– Check against delivery –

Hans Dieter Pötsch

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– Part II –

Ladies and Gentlemen,

I, too, would like to wish you a very warm welcome to today's Annual Media and Investor Conference in Berlin.

As Professor Winterkorn has already said, 2014 was a successful year for Volkswagen thanks to our solid business performance – despite the economic and political adversities. We sold 10.14 million vehicles worldwide, exceeding the record we set in 2013 and meeting our customers' expectations in spite of the continuing market difficulties. This positive development can also be seen in our financials. The Volkswagen Group continued its success story, maintained its market position and increased its profitability.

Volkswagen set new records for sales revenue and operating profit in 2014. Sales revenue in the reporting period was up 2.8 percent year-on-year to €202.5 billion. This was despite exchange rate fluctuations, which negatively impacted sales revenue by €3.4 billion, particularly in the first half of the year. Operating profit was up €1 billion year-on-year to €12.7 billion, a new record figure. The return on investment for the Automotive Division was 14.9 percent, well above our minimum required rate of return of 9 percent.

Net liquidity in the Automotive Division is another key performance indicator in the Volkswagen Group. At €17.6 billion, this is at a level that ensures the Group's financial stability and flexibility, thanks to our high net cash flow.

In the past fiscal year, we strengthened our financial position by successfully placing €3.0 billion hybrid notes and by increasing capital through issuing new preferred shares in the amount of €2.0 billion. We used these capital measures to partially finance the acquisition of outstanding Scania shares, as announced.

In view of the Company's continued success, the Board of Management and the Supervisory Board will be proposing to the Annual General Meeting to increase the dividend by 20 percent to €4.80 per ordinary share and €4.86 per preferred share. This is 80 cents per share more than last year. The distribution ratio will increase to 21.2 percent – a further step towards our medium-term target of 30 percent.

In fiscal year 2014 we showed that we are not just well placed from an operational perspective. We also forged ahead with the Group's strategic development.

On March 14, 2014, we made a voluntary tender offer to Scania's shareholders for all outstanding shares. We completed the offer in May, and as of the end of 2014 we held more than 99.5 percent of both Scania's share capital and voting rights. We initiated a squeeze-out for the Scania shares that were not tendered in the course of the offer, during which it was decided that all outstanding Scania shares would be transferred to Volkswagen Aktiengesellschaft. Since January 14, 2015, Volkswagen Aktiengesellschaft has been the legal owner of all Scania shares, both directly and indirectly. Together with Volkswagen Commercial Vehicles and the integration of MAN and Scania, our goal is to build a leading commercial vehicles group.

Our success in recent years has put us in a strong market position. We are well positioned to deal with the mixed developments in the global automotive markets. We are aware of our strengths, which we work continuously to expand. These include in particular our unique brand portfolio, our diverse range of models with their innovative and environmentally friendly drive concepts, our presence in all major world markets and our wide selection of financial services. Our goal is to offer all customers the products and innovations they need, sustainably strengthening our competitive position in the process. As a consequence, we will extend our customer focus across all sales levels and in customer service. However, Volkswagen is not immune to the highly divergent economic and social developments around the world.

This environment requires our utmost flexibility and financial strength to ensure our long-term ability to invest in the future of the Volkswagen Group. However, caution must always be exercised since our strict cost and investment discipline and continuous process improvement remain the core elements of our Strategy 2018. As Professor Winterkorn has already mentioned, “Future Tracks” has been launched not only as a forward-looking program – it is also an efficiency program to sustainably achieve our profitability goals and strategic objectives.

Ladies and Gentlemen,

At this point, allow me to provide you with a detailed overview of the past fiscal year.

A look at the income statement reveals that we lifted sales revenue by €5.5 billion year-on-year to €202.5 billion. The clearly negative exchange rate effects seen in the first half of the year in particular were more than offset in comparison with the prior-year figures by positive volume and mix effects. The higher business volumes in the Financial Services Division also had positive effects.

The cost of sales rose by 2.8 percent. This reflects the increased business volumes and upfront investments in new products and drive concepts. Gross profit was up €0.9 billion year-on-year to €36.5 billion. The gross margin was almost unchanged, at 18.0 percent.

Although distribution expenses rose by 3.2 percent to €20.3 billion due to the increase in business, the ratio of distribution expenses to sales revenue remained unchanged. By contrast, at €6.8 billion administrative expenses declined slightly year-on-year, both as an absolute figure and as a proportion of sales revenue. Overall, we generated an operating profit of €12.7 billion, surpassing the record prior-year figure by €1 billion. The operating return on sales improved to 6.3 percent, reaching the upper end of the forecast range of 5.5 percent to 6.5 percent.

The figures I have mentioned do not include the proportionate operating profit of our Chinese joint ventures. This amounted to €5.2 billion, up €0.9 billion on the prior-year figure. These companies are included using the equity method and are therefore reflected solely in the Group's financial result.

The financial result rose by €1.3 billion year-on-year to around €2.1 billion. Lower expenses from the measurement of derivative financial instruments at the reporting date contributed to the increase, as well as income from the equity-accounted Chinese joint ventures, which was up on the high prior-year figures.

As a result, our profit before tax amounted to €14.8 billion. The return on sales before tax rose from 6.3 percent to 7.3 percent. Here, too, we have taken a significant step towards our goal of generating a return on sales of 8 percent, as set out in the Strategy 2018.

Income tax expense in the past fiscal year amounted to €3.7 billion; this corresponds to a tax rate of 25.2 percent.

Overall, we generated a profit after tax of €11.1 billion in fiscal 2014. This is an increase of more than 20 percent year-on-year.

Allow me to mention at this point that you will find an overview of the key figures for the fourth quarter of 2014 on our Investor Relations website.

Ladies and Gentlemen,

I would now like to provide you with a more detailed breakdown of the operating profit by brand and business field.

The Volkswagen Passenger Cars brand's operating profit was down €417 million year-on-year to €2.5 billion.

It was negatively impacted by lower unit sales figures in the declining South American markets, the weaker demand in Russia due to the crisis, the deterioration in exchange rates – particularly in the first half of the year, and higher upfront investments in new technologies. The positive developments in sales and earnings of our Chinese joint ventures are not included in these figures.

The Audi brand's operating profit increased to €5.2 billion, due in particular to high volumes and material cost savings. This was partially offset by upfront investments in new products and technologies, as well as the expansion of the international production network. The company delivered over 1.7 million vehicles, setting a new record despite the challenging market conditions.

The ŠKODA brand can look back on a very successful fiscal year 2014. The largest model rollout in the brand's history was successfully continued, with more than a million vehicles delivered to customers for the first time. Operating profit grew by €295 million to €817 million due to positive volume and mix effects and lower material costs.

The SEAT brand built on its healthy performance, particularly in the European markets, and reduced its operating loss by a further €25 million year-on-year, to €127 million. Improvements in the mix, volumes and material costs had a positive effect, but this was partially offset by increased development costs for new products.

The Bentley brand set a new sales record and continued on its successful trajectory in 2014. The growth in volumes was partially offset by negative mix and exchange rate effects, with operating profit increasing slightly by €2 million to €170 million.

The Porsche brand also had a very successful fiscal year in 2014. The clear increase in deliveries was boosted in particular by the launch of the Macan, the brand's fifth series. The growth in sales figures was more than sufficient to offset expenditures for new technologies, comprehensive measures to reduce CO_2 emissions and the expansion of the plant in Leipzig. Operating profit rose by €139 million to €2.7 billion.

Volkswagen Commercial Vehicles consolidated its position as a customer-centric mobility service provider. Its operating profit rose by €56 million to €504 million. This was boosted by positive mix effects and lower material costs.

The markets for trucks and buses were dominated by a difficult environment in the past fiscal year. In Western Europe, the introduction of the Euro 6 emission standard had a dampening effect; in South America, poorer economic conditions led to a drop in demand; and in Russia, the political crisis had a negative impact. The Scania brand generated an operating profit of €955 million in this environment, remaining almost level year-on-year. The brand's performance was boosted by its broad expertise in consumption-optimized vehicles, its wide range of alternative drive systems and the increased demand for services.

The MAN brand's commercial vehicles business also clearly felt the effects of the ongoing difficult economic conditions and the political crises. In the Power Engineering business area, which had recognized project-specific contingency reserves in the previous year, business volumes remained level year-on-year. This was due to the continuing difficult situation in the shipping industry, global economic growth that was only moderate, and tougher financing conditions. Operating profit rose by €65 million to €384 million.

Volkswagen Financial Services again generated record results in fiscal year 2014. This performance was attributable to growth in existing markets, the continued international expansion and the expanded product portfolio following the intragroup acquisition of MAN Finance International GmbH. It was partially offset by increased expenses for meeting regulatory requirements for banks and the continuing pressure on margins. Operating profit at Volkswagen Financial Services grew by 5.5 percent year-on-year to €1.7 billion.

Please note that the figures for the brands and divisions also include intragroup transactions, in particular intercompany profits. These are eliminated in the "Other" category. In addition, this item contains the results of Porsche Holding Salzburg and the depreciation and amortization of identifiable assets from the purchase price allocation for Scania, Porsche Holding Salzburg, MAN and Porsche.

The Volkswagen Group’s operating profit was up on the strong prior-year figure, at €12.7 billion – a new record high.

An analysis of the change in operating profit reveals positive effects from volumes, the mix and prices, amounting to €1.7 billion in the Passenger Cars Business Area. Exchange rates had a negative impact on operating profit, particularly in the first half of the past year. Overall, these negative effects amounted to €0.8 billion. Improved product costs had a positive impact of €1.7 billion. These primarily resulted from optimized procurement services and our systematic alignment of all processes around efficient procedures and methods, as well as the implementation of our modular toolkit strategy. In contrast to the previous year, higher fixed costs had a negative impact in the amount of €1.9 billion. This is mainly due to increased depreciation charges as a result of high capital expenditures and higher research and development costs, in particular for new drive concepts.

Operating profit in the Commercial Vehicles/Power Engineering Business Area was up by approximately €0.2 billion compared with the previous year, which had been negatively impacted by project-specific contingency reserves. The past fiscal year was dominated by the ongoing difficult market environment and the continuing increased pressure on prices and margins.

The Financial Services Division also contributed to the improvement in Group operating profit this year. The primary challenges were compliance with regulatory requirements and the ongoing pressure on margins.

Ladies and Gentlemen,

Return on investment is one of the key instruments used to manage the Automotive Division. It is essential for us to constantly monitor how efficiently we are using resources and to judge the success of our innovative and environmentally oriented product portfolio by reference to financial targets.

The Automotive Division achieved a return on investment of 14.9 percent last year, up year-on-year despite the increase in invested capital due to earnings-related factors. We were therefore able to significantly improve on both our minimum required rate of return of 9 percent and our current cost of capital of 7.7 percent. We also generated a positive value contribution of €5.7 billion.

The Group's growth means a rise in invested capital. This is linked to increased investments in new models and plants, and to the development of alternative drive systems and modular toolkits. In pursuing our strategic growth strategy, we ensure a competitive level and closely analyze the expected returns for all investment decisions. Given the challenging political conditions, the changing social landscape and fierce competition, our core tasks from a financial perspective remain safeguarding our earnings quality for the long term, pursuing disciplined cost and investment management, and focusing on our profitability targets.

The return on equity before tax in the Financial Services Division decreased from 14.3 percent to 12.5 percent. This was primarily the result of the higher capital requirements and the associated stronger capital resources.

Let us now look at the consolidated balance sheet. At €351.2 billion, the Volkswagen Group's total assets were up 8.3 percent year-on-year at the end of fiscal 2014. This was mainly due to the increase in property, plant and equipment resulting from the expanded investing activities, from the volume-related increase in lease assets and in financial services receivables, and from the rise in inventories on the back of business growth. The Group's equity ratio – the ratio of equity to total assets – amounted to 25.7 percent.

The equity ratio in the Automotive Division decreased from 39.8 percent in the previous year to the current figure of 36.9 percent. This was chiefly due to the acquisition of the outstanding Scania shares, negative effects from the decreased discount rate for pension provisions and the fair value measurement of derivative financial instruments. The equity increase implemented in the Financial Services Division also decreased equity in the Automotive Division, where the deduction was recognized.

This was partially offset by positive factors including the hybrid notes issued in March and the capital increase implemented in June 2014 by issuing new preferred shares using authorized capital. However, the key positive effect came from our healthy earnings growth.

Equity in the Financial Services Division rose by €3.3 billion to €17.4 billion. Positive contributions were made by the earnings situation and the capital increase in the amount of €2.3 billion implemented by Volkswagen AG at the beginning of the year. The goal of this was to finance business expansion and to meet regulatory capital requirements. The equity ratio was up 0.8 percentage points year-on-year to 11.3 percent.

I will now turn to individual items in our cash flow statement.

Gross cash flow in the Automotive Division rose by €1.5 billion to €20.2 billion thanks to our robust business model and our earnings. Funds released from working capital were down €1.4 billion year-on-year due to volume-related factors. Total cash flows from operating activities amounted to €21.6 billion, up almost €1 billion on the prior-year figure.

The investments in property, plant and equipment, intangible assets and investment property, excluding capitalized development costs, or capex, included in our investing activities rose by 4.1 percent to €11.5 billion in 2014. The ratio of capex to sales revenue rose only slightly year-on-year, growing by 0.2 percentage points to 6.5 percent. Thanks to our investment discipline, we remain at a competitive level within our target corridor of 6 to 7 percent. We invested primarily in our production facilities and in new models that we launched in 2014 or are planning to launch in 2015. Other focuses were on the ecological focus of our model range, the growing use of electric drives in our vehicle fleet and our modular toolkits.

Capitalized development costs increased by €0.6 billion to their current level of €4.6 billion. These primarily reflect necessary investments and upfront expenditures to comply with environmental requirements and in expanding and upgrading the model portfolio. The €0.2 billion cash inflow from the acquisition and disposal of equity investments chiefly resulted from the intragroup sale of MAN Finance International GmbH to our Financial Services Division.

Net cash flow in the Automotive Division rose by €1.7 billion year-on-year to €6.1 billion. This represents the difference between cash flows from operating activities and investing activities attributable to operating activities, and is clear confirmation of our sound business model.

In addition, we strengthened net liquidity through two successful capital market transactions. The issue of hybrid notes and the successful capital increase by issuing preferred shares boosted net liquidity by €4.9 billion, net of transaction costs.

As I have already mentioned, equity increased by €2.3 billion in the Financial Services Division. The acquisition of Scania shares and, to a lesser extent, the additional MAN SE shares tendered led to a €6.5 billion cash outflow.

At the end of 2014, net liquidity in the Automotive Division amounted to €17.6 billion. This solid liquidity position continues to give us the necessary financial strength and flexibility to continue our profitable growth and to systematically continue pursuing our Strategy 2018.

I would like to draw your attention to a new publication: this morning, we published the notice convening Volkswagen Aktiengesellschaft’s Annual General Meeting in Hanover on May 5, 2015. In addition to the standard resolutions, the agenda contains a proposal to authorize the Board of Management to issue new, nonvoting preferred bearer shares. The intention is to renew the authorized capital that expired in December 2014. In doing so, shareholders must be granted preemptive rights. This is standard procedure for large stock corporations wishing to safeguard the flexibility of their financing activities and is designed to enable us to continue exploiting attractive financing opportunities going forward.

Looking back on 2014, I can say that, with its solid business development, the Volkswagen Group is continuing on its growth trajectory despite the ongoing difficult market environment.

After tax, the Volkswagen Group generated earnings of €10.8 billion for the shareholders of Volkswagen Aktiengesellschaft in the last fiscal year. This corresponds to basic earnings of €21.84 per ordinary share and €21.90 per preferred share.

Ladies and Gentlemen,

Given the subdued growth prospects, there is no guarantee that 2015 will be a successful year. Continuing political uncertainty, strong currency fluctuations and tough environments in certain markets present major challenges for us this year as well. Nevertheless, our goal is not only to increase our volumes, but also to lift sales revenue and earnings again.

Many thanks for your attention.

e-up!: Energy consumption, l/100km: combined 11,7; Combined CO2 emissions, g/km: 0, efficiency class: A+

e-Golf: Energy consumption, l/100km: combined 12,7; combined CO2 emissions, g/km: 0, efficiency class: A+

A3 e-tron: Fuel consumption, combined: Petrol 1,7-1,5 l/100 km / energy consumption kWh/100 km 124,0-114,0 combined; CO2- emissions Petrol 39-35 g/km combined, efficiency class: A+

Golf GTE: Fuel consumption, l/100km: combined 1,5; Combined CO2 emissions, g/km: 35, efficiency class: A+

Passat GTE is not on sale yet. Preliminary data: Passat GTE: Fuel consumption in l/100 km: combined: less than 2l; CO2 emissions combined in g/km: less than 45.

Panamera E-Hybrid: Fuel consumption l/100 km 3,1 combined; CO2-emissions combined g/km: 71; energy consumption kWh/100 km: 16,2 combined, efficiency class: A+

Cayenne S E-Hybrid: Fuel consumption l/100 km 3,4 combined; CO2-emissions combined g/km: 79; Energy consumption kWh/100 km: 20,8 combind, efficiency class: A+

XL1: fuel consumption l/100 km: 0,9 combined; power consumption in kWh/ 100 km: 7,2; CO2 emission in g/km: 21combined; efficiency class: A+

Porsche 918 Spyder: fuel consumption l/100 km 3,1-3,0 combined; CO2-emissions combined g/km 72-70; Energy consumption kWh/100 km 12,7, efficiency class: A+.