

VOLKSWAGEN

AKTIENGESELLSCHAFT

Half-Yearly Financial Report

JANUARY – JUNE 2018

Conference Call and Webcast

1. August 2018

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, 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.

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 Such statements are valid on the date of publication and can be superseded.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.

Conference Call: January – June 2018



Dr. Herbert Diess

Chairman of the Board of
Management, Volkswagen AG



Frank Witter

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



Fred Kappler

Head of Group Sales
Volkswagen AG

What Volkswagen stands for...

We are continuing to push our transformation!



Moving at a new pace!



Key to this: Cultural change and integrity!



We don't need to do it all ourselves!



Empowering structure to strengthen leaders!



What Volkswagen stands for...

Headwinds are real!



Awareness of rapidly changing industry conditions!



Strategy 2025 is foundation for transformation!

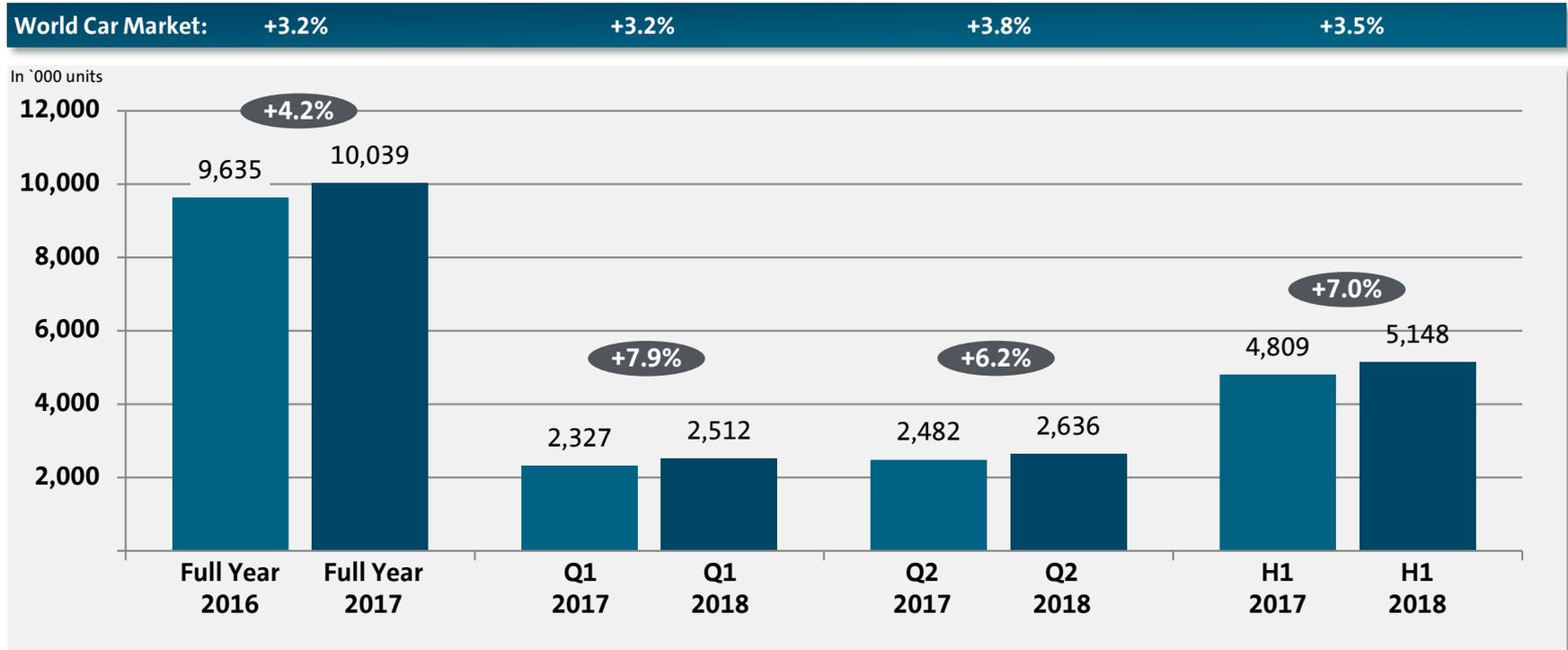
TOGETHER

Release and create value!



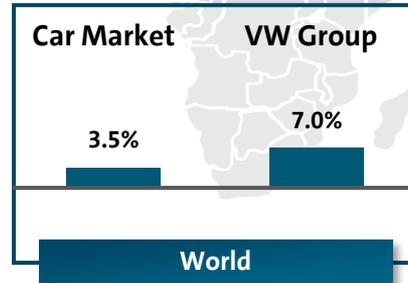
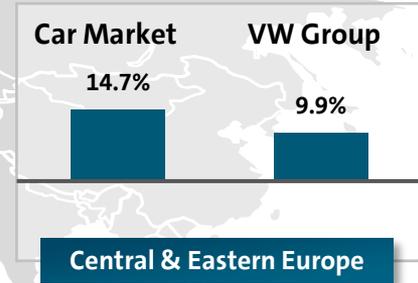
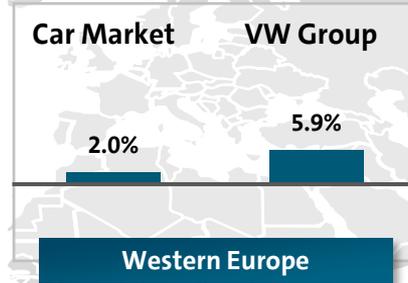
Development Volkswagen Group Car Deliveries to Customers ¹⁾

(in comparison to previous year)



¹⁾ Figures excl. Volkswagen Commercial Vehicles, Scania and MAN.

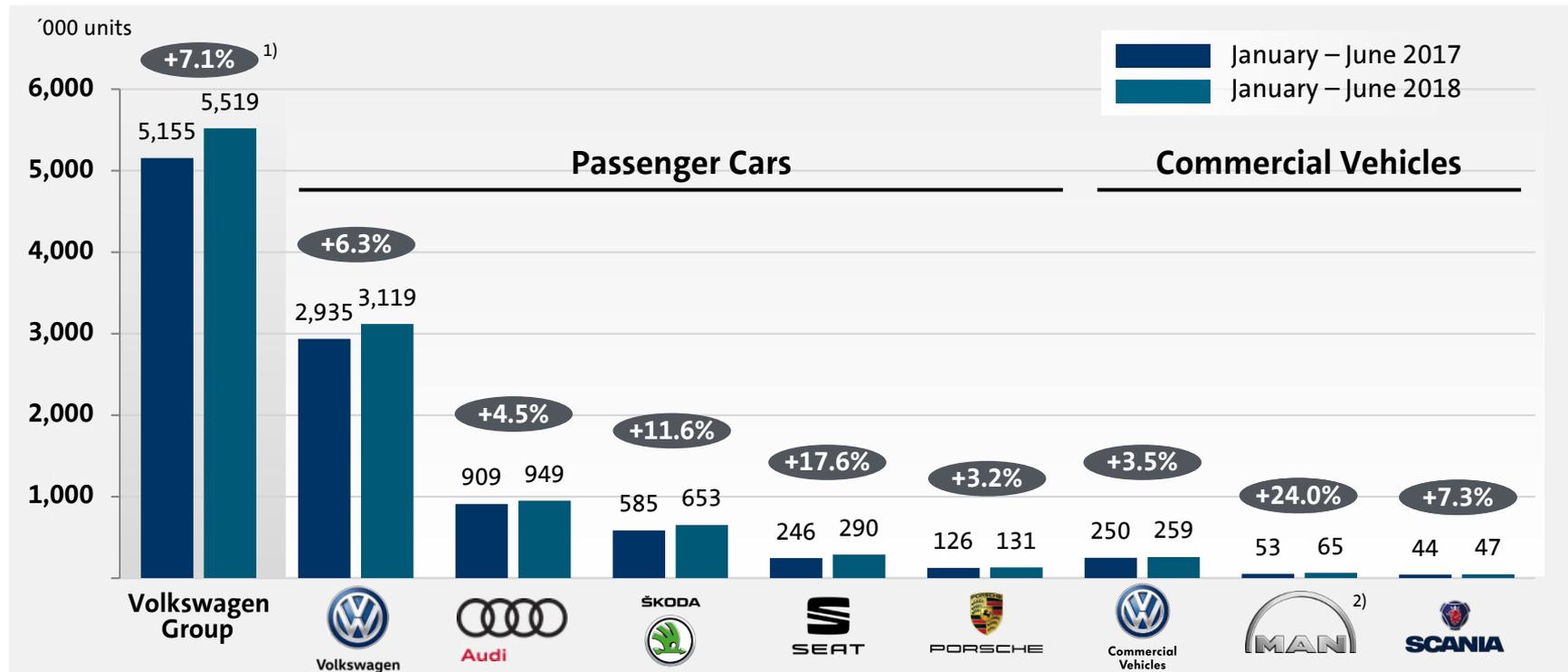
Development World Car Market vs. Volkswagen Group Car Deliveries to Customers ¹⁾ (Growth y-o-y in deliveries to customers, January to June 2018 vs. 2017)



¹⁾ Figures excl. Volkswagen Commercial Vehicles, Scania and MAN.

Volkswagen Group – Deliveries to Customers by Brands

(January to June 2018 vs. 2017)



¹⁾ Incl. all brands of Volkswagen Group (Passenger Cars and Commercial Vehicles); +7.0% excl. Volkswagen Commercial Vehicles, Scania and MAN.

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



Volkswagen Touareg



Bentley Continental GT



ŠKODA Kamiq (China)



Lamborghini Urus

Financial Highlights January – June 2018

Volkswagen Group achieved a successful first half in 2018

Sales revenue of € 119.4 billion increased due to volume-related factors despite negative exchange rate effects

Operating profit before Special Items at € 9.8 billion up versus prior year; negative impact from Diesel related Special Items of € 1.6 billion

Profit before tax up at € 9.0 billion

Automotive cash generation at € 3.3 billion; lower Diesel related outflows, also lower China dividend payments received year-to-date and build-up of inventory for WLTP challenge

Net liquidity in the Automotive Division at € 26.3 billion, supported by successful hybrid bond issuance

Volkswagen Group – Key Financial Figures ¹⁾

(January to June 2018 vs. 2017)

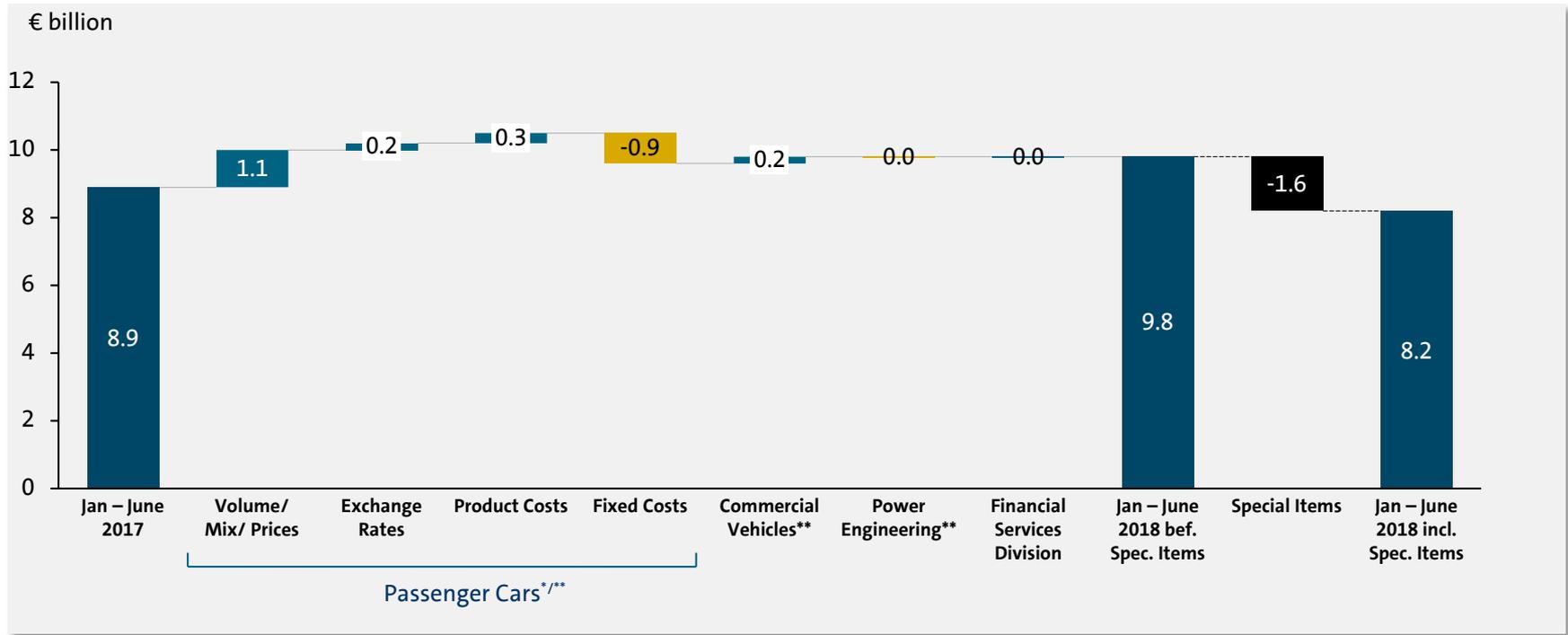
thousand vehicles / € million	2018	2017 ²⁾	+/- (%)
Vehicle Sales ³⁾	5,575	5,270	+5.8
Sales revenue	119,377	115,349	+3.5
Operating profit before Special Items	9,794	8,916	+9.8
<i>% of sales revenue</i>	8.2	7.7	
Operating profit	8,160	8,916	-8.5
<i>% of sales revenue</i>	6.8	7.7	
Financial result	813	-117	x
of which: At-equity result ³⁾	1,680	1,635	2.8
of which: Other financial result	-867	-1,753	-50.5
Profit before tax	8,972	8,799	+2.0
<i>% Return on sales before tax</i>	7.5	7.6	
Profit after tax	6,613	6,474	+2.1

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. The joint venture companies in China are accounted for using the equity method and recorded an operating profit (proportionate) of €2,318 million (€2,135 million).

Volkswagen Group – Analysis of Operating Profit ¹⁾

(January to June 2018 vs. 2017)



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

Volkswagen Group – Analysis by Business Line ¹⁾

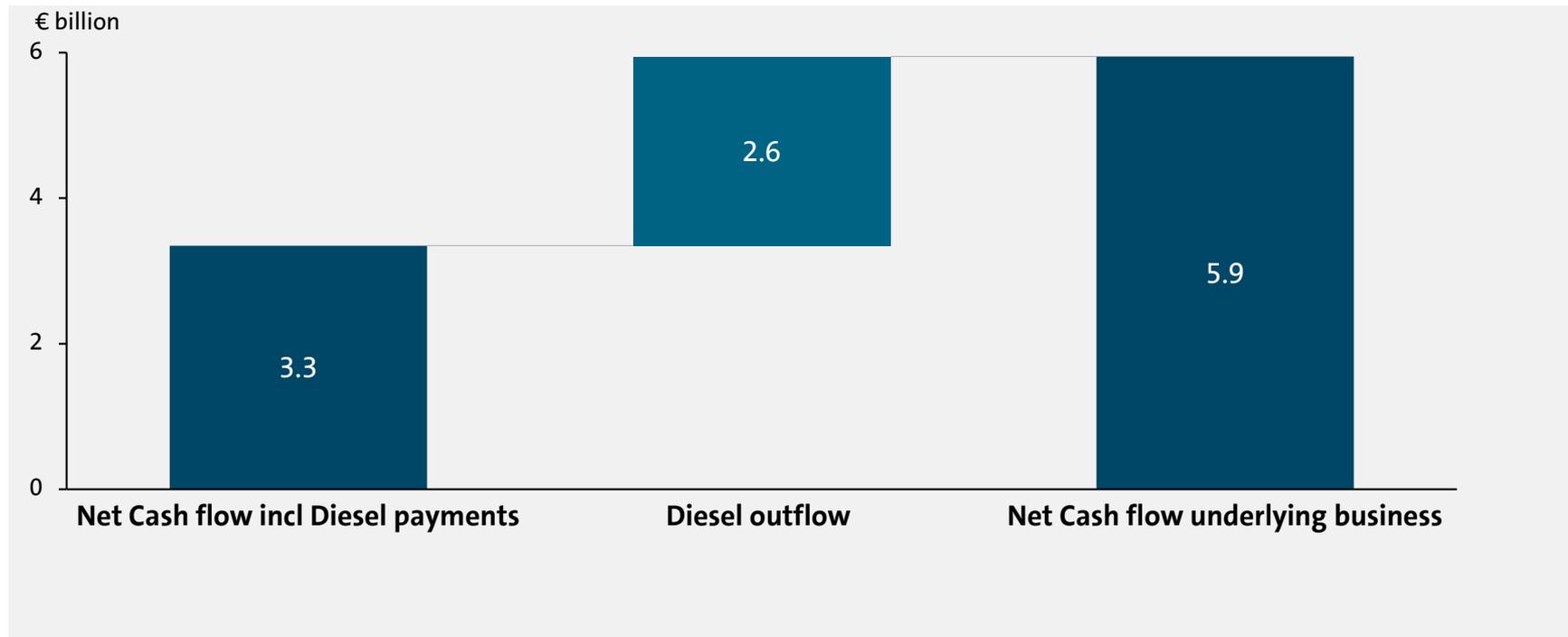
(January to June 2018 vs. 2017)

thousand vehicles/ € million	Vehicle sales		Sales revenue		Operating profit	
	2018	2017	2018	2017	2018	2017
Volkswagen Passenger Cars	1,931	1,812	42,704	39,661	2,130	1,776
Audi	812	783	31,183	30,011	2,761	2,680
ŠKODA	511	501	9,161	8,720	821	860
SEAT	347	304	5,786	5,054	212	130
Bentley	5	5	757	867	-80	13
Porsche Automotive ²⁾	123	124	11,231	10,841	2,064	2,056
Volkswagen Commercial Vehicles	248	244	6,324	5,927	567	448
Scania ³⁾	47	44	6,515	6,307	684	673
MAN Commercial Vehicles	65	53	5,814	5,297	258	193
MAN Power Engineering	-	-	1,637	1,579	68	73
VW China ⁴⁾	1,999	1,870	-	-	-	-
Other ⁵⁾	-512	-469	-18,399	-14,915	-921	-1,152
Volkswagen Financial Services	-	-	16,664	15,999	1,231	1,165
Volkswagen Group before Special Items	-	-	-	-	9,794	8,916
Special Items	-	-	-	-	-1,635	-
Volkswagen Group	5,575	5,270	119,377	115,349	8,160	8,916
Automotive Division ⁶⁾	5,575	5,270	101,715	98,388	6,866	7,651
of which: Passenger Cars	5,219	4,930	81,766	79,557	5,649	6,654
of which: Commercial Vehicles	357	340	18,312	17,252	1,275	1,043
of which: Power Engineering	-	-	1,637	1,579	-58	-46
Financial Services Division	-	-	17,662	16,961	1,294	1,265

¹⁾ All figures shown are rounded, minor discrepancies may arise from addition of these amounts. ²⁾ Porsche (Automotive and Financial Services): sales revenue €12,287 (11,778) million, operating profit €2,154 (2,131) million. ³⁾ Including financial services. ⁴⁾ 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 € 2,318 (2,135) million. 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.

Automotive Division Net Cash Flow ¹⁾

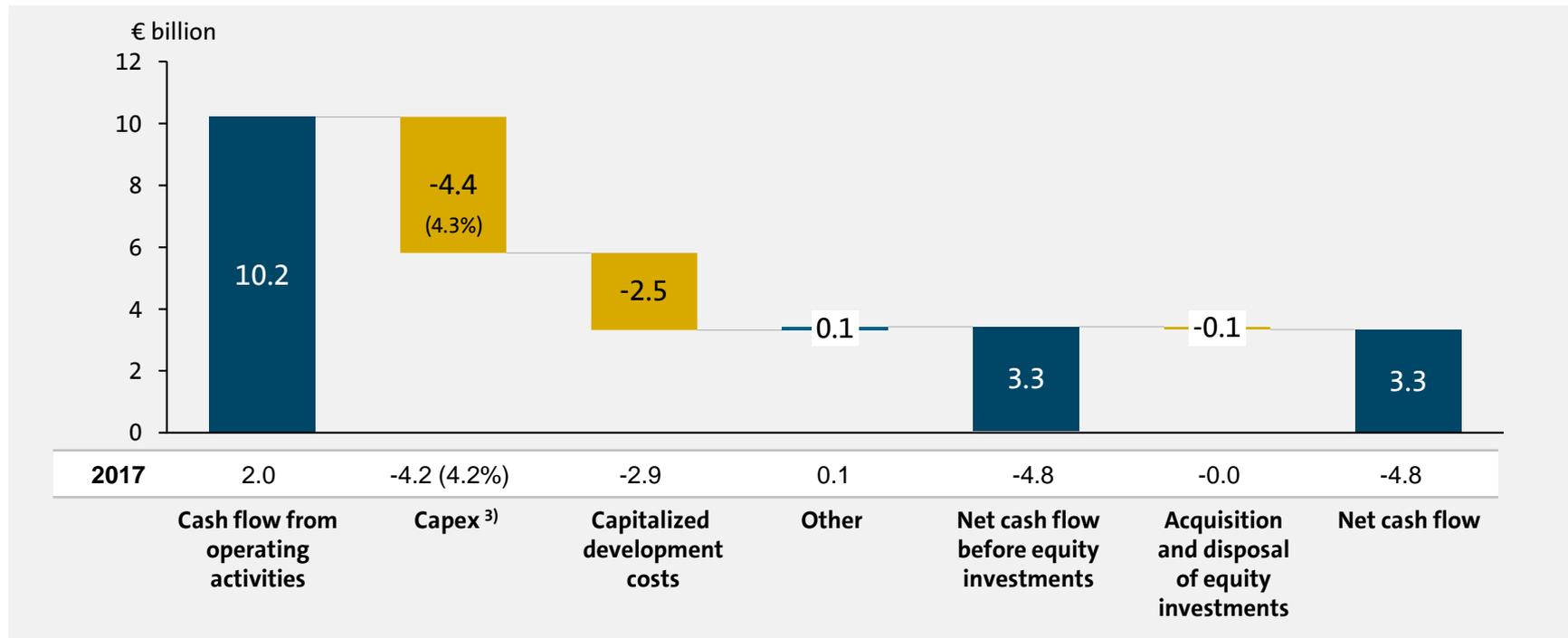
(January to June 2018)



¹⁾ Including allocation of consolidation adjustments between Automotive and Financial Services divisions.

Automotive Division Net Cash Flow Development ^{1) 2)}

(January to June 2018)

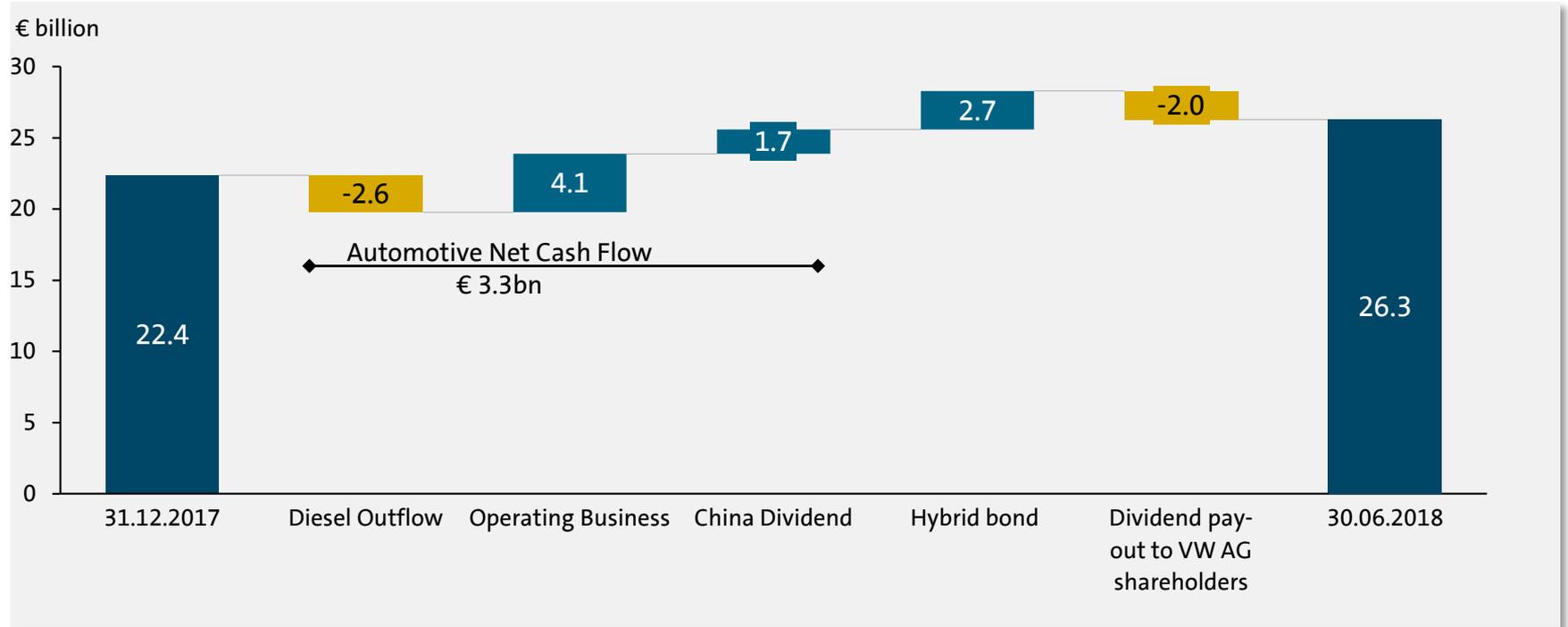


¹⁾ All figures shown are rounded, minor discrepancies may arise from addition of these amounts. ²⁾ Including allocation of consolidation adjustments between Automotive and Financial Services divisions.

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

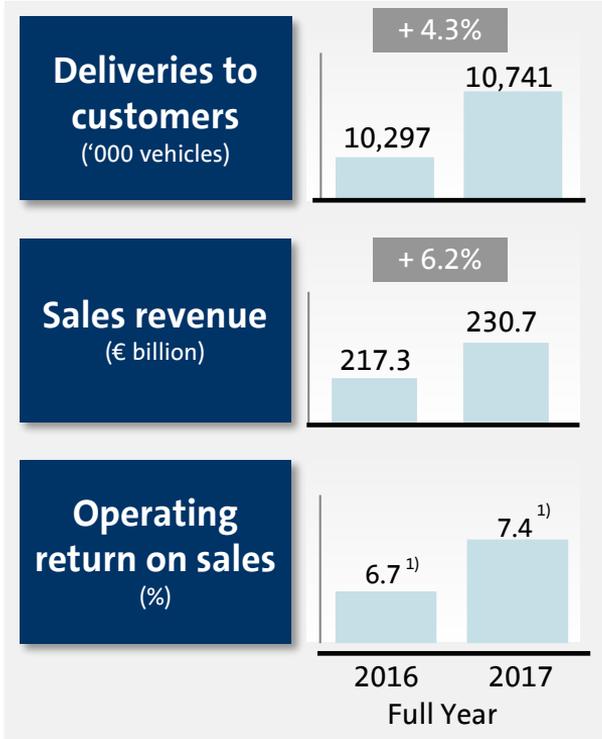
Automotive Division – Analysis of Net Liquidity ¹⁾

(January to June 2018)



¹⁾ All figures shown are rounded, minor discrepancies may arise from addition of these amounts.

Volkswagen Group – Outlook for 2018





Deliveries to customers

moderately above prior year



Sales revenue

by as much as 5% year-on-year



Operating return on sales

between 6.5% to 7.5% before Special Items

¹⁾ before Special Items.

Volkswagen Touareg



Audi Q8



ŠKODA Kamiq



SEAT Tarraco



Porsche Cayenne E-Hybrid



Bentley Continental GT



Lamborghini Urus



Volkswagen Crafter Combi



MAN TGX 18.500

MAN TGE 5.180



Scania G 450 XT 8x4



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