

**VOLKSWAGEN**

AKTIENGESELLSCHAFT

# Shaping the transformation together.

ANNUAL GENERAL MEETING 2018

## 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, 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. These assumptions relate in particular to the development of the economies of individual countries and markets, the regulatory framework and the development of the automotive industry. Therefore 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 in particular relative to the US dollar, sterling, yen, Brazilian real, Chinese renminbi and Czech koruna.*

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# 1 **Review**

Where the Volkswagen Group stands today

# 2 **Culture, new structure, technological change**

How we are transforming the Volkswagen Group

# 3 **Outlook**

What we expect in 2018

# 1 **Review**

Where the Volkswagen Group stands today

# 2 **Culture, new structure, technological change**

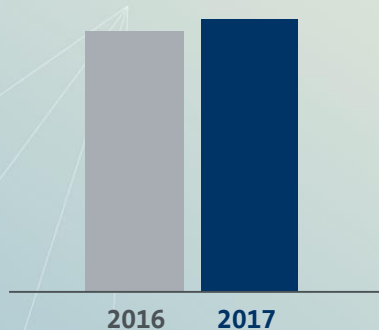
How we are transforming the Volkswagen Group

# 3 **Outlook**

What we expect in 2018

## We set new records in deliveries, sales revenue and operating profit in 2017

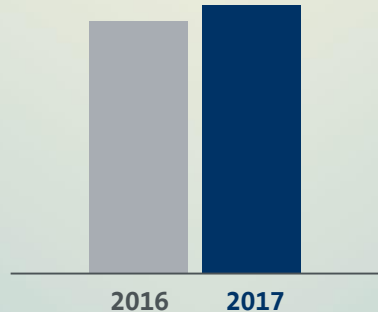
**10.7** million



Deliveries to customers

**+4.3%**  
vs. prior year

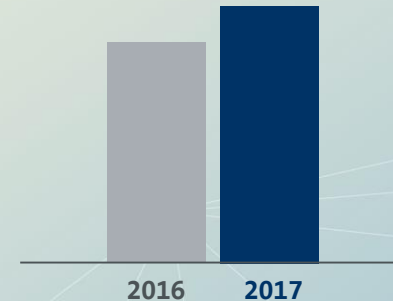
**€230.7** billion



Sales revenue

**+6.2%**  
vs. prior year

**€17.0** billion



Operating profit  
(before special items)

**+16.5%**  
vs. prior year

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Strategy 2025 has given the Volkswagen Group a new orientation

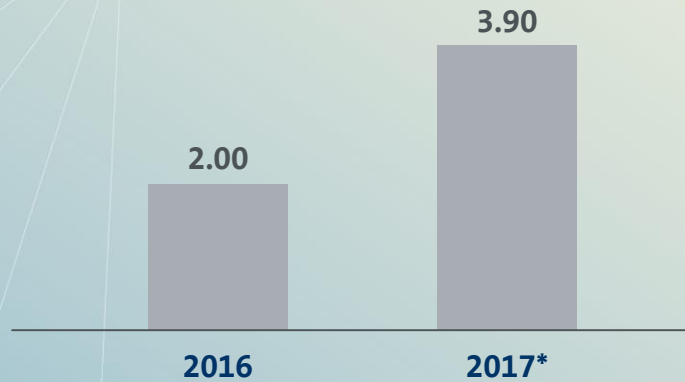
**T**  **GETHER**

STRATEGY 2025

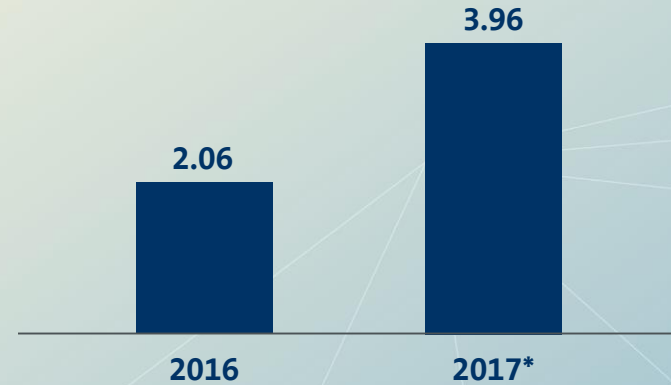


## Significant dividend increase vs. prior year

### Ordinary share (dividend per share in €)



### Preferred share (dividend per share in €)



\* Dividend proposal

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# With “Together4Integrity” we have launched a Group-wide integrity and compliance program



## We are giving high priority to further resolving the diesel crisis



### Worldwide recall/service campaigns driven forward

Processing rate for Germany currently 94%; substantial progress also in Europe (76%) and worldwide (69%)

### Group environmental incentive makes significant contribution to improving air quality in German cities

Over 200,000 customers already decided to switch to environmentally friendly vehicles

Legal processing still in progress

### Major progress in modifications in North America

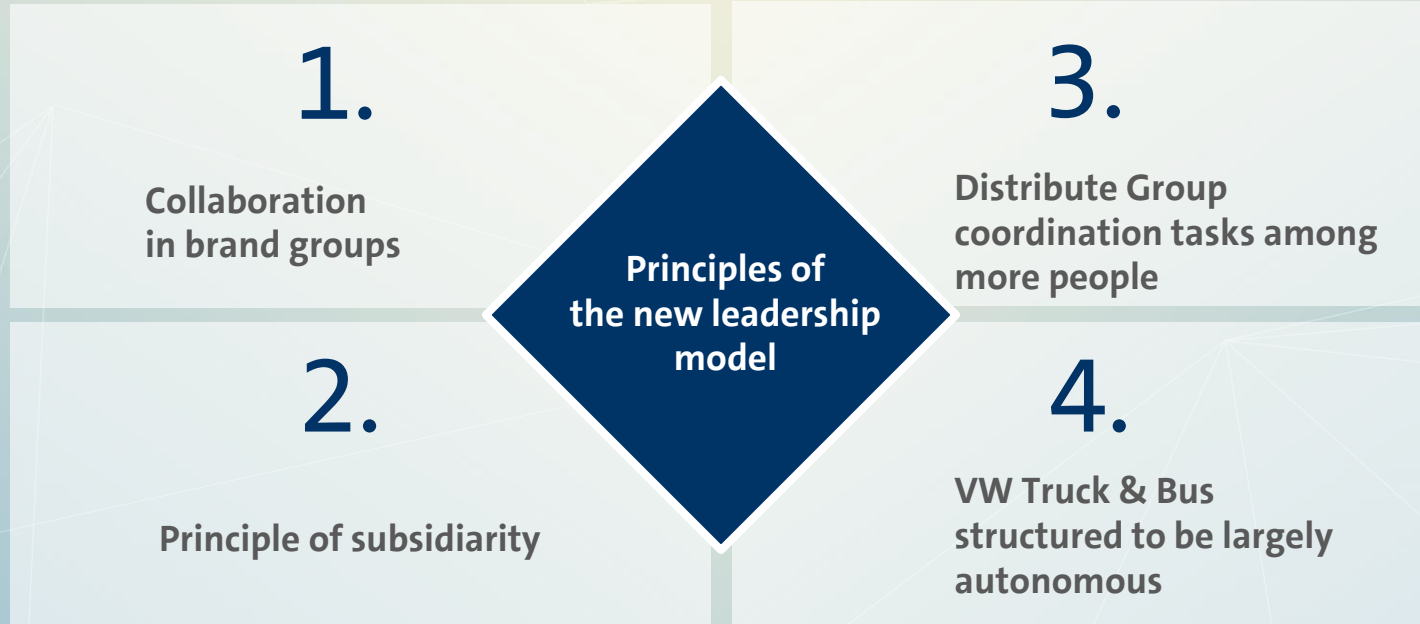
On target for modifications/buybacks for 2.0 liter TDI engines; field fix started for 3.0 liter TDI engines

### Agreed flanking measures being consistently implemented














Investment plan for zero emissions vehicles (ZEV) approved by authorities; implementation started

Legal processing well advanced

## The new Group structure will accelerate our realignment



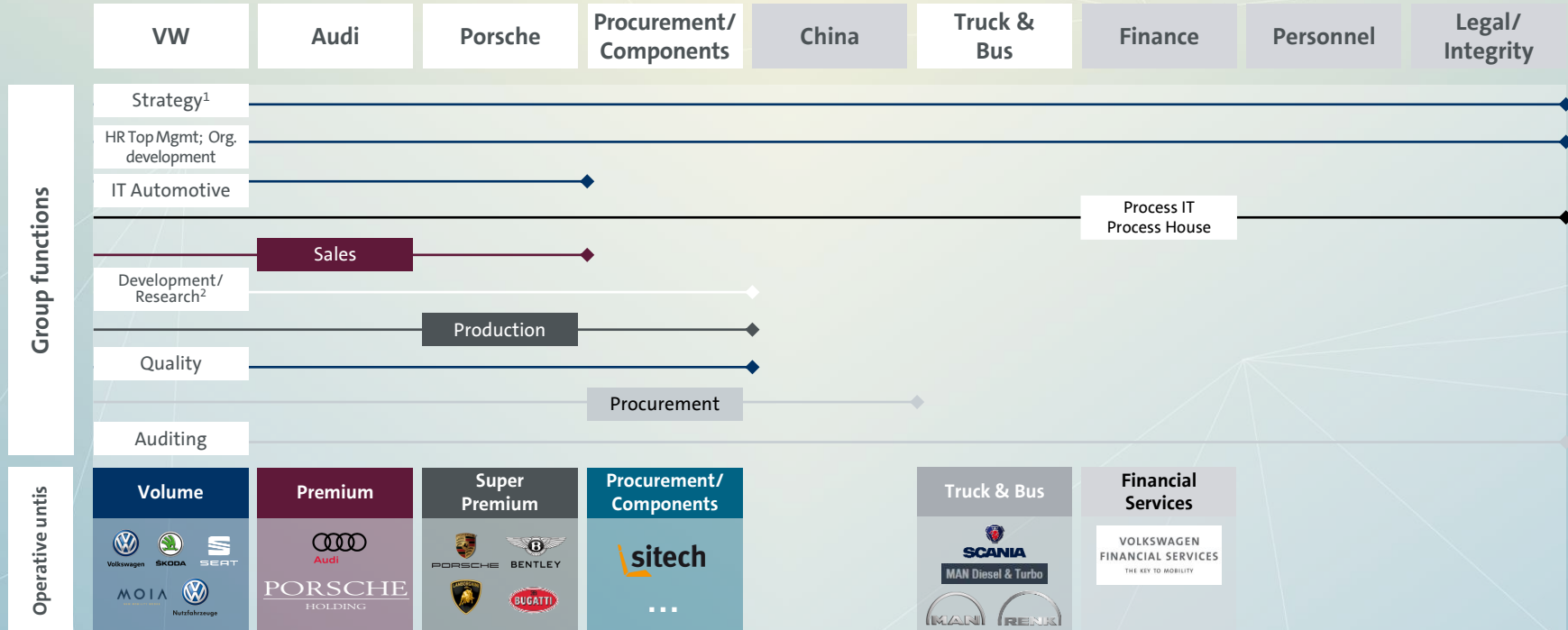
# Giving responsibility to the brand groups makes Group management leaner

Volume	Premium	Super Premium	Truck & Bus	Procurement/ Components	Financial Services	China
<p>VW  Volkswagen</p>	<p>Audi  Audi</p>	<p>Porsche  PORSCHE</p>	<p>MAN </p>	<p>Procurement</p>	<p>VOLKSWAGEN FINANCIAL SERVICES THE KEY TO MOBILITY</p>	<p>Region China</p>
<p>Skoda  SKODA</p>	<p>Lamborghini* </p>	<p>Bentley  BENTLEY</p>	<p>Scania  SCANIA</p>	<p>Components**</p>		
<p>Seat  SEAT</p>	<p>Ducati* </p>	<p>Bugatti </p>	<p>Power Engineering*</p>			
<p>VWN  Nutzfahrzeuge</p>						
<p>MOIA  NEW MOBILITY BRIDGE</p>						

\* Allocation to be verified

\*\* Led by CEO until further notice

# We are distributing coordination tasks in the Group among more people



Integrity and compliance as foundation

<sup>1</sup> Strategy: product (vehicle, modular toolkit, drivetrain, architecture), brand, regional steering, M&A; <sup>2</sup> Lead (short term) VW Passenger Cars: lead (mid term) Audi

With “Roadmap E” we have launched the most comprehensive electrification initiative in our industry

# Roadmap



**2025**

+ 50 new BEVs  
+ 30 PHEVs

Up to 25% of new  
**Group vehicles** to be  
purely electric-  
powered

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**The next generation of our electric vehicles sets new benchmarks**



## The Volkswagen Group is making massive investments in the future

Investments in **electromobility, digitalization, autonomous driving and mobility services** by the end of 2022:



Worldwide: more than **€34 billion**



Additional investment by joint ventures in China:  
**€15 billion**





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## The Volkswagen Group was very successful in the first quarter of 2018

**2.7** million

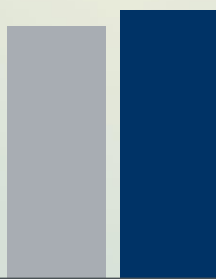


Q1 2017 Q1 2018

Deliveries to customers

**+7.4%**  
vs. prior year

**€58.2** billion



Q1 2017 Q1 2018

Sales revenue

**+3.6%**  
vs. prior year

**€4.2** billion



Q1 2017 Q1 2018

Operating profit

**-3.6%**  
vs. prior year

## We confirm our outlook for 2018



### **Deliveries to customers**

Moderate increase over prior-year record



### **Sales revenue**

Further increase by up to 5 percent



### **Group operating return on sales**

Target corridor lifted to 6.5 to 7.5 percent

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## Our passenger car brands are bringing over 70 new models to customers in 2018



Volkswagen



Audi



ŠKODA



SEAT



PORSCHE



BENTLEY



Nutzfahrzeuge

### ~ 20 new models



Q8



Urus



Cupra Ateca



up! GTI



e-Crafter



Huracán Performante  
Spyder

### ~ 25 successor models



Touareg



Jetta



Polo GTI



A7 Sportback



Q3



A6 Avant

### ~ 25 facelifts



Fabia



911 Carrera T



Aventador S Roadster



We are stepping on the gas in terms of profitability,  
innovative power and sustainability

# VOLKSWAGEN GROUP

