Leading the Transformation.

UniCredit - 10th Automotive Credit Conference, London, 5th -6th June 2019
Volkswagen Investor Update

Volkswagen AG

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Bjoern Reinecke – Head of Financial Markets

Volkswagen Financial Services

Bernd Bode – Head of Group Treasury and Investor Relations
Katja Hauer – Investor Relations
Disclaimer

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

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

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Development World Car Market vs. Volkswagen Group Car Deliveries to Customers\(^1\)
(Growth y-o-y in deliveries to customers, January to April 2019 vs. 2018)

<table>
<thead>
<tr>
<th>Region</th>
<th>Car Market</th>
<th>VW Group</th>
</tr>
</thead>
<tbody>
<tr>
<td>North America</td>
<td>-2.7%</td>
<td>-2.5%</td>
</tr>
<tr>
<td>Western Europe</td>
<td>-2.9%</td>
<td>-1.3%</td>
</tr>
<tr>
<td>Central &amp; Eastern Europe</td>
<td>-2.7%</td>
<td>-1.3%</td>
</tr>
<tr>
<td>South America</td>
<td>-7.7%</td>
<td>-1.3%</td>
</tr>
<tr>
<td>World</td>
<td>-6.0%</td>
<td>-4.4%</td>
</tr>
<tr>
<td>Asia Pacific</td>
<td>-8.3%</td>
<td>-7.5%</td>
</tr>
</tbody>
</table>

\(^1\) Figures including Volkswagen Commercial Vehicles in North and South America, excluding Scania and MAN.
Volkswagen Group – Deliveries to Customers by Brands
(January to April 2019 vs. 2018)

[thsd. units]

**Volume**
-3.5%  

**Premium**
-5.7%  

**Sport & Luxury**
-5.8%  

**Truck & Bus**
+7.2%

1) Incl. all brands of Volkswagen Group (Passenger Cars and Commercial Vehicles); -4.4% incl. Volkswagen Commercial Vehicles in North and South America, excl. Scania and MAN.

2) MAN incl. MAN Latin America Trucks and Busses GVW > 5t.

[Images and charts showing delivery numbers and percentage changes for each category.]
Volkswagen Group – Key Financial Figures ¹)
(January to March 2019 vs. 2018)

| Thousand vehicles / € million | 2019  | 2018 ²) | +/- (%)
|-------------------------------|-------|---------|---------
| Vehicle Sales ³)              | 2,583 | 2,769   | -6.7   |
| Sales revenue                 | 60,012| 58,228  | +3.1   |
| Operating profit before Special Items | 4,849 | 4,211   | +15.2  |
| % of sales revenue            | 8.1   | 7.2     |        |
| Operating profit              | 3,868 | 4,211   | -8.2   |
| % of sales revenue            | 6.4   | 7.2     |        |
| Financial result              | 203   | 266     | -23.7  |
| of which: At-equity result ⁴) | 808   | 829     | -2.5   |
| of which: Other financial result | -605 | -562   | -7.7   |
| Profit before tax             | 4,071 | 4,477   | -9.1   |
| % Return on sales before tax  | 6.8   | 7.7     |        |
| Profit after tax              | 3,053 | 3,300   | -7.5   |

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) Prior-year figures were adjusted due to IFRS. ³) Volume data including the unconsolidated Chinese joint ventures. ⁴) The joint venture companies in China are accounted for using the equity method and recorded an operating profit (proportionate) of €1,074 million (€1,163 million).
**Volkswagen Group – Analysis of Operating Profit**

**(January to March 2019 vs. 2018)**

[Graph showing changes in operating profit components for Passenger Cars*/** and other segments.]

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1) All figures shown are rounded, minor discrepancies may arise from addition of these amounts. *) without FS  **) including PPA
Automotive Division Net Cash Flow Development \(^1\)\(^2\)
(January to March 2019)

\[
\begin{array}{cccccccc}
\text{2018} & 5.5 & -1.9 \ (3.9\%) \ ^3 & -1.2 & 0.1 & 2.4 & 0.1 & 2.4 \\
\hline
\text{Cash flow from operating activities} & 5.4 & & & & & & \\
\text{Capex} & & -2.0 \ (4.0\%) \ ^3 & & & & & \\
\text{Capitalized development costs} & & & -1.1 & & & & \\
\text{Other} & & & & 0.0 & & & \\
\text{Net cash flow before equity investments} & & & & & 2.3 & & \\
\text{Acquisition and disposal of equity investments} & & & & & & -0.3 & \\
\text{Net Cash flow} \ ^4 & & & & & & & 2.0 \\
\end{array}
\]
Automotive Division – Net Cash Flow \(1^\text{)}\)
(January to March 2019)

[€ billion]

\[
\begin{array}{cccc}
2018 & 2.4 & 0.8 & -0.1 & 3.1 \\
\hline
Net Cash flow & 2.0 & & & \\
including Diesel & & & & \\
payments and M&A & & & & \\
& & & & \\
Diesel outflow & 0.2 & & & \\
& & & & \\
Aquisition and & 0.3 & & & \\
disposal of equity & & & & \\
investments & & & & \\
& & & & \\
Net Cash flow & 2.5 & & & \\
underlying business & & & & \\
\end{array}
\]

\(1^\text{)}\) Including allocation of consolidation adjustments between Automotive and Financial Services divisions
Automotive Division – Analysis of Net Liquidity ¹)
(January to March 2019)

[€ billion]

19.4
-0.2
0.6
2.0
-0.3
-5.1
-1.1
0.8
16.0

1) All figures shown are rounded, minor discrepancies may arise from addition of these amounts.
Volkswagen Group Funding Strategy – Main Guarantors and Issuers

Volkswagen AG
BBB+ (s) / A3 (s)¹

Volkswagen International Finance N.V.
Volkswagen Group of America Finance, LLC
Volkswagen Credit Canada, Inc.

Volkswagen Financial Services AG
Volkswagen Financial Services N.V.
Volkswagen Leasing GmbH

Volkswagen Bank GmbH
A- (n) / A1 (s)¹

¹Credit Ratings from Standard&Poors / Moody’s as per 31 March 2019; (s) Outlook stable; (n) Outlook negative
²S&P: BBB+ Senior Subordinated Rating; Moody’s: A3 Junior Senior Unsecured Rating

Automotive Division

Financial Services Division
Volkswagen Group Funding Strategy – Maturity Profile (in € million)\(^1\)

1) as of March 31, 2019
Source: Volkswagen Group
Volkswagen Group Funding Strategy – Overview

Diversification of Funding Sources

- Direct Banking Deposits: 14%
- Bank Loans: 20%
- Commercial Paper: 6%
- Medium Term Notes / Bonds: 34%
- ABS: 20%
- Hybrid Bonds: 6%

Currencies – Breakdown

- EUR: 58%
- USD: 17%
- GBP: 11%
- AUD: 4%
- CAD: 2%
- SEK: 4%
- JPY: 1%
- CNY: 1%
- other2: 2%

1) as of March 31, 2019
Source: Volkswagen Group

2) BRL, CZK, INR, MXN, NOK, NZD, RUB, TRY
Volkswagen Group Funding Strategy – Major Commercial Paper Programmes in Europe

**Volkswagen AG**
- **EUR 15.0bn Multi CCY CP-Programme**
  - Volkswagen International Finance N.V.
  - Volkswagen Group of America Finance, LLC

**Volkswagen FS AG**
- **EUR 5.0bn Multi CCY CP-Programme**
  - Volkswagen Financial Services AG
  - Volkswagen Financial Services N.V.
  - Volkswagen Leasing GmbH

**Volkswagen Bank GmbH**
- **EUR 2.5bn Multi CCY CP-Programme**
  - Volkswagen Bank GmbH

**Volkswagen International Belgium NV/SA**
- **EUR 5.0bn Belgian Short-Term Treasury Notes Programme**
# Volkswagen Group – Funding Programs & Outstandings
March 31, 2019 in € billion

<table>
<thead>
<tr>
<th>Money and Capital Markets</th>
<th>Utilization</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Commercial Papers</strong></td>
<td>11.6</td>
</tr>
<tr>
<td><strong>Medium Term Notes / Bonds</strong></td>
<td>80.8</td>
</tr>
<tr>
<td><strong>thereof: Hybrid Bonds</strong></td>
<td>12.5</td>
</tr>
<tr>
<td><strong>ABS</strong></td>
<td>41.1</td>
</tr>
<tr>
<td><strong>Borrowings</strong></td>
<td>Frame</td>
</tr>
<tr>
<td><strong>Committed Lines</strong></td>
<td>19.4</td>
</tr>
<tr>
<td><strong>Uncommitted Lines</strong></td>
<td>28.1</td>
</tr>
<tr>
<td><strong>Supranationals, development banks, government, other</strong></td>
<td>27.2</td>
</tr>
<tr>
<td><strong>Direct Banking Deposits</strong></td>
<td>./</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>29.1</td>
</tr>
</tbody>
</table>
Volkswagen Group Funding Strategy – Major Issuances in 2018 and Q1 2019

March: CAD 1.50bn Volkswagen Credit Canada, Inc.
April: EUR 2.25bn Volkswagen Financial Services AG
June: EUR 2.00bn Volkswagen Bank GmbH
EUR 2.75bn Volkswagen International Finance N.V. - Hybrid Bond
August: EUR 2.50bn Volkswagen Leasing GmbH
October: EUR 2.80bn Volkswagen Financial Services AG
November: USD 8.00bn Volkswagen Group of America Finance, LLC
CAD 0.75bn Volkswagen Credit Canada, Inc.
EUR 4.25bn Volkswagen International Finance N.V.
GBP 0.80bn Volkswagen International Finance N.V.
January: EUR 2.50bn Volkswagen Bank GmbH
March: EUR 2.75bn Volkswagen Financial Services AG
# Volkswagen Group – Main Ratings

<table>
<thead>
<tr>
<th></th>
<th>S&amp;P Global</th>
<th>Moody’s</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Long Term</td>
<td>Short Term</td>
</tr>
<tr>
<td>Volkswagen AG</td>
<td>BBB+</td>
<td>A-2</td>
</tr>
<tr>
<td>Volkswagen Financial Services AG</td>
<td>BBB+</td>
<td>A-2</td>
</tr>
<tr>
<td>Volkswagen Bank GmbH*</td>
<td>A-**</td>
<td>A-2</td>
</tr>
</tbody>
</table>

**Outlook**

- Stable (**Negative)**
- Stable

**As of 31 March 2019**

**S&P: BBB+ Senior Subordinated Rating; Moody's: A3 Junior Senior Unsecured Rating**
### Volkswagen Group – Outlook for 2019

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Deliveries to customers ('000 vehicles)</strong></td>
<td></td>
<td></td>
<td>+0.9%</td>
</tr>
<tr>
<td></td>
<td>10.7</td>
<td>10.8</td>
<td></td>
</tr>
<tr>
<td><strong>Sales revenue (€ billion)</strong></td>
<td></td>
<td></td>
<td>+2.7%</td>
</tr>
<tr>
<td></td>
<td>229.6</td>
<td>235.8</td>
<td></td>
</tr>
<tr>
<td><strong>Operating return on sales (%)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>7.4</td>
<td>7.3</td>
<td></td>
</tr>
</tbody>
</table>

- Deliveries to customers slightly exceed the prior-year.
- Sales revenue grow by as much as 5%.
- Operating return on sales in the range of 6.5 – 7.5% before Special Items.

1) before Special Items.
Global Passenger Car Market 2018 – 2019

China remains largest driver of passenger car demand, Western Europe stable
Slowdown in the US from a high level

Deliveries to customers of the Volkswagen Group in 2019 will still grow moderately amid continuously challenging market conditions.

1) Internal forecast; as of 12th March, 2019. 2) Volume for North & South America includes light commercial vehicles (definition ‘Light Vehicles’)

19
New and Forthcoming Product Highlights in 2019

Portfolio expansion and successor models ICE
- T-Cross
- Sagitar
- B-SUV 5-Seater (US/CH)
- A1 City Carver
- Q3
- Octavia Combi
- ŠKODA Scala
- Tarraco
- Leon
- 911 Carrera
- Cayenne Coupé
- Flying Spur

Portfolio expansion BEV
- Bora BEV (CH)
- Lavida BEV (CH)
- e-tron
- e-tron Sportback
- Citigo BEV
- Taycan

1) Selected models.
Emission requirements: WLTP\textsuperscript{1)} is the “new normal"

**Homologation Deadlines**

<table>
<thead>
<tr>
<th>Year</th>
<th>Requirements</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>from 1/19</td>
</tr>
<tr>
<td></td>
<td>from 9/19\textsuperscript{2)}</td>
</tr>
</tbody>
</table>

**WLTP regulations extended and sharpened „WLTP 2nd Act“**

- WLTP
- + EVAP Evaporative Emission Control System
- + In-Service Conformity (Examination of customer vehicles)
- + RDE-NOx

**Complexity Reduction**

- The majority of engine/transmission combinations need to be re-homologated and newly approved.
- Volkswagen Volume Brands already acted:
  - On Board Fuel Consumption Monitoring (Measurement and saving of consumption data throughout vehicle life)
  - RDE 2\textsuperscript{nd} step (sharpening of limits)

**Further complexity reduction in 2019 is under way.**

\textsuperscript{1)} Worldwide Harmonized Light Vehicles Test Procedure \textsuperscript{2)} Extended to Light Commercial Vehicles all new registrations.
Clear Financial Targets and Milestones

<table>
<thead>
<tr>
<th>Key financial targets</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019 Targets</th>
<th>2020 Targets</th>
<th>2025 Targets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating return on sales</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Before Special Items</td>
<td>6.7%</td>
<td>7.4%</td>
<td>7.3%</td>
<td>6.5-7.5%</td>
<td>6.5-7.5%</td>
<td>7-8%</td>
</tr>
<tr>
<td>Return on investment</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Automotive Division before Special Items</td>
<td>13.9%</td>
<td>14.4%</td>
<td>13.1%</td>
<td>12-14%</td>
<td>13-15%</td>
<td>&gt; 15%</td>
</tr>
<tr>
<td>Capex ratio</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Automotive Division</td>
<td>6.9%</td>
<td>6.4%</td>
<td>6.6%</td>
<td>6.5-7.0%</td>
<td>6%</td>
<td>6%</td>
</tr>
<tr>
<td>R&amp;D cost ratio</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Automotive Division</td>
<td>7.3%</td>
<td>6.7%</td>
<td>6.8%</td>
<td>6.5-7.0%</td>
<td>6%</td>
<td>6%</td>
</tr>
<tr>
<td>Cash</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a) Net Cashflow</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Automotive Division</td>
<td>€ 4.9 bn</td>
<td>€ 10.3 bn</td>
<td>€ 5.6 bn</td>
<td>≥ € 9bn</td>
<td>≥ € 10 bn</td>
<td>&gt; € 10 bn</td>
</tr>
<tr>
<td>b) Net Liquidity</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>€ 27.2 bn</td>
<td>€ 22.4 bn</td>
<td>€ 19.4 bn</td>
<td>≥ € 15bn³</td>
<td>&gt; € 20 bn³</td>
<td>~10% of Group turnover</td>
</tr>
</tbody>
</table>

## Overview Brand Targets (RoS, RoE)

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
<th>Target 2018</th>
<th>2018</th>
<th>Target 2019</th>
<th>Target 2020</th>
<th>Target 2025</th>
</tr>
</thead>
<tbody>
<tr>
<td>Volkswagen Group</td>
<td>6.7</td>
<td>7.4</td>
<td>6.5-7.5</td>
<td>7.3</td>
<td>6.5-7.5</td>
<td>6.5-7.5</td>
<td>7.0-8.0</td>
</tr>
<tr>
<td>Volkswagen Brand</td>
<td>1.8</td>
<td>4.1</td>
<td>4-5</td>
<td>3.8</td>
<td>4-5</td>
<td>4-5</td>
<td>≥6</td>
</tr>
<tr>
<td>Audi</td>
<td>8.2</td>
<td>8.4</td>
<td>8-10</td>
<td>7.9</td>
<td>7.0-8.5&lt;sup&gt;2&lt;/sup&gt;</td>
<td>9-11&lt;sup&gt;2&lt;/sup&gt;</td>
<td>9-11&lt;sup&gt;2&lt;/sup&gt;</td>
</tr>
<tr>
<td>Porsche Automotive</td>
<td>17.4</td>
<td>18.5</td>
<td>&gt;15</td>
<td>17.4</td>
<td>&gt;15</td>
<td>&gt;15</td>
<td>&gt;15</td>
</tr>
<tr>
<td>ŠKODA</td>
<td>8.7</td>
<td>9.7</td>
<td>8-9</td>
<td>8.0</td>
<td>6-7</td>
<td>6-7</td>
<td>≥7</td>
</tr>
<tr>
<td>Volkswagen Commercial Vehicles</td>
<td>4.1</td>
<td>7.2</td>
<td>5-6</td>
<td>6.6</td>
<td>4-5</td>
<td>4-5</td>
<td>&gt;6</td>
</tr>
<tr>
<td>TRATON Group&lt;sup&gt;3&lt;/sup&gt;</td>
<td>5.4</td>
<td>6.0</td>
<td>-</td>
<td>6.4</td>
<td>6.5-7.5</td>
<td>Over the cycle target of 9%&lt;sup&gt;4&lt;/sup&gt;</td>
<td></td>
</tr>
</tbody>
</table>

### Return on Equity (norm. 8%)

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
<th>Target 2018</th>
<th>2018</th>
<th>Target 2019</th>
<th>Target 2020</th>
<th>Target 2025</th>
</tr>
</thead>
<tbody>
<tr>
<td>Volkswagen Financial Services</td>
<td>15.6</td>
<td>15.8</td>
<td>14-16</td>
<td>15.8</td>
<td>14-16</td>
<td>14-16</td>
<td>20</td>
</tr>
</tbody>
</table>

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<sup>1</sup> Before special items. <sup>2</sup> Effective 01/2019, operating return based on adjusted sales revenue without turnover from multi-brand sales companies. <sup>3</sup> Incl. Scania Financial Services I Adj. Return on Sales for 2016 / 2017 / 2018 <sup>4</sup> Strategic target TRATON Group wants to achieve over-the-cycle, incl. holding costs and consolidation effects.
Improving Group Return on Sales despite significant headwinds

Operating margin\(^1\) (% of sales revenue)

<table>
<thead>
<tr>
<th>Year</th>
<th>Operating Margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>6.7%</td>
</tr>
<tr>
<td>2017</td>
<td>7.4%</td>
</tr>
<tr>
<td>2018</td>
<td>7.3%</td>
</tr>
</tbody>
</table>

Industry transition and emission costs / CO\(_2\)

Performance improvement impacts:
- Mix / Price
- Fixed costs
- Purchasing
- Productivity
- Complexity reduction
- Overseas performance
- Investment discipline

<table>
<thead>
<tr>
<th>Year</th>
<th>Target Range</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019/2020</td>
<td>6.5 - 7.5%</td>
</tr>
<tr>
<td>2025</td>
<td>7.0 - 8.0%</td>
</tr>
</tbody>
</table>

\(^1\) Before special items.
Securing Group KPI’s: Profit Improvement programs

<table>
<thead>
<tr>
<th>Volume</th>
<th>Future Pact/Profit Improv. Program</th>
<th>Included in 'Grip 2025+'</th>
</tr>
</thead>
<tbody>
<tr>
<td>Premium</td>
<td>Attack Plan</td>
<td>100+/ Full Cost Optim.</td>
</tr>
<tr>
<td>Sport &amp; Luxury</td>
<td>Transformation Plan</td>
<td></td>
</tr>
<tr>
<td>Financial Services</td>
<td>Profit Improv. Program</td>
<td></td>
</tr>
<tr>
<td>Commercial Vehicles</td>
<td>Transformation Plan</td>
<td></td>
</tr>
<tr>
<td>Group</td>
<td>Lean and focused (GI 12)</td>
<td></td>
</tr>
</tbody>
</table>

All Group KPIs 2020/2025 confirmed!

2018 - 2025 RoS Target: 7.0 - 8.0%
Discipline: Maintaining R&D and CAPEX Targets

**R&D Automotive Division**
(in € bn, as % of sales revenue)

- 2016: 7.3%
- 2017: 6.7%
- 2018: 6.8%
- 2019: 6.5-7.0%
- 2020: 6%
- 2025: 6%

**CAPEX Automotive Division**
(in € bn, as % of sales revenue)

- 2016: 6.9%
- 2017: 6.5%
- 2018: 6.6%
- 2019: 6.5-7.0%
- 2020: 6%
- 2025: 6%
Generate cash (1): Self funding\(^1\)

Automotive Net Cash Flow\(^2\) (in € bn)

- 2016: 4.9
- 2017: 10.3
- 2018: 5.6
- 2019: ≥ 9
- 2020: ≥ 10
- 2025: > 10

- Improving working capital management
- Robust China dividends
- Cash is King!

\(^1\) Incl. allocation of consolidation adjustments between Automotive and Financial Services divisions.
\(^2\) Before Diesel related outflows and M&A.
Generate Cash (2): Attractive Dividend

<table>
<thead>
<tr>
<th>Earnings per Preference Share (€)</th>
<th>Dividend per Preference Share (€)</th>
<th>Dividend pay-out ratio(^{1}) (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016: 10.30</td>
<td>2016: 2.06</td>
<td>2016: 19.7</td>
</tr>
<tr>
<td>2017: 22.34</td>
<td>2017: 3.96</td>
<td>2017: 17.6</td>
</tr>
<tr>
<td>2018(^{2}): 23.63</td>
<td>2018(^{2}): 4.86</td>
<td>2018(^{2}): 20.4</td>
</tr>
</tbody>
</table>

Target EPS: ≥ 30 € by 2020

Target Dividend Pay-Out Ratio: 30%

\(^{1}\) Total dividend in percent of net income attributable to shareholders of Volkswagen AG. \(^{2}\) Dividend proposal.
# STRATEGY 2025 – Initiatives at a glance

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2. Develop winning vehicle and drivetrain portfolio</td>
<td>11. Develop and expand attractive and profitable smart mobility offering</td>
</tr>
<tr>
<td></td>
<td>3. Streamline modular architectures</td>
<td>12. Improve operational excellence</td>
</tr>
<tr>
<td>DEVELOP STRATEGIC CAPABILITIES</td>
<td>4. Partner with regional players to win in economy segment</td>
<td>13. Optimize business portfolio</td>
</tr>
<tr>
<td></td>
<td>5. Develop self-driving system for autonomous vehicles and artificial intelligence in-house</td>
<td>Build mobility solutions business</td>
</tr>
<tr>
<td></td>
<td>6. Develop battery technology as new core competency</td>
<td>Secure funding</td>
</tr>
<tr>
<td></td>
<td>7. Develop best-in-class user experience across brands and customer touchpoints</td>
<td></td>
</tr>
<tr>
<td>ENHANCE ENTREPRENEURIAL SPIRIT</td>
<td>8. Implement model line organization</td>
<td></td>
</tr>
<tr>
<td></td>
<td>9. Realign “Components” business</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>14. Drive digital transformation</td>
</tr>
<tr>
<td></td>
<td></td>
<td>15. Create organization 4.0</td>
</tr>
<tr>
<td></td>
<td></td>
<td>16. Better integrated and strategic planning process</td>
</tr>
</tbody>
</table>

"Transform core business"
Creation of Brand Groups reduces the complexity of the Group structure

<table>
<thead>
<tr>
<th>Volume</th>
<th>Premium</th>
<th>Sport &amp; Luxury</th>
<th>Truck &amp; Bus</th>
<th>Procurement/ Components</th>
<th>Finance &amp; IT</th>
<th>China</th>
</tr>
</thead>
<tbody>
<tr>
<td>VW</td>
<td>Audi</td>
<td>Porsche</td>
<td>MAN</td>
<td>Procurement</td>
<td></td>
<td>Region China</td>
</tr>
<tr>
<td>Škoda</td>
<td>Lamborghini1)</td>
<td>Bentley</td>
<td>Scania</td>
<td>Components</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SEAT</td>
<td>Ducati1)</td>
<td>Bugatti</td>
<td>Power Engineering1)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>VW LCV</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MOIA</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1) Allocation to be verified.
E-mobility is the only way forward to achieve climate targets

- Our Target: CO₂ neutral fleet by 2050

- Increase share of future technologies – Focus E-Mobility
- Implementation of further measures to become CO₂ neutral
Investing heavily in our transformation

Up to the end of **2023**: We will be putting more than **€44 bn** into our mobility for the future: there of € 30bn in e-mobility and rest in digitalization, autonomous driving and mobility services. Amounts to roughly one third of total expenditure for the years 2019-2023.

Up to the end of **2023**: Two thirds of total expenditure are being put into the conventional vehicle and drive portfolio in order to meet the CO2 requirements.

On top, up to the end of **2023**: Volkswagen Group and its joint-venture partners in China will be making around **€15 bn** available for e-mobility, autonomous driving, digitalization and new mobility services.

Investments of around **€1 bn** planned to set up battery cell production facility with partner in Lower Saxony.

As of 19th November, 2018.

As of 3rd May, 2019.
BEVs are First choice as the most cost efficient solution for CO₂ reduction

Example Volkswagen Brand: Ranking CO₂ efficiency indicators (average) for selected CO₂ measures

**MEASURES FOR CO₂ REDUCTION IN €/G CO₂**

- Diesel ICE EU7
- Gasoline ICE Hybrid
- Gasoline ICE Mild-Hybrid
- Gasoline ICE Plug-In-Hybrid

BEV MEB 1st Generation
BEV MEB 2nd Generation

95€/gCO₂
Scalable Technology: The dedicated platforms (MEB/PPE) guarantee superior customer experience, scale and versatility
The car becomes the most complex internet device

Control units: **approx. 70**

No own Software stacks

High Performance Computers **3-5**

Development of Volkswagen’s own Software stacks

Cloud/Backend

Software Stacks:
- Infotainment, Navigation,
- Emergency Assist...

**VW OS**

Basic Software: Operating System

Functions/Software

Tomorrow

Fully connected car

Today

Car

- Distributed customer functions

- Distributed customer functions
Enormous increase worldwide in BEV deliveries by 2025 across all brands\textsuperscript{1)}

BEV worldwide (in million) based on expected Group deliveries to customers

\textsuperscript{1)} As of 12th March, 2019.
Volkswagen is gathering momentum with the first MEB vehicle ID.3
A new era begins

ID.3 will come with ranges from 330 to 550 kilometers (WLTP) and starting price of under €30,000 in Germany

Pre-booking of special edition ID.3 1st:

Already more than 10,000 registrations with an excellent customer response

- limited to 30,000 vehicles
- range of 420 km (WLTP)
- starting price of less than €40,000 in Germany
- including charging of electric power for a year at no cost up to a maximum of 2,000 kWh
- Registration deposit is €1,000
Our e-mobility strategy comes top down

PREMIUM

VOLUME

HOLISTIC APPROACH with GREEN ENERGY
BEV challenges addressed by three key elements

<table>
<thead>
<tr>
<th>Usability / Range</th>
<th>Total Cost of Ownership</th>
<th>Systematic Sales Approach</th>
</tr>
</thead>
</table>

**Usability / Range**
- **e-Golf**
  - up to 231 km (WLTP)
- **MEB-platform**
  - up to 550 km (WLTP)
  - scalable

**Total Cost of Ownership**
- Par value on total costs between ICE and BEV:
  - ICE - e.g. Golf TDI
  - e-Golf
  - BEV - ID.
  - State subsidy
  - Cost of Ownership
  - Cost: Leasing

**Systematic Sales Approach**
- New Car
- ID.
- Lifetime Concept
- Used Car
- Effects:
  - Stabilization of residual values
  - Increase of customer loyalty towards dealers & brand

*Rate instead of price*:
- Leasing for all customer groups
- Package offers incl. After Sales
- For new and used vehicles
The charging infrastructure: An enabler for the transformation to e-mobility

1) As of 12th March, 2019.
Driving forward Strategy: New collaborative approach

New Scale dimensions
Key Messages

1. Leading the transformation to e-mobility
2. Cost effective transformation path
3. First in transforming into software OEM
4. Increased focus on value creation
TRATON Group – Creating a Global Champion in the Transportation Industry

<table>
<thead>
<tr>
<th>Global Champion</th>
<th>Growth</th>
<th>Profitability</th>
<th>Execution</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Scale and global reach through leading brands and strategic alliance partners</td>
<td>• Customer value focused product and service offering</td>
<td>• Concrete path to profitability improvement</td>
<td>• Strong team with industry-leading track record</td>
</tr>
<tr>
<td>• Unique platform enabling growth and positioning for best-in-class profitability</td>
<td>• New product generations</td>
<td>• Stand-alone brand performance and synergies</td>
<td>• Committed to Global Champion strategy</td>
</tr>
<tr>
<td></td>
<td>• Further expansion in key geographies</td>
<td>• Earnings growth and cash generation potential</td>
<td></td>
</tr>
</tbody>
</table>

Volkswagen AG decided in principle to carry out an IPO of TRATON SE, aimed for before the summer break 2019
Volkswagen Financial Services ¹): global, well diversified and successful

**Strong global presence**

- Continuous portfolio expansion
  - in ’000 contracts
  - Total portfolio 20,535

**Rising penetration rates**

- w/o China: 46.9%, 48.7%, 47.8%, 49.4%, 47.3%
- with China: 31.3%, 33.1%, 33.1%, 33.3%, 33.5%

**Diversified funding structure**

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

¹) Excl. activities of Scania and Porsche Holding Salzburg; incl. Financial Services of Porsche AG and MAN Financial Services.

31.03.2019: € 210.2 bn
Volkswagen Brand – Pushing the Turnaround in the US with new products

Deliveries to US customers, ‘000’ units

<table>
<thead>
<tr>
<th>Year</th>
<th>SUV offensive #1</th>
<th>Sedans</th>
<th>SUV offensive #2</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>Atlas</td>
<td>Jetta</td>
<td>Midsize SUV 5s</td>
</tr>
<tr>
<td>2018-19</td>
<td>Tiguan</td>
<td>Passat</td>
<td>Compact SUV</td>
</tr>
<tr>
<td>2019-21</td>
<td>Refreshed Golf</td>
<td>Arteon</td>
<td>ID Crozz</td>
</tr>
</tbody>
</table>

Market Share %

<table>
<thead>
<tr>
<th>Year</th>
<th>Sedan</th>
<th>SUV offensive #1</th>
<th>SUV offensive #2</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>3.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td>2.6</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td>2.2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td>2.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td>1.8</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>2.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2018-19</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2019-21</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Volkswagen Brand – Pushing the Turnaround in the US with new products
Volkswagen Group China looks forward to a successful year 2019

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Market Growth</td>
<td>22.7m (-4.6%)</td>
<td></td>
</tr>
<tr>
<td>Volkswagen Group China Deliveries</td>
<td>4.2m (+0.5%)</td>
<td></td>
</tr>
<tr>
<td>Prop. Operating Profit</td>
<td>€ 4.6bn (-2.5%)</td>
<td></td>
</tr>
</tbody>
</table>

We, together with our Joint Venture partners, plan investments of more than **EUR 4 billion in 2019**!
Volkswagen Group China performance
(January to April 2019 vs. 2018)

1) Incl. Hong Kong, excl. Ducati. Group numbers incl. Volkswagen Commercial Vehicles, Scania and MAN.

Proportionate operating profit, January to March

Q1 2018
Q1 2019

€ 1.2 bn
€ 1.1 bn

-7.7%
-7.1%

Q1 2018
Q1 2019

Proportionate operating profit, January to March

-7.7%
-7.1%

-6.8%
-0.5%

-24.5%
-22.0%

-0.2%
+338.9%

[thsd. units]

[units]

January – April 2018
January – April 2019

-46.5%
-7.1%

1.345
1.032

1.249
1.003

935

207
25

206
25

107
81

237
54

416
533

Volkswagen Group China performance
(January to April 2019 vs. 2018)
Together4Integrity: Group-wide integrity and compliance program in full swing

**STRATEGY**
Ethics and compliance is central to business strategy

**RISK MANAGEMENT**
Ethics and compliance risks are identified, owned, managed and mitigated

**SPEAK-UP ENVIRONMENT**
The organization encourages, protects and values the reporting of concerns and suspected wrongdoing

**CULTURE OF INTEGRITY**
Leaders at all levels across the organization build and sustain a culture of integrity

**RESOLUTE ACCOUNTABILITY**
The organization takes action and holds itself accountable when wrongdoing occurs

1) Group entities covered; as of 12th March, 2019.
# Group Compliance action plan for 2019

<table>
<thead>
<tr>
<th>Standards, Organization</th>
<th>1</th>
<th>Whistleblower Group Guideline</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2</td>
<td>Staffing of Group Compliance</td>
</tr>
<tr>
<td>Processes &amp; Tools</td>
<td>3</td>
<td>Strengthening the group-wide Compliance Organization</td>
</tr>
<tr>
<td></td>
<td>4</td>
<td>Consistent Compliance Risk Assessment</td>
</tr>
<tr>
<td></td>
<td>5</td>
<td>Worldwide Anti-Money Laundering System</td>
</tr>
<tr>
<td></td>
<td>6</td>
<td>Risk-based revision of group guidelines</td>
</tr>
<tr>
<td>Business partner</td>
<td>7</td>
<td>New Business partner approval process for suppliers and sales organization</td>
</tr>
<tr>
<td></td>
<td>8</td>
<td>Compliance in M&amp;A transactions and post merger integration for non-controlled shareholdings</td>
</tr>
<tr>
<td>Certification</td>
<td>9</td>
<td>Support Monitorship + implementation of Monitor Recommendations</td>
</tr>
</tbody>
</table>
**Investor Relations Team**

We are pleased to answer your inquiries regarding Volkswagen shares and other capital market related questions.

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Head of Group Investor Relations
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Telephone: +49 5361 9 49840

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Senior Investor Relations Manager
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**Andreas Kowalczyk (Wolfsburg office)**
Investor Relations Officer
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Telephone: +49 5361 9 31106

The official website of Volkswagen Group Investor Relations. [Company topics, brandchannels, innovation and informations.](#)
Each Board Member is responsible for one or more functions within the Volkswagen Group. The work of the Board of Management of Volkswagen AG is supported by the boards of the brands and regions as well as by the other group business units and holdings.

On March 13, 2019, Porsche SE announced an increase in voting rights to 53.1%.

The Shareholder Structure, Supervisory and Management Board

<table>
<thead>
<tr>
<th>Shareholder Structure of Volkswagen AG</th>
<th>Supervisory Board of Volkswagen AG</th>
<th>Board of Management of Volkswagen AG(^1)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Number of Outstanding Shares</strong></td>
<td><strong>Chairman</strong></td>
<td><strong>Chairman of VW AG</strong></td>
</tr>
<tr>
<td>Ordinary shares</td>
<td>Hans Dieter Pötsch</td>
<td>Dr. Herbert Diess</td>
</tr>
<tr>
<td>295,089,818</td>
<td><strong>Members</strong></td>
<td>Porsche AG</td>
</tr>
<tr>
<td><strong>Current Voting Rights Distribution</strong></td>
<td>Jörg Hofmann</td>
<td>Dr. Oliver Blume</td>
</tr>
<tr>
<td>Preferred shares</td>
<td>Dr. Hussain Ali Al-Abdulla</td>
<td>Human Resources</td>
</tr>
<tr>
<td>206,205,445</td>
<td>Dr. Hessa Sultan Al-Jaber</td>
<td>Gunnar Kilian</td>
</tr>
<tr>
<td></td>
<td>Dr. Bernd Althusmann</td>
<td>TRATON Group</td>
</tr>
<tr>
<td></td>
<td>Birgit Dietze</td>
<td>Andreas Renschler</td>
</tr>
<tr>
<td></td>
<td>Dr. jur. Hans-Peter Fischer</td>
<td>Components and Procurement</td>
</tr>
<tr>
<td></td>
<td>Marianne Heiß</td>
<td>Dr. Stefan Sommer</td>
</tr>
<tr>
<td></td>
<td>Johan Järvklo</td>
<td>Dr. Herbert Diess</td>
</tr>
<tr>
<td></td>
<td>Ulrike Jakob</td>
<td>Porsche AG</td>
</tr>
<tr>
<td></td>
<td>Dr. Louise Kiesling</td>
<td>Dr. Oliver Blume</td>
</tr>
<tr>
<td></td>
<td>Peter Mosch</td>
<td>Human Resources</td>
</tr>
<tr>
<td></td>
<td>Bertina Murkovic</td>
<td>Gunnar Kilian</td>
</tr>
<tr>
<td></td>
<td>Bernd Osterloh</td>
<td>TRATON Group</td>
</tr>
<tr>
<td></td>
<td>Dr. jur. Hans Michel Piëch</td>
<td>Andreas Renschler</td>
</tr>
<tr>
<td></td>
<td>Dr. jur. Ferdinand Oliver Porsche</td>
<td>Components and Procurement</td>
</tr>
<tr>
<td></td>
<td>Dr. rer. comm. Wolfgang Porsche</td>
<td>Dr. Stefan Sommer</td>
</tr>
<tr>
<td></td>
<td>Athanasios Stimoniaris</td>
<td>Components and Procurement</td>
</tr>
<tr>
<td></td>
<td>Stephan Weil</td>
<td>components and Procurement</td>
</tr>
<tr>
<td></td>
<td>Werner Weresch</td>
<td>Dr. Stefan Sommer</td>
</tr>
<tr>
<td></td>
<td><strong>Porsche SE, Stuttgart(^2)</strong></td>
<td></td>
</tr>
<tr>
<td><strong>State of Lower Saxony, Hanover</strong></td>
<td><strong>(as at December 31, 2018)</strong></td>
<td></td>
</tr>
<tr>
<td>205,089,818</td>
<td><strong>Chairman</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Members</strong></td>
<td></td>
</tr>
</tbody>
</table>

1) Each Board Member is responsible for one or more functions within the Volkswagen Group. The work of the Board of Management of Volkswagen AG is supported by the boards of the brands and regions as well as by the other group business units and holdings. 2) On March 13, 2019, Porsche SE announced an increase in voting rights to 53.1%.
Volkswagen Group – Deliveries to Customers by Markets\(^1\)
(January to April 2019 vs. 2018)

\(^1\) Incl. all brands of Volkswagen Group (Passenger Cars and Commercial Vehicles); -4.4% incl. Volkswagen Commercial Vehicles in North and South America, excl. Scania and MAN.
Strongly growing SUV trend 1)
SUV mix by region based on expected Group deliveries to customers

[SUV share in %]

1) As of 2nd May, 2019.
Strongly growing BEV trend 1)
Sales by region based on expected Group deliveries to customers
[thsd. units]

<table>
<thead>
<tr>
<th>Region</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Europe</td>
<td>&gt;25</td>
<td>&gt;100</td>
<td>$x 4$</td>
</tr>
<tr>
<td>China</td>
<td></td>
<td></td>
<td>$&gt; 500$</td>
</tr>
<tr>
<td>RoW</td>
<td></td>
<td></td>
<td>$x 5$</td>
</tr>
</tbody>
</table>

1) As of 2nd May, 2019.
### Better Earnings Quality & EPS growth 1)

<table>
<thead>
<tr>
<th></th>
<th>Basis: Result 2016</th>
<th>2020 Updated</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales revenue (€ bn)</td>
<td>217.3</td>
<td>+ &gt; 20 %</td>
</tr>
<tr>
<td>Operating profit (€ bn)</td>
<td>14.6</td>
<td>+ &gt; 25 %</td>
</tr>
<tr>
<td>Profit before tax (€ bn)</td>
<td>14.8</td>
<td>+ ≥ 25 %</td>
</tr>
<tr>
<td>Earnings per Pref. Share</td>
<td>~20 €</td>
<td>+ ≥ 25 %</td>
</tr>
</tbody>
</table>

1) As of 19th November, 2018.
Automotive Division – Research and Development Costs
January to March 2019 vs. 2018

[€ million]

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th></th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total R&amp;D costs</td>
<td>3.483</td>
<td>3.356</td>
<td>3.087</td>
</tr>
<tr>
<td>of which capitalized</td>
<td>1.147 32.9%</td>
<td>1.203 35.9%</td>
<td>934</td>
</tr>
<tr>
<td>amortization</td>
<td>891</td>
<td></td>
<td>934</td>
</tr>
<tr>
<td>Recognized in the income statement</td>
<td>3.227</td>
<td></td>
<td>3.087</td>
</tr>
</tbody>
</table>
## Diesel issue: Special Items & payments

<table>
<thead>
<tr>
<th>Year</th>
<th>Diesel special items</th>
<th>Payments</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Legal</td>
<td>Payments</td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>7.0</td>
<td></td>
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<td></td>
<td>Other items</td>
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<td></td>
<td>9.2</td>
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<td></td>
<td><strong>16.2</strong></td>
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<tr>
<td>2016</td>
<td>Mainly legal risks</td>
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<td></td>
<td>6.4</td>
<td></td>
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<tr>
<td>2017</td>
<td>Buyback/retrofit program</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>Legal</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>2.2</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>1.0</td>
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<tr>
<td></td>
<td><strong>3.2</strong></td>
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<td></td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>~16.1</td>
</tr>
<tr>
<td>2018</td>
<td>Mainly legal risks</td>
<td></td>
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<tr>
<td></td>
<td>3.2</td>
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<tr>
<td>2019</td>
<td>Mainly legal risks</td>
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<tr>
<td></td>
<td>1.0</td>
<td></td>
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<td>Expected</td>
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<tr>
<td></td>
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<td>~2.4</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>Payments made</td>
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<tr>
<td></td>
<td><strong>30.0</strong></td>
<td></td>
<td>~24.6</td>
</tr>
</tbody>
</table>

---

1) In Q1 Special Items of 981 million € were booked for diesel related legal risks, of which 535 million € related to Porsche and 400 million € to Volkswagen Passenger Cars.
### Volkswagen Group – Analysis by Business Line 1)
(January to March 2019 vs. 2018)

<table>
<thead>
<tr>
<th></th>
<th>Vehicle sales (thousand vehicles)</th>
<th>Sales revenue (€ million)</th>
<th>Operating profit (€ million)</th>
<th>Margin (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Volkswagen Passenger Cars</td>
<td>910</td>
<td>912</td>
<td>21,538</td>
<td>20,115</td>
</tr>
<tr>
<td>Audi</td>
<td>305</td>
<td>394</td>
<td>13,812</td>
<td>15,320</td>
</tr>
<tr>
<td>ŠKODA</td>
<td>275</td>
<td>256</td>
<td>4,920</td>
<td>4,547</td>
</tr>
<tr>
<td>SEAT</td>
<td>176</td>
<td>167</td>
<td>3,053</td>
<td>2,782</td>
</tr>
<tr>
<td>Bentley</td>
<td>3</td>
<td>2</td>
<td>456</td>
<td>351</td>
</tr>
<tr>
<td>Porsche Automotive 2)</td>
<td>57</td>
<td>61</td>
<td>5,224</td>
<td>5,438</td>
</tr>
<tr>
<td>Volkswagen Commercial Vehicles</td>
<td>129</td>
<td>117</td>
<td>3,294</td>
<td>2,945</td>
</tr>
<tr>
<td>Scania 3)</td>
<td>24</td>
<td>31</td>
<td>3,350</td>
<td>3,029</td>
</tr>
<tr>
<td>MAN Commercial Vehicles</td>
<td>34</td>
<td>31</td>
<td>2,988</td>
<td>2,771</td>
</tr>
<tr>
<td>Power Engineering</td>
<td>-</td>
<td>-</td>
<td>891</td>
<td>766</td>
</tr>
<tr>
<td>VW China 4)</td>
<td>901</td>
<td>1040</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other 5)</td>
<td>-229</td>
<td>-233</td>
<td>-8,220</td>
<td>-7,834</td>
</tr>
<tr>
<td>Volkswagen Financial Services</td>
<td>-</td>
<td>-</td>
<td>8,706</td>
<td>7,999</td>
</tr>
<tr>
<td>Volkswagen Group before Special Items</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Special Items</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Volkswagen Group 6)</td>
<td>2,583</td>
<td>2,769</td>
<td>60,012</td>
<td>58,228</td>
</tr>
<tr>
<td>Automotive Division</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>of which: Passenger Cars 7)</td>
<td>2,526</td>
<td>2,716</td>
<td>43,581</td>
<td>43,243</td>
</tr>
<tr>
<td>of which: Commercial Vehicles 7)</td>
<td>57</td>
<td>53</td>
<td>6,305</td>
<td>5,734</td>
</tr>
<tr>
<td>of which: Power Engineering</td>
<td>-</td>
<td>-</td>
<td>891</td>
<td>766</td>
</tr>
<tr>
<td>Financial Services Division</td>
<td>-</td>
<td>-</td>
<td>9,236</td>
<td>8,485</td>
</tr>
</tbody>
</table>

1) All figures shown are rounded, minor discrepancies may arise from addition of these amounts. 2) Porsche (Automotive and Financial Services): sales revenue € 3,458 (3,118) million, operating profit € 402 (331) million. 3) Scania (Automotive and Financial Services): sales revenue € 3,458 (3,118) million, operating profit € 402 (331) million. 4) Sales revenue and operating profits of the joint venture companies in China are not included in the figures for the Group. These Chinese companies are accounted for using the equity method. 5) In operating profit mainly intragroup items recognized in profit or loss, in particular from the elimination of intercompany profits; the figure includes depreciation and amortization of identifiable assets as part of purchase price allocation for Scania, Porsche Holding Salzburg, MAN and Porsche. 6) Including allocation of consolidation adjustments between the Automotive and Financial Services divisions. 7) Since 1st January 2019 Volkswagen Commercial Vehicles is reported in the Automotive division, prior-year figures have been adjusted.
Volkswagen Investor Update

Volkswagen AG
Ulrich Hauswaldt – Group Investor Relations
Bjoern Reinecke – Head of Financial Markets

Volkswagen Financial Services
Bernd Bode – Head of Group Treasury and Investor Relations
Katja Hauer – Investor Relations
Volkswagen Financial Services is a strong pillar within the Volkswagen Group

<table>
<thead>
<tr>
<th>Volume</th>
<th>Premium</th>
<th>Sport &amp; Luxury</th>
<th>Truck &amp; Bus</th>
<th>Procurement/ Components</th>
<th>Financial Services</th>
<th>China</th>
</tr>
</thead>
<tbody>
<tr>
<td>VW</td>
<td>Audi</td>
<td>Porsche</td>
<td>MAN</td>
<td>Procurement</td>
<td></td>
<td>China</td>
</tr>
<tr>
<td>ŠKODA</td>
<td>Lamborghini¹</td>
<td>Bentley</td>
<td>Scania</td>
<td>Component</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SEAT</td>
<td>Ducati¹</td>
<td>Bugatti</td>
<td>Power Engineering¹</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>VW LCV</td>
<td>MOIA</td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

¹ Allocation to be verified
We offer the whole range of services under one roof*

* Displayed portfolio depends on the market; products offered or mediated by different operative subsidiaries.

UniCredit Automotive Credit Conference, London, 05 - 06 June 2019
At a glance as of 31.12.2018

Volkswagen Bank GmbH

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total assets</td>
<td>€ 83.0 billion</td>
</tr>
<tr>
<td>Equity</td>
<td>€ 11.6 billion</td>
</tr>
<tr>
<td>Customer deposits</td>
<td>€ 32.4 billion</td>
</tr>
<tr>
<td>Operating profit</td>
<td>€ 952 million</td>
</tr>
<tr>
<td>Employees</td>
<td>3,454</td>
</tr>
<tr>
<td>Contracts (units)</td>
<td>6.4 million</td>
</tr>
</tbody>
</table>

Volkswagen Financial Services AG

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total assets</td>
<td>€ 80.5 billion</td>
</tr>
<tr>
<td>Equity</td>
<td>€ 8.0 billion</td>
</tr>
<tr>
<td>Customer deposits</td>
<td>€ 75 million</td>
</tr>
<tr>
<td>Operating profit</td>
<td>€ 844 million</td>
</tr>
<tr>
<td>Employees</td>
<td>8,603</td>
</tr>
<tr>
<td>Contracts (units)</td>
<td>10.2 million</td>
</tr>
</tbody>
</table>

*Receivables + Leased Assets
Operating Income

Volkswagen Bank GmbH

€ m

355 448 455 446 539 645 994 952

Volkswagen Financial Services AG*

€ m

814 945 1214 1293 1416 1641 609 844

* Figures of Volkswagen Bank GmbH consolidated within Volkswagen Financial Services AG until 2016
Balance Sheet

Volkswagen Bank GmbH

Volkswagen Financial Services AG*

* Figures of Volkswagen Bank GmbH consolidated within Volkswagen Financial Services AG until 2016

UniCredit Automotive Credit Conference, London, 05 - 06 June 2019
Portfolio structure Volkswagen Financial Services

Credit Risk
The predominant risk type whereof the major share is originated from well diversified retail business with a low risk profile.

Residual Value Risk
Residual values are monitored closely and regularly adjusted to the current market situation for new business. Completely covered by provisions and equity according to IAS 36.

Other substantial risk types:
- Earnings Risk
- Operational Risk
- Marketprice Risk
- Shareholder Risk

as of 12/31/2018
Credit risk remains at low level despite challenging market environment

- **Dynamic Loss Ratio**
  - Drawings on provisions including direct write-offs relative to the average volume of receivables (last four quarters)

- **Total Provision Ratio**
  - Provisions in proportion to the total receivables' volume at reporting date

---

**UniCredit Automotive Credit Conference, London, 05 - 06 June 2019**

9
• Generally, Automotive and Financial Services Division are operating “at Arms Length” when setting residual values. Adequate provisioning for our existing portfolio is done on the basis of a regular portfolio assessment.

• All residual value risks are completely covered by provisions and equity according to IAS 36.
International used car brokerage safeguards residual values

Currently 10 Volkswagen Financial Services AG countries participating
1 additional country in discussion
Volkswagen Financial Services organisational structure and guarantee scheme

Volkswagen Financial Services AG
Rating: BBB+ (s) / A3 (s)

Volkswagen Bank GmbH
Rating: A- (n) / A1 (s)

Guarantee

Volkswagen Financial Services N.V.
Volkswagen Leasing GmbH
Volkswagen Financial Services Australia
Volkswagen Financial Services Japan

1Credit Ratings from Standard&Poors / Moody’s as per 16 May 2019; (n) Outlook negative, (s) Outlook stable
Worldwide Capital Market Activities

**Volkswagen Financial Services Group**
- € 5 bn CP Program
- € 35 bn Debt Issuance Program

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

---

**VW Bank Russia**
- Domestic 100bn RUB Bond Program

**VW FS Korea**
- Domestic KRW Bond Issuances

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

**VW Finance (China)**
- Domestic RMB Bond Issuances

**VW FS Australia**
- AUD 5 bn Debt Issuance Program

---

**Volkswagen Leasing Mexico**
- MXN 20 bn Dual CP + MTN Program

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

**Banco VW Brazil**
- Domestic Letra Financeira

**VDF Turkey**
- Domestic TRY Bond Issuances

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

---

* Guarantee Volkswagen Financial Services AG
Worldwide ABS Activities

- Volkswagen Bank GmbH Programs
  - UniCredit Automotive Credit Conference, London, 05 - 06 June 2019
Strategic Funding Allocation as of 31.12.2018

**Volkswagen Bank GmbH**

- **Equity** €11,6 bn (14,0%)
- **Customer deposits** €32,4 bn (39,0%)
- **Asset-Backed Securities** €10,4 bn (12,5%)
- **Bonds** €9,4 bn (11,3%)
- **Credit lines** €3,8 bn (4,6%)
- **Intercompany refinancing** €1,7 bn (2,0%)
- **Other facilities** €4,9 bn (5,9%)

Total: €83.0 bn

**Components independent from the company rating**

---

**Volkswagen Financial Services AG**

- **Equity** €8,0 bn (9,9%)
- **Customer deposits** €0,1 bn (0,1%)
- **Asset-Backed Securities** €13,1 bn (16,3%)
- **Bonds** €28,9 bn (35,9%)
- **Credit lines** €12,3 bn (15,3%)
- **Commercial Papers** €2,6 bn (3,2%)
- **Intercompany refinancing** €9,3 bn (11,6%)
- **Other facilities** €6,2 bn (7,7%)

Total: €80.5 bn

Components independent from the company rating
Vision and targets of Route2025

WE ARE THE BEST AUTOMOTIVE FINANCIAL SERVICES GROUP IN THE WORLD

VISION

STRATEGIC DIMENSIONS

CUSTOMERS
- Excited Customers

EMPLOYEES
- Top Employer

OPERATIONAL EXCELLENCE
- Compliance & Governance
- Process Efficiency
- IT Excellence

PROFITABILITY
- Total Operating Income
- 20% ROE
- 40% CIR

VOLUME
- 30M Contracts
- 50% Extended Penetration
ROUTE2025 - Target of 30 mn contracts* in portfolio in 2025
Major driver: used cars

- **2018**: 20.3 mn
- **Open**: 9.7 mn
- **2025 Target**: 30 mn

**Main drivers:**
- Used Car Business
- Multibrand

* Contract portfolio including contracts of non-consolidated companies
development of a real alternative to the current duopoly

Online share of trades

- mobile.de and AUTO counts for 85% of the Market
- Constant price increase for both platforms
- Dominant platforms controlled by American tech companies

heycar is being developed as an alternative in close cooperation with dealers

Daimler Financial Services acquired 20% stake
Electrification creates new challenges for automotive financial service providers

<table>
<thead>
<tr>
<th>Challenges</th>
<th>Customers</th>
<th>Financial service providers</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• Uncertainties and delays (technology and complexity)</td>
<td>• Reduced margin due to changed product portfolio</td>
</tr>
<tr>
<td></td>
<td>• Investment risk</td>
<td>• Keeping the residual values stable</td>
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</tbody>
</table>

<table>
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<tr>
<th>Targets</th>
<th>Customers</th>
<th>Financial service providers</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• Uncertainties and delays (technology and complexity)</td>
<td>• Reduced margin due to changed product portfolio</td>
</tr>
<tr>
<td></td>
<td>• Investment risk</td>
<td>• Keeping the residual values stable</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Solutions</th>
<th>Customers</th>
<th>Financial service providers</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• Uncertainties and delays (technology and complexity)</td>
<td>• Reduced margin due to changed product portfolio</td>
</tr>
<tr>
<td></td>
<td>• Investment risk</td>
<td>• Keeping the residual values stable</td>
</tr>
</tbody>
</table>

- Take over the risks and uncertainties
- Offer an attractive financial services product portfolio
- Securing the residual values
- Customer loyalty: Accompanying the customer and the vehicle "for a lifetime"

Holistic sales approach

Customized leasing offers for EV new and used cars

Packages and after-sales offers for EV new and used cars
Thank You.

Volkswagen Financial Services
Gifhorner Str. 57
38112 Braunschweig
Germany
www.vwfsag.de/en

Bernd Bode
Group Treasury and Investor Relations
Volkswagen Financial Services
Tel.: +49 531 212 3807
bernd.bode@vwfs.com

Katja Hauer
Investor Relations
Volkswagen Financial Services
Tel.: +49 531 212 84608
katja.hauer@vwfs.com
Thank You.
Volkswagen Bank GmbH
Gifhorner Str. 57
38112 Braunschweig
Germany
Finding the charging station

- No central information about charging stations

Authentification

- Over 40 RFID-cards/providers in Germany

Charging and refueling

- No integrated offer for charging and refueling

Payment

- Decentralised payment to each provider

Solution

- App to find the charging station
- ONE App/Charging card for universal charging/refueling
- Integrated offer for charging and refueling
- Payment with one bill and uniform prices

New customer experience "Everything from one source" - integrated process for public charging
Rental & Sharing

**Rental**

- **MAN Rental, EUROLEASING:**
  Rental of heavy commercial vehicles and trailers for 1 day to 60 months

- **VW FS Rent a Car, EUROMOBIL:**
  Rental of passenger cars and light commercial vehicles from 1 day till 12 months.

**Carsharing**

- **Greenwheels:**
  Station-based carsharing of passenger cars and light commercial vehicles for short-time rental (by hours, days or weeks).
**Smart Parking**

**Key Facts**

- **Active in 7 countries**
- **~1.4 million parking places in over 400 cities**
- **About 80 million transactions** per year with the target of **250 million transactions in 2020**

**Market leader in Germany**

**Role in the Group**

- VW FS as platform provider for cashless parking for all brands of the Volkswagen Group

**Product**

**Access / Payment (Comfort)**

**Relevant coverage**

- **On-Street** (municipal, unlimited)
- **Off-Street** (limited)
Volkswagen Financial Services e-charging solutions provides access to public charging.
Recent Public DCM Deals 2019
(Volkswagen Financial Services AG and Volkswagen Bank GmbH)

<table>
<thead>
<tr>
<th>Volkswagen Bank GmbH</th>
<th>Volkswagen Financial Services AG</th>
</tr>
</thead>
</table>
| Volkswagen Bank GmbH: 01/2019 EUR 2.5bn, due 08/2022, 01/2024, 07/2026 | Volkswagen Financial Services N.V.: EUR 520m 01/2019, due 01/2022  
Volkswagen Financial Services N.V.: GBP 350m GBP, 02/2019, due 07/2023  
Volkswagen Financial Services AG: GBP 350m 02/2019, due 02/2021  
Banco Volkswagen S.A.: BRL 500m 02/2019, due 02/2021  
Volkswagen Financial Services AG: EUR 2.75bn 03/2019, due 04/2022, 10/2024 and 10/2027  
Volkswagen Financial Services N.V.: NOK 500m 04/2019, due 04/2022  
Volkswagen Financial Services N.V.: NOK 500m 04/2019, due 04/2022  
Volkswagen Financial Services N.V.: SEK 1.0bn 04/2019, due 04/2021  
Volkswagen Financial Services Australia Pty Ltd.: AUD 500m 04/2019, due 04/2023 |
Recent Public ABS Deals 2018 and 2019
(Volkswagen Financial Services AG and Volkswagen Bank GmbH)

**Volkswagen Bank GmbH**
- Driver España five (Volkswagen Finance S.A.): EUR 1.0bn (02/2018)
- Driver fourteen (Volkswagen Bank GmbH): EUR 900m (03/2018)
- Driver Italia one (Volkswagen Bank GmbH): EUR 500m (05/2018)
- Driver fifteen (Volkswagen Bank GmbH): EUR 750m (09/2018)

**Volkswagen Financial Services AG**
- Driver Australia five (Volkswagen Financial Services Australia Pty Ltd.): AUD 750m (04/2018)
- VCL 27 (Volkswagen Leasing GmbH): EUR 957m (11/2018)
- Driver Japan eight (Volkswagen Financial Services Japan Ltd.): JPY 69.5 bn (02/2019)
- VCL 28 (Volkswagen Leasing GmbH): EUR 1.0 bn (04/2019)
Residual value situation of Volkswagen Financial Services as of 31.03.2019

Vehicles in direct residual value portfolio

- **Diesel**: 1.9 million cars
- **Petrol**: 1.0 million cars

**Total: 2.9 m cars**

- **Vehicle stock** increased in Q1 2019
- Declining **risk per vehicle** in Q1 2019

➤ **All residual value risks** are fully covered by risk provisions and equity.
The Volkswagen Financial Services offer must adapt to market changes

Classic business model

- Car financing
- Dealer financing
- Leasing
- Insurance
- Services
- Interest and liquidity risk
- Default risk
- Residual value risk
- Retail customer (1:1)
- Dealers
- BaFin, ECB
We offer the whole range of services under one roof*

* Displayed portfolio depends on the market; products offered or mediated by different operative subsidiaries.
The Volkswagen Financial Services offer must adapt to market change

New mobility concepts

**INCOME**

+ Rental products
+ Fleet business
+ Parking, Fuel, Toll

**RISK**

+ Revenue risk
+ Utilisation risk
+ Operating risk (own operations)

**PARTNER**

+ Mobility customers (1:n)
+ Municipal authorities
+ Public transport

UniCredit Automotive Credit Conference, London, 05 - 06 June 2019
We offer the whole range of services under one roof*

* Displayed portfolio depends on the market; products offered or mediated by different operative subsidiaries.

---

**BANK**
- Retail Financing
- Wholesale Financing
- Factoring
- Deposits

**LEASING**
- Finance Lease
- Operating Lease
- Motor incl. Telematics
- Warranty
- GAP & CPI
- Commercial Lines

**INSURANCE & SERVICE**
- Service & Inspection
- Full and Limited Maintenance
- Tyres

**SERVICES**
- Multi-brand capability
- Reporting
- Telematics
- Life-Cycle-Services
- Consulting

**FLEET**
- Used Car Platform

**MOBILITY**
- Fuel & Service Cards
- Charge & Fuel Card
- Tolling

**PAYMENT**
- Payment for parking space
- Services around parking
- On- and off-street

**RENTAL**
- Long-term Rental
- Short-term Rental
- Micro Rental | Car sharing

**PAYMENT**
- In-Car-Payment
- Mobile Payment
- Wallet

---

**PROFITABILITY**

**CONTACT FREQUENCY**

---

UniCredit Automotive Credit Conference, London, 05 - 06 June 2019
The Volkswagen Financial Services offer must adapt to market changes

Digital products

- Payment-Services
- Cyber-insurance
- Functions on Demand

INCOME

- Cyber risks
- Traffic law risks (autonomous driving)

RISK

- Digital-savvy customers
- Digital companies

PARTNER
Payment Platform | Volkswagen Financial Services provides global payment solutions for digital-based business models within the Volkswagen group
The Volkswagen Financial Services offer must adapt to market changes

**Electrification**

- Classic business, new mobility concepts and digital products for e-cars
- Charging-products

**RISK**

- Revaluation of classic risks, especially residual value risk (internal combustion engine vs. electric motor)
- Environmentally aware customers
- Energy providers
- Battery producers
- Providers of charging infrastructure
Electrification and digitalization change the automotive industry

Cars displayed are studies

Investments

Volkswagen accelerates push into electric cars with €30 billion spending plan

The world's most valuable resource is no longer oil, but data

Electrification
Connectivity
Adaptation
Autonomous driving
ROUTE2025 | Our Focus Topics

Digitalization

Operational Excellence
Volkswagen Financial Services will digitalize all core products by 2020 and extends it’s distribution channels

Past: single channel  
By 2020: multi channel  
By 2025: omni channel

Volkswagen Financial Services will digitalize all core products by 2020 and extends it’s distribution channels.
Operational Excellence | Cost efficiency has been continuously improved but we are still behind our competitors

Development Cost Income Ratio

- 54% in 2016
- 51% in 2017
- 49% in 2018
- 40% in 2025
- ~44%* by 2025

VW FS Target

Ø Competitors

* Sources: Annual Reports
The main drivers of Volkswagen Financial Services‘ expenses are IT, HR and Sales - Right at these points OpEx will have its effects

Global VW FS Targets

1% Overhead Ratio

Best-in-Class
Productivity

• Process Optimization
• Lean administration
• Automation

Best-in-Class
IT Organization

• Shoring/ Sourcing
• Cloud Strategy
• Shared IT Services
• Application Portfolio

Optimize
Cost of Sales

• Reduced campaign reimbursement
• Product comprehensive reimbursement systems
• Optimization of objectives and reimbursement levels
• Effort-based reimbursement Omni-channel

UniCredit Automotive Credit Conference, London, 05 - 06 June 2019
We are speeding up the transformation and becoming the leading provider of sustainable mobility.