

dbAccess IAA Cars 2017 Conference

September 13, 2017

Dr. Herbert Diess
CEO of the Volkswagen brand



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The Volkswagen brand is a key player within the Group

80 %

of the Group's total volume is based on VW technology.

(1.1 million SKODA, 400,000 Audi, 400,000 SEAT)

3 million

vehicles per year are sold with the VW brand in China

(75 % of the JV's total volume).

170,000

Premium cars per year are produced by VW.

(70,000 Porsche Cayenne, 100,000 Audi Q7)

4 brands

will make use of VW's All Electric Platform.

(Audi, SKODA, SEAT, VW CV)



Agenda

1 STRATEGY

2 STATUS OF IMPLEMENTATION

3 PRODUCTS

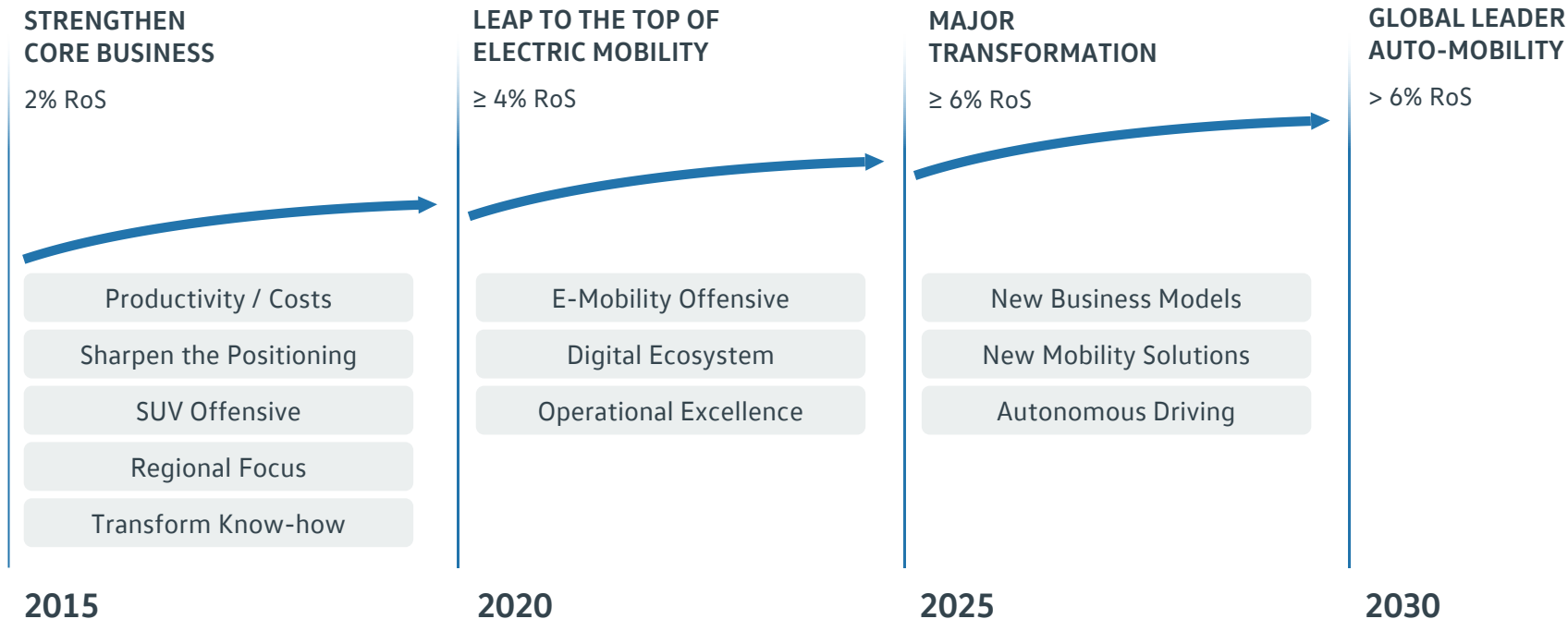
4 E-MOBILITY





Volkswagen

The strategic realignment is executed in three stages



The Zukunftspakt will increase productivity and competitiveness

ZUKUNFTS
PAKT

COMPETITIVENESS

- Increase of productivity by 25 %
- Reduction of factory costs
- Socially responsible job downsizing

SECURING THE FUTURE

- Build up know-how in future areas (connectivity, e-mobility, autonomous driving)
- "Center of Excellence" for battery cells/modules in Salzgitter
- Production of MEB models in Germany

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Volkswagen

Deliveries grew moderately in the first half of 2017

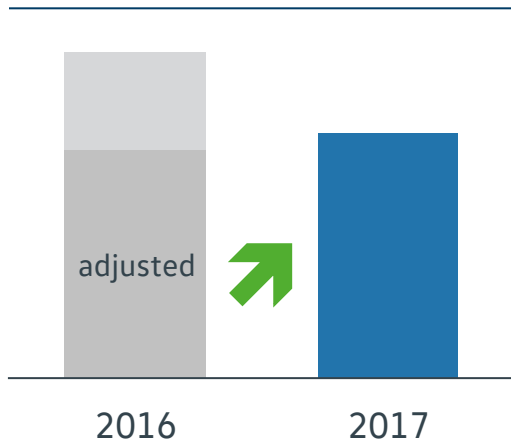
	H1 2017	vs. 2016
Europe	889,600	-0.2 %
<i>thereof Germany</i>	<i>278,500</i>	<i>-5.5 %</i>
North America	279,400	+1.5 %
<i>thereof United States</i>	<i>161,200</i>	<i>+8.2 %</i>
South America	201,300	+12.2 %
Asia Pacific	1,479,400	-0.3 %
<i>thereof China</i>	<i>1,395,500</i>	<i>+0.2 %</i>
World	2,935,100	+0.3 %

Now deliveries are gaining momentum

	AUG 2017	vs. 2016
Europe	105,300	-1.5 %
<i>thereof Germany</i>	<i>37.000</i>	<i>-11.2 %</i>
North America	55,500	+7.2 %
<i>thereof United States</i>	<i>32.000</i>	<i>+9.0 %</i>
South America	40,500	+68.1 %
Asia Pacific	278,400	9.8 %
<i>thereof China</i>	<i>265,400</i>	<i>+10.0 %</i>
World	495,200	+9.3 %

Operating performance in the first half of 2017 was successful

EUR 39.9 billion



Total sales revenue
not comparable ("New Structure")

EUR 1.8 billion

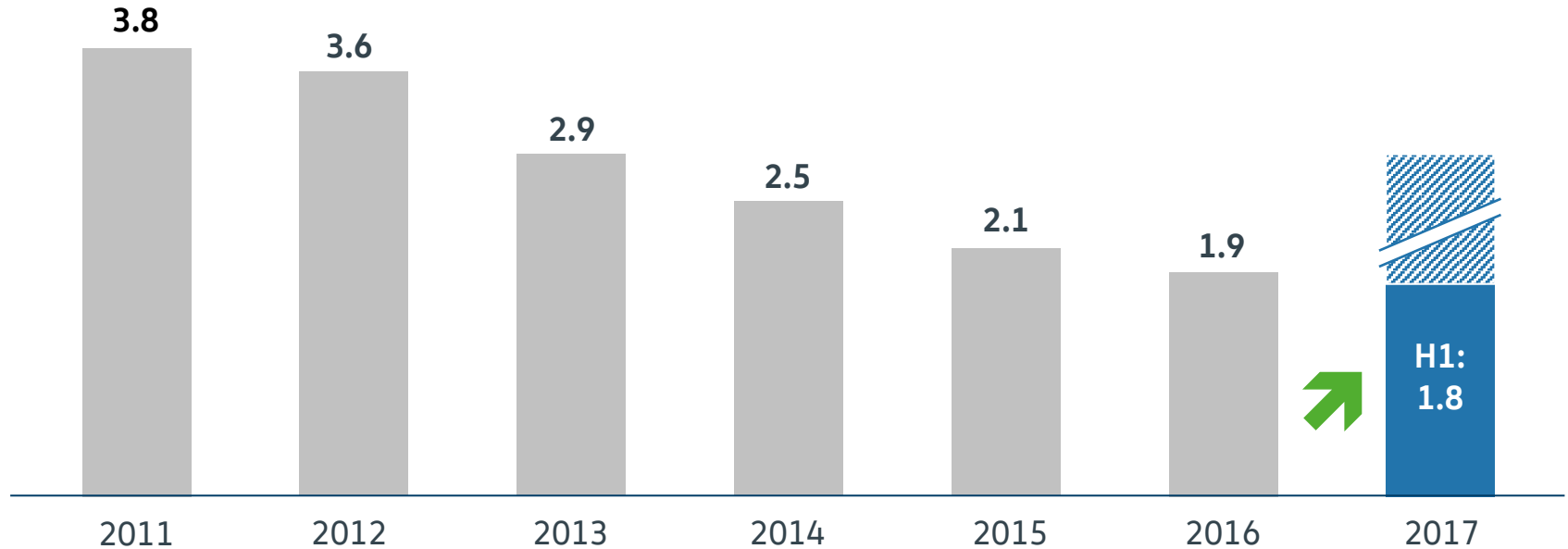


Operating result



Volkswagen

The downward trend in the operating result has been stopped



OPERATING RESULT | IN EUR BILLION | VOLKSWAGEN PKW

Turnaround programs in the regions are beginning to pay off



TREND DELIVERIES TO CUSTOMERS & OPERATING RESULT

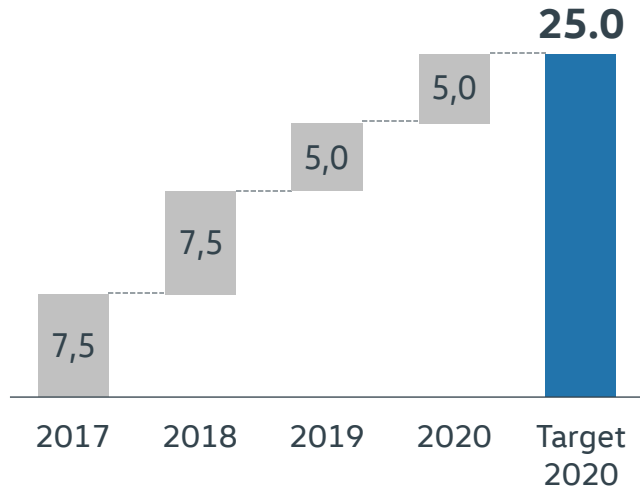


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Productivity will increase by 7.5 percent this year

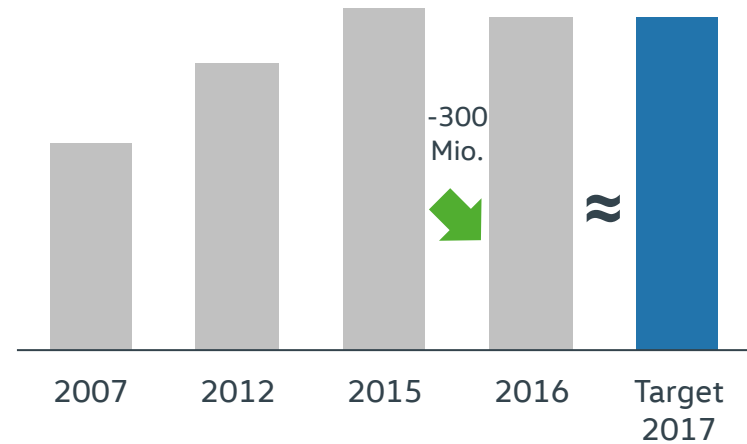
PRODUCTIVITY IMPROVEMENT

(percent | Targets)



FIXED COSTS IN GERMANY

(€ billion)



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R&D costs and investments are on a competitive level



H1 2017 | IN EUR BILLION & PERCENT OF SALES REVENUES

Outlook 2017

SALES REVENUE

RETURN ON SALES

GUIDANCE

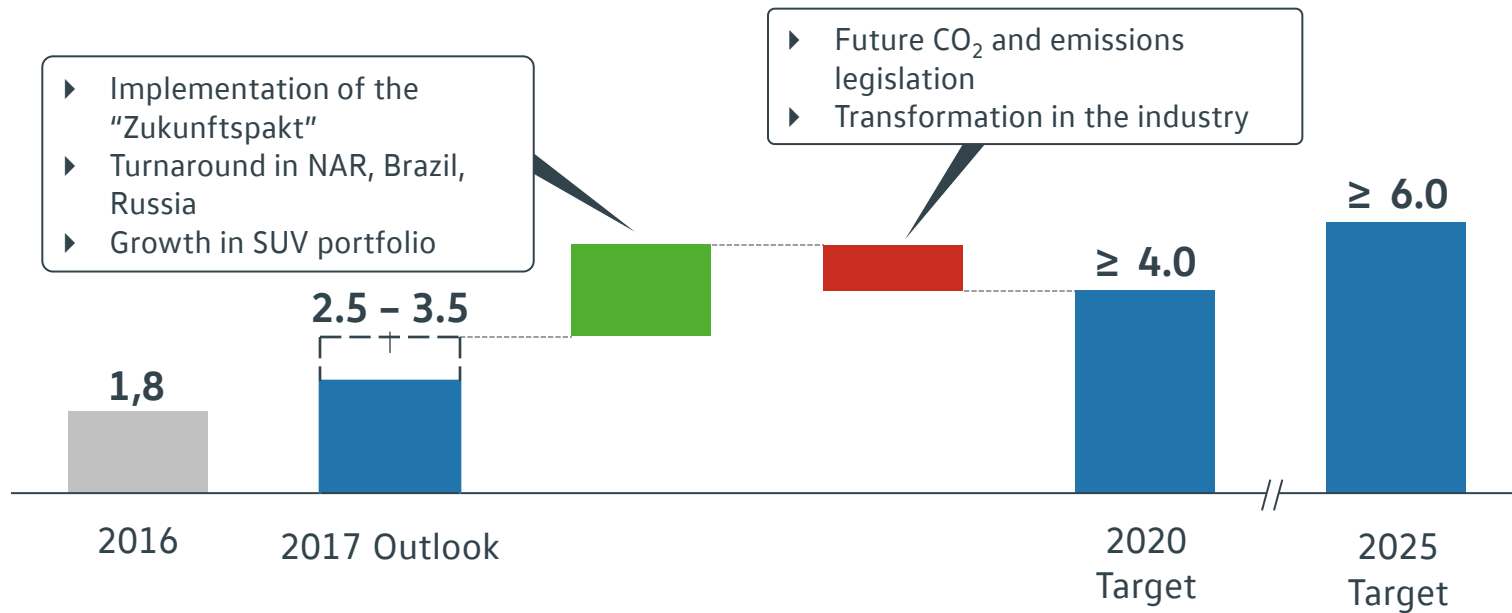
Approx. +10% vs. prior year

Upper end of 2.5 – 3.5 %



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Result outlook for 2017 follows TRANSFORM 2025+ strategy path



RETURN ON SALES | IN PERCENT



Volkswagen

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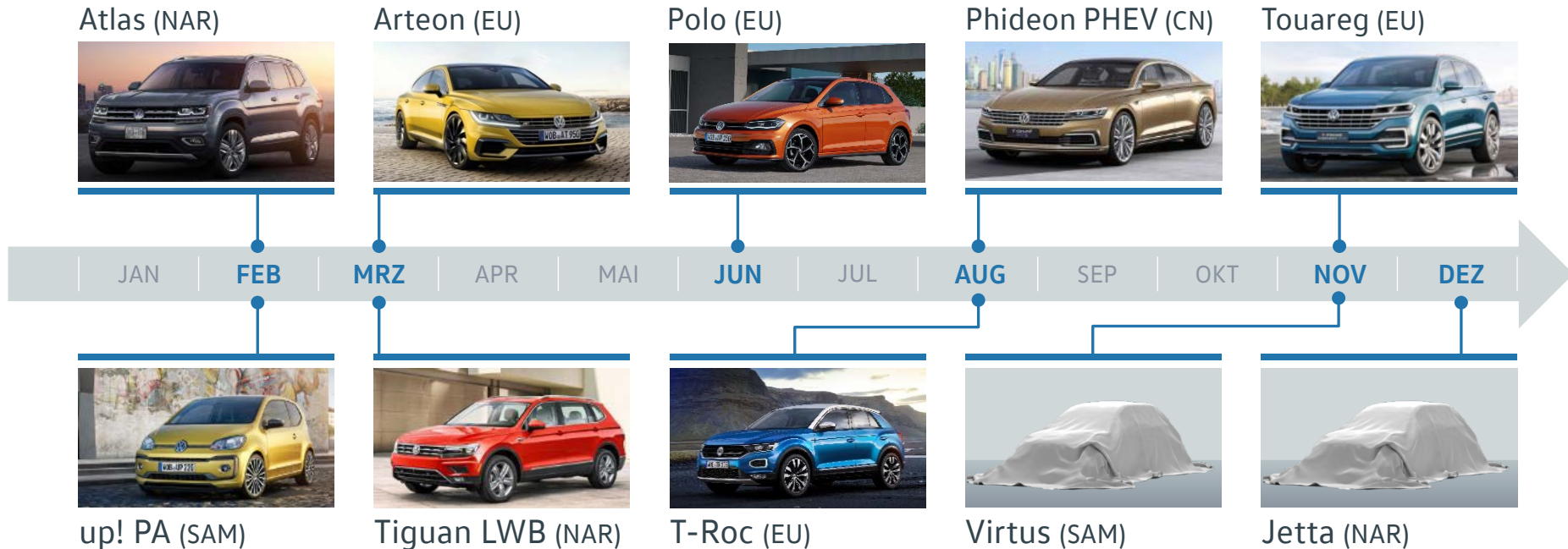
3 PRODUCTS

4 E-MOBILITY



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The global product campaign has been launched successfully



START OF PRODUCTION

The all-new T-Roc will drive the segment of small compact SUVs

Frankfurter Allgemeine
ZEITUNG FÜR DEUTSCHLAND

„Fresh and cheeky“



Volkswagen

The new Polo is now based on our MQB platform



„Big, digital,
great“



Volkswagen

The all-new Arteon is Volkswagen's new flagship



autoblog

„VW's new style-maker“



Volkswagen

The all-new Tiguan Allspace is entering markets in Europe, China and the United States



„VW's most practical SUV“



Volkswagen

The all-new Atlas is well-received by US customers and the media

CAR AND DRIVER

„It was worth the wait“



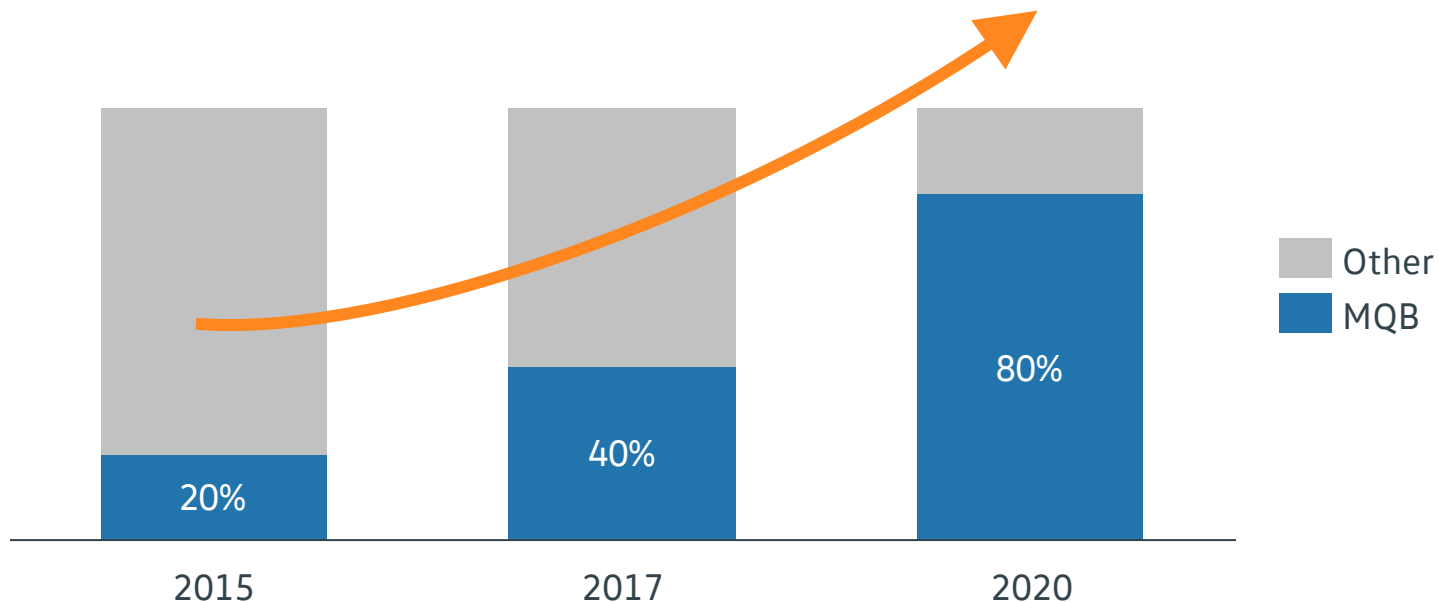
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The all-new Teramont is our large SUV for China



Volkswagen

Further roll-out of MQB offers substantial benefits



SHARE OF MQB (ROUNDED) | TOTAL PRODUCTION VOLUME | VOLKSWAGEN PKW



Volkswagen

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Volkswagen



**"If a car can stop Tesla,
then the new Bulli."**

Stefan Voswinkel | Auto Bild



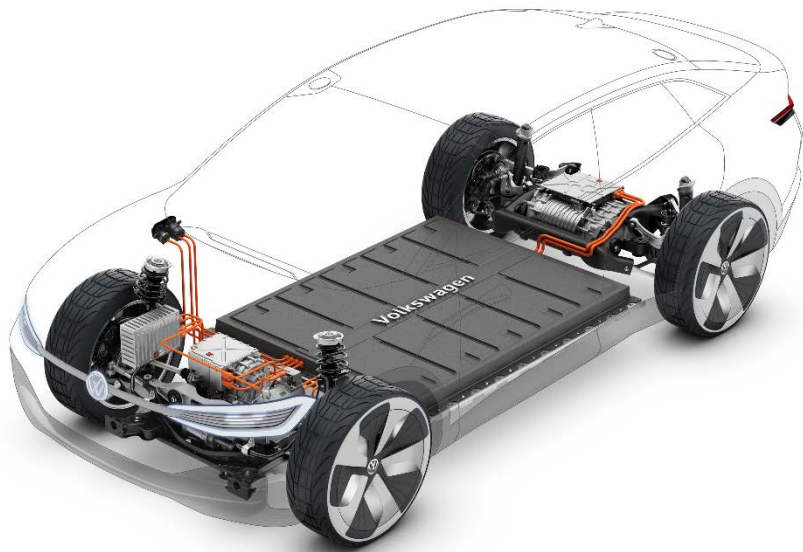
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Three models of Volkswagen's "Starting Five" for the Electric Age



Volkswagen

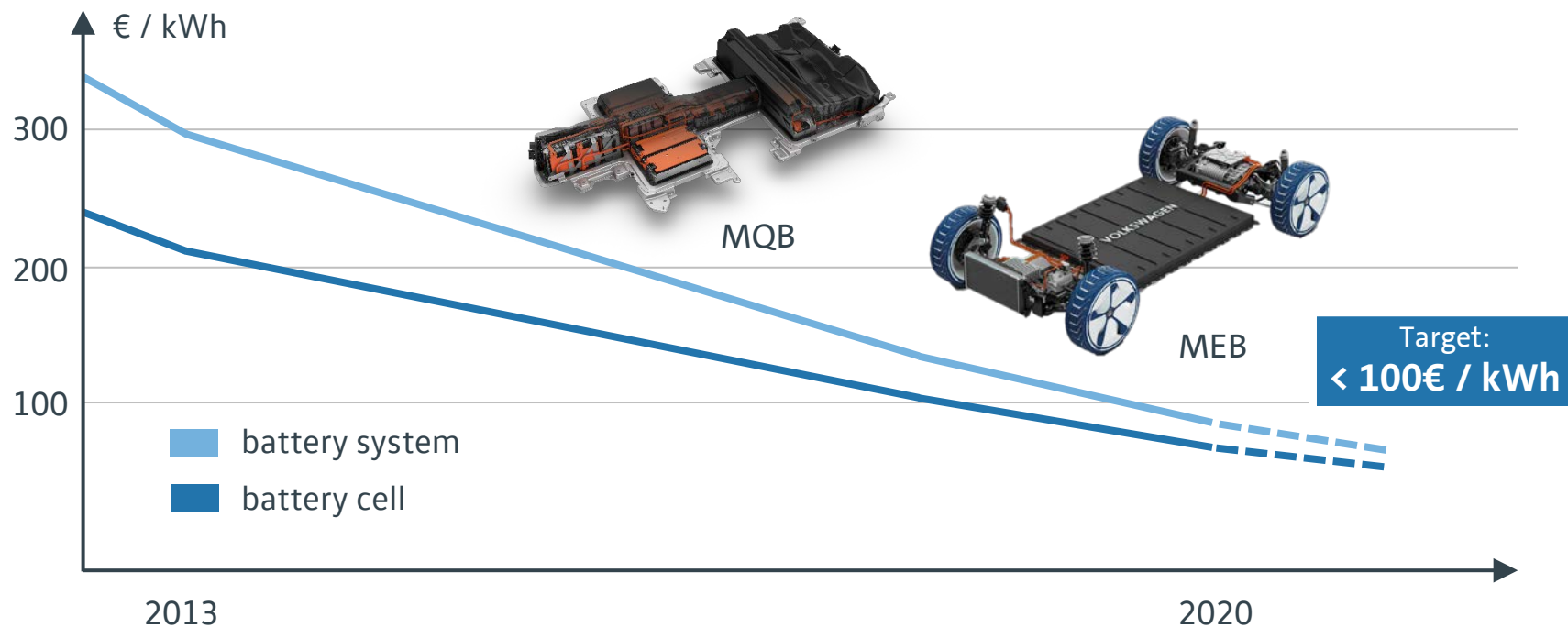
All electric platform: The basis for profitable electric cars



- Concept determined by:
customer benefit and package for cost-optimized design of e-components
- Economies of scale from use of MEB across entire Group
- "Design for manufacturing":
higher productivity, shorter manufacturing time
- Lower material and distribution costs
- Significant reduction in variants
- Early involvement of suppliers



Battery costs will decrease significantly by 2020



Summary

- Volkswagen's realignment is making good progress.
- We are implementing our strategy and the Zukunftspakt consistently.
- The biggest model initiative in the history of our brand has been launched successfully.
- Volkswagen prepares to challenge Tesla in the volume market for electric cars.



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