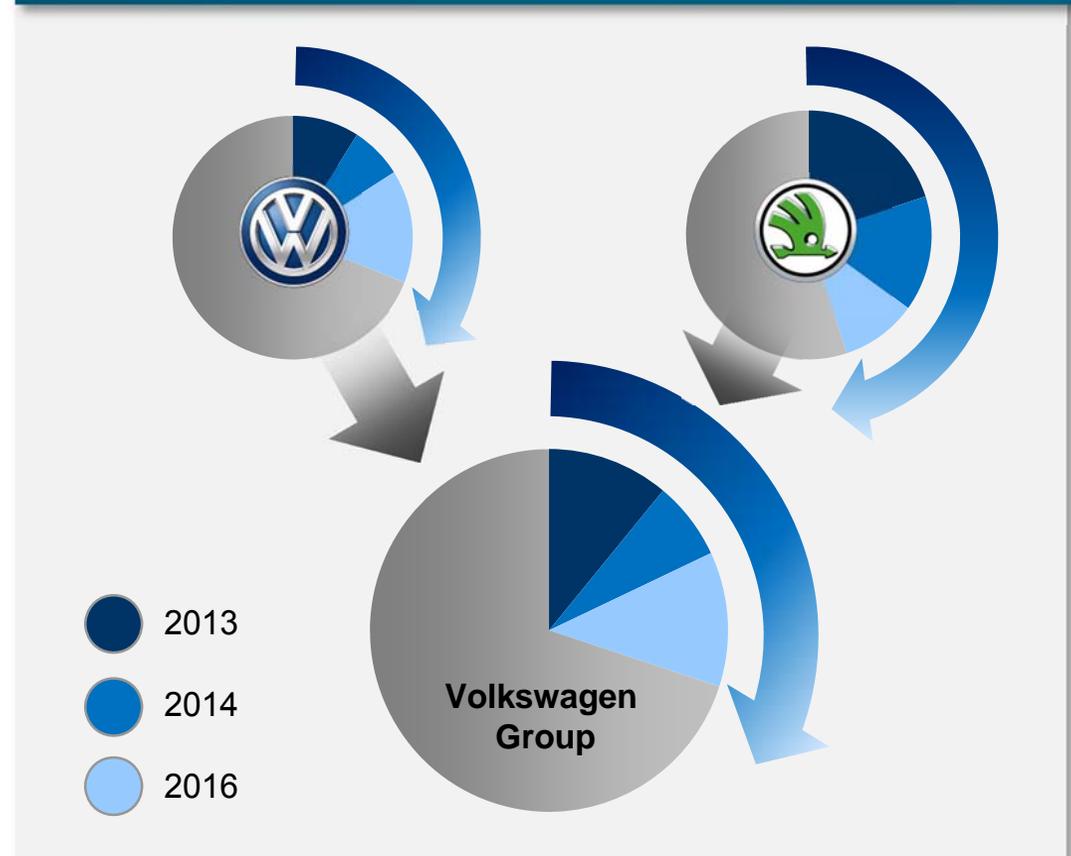
Global roll-out of modular toolkits



Number of toolkit equipped plants and volume



MQB production share of total production volumes¹⁾



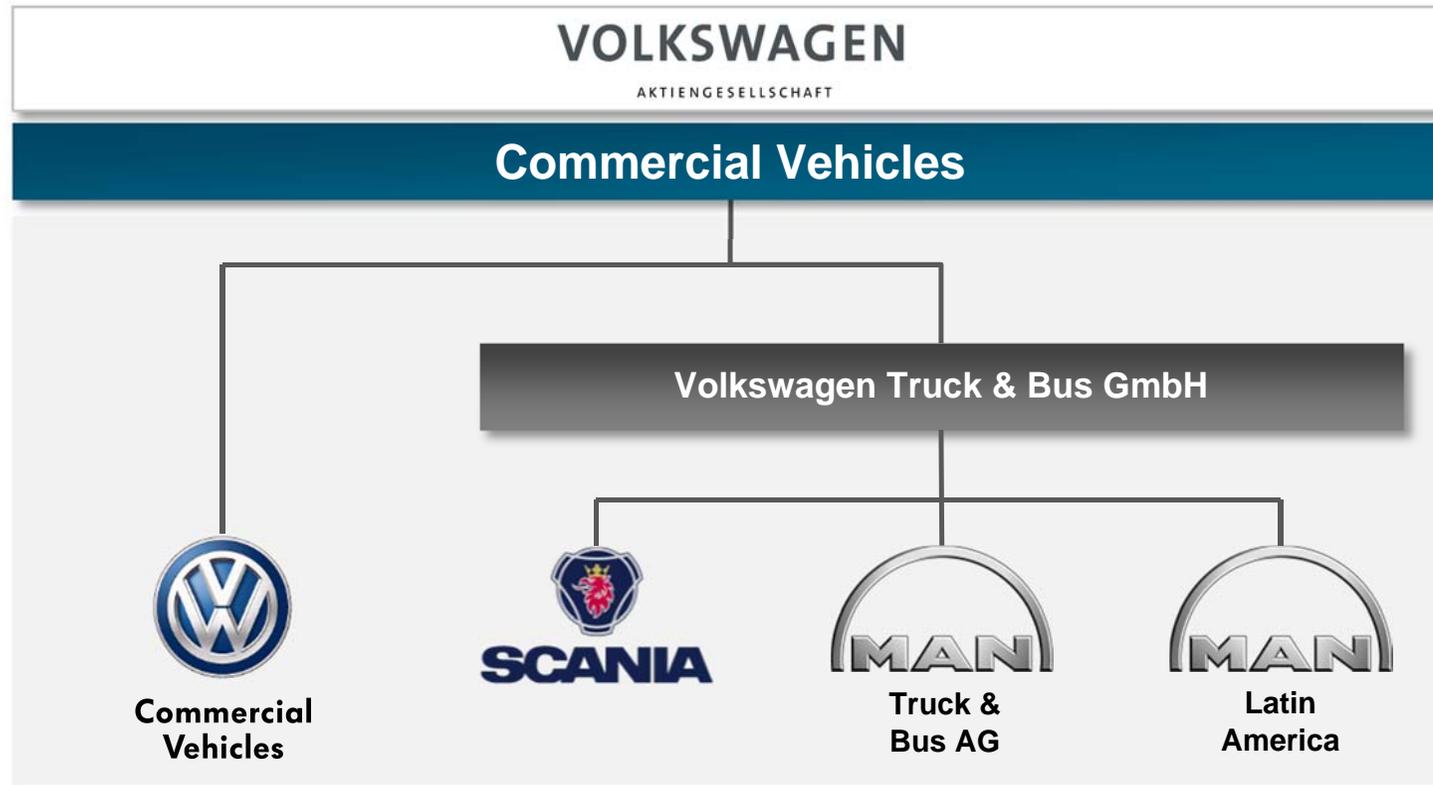
¹⁾ Including China; the Chinese share in the global MQB volume amounted to around one fifth in 2014 and is expected to increase to more than one third in 2018

Volkswagen Group product firework¹⁾ across the world



¹⁾ Schematic Overview – does not show all models.

Structured framework¹⁾ for business with mid-sized and heavy trucks and buses



- Truck & Bus GmbH to become new Volkswagen Group holding for MAN and Scania commercial vehicle brands.
- New holding will steer and coordinate cooperation among the three commercial vehicle companies MAN Truck & Bus AG, MAN Latin America and Scania AB.
- Processes specific to the commercial vehicles business to be established, thus leveraging the full synergy potential between the brands while retaining their independence.
- Aim is to coordinate strategy, development, human resources, purchasing and other issues across the brands leading to closer networking among the brands, shorter decision-making paths and swifter implementation.

¹⁾ Operational steering structure

Structural changes to improve competitiveness and efficiency based on integration of Volkswagen's truck businesses

Integration drivers

Foundation: management of independent and strong brands on the basis of integrated technology and operations

Objective: modular toolkit strategy for commercial vehicles with common components and systems

Scale benefits: improved efficiency of resource allocation and increased flexibility concerning vertical integration



Commercial
Vehicles

Synergies (Operating Profit impact)

Achieved by the end of 2014

- €200+ million
- Focus on purchasing
- Synergy potential limited due to arm's-length requirements

Additional potential through the integration

- €650+ million per year long-term average with 10-15 years gradual phase-in based on life cycles of vehicles and systems / components
- Majority of benefits from joint R&D, purchasing and sourcing components, e.g. gearbox
- Significant benefits from capex savings

New registrations of mid-sized and heavy trucks in markets relevant for the Volkswagen Group are set to drop noticeably in 2015

Western Europe

Demand **expected to rise modestly** with economic recovery; pull-forward effects in 2013 related to Euro 6 emission standard negatively affected 2014

Germany

GDP growth in 2015 expected to **slightly increase** over the year with positive effect on truck sales

Russia

Sanctions and sluggish macroeconomic development will have **continuing negative effect on truck demand** in 2015

Brazil

Negative macroeconomic development with adjustment of FINAME-Program have a **significantly negative impact** on Brazilian market

India

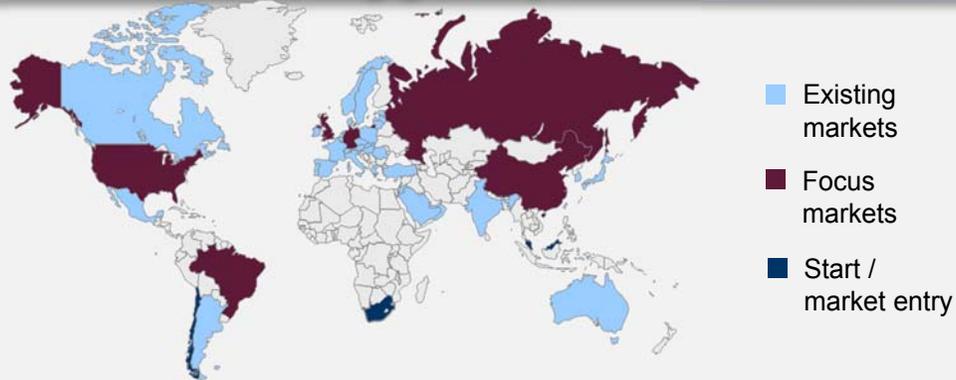
- Government change 2014 provides further investment incentives
- **Substantial increase** in truck sales expected

China

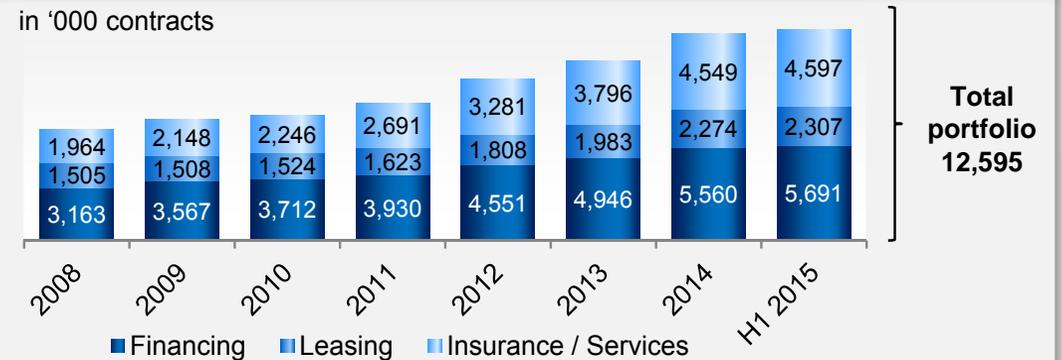
Sales in China expected to be **almost on the same level** as 2014 despite positive macroeconomic development

VW Financial Services¹⁾: A global, well diversified and successful business

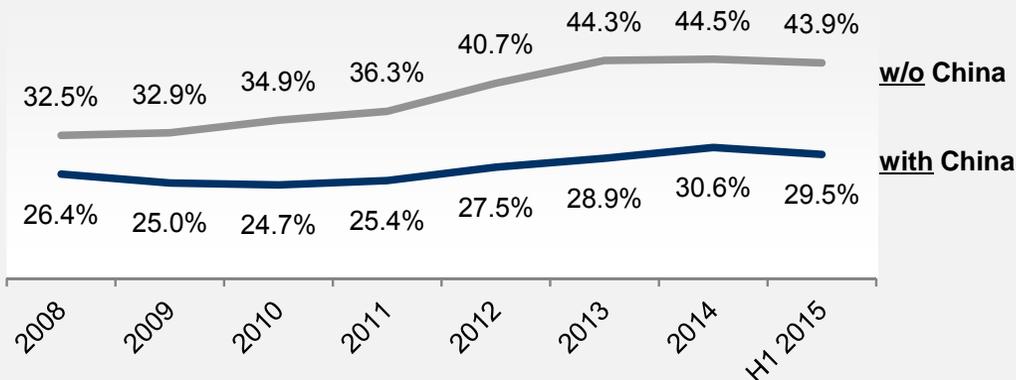
Strong global presence



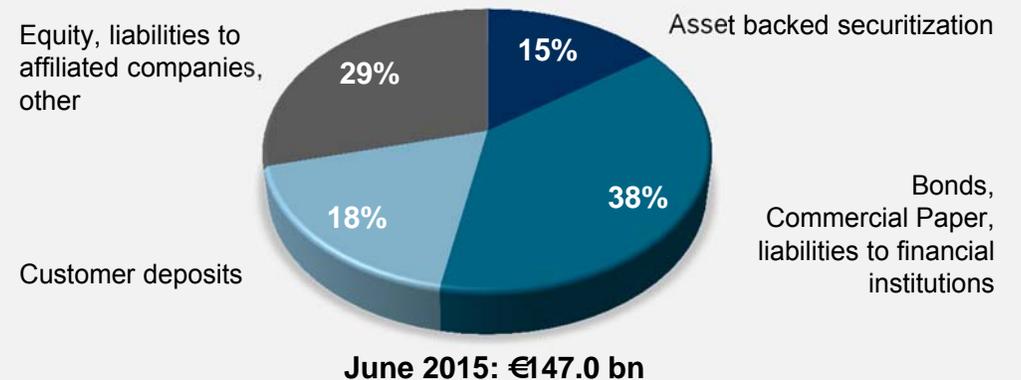
Continuous portfolio expansion



Rising penetration rates



Diversified funding structure



¹⁾ All shown figures show VW Financial Services as of 30 June 2015, excluding financial service activities of Scania, Porsche AG and Porsche Holding Salzburg; MAN financial services activities are included from 1 January 2014

Volkswagen Group: Global automotive leader 2018

Economic and environmental leadership in the global automotive industry

Economic leadership

Excellent and custom-tailored product portfolio

Increasing global footprint and emerging markets presence

Realization of cost savings, toolkit modularization and localization of products

Creation of sustainable value

Environmental leadership

Diversified portfolio of drivetrain technologies

Continuous improvements in internal combustion engines

Leadership in alternative powertrain technologies

25 percent less energy and water consumption, waste and emissions in Group production



VOLKSWAGEN

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Appendix

Volkswagen Group – Headline Figures (January to June 2015 vs. 2014)

		2015	2014	+/- (%)
Deliveries to customers ¹⁾	'000 units	5,039	5,066	-0.5
Vehicle sales ¹⁾	'000 units	5,090	5,207	-2.2
Production ¹⁾	'000 units	5,314	5,234	+1.5
Sales revenue	€ million	108,776	98,808	+10.1
Operating profit before special items	€ million	6,990	6,186	+13.0
Special items	€ million	-170	-	x
Operating profit	€ million	6,820	6,186	+10.3
Profit before tax	€ million	7,664	7,777	-1.5
Profit after tax	€ million	5,663	5,716	-0.9
Automotive Division²⁾				
Cash flows from operating activities	€ million	11,553	8,388	+37.7
Cash flows from investing activities attributable to operating activities ³⁾	€ million	6,761	5,469	+23.6
of which investments in property, plant & equipment	€ million	4,652	3,578	+30.0
Net cash flow	€ million	4,791	2,919	+64.2
Net liquidity at June 30	€ million	21,489	13,979	+53.7

¹⁾ 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. 2014 deliveries updated reflect subsequent statistical trends.

²⁾ Including allocation of consolidation adjustments between the Automotive and Financial Services divisions.

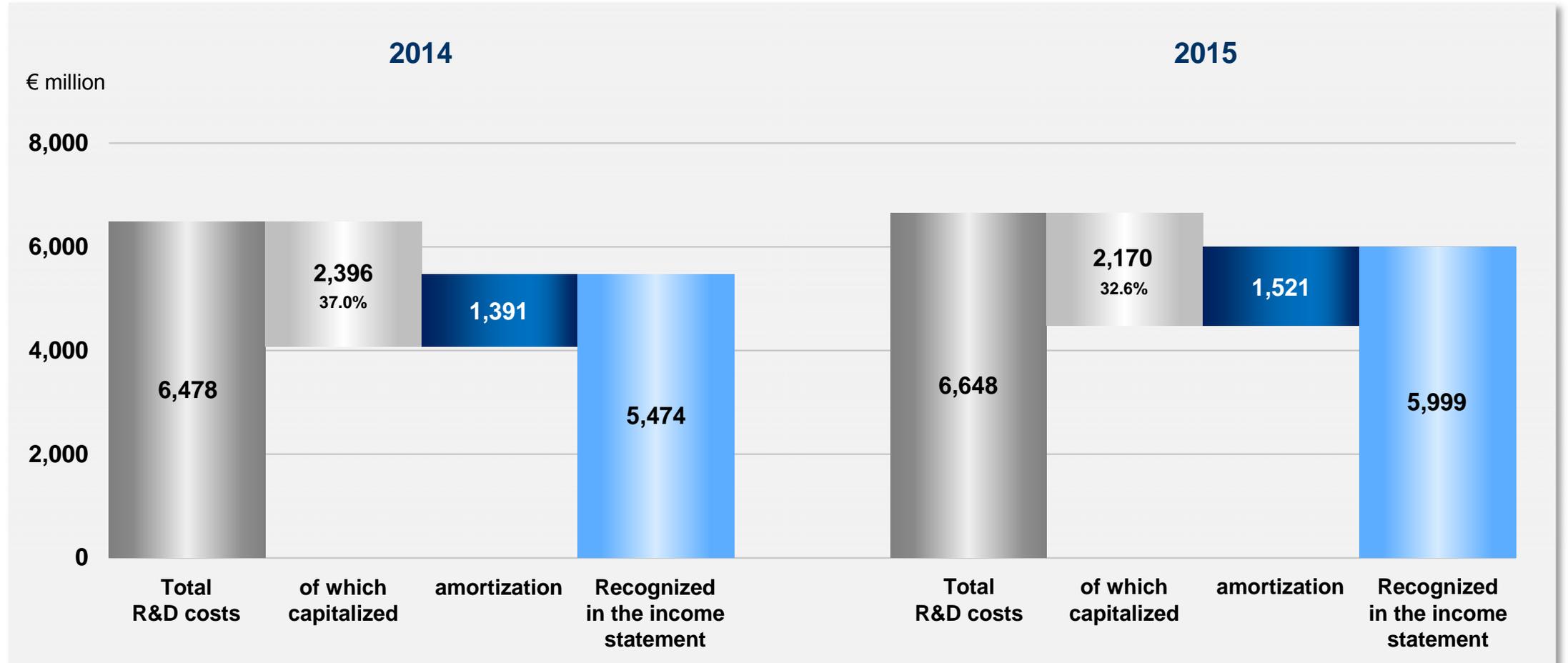
³⁾ Excluding acquisition and disposal of equity investments: January – June €6,672 million (€5,849 million).

Volkswagen Group – Reliably delivering on targets

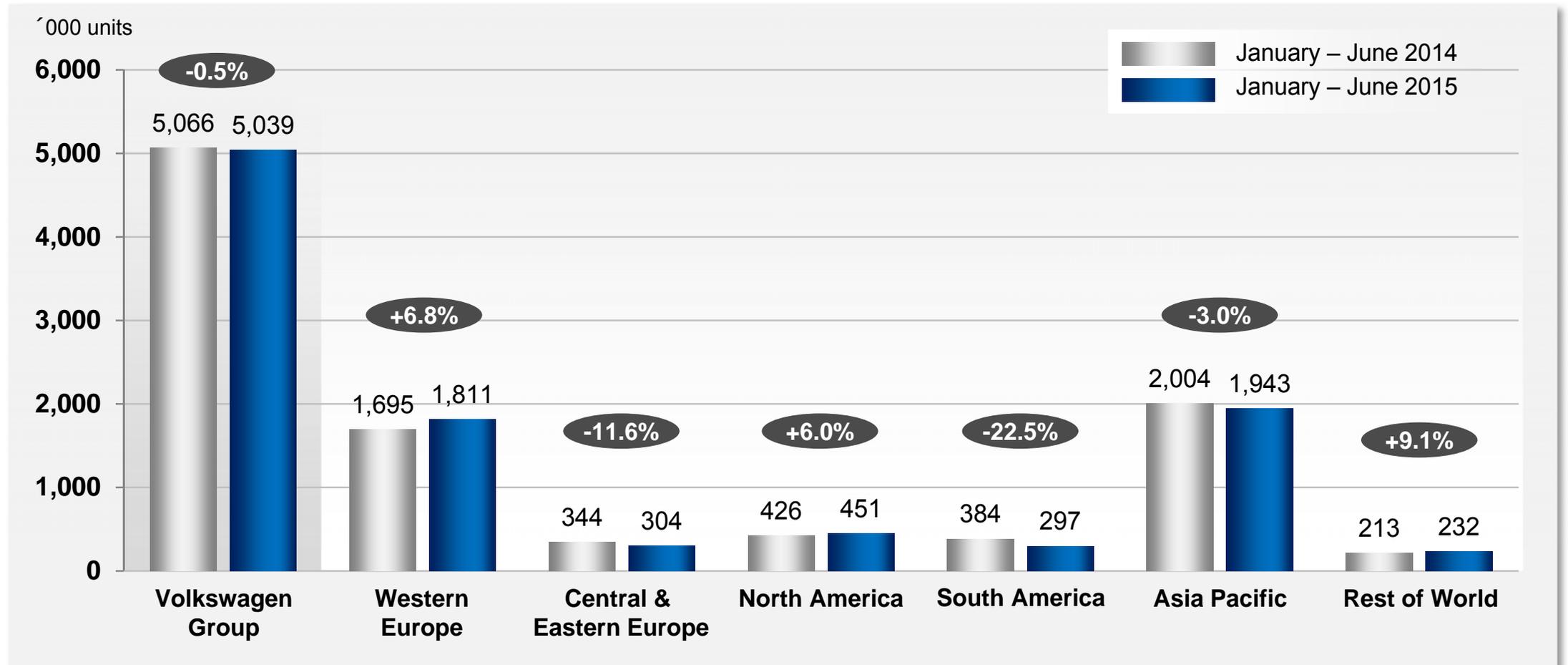
Outlook 2015 and achievements 2014

million vehicles / € billion		2013	Outlook 2014	2014	Outlook 2015
Volkswagen Group	Deliveries to customers	9.7	moderate growth	+4.2% 10.1	previous year's level
	Sales revenue	197.0	+/- 3%	+2.8% 202.5	increase by up to 4%
	Operating profit	11.7	within forecast range	12.7	within forecast range
	Operating return on sales	5.9%	5.5 – 6.5%	6.3 %	5.5 – 6.5%
Passenger Cars	Sales revenue	140.1	+/- 3%	+2.5% 143.6	increase by up to 4%
	Operating profit	9.0	within forecast range	9.8	within forecast range
	Operating return on sales	6.4%	5.5 – 6.5%	6.8%	6.0 – 7.0%
Commercial Vehicles / Power Engineering	Sales revenue	34.9	+/- 3%	-2.8% 33.9	increase by up to 4%
	Operating profit	0.8	moderate growth	0.9	within forecast range
	Operating return on sales	2.3%		2.8%	2.0 – 4.0%
Financial Services Division	Sales revenue	22.0	+/- 3%	+13.3% 24.9	increase by up to 4%
	Operating profit	1.9	within forecast range	1.9	previous year's level
	Operating return on sales	8.5%	8.0 – 9.0%	7.7%	
Automotive Division	Capex/sales revenue	6.3%	6.0 – 7.0%	6.5%	6.0 – 7.0%
	Net cash flow	4.4	moderate decline	+38.6% 6.1	moderate decline
	Return on investment (Rol)	14.5%	9.0 – 14.5%	14.9%	sign. > 9.0 < 14.9%

Automotive Division – Research and Development Costs (January to June 2015 vs. 2014)

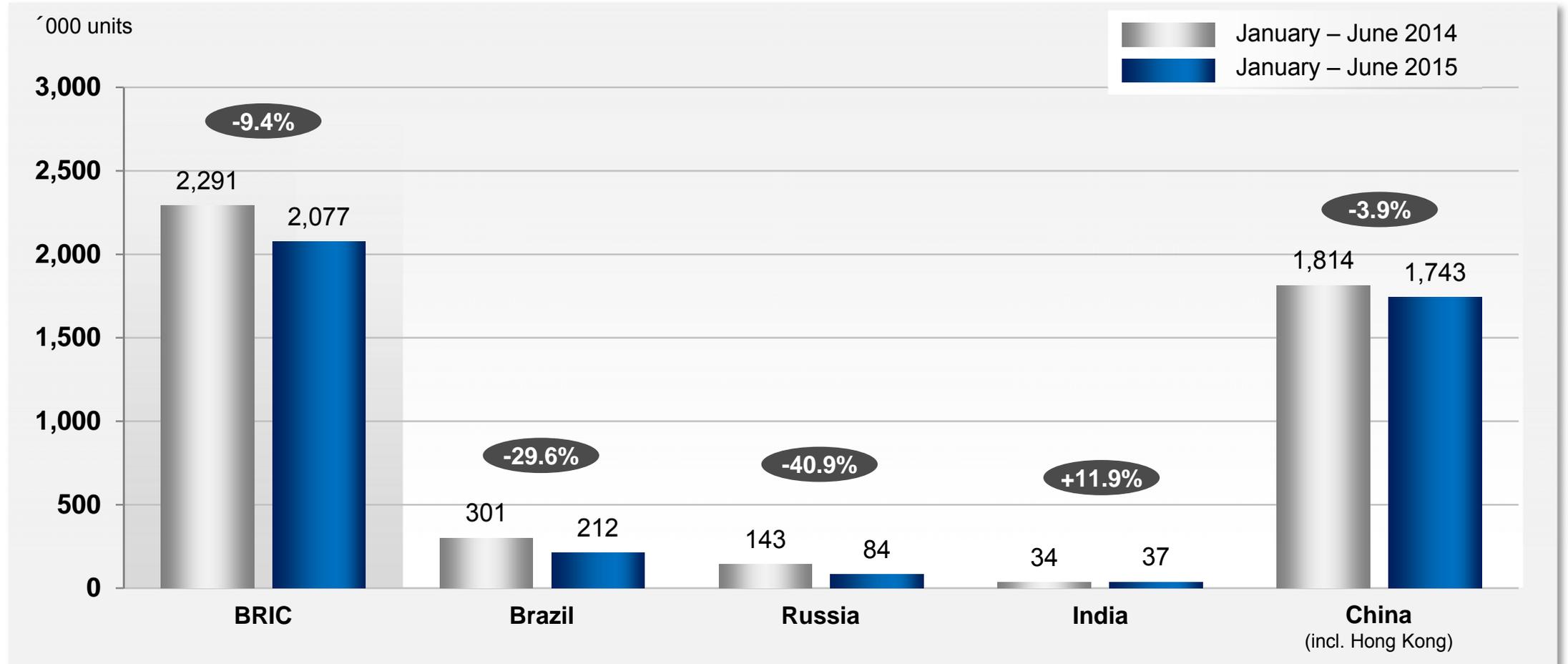


Volkswagen Group – Deliveries to Customers by Markets¹⁾ (January to June 2015 vs. 2014)



¹⁾ Incl. all brands of Volkswagen Group (Passenger Cars and Commercial Vehicles); -0.5% excl. Volkswagen Commercial Vehicles, Scania and MAN.

Volkswagen Group – Deliveries to Customers BRIC-Markets¹⁾ (January to June 2015 vs. 2014)



¹⁾ Including Volkswagen Commercial Vehicles, Scania and MAN.

Volkswagen Cross Coupé GTE



Volkswagen Passat GTE



Audi Q7



ŠKODA Superb



SEAT Ibiza



Porsche Boxster Spyder



Bentley Continental GT Grey Violet



Lamborghini Aventador P 750-4 SV



Ducati Diavel Carbon



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Volkswagen Multivan



MAN TGX EfficientLine 2



Scania R 730 4x2 Topline



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Volkswagen Group: Robust, Innovative, Delivering

Lars Korinth & Felix Bogun

Group Investor Relations, Volkswagen Aktiengesellschaft

J.P. Morgan Auto Conference, New York, 11-12 August 2015