

Volkswagen Brand Investor Meeting

Dr. Arno Antlitz



Disclaimer

The following presentations contain forward-looking statements and information on the business development of the Volkswagen Group. These statements may be spoken or written and can be recognized by terms such as “expects”, “anticipates”, “intends”, “plans”, “believes”, “seeks”, “estimates”, “will” or words with similar meaning. These statements are based on assumptions relating to the development of the economies of individual countries, and in particular of the automotive industry, which we have made on the basis of the information available to us and which we consider to be realistic at the time of going to press. The estimates given involve a degree of risk, and the actual developments may differ from those forecast. The Volkswagen Group currently faces additional risks and uncertainty related to pending claims and investigations of Volkswagen Group members in a number of jurisdictions in connection with findings of irregularities relating to exhaust emissions from diesel engines in certain Volkswagen Group vehicles. The degree to which the Volkswagen Group may be negatively affected by these ongoing claims and investigations remains uncertain.

Consequently, a negative impact relating to ongoing claims or investigations, any unexpected fall in demand or economic stagnation in our key sales markets, such as in Western Europe (and especially Germany) or in the USA, Brazil or China, will have a corresponding impact on the development of our business. The same applies in the event of a significant shift in current exchange rates relative to the US dollar, sterling, yen, Brazilian real, Chinese renminbi and Czech koruna.

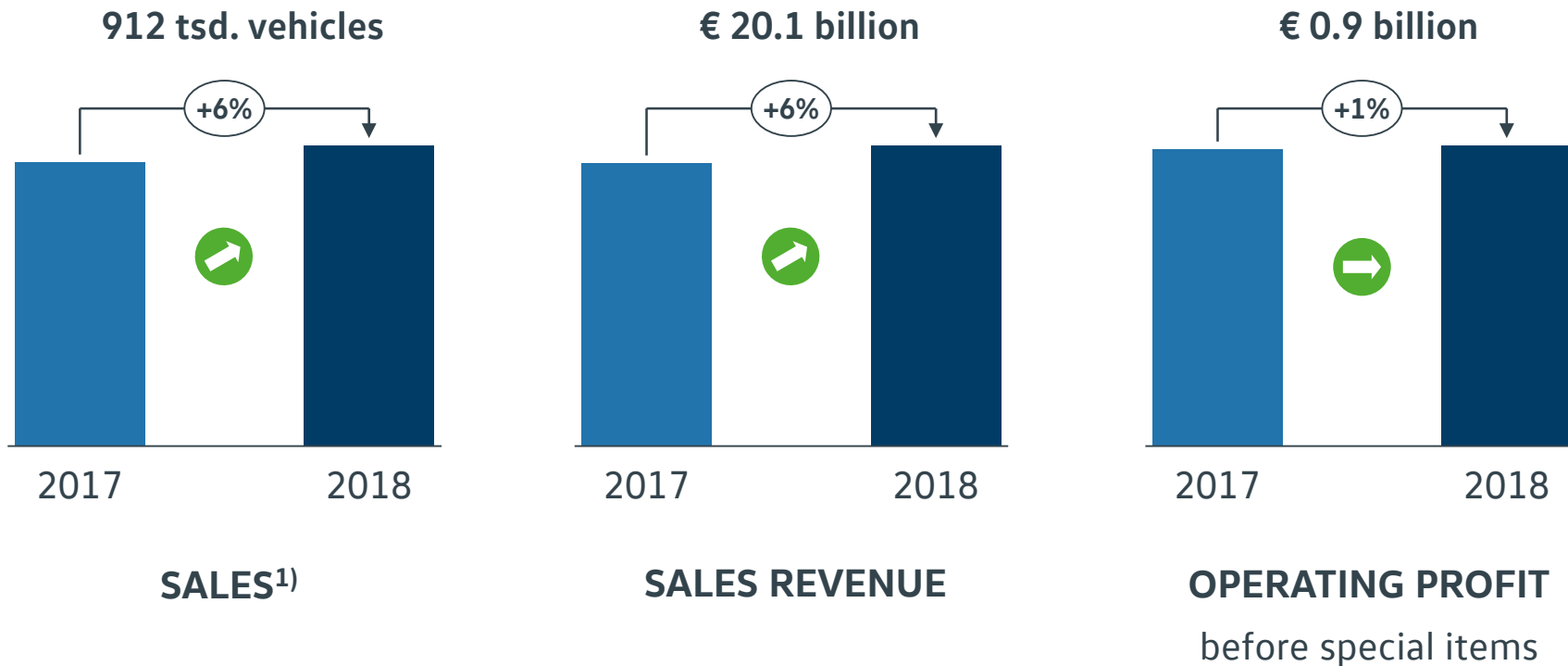
If any of these or other risks occur, or if the assumptions underlying any of these statements prove incorrect, the actual results may significantly differ from those expressed or implied by such statements.

We do not update forward-looking statements retrospectively. Such statements are valid on the date of publication and can be superseded.

This information does not constitute an offer to exchange or sell or an offer to exchange or buy any securities.



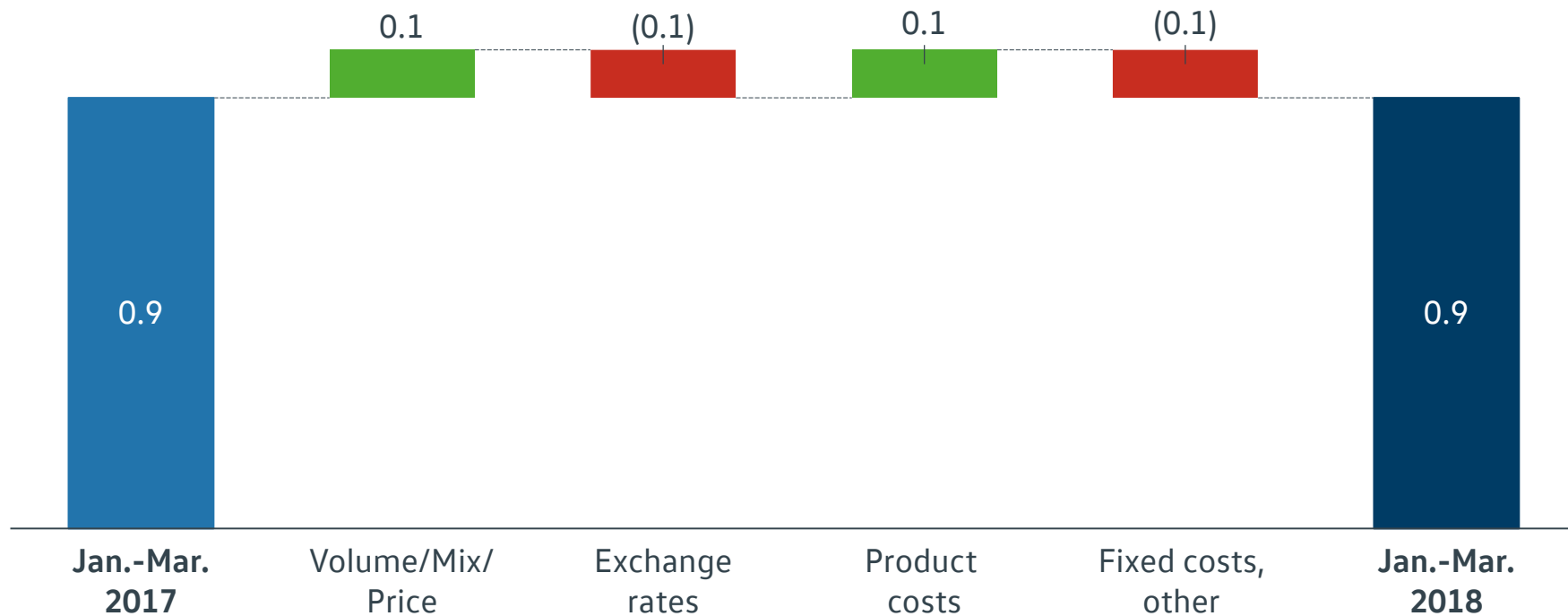
Solid operating performance from January to March 2018



1) These figures do not include sales of our Chinese joint ventures.

Development of operating profit

OPERATING PROFIT [€ billion]



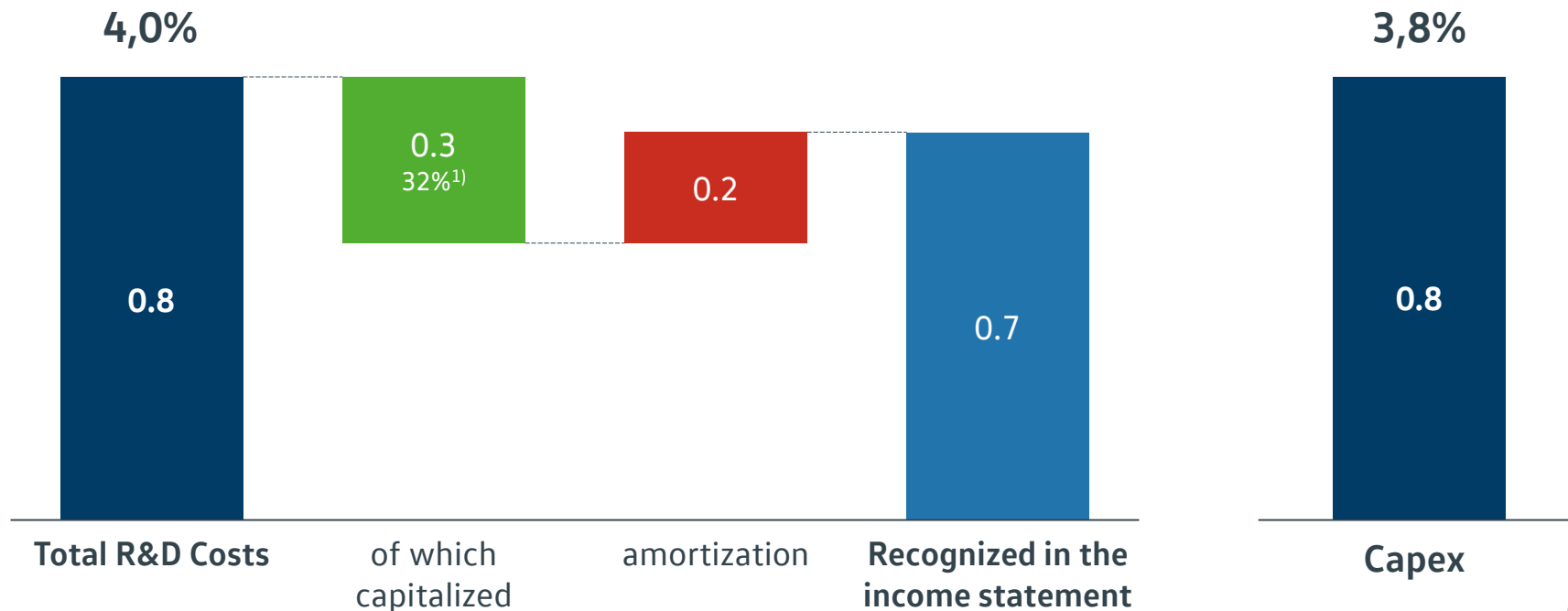
All figures shown are rounded, so minor discrepancies may arise from addition of these amounts.



Volkswagen

R&D costs and capex from January to March 2018

R&D EXPENSES AND CAPEX [€ billion/percentage of sales revenue]



1) R&D capitalization rate; Jan. Mar. 2017: 41%



Key levers for improving the result: Status update

PRODUCT OFFENSIVE



2017:

- SUVs: Atlas, Tiguan Allspace, T-Roc
- Share of MQB: 40%

2018:

- SUVs: Touareg, Compact SUV China, T-Cross, etc.
- Increase of MQB share to 60%

ZUKUNFTSPAKT



ZUKUNFTS
PAKT

2017:

- Realized cost improvements of €2 billion
- Increase in productivity
- ~9,350 early retirement contracts

2018:

- Further improvements in costs and productivity



TURNAROUND IN THE REGIONS



2017:

- Break even in Russia
- Results in NAR improved
- New products and restructuring in SAM

2018:

- Improvement of results in NAR and SAM



Medium-term target for operating return on sales

**Effects
2017-2020:**

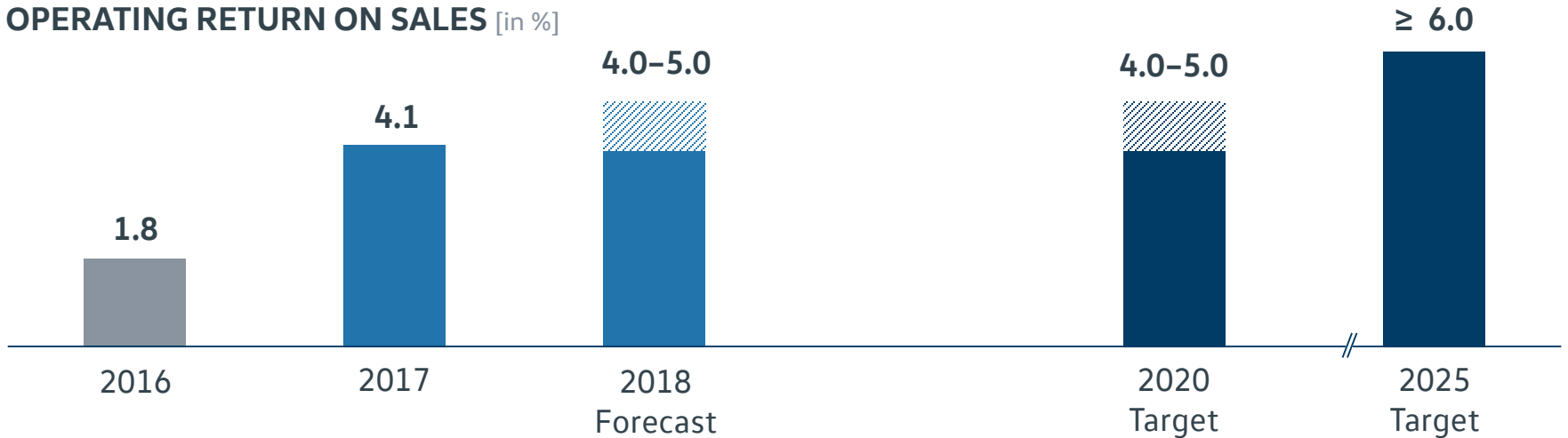


- Growth of SUV portfolio
- Implementation Zukunftspakt
- Turnaround in NAR, Brazil, Russia



- Future CO₂/emissions legislation
- Transformation of the industry
- Upfront expenditures in digital ecosystem (Volkswagen We)

OPERATING RETURN ON SALES [in %]



Financial forecast and targets

	Forecast 2018	Target 2020	Target 2025
Sales revenue	up to +10 %	-	-
Operating return on sales	4-5 %	4-5 %	≥ 6 %
Capex ratio	4-5 %	4-5 %	4-5 %
R&D ratio	~4 %	4 %	4 %
Free cash flow	Positive operating cash flow*	> €1 billion	>> €1 billion

* before special items



Volkswagen