



Annual Media Conference and Investor Conference 2017

Volkswagen Group exceeds the targets set for the results before special items in 2016

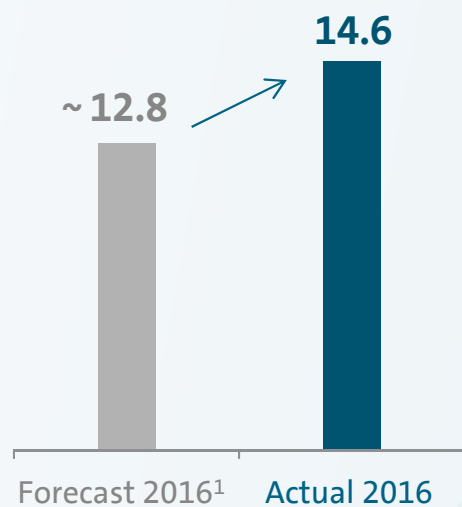
Sales Revenue

€ billion



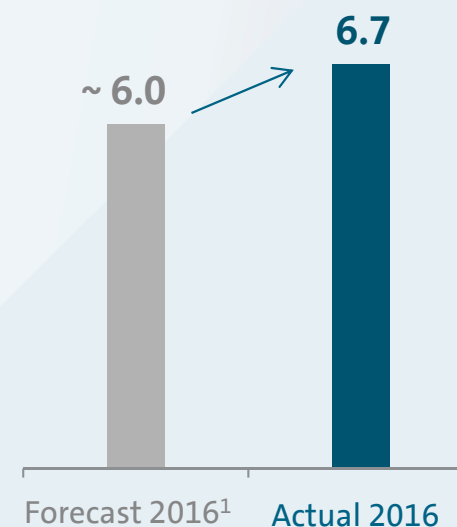
Operating profit before special items

€ billion



Operating profit before special items as a percentage of sales

%



¹ Forecast according to Interim Report January - September 2016.

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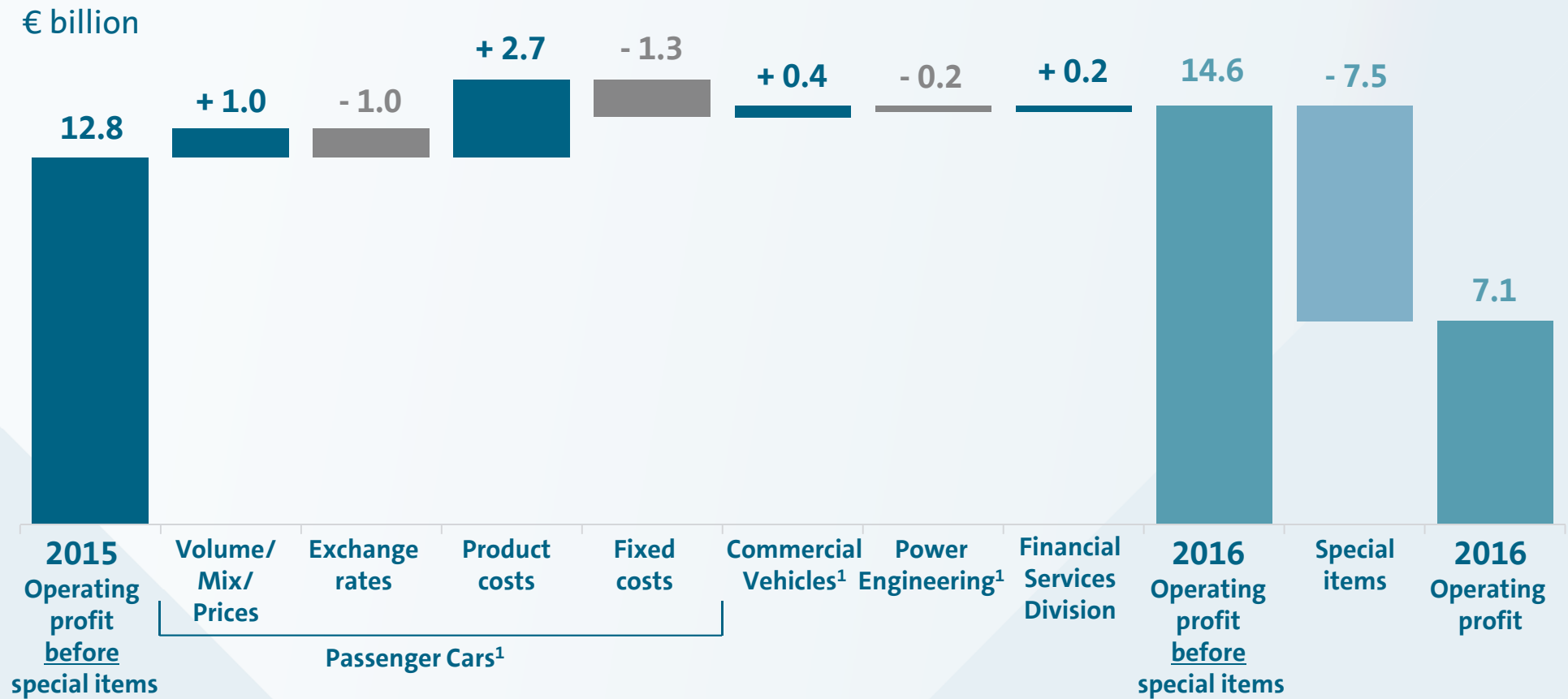
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Operating profit even after special items again positive

€ million	January – December		Change	
	2015	2016	absolute	in %
Sales revenue	213,292	217,267	3,975	1.9
Operating result <u>before</u> special items	12,824	14,623	1,799	14.0
as a percentage of sales revenue	6.0	6.7	-	0.7 ¹
Special items	-16,893	-7,520	9,373	-55.5
Operating result	-4,069	7,103	11,172	x
as a percentage of sales revenue	-1.9	3.3	-	5.2 ¹
Financial result	2,767	189	-2,578	-93.2
Earnings before tax	-1,301	7,292	8,593	x
Income tax expense	-59	-1,912	-1,853	x
Earnings after tax	-1,361	5,379	6,740	x

¹ Percentage points

Operating profit before special items increases by €1.8 billion to €14.6 billion



¹ Incl. PPA

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Earnings before tax by €8.6 billion higher than in the previous year

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¹ Percentage points

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Strong brands contribute to the operating profit of the Group - before special items -

€ million	January – December		Change	
	2015	2016	absolute	in %
Volkswagen Passenger Cars	2,102	1,869	-233	-11.1
Audi	5,134	4,846	-288	-5.6
ŠKODA	915	1,197	282	30.9
SEAT	-10	153	163	x
Bentley	110	112	2	1.5
Porsche ¹	3,404	3,877	473	13.9
Volkswagen Commercial Vehicles	382	455	72	19.0
Scania ¹	1,027	1,072	45	4.4
MAN Commercial Vehicles	-4	230	234	x
MAN Power Engineering	283	194	-89	-31.4
Other ²	-2,440	-1,486	953	39.1
Volkswagen Financial Services	1,921	2,105	184	9.6
Volkswagen Group before special items³	12,824	14,623	1,799	14.0

¹ Including financial services.

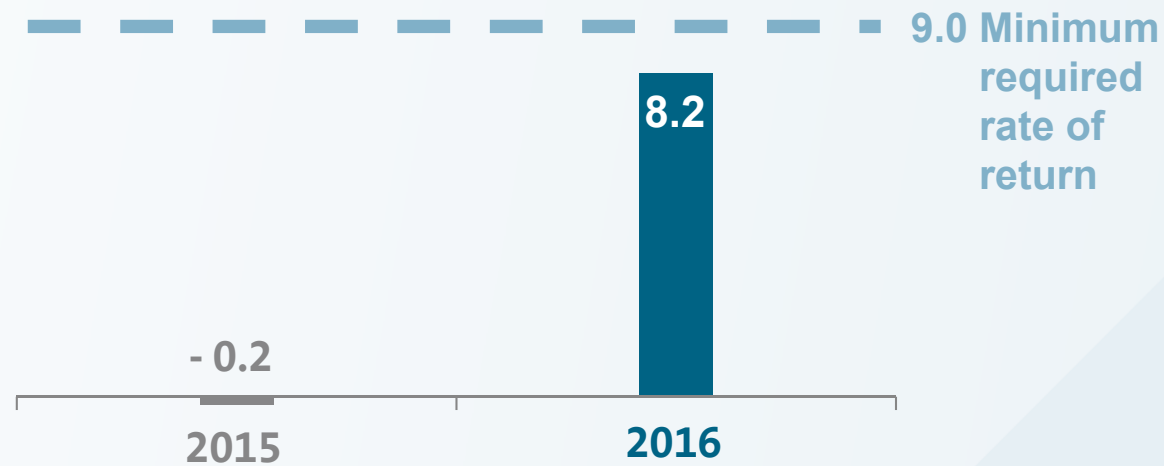
² Mainly intragroup items recognized in profit or loss, in particular from the elimination of intercompany profits; the figure includes depreciation and amortization of identifiable assets as part of the purchase price allocations.

³ The operating result of the joint venture companies in China is not included in the figures for the Group; they are accounted for using the equity method and recorded a proportionate operating result of €4,956 million (€5,214 million).

Automotive Division Return on Investment (ROI)¹ significantly better

Return on Investment after tax

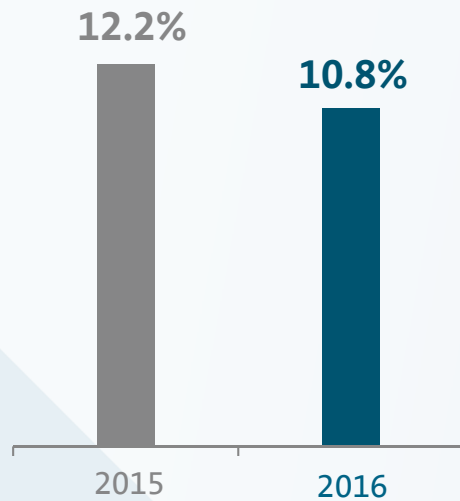
%



¹ Including proportionate inclusion of the Chinese joint ventures (incl. sales and component companies) and allocation of consolidation adjustments between the Automotive and Financial Services divisions.

Financial Services Division

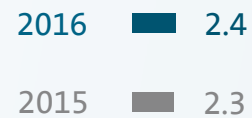
Return on equity¹



¹ Earnings before tax as a percentage of average equity.

Earnings before tax

€ billion



+ €0.1 billion
(+ 3.2%)

Equity

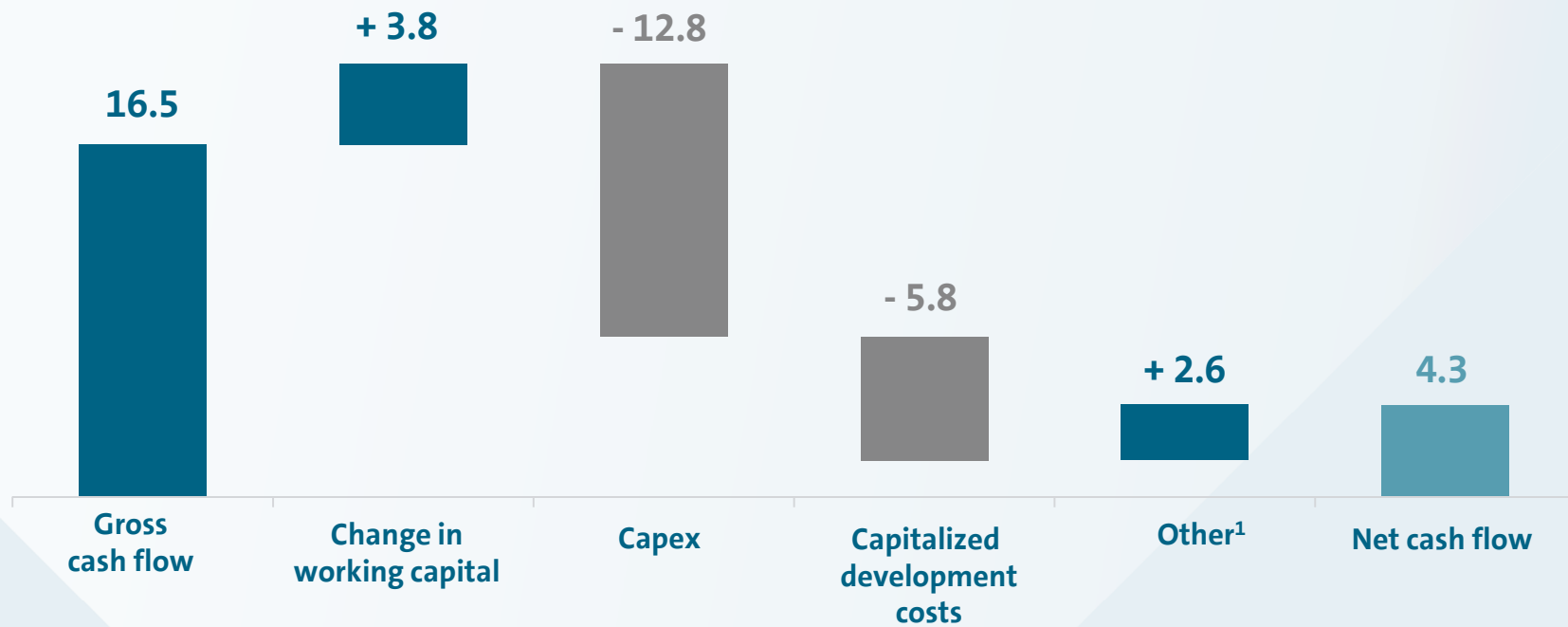
€ billion



+ €2.9 billion
(+ 13.8%)

Automotive Division net cash flow 2016: initial cash outflows resulting from the diesel issue

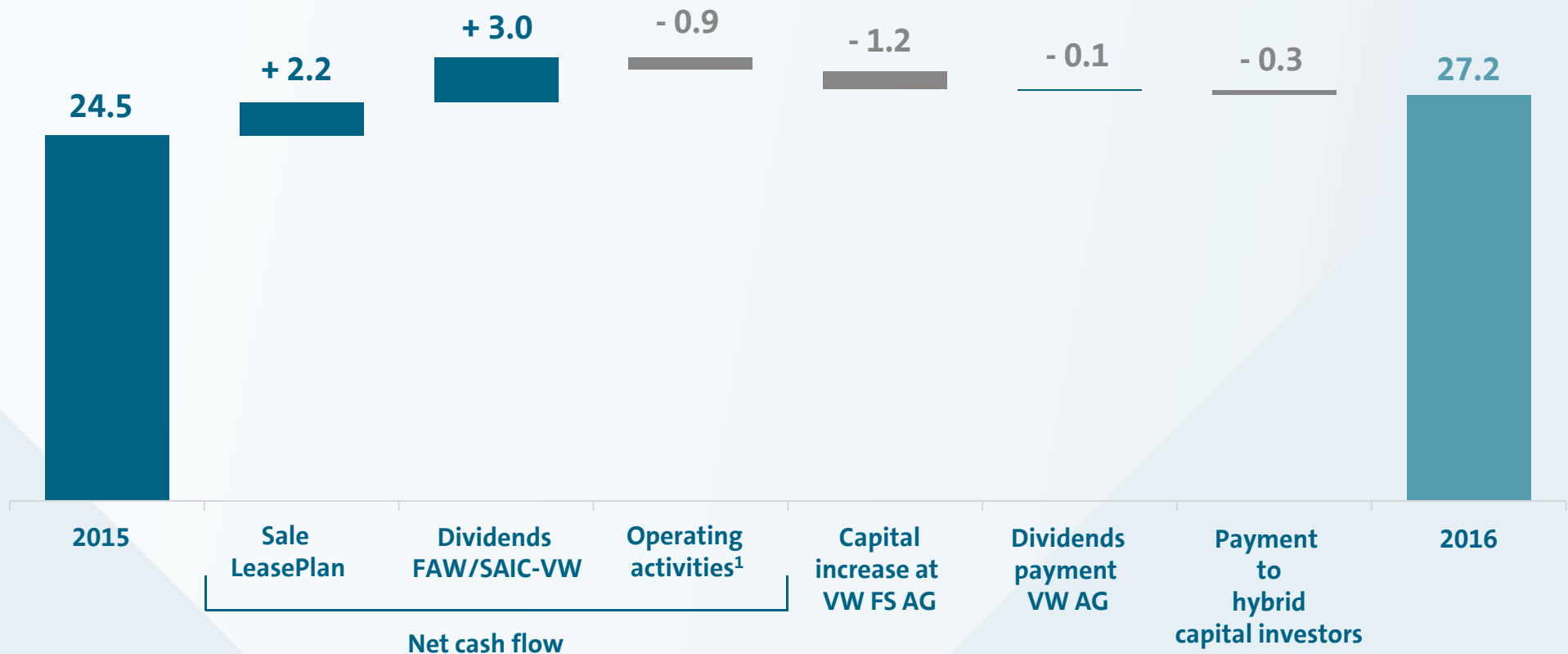
€ billion



¹ Including sale of LeasePlan shares (€2.2 billion)

Automotive Division net liquidity on a robust level

€ billion

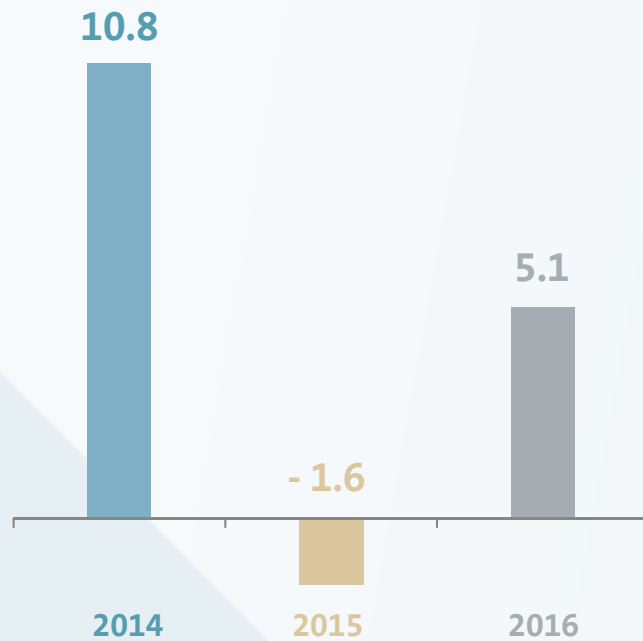


¹ Including cash outflows resulting from the diesel issue.

Dividend increases once again – distribution ratio 19.7%

Earnings attributable to Volkswagen AG shareholders

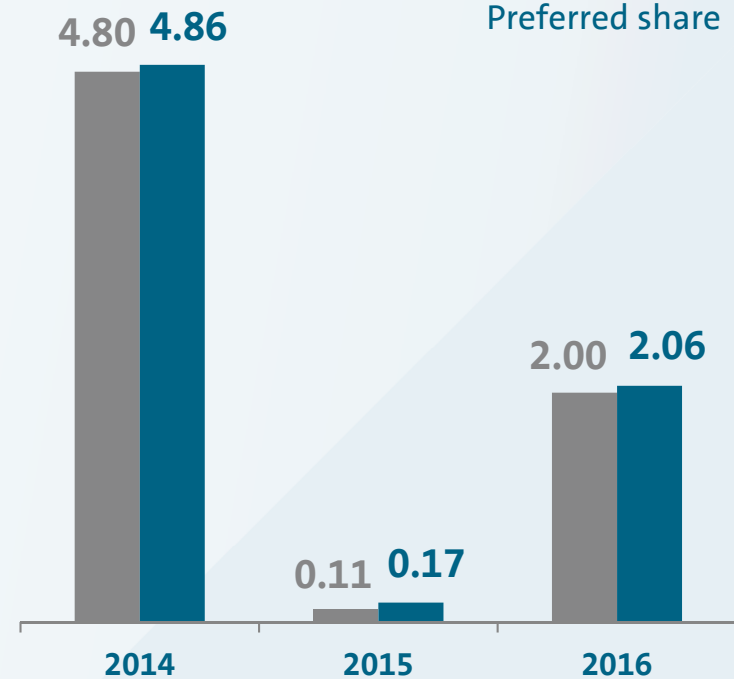
€ billion

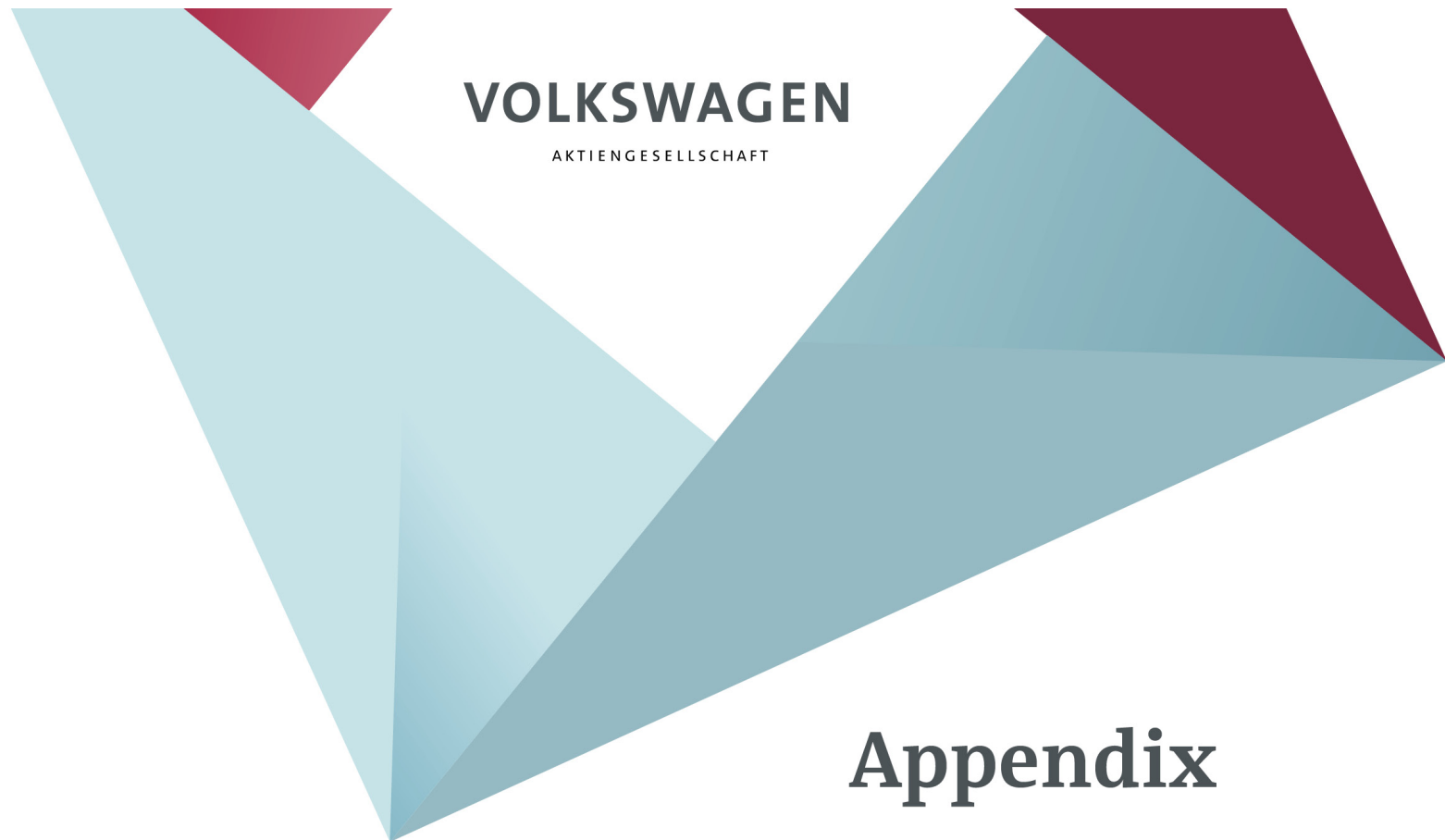


Dividend per share

€

Ordinary share
Preferred share





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Core Statements

- Group's deliveries to customers amounting to 10.3 million vehicles were up 3.7% on the prior-year figure; increases particularly in Western and Central European and in the Asia-Pacific region – South American and East European still deteriorating
- Sales revenue amounting to €217.3 (€213.3) billion; mix improvements and the good business development in the Financial Services Division have a positive effect, exchange rate effects have an opposing impact
- Operating profit improves to €7.1 (€-4.1) billion; negative special items totaling €7.5 (€16.9) billion, in particular from legal risks
- Operating profit before special items rises by €1.8 billion to €14.6 billion
- At €7.3 billion, earnings before tax surpasses the prior-year figure that was impacted by special items, by €8.6 billion; declines in the financial result and in the share of profits of the equity-accounted Chinese joint ventures
- Net cash flow in the Automotive Division at €4.3 (€8.9) billion, among others, first cash outflows resulting from the diesel issue; ratio of capex to sales revenue was on a level with the previous year at 6.9%
- Net liquidity in the Automotive Division of €27.2 (€24.5) billion at a robust level
- Board of Management and Supervisory Board propose a dividend of €2.00 per ordinary share and of €2.06 per preferred share

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Income statement Volkswagen Group

€ million	2015	%	2016	%
Sales revenue	213,292	100.0	217,267	100.0
Cost of sales	-179,382	-84.1	-176,270	-81.1
Gross profit	33,911	15.9	40,997	18.9
Distribution expenses	-23,515	-11.0	-22,700	-10.4
Administrative expenses	-7,197	-3.4	-7,336	-3.4
Net other operating result	-7,267	-3.4	-3,858	-1.8
Operating result	-4,069	-1.9	7,103	3.3
Financial result	2,767	1.3	189	0.1
Earnings before tax	-1,301	-0.6	7,292	3.4
Income tax income/expense	-59	-0.0	-1,912	-0.9
Earnings after tax	-1,361	-0.6	5,379	2.5
Earnings attributable to noncontrolling interests	10	0.0	10	0.0
Earnings attributable to Volkswagen AG hybrid capital investors	212	0.1	225	0.1
Earnings attributable to Volkswagen AG shareholders	-1,582	-0.7	5,144	2.4

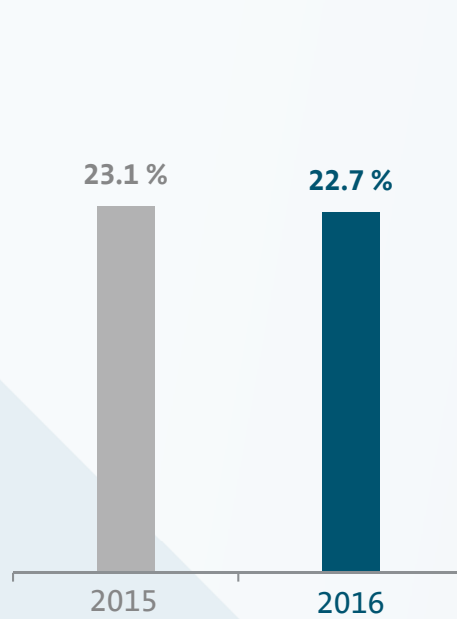
Automotive Division Net Liquidity¹

€ million	January – December		Change	
	2015	2016	absolute	in %
Gross cash flow	7,518	16,468	8,950	x
Change in working capital	16,278	3,803	-12,475	-76.6
Cash flows from operating activities	23,796	20,271	-3,525	-14.8
Cash flows from investing activities attributable to operating activities	-14,909	-15,941	-1,032	-6.9
of which: Capex	-12,738	-12,795	-57	-0.4
as % of sales revenue	6.9	6.9	-	0.0 ²
Additions to capitalized development costs	-5,021	-5,750	-730	-14.5
Acquisition/disposal of equity investments ³	2,361	2,283	-78	-3.3
Net cash flow	8,887	4,330	-4,557	-51.3
Capital increases due to hybrid notes	2,457	-	-2,457	x
Capital increases FS Division	-2,317	-1,454	863	37.2
Acquisition of shares MAN/Scania	-115	-21	94	81.4
Net liquidity at December 31	24,522	27,180	2,658	10.8

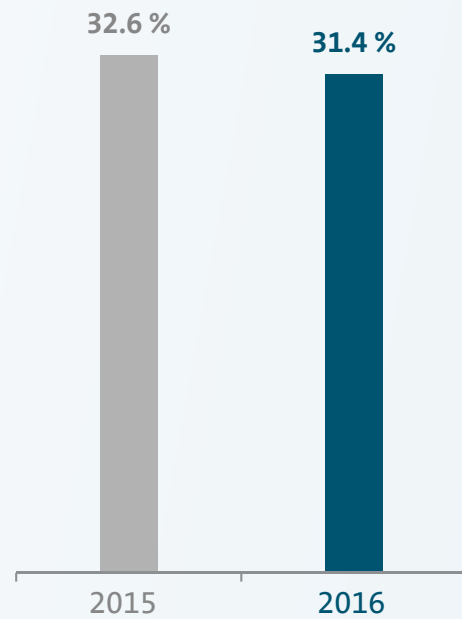
¹ Including allocation of consolidation adjustments between the Automotive and Financial Services divisions. ² Percentage points. ³ 2015: €3,146 million from the sale of shares in Suzuki, €668 million for the acquisition of HERE. 2016: sale of LeasePlan (€2,181 million).

Equity Ratios

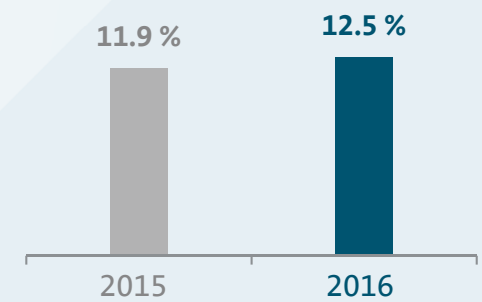
Volkswagen Group



Automotive Division



Financial Services Division



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