Volkswagen Group: Financial sustainability on core strengths

Oliver Larkin / Kai Otto
Volkswagen Aktiengesellschaft

Bernd Bode / Ulrich Hauswaldt
Volkswagen Financial Services

Unicredit Automotive Credit Conference, London, 20 - 21 May 2014
Disclaimer

The offer for shares of Scania AB (the "Offer") referenced in this presentation is not being made, whether directly or indirectly, in Canada, New Zealand or South Africa or in any other jurisdictions where such offer pursuant to legislation and regulations in such relevant jurisdictions would be prohibited by applicable law. Shareholders not resident in Sweden who wish to accept the Offer must make inquiries concerning applicable legislation and possible tax consequences. Shareholders should refer to the offer restrictions included in the tender offer document which has been published on Volkswagen’s website www.volkswagenag.com. The Offer is not being made, directly or indirectly, in or into Canada, New Zealand or South Africa by use of mail or any other means or instrumentality (including, without limitation, facsimile transmission, electronic mail, telex, telephone and the Internet) of interstate or foreign commerce, or of any facility of national security exchange, of Canada, New Zealand or South Africa, and the Offer cannot be accepted by any such use, means, instrumentality or facility of, or from within, Canada, New Zealand or South Africa. Accordingly, this presentation and any documentation relating to the Offer are not being and should not be sent, mailed or otherwise distributed or forwarded in or into Canada, New Zealand or South Africa.

This presentation is not being, and must not be, sent to shareholders with registered addresses in Canada, New Zealand or South Africa. Banks, brokers, dealers and other nominees holding shares for persons in Canada, New Zealand or South Africa must not forward this presentation or any other document received in connection with the Offer to such persons.

Statements in this presentation or in the offer document relating to future status or circumstances, including statements regarding future performance, growth and other trend projections and the other benefits of the Offer, are forward-looking statements. These statements may generally, but not always, be identified by the use of words such as “anticipates”, “intends”, “expects”, “believes”, or similar expressions. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There can be no assurance that actual results will not differ materially from those expressed or implied by these forward-looking statements due to many factors, many of which are outside the control of Volkswagen AG. Any such forward-looking statements speak only as of the date on which they are made and Volkswagen AG has no obligation (and undertakes no such obligation) to update or revise any of them, whether as a result of new information, future events or otherwise, except for in accordance with applicable laws and regulations.

Special notice to shareholders in the United States

The Offer referenced in this presentation is made for shares of Scania AB, a company incorporated under Swedish law, and is subject to Swedish disclosure and procedural requirements, which are different from those of the United States. The Offer is made in the United States in compliance with Section 14(e) of, and Regulation 14E under, the U.S. Securities Exchange Act of 1934, as amended (the “U.S. Exchange Act”), subject to the exemptions provided by Rule 14d-1(d) under the U.S. Exchange Act and otherwise in accordance with the requirements of Swedish law. Accordingly, the Offer is subject to disclosure and other procedural requirements, including with respect to withdrawal rights, the offer timetable, settlement procedures and timing of payments that are different from those applicable under U.S. domestic tender offer procedures and laws. To the extent permissible under applicable law or regulation, Volkswagen AG and its affiliates or brokers (acting as agents for Volkswagen AG or its affiliates, as applicable) may from time to time, and other than pursuant to the Offer, directly or indirectly purchase, or arrange to purchase, shares of Scania AB, that are the subject of the Offer or any securities that are convertible into, exchangeable for or exercisable for such shares. To the extent information about such purchases or arrangements to purchase is made public in Sweden, such information will be disclosed by means of a press release or other means reasonably calculated to inform U.S. shareholders of Scania AB of such information. In addition, the financial advisors to Volkswagen AG, may also engage in ordinary course trading activities in securities of Scania AB, which may include purchases or arrangements to purchase such securities.

NEITHER THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION NOR ANY U.S. STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY HAS APPROVED OR DISAPPROVED OF THIS OFFER, PASSED UPON THE FAIRNESS OR MERITS OF THIS PRESENTATION OR DETERMINED WHETHER THIS PRESENTATION IS ACCURATE OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE IN THE UNITED STATES.

This presentation contains 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. Consequently, 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 superceded. This information does not constitute an offer to exchange or sell or an offer to exchange or buy any securities.
Volkswagen Investor Update

Oliver Larkin – Senior Investor Relations Manager
Volkswagen AG

Kai Otto – Head of Capital Markets & Asset Management
Volkswagen AG

Bernd Bode – Head of Group Treasury and Investor Relations
Volkswagen Financial Services
Ulrich Hauswaldt – Investor Relations
Volkswagen Financial Services
Financial Highlights – Volkswagen Group
(January to March 2014 vs. 2013)

<table>
<thead>
<tr>
<th>Sales revenue</th>
<th>Operating profit</th>
<th>Profit before tax</th>
<th>Profit after tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>€ million</td>
<td>€ million</td>
<td>€ million</td>
<td>€ million</td>
</tr>
<tr>
<td>46,565</td>
<td>47,831</td>
<td>2,344</td>
<td>2,855</td>
</tr>
<tr>
<td>+ 2.7%</td>
<td>+ 21.8%</td>
<td>+ 24.9%</td>
<td>+ 26.8%</td>
</tr>
</tbody>
</table>
### Volkswagen Group – Deliveries to Customers by Brands
(January to March 2014 vs. 2013)

<table>
<thead>
<tr>
<th>Brand</th>
<th>January – March 2013</th>
<th>January – March 2014</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Volkswagen Group</td>
<td>2,314</td>
<td>2,442</td>
<td>+5.6%</td>
</tr>
<tr>
<td>Audi</td>
<td>1,426</td>
<td>1,481</td>
<td>+3.9%</td>
</tr>
<tr>
<td>Skoda</td>
<td>369</td>
<td>413</td>
<td>+11.7%</td>
</tr>
<tr>
<td>SEAT</td>
<td>220</td>
<td>247</td>
<td>+12.1%</td>
</tr>
<tr>
<td>PORSCHE</td>
<td>87</td>
<td>93</td>
<td>+7.3%</td>
</tr>
<tr>
<td>BENTLEY</td>
<td>37</td>
<td>39</td>
<td>+4.5%</td>
</tr>
</tbody>
</table>

**Passenger Cars**

1) Incl. Volkswagen Commercial Vehicles, Scania and MAN; 6.2% excl. Volkswagen Commercial Vehicles, Scania and MAN
Volkswagen Group – Analysis of Operating Profit¹)

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

¹)
Automotive Division – Strong Cash Generation\textsuperscript{1), 2)}
(January – March 2014)

\begin{table}
\centering
\begin{tabular}{|c|c|c|c|c|c|c|c|}
\hline
 & Cash flow from operating activities & Capex & Capitalized R&D costs & Other & Net cash flow before equity investments & Acquisition and disposal of equity investments & Net cash flow \\
\hline
2013 & 3.5 & -1.7 (4.1\%\textsuperscript{3}) & -0.7 & 0.2 & 1.3 & -1.7 & -0.4 \\
\hline
\end{tabular}
\end{table}

\textsuperscript{1) All figures shown are rounded, minor discrepancies may arise from addition of these amounts.  
2) Including allocation of consolidation adjustments between Automotive and Financial Services divisions.  
3) Capital expenditure for property, plant and equipment in % of Automotive sales revenue.}
Volkswagen Group – Outlook for 2014

We expect …

- to moderately increase deliveries to customers year-on-year in 2014 in a still challenging market environment.
- 2014 sales revenue for the Volkswagen Group and its business areas to move within a range of 3 percent around the prior-year figure, depending on the economic condition.

In terms of Group operating profit…

- we are expecting an operating return on sales of between 5.5 percent and 6.5 percent in 2014 in light of the challenging economic environment, and the same range for the Passenger Cars Business Area.
- The Commercial Vehicles/Power Engineering Business Area is likely to moderately exceed the 2013 figure.
- The operating return on sales in the Financial Services Division is expected to be between 8.0 percent and 9.0 percent.

<table>
<thead>
<tr>
<th>Deliveries to customers (thousand vehicles)</th>
<th>2012</th>
<th>2013</th>
<th>+ 4.9%</th>
</tr>
</thead>
<tbody>
<tr>
<td>9,276</td>
<td>9,731</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Sales revenue (€ billion)</th>
<th>2012</th>
<th>2013</th>
<th>+ 2.2%</th>
</tr>
</thead>
<tbody>
<tr>
<td>192.7</td>
<td>197.0</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Operating return on sales (%)</th>
<th>2012</th>
<th>2013</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>6.0</td>
<td>5.9</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Volkswagen Group – A global economic and environmental leader by 2018

Potential upside
- Product portfolio extension
- North American expansion and market recovery
- Commercial vehicle strategy and market recovery
- Financial Services: strengthen the automotive value chain

Synergy potential
- Leveraging best practices across the Group
- Purchasing, production, and distribution benefits

Growth market focus
- Increased market penetration
- Emerging markets expansion
- Balanced global footprint

Volumes > 10 million units p.a.

Operating profit measures
- Strong cost control
- Process/product optimization
- Regional scale effects

Top employer

Leading in customer satisfaction and quality

Volkswagen Group profit before tax margin > 8%

Modular toolkit strategy
- Reduction in investment, development and unit costs
- Scale and efficiency effects
- Increased production flexibility
- Reduced time to market

Capital discipline
- > 16% RoI target in automotive business
- 20% RoE goal in Financial Services

Potential upside
- Product portfolio extension
- North American expansion and market recovery
- Commercial vehicle strategy and market recovery
- Financial Services: strengthen the automotive value chain

Synergy potential
- Leveraging best practices across the Group
- Purchasing, production, and distribution benefits

Growth market focus
- Increased market penetration
- Emerging markets expansion
- Balanced global footprint

Volumes > 10 million units p.a.

Operating profit measures
- Strong cost control
- Process/product optimization
- Regional scale effects

Top employer

Leading in customer satisfaction and quality

Volkswagen Group profit before tax margin > 8%

Modular toolkit strategy
- Reduction in investment, development and unit costs
- Scale and efficiency effects
- Increased production flexibility
- Reduced time to market

Capital discipline
- > 16% RoI target in automotive business
- 20% RoE goal in Financial Services

Note: All stated Volkswagen Group figures represent financial targets for 2018

1) Normalized RoE based on 8% equity ratio
2) Including China

1 Normalized RoE based on 8% equity ratio
2 Including China

Note: All stated Volkswagen Group figures represent financial targets for 2018
All brands contribute substantially to the targets of the Volkswagen Group

<table>
<thead>
<tr>
<th>Targets</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>…</th>
<th>2018 Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deliveries to customers&lt;sup&gt;1)&lt;/sup&gt;</td>
<td>6,600,000</td>
<td>&gt; 1,500,000</td>
<td>&gt; 500,000</td>
<td>&gt; 2,000,000&lt;sup&gt;2)&lt;/sup&gt;</td>
<td>&gt; 200,000</td>
<td>&gt; 15,000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sustainable operating profit margin&lt;sup&gt;3)&lt;/sup&gt;</td>
<td>&gt; 6%</td>
<td>6-8%</td>
<td>&gt; 5%</td>
<td>8-10%</td>
<td>&gt; 15%</td>
<td>&gt; 10%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Return on Investment in the Automotive Division

- 2007: 9.5%
- 2008: 10.9%
- 2009: 3.8%
- 2010: 13.5%
- 2011: 17.7%
- 2012: 16.6%
- 2013: 14.5%
- …
- 2018: > 16%

<sup>1)</sup> Including deliveries to customers by joint venture companies in China  
<sup>2)</sup> Target for year 2020  
<sup>3)</sup> Excluding operating profit of joint venture companies in China which are accounted for using the equity method
Strong market position and profitability in China

Expanding local capacity and model portfolio

- Operating profit (Jan-Mar 2014, proportionate): €1.24 bn (€1.16 bn)
- Investments 2014-2018: €18.2 bn (fully self-funded)
- Locally produced models:
  - Today: 21
  - 2015: > 30

Passenger car market share (Jan - Mar 2014)

- Volkswagen Group China: 21%
- Competitor 1: 10%
- Competitor 2: 10%
- Competitor 3: 6%
- Competitors 5-9: 5%
- Others: 30%

Deliveries to Chinese customers by brand

('000 units)

- Total: 881 (+15%)
- Volkswagen: 683 (+14%)
- ŠKODA: 125 (+21%)
- Audi: 58
- Porsche: 10 (+12%)

1) China (incl. Hong Kong), including Volkswagen Commercial Vehicles, excl. Scania and MAN.
MQB – Driving forward economies of scale in unit cost, investment and supporting achievement of emission targets

Distribution of MQB savings

**MQB platform ca. 60% of total material costs**

- Lower cost *per unit*
- Less EHpv\(^1\)
- Less one-off expenditures

= Potential savings

**Margin improvement**

Savings > Expenditures > Invest

**Different powertrains**

The MQB’s flexible design is able to accommodate alternative drives:

- Conventional drive
  - TSI Gasoline
  - TDI Diesel

- Electric drive
  - Hybrid
  - BEV

- Alternative/Regenerative
  - EcoFuel
  - FlexFuel
  - BiFuel

\(^1\) Engineered Hours per Vehicle
Commercial Vehicles – A cornerstone in Volkswagen Group’s Strategy 2018
Volkswagen Group’s financial stability is backed by a strong liquidity position and stable ratings

<table>
<thead>
<tr>
<th>Year</th>
<th>Automotive Net Liquidity in € bn</th>
<th>Current Ratings</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>13.5</td>
<td></td>
</tr>
<tr>
<td>2008</td>
<td>8.0</td>
<td></td>
</tr>
<tr>
<td>2009</td>
<td>10.6</td>
<td></td>
</tr>
<tr>
<td>2010</td>
<td>18.6</td>
<td>Standard &amp; Poor’s</td>
</tr>
<tr>
<td></td>
<td></td>
<td>A- (outlook positive)</td>
</tr>
<tr>
<td>2011</td>
<td>17.0</td>
<td>Moody’s</td>
</tr>
<tr>
<td>2012</td>
<td>10.6</td>
<td>A3 (outlook positive)</td>
</tr>
<tr>
<td>2013</td>
<td>16.9</td>
<td></td>
</tr>
<tr>
<td>Q1 2014</td>
<td>17.7</td>
<td></td>
</tr>
</tbody>
</table>

Source: Volkswagen Group, Rating Reports

Volkswagen is fully committed to maintaining its current Credit Ratings
Volkswagen Group Treasury – Key Global Markets Figures\(^1\)

<table>
<thead>
<tr>
<th>Liquidity and Refinancing</th>
<th>€ 17.7 bn</th>
</tr>
</thead>
<tbody>
<tr>
<td>Automotive Net Liquidity</td>
<td>€ 17.7 bn</td>
</tr>
<tr>
<td>Money and Capital Markets Outstanding</td>
<td>€ 56.4 bn</td>
</tr>
<tr>
<td>Customer Deposits</td>
<td>€ 21.6 bn</td>
</tr>
<tr>
<td>Banks and Supranationalso</td>
<td>€ 13.5 bn</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Hedging Activities</th>
<th>USD, GBP, RMB, CHF, MXN, SEK, PLN, AUD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global Foreign Currency Hedging</td>
<td>USD, GBP, RMB, CHF, MXN, SEK, PLN, AUD</td>
</tr>
<tr>
<td>Global Commodity Hedging</td>
<td>Base and Precious Metals</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Counterparties</th>
<th>€ 36.7 bn</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank Lines Globally(^2)</td>
<td>€ 36.7 bn</td>
</tr>
<tr>
<td>Relationships with</td>
<td>&gt; 150 Banking Groups</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Key Account Management</th>
<th>&gt; 1,300 VW Group Companies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acting as a Service Center</td>
<td></td>
</tr>
</tbody>
</table>

---

\(^1\) as of March 31, 2014; ABS included  
\(^2\) excluding Porsche, MAN and Scania  
Source: Volkswagen Group
Volkswagen Group Funding Strategy – Overview

**Diversification of Funding Sources**
- Direct Banking Deposits: 20%
- Bank Loans: 12%
- ABS: 19%
- Medium Term Notes / Bonds: 36%
- Commercial Paper: 5%
- Equity-Linked and Hybrid Instruments: 8%

**Currencies – MTN/Bonds Breakdown 2010 – 2013**
- EUR: 59%
- USD: 20%
- CAD: 5%
- AUD: 2%
- GBP: 4%
- CAD: 5%
- other³): 10%
- other³): 10%

**Total Funding**: €112.4 bn

1) as of March 31, 2014
2) excluding Porsche, MAN and Scania
³) CZK, JPY, MXN, NOK, RMB, SEK, TRY, BRL, NZD, INR

Source: Volkswagen Group
Volkswagen Group Funding Strategy – Maturity Development

**Tenor Split 2013**

- ≤ 2yr: 23%
- > 2 - 5yr: 48%
- > 5yr: 29%

**Tenor Split 2012**

- ≤ 2yr: 12%
- > 2 - 5yr: 58%
- > 5yr: 30%

Source: Volkswagen Group
Volkswagen Group Funding Strategy – Benchmark Issuances (€ m)$^1$

$^1$ as of March 31, 2014; excluding Porsche, MAN Group, and Scania AB
Source: Volkswagen Group
Volkswagen Group Funding Strategy – Major Funding Vehicles / Guarantors

**Volkswagen AG**
- EUR 10.0 bn Multi-Currency Commercial Paper Programme
- € 30.0 bn Debt Issuance Programme

**Volkswagen FS AG**
- € 18.0 bn Debt Issuance Programme

**Volkswagen Bank GmbH**
- € 2.5 bn Multi CCY CP-Programme
- € 10.0 bn Debt Issuance Programme

**Automotive Division** (opportunistic funding)
- Volkswagen International Finance N.V.
- Volkswagen Credit, Inc.
- Volkswagen Credit Canada, Inc.

**Financial Services Division** (strategic funding)
- Volkswagen Financial Services AG
- Volkswagen Financial Services N.V.
- Volkswagen Leasing GmbH
- Volkswagen Bank GmbH
Volkswagen Group Funding Strategy – North America

2010 - 2013

Issuer
Volkswagen International Finance N.V.

Guarantor

2014 Forward

Issuer
Volkswagen Group of America Finance LLC

Issuer
Volkswagen Credit Canada, Inc.

Issuer
Volkswagen International Finance N.V.

Guarantor
Volkswagen Investor Update

Oliver Larkin – Senior Investor Relations Manager
Volkswagen AG

Kai Otto – Head of Capital Markets & Asset Management
Volkswagen AG

Bernd Bode – Head of Group Treasury and Investor Relations
Volkswagen Financial Services
Ulrich Hauswaldt – Investor Relations
Volkswagen Financial Services
## Volkswagen Group – built on three strong pillars

### Automotive Division

<table>
<thead>
<tr>
<th>Passenger Cars</th>
<th>Commercial Vehicles / Power Engineering</th>
</tr>
</thead>
<tbody>
<tr>
<td>Volkswagen</td>
<td>Volkswagen Commercial Vehicles</td>
</tr>
<tr>
<td>Škoda</td>
<td>SEAT</td>
</tr>
<tr>
<td>Audi</td>
<td>Bentley</td>
</tr>
<tr>
<td>Bugatti</td>
<td>MAN</td>
</tr>
<tr>
<td>Bentley</td>
<td>Scania</td>
</tr>
<tr>
<td>Porsche</td>
<td>Porsche Holding Financial Services</td>
</tr>
<tr>
<td>Ducati</td>
<td></td>
</tr>
<tr>
<td>Remaining companies</td>
<td>Porsche Financial Services</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Volkswagen Financial Services at a Glance

Worldwide presence

Volkswagen Financial Services conducts business in 49 countries

Key figures 2013

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total assets</td>
<td>€ 115.1 bn</td>
</tr>
<tr>
<td>Equity</td>
<td>€ 11.6 bn</td>
</tr>
<tr>
<td>Customer deposits</td>
<td>€ 24.3 bn</td>
</tr>
<tr>
<td>Operating profit</td>
<td>€ 1.6 bn</td>
</tr>
<tr>
<td>Employees</td>
<td>10,945</td>
</tr>
<tr>
<td>Contracts (units)</td>
<td>10.7 m</td>
</tr>
</tbody>
</table>

Receivables

- Leasing: € 16.2 bn
- Wholesale: € 13.2 bn
- Credit: € 50.7 bn
Growth dimensions
Risk management

Success factor for solid growth

- Liquidity Risk
- Strategic Risk
- Reputation Risk
- Market Price Risk
- Shareholder Risk + Issuer Risk + Counterparty Risk
- Credit Risk
- Earnings Risk
- Residual Value Risk
- Other Risks*

Portfolio Structure

- Corporate 25%
- Retail 75%

* Liquidity Risk, Strategic Risk, Reputational Risk, Market Price Risk, Shareholder Risk + Issuer Risk + Counterparty Risk
Credit risk remains at low level despite challenging market environment
Residual value risks well covered by provisions
Funding structure Volkswagen Financial Services

Total € 115.1 bn

Strategic Debt Plan *

- Deposits € 24.3 bn (21.1%)
- Capital Markets € 4.1 bn (3.6%)
- Asset Backed Securitization € 16 bn (13.9%)
- Commercial Paper € 8.2 bn (7.1%)
- Liabilities to financial institutions € 11.5 bn (10%)
- Liabilities to affiliated companies € 7.4 bn (6.4%)
- Others € 11.6 bn (10.1%)

as of 31 December 2013

* strategic funding allocation
DCM Strategy Volkswagen Automotive and Volkswagen Financial Services

VOLKSWAGEN

(A3 / A1- Rating)

100% Owner +
Control and Profit Transfer Agreement

VOLKSWAGEN FINANCIAL SERVICES

(A3 / A- Rating)

Guarantee

VW Automotive Companies:
VW International Finance…..

Guarantee

VW FS AG Companies:
VW Leasing,
VW FS Japan…

DCM Investors worldwide
Volkswagen Financial Services’ worldwide capital market activities

- **VW Credit Canada Inc.**
  - €25 bn Debt Issuance Program (VW Group)
  - CAD 1 bn CP Program

- **VW FS Group**
  - €10 bn CP Program
  - €18 bn Debt Issuance Program

- **VW Bank**
  - €2.5 bn CP Program
  - €10 bn Debt Issuance Program

- **VW Bank Polska**
  - VW Leasing Polska
  - PLN 3 bn Debt Issuance Program

- **VW Credit Inc. (USA)**
  - $4 bn CP Program (VWoA + VW Credit Inc.)
  - €10 bn CP Program (VW Group)
  - €25 bn Debt Issuance Program (VW Group)
  - 144a Bond issuances via VIF

- **VW Bank Russia**
  - domestic 50bn RUB bond Program

- **VW FS Japan**
  - JPY 60 bn ECP Program

- **VW FS India**
  - domestic INR CP + Bond Issuances

- **VW Leasing Mexico**
  - MXN 15 bn Dual Program*

- **VW Bank Mexico**
  - MXN 7 bn Debt Issuance Program

- **VDF Turkey**
  - domestic TRY bond issuances

- **Banco VW Brazil**
  - domestic Letra Financeira

- **VW FS Korea**
  - Project phase

- **VW FS Australia**
  - AUD 3 bn Debt Issuance Program

- **VW Finance China**
  - Feasibility study

*Dual = CP + Debt Issuance
### DCM Activities in 2013 / 2014 worldwide

<table>
<thead>
<tr>
<th>Region</th>
<th>Issuances</th>
<th>Amount</th>
<th>Tenor</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Germany:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>VW FS AG</td>
<td>2</td>
<td>300 m EUR</td>
<td>1.5 to 2 years</td>
</tr>
<tr>
<td><strong>Germany:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>VW Leasing</td>
<td>6</td>
<td>3.325 m EUR</td>
<td>2 to 10 years</td>
</tr>
<tr>
<td><strong>Germany:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>VW Bank</td>
<td>16</td>
<td>3.850 m EUR</td>
<td>1 to 5 years</td>
</tr>
<tr>
<td><strong>Australia:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>VW FS Australia</td>
<td>1</td>
<td>250 m AUD</td>
<td>4 years</td>
</tr>
<tr>
<td><strong>Japan:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>VW FS Japan</td>
<td>9</td>
<td>25,000 m JPY</td>
<td>3 to 5 years</td>
</tr>
<tr>
<td><strong>India:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>VW FS India</td>
<td>4</td>
<td>6,000 m INR</td>
<td>2 to 3 years</td>
</tr>
<tr>
<td><strong>Mexico:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>VW Bank/Leasing</td>
<td>3</td>
<td>6,000 m MXN</td>
<td>2.5 to 4 years</td>
</tr>
<tr>
<td><strong>Brasil:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Banco VW</td>
<td>6</td>
<td>880 m BRL</td>
<td>2 years</td>
</tr>
<tr>
<td><strong>International:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>VW FS N.V.</td>
<td>26</td>
<td>3.375 m EUR*</td>
<td>1 to 5.5 years</td>
</tr>
<tr>
<td><strong>Turkey:</strong></td>
<td>1</td>
<td>100 m TRY</td>
<td>1.5 years</td>
</tr>
</tbody>
</table>

* Issues in various Currencies (NOK, SEK, GBP, EUR, TRY)
## Rating History

<table>
<thead>
<tr>
<th></th>
<th>Moody's</th>
<th>S&amp;P</th>
</tr>
</thead>
<tbody>
<tr>
<td>Toyota</td>
<td>Aa3</td>
<td>AA-</td>
</tr>
<tr>
<td>Honda</td>
<td>A1</td>
<td>A+</td>
</tr>
<tr>
<td>BMW</td>
<td>A2</td>
<td>A+</td>
</tr>
<tr>
<td>VW AG / VW FS AG</td>
<td>A3 ¹)</td>
<td>A- ¹)</td>
</tr>
<tr>
<td>VW Bank GmbH</td>
<td>A3 ¹)</td>
<td>A- ¹)</td>
</tr>
<tr>
<td>MAN</td>
<td>A3</td>
<td>--  ²)</td>
</tr>
<tr>
<td>Scania</td>
<td>--</td>
<td>A-</td>
</tr>
<tr>
<td>Daimler</td>
<td>A3</td>
<td>A-</td>
</tr>
<tr>
<td>RCI Banque</td>
<td>Baa3</td>
<td>BBB</td>
</tr>
<tr>
<td>FMCC</td>
<td>Baa3</td>
<td>BBB-</td>
</tr>
<tr>
<td>Banque PSA</td>
<td>Ba1</td>
<td>BB+</td>
</tr>
</tbody>
</table>

¹) Outlook: positive  ²) Rating withdrawn at company's request as of Dec. 2012

Volkswagen Financial Services AG has a solid and stable rating history.

Data Source: Reuters
## Volkswagen Group – Headline Figures
(January to March 2014)

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
<th>+/- (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deliveries to customers1)</td>
<td>'000 units</td>
<td>2,442</td>
<td>2,314</td>
</tr>
<tr>
<td>Vehicle sales1)</td>
<td>'000 units</td>
<td>2,562</td>
<td>2,375</td>
</tr>
<tr>
<td>Production1)</td>
<td>'000 units</td>
<td>2,565</td>
<td>2,388</td>
</tr>
<tr>
<td>Sales revenue</td>
<td>€ million</td>
<td>47,831</td>
<td>46,565</td>
</tr>
<tr>
<td>Operating profit</td>
<td>€ million</td>
<td>2,855</td>
<td>2,344</td>
</tr>
<tr>
<td>Profit before tax</td>
<td>€ million</td>
<td>3,357</td>
<td>2,688</td>
</tr>
<tr>
<td>Profit after tax</td>
<td>€ million</td>
<td>2,468</td>
<td>1,946</td>
</tr>
</tbody>
</table>

### Automotive Division2)

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
<th>+/- (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash flows from operating activities</td>
<td>€ million</td>
<td>2,251</td>
<td>3,528</td>
</tr>
<tr>
<td>Cash flows from investing activities3)</td>
<td>€ million</td>
<td>2,302</td>
<td>3,942</td>
</tr>
<tr>
<td>Of which investments in property, plant &amp; equipment</td>
<td>€ million</td>
<td>1,625</td>
<td>1,672</td>
</tr>
<tr>
<td>Net cash flow</td>
<td>€ million</td>
<td>-52</td>
<td>-414</td>
</tr>
<tr>
<td>Net liquidity at March 31</td>
<td>€ million</td>
<td>17,714</td>
<td>10,649</td>
</tr>
</tbody>
</table>

---

1) Volume data including the unconsolidated Chinese joint ventures. These companies are accounted for using the equity method. All figures shown are rounded, so minor discrepancies may arise from addition of these amounts. 2012 deliveries updated on the basis of statistical extrapolations.

2) Including allocation of consolidation adjustments between the Automotive and Financial Services divisions.

3) Excluding acquisition and disposal of equity investments: January – March €2,702 million (€2,208 million).
Volkswagen’s Automotive Division further strengthens innovation and technology leadership

### Investments in property, plant and equipment

<table>
<thead>
<tr>
<th>Year</th>
<th>€ billion</th>
<th>in % of sales revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>5.8</td>
<td>6.2%</td>
</tr>
<tr>
<td>2010</td>
<td>5.7</td>
<td>5.0%</td>
</tr>
<tr>
<td>2011</td>
<td>7.9</td>
<td>5.6%</td>
</tr>
<tr>
<td>2012</td>
<td>10.3</td>
<td>5.9%</td>
</tr>
<tr>
<td>2013</td>
<td>11.0</td>
<td>6.3%</td>
</tr>
<tr>
<td>2014</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Capex to sales ratio between 6 and 7%

### Investment Program 2014 to 2018

- **€84.2 bn**
  - Modernizing and extending the product range
- **€63.4 bn**
  - Investments in property, plant and equipment
- **€22.2 bn**
  - Cross-product investments
- **€19.5 bn**
  - Capitalized R&D
- **€1.3 bn**
  - Others

- Over two-thirds will continue to flow into increasingly efficient vehicles, drives and technologies, as well as environmentally friendly production.
- In addition, China JVs will invest a total of €18.2 bn in new production facilities and products (fully self funded).

Note: All figures shown are rounded.
Continuous dividend development on a sustainable basis

Development of dividend pay-out...

in € per share

<table>
<thead>
<tr>
<th>Year</th>
<th>Volkswagen Ordinary Shares</th>
<th>Volkswagen Preferred Shares</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>3.00</td>
<td>15.7%³</td>
</tr>
<tr>
<td>2012</td>
<td>3.06</td>
<td>17.8%³</td>
</tr>
<tr>
<td>2013</td>
<td>3.50</td>
<td>20.6%³</td>
</tr>
<tr>
<td></td>
<td>4.00²</td>
<td></td>
</tr>
<tr>
<td></td>
<td>4.06²</td>
<td></td>
</tr>
</tbody>
</table>

... and pay-out ratio

<table>
<thead>
<tr>
<th>Year</th>
<th>Mid-term target</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>30%</td>
</tr>
<tr>
<td>2012</td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td></td>
</tr>
</tbody>
</table>

1) Total dividend in percent of net income attributable to shareholders adjusted for noncash income mainly from the updated measurement of the put/call rights relating to the acquisition of the stake in Porsche AG indirectly held by Porsche SE, as well as the remeasurement of the existing stake held at the contribution date.

2) Dividend proposal to Annual General Meeting on 13 May 2014.
Driving the future – Serving all customer needs

<table>
<thead>
<tr>
<th>Year</th>
<th>Hybrid vehicle (PHEV)</th>
<th>Battery vehicle (BEV)</th>
<th>Compressed Natural Gas</th>
<th>Ethanol</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>Volkswagen XL1</td>
<td>Volkswagen e-up!</td>
<td>Audi A3 g-tron</td>
<td>Volkswagen Saveiro</td>
</tr>
<tr>
<td></td>
<td>Porsche 918 Spyder</td>
<td></td>
<td>Volkswagen Golf TGI</td>
<td>Volkswagen Gol Rallye</td>
</tr>
<tr>
<td></td>
<td>Porsche Panamera S E-Hybrid</td>
<td>Volkswagen e-Golf</td>
<td>SEAT León TGI</td>
<td>Volkswagen Fox Bluemotion</td>
</tr>
<tr>
<td>2014</td>
<td>Audi A3 e-tron</td>
<td>SEAT León ST</td>
<td>SKODA Octavia Sedan</td>
<td>Volkswagen up!</td>
</tr>
<tr>
<td></td>
<td>Volkswagen Golf GTE</td>
<td>SKODA Octavia Combi</td>
<td>ŠKODA Octavia Sedan</td>
<td>Volkswagen CrossFox</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Volkswagen SpaceFox</td>
</tr>
</tbody>
</table>

1) Market introduction of Volkswagen Group models with alternative drivetrains
2) Developed for distribution in the Brazilian market
Volkswagen Group: Global automotive leader 2018

Economic and environmental leadership in the global automotive industry

<table>
<thead>
<tr>
<th>Economic leadership</th>
<th>Environmental leadership</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expansion of brand and product portfolio</td>
<td>Diversified portfolio of drivetrain technologies</td>
</tr>
<tr>
<td>Increasing global footprint and emerging markets presence</td>
<td>Continuous improvements in internal combustion engines</td>
</tr>
<tr>
<td>Realization of cost savings, toolkit modularization and localization of products</td>
<td>Leadership in alternative powertrain technologies</td>
</tr>
<tr>
<td>Creation of sustainable value</td>
<td>25 percent less energy and water consumption, waste and emissions in Group production</td>
</tr>
</tbody>
</table>
# Restructured Credit Facility (Amend and Extend)

<table>
<thead>
<tr>
<th></th>
<th>Recent:</th>
<th>New:</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Amount</strong></td>
<td>€5.0 bn</td>
<td>€5.0 bn</td>
</tr>
<tr>
<td><strong>Borrower</strong></td>
<td>Volkswagen AG</td>
<td>Volkswagen AG</td>
</tr>
<tr>
<td><strong>Maturity</strong></td>
<td>July 28th 2018</td>
<td>April 29th 2019</td>
</tr>
<tr>
<td><strong>Purpose</strong></td>
<td>General Corporate Purposes</td>
<td>General Corporate Purposes</td>
</tr>
<tr>
<td><strong>Margin</strong></td>
<td>35 bps (Rating Grid)</td>
<td>25 bps (Rating Grid)</td>
</tr>
</tbody>
</table>

## Highlights
- Tightest margin for a A3 / A- corporate since 2008
- Syndicate of 33 banks
- Two extension options for a further year
# Volkswagen Group Funding Strategy – Programs & Outstandings

**March 31, 2014**

### Money and Capital Markets in € bn

<table>
<thead>
<tr>
<th></th>
<th>Authorization</th>
<th>Utilization</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial Papers</td>
<td>24.6</td>
<td>5.5</td>
</tr>
<tr>
<td>Medium Term Notes / Bonds</td>
<td>76.1</td>
<td>38.6</td>
</tr>
<tr>
<td>USA – 144A Notes</td>
<td>17.5</td>
<td>7.3</td>
</tr>
<tr>
<td>Hybrids</td>
<td>7.5</td>
<td>5.0</td>
</tr>
<tr>
<td>ABS</td>
<td>49.3</td>
<td>20.9</td>
</tr>
</tbody>
</table>

### Borrowings in € bn

<table>
<thead>
<tr>
<th></th>
<th>Authorization</th>
<th>Utilization</th>
</tr>
</thead>
<tbody>
<tr>
<td>Committed Lines</td>
<td>13.5</td>
<td>2.6</td>
</tr>
<tr>
<td>Uncommitted Lines</td>
<td>23.2</td>
<td>7.3</td>
</tr>
<tr>
<td>Supranationals, development banks, government, other</td>
<td>3.6</td>
<td>3.6</td>
</tr>
<tr>
<td>Direct Banking Deposits</td>
<td>./</td>
<td>21.6</td>
</tr>
<tr>
<td>Total Debt</td>
<td>./</td>
<td>112.4</td>
</tr>
</tbody>
</table>

Source: Volkswagen Group
Volkswagen Group Funding Strategy – Maturity Profile (€ m)$^1$}

$^1$as of March 31, 2014; excluding MAN Group and Scania AB
Source: Volkswagen Group
Key Highlights of the Subordinated Notes¹)

<table>
<thead>
<tr>
<th>Key Highlights</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Issuer</strong></td>
<td>Volkswagen International Finance N.V.</td>
</tr>
<tr>
<td><strong>Guarantor</strong></td>
<td>Volkswagen AG (subordinated)</td>
</tr>
<tr>
<td><strong>Tranching</strong></td>
<td>Perpetual – NC7 (€1.25 bn) &amp; NC12 (€ 1.75 bn)</td>
</tr>
<tr>
<td><strong>Subordination</strong></td>
<td>Senior only to the Junior Obligations of the Issuer and the Guarantor</td>
</tr>
<tr>
<td><strong>Interest Payments &amp; Deferral</strong></td>
<td>Fixed rate until the First Call Dates, thereafter reset fixed rate every 7 / 12 years</td>
</tr>
<tr>
<td></td>
<td>Step-up of 25bps from 24 March 2024 / 24 March 2026, and additional 75 bps from 24 March 2041 / 24 March 2046</td>
</tr>
<tr>
<td></td>
<td>Optional and cash cumulative interest deferral</td>
</tr>
<tr>
<td><strong>Issue Ratings</strong></td>
<td>Baa2 / BBB</td>
</tr>
<tr>
<td><strong>Equity Treatment</strong></td>
<td>Basket C (50%) from Moody's</td>
</tr>
<tr>
<td></td>
<td>Intermediate (50%) from S&amp;P until the first call date in year 7 / year 12</td>
</tr>
<tr>
<td></td>
<td>Equity classification under IFRS</td>
</tr>
<tr>
<td><strong>Denominations</strong></td>
<td>€1,000 with minimum purchase amount of €100,000</td>
</tr>
</tbody>
</table>

¹) Defined terms have the meaning set out in the Prospectus, dated 18 March 2014.
Volkswagen Financial Services offers the whole range of services under one roof.
Volkswagen Financial Services Operating income 2013 (regional split)

Growing international share

€1.614 bn

- Asia & Rest of World (7%)
- North America (22%)
- South America (13%)
- Europe (w/o Germany) (21%)
- Germany (37%)
Contract portfolio Volkswagen Financial Services

Growing contract portfolio

- Leasing
- Credit
- Insurance/Services


Units: million units

- 2001: 5.1 million units
- 2004: 5.9 million units
- 2007: 6.6 million units
- 2010: 7.5 million units
- 2013: 10.7 million units

Insurance/Services: 3.8 million units
Leasing: 2.0 million units
Credit: 4.9 million units
Penetration Volkswagen Financial Services

Rising penetration rates

<table>
<thead>
<tr>
<th>Year</th>
<th>w/o China</th>
<th>with China</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>26.4%</td>
<td>25.0%</td>
</tr>
<tr>
<td>2009</td>
<td>32.5%</td>
<td>24.7%</td>
</tr>
<tr>
<td>2010</td>
<td>32.9%</td>
<td>25.4%</td>
</tr>
<tr>
<td>2011</td>
<td>34.9%</td>
<td>27.5%</td>
</tr>
<tr>
<td>2012</td>
<td>36.3%</td>
<td>27.7%</td>
</tr>
<tr>
<td>2013</td>
<td>40.7%</td>
<td>43.0%</td>
</tr>
</tbody>
</table>
Volkswagen Financial Services: Growth dimension – Focus Markets
Volkswagen Financial Services: Growth dimension - Brands
Volkswagen Financial Services: Growth dimension - Products

From Sale of Cars …

- Financing
- Sale
- Leasing

Long Term Rental

Short Term Rental

Micro Mobility/ Car Sharing

Mobile (Online-)Services

Offer of Integrated Mobility („Mobility Pass“)

> 5 Y.  4 Y.  1 Y.  2 months  1 day  1 h

How often will the customer choose?

… to Sale of Mobility
Strong benefits for automotive through captive

**Equipment**
- Cash Payer: 100%
- Captive Customer: 126%

+ 26%

**Turnover**
- Cash Payer: 7.2
- Captive Customer: 4.8

Holding Period (years)
+ 34%

**Brand Loyalty**
- Switch to Competitor: 34% Cash Payer, 23% Captive Customer
- Stay Loyal: 66% Cash Payer, 76% Captive Customer

+ 17%
Bond Curve Volkswagen AG compared to Volkswagen Financial Services AG

One Risk – One Price

z-spread

-20bp
-10bp
0bp
+10bp
+20bp
+30bp
+40bp
+50bp
+60bp
+70bp

0y 1y 2y 3y 4y 5y 6y 7y 8y 9y 10y

- VW AG outstanding bonds
- VW corporate EUR bond curve
- VW FS outstanding bonds
- VW FS EUR bond curve
Volkswagen Financial Services’ worldwide ABS activities
ABS Activities in 2013 / 2014 Worldwide

- **Germany: VW Leasing**
  - 4 Issuances 2.600m EUR tenor: 1.8 to 2.5 years
- **Germany: VW Bank**
  - 3 Issuances 3.106m EUR tenor: 2.2 to 2.4 years
- **France: VW Bank**
  - 1 Issuance 500m EUR tenor: 1.8 years
- **Australia: VW FS Australia**
  - 1 Issuance 500m AUD tenor: 2.3 years
- **Japan: VW FS Japan**
  - 2 Issuances 5.800m JPY tenor: 2.4 to 2.5 years
- **UK: VW FS UK**
  - 1 Issuance 2.808m GBP tenor: 2.4 years
- **Brasil: Banco VW**
  - 1 Issuance 1.000m BRL tenor: 1.5 years
- **Netherlands: VWPFS**
  - 1 Issuance 328m EUR tenor: 2.3 years
## Volkswagen Financial Services AG

### Key data 2009 – 2013 (IFRS)

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Portfolio (‘000)</strong></td>
<td>6,028</td>
<td>6,144</td>
<td>6,852</td>
<td>7,977</td>
<td>8,848</td>
</tr>
<tr>
<td><strong>Retail + Leasing receivables (€ mn)</strong></td>
<td>40,538</td>
<td>44,148</td>
<td>47,513</td>
<td>53,439</td>
<td>56,582</td>
</tr>
<tr>
<td><strong>Wholesale receivables (€ mn)</strong></td>
<td>8,391</td>
<td>8,828</td>
<td>10,412</td>
<td>10,781</td>
<td>11,082</td>
</tr>
<tr>
<td><strong>Customer deposits (€ mn)</strong></td>
<td>19,532</td>
<td>20,129</td>
<td>23,795</td>
<td>24,889</td>
<td>24,286</td>
</tr>
<tr>
<td><strong>Employees</strong></td>
<td>6,775</td>
<td>6,797</td>
<td>7,322</td>
<td>8,770</td>
<td>9,498</td>
</tr>
<tr>
<td><strong>IFRS profit before tax (€ mn)</strong></td>
<td>554</td>
<td>870</td>
<td>933</td>
<td>992</td>
<td>1,315</td>
</tr>
</tbody>
</table>
Volkswagen Jetta
ŠKODA Octavia Scout
SEAT Leon Cupra
Porsche Macan Turbo
Bentley Continental GT V8 S Convertible
Lamborghini Huracán LP 610-4
Ducati Diavel Carbon
Volkswagen Multivan Alltrack
MAN TGX Euro 6
Scania R 730 6x4
Volkswagen Group: Financial sustainability on core strengths

Oliver Larkin / Kai Otto
Volkswagen Aktiengesellschaft

Bernd Bode / Ulrich Hauswaldt
Volkswagen Financial Services

Unicredit Automotive Credit Conference, London, 20 - 21 May 2014