

# VOLKSWAGEN

AKTIENGESELLSCHAFT



*moving*  
progress

ANNUAL MEDIA CONFERENCE AND INVESTOR CONFERENCE

*2015*

## Highlights

Volkswagen generates new records in fiscal year 2014 in an ongoing challenging environment:

- Sales revenue rises by 2.8% to €202.5 billion reaching a new record level
- At €12.7 billion, operating profit exceeds record prior-year level
- 14.9% return on investment (ROI) in the Automotive Division above 9% minimum required rate of return

Solid liquidity position ensures financial strength and flexibility on the growth trajectory:

- €17.6 billion net liquidity in the Automotive Division
- Successful placement of hybrid notes (€3.0 billion) and capital increase (€2.0 billion)
- Dividend proposal for fiscal year 2014: €4.80 per ordinary share and €4.86 per preferred share

Strategic growth and investment program systematically driven forward:

- Successful completion of the Scania offer
- Unique brand portfolio, diverse range of models with innovative and environmentally friendly drive concepts, presence in all major markets and wide selection of financial services
- “Future Tracks”: forward-looking and efficiency program supports Strategy 2018

## Income Statement

January - December

€ million	2013	%	2014	%
Sales revenue	197,007	100.0	202,458	100.0
Cost of sales	- 161,407	- 81.9	- 165,934	- 82.0
Gross profit	35,600	18.1	36,524	18.0
Distribution expenses	- 19,655	- 10.0	- 20,292	- 10.0
Administrative expenses	- 6,888	- 3.5	- 6,841	- 3.4
Net other operating income	2,613	1.3	3,306	1.6
Operating profit	11,671	5.9	12,697	6.3
Financial result	757	0.4	2,097	1.0
Profit before tax	12,428	6.3	14,794	7.3
Income tax expense	- 3,283	- 1.7	- 3,726	- 1.8
Profit after tax	9,145	4.6	11,068	5.5
Noncontrolling interests	52	0.0	84	0.0
Profit attributable to Volkswagen AG hybrid capital investors	27	0.0	138	0.1
Profit attributable to Volkswagen AG shareholders	9,066	4.6	10,847	5.4

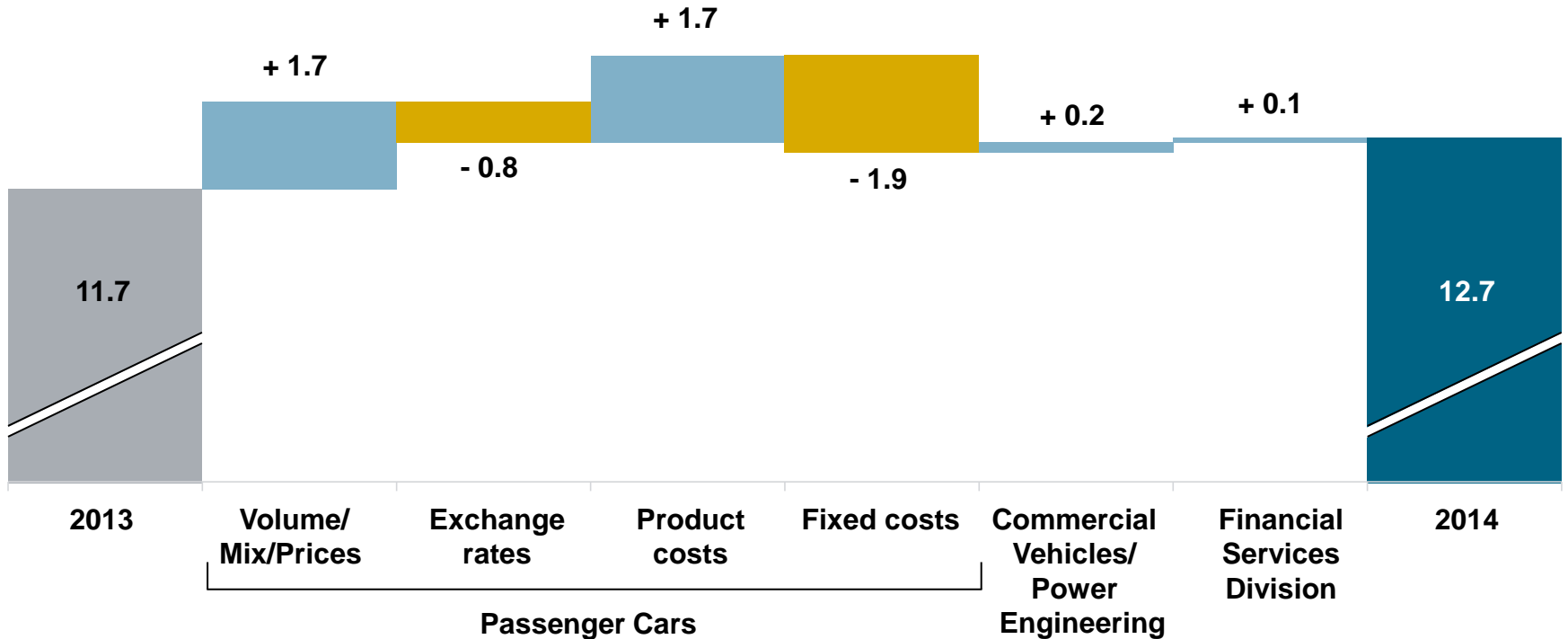
## Operating Profit - by Brand and Business Field

€ million	January - December		Change	
	2013	2014	absolute	in %
Volkswagen Passenger Cars	2,894	2,476	- 417	- 14.4
Audi	5,030	5,150	120	2.4
ŠKODA	522	817	295	56.5
SEAT	- 152	- 127	25	16.3
Bentley	168	170	2	1.2
Porsche <sup>1)</sup>	2,579	2,718	139	5.4
Volkswagen Commercial Vehicles	448	504	56	12.5
Scania <sup>1)</sup>	974	955	- 18	- 1.9
MAN	319 <sup>1)</sup>	384	65	20.2
Other <sup>2)</sup>	- 2,725 <sup>2)</sup>	- 2,052 <sup>2)</sup>	672	24.7
Volkswagen Financial Services	1,614	1,702	88	5.5
<b>Volkswagen Group<sup>3)</sup></b>	<b>11,671</b>	<b>12,697</b>	<b>1,026</b>	<b>8.8</b>
Automotive Division <sup>4)</sup>	9,807	10,780	973	9.9
<i>of which: Passenger Cars</i>	9,013	9,835	822	9.1
<i>Commercial Vehicles/Power Engineering</i>	794	945	151	19.0
Financial Services Division	1,863	1,917	54	2.9

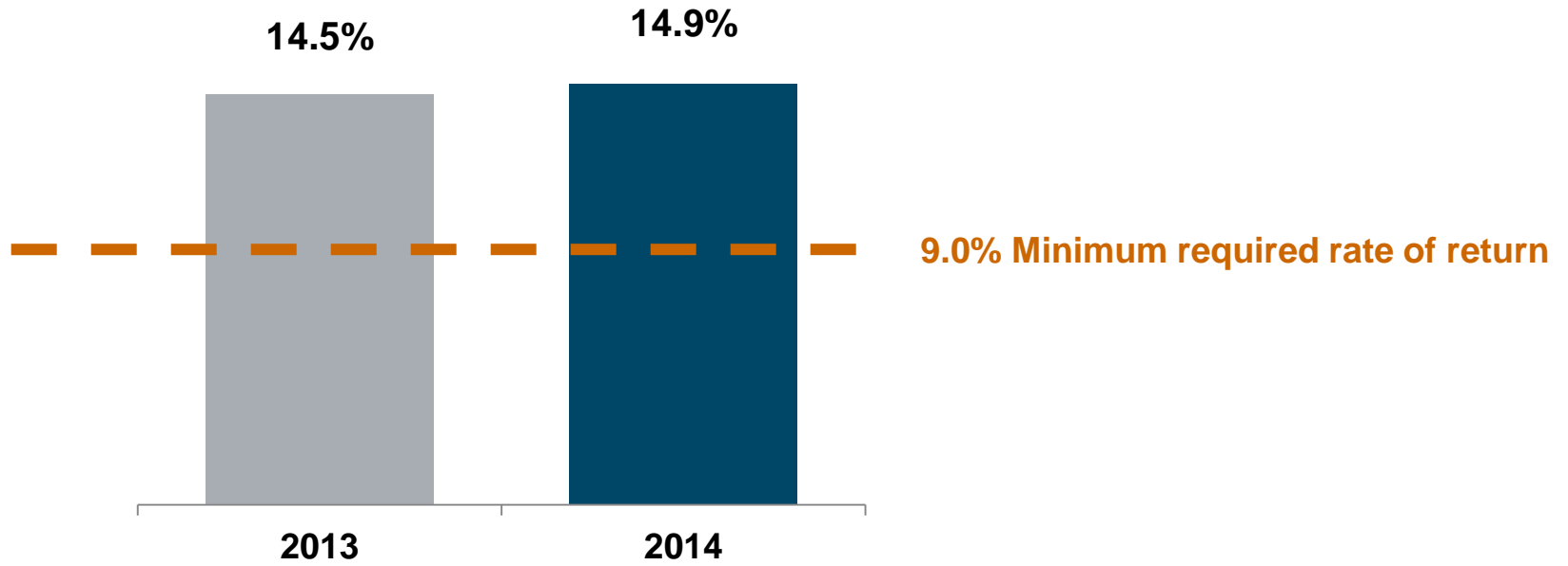
<sup>1)</sup> Including financial services. <sup>2)</sup> Mainly intragroup items recognized in profit or loss, in particular from the elimination of intercompany profits; the figure includes depreciation and amortization of identifiable assets as part of the purchase price allocations. <sup>3)</sup> The sales revenue and operating profit of the joint venture companies in China are not included in the figures for the Group. The Chinese companies are accounted for using the equity method and recorded a proportionate operating profit of €5,182 million (€4,296 million). <sup>4)</sup> Including allocation of consolidation adjustments between the Automotive and Financial Services divisions.

## Change in Operating Profit

€ billion

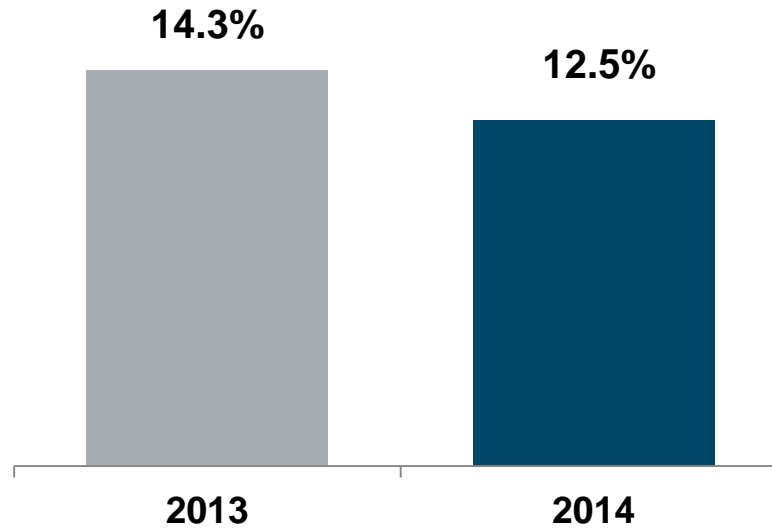


## Automotive Division Return on Investment (ROI) after Tax<sup>\*)</sup>



<sup>\*)</sup> Including proportionate inclusion of the Chinese joint ventures (incl. the sales and component companies) and allocation of consolidation adjustments between the Automotive and Financial Services divisions.

## Financial Services Division Return on Equity<sup>\*)</sup>

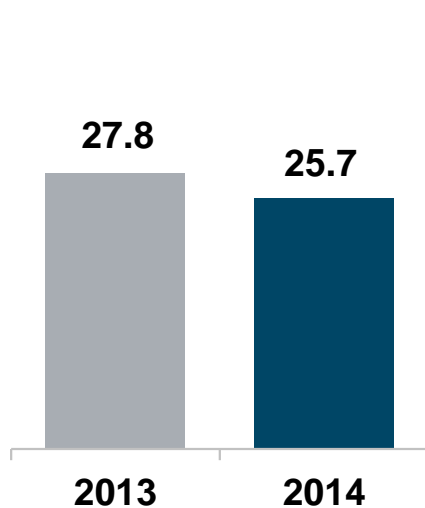


<sup>\*)</sup> Profit before tax as a percentage of average equity.

## Equity Ratio by Division

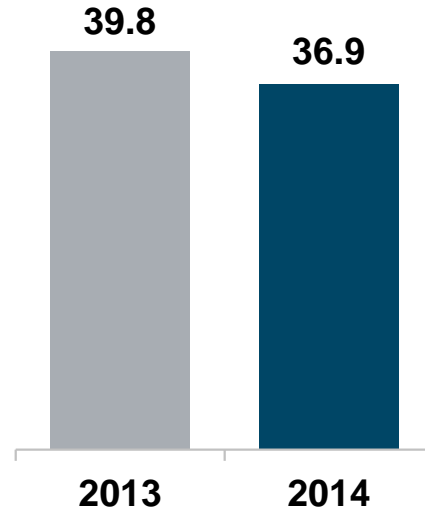
### Volkswagen Group

%



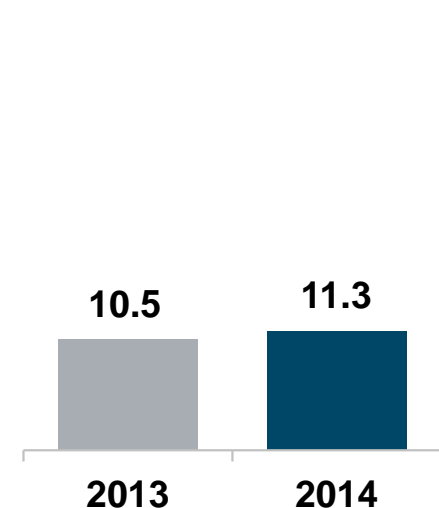
### Automotive Division

%



### Financial Services Division

%





## Automotive Division Net Liquidity<sup>1)</sup>

€ million	January - December		Change	
	2013	2014	absolute	in %
Gross cash flow	18,688	20,166	1,478	7.9
+ Change in working capital	1,925	1,427	- 498	- 25.9
= Cash flows from operating activities	20,612	21,593	981	4.8
Cash flows from investing activities attributable to operating activities	- 16,199	- 15,476	723	4.5
of which:				
• Capex	- 11,040	- 11,495	- 454	- 4.1
- as % of sales revenue	6.3	6.5	-	0.2 <sup>2)</sup>
• Additions to capitalized development costs	- 4,021	- 4,601	- 579	- 14.4
• Acquisition/disposal of equity investments	- 1,702	242	1,944	x
<b>Net cash flow</b>	<b>4,413</b>	<b>6,117</b>	<b>1,703</b>	<b>38.6</b>
Capital contributions <sup>3)</sup>	3,067	4,932	1,865	60.8
Capital contributions FS Division	- 52	- 2,326	- 2,274	x
Acquisitions of shares MAN/Scania	- 32	- 6,542	- 6,511	x
<b>Net liquidity at December 31</b>	<b>16,869</b>	<b>17,639</b>	<b>771</b>	<b>4.6</b>

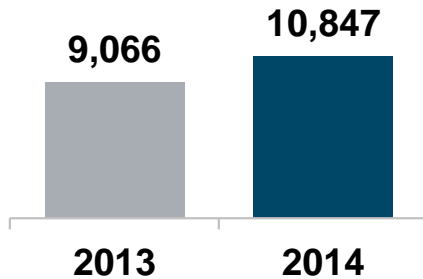
<sup>1)</sup> Including allocation of consolidation adjustments between the Automotive and Financial Services divisions. <sup>2)</sup> Percentage points.

<sup>3)</sup> In 2013: Mandatory convertible note (€ 1,099 million) and hybrid notes (€ 1,967 million); in 2014: hybrid notes (€ 2,952 million) and issue of new preferred shares (€ 1,980 million).

## Earnings per Ordinary and Preferred Share<sup>1)</sup>

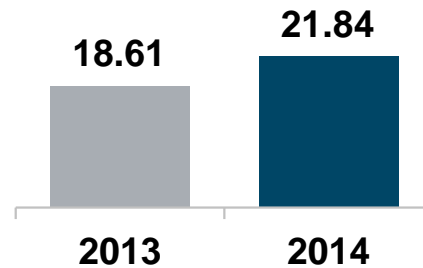
### Profit after tax<sup>2)</sup> Group

€million



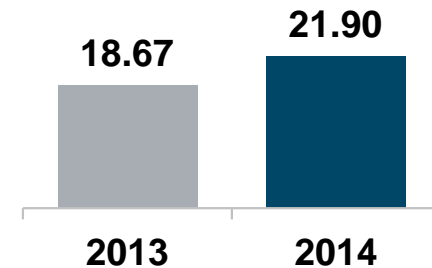
### Earnings per ordinary share

€



### Earnings per preferred share

€



<sup>1)</sup> Basic. Prior-year figures adjusted to reflect application of IAS 33.26 <sup>2)</sup> Profit attributable to Volkswagen AG shareholders.

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