Volkswagen Group: Financial sustainability on core strengths

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Volkswagen Aktiengesellschaft

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Volkswagen Financial Services

Roadshow with Barclays, Edinburgh, 21 - 22 May 2014
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Volkswagen Investor Update

Oliver Larkin – Senior Investor Relations Manager
Volkswagen AG

Bernd Bode– Head of Group Treasury and Investor Relations
Volkswagen Financial Services
Ulrich Hauswaldt – Investor Relations
Volkswagen Financial Services
Highlights January – March 2014

- Sales revenue grew despite currency headwinds
- Operating result improved in an ongoing difficult market environment
- Profit before tax developed positively supported by earnings from China
- Solid automotive net liquidity strengthened by hybrid note
**Financial Highlights – Volkswagen Group**  
(January to March 2014 vs. 2013)

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2014</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sales revenue</strong></td>
<td>€ 46,565</td>
<td>€ 47,831</td>
<td>+ 2.7%</td>
</tr>
<tr>
<td><strong>Operating profit</strong></td>
<td>€ 2,344</td>
<td>€ 2,855</td>
<td>+ 21.8%</td>
</tr>
<tr>
<td><strong>Profit before tax</strong></td>
<td>€ 2,688</td>
<td>€ 3,357</td>
<td>+ 24.9%</td>
</tr>
<tr>
<td><strong>Profit after tax</strong></td>
<td>€ 1,946</td>
<td>€ 2,468</td>
<td>+ 26.8%</td>
</tr>
</tbody>
</table>
Development World Car Market vs. Volkswagen Group Car Deliveries to Customers

(Growth y-o-y in deliveries to customers, January to March 2014 vs. 2013)

<table>
<thead>
<tr>
<th>World:</th>
<th>Car Market: 5.2%</th>
<th>Volkswagen Group: 6.2%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Car Market</td>
<td>VW Group</td>
<td>Car Market</td>
</tr>
<tr>
<td>Car Market</td>
<td>VW Group</td>
<td>Car Market</td>
</tr>
<tr>
<td>North America</td>
<td>-6.2%</td>
<td>7.2%</td>
</tr>
<tr>
<td>South America</td>
<td>-22.4%</td>
<td>-4.0%</td>
</tr>
<tr>
<td>Rest of World</td>
<td>-4.4%</td>
<td>2.7%</td>
</tr>
<tr>
<td>Asia Pacific</td>
<td></td>
<td>10.0%</td>
</tr>
</tbody>
</table>

\(^1\) Figures excl. Volkswagen Commercial Vehicles, Scania and MAN
Volkswagen Group – Deliveries to Customers by Brands (January to March 2014 vs. 2013)

Volkswagen Group

January – March 2013
January – March 2014

Passenger Cars

- 2,314 to 2,442 (+5.6%)
- 1,426 to 1,481 (+3.9%)
- 369 to 413 (+11.7%)
- 220 to 247 (+12.1%)
- 87 to 93 (+7.3%)
- 37 to 39 (+4.5%)
- 2 to 3 (+16.6%)

1) Incl. Volkswagen Commercial Vehicles, Scania and MAN; 6.2% excl. Volkswagen Commercial Vehicles, Scania and MAN
Volkswagen Group – Commercial Vehicles Deliveries to Customers by Brands
(January to March 2014 vs. 2013)

January – March 2013
January – March 2014

Volkswagen Group

Commercial Vehicles

2,314
2,442

1) Incl. Volkswagen Commercial Vehicles, Scania and MAN; 6.2% excl. Volkswagen Commercial Vehicles, Scania and MAN
2) MAN incl. MAN Latin America Trucks and Buses GVW > 5t
### Volkswagen Group – Analysis by Division¹)
(January – March 2014)

<table>
<thead>
<tr>
<th></th>
<th>Volkswagen Group</th>
<th>Automotive Division</th>
<th>Financial Services Division</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vehicle sales</td>
<td>2,562</td>
<td>2,375</td>
<td>2,562</td>
</tr>
<tr>
<td>Sales revenue</td>
<td>47,831</td>
<td>46,565</td>
<td>42,054</td>
</tr>
<tr>
<td>Operating profit</td>
<td>2,855</td>
<td>2,344</td>
<td>2,425</td>
</tr>
<tr>
<td>% of sales revenue</td>
<td>6.0</td>
<td>5.0</td>
<td>5.8</td>
</tr>
<tr>
<td>Financial result</td>
<td>502</td>
<td>344</td>
<td>465</td>
</tr>
<tr>
<td>of which: At-equity result²)</td>
<td>994</td>
<td>892</td>
<td>984</td>
</tr>
<tr>
<td>of which: Other financial result</td>
<td>-492</td>
<td>-548</td>
<td>-519</td>
</tr>
<tr>
<td>Profit before tax</td>
<td>3,357</td>
<td>2,688</td>
<td>2,890</td>
</tr>
<tr>
<td>% Return on sales before tax</td>
<td>7.0</td>
<td>5.8</td>
<td>6.9</td>
</tr>
<tr>
<td>Profit after tax</td>
<td>2,468</td>
<td>1,946</td>
<td>2,125</td>
</tr>
</tbody>
</table>

¹) All figures shown are rounded, so minor discrepancies may arise from addition of these amounts. Including allocation of consolidation adjustments between the Automotive and Financial Services divisions.

²) The joint venture companies in China are accounted for using the equity method and recorded an operating profit (proportionate) of €1,241 million (€1,156 million).
Volkswagen Group – Analysis of Operating Profit\(^1\)

<table>
<thead>
<tr>
<th></th>
<th>Jan – Mar 2013</th>
<th>Volume/ Mix/ Prices</th>
<th>Exchange rates</th>
<th>Product costs</th>
<th>Fixed costs/ start-up costs</th>
<th>Commercial Vehicles, Power Engineering</th>
<th>Financial Services Division</th>
<th>Jan – Mar 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>0.8</td>
<td>-0.4</td>
<td>0.4</td>
<td>-0.5</td>
<td>0.3</td>
<td>0.0</td>
<td>2.9</td>
</tr>
<tr>
<td>Passenger Cars</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

\(^1\) All figures shown are rounded, minor discrepancies may arise from addition of these amounts.
# Volkswagen Group – Analysis by Business Line

(1) All figures shown are rounded, minor discrepancies may arise from addition of these amounts.  
2) Incl. financial services.  
3) MAN Finance International GmbH has been reported within Volkswagen Financial Services since its acquisition by Financial Services AG as of January 1, 2014. The prior-year figures have not been adjusted.  
4) Sales revenue and operating profit of the JV's in China are not included in the Group figures. The Chinese companies are accounted for using the equity method and recorded an operating profit (proportionate) of €1,241 million (€1,156 million).  
5) Mainly intragroup items, in particular from elimination of intercompany profits; incl. depreciation and amortization of identifiable assets as part of the PPA for Scania, Porsche Holding Salzburg, MAN and Porsche.

## Volkswagen Group – Analysis by Business Line

### (January – March 2014)

<table>
<thead>
<tr>
<th></th>
<th>Vehicle sales</th>
<th>Sales revenue</th>
<th>Operating profit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Volkswagen Passenger Cars</td>
<td>1,112</td>
<td>1,149</td>
<td>24,153</td>
</tr>
<tr>
<td>Audi</td>
<td>367</td>
<td>330</td>
<td>12,951</td>
</tr>
<tr>
<td>ŠKODA</td>
<td>214</td>
<td>179</td>
<td>2,986</td>
</tr>
<tr>
<td>SEAT</td>
<td>120</td>
<td>111</td>
<td>1,787</td>
</tr>
<tr>
<td>Bentley</td>
<td>3</td>
<td>2</td>
<td>451</td>
</tr>
<tr>
<td>Porsche&lt;sup&gt;2)&lt;/sup&gt;</td>
<td>42</td>
<td>36</td>
<td>3,934</td>
</tr>
<tr>
<td>Volkswagen Commercial Vehicles</td>
<td>110</td>
<td>102</td>
<td>2,356</td>
</tr>
<tr>
<td>Scania&lt;sup&gt;2)&lt;/sup&gt;</td>
<td>19</td>
<td>17</td>
<td>2,467</td>
</tr>
<tr>
<td>MAN&lt;sup&gt;3)&lt;/sup&gt;</td>
<td>26</td>
<td>30</td>
<td>3,138</td>
</tr>
<tr>
<td>VW China&lt;sup&gt;4)&lt;/sup&gt;</td>
<td></td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>Other</td>
<td>-396</td>
<td>-348</td>
<td>-11,514</td>
</tr>
<tr>
<td>Volkswagen Financial Services&lt;sup&gt;3)&lt;/sup&gt;</td>
<td>-</td>
<td>-</td>
<td>5,123</td>
</tr>
<tr>
<td>Volkswagen Group</td>
<td>2,562</td>
<td>2,375</td>
<td>47,831</td>
</tr>
<tr>
<td>Automotive Division</td>
<td>2,562</td>
<td>2,375</td>
<td>42,054</td>
</tr>
<tr>
<td>of which: Passenger Cars</td>
<td>2,407</td>
<td>2,226</td>
<td>34,172</td>
</tr>
<tr>
<td>of which: Commercial Vehicles, Power Engineering</td>
<td>155</td>
<td>149</td>
<td>7,881</td>
</tr>
<tr>
<td>Financial Services Division</td>
<td>-</td>
<td>-</td>
<td>5,777</td>
</tr>
</tbody>
</table>

<sup>1)</sup> All figures shown are rounded, minor discrepancies may arise from addition of these amounts.  
<sup>2)</sup> Incl. financial services.  
<sup>3)</sup> MAN Finance International GmbH has been reported within Volkswagen Financial Services since its acquisition by Financial Services AG as of January 1, 2014. The prior-year figures have not been adjusted.  
<sup>4)</sup> Sales revenue and operating profit of the JV's in China are not included in the Group figures. The Chinese companies are accounted for using the equity method and recorded an operating profit (proportionate) of €1,241 million (€1,156 million).  
<sup>5)</sup> Mainly intragroup items, in particular from elimination of intercompany profits; incl. depreciation and amortization of identifiable assets as part of the PPA for Scania, Porsche Holding Salzburg, MAN and Porsche.
Automotive Division – Strong Cash Generation\(^1\) \(^2\)
(January – March 2014)

<table>
<thead>
<tr>
<th>in € billion</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.0</td>
</tr>
<tr>
<td>2.0</td>
</tr>
<tr>
<td>1.0</td>
</tr>
<tr>
<td>0.0</td>
</tr>
<tr>
<td>-1.0</td>
</tr>
</tbody>
</table>

- 1.6 (3.9%\(^3\))
- 1.2
- 0.1
- 0.5
- 0.4
- 0.1

<table>
<thead>
<tr>
<th>2013</th>
<th>3.5</th>
<th>-1.7 (4.1%(^3))</th>
<th>-0.7</th>
<th>0.2</th>
<th>1.3</th>
<th>-1.7</th>
<th>-0.4</th>
</tr>
</thead>
</table>

- 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

\(^1\) 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’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>Q1: 2014</td>
<td>1.7 (4.1%)</td>
<td></td>
</tr>
<tr>
<td>Q1: 2015</td>
<td>1.6 (3.3%)</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

<table>
<thead>
<tr>
<th>Year</th>
<th>VW Ordinary Shares</th>
<th>VW Preferred Shares</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>€3.00</td>
<td>€3.06</td>
</tr>
<tr>
<td>2012</td>
<td>€3.50</td>
<td>€3.56</td>
</tr>
<tr>
<td>2013</td>
<td>€4.00</td>
<td>€4.06</td>
</tr>
</tbody>
</table>

- **Development of dividend pay-out...**
- **... and pay-out ratio**

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.
Strong cash generation and sufficient net liquidity

Operating cash flow and investments (automotive)

<table>
<thead>
<tr>
<th>Year</th>
<th>Op. cash flow</th>
<th>Investing cash flow 1)</th>
<th>Equity investments 2)</th>
<th>Net cash flow 3)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>13.7 €bn</td>
<td>-5.7 €bn</td>
<td>-0.9 €bn</td>
<td>-13.7 €bn</td>
</tr>
<tr>
<td>2008</td>
<td>8.0 €bn</td>
<td>-8.9 €bn</td>
<td>-2.6 €bn</td>
<td>-16.5 €bn</td>
</tr>
<tr>
<td>2009</td>
<td>8.8 €bn</td>
<td>-7.6 €bn</td>
<td>-2.7 €bn</td>
<td>-19.1 €bn</td>
</tr>
<tr>
<td>2010</td>
<td>12.8 €bn</td>
<td>-7.0 €bn</td>
<td>-2.1 €bn</td>
<td>-19.9 €bn</td>
</tr>
<tr>
<td>2011</td>
<td>13.9 €bn</td>
<td>-9.4 €bn</td>
<td>-6.6 €bn</td>
<td>-26.3 €bn</td>
</tr>
<tr>
<td>2012</td>
<td>17.1 €bn</td>
<td>-12.5 €bn</td>
<td>-3.9 €bn</td>
<td>-32.7 €bn</td>
</tr>
<tr>
<td>2013</td>
<td>16.2 €bn</td>
<td>-14.5 €bn</td>
<td>-17.7 €bn</td>
<td>-40.7 €bn</td>
</tr>
</tbody>
</table>

Net liquidity (automotive)

<table>
<thead>
<tr>
<th>Year</th>
<th>Net liquidity</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>13.5 €bn</td>
</tr>
<tr>
<td>2008</td>
<td>8.0 €bn</td>
</tr>
<tr>
<td>2009</td>
<td>10.6 €bn</td>
</tr>
<tr>
<td>2010</td>
<td>18.6 €bn</td>
</tr>
<tr>
<td>2011</td>
<td>17.0 €bn</td>
</tr>
<tr>
<td>2012</td>
<td>10.6 €bn</td>
</tr>
<tr>
<td>2013</td>
<td>16.9 €bn</td>
</tr>
<tr>
<td>Q1 2014</td>
<td>17.7 €bn</td>
</tr>
</tbody>
</table>

1) Cash flow from investing activities attributable to operating activities excl. cash flow from acquisition and disposal of equity investments
2) Cash flow from acquisition and disposal of equity investments
3) Net cash flow before acquisition and disposal of equity investments
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.
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

Leading in customer satisfaction and quality
- Volumes > 10 million units p.a.\(^2\)

Volkswagen Group profit before tax margin > 8%

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

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\(^1\) 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
Volkswagen Group – Leveraging the power of three strong pillars

<table>
<thead>
<tr>
<th>Automotive Division</th>
<th>Financial Services Division</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Passenger Cars</strong></td>
<td><strong>Volkswagen Financial Services</strong></td>
</tr>
<tr>
<td>Volkswagen</td>
<td>Europe / Asia-Pacific / North and South America</td>
</tr>
<tr>
<td>Audi</td>
<td>Financial Services</td>
</tr>
<tr>
<td>Škoda</td>
<td>USA / Canada / Spain / Argentina</td>
</tr>
<tr>
<td>Bentley</td>
<td>Scania Financial Services</td>
</tr>
<tr>
<td>Bugatti</td>
<td>Porsche Holding Financial Services</td>
</tr>
<tr>
<td>Porsche</td>
<td>Porsche Financial Services</td>
</tr>
<tr>
<td>Remaining companies</td>
<td></td>
</tr>
<tr>
<td><strong>Commercial Vehicles / Power Engineering</strong></td>
<td></td>
</tr>
<tr>
<td>Volkswagen</td>
<td></td>
</tr>
<tr>
<td>Commercial Vehicles</td>
<td></td>
</tr>
<tr>
<td>Scania</td>
<td></td>
</tr>
<tr>
<td>MAN</td>
<td></td>
</tr>
</tbody>
</table>

Volkswagen Financial Services

Porsche Holding Financial Services

Porsche Financial Services

Financial Services

Scania Financial Services
Passenger Cars – Nine independent brands addressing all customer needs

Automotive Division

Passenger Cars

- Volkswagen
- Audi
- Škoda
- Bentley
- Seat
- Bugatti
- Lamborghini
- Porsche
- Ducati

Remaining companies
Passenger Cars – Strong market penetration through well positioned and differentiated brands

Positioning focus

**Volume brands:**
- **Volkswagen**
  Mainstream mobility for the upmarket driver
- **ŠKODA**
  Functional and roomy cars for the product-value focussed audience
- **SEAT**
  Sporty and stylish for the young and young-in-mind driver

**Premium brands:**
- **Audi**
  Progressive prestige for innovation seekers
- **Porsche**
  Sporty prestige for the elite high end client

Source: Volkswagen Group, EU 5 markets
Key sales markets offer substantial growth opportunities
Market growth 2012 – 2018 (million units)

North America
- 2012: 17.2
- 2015: 19.4
- 2018: 19.6
- Growth: +14%

Western Europe
- 2012: 13.2
- 2015: 13.7
- 2018: 15.0
- Growth: +26%

Central & Eastern Europe (incl. Russia)
- 2012: 4.3
- 2015: 4.2
- 2018: 5.4
- Growth: +26%

South America
- 2012: 5.9
- 2015: 6.1
- 2018: 7.1
- Growth: +20%

China (incl. HK)
- 2012: 18.6
- 2015: 25.0
- 2018: 29.1
- Growth: +56%

India
- 2012: 3.3
- 2015: 3.5
- 2018: 4.8
- Growth: +46%

World
- 2012: 80
- 2015: 90
- 2018: 100
- Growth: +26%

1) Includes Cyprus and Malta
2) Includes Central America and Caribbean
Source: IHS Automotive (data status: March 2014), rounded
Note: Market = Cars and LCVs
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>9.5%</td>
<td>10.9%</td>
<td>3.8%</td>
<td>13.5%</td>
<td>17.7%</td>
<td>16.6%</td>
<td>14.5%</td>
<td>&gt; 16%</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>

<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
Volkswagen Passenger Cars – The Group’s new markets spearhead

Chattanooga (2011)

Kaluga (2007)

Silao (2013)

Pune (2009)

Ningbo (2013)
Changsha (2015)
Urumqi (2013)
Foshan (2013)

High investments, such as
- ramping up local production
- technology transfer
- building up dealer network …

will pay off with
- higher deliveries to customers
- higher brand returns
- significant synergy potential within the Group

Dealer increase:
- >20%
- >50%
- >120%
- >170%
- >650%

Dealer increase:

1 Expected growth of number of dealerships 2008 – 2015
Volkswagen Passenger Cars – The Group’s front-runner

Deliveries to customers ('000 units)\(^1\)

- Rest of World
- Asia Pacific
- South America
- North America
- Europe (w/o Germany)
- Germany

Key drivers to achieve targets

- Drive regional diversification in sales and production with local products for local needs
- Continue product firework including further derivatives
- Utilize margin potential in growth regions
- Successful execution of MQB strategy
- Strict cost and investment discipline while retaining quality and price leadership

Lead role in terms of...

- Powertrain
- MQB
- Sustainability

Sustainability

- DSG

Operating profit margin\(^2\)

- 2007: 2.6%
- 2008: 3.7%
- 2009: 0.9%
- 2010: 2.7%
- 2011: 4.0%
- 2012: 3.5%
- 2013: 2.9%
- Target: > 6%

\(^1\) Including deliveries to customers by joint venture companies in China
\(^2\) Excluding operating profit of joint venture companies in China which are accounted for using the equity method
ŠKODA – Growing sustainably and profitably

Deliveries to customers (‘000 units)\(^1\)

<table>
<thead>
<tr>
<th>Year</th>
<th>Rest of world</th>
<th>Asia Pacific</th>
<th>CEE</th>
<th>Western Europe</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>500</td>
<td>500</td>
<td>250</td>
<td>250</td>
<td>1,500</td>
</tr>
<tr>
<td>2008</td>
<td>550</td>
<td>550</td>
<td>275</td>
<td>275</td>
<td>1,650</td>
</tr>
<tr>
<td>2009</td>
<td>600</td>
<td>600</td>
<td>300</td>
<td>300</td>
<td>1,800</td>
</tr>
<tr>
<td>2010</td>
<td>650</td>
<td>650</td>
<td>325</td>
<td>325</td>
<td>1,950</td>
</tr>
<tr>
<td>2011</td>
<td>700</td>
<td>700</td>
<td>350</td>
<td>350</td>
<td>2,050</td>
</tr>
<tr>
<td>2012</td>
<td>750</td>
<td>750</td>
<td>375</td>
<td>375</td>
<td>2,250</td>
</tr>
<tr>
<td>2013</td>
<td>800</td>
<td>800</td>
<td>400</td>
<td>400</td>
<td>2,400</td>
</tr>
<tr>
<td>2014</td>
<td>850</td>
<td>850</td>
<td>425</td>
<td>425</td>
<td>2,550</td>
</tr>
<tr>
<td>2015</td>
<td>900</td>
<td>900</td>
<td>450</td>
<td>450</td>
<td>2,700</td>
</tr>
</tbody>
</table>

Portfolio expansion

- Citigo +1
- Rapid +1
- Spaceback +1
- New SUV +1
- Total 9

Key drivers to achieve targets

- Continue model firework and improving positioning
- Entering new segments (broader model portfolio)
- Continue regional diversification in sales and production: focus on emerging markets
- Increase production efficiency

Operating profit margin\(^2\)

<table>
<thead>
<tr>
<th>Year</th>
<th>Rest of world</th>
<th>Asia Pacific</th>
<th>CEE</th>
<th>Western Europe</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>8.9%</td>
<td>7.0%</td>
<td>2.9%</td>
<td>5.1%</td>
<td>6.8%</td>
</tr>
<tr>
<td>2008</td>
<td>7.2%</td>
<td>6.8%</td>
<td>5.1%</td>
<td>5.1%</td>
<td>6-8%</td>
</tr>
</tbody>
</table>

\(^1\) Including deliveries to customers by joint venture companies in China
\(^2\) Joint Venture companies in China are consolidated at equity in the financial result of the Volkswagen Group
\(^3\) Sustainable operating profit margin target range to be achieved in the mid-term
SEAT – Three cornerstones to sustainable profitability

Deliveries to customers (‘000 units)

Strategic actions to achieve targets

1. Focus on models and segments with higher profitability
2. Increase sales performance through comprehensive structure enhancement and streamlining of dealerships
3. Strict cost and investment discipline in all areas to improve profitability
Audi – Focused on leadership in image, volume and profit

**Deliveries to customers (‘000 units)**

- **Rest of world**
- **Asia Pacific**
- **North America**
- **Europe**

**Operating return on sales**

- 2007: 8.0%
- 2008: 8.1%
- 2009: 5.4%
- 2010: 9.4%
- 2011: 12.1%
- 2012: 11.0%
- 2013: 10.1%
- 2020: 8.10%

**The most progressive brand**

- quattro
- ultra
- Technologie
- Audi Sport

**Six target dimensions**

- Top image position and customer mix
- Leaders in innovation
- Profitable growth, including enhanced N. America foothold
- Attractive employer worldwide
- Superior financial strength
- Sustainability of products and processes

---

1) Including deliveries to customers by joint venture companies in China
2) Excluding operating profit of joint venture companies in China which are accounted for using the equity method
Porsche – Value creating growth ahead

Deliveries to customers (‘000 units) ¹)

Operating profit margin ¹)

Successful model line-up

Key drivers to achieve targets

- Extension of Porsche model line-up while maintaining superior brand image
- Customer enthusiasm for high-end quality premium vehicles
- Development of modular toolkits for luxury brands
- Continuous value-adding investments
- Realization of annual synergies within the Integrated Automotive Group

¹) Porsche fully consolidated as from 1 August 2012
Substantial synergies throughout the Group from the creation of the Integrated Automotive Group with Porsche

- **New models / segments**
  - Porsche Macan
  - New C-SUV generation (Q7, Touareg and Cayenne)

- **Shared engine portfolio**
  - V6 / V8 TDI
  - New gasoline engines (3.0 TFSI)

- **Financial Services**
  - Improved refinancing conditions
  - Leasing

- **Purchasing**
  - Volume bundling in production and non-production

- **Sales and Marketing**
  - Shared national sales companies
  - Sports car market in China

**Total synergy potential**

- Mid-term targeted operating profit improvement of more than €1 billion per year within the Volkswagen Group
New Volkswagen Group models 2014 – a strong basis for profitable growth

**Alternative Powertrains**
- Volkswagen Golf PHEV & e-Golf
- Audi A3 e-tron
- ŠKODA Octavia CNG
- SEAT Leon & Leon ST CNG
- Porsche 918 Spyder

**Highlights**
- Volkswagen Golf Sportsvan, Passat Lim. & Estate
- Audi A3-Family (S3 Lim. & Cabrio), TT Coupe
- ŠKODA Octavia Scout, Fabia & Fabia Estate
- Porsche Macan & 911 Targa
- Lamborghini Huracán
- Bentley Continental GT V8 S, Flying Spur V8

**Global Roll-out**
- Volkswagen Golf-Family (China/USA), up! (SAM)
- Audi A3-Family (China, USA, SAM)
- ŠKODA Rapid (Russia), Octavia & Rapid Spaceback (China)
- SEAT Leon ST (Russia)
- Porsche 911 Turbo
Broad product and segment mix highlights opportunity to capture further profitable growth across all segments (world 2014)

<table>
<thead>
<tr>
<th>World 2014</th>
<th>Hatchback</th>
<th>Sedan</th>
<th>Estate</th>
<th>MPV</th>
<th>SUV</th>
<th>Coupé</th>
<th>Convertible</th>
<th>Roadster</th>
<th>City Van / Transporter</th>
<th>Pick-Up</th>
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<tbody>
<tr>
<td>A</td>
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</tr>
</tbody>
</table>

Segments > 1m cars  New product launch 2014
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%
- Competitors 3-9: 6%
- Others: 30%

Deliveries to Chinese customers by brand

<table>
<thead>
<tr>
<th>Brand</th>
<th>Jan - Mar 2014</th>
<th>Jan - Mar 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>881 (+15%)</td>
<td>769</td>
</tr>
<tr>
<td>Volkswagen</td>
<td>683 (+14%)</td>
<td>598</td>
</tr>
<tr>
<td>Audi</td>
<td>125 (+21%)</td>
<td>103</td>
</tr>
<tr>
<td>ŠKODA</td>
<td>62 (+16%)</td>
<td>58</td>
</tr>
<tr>
<td>Porsche</td>
<td>10 (+12%)</td>
<td>9</td>
</tr>
</tbody>
</table>

1) China (incl. Hong Kong), including Volkswagen Commercial Vehicles, excl. Scania and MAN.
USA – Returning to sustainable profit

Expanding local footprint

- Electronics Research Laboratory
- Silao Plant (engines)
- Puebla Plant
- San José Chiapa Plant (SOP 2016)
- Chattanooga Plant
- Atlanta Headquarters
- Herndon Headquarters
- Silao Plant (engines)
- Puebla Plant
- San José Chiapa Plant (SOP 2016)
- Chattanooga Plant
- Atlanta Headquarters
- Herndon Headquarters

Continued growth momentum in the U.S. market

Deliveries in '000 units by brands

Clean Diesel as a strong USP in the U.S.

LCV segment remains a large opportunity

Segment structure 2013

- Volkswagen
- Audi
- Porsche

Deliveries to customers Jan-Apr 2014 vs. Jan-Apr 2013

-10.4%
+7.5%
+3.8%
+3.1%

Diesel deliveries in '000 units (Volkswagen Group)

Diesel Passenger Car and LCV market in the U.S. in 2013

Source: POLK, Volkswagen Group of America, Inc.

1) Figures including Porsche as from 1 August 2012
2) Thereof Passenger Cars -1.8%, Light Commercial Vehicles +8.3%
Brazil – Short-term challenge, mid-term opportunity

Local production of market-leading models
- Sao Carlos (engines)
- Taubate
- Anchieta
- Curitiba
- Gol
- Fox

A rapidly changing competitive landscape
Number of automotive companies in the Brazilian market
- Importers
- Other local producers
- "Big 4" ²)

Deliveries to customers ('000 units)
- 2007: 1,000
- 2008: 1,000
- 2009: 1,000
- 2010: 1,000
- 2011: 1,000
- 2012: 1,000
- 2013: 1,000
- 2014: 1,000
- 2015: 1,000
- 2016: 1,000
- 2017: 1,000
- 2018: >1,000

Actions to reach the 2018 sales target for Brazil
- Introduction of MQB technology
- Reach 95% market coverage
- ~20 new models in 2013-2018

Source: Anfavea; own research

¹) Audi to start production in Sao Jose dos Pinhais in 2015 (Audi A3 Sedan and Q3)
²) Volkswagen, Fiat, General Motors, Ford
ASEAN – Strong market opportunity applying Group resources

Market sales development and outlook

<table>
<thead>
<tr>
<th>Year</th>
<th>Million Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>1.5</td>
</tr>
<tr>
<td>2015</td>
<td>2.0</td>
</tr>
<tr>
<td>2018</td>
<td>2.5</td>
</tr>
</tbody>
</table>

Market structure 2012

- SUV 10%
- MPV/Van 26%
- Hatch 16%
- Sedan 25%
- Pickup 19%
- Other 4%
- C, D, E 3%
- A 21%
- A00 2%
- A00 4%
- A0 40%
- B 30%

Source: IHS Automotive (data status: July 2013)
Improved segment and market exposure provides stable earnings platform

1) Excluding Volkswagen Commercial Vehicles, MAN and Scania. Porsche fully consolidated as from 1 August 2012
2) Split of Group Operating Profit excluding Other / Consolidation and PPA
3) Commercial Vehicles / Power Engineering business area
4) VW Financial Services figures do not include financial service activities of MAN, Scania, Porsche AG and Porsche Holding Salzburg
Volkswagen Group toolkit strategy and responsibilities

Continuous roll-out of toolkit strategy across segments, regions and brands

<table>
<thead>
<tr>
<th>Vehicle classes</th>
<th>NSF</th>
<th>MQB</th>
<th>MLB</th>
<th>MSB</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vehicle price</td>
<td>New Small Family</td>
<td>Modular Transverse Toolkit</td>
<td>Modular Longitudinal Toolkit</td>
<td>Modular Standard Drivetrain Toolkit</td>
</tr>
</tbody>
</table>

Responsibilities

- Established markets
- Emerging markets
Global roll-out of toolkits supports flexibility and localization

**Global roll-out of toolkit strategy**

- MQB locations (year-end)
  - 2012: 5
  - 2013: 9
  - 2014: >10
  - 2016: >20

**MQB & MLB share in Volkswagen Group production**

- 2012: MQB, MLB, Rest
- 2013: MQB, MLB, Rest
- 2014: MQB, MLB, Rest
- 2015: MQB, MLB, Rest
- 2016: MQB, MLB, Rest

*Existing MQB production locations*
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
      - EA211 MOB
  - Electric drive
    - Hybrid
      - BEV
  - Alternative/Regenerative
    - EcoFuel
      - CNG
    - FlexFuel
      - Ethanol
    - BiFuel
      - LPG

\(^1\) Engineered Hours per Vehicle
## Driving the future – Serving all customer needs

<table>
<thead>
<tr>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hybrid vehicle (PHEV)</td>
<td></td>
</tr>
<tr>
<td>+</td>
<td>+</td>
</tr>
<tr>
<td>+</td>
<td>+</td>
</tr>
<tr>
<td>Volkswagen XL1</td>
<td>Audi A3 e-tron</td>
</tr>
<tr>
<td>Porsche 918 Spyder</td>
<td>Volkswagen Golf GTE</td>
</tr>
<tr>
<td>Porsche Panamera S E-Hybrid</td>
<td></td>
</tr>
</tbody>
</table>

| Battery vehicle (BEV)       |                             |
| +                           | +                           |
|                            |                             |
| Volkswagen e-up!            | Volkswagen e-Golf           |

| Compressed Natural Gas      |                             |
| CNG                         |                             |
| +                           | +                           |
|                            |                             |
| Audi A3 g-tron              | SEAT León TGI               |
| Volkswagen Golf TGI         | SKODA Octavia Sedan         |
|                             | SKODA Octavia Combi         |
|                             | SEAT León ST                |

| Ethanol                     |                             |
| Ethanol                     |                             |
| +                           | +                           |
|                            |                             |
| Volkswagen Saveiro          | Volkswagen CrossFox         |
| Volkswagen Gol Rallye       | Volkswagen SpaceFox         |
| Volkswagen Fox Bluemotion   |                             |
| Volkswagen up!              |                             |

1) Market introduction of Volkswagen Group models with alternative drivetrains
2) Developed for distribution in the Brazilian market
Commercial Vehicles – A cornerstone in Volkswagen Group’s Strategy 2018

Automotive Division

Commercial Vehicles / Power Engineering

VOLKSWAGEN

Commercial Vehicles

SCANIA

MAN
Full integration of commercial vehicle brands releases significant synergy potential

Volkswagen press release as of 13 May 2014:

- The offer has been accepted to such extent that Volkswagen after completion of the offer will become the owner of 90.47 percent of all shares in Scania.
- Volkswagen will initiate compulsory acquisition of the remaining shares in Scania as well as promote a delisting of Scania’s shares from NASDAQ OMX Stockholm.

Holdings as at December 31, 2013

- Voting rights: 75.2%
  Capital: 74.0%

- Voting rights: 71.8%
  Capital: 49.3%

- Voting rights: 17.4%
  Capital: 13.3%

- Voting rights: 10.8%
  Capital: 37.4%

- Minorities
Transaction rationale: Pre-requisite to improve competitiveness and efficiency based on integration of Volkswagen’s trucks businesses

<table>
<thead>
<tr>
<th>Integration drivers</th>
<th>Synergies (Operating Profit impact)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Foundation:</strong> management of independent and strong brands on the basis of integrated technology and operations</td>
<td><strong>Achieved by the end of 2014 (existing structure)</strong></td>
</tr>
</tbody>
</table>
| **Objective:** modular toolkit strategy for commercial vehicles with common components and systems | *€200+ million*  
*Focus on purchasing*  
*Synergy potential limited due to arm's-length requirements* |
| **Scale benefits:** improved efficiency of resource allocation and increased flexibility concerning vertical integration | **Additional potential through the transaction** |
| | *€650+ million per year long-term average with 10-15 years gradual phase-in based on life cycles of vehicles and systems / components*  
*Majority of benefits from joint R&D, purchasing and sourcing components*  
*Significant benefits from capex savings* |
Volkswagen Commercial Vehicles

Deliveries to customers ('000 units)

- Rest of world
- Asia Pacific
- Central & Eastern Europe
- Western Europe

Operating profit margin

- Finance & leasing
- Spare parts business
- Maintenance contracts
- Mobility guarantees

Key drivers to achieve targets

- Improving positioning in a difficult economic environment
- Renewal of model range
- Improving business case for light commercial vehicles
- Regional diversification in sales and production
- Increase production efficiency

Earnings potential LCV

Increase in earnings along the whole value chain

1) Including former Volkswagen Caminhões e Ônibus Industria e Comercio de Veiculos Comerciais Ltda
Scania

Deliveries to customers ('000 units)

Carbon dioxide emissions per tonne-km

Operating profit margin

Key drivers

- Strengthen market position and increase of market share
- Expansion of sales and services capacity in fast-growing markets
- Leading in quality with efficient and sustainable technology
- Prioritized R&D investments aimed at strengthening competitiveness

Notes:
1) Operating profit margin as reported by Scania
MAN Commercial Vehicles

**Deliveries to customers ('000 units)**

- **Buses**
  - 2007: 150
  - 2008: 150
  - 2009: 150
  - 2010: 150
  - 2011: 150
  - 2012: 150
  - 2013: 150

- **Trucks**
  - 2007: 100
  - 2008: 100
  - 2009: 100
  - 2010: 100
  - 2011: 100
  - 2012: 100
  - 2013: 100

**Efficient transport solutions**

Continuous development of product range and customer oriented service solutions

**Operating profit margin**

- 2007: 10.0%
- 2008: 10.0%
- 2009: 0.7%
- 2010: 5.0%
- 2011: 7.7%
- 2012: 3.9%
- 2013: 3.8%

**Key drivers**

- Organic and profitable growth worldwide – strengthening of backbone Europe and Latin America and expansion of business to overseas countries
- Leading in quality with efficient and sustainable technology
- Further development of after sales product portfolio

---

1) Integration of MAN Latin America (formerly Volkswagen Caminhões e Ônibus Indústria e Comercio de Veículos Comerciais Ltda)
2) Operating profit margin MAN Commercial Vehicles business area as reported by MAN SE
VW Financial Services: A global, well diversified and successful business

**Strong global presence**
- Existing markets
- Focus markets
- Start / market entry

**Rising penetration rates**
- w/o China
- with China

**Continuous portfolio expansion**
- in '000 contracts
- Dec 2013: €115 bn

**Diversified funding structure**
- Equity, liabilities to affiliated companies, other
- Customer deposits
- Asset backed securitization
- Bonds, Commercial Paper, liabilities to financial institutions

---

1) All shown figures show VW Financial Services as of 31 December 2013, excluding financial service activities of MAN, Scania, Porsche AG and Porsche Holding Salzburg
VW Financial Services – Credit and residual value risks well under control

Credit risk remains at low level despite challenging market environment

Residual value risks well covered by provisions

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Residual Value Risk</td>
<td>431</td>
<td>503</td>
<td>486</td>
<td>517</td>
<td>543</td>
</tr>
<tr>
<td>Provision</td>
<td>470</td>
<td>548</td>
<td>482</td>
<td>489</td>
<td>484</td>
</tr>
<tr>
<td>RV Risk per car</td>
<td>543</td>
<td>553</td>
<td>595</td>
<td>628</td>
<td>645</td>
</tr>
<tr>
<td>Provision per car</td>
<td>543</td>
<td>553</td>
<td>595</td>
<td>628</td>
<td>645</td>
</tr>
<tr>
<td>Units</td>
<td>917,661</td>
<td>1,008,279</td>
<td>1,097,390</td>
<td>1,187,659</td>
<td>1,297,507</td>
</tr>
</tbody>
</table>
Volkswagen Group – Core strategic achievements provide foundation for robust shareholder returns

- Continuous development of outstanding product portfolio
- Expansion of international sales & production footprint
- Integrated Automotive Group
- Start-up of MQB
- DPLTA¹

1) Expansion of product portfolio and execution of toolkit strategy
2) Focus on growth markets and segments
3) Leveraging of synergies within the Group
4) Strict cost and investment discipline
5) Improving processes and structure

Moving forward …

¹) Domination and Profit & Loss Transfer Agreement
**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>
Volkswagen Investor Update

Oliver Larkin – Senior Investor Relations Manager
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

<table>
<thead>
<tr>
<th>Automotive Division</th>
<th>Financial Services Division</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Passenger Cars</strong></td>
<td><strong>Volkswagen Financial Services</strong></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Volkswagen</td>
<td></td>
</tr>
<tr>
<td>Skoda</td>
<td></td>
</tr>
<tr>
<td>Audi</td>
<td></td>
</tr>
<tr>
<td>SEAT</td>
<td></td>
</tr>
<tr>
<td>Bentley</td>
<td></td>
</tr>
<tr>
<td>Bugatti</td>
<td></td>
</tr>
<tr>
<td>Lamborghini</td>
<td></td>
</tr>
<tr>
<td>Porsche</td>
<td></td>
</tr>
<tr>
<td>Ducati</td>
<td></td>
</tr>
<tr>
<td>Remaining companies</td>
<td>Europe / Asia-Pacific / North and South America</td>
</tr>
<tr>
<td><strong>Commercial Vehicles / Power Engineering</strong></td>
<td><strong>Financial Services</strong></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Volkswagen</td>
<td></td>
</tr>
<tr>
<td>Commercial Vehicles</td>
<td></td>
</tr>
<tr>
<td>SCANIA</td>
<td></td>
</tr>
<tr>
<td>MAN</td>
<td></td>
</tr>
<tr>
<td>Scania Financial Services</td>
<td></td>
</tr>
<tr>
<td>Porsche Holding Financial Services</td>
<td></td>
</tr>
<tr>
<td>Porsche Financial Services</td>
<td></td>
</tr>
</tbody>
</table>

USA / Canada / Spain / Argentina
Volkswagen Financial Services offers the whole range of services under one roof.

**BANK**
- Bank
- Direct Bank

**LEASING**
- Leasing

**INSURANCE**
- Insurance

**MOBILITY**
- Services
- Rent

• Retail Finance
• Dealer Finance
• Factoring

• Deposits
• Instalment Loans
• Investment Products

• Finance Lease
• Operating Leasing

• Automotive
• Payment Protection
• Industry

• Fleet Management
• Tyre
• Wear & Tear

• Long-term rent
• Short-term rent
• Carsharing
Volkswagen Financial Services conducts business in **49 countries**

### Worldwide presence

### 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
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
Penetration Volkswagen Financial Services

Rising penetration rates

- **32.5%** 32.9% 34.9% 36.3% 40.7% 43.0% (w/o China)
- **26.4%** 25.0% 24.7% 25.4% 27.5% 27.7% (with China)

<table>
<thead>
<tr>
<th>Year</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>w/o China</td>
<td>32.5%</td>
<td>32.9%</td>
<td>34.9%</td>
<td>36.3%</td>
<td>40.7%</td>
<td>43.0%</td>
</tr>
<tr>
<td>with China</td>
<td>26.4%</td>
<td>25.0%</td>
<td>24.7%</td>
<td>25.4%</td>
<td>27.5%</td>
<td>27.7%</td>
</tr>
</tbody>
</table>

57
Growth dimensions
Volkswagen Financial Services: Growth dimension – Focus Markets
Volkswagen Financial Services: Growth dimension - Brands

Europe
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

<table>
<thead>
<tr>
<th>Equipment</th>
<th></th>
<th>Turnover</th>
<th></th>
<th>Brand Loyalty</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>+ 26% Cash Payer</td>
<td></td>
<td>+ 34% Cash Payer</td>
<td></td>
<td>+ 17% Switch to Competitor</td>
<td></td>
</tr>
<tr>
<td>+ 26% Captive Customer</td>
<td></td>
<td>+ 34% Captive Customer</td>
<td></td>
<td>66% Stay Loyal</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Holding Period (years)</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash Payer</td>
<td>7.2</td>
<td></td>
</tr>
<tr>
<td>Captive Customer</td>
<td>4.8</td>
<td></td>
</tr>
</tbody>
</table>

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>34% Cash Payer</td>
<td>23% Captive Customer</td>
</tr>
<tr>
<td>66% Switch to Competitor</td>
<td>76% Stay Loyal</td>
</tr>
</tbody>
</table>
Risk management

Success factor for solid growth

* Liquidity Risk, Strategic Risk, Reputational Risk, Market Price Risk, Shareholder Risk + Issuer Risk + Counterparty Risk

Portfolio Structure

- Retail: 75%
- Corporate: 25%

Other Risks*

Operational Risk

Earnings Risk

Residual Value Risk

Credit Risk
Volkswagen Financial Services – Credit risks

Credit risk remains at low level despite challenging market environment

- Provision Ratio
- Ø Dynamic Loss Ratio

<table>
<thead>
<tr>
<th>Year</th>
<th>Retail Financing</th>
<th>Leasing</th>
<th>Corporate Financing</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>0.8%</td>
<td>0.9%</td>
<td>0.7%</td>
</tr>
<tr>
<td>2011</td>
<td>0.6%</td>
<td>0.5%</td>
<td>0.6%</td>
</tr>
<tr>
<td>2012</td>
<td>0.6%</td>
<td>0.5%</td>
<td>0.6%</td>
</tr>
<tr>
<td>2013</td>
<td>0.4%</td>
<td>0.4%</td>
<td>0.4%</td>
</tr>
</tbody>
</table>
Volkswagen Financial Services – Residual value

Residual value risks well covered by provisions

<table>
<thead>
<tr>
<th>Units</th>
<th>€ per unit</th>
<th>€ m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dec 2011</td>
<td>470</td>
<td>431</td>
</tr>
<tr>
<td>Jun 2012</td>
<td>548</td>
<td>503</td>
</tr>
<tr>
<td>Dec 2012</td>
<td>400</td>
<td>486</td>
</tr>
<tr>
<td>Jun 2013</td>
<td>489</td>
<td>536</td>
</tr>
<tr>
<td>Dec 2013</td>
<td>517</td>
<td>645</td>
</tr>
</tbody>
</table>

Residual Value Risk | Provision | RV Risk per car | Provision per car | Units
Funding structure Volkswagen Financial Services

Total € 115.1 bn

- **Strategic Debt Plan**: *strategic funding allocation
- **Equity**: € 11.6 bn (10.1%)
- **Asset Backed Securitization**: € 16 bn (13.9%)
- **Bonds issued**: € 32 bn (27.8%)
- **Commercial Paper**: € 4.1 bn (3.6%)
- **Liabilities to affiliated companies**: € 8.2 bn (7.1%)
- **Liabilities to financial institutions**: € 11.5 bn (10%)
- **Others**: € 7.4 bn (6.4%)
- **Customer Deposits**: € 24.3 bn (21.1%)
- **Capital Markets**: € 32 bn
- **Deposits**: € 24.3 bn

as of 31 December 2013

---

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

VOLKSWAGEN
AKTIENGESELLSCHAFT
(A3 / A1- Rating)

100% Owner +
Control and Profit Transfer Agreement

VOLKSWAGEN FINANCIAL SERVICES
AKTIENGESELLSCHAFT
(A3 / A- Rating)

Guarantee

VW Automotive Companies:
VW International Finance.....

Guarantee

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

DCM Investors worldwide
Bond Curve Volkswagen AG compared to Volkswagen Financial Services AG

One Risk – One Price
Volkswagen Financial Services’ worldwide capital market activities

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

- **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 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 Polska**
  - PLN 3 bn Debt Issuance Program

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

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

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

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

- **VWFS Korea**
  - Project phase

- **VWFS Japan**
  - JPY 60 bn ECP Program

- **VW Finance China**
  - Feasibility study

- **VWFS Australia**
  - AUD 3 bn Debt Issuance Program

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

<table>
<thead>
<tr>
<th>Location</th>
<th>Issuances</th>
<th>Currency</th>
<th>Tenor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Germany: VW FS AG</td>
<td>2</td>
<td>300 m EUR</td>
<td>1.5 to 2 years</td>
</tr>
<tr>
<td>Germany: VW Leasing</td>
<td>6</td>
<td>3.325 m EUR</td>
<td>2 to 10 years</td>
</tr>
<tr>
<td>Germany: VW Bank</td>
<td>16</td>
<td>3.850 m EUR</td>
<td>1 to 5 years</td>
</tr>
<tr>
<td>Australia: VW FS Australia</td>
<td>1</td>
<td>250 m AUD</td>
<td>4 years</td>
</tr>
<tr>
<td>Japan: VW FS Japan</td>
<td>9</td>
<td>25,000 m JPY</td>
<td>3 to 5 years</td>
</tr>
<tr>
<td>India: VW FS India</td>
<td>4</td>
<td>6,000 m INR</td>
<td>2 to 3 years</td>
</tr>
<tr>
<td>Mexico: VW Bank/Leasing</td>
<td>3</td>
<td>6,000 m MXN</td>
<td>2.5 to 4 years</td>
</tr>
<tr>
<td>Brasil: Banco VW</td>
<td>6</td>
<td>880 m BRL</td>
<td>2 years</td>
</tr>
<tr>
<td>International: VW FS N.V.</td>
<td>26</td>
<td>3.375 m EUR*</td>
<td>1 to 5.5 years</td>
</tr>
<tr>
<td>Turkey: VDF</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)
Volkswagen Financial Services’ worldwide ABS activities
**ABS Activities in 2013 / 2014 Worldwide**

<table>
<thead>
<tr>
<th>Country</th>
<th>Issuances</th>
<th>Amount</th>
<th>Tenor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Germany: VW Leasing</td>
<td>4</td>
<td>2.600m EUR</td>
<td>1.8 to 2.5 years</td>
</tr>
<tr>
<td>Germany: VW Bank</td>
<td>3</td>
<td>3.106m EUR</td>
<td>2.2 to 2.4 years</td>
</tr>
<tr>
<td>Australia: VW FS Australia</td>
<td>1</td>
<td>500m EUR</td>
<td>1.8 years</td>
</tr>
<tr>
<td>Japan: VW FS Japan</td>
<td>2</td>
<td>5.800m JPY</td>
<td>2.4 to 2.5 years</td>
</tr>
<tr>
<td>UK: VW FS UK</td>
<td>1</td>
<td>2.808m GBP</td>
<td>2.4 years</td>
</tr>
<tr>
<td>Brasil: Banco VW</td>
<td>1</td>
<td>1.000m BRL</td>
<td>1.5 years</td>
</tr>
<tr>
<td>Netherlands: VWPFS</td>
<td>1</td>
<td>328m EUR</td>
<td>2.3 years</td>
</tr>
</tbody>
</table>
Volkswagen Financial Services AG has a solid and stable rating history.

Data Source: Reuters
Appendix
Volkswagen Automotive Division
Research and development costs

<table>
<thead>
<tr>
<th></th>
<th>January – March 2013</th>
<th>January – March 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total R&amp;D costs</td>
<td>€2,581</td>
<td>€3,166</td>
</tr>
<tr>
<td>of which capitalized</td>
<td>678 (26.3%)</td>
<td>1,191 (37.6%)</td>
</tr>
<tr>
<td>amortization</td>
<td>552</td>
<td>709</td>
</tr>
<tr>
<td>Recognized in the income statement</td>
<td>2,455</td>
<td>2,684</td>
</tr>
</tbody>
</table>

% of total R&D costs: 26.3% (2013), 37.6% (2014)
## 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>2,442</td>
<td>2,314</td>
<td>5.6</td>
</tr>
<tr>
<td>Vehicle sales¹</td>
<td>2,562</td>
<td>2,375</td>
<td>7.9</td>
</tr>
<tr>
<td>Production¹</td>
<td>2,565</td>
<td>2,388</td>
<td>7.4</td>
</tr>
<tr>
<td>Sales revenue</td>
<td>47,831</td>
<td>46,565</td>
<td>2.7</td>
</tr>
<tr>
<td>Operating profit</td>
<td>2,855</td>
<td>2,344</td>
<td>21.8</td>
</tr>
<tr>
<td>Profit before tax</td>
<td>3,357</td>
<td>2,688</td>
<td>24.9</td>
</tr>
<tr>
<td>Profit after tax</td>
<td>2,468</td>
<td>1,946</td>
<td>26.8</td>
</tr>
<tr>
<td>Automotive Division²</td>
<td></td>
<td></td>
<td></td>
</tr>
<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>-52</td>
<td>-414</td>
<td>-87.6</td>
</tr>
<tr>
<td>Net liquidity at March 31</td>
<td>17,714</td>
<td>10,649</td>
<td>66.3</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 Group – Deliveries to Customers by Markets¹)
(January to March 2014 vs. 2013)

¹) Incl. Volkswagen Commercial Vehicles, Scania and MAN; 6.2% excl. Volkswagen Commercial Vehicles, Scania and MAN.
Volkswagen Group – Deliveries to Customers BRIC-Markets\(^1\)
(January to March 2014 vs. 2013)

<table>
<thead>
<tr>
<th>BRIC</th>
<th>Brazil</th>
<th>Russia</th>
<th>India</th>
<th>China (incl. Hong Kong)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,045</td>
<td>179</td>
<td>70</td>
<td>26</td>
<td>770</td>
</tr>
<tr>
<td>1,110</td>
<td>142</td>
<td>68</td>
<td>19</td>
<td>881</td>
</tr>
</tbody>
</table>

\(^1\) Including Volkswagen Commercial Vehicles, Scania and MAN.
# 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>Portfolio ('000)</td>
<td>6,028</td>
<td>6,144</td>
<td>6,852</td>
<td>7,977</td>
<td>8.848</td>
</tr>
<tr>
<td>Retail + Leasing receivables (€ mn)</td>
<td>40,538</td>
<td>44,148</td>
<td>47,513</td>
<td>53,439</td>
<td>56.582</td>
</tr>
<tr>
<td>Wholesale receivables (€ mn)</td>
<td>8,391</td>
<td>8,828</td>
<td>10,412</td>
<td>10,781</td>
<td>11.082</td>
</tr>
<tr>
<td>Customer deposits (€ mn)</td>
<td>19,532</td>
<td>20,129</td>
<td>23,795</td>
<td>24,889</td>
<td>24,286</td>
</tr>
<tr>
<td>Employees</td>
<td>6,775</td>
<td>6,797</td>
<td>7,322</td>
<td>8,770</td>
<td>9,498</td>
</tr>
<tr>
<td>IFRS profit before tax (€ mn)</td>
<td>554</td>
<td>870</td>
<td>933</td>
<td>992</td>
<td>1.315</td>
</tr>
</tbody>
</table>
Volkswagen New Midsize Coupé
Audi TT
ŠKODA Octavia Scout
Porsche Macan Turbo
Bentley Continental GT V8 S Convertible
Lamborghini Huracán LP 610-4
Volkswagen Multivan Alltrack
MAN TGX Euro 6
Scania R 730 6x4
Volkswagen Group: Financial sustainability on core strengths

Oliver Larkin  Bernd Bode / Ulrich Hauswaldt
Volkswagen Aktiengesellschaft  Volkswagen Financial Services
Roadshow with Barclays, Edinburgh, 21 - 22 May 2014