

VOLKSWAGEN

AKTIENGESELLSCHAFT

Interim Report

JANUARY – SEPTEMBER 2018

INVESTOR and ANALYST Conference Call and Webcast

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 Such statements are valid on the date of publication and can be superseded.

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Live Audio Webcast and Conference Call: January – September 2018



Frank Witter

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Finance and IT



Dr. Christian Dahlheim

Director Group Sales
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Volkswagen AG

Volkswagen Group – Managing the WLTP Challenge

Reduced complexity



Banking



Closure Days



Impact

in production and stock with effects on



Sales revenue



Operating profit



Cash flow

Financial Highlights January – September 2018

Despite the challenges of WLTP, deliveries to customers came in up at 8.1 million units

Sales Revenue increased to € 174.6 billion on the back of volume growth

**Operating profit before Special Items at € 13.3 billion
- Diesel related Special Items € -2.4 billion**

Profit before tax up at € 12.5 billion

Automotive cash generation at € 6.7 billion before Diesel cash outflows

Net liquidity in the Automotive Division solid at € 24.8 billion

Development Volkswagen Group Car Deliveries to Customers ¹⁾

(in comparison to previous year)

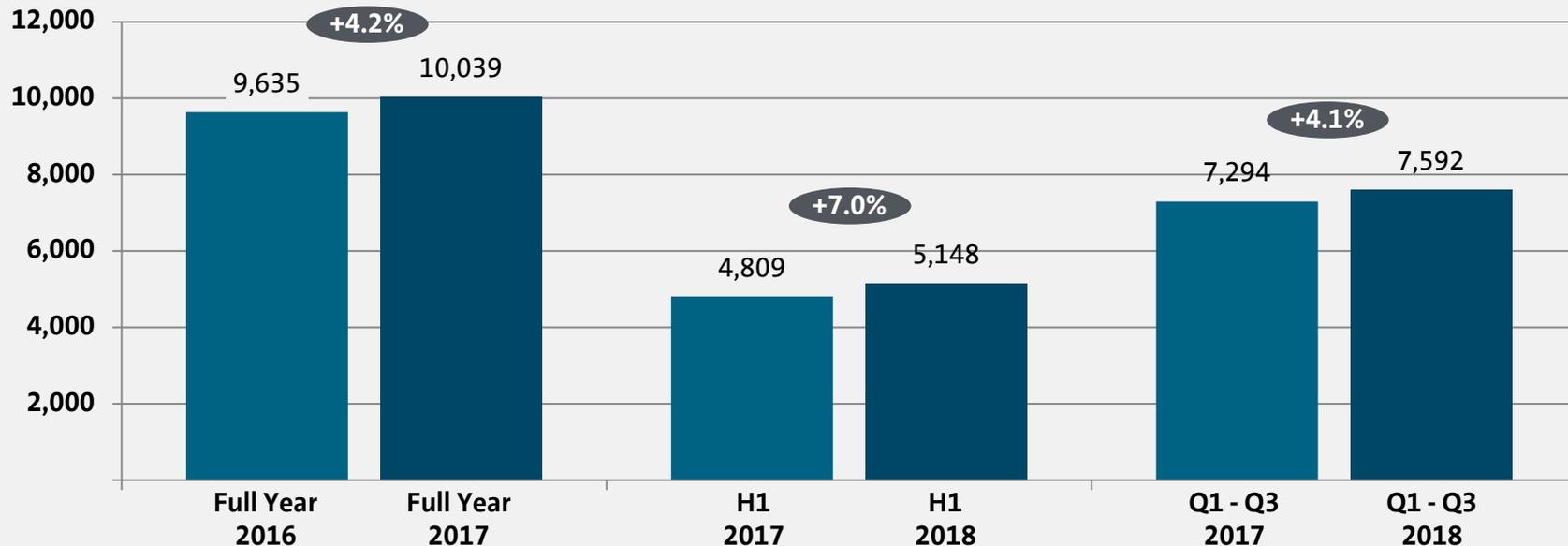
World Car Market:

+3.2%

+3.5%

+1.2%

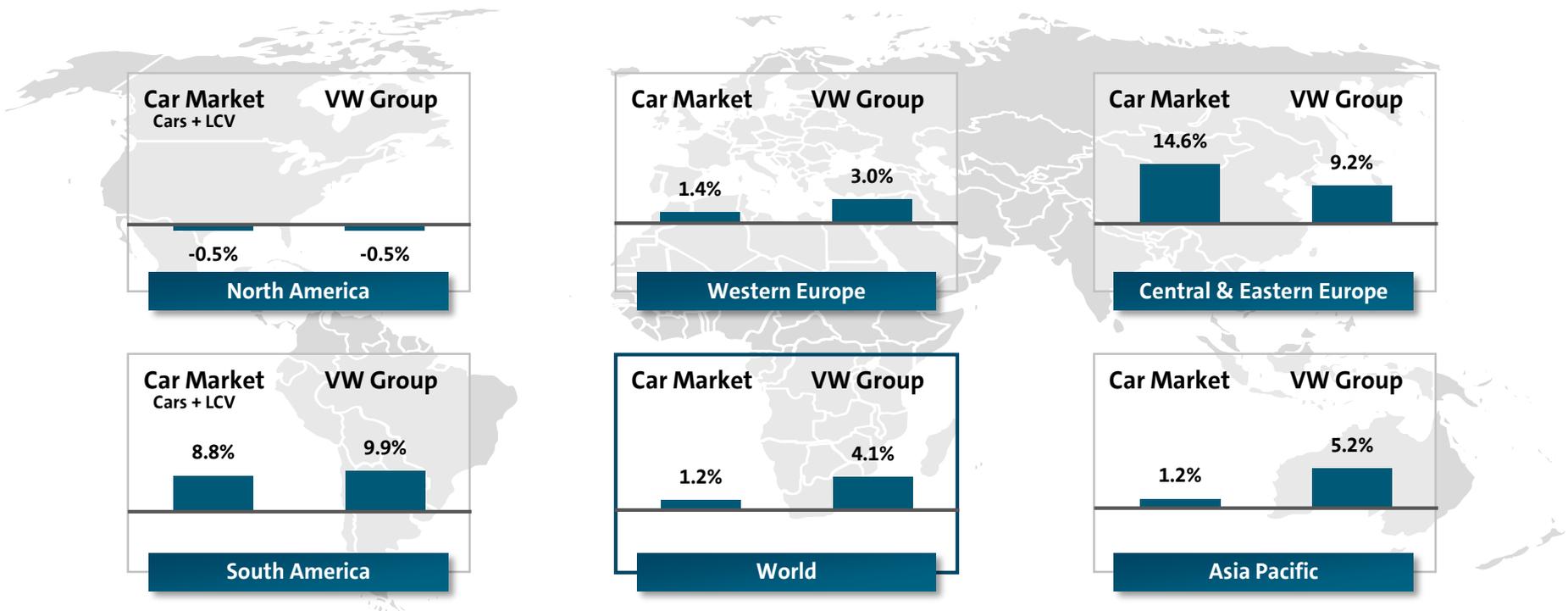
In '000 units



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

Development World Car Market vs. Volkswagen Group Car Deliveries to Customers ¹⁾

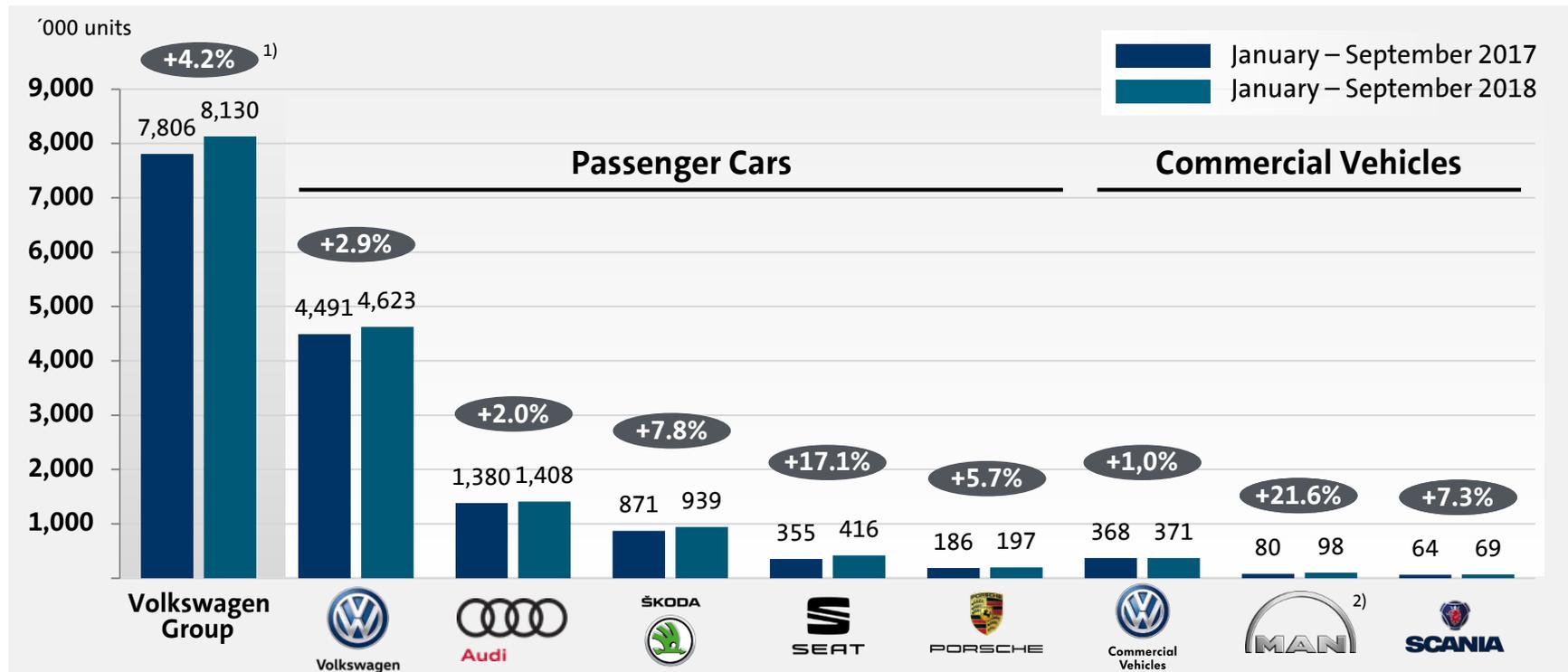
(Growth y-o-y in deliveries to customers, January to September 2018 vs. 2017)



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

Volkswagen Group – Deliveries to Customers by Brands

(January to September 2018 vs. 2017)



¹⁾ Incl. all brands of Volkswagen Group (Passenger Cars and Commercial Vehicles); +4.1% excl. Volkswagen Commercial Vehicles, Scania and MAN.

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

Volkswagen Group – Model Highlights



Audi A6 Avant



Audi Q8

Volkswagen Group – Key Financial Figures ¹⁾

(January to September 2018 vs. 2017)

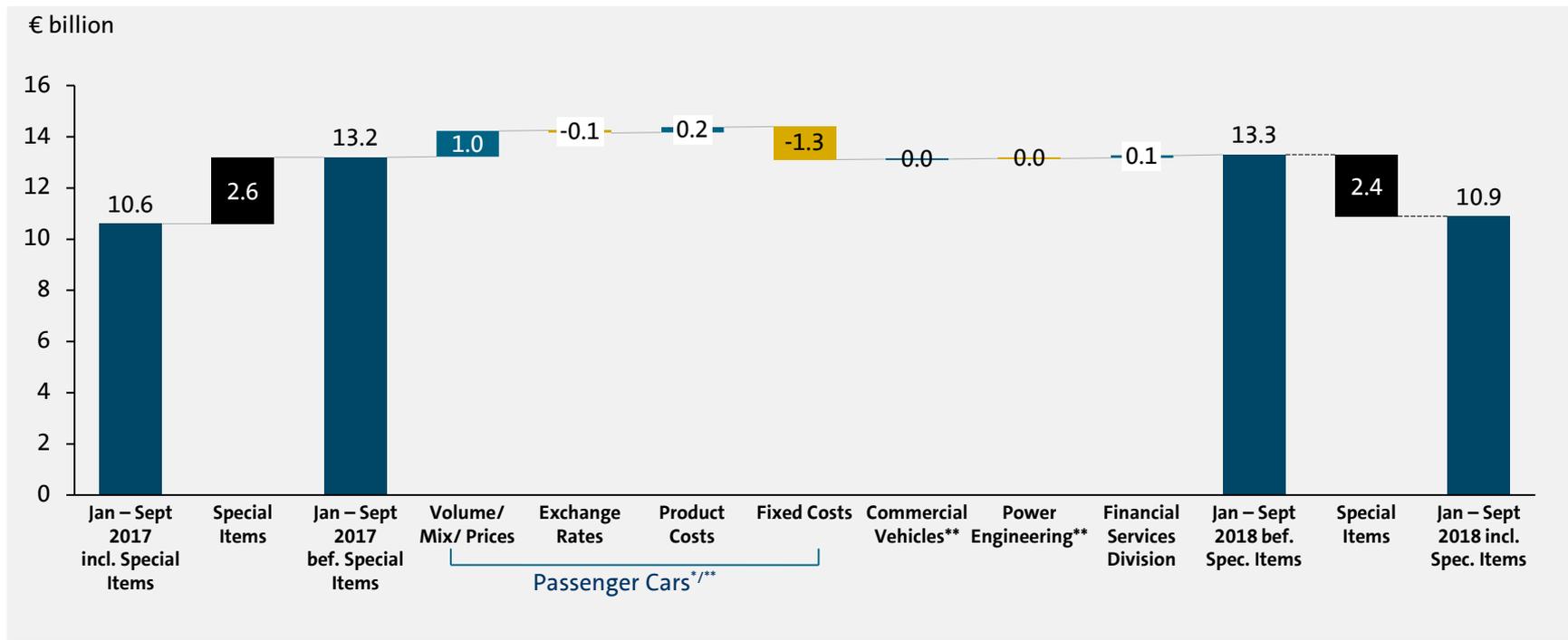
thousand vehicles / € million	2018	2017 ²⁾	+/- (%)
Vehicle Sales ³⁾	8,123	7,913	+2.7
Sales revenue	174,577	170,065	+2.7
Operating profit before Special Items	13,306	13,231	+0.6
<i>% of sales revenue</i>	7.6	7.8	
Operating profit	10,871	10,636	+2.2
<i>% of sales revenue</i>	6.2	6.3	
Financial result	1,647	-347	x
of which: At-equity result ³⁾	2,448	2,378	+2.9
of which: Other financial result	-800	-2,725	+70.6
Profit before tax	12,518	10,290	+21.7
<i>% Return on sales before tax</i>	7.2	6.1	
Profit after tax	9,376	7,543	+24.3

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 €3,330 million (€3,305 million).

Volkswagen Group – Analysis of Operating Profit ¹⁾

(January to September 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⁾

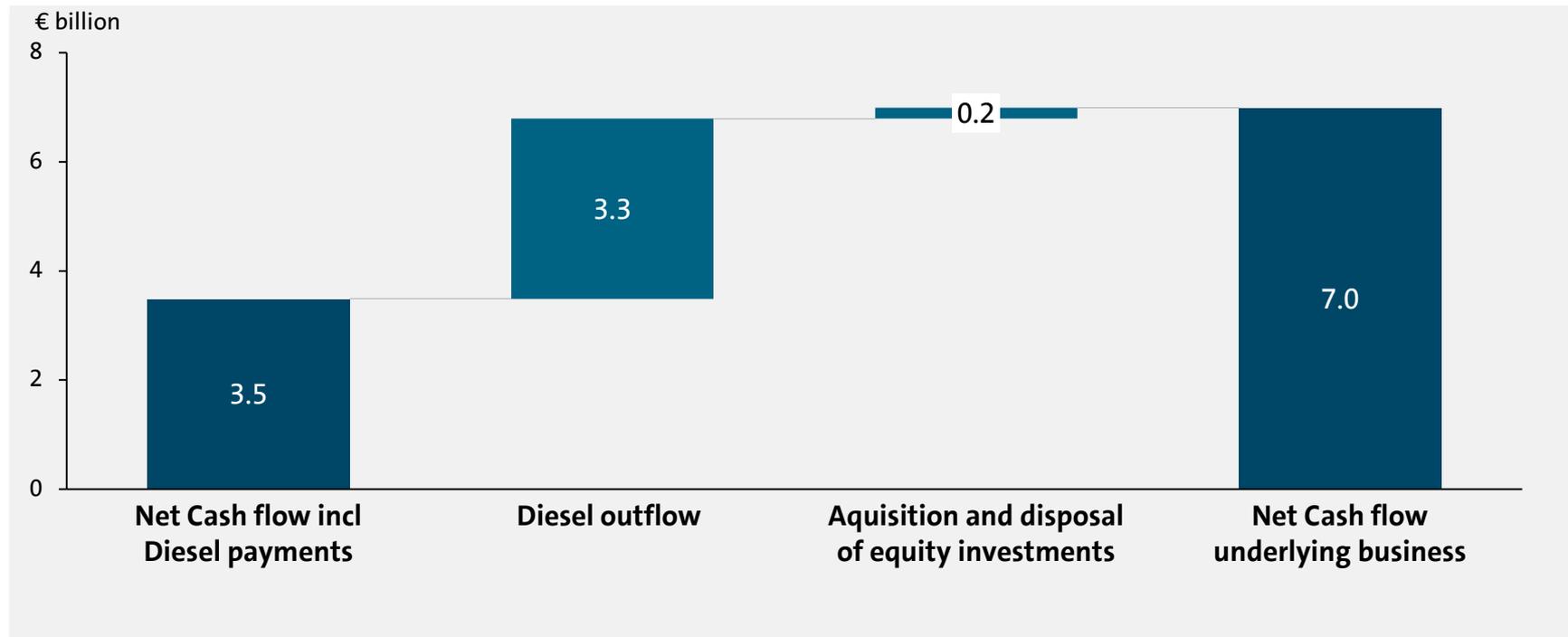
(January to September 2018 vs. 2017)

thousand vehicles / € million	Vehicle sales		Sales revenue		Operating profit	
	2018	2017	2018	2017 ⁷⁾	2018	2017
Volkswagen Passenger Cars	2,753	2,632	62,508	58,278	2,330	2,504
Audi	1,107	1,147	44,257	44,028	3,671	3,941
ŠKODA	698	700	12,598	12,338	1,083	1,206
SEAT	462	436	7,744	7,255	237	154
Bentley	7	7	1,092	1,321	-137	31
Porsche Automotive ²⁾	190	180	17,507	15,703	3,197	2,890
Volkswagen Commercial Vehicles	337	371	8,572	8,919	628	698
Scania ³⁾	69	65	9,634	9,304	991	947
MAN Commercial Vehicles	98	80	8,599	7,970	222	269
MAN Power Engineering	-	-	2,489	2,355	142	107
VW China ⁴⁾	3,021	2,917	-	-	-	-
Other ⁵⁾	-619	-623	-25,059	-21,272	-974	-1,277
Volkswagen Financial Services	-	-	24,635	23,864	1,915	1,763
Volkswagen Group before Special Items	-	-	-	-	13,306	13,231
Special Items	-	-	-	-	-2,435	-2,595
Volkswagen Group	8,123	7,913	174,577	170,065	10,871	10,636
Automotive Division ⁶⁾	8,123	7,913	148,424	144,754	8,832	8,717
of which: Passenger Cars	7,625	7,400	119,646	116,642	7,393	7,308
of which: Commercial Vehicles	498	513	26,289	25,757	1,486	1,484
of which: Power Engineering	-	-	2,489	2,355	-46	-75
Financial Services Division	-	-	26,153	25,311	2,039	1,919

¹⁾ All figures shown are rounded, minor discrepancies may arise from addition of these amounts. ²⁾ Porsche (Automotive and Financial Services): sales revenue € 19,117 (17,120) million, operating profit € 3,329 (3,006) 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 € 3,330 (3,305) 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. ⁷⁾ Adjusted; see disclosures about the application of new International Financial Reporting Standards on page 15 of the Interim Report.

Automotive Division Net Cash Flow ¹⁾

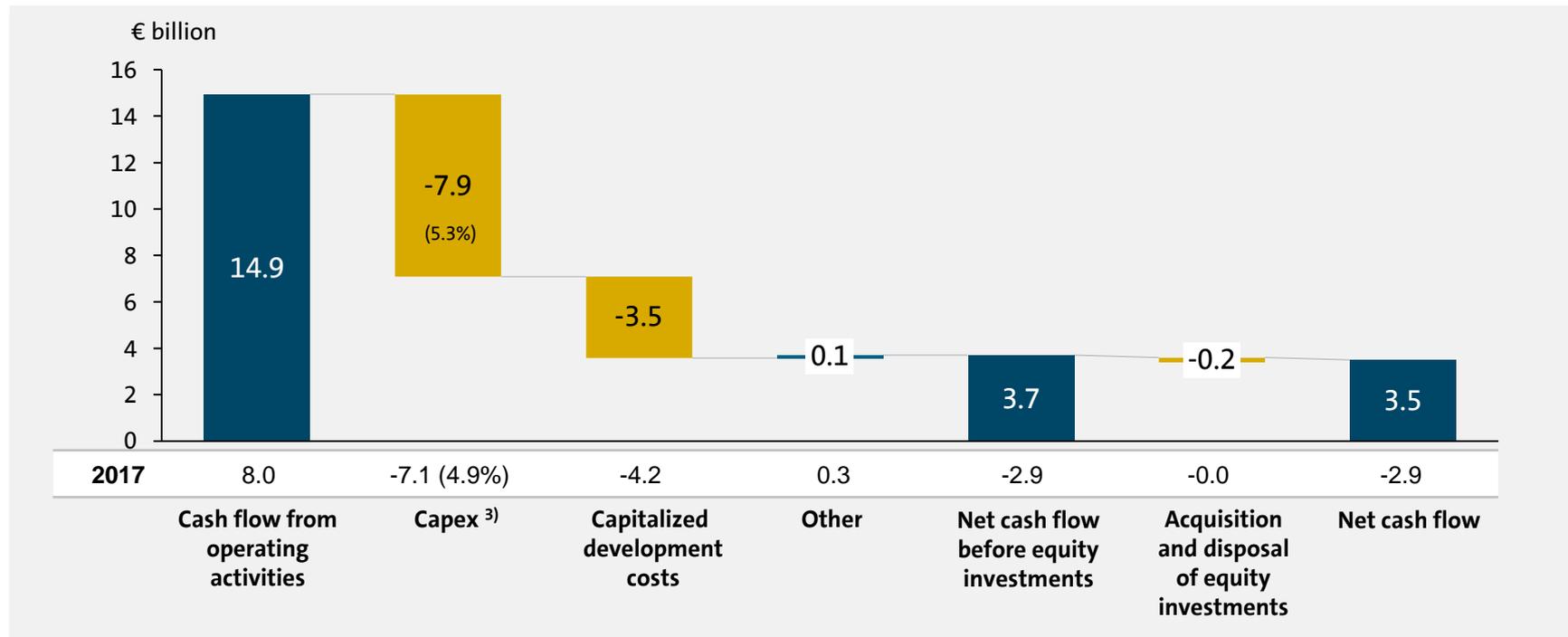
(January to September 2018)



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

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

(January to September 2018)

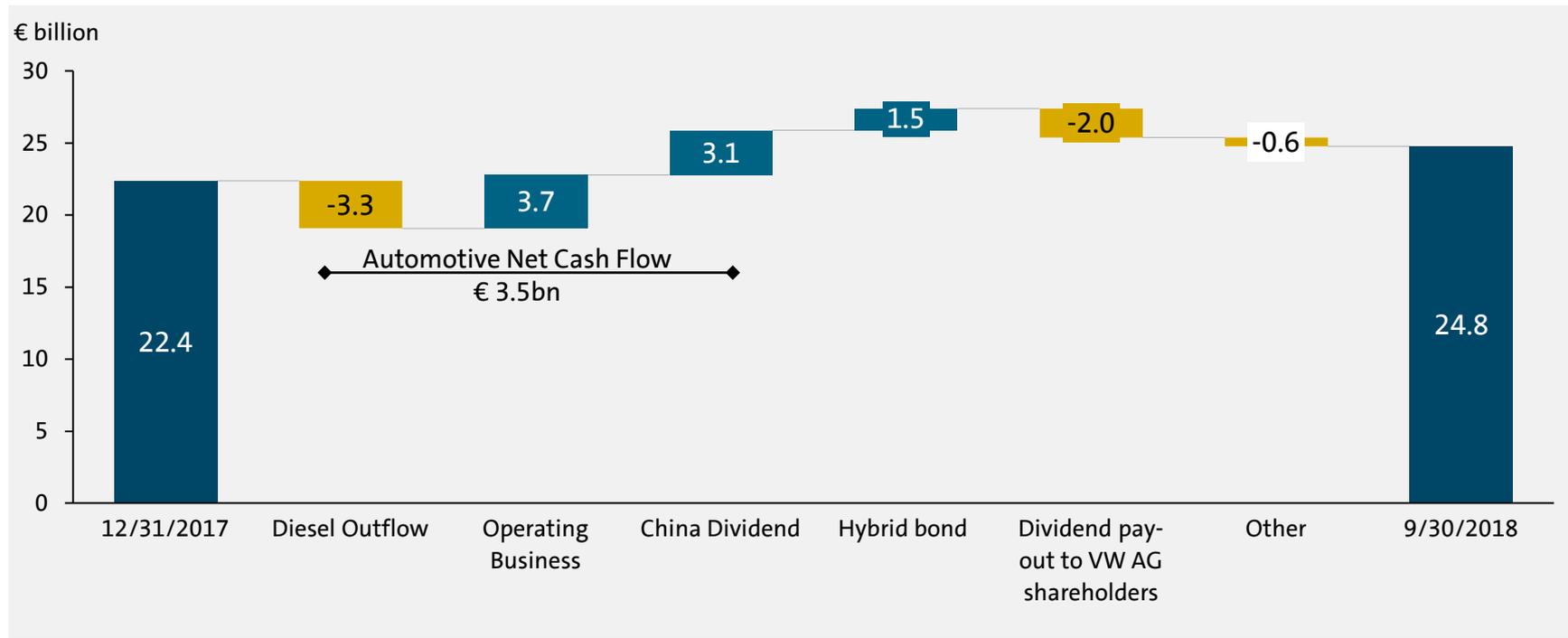


¹⁾ All figures shown are rounded, minor discrepancies may arise from addition of these amounts. ²⁾ Including allocation of consolidation adjustments between Automotive and Financial Services divisions.

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

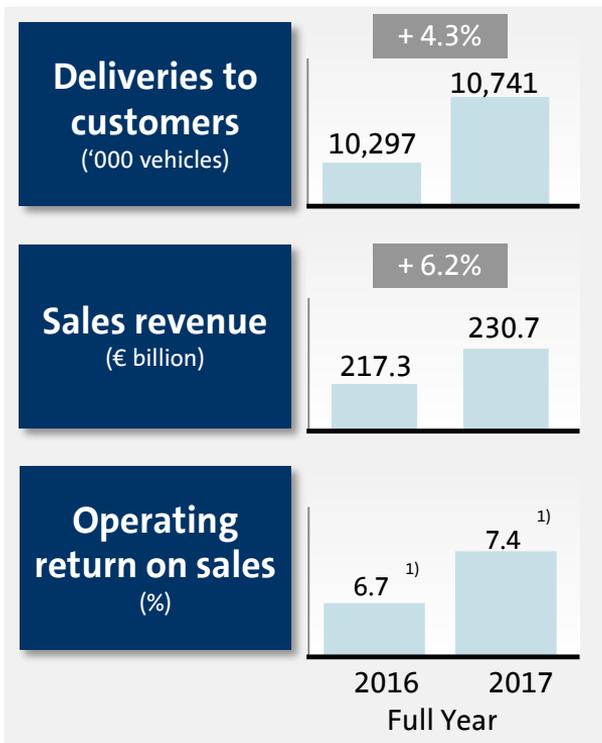
Automotive Division – Analysis of Net Liquidity ¹⁾

(January to September 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.

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Appendix

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Volkswagen T-Cross



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Audi e-tron



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ŠKODA Kamiq



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SEAT Tarraco



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Porsche Macan Facelift



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Bentley Bentayga Hybrid



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Lamborghini Urus



VOLKSWAGEN

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Volkswagen Crafter Combi



VOLKSWAGEN

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MAN TGX 18.500

MAN TGE 5.180



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Scania G 450 XT 8x4

