

**VOLKSWAGEN**

AKTIENGESELLSCHAFT



## **Volkswagen Group: Robust, Innovative, Delivering**

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Member of the Board of Management, Volkswagen Aktiengesellschaft

18th dbAccess German, Swiss & Austrian Conference, Berlin, 18 June 2015

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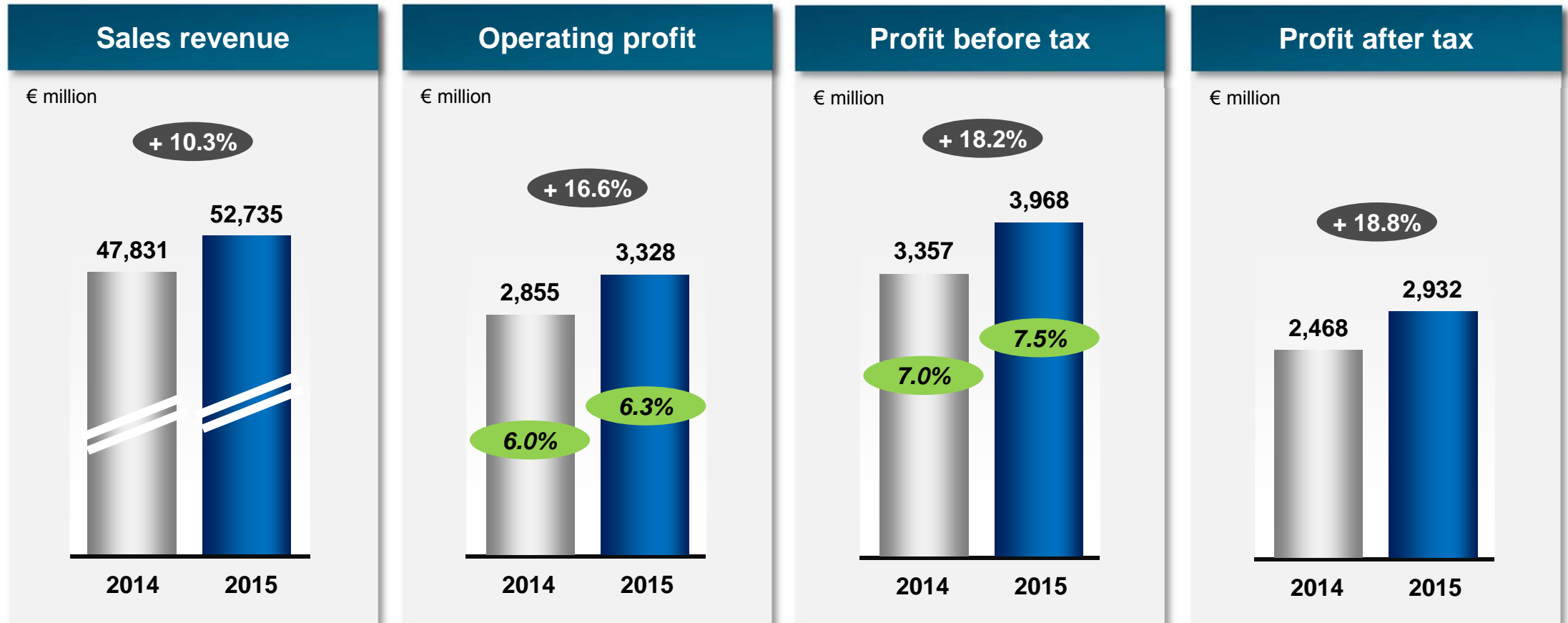
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## Financial Highlights – Volkswagen Group

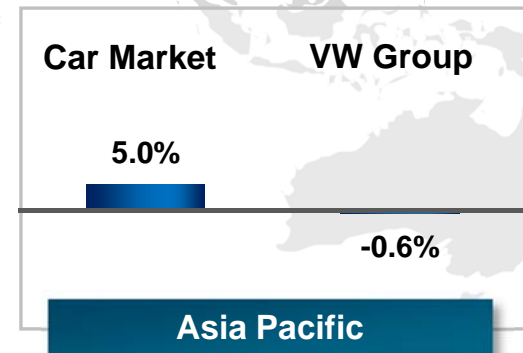
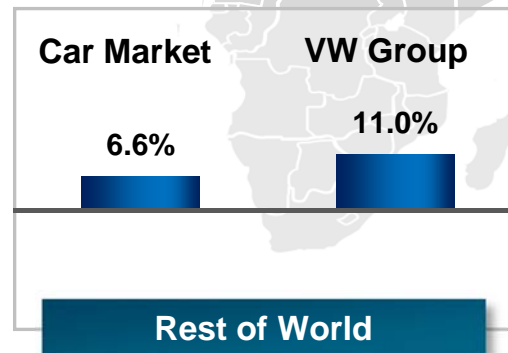
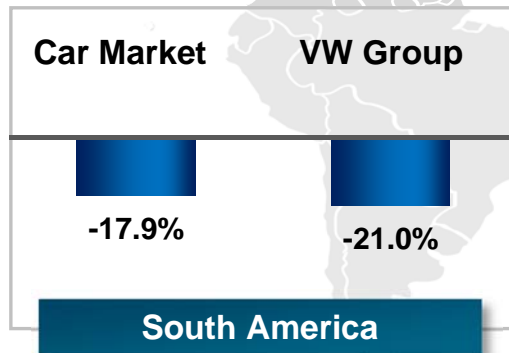
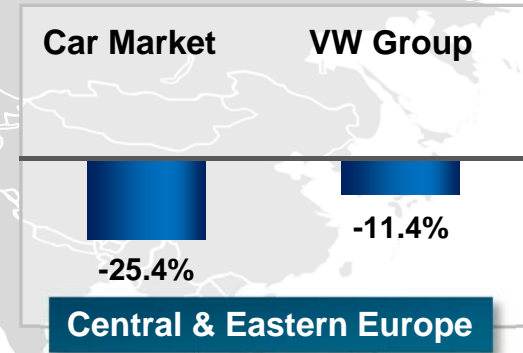
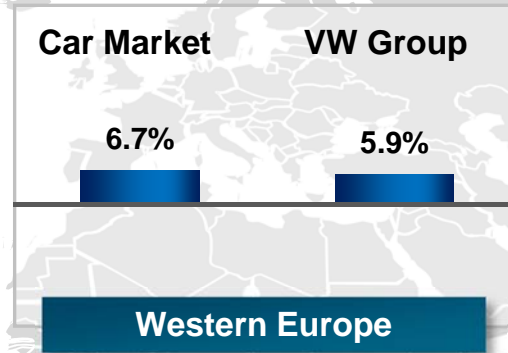
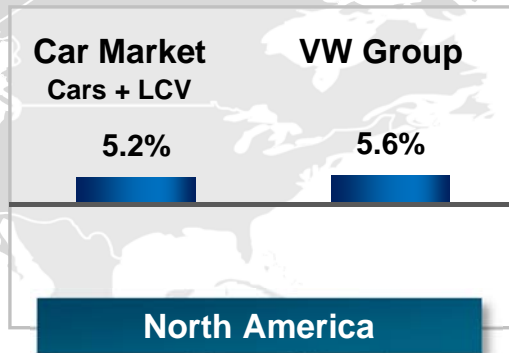
(January to March 2015 vs. 2014)



+ x.x% % growth rate y-o-y    x.x% Operating profit / profit before tax in % of sales revenue

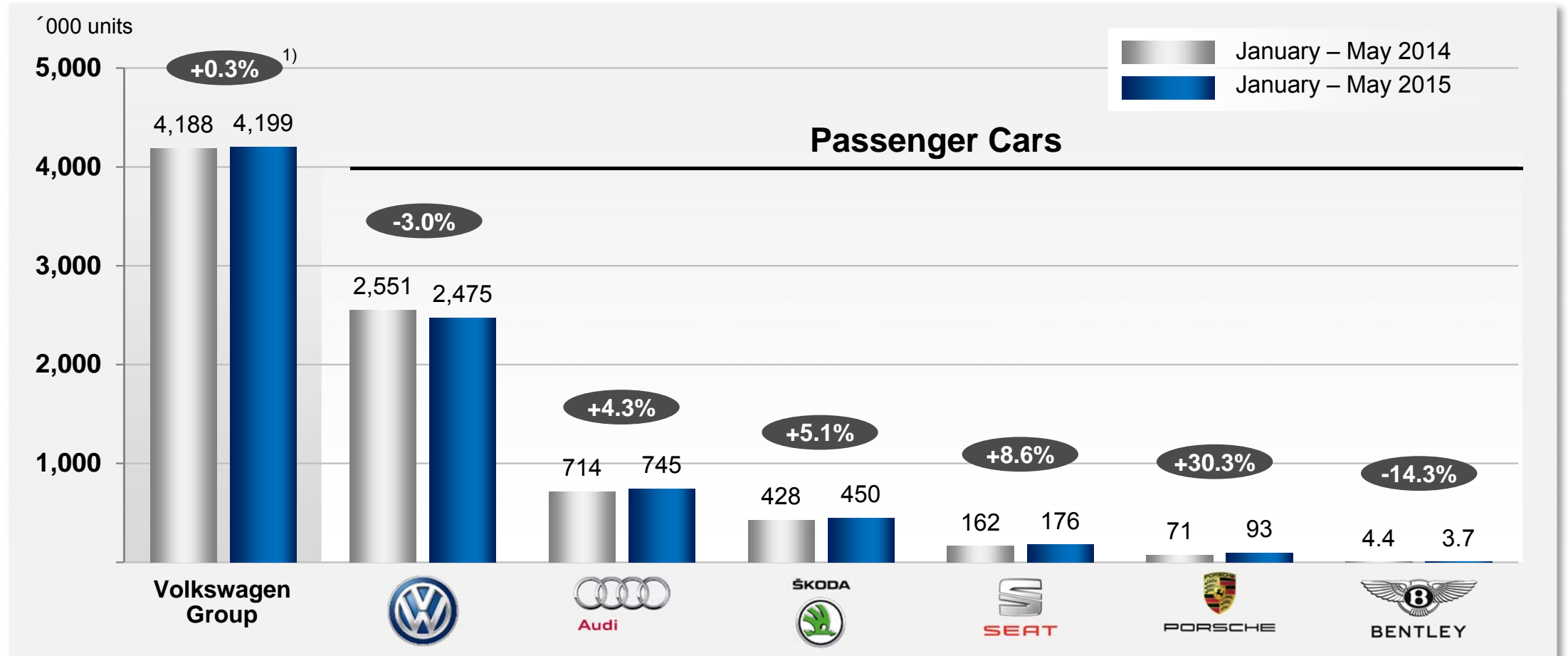
## Development World Car Market vs. Volkswagen Group Car Deliveries to Customers<sup>1)</sup> (Growth y-o-y in deliveries to customers, January to May 2015 vs. 2014)

**World: Car Market: 2.7% Volkswagen Group: 0.3%**



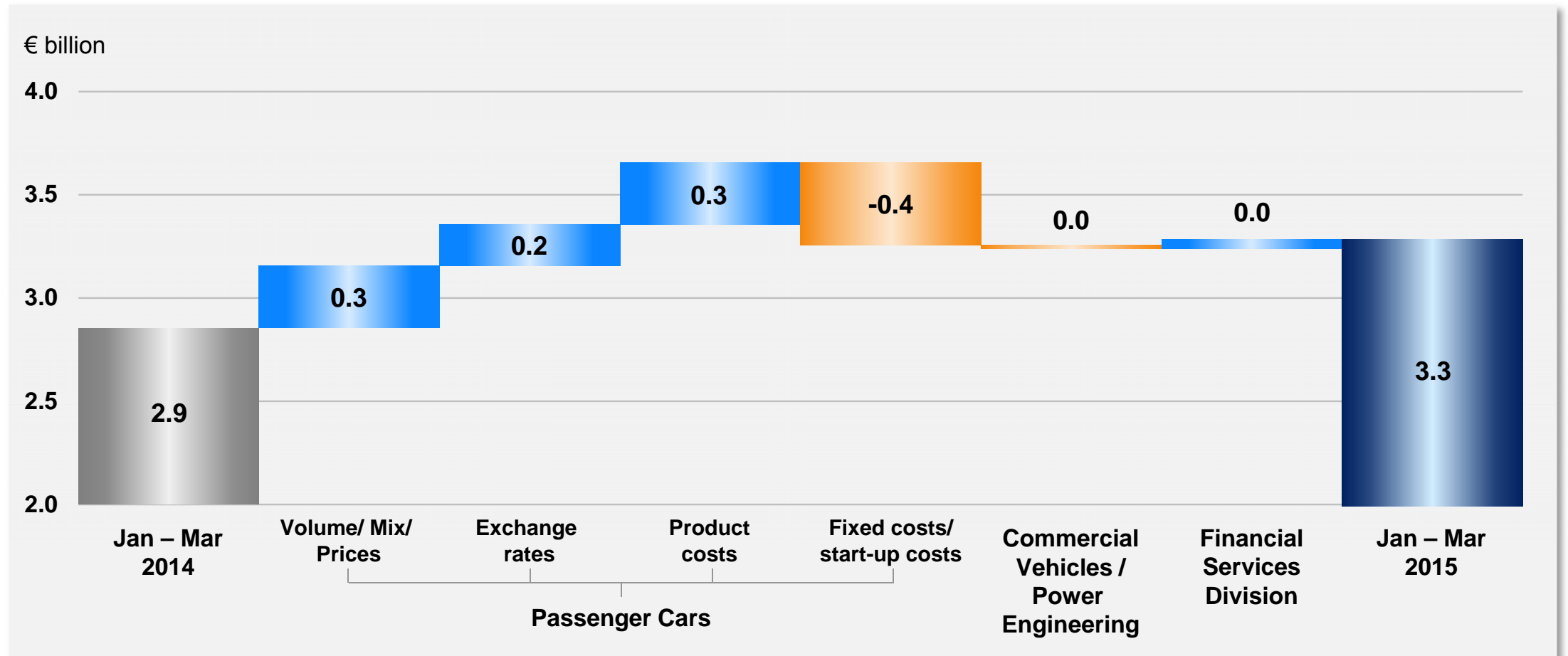
<sup>1)</sup> Figures excl. Volkswagen Commercial Vehicles, Scania and MAN.

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



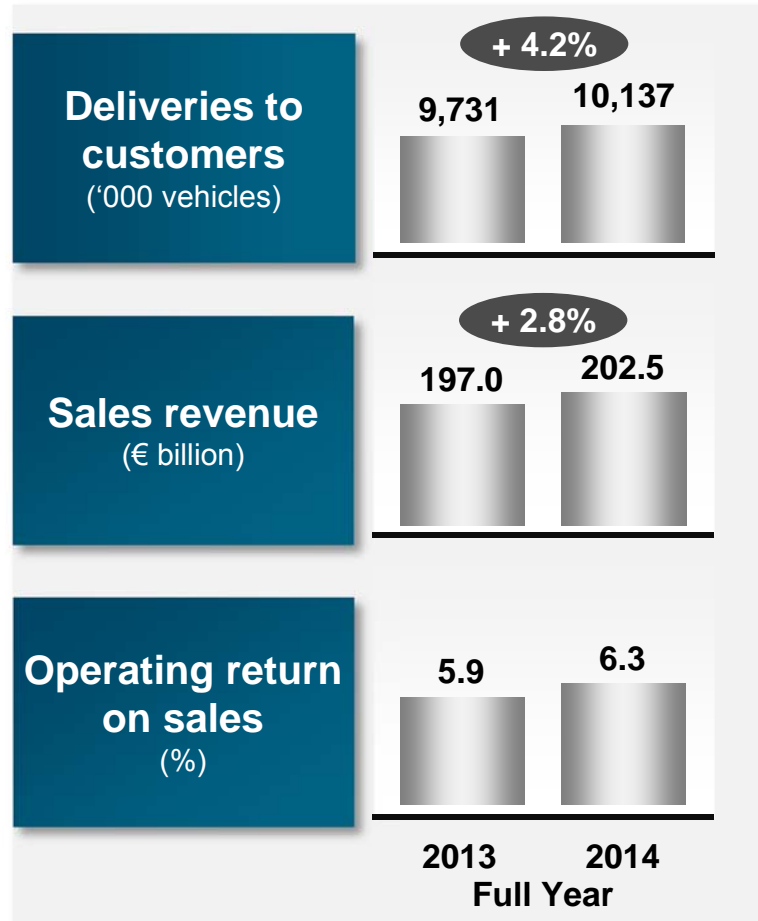
<sup>1)</sup> Incl. all brands of Volkswagen Group (Passenger Cars and Commercial Vehicles); 0.3% excl. Volkswagen Commercial Vehicles, Scania and MAN.

## Volkswagen Group – Analysis of Operating Profit<sup>1)</sup> (January to March 2015 vs. 2014)



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

## Volkswagen Group – Outlook for 2015



We expect ...

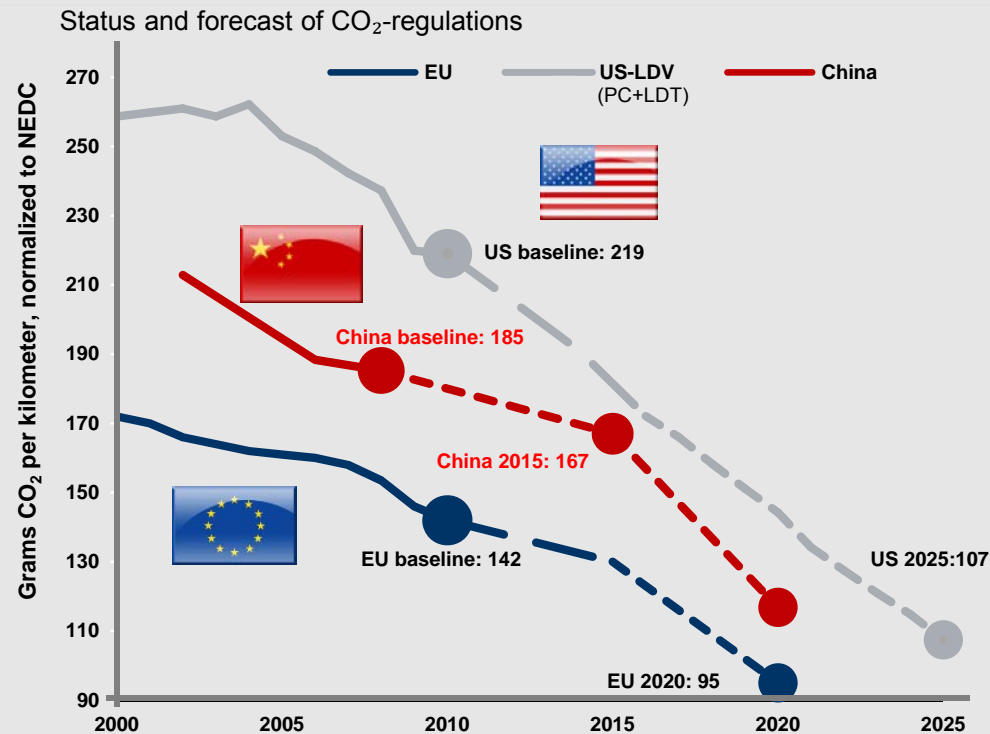
- to moderately increase Volkswagen Group deliveries to customers year-on-year in 2015 in a persistently challenging market environment.
- 2015 sales revenue for the Volkswagen Group and its business areas to increase by up to 4% above the prior-year figure, depending on the economic conditions. However, 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.

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

## ... CO<sub>2</sub> 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



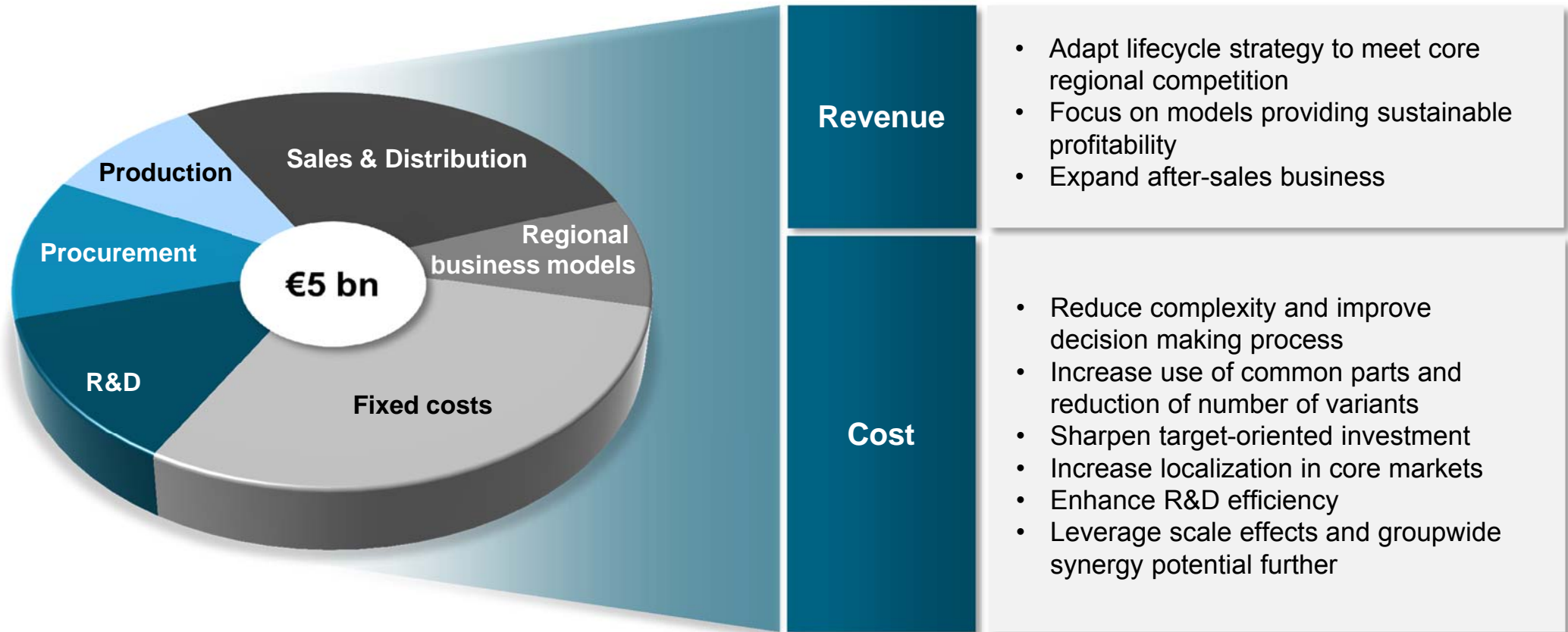
## Profitability



## Economic uncertainty



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



# Efficiency program well on the way in all business areas

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



Transportation 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



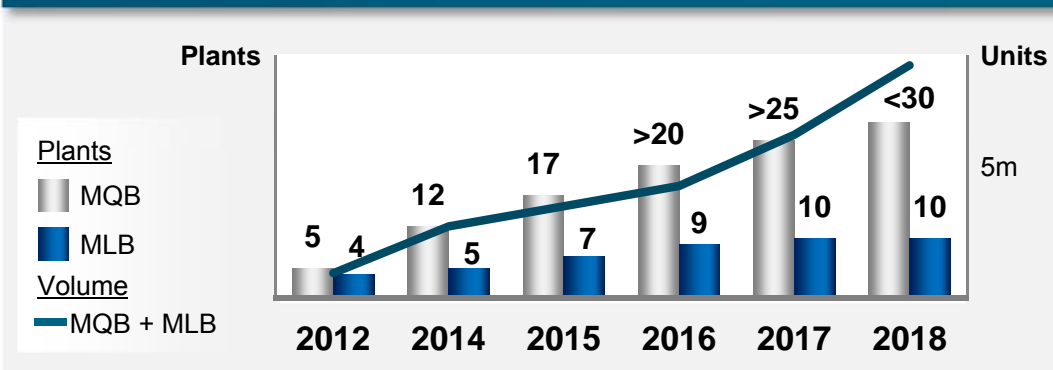
>30%

# Sustainable success secured through the roll-out of modular toolkits

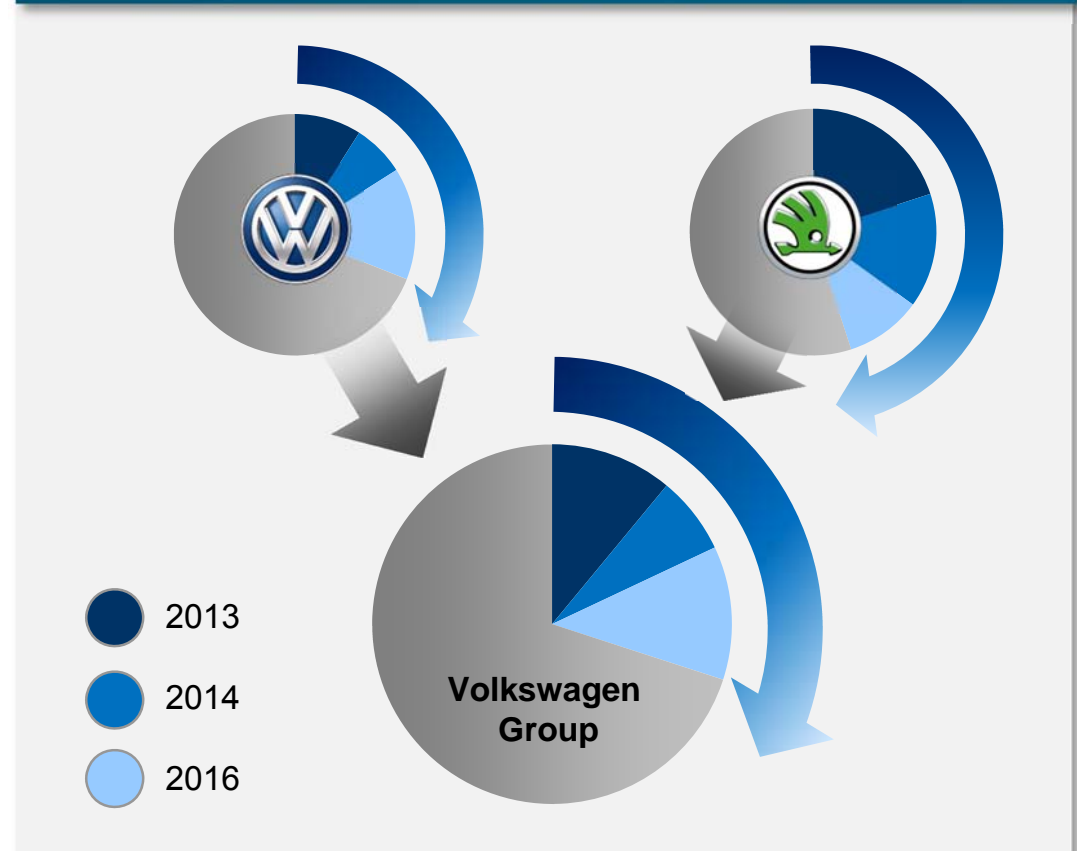
## Global roll-out of modular toolkits



## Number of toolkit equipped plants and volume



## MQB production share of total production volumes<sup>1)</sup>



<sup>1)</sup> 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 firework<sup>1)</sup> across the world



<sup>1)</sup> Schematic Overview – does not show all models.

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



## Production network and implementation of MQB

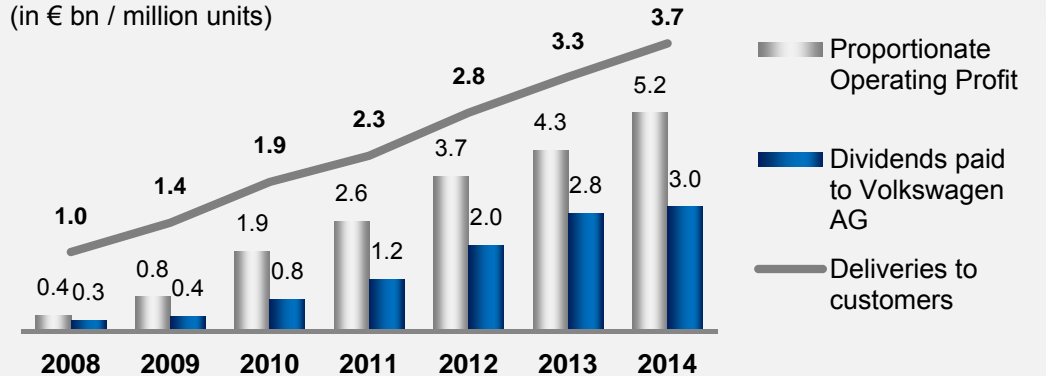
**Production capacity (250 working days)**  
2014: 3 million  
2019: >5 million

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



## Strong operational & financial track record

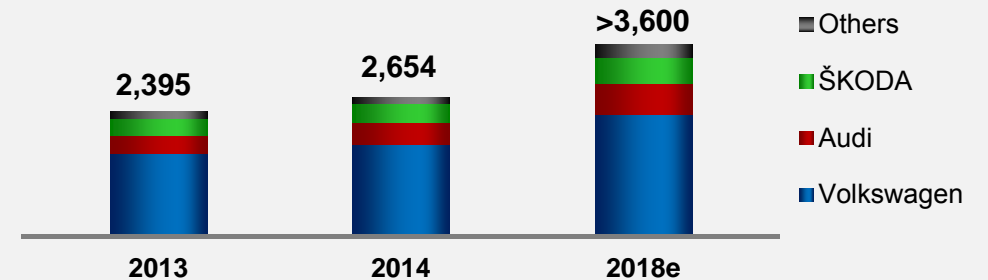
(in € bn / million units)



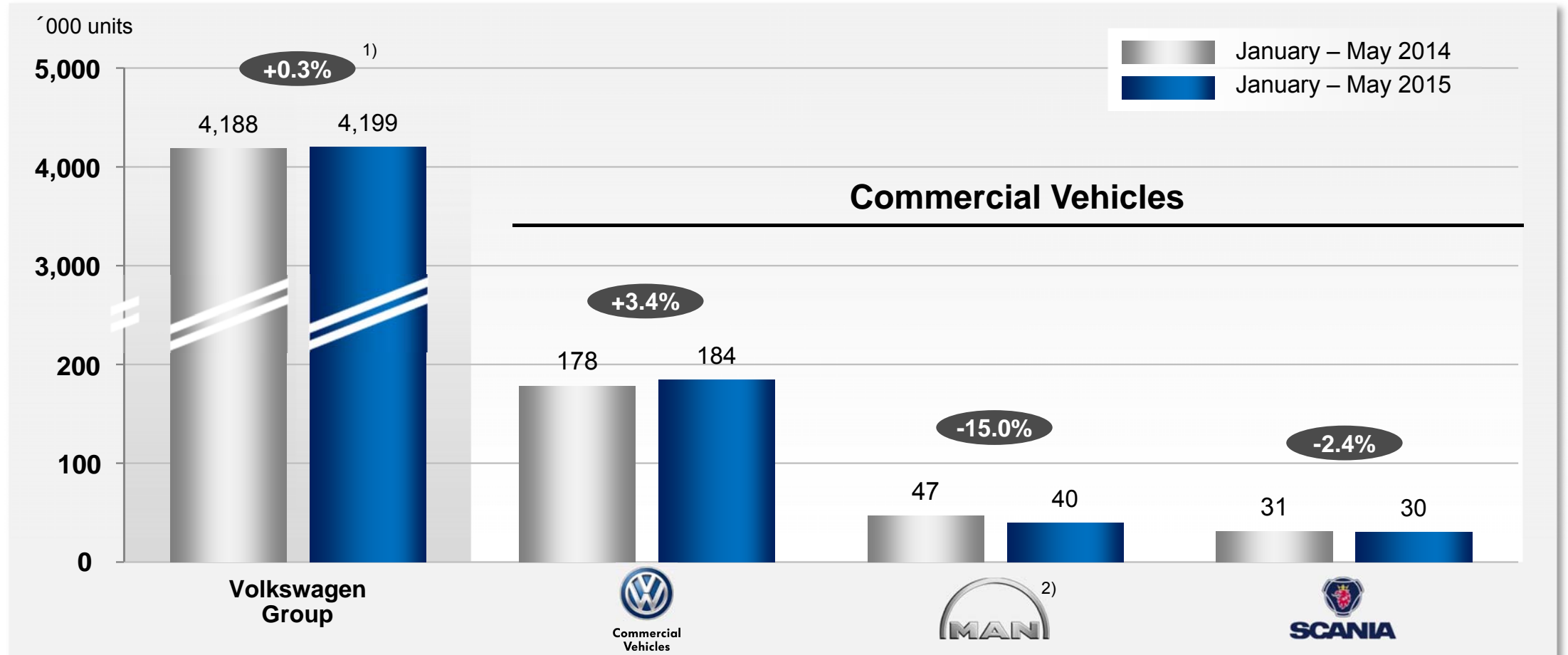
## Significant extension of product portfolio



## Continuous expansion of dealer network



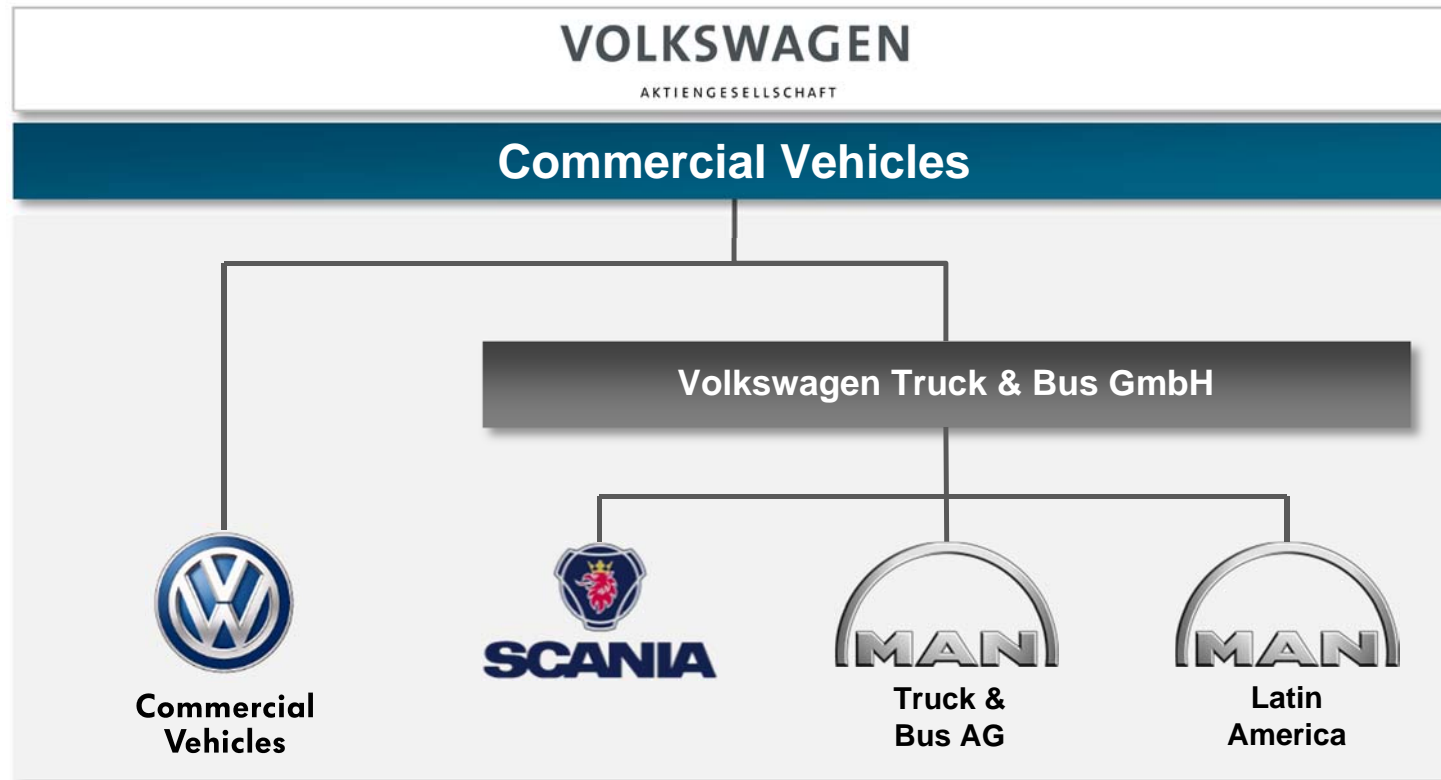
## Volkswagen Group – Commercial Vehicles Deliveries to Customers by Brands (January to May 2015 vs. 2014)



<sup>1)</sup> Incl. all brands of Volkswagen Group (Passenger Cars and Commercial Vehicles); 0.3% excl. Volkswagen Commercial Vehicles, Scania and MAN.

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

## Structured framework<sup>1)</sup> 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.

<sup>1)</sup> Operational steering structure



## 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



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