

A large, stylized graphic of the Volkswagen logo, composed of several overlapping triangles in various shades of olive green and yellow-green. The logo is centered on the page.

**VOLKSWAGEN**  
AKTIENGESELLSCHAFT

**Interim  
Report**  
**January – March 2017**  
**Conference Call and Webcast**  
03 May 2017

## Disclaimer

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

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

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

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 Such statements are valid on the date of publication and can be superseded.

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

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## Conference Call: January – March 2017



**Frank Witter**

Member of the Board of  
Management, Volkswagen AG  
Finance and Controlling



**Fred Kappler**

Head of Group Sales  
Volkswagen AG

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## **Financial Highlights January – March 2017**

**Volkswagen Group started fiscal year 2017 on a strong footing**

**Sales revenue higher than prior year with positive effects from volume and mix**

**Operating profit improved to €4.4bn**

**Profit before tax increased to €4.6bn**

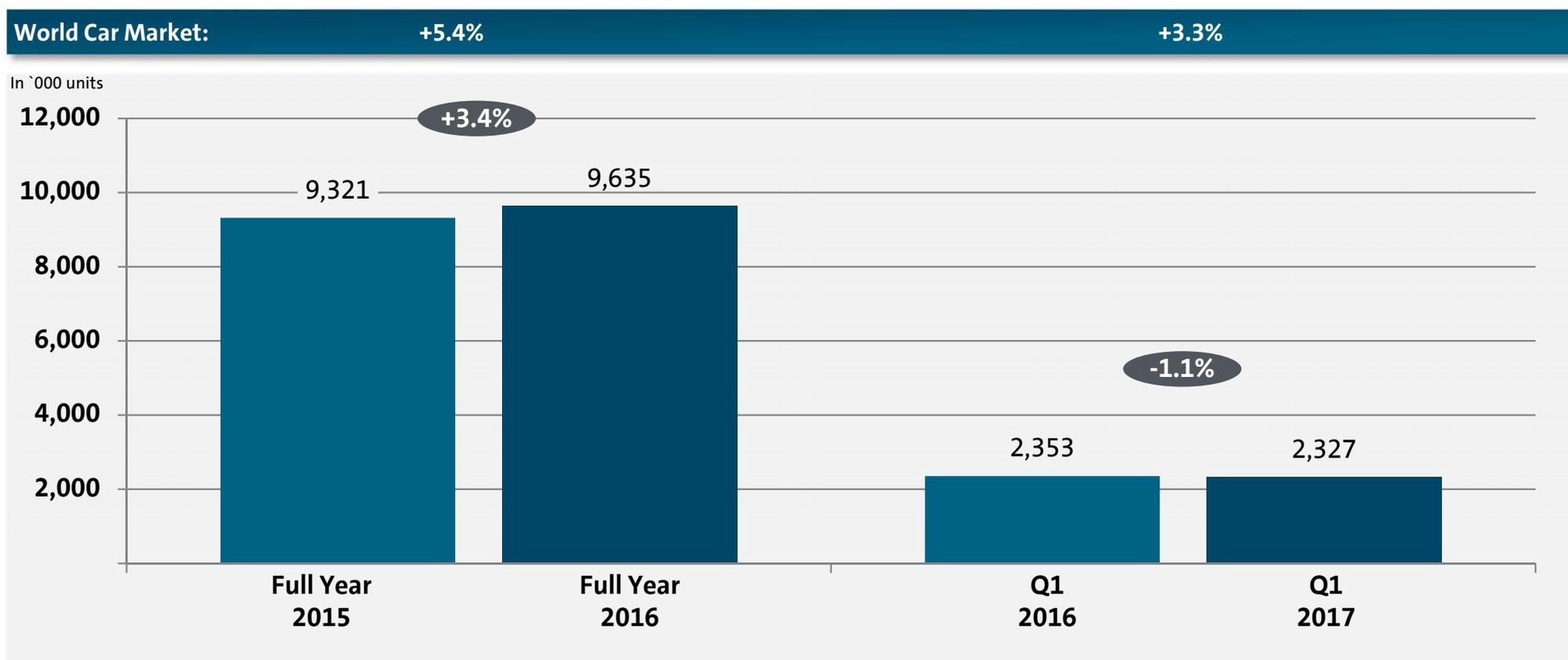
**Net cash flow before diesel issue related outflows positive; after diesel outflows negative**

**Automotive net liquidity still at a robust level**

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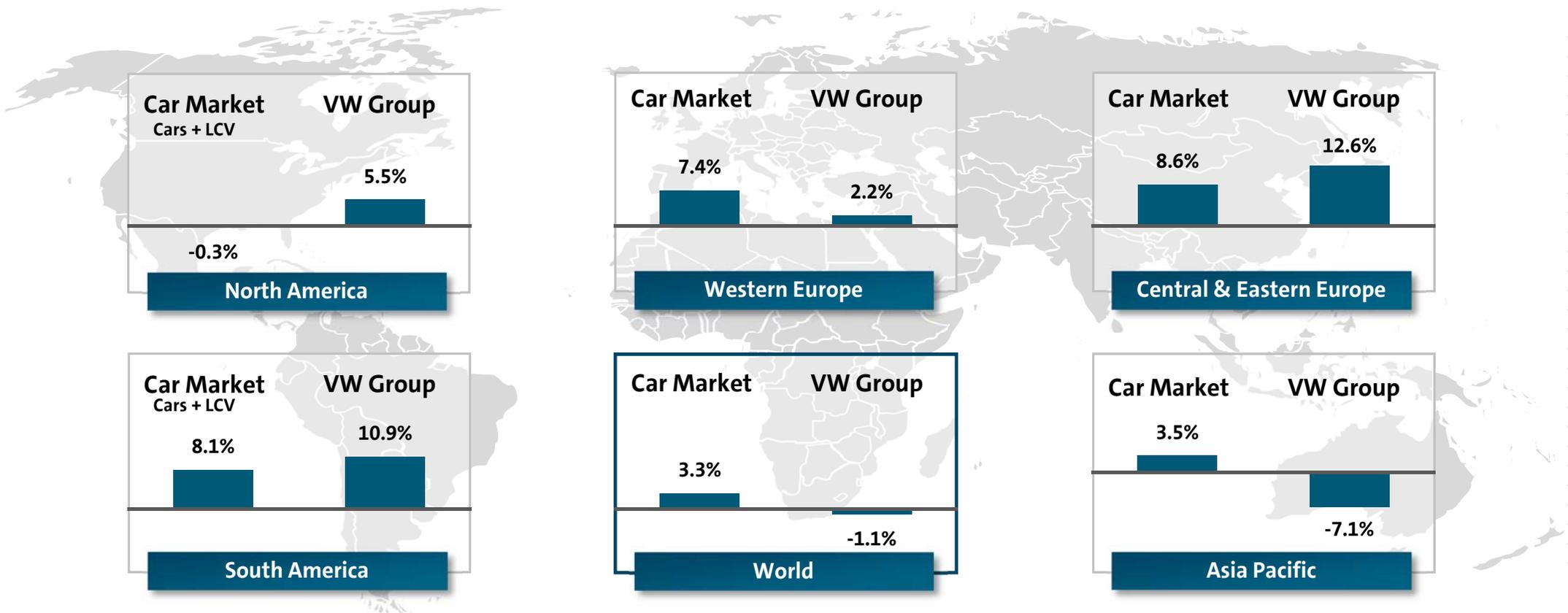
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## Development Volkswagen Group Car Deliveries to Customers<sup>1)</sup> (in comparison to previous year)



<sup>1)</sup> Figures excl. Volkswagen Commercial Vehicles, Scania and MAN.

## Development World Car Market vs. Volkswagen Group Car Deliveries to Customers<sup>1)</sup> (Growth y-o-y in deliveries to customers, January to March 2017 vs. 2016)



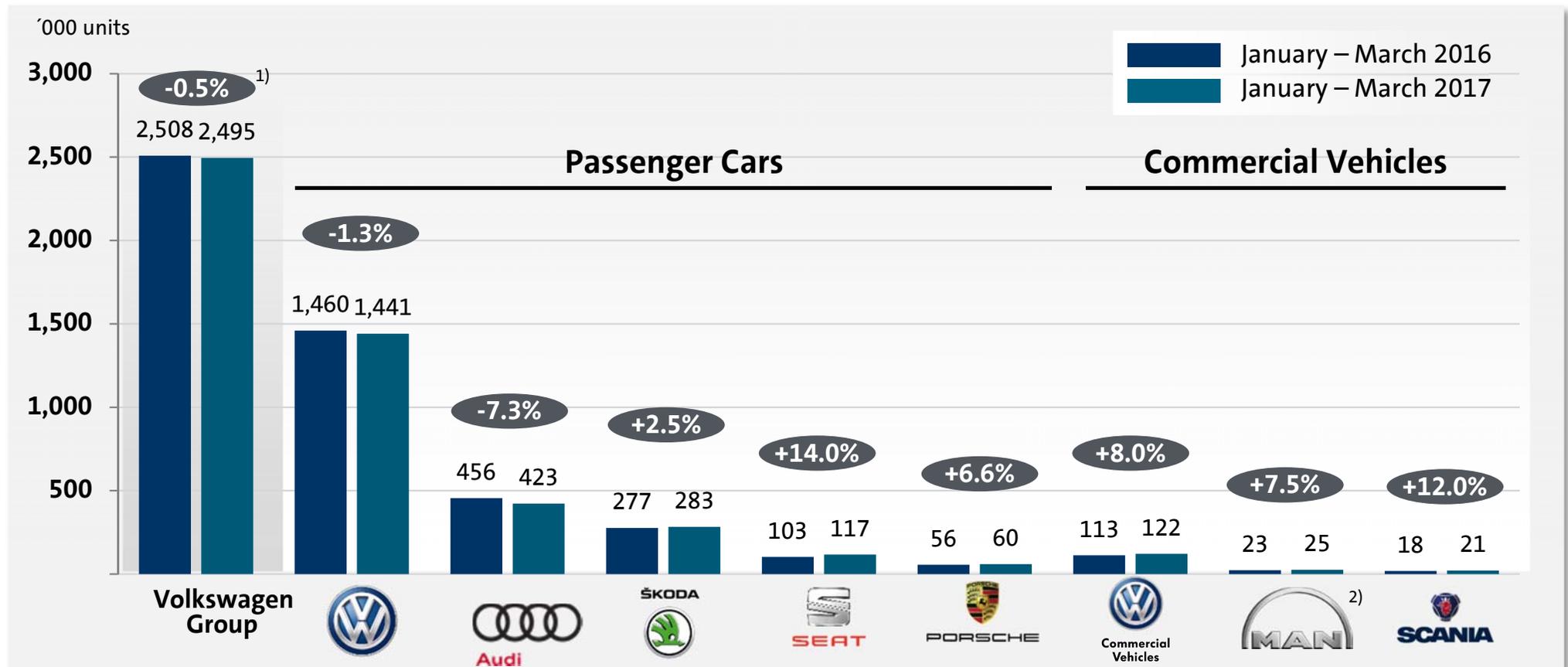
<sup>1)</sup> Figures excl. Volkswagen Commercial Vehicles, Scania and MAN.

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## Volkswagen Group – Deliveries to Customers by Brands

(January to March 2017 vs. 2016)



<sup>1)</sup> Incl. all brands of Volkswagen Group (Passenger Cars and Commercial Vehicles); -1.1% excl. Volkswagen Commercial Vehicles, Scania and MAN.

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

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**Volkswagen Arteon**



**Volkswagen Teramont (CN)**



**Audi Q5**



**Volkswagen Crafter**

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## Volkswagen Group – Key Financial Figures<sup>1)</sup>

(January to March 2017 vs. 2016)

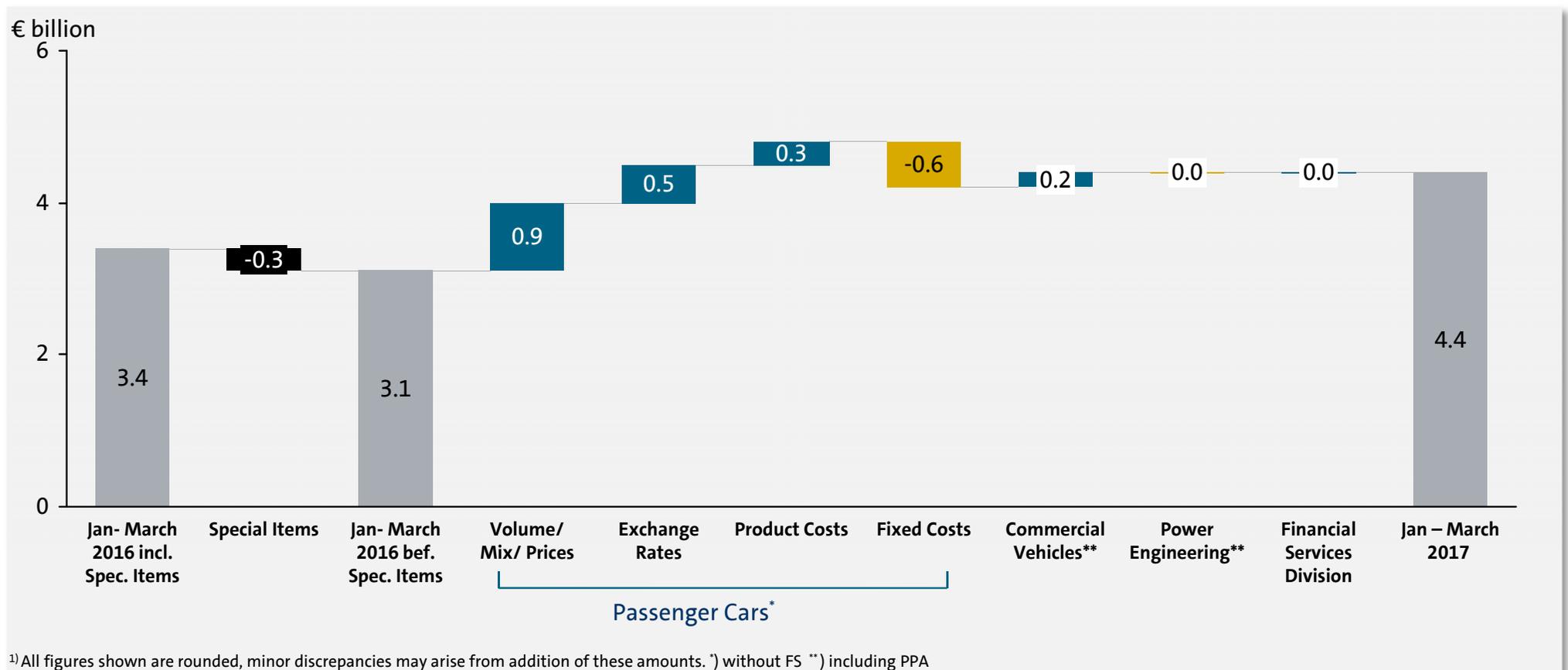
thousand vehicles / € million	2017	2016	+/- (%)
Vehicle Sales <sup>2)</sup>	2,610	2,577	+1.3
Sales revenue	56,197	50,964	+10.3
Operating profit before Special Items	4,367	3,131	+39.5
<i>% of sales revenue</i>	7.8	6.1	
Operating profit	4,367	3,440	+27.0
<i>% of sales revenue</i>	7.8	6.8	
Financial result	256	-237	X
of which: At-equity result <sup>2)</sup>	936	1,114	-16.0
of which: Other financial result	-680	-1,351	-49.7
Profit before tax	4,623	3,203	+44.3
<i>% Return on sales before tax</i>	8.2	6.3	
Profit after tax	3,403	2,365	+43.9

<sup>1)</sup> 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.

<sup>2)</sup> Volume data including the unconsolidated Chinese joint ventures. The joint venture companies in China are accounted for using the equity method and recorded an operating profit (proportionate) of €1,112 million (€1,174 million).

# Volkswagen Group – Analysis of Operating Profit<sup>1)</sup>

(January to March 2017 vs. 2016)



<sup>1)</sup> All figures shown are rounded, minor discrepancies may arise from addition of these amounts. \*) without FS \*\*) including PPA

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## Volkswagen Group – Analysis by Business Line<sup>1)</sup>

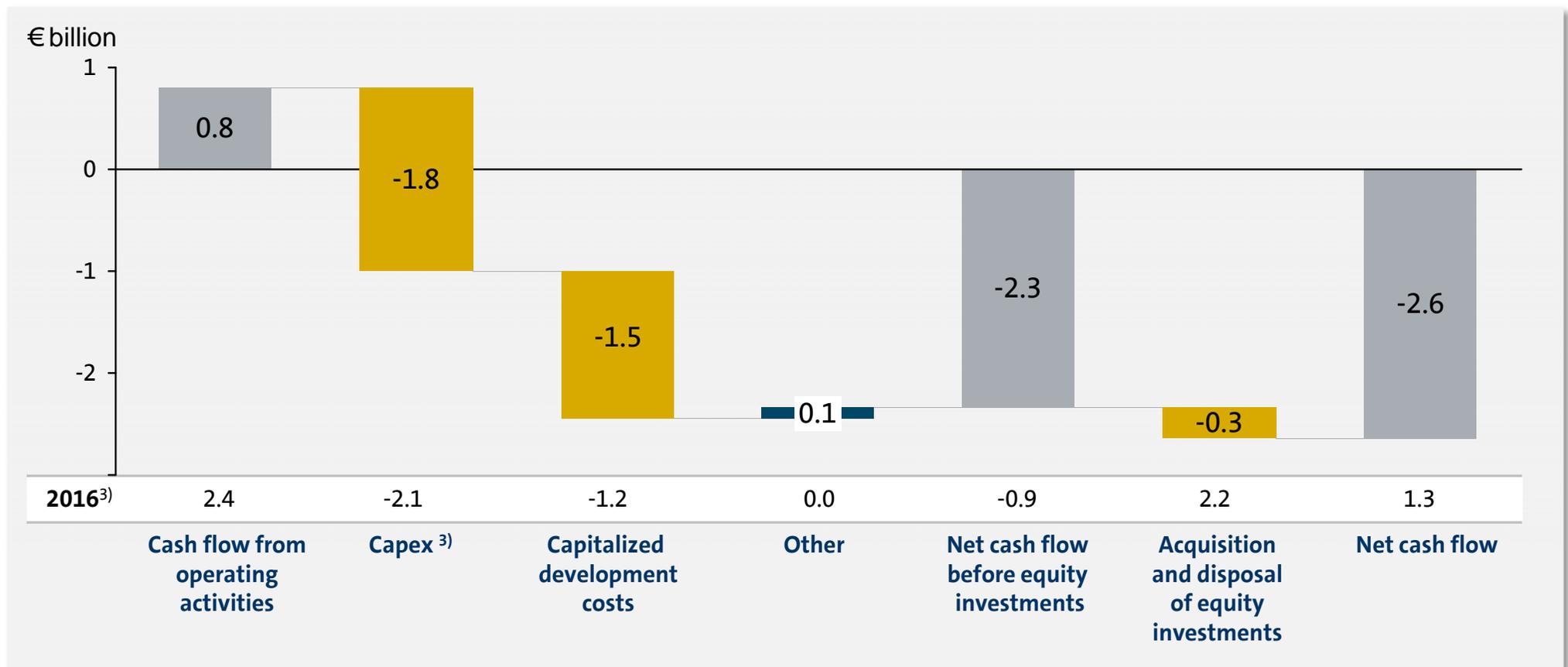
(January to March 2017 vs. 2016)

thousand vehicles/ € million	Vehicle sales		Sales revenue		Operating profit	
	2017	2016	2017	2016	2017	2016
Volkswagen Passenger Cars <sup>2)</sup>	862	1,069	19,040	25,068	869	73
Audi	375	388	14,378	14,511	1,244	1,302
ŠKODA	252	207	4,334	3,379	415	315
SEAT	148	127	2,487	2,070	56	54
Bentley	2	2	361	376	-30	-54
Porsche <sup>3)</sup>	57	59	5,035	4,978	932	855
Volkswagen Commercial Vehicles	119	118	2,875	2,716	205	142
Scania <sup>4)</sup>	21	19	3,084	2,551	324	244
MAN Commercial Vehicles	25	23	2,572	2,291	93	65
MAN Power Engineering	-	-	783	832	26	48
VW China <sup>5)</sup>	971	980	-	-	-	-
Other <sup>6)</sup>	-223	-415	-6,628	-14,421	-319	-405
Volkswagen Financial Services <sup>7)</sup>	-	-	7,876	6,612	551	492
<b>Volkswagen Group before Special Items</b>	-	-	-	-	<b>4,367</b>	<b>3,131</b>
Special Items	-	-	-	-	-	309
<b>Volkswagen Group</b>	<b>2,610</b>	<b>2,577</b>	<b>56,197</b>	<b>50,964</b>	<b>4,367</b>	<b>3,440</b>
Automotive Division <sup>8)</sup>	2,610	2,577	47,825	43,530	3,768	2,850
of which: Passenger Cars	2,445	2,417	38,640	35,219	3,299	2,603
of which: Commercial Vehicles	165	160	8,402	7,478	499	256
of which: Power Engineering	-	-	783	832	-30	-9
Financial Services Division	-	-	8,372	7,434	600	591

<sup>1)</sup> All figures shown are rounded, minor discrepancies may arise from addition of these amounts. <sup>2)</sup> 2017 figures take account of the reclassification of companies; prior-year figures were not adjusted. <sup>3)</sup> Porsche (Automotive and Financial Services): sales revenue €5,489 (5,378) million, operating profit €967 (895) million. <sup>4)</sup> Including financial services. <sup>5)</sup> The 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 and recorded a proportionate operating profit of €1,112 (1,174) million. <sup>6)</sup> Prior year adjusted. 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. <sup>7)</sup> Starting January 1, 2017, Porsche's financial services business is reported as part of Volkswagen Financial Services. Prior-year figures were not adjusted. <sup>8)</sup> Including allocation of consolidation adjustments between the Automotive and Financial Services divisions.

## Automotive Division net cash flow <sup>1) 2)</sup>

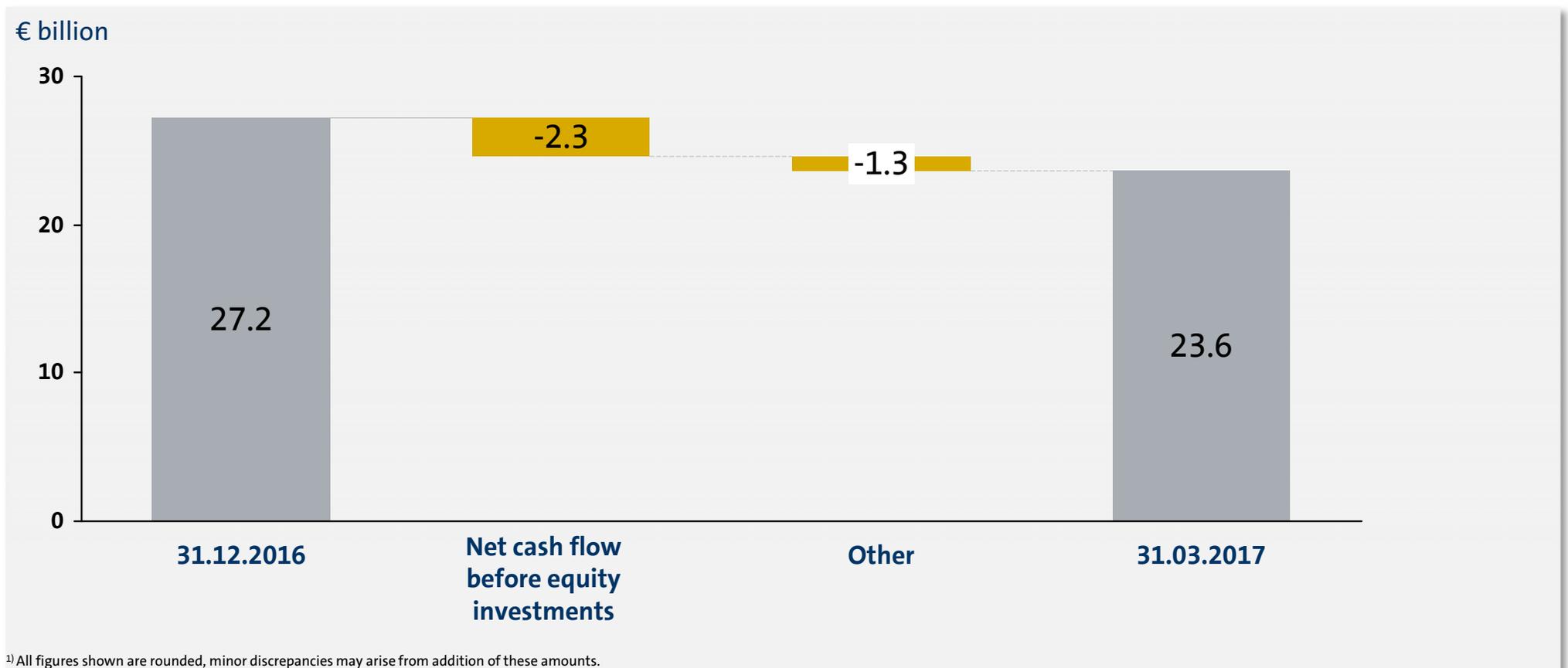
(January to March 2017)



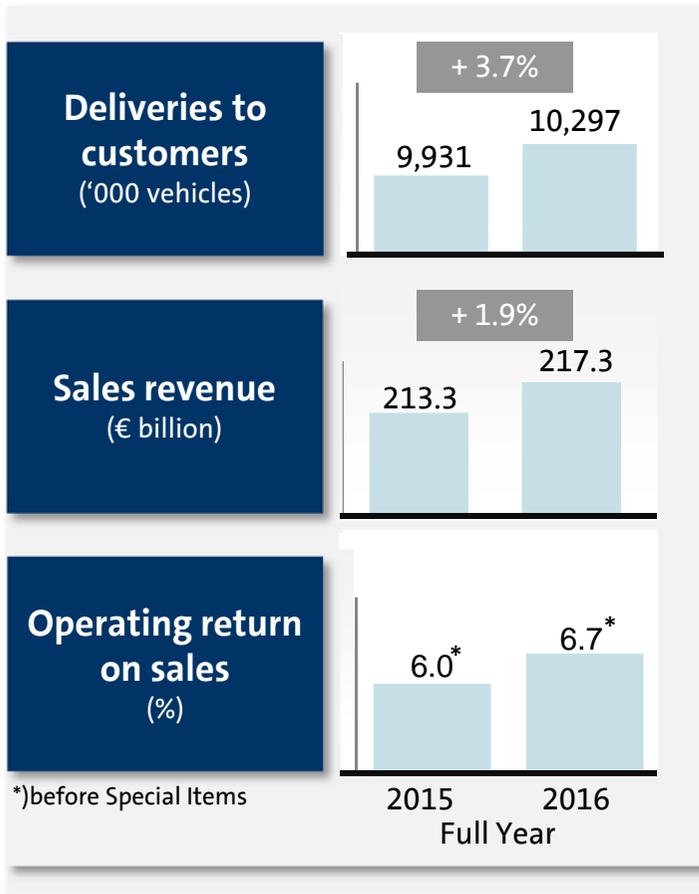
<sup>1)</sup> All figures shown are rounded, minor discrepancies may arise from addition of these amounts. <sup>2)</sup> Including allocation of consolidation adjustments between Automotive and Financial Services divisions.

<sup>3)</sup> Capital expenditure for property, plant and equipment in % of Automotive sales revenue.

## Automotive Division – Analysis of Net Liquidity<sup>1)</sup>



## Volkswagen Group – Outlook for 2017



### Deliveries to customers

moderately above prior year



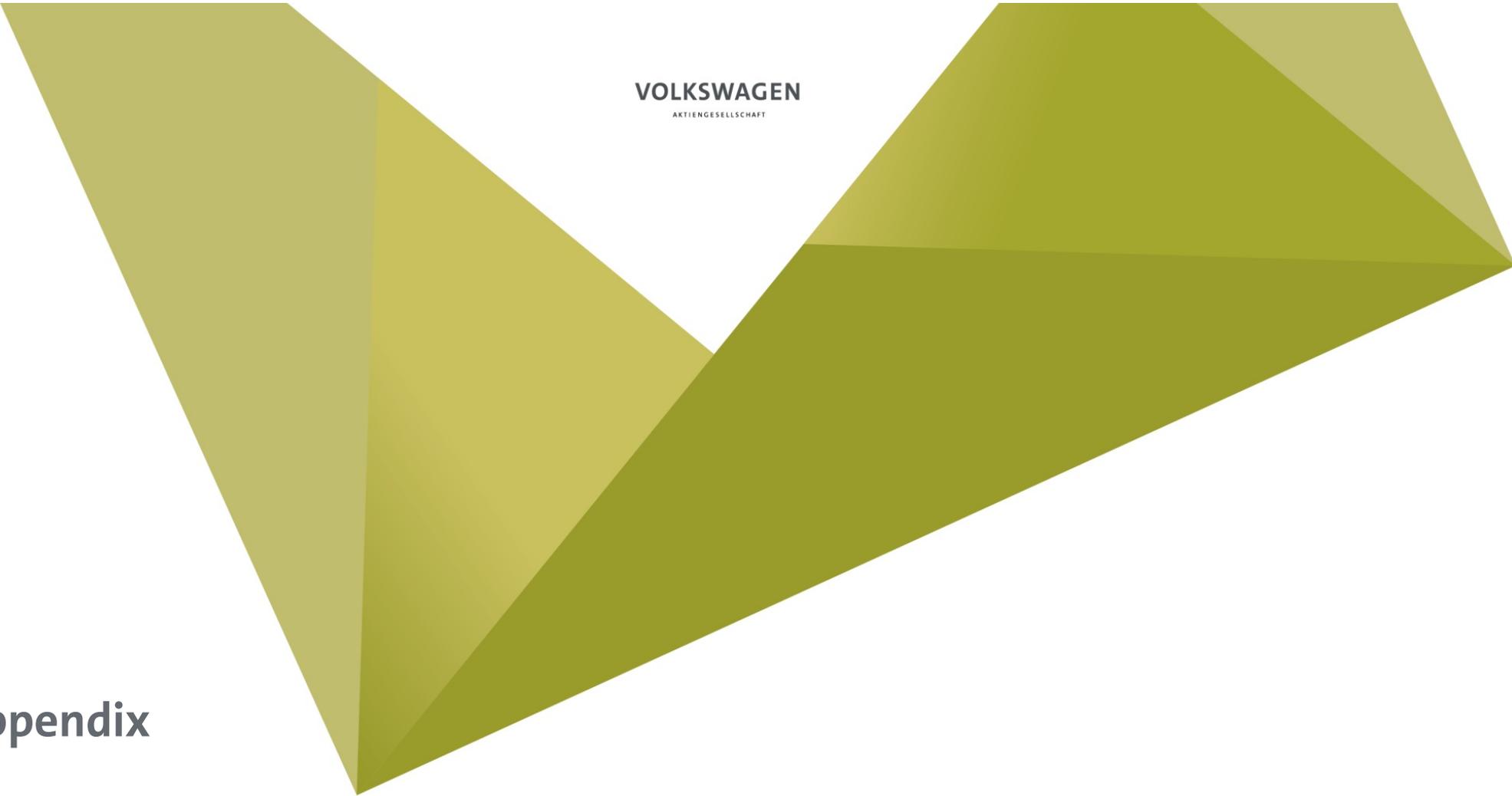
### Sales revenue

Up to 4% above prior year level



### Operating return on sales

between 6.0% and 7.0%

A stylized graphic of the Volkswagen logo, consisting of a 'V' stacked on top of a 'W'. The 'V' is a light olive green, and the 'W' is a darker olive green. The logo is positioned in the upper right quadrant of the page.

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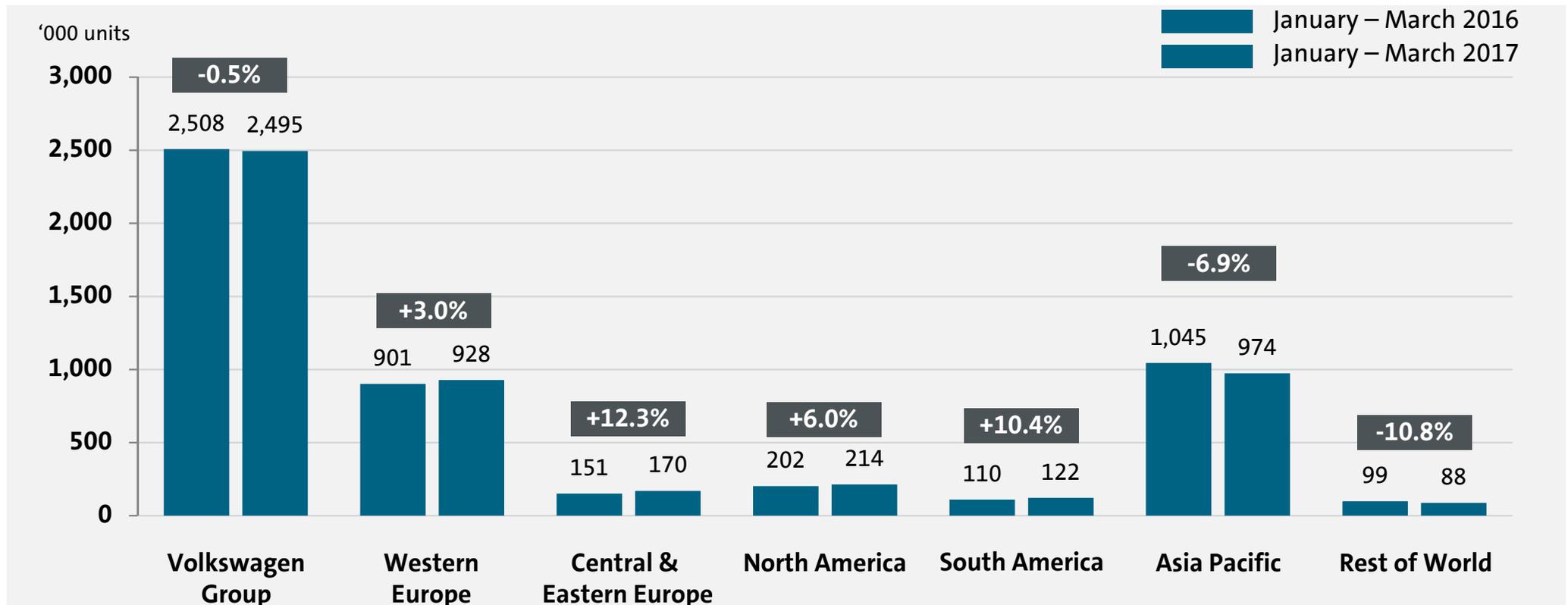
**Appendix**

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## Volkswagen Group – Deliveries to Customers by Markets<sup>1)</sup>

(January to March 2017 vs. 2016)



<sup>1)</sup> Incl. all brands of Volkswagen Group (Passenger Cars and Commercial Vehicles); -1.1% excl. Volkswagen Commercial Vehicles, Scania and MAN.

## Volkswagen Group – Headline Figures

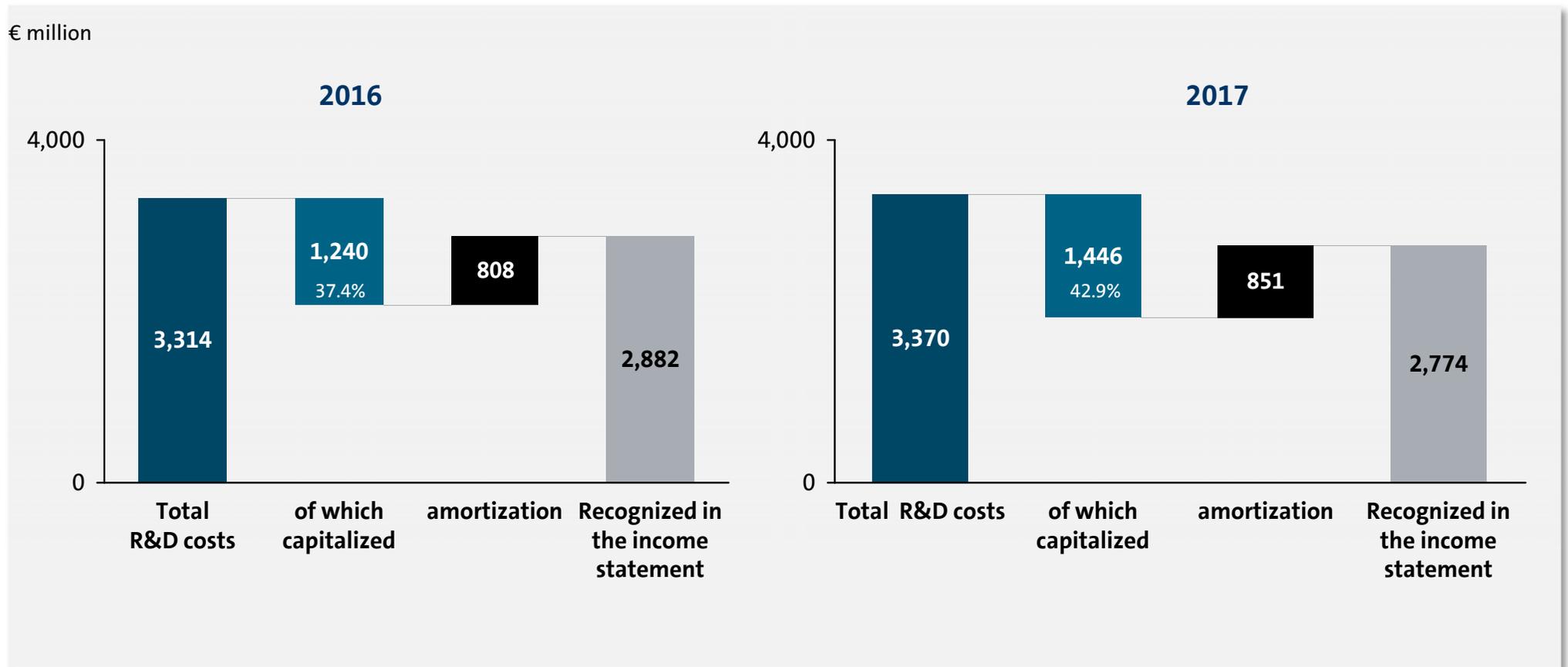
(January to March 2017 vs. 2016)

		2017	2016	+/- (%)
Deliveries to customers <sup>1)</sup>	'000 units	2,495	2,508	-0.5
Vehicle sales <sup>1)</sup>	'000 units	2,610	2,577	+1.3
Production <sup>1)</sup>	'000 units	2,738	2,555	+7.1
Sales revenue	€ million	56,197	50,964	+10.3
Operating profit before Special Items	€ million	4,367	3,131	+39.5
Special Items	€ million	-	309	
Operating profit	€ million	4,367	3,440	+27.0
Profit before tax	€ million	4,623	3,203	+44.3
Profit after tax	€ million	3,403	2,365	+43.9
Profit attributable to Volkswagen AG shareholders	€ million	3,345	2,306	+45.0
<b>Automotive Division<sup>2)</sup></b>				
Cash flows from operating activities	€ million	835	2,402	-65.2
Cash flows from investing activities attributable to operating activities <sup>3)</sup>	€ million	3,418	1,117	x
of which: capex	€ million	1,840	2,120	-13.2
Net cash flow	€ million	-2,583	1,285	x
Net liquidity at March 31	€ million	23,645	25,964	-8.9

<sup>1)</sup> Volume data including the unconsolidated Chinese joint ventures. These companies are accounted for using the equity method. 2016 deliveries updated to reflect subsequent statistical trends.<sup>2)</sup> Including allocation of consolidation adjustments between the Automotive and Financial Services divisions. <sup>3)</sup> Excluding acquisition and disposal of equity investments: Q1 €3,161 (3,293) million

## Automotive Division – Research and Development Costs

(January to March 2017 vs. 2016)



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**Volkswagen SEDRIC**

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I.D. CROZZ



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## Volkswagen Phideon



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## Volkswagen Arteon



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## Volkswagen Tiguan Allspace



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## AUDI Q5



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## Porsche 718 Boxster



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## ŠKODA KODIAQ



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## SEAT Ibiza



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## Bentley Bentayga



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## Lamborghini Centenario



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## Bugatti Chiron



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## Volkswagen Crafter



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## MAN TGX

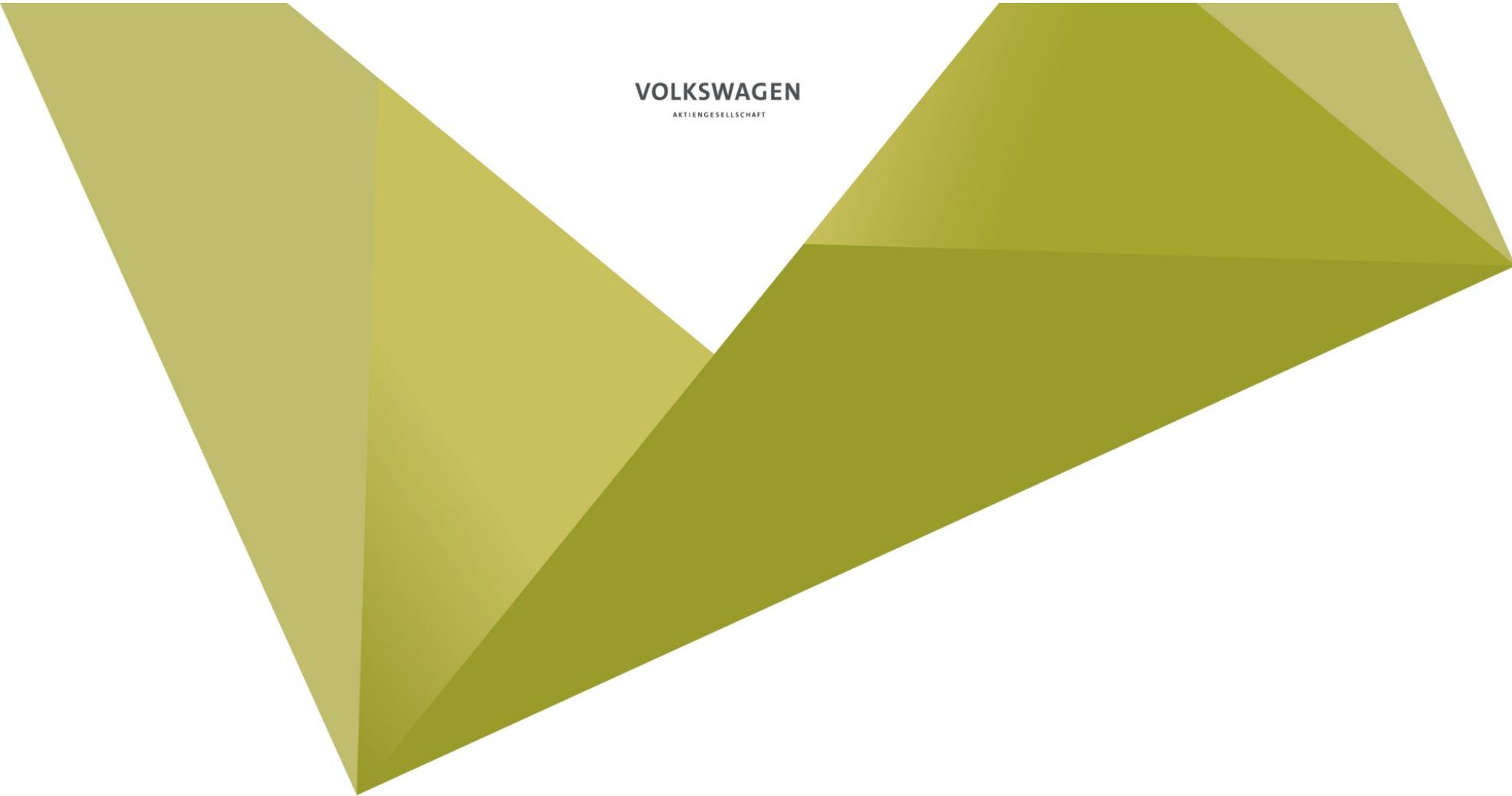


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## Scania R500 4x2





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