VOLKSWAGEN

AKTIENGESELLSCHAFT

Presse | News | Prensa | Tisk | Imprensa | Prasa | Stampa | Pers | 新闻 | Пресса

Volkswagen Group makes a good start to fiscal year 2015

- **Sales revenue up 10.3 percent to EUR 52.7 billion (EUR 47.8 billion); positive impact from exchange rate effects**
- **Operating profit improves by EUR 0.5 billion to EUR 3.3 billion in a market environment with very divergent regional trends**
- **Profit before tax increases to EUR 4.0 billion (EUR 3.4 billion)**
- **Net liquidity in Automotive Division at EUR 20.8 billion**

Wolfsburg, April 29, 2015 – The Volkswagen Group has made a good start to fiscal year 2015 despite a market environment that remains challenging. Sales revenue rose by 10.3 percent to EUR 52.7 billion (EUR 47.8 billion) in the first quarter as a result of higher volumes, improvements in the mix and positive exchange rate effects. Operating profit grew by 16.6 percent to EUR 3.3 billion (EUR 2.9 billion). The operating return on sales increased to 6.3 percent (6.0 percent). The Group's operating profit and sales revenue exclude the activities of the Chinese joint ventures, which are accounted for in the financial result using the equity method. The share of operating profit attributable to the Chinese joint ventures in the first three months rose to EUR 1.6 billion (EUR 1.2 billion).

The Volkswagen Group's profit before tax amounted to EUR 4.0 billion (EUR 3.4 billion). The return on sales before tax rose to 7.5 percent (7.0 percent) in the period from January to March. Profit after tax was EUR 2.9 billion (EUR 2.5 billion). "We have always emphasized that 2015 will be a challenging year for the automotive industry as a whole, and also for us. Nevertheless, our key figures for the first quarter show that the Volkswagen Group remains on course, despite the headwinds. The key focus for the entire workforce is on ensuring that 2015 will be another successful year", said Prof. Dr. Martin Winterkorn, Chairman of the Board of Management of Volkswagen Aktiengesellschaft, in Wolfsburg on Wednesday. The Group's stated objective is to increase its volumes, sales revenue and operating profit in full-year 2015.

Global demand for passenger cars was up 3.7 percent year-on-year in the first quarter of 2015; however, market trends varied from region to region. The overall markets in Asia-Pacific, North America, Western Europe and Central Europe saw growth, while a significant year-on-year decline in market volumes was recorded in Eastern Europe and South America. "We expect trends in the passenger car markets in the individual regions to remain mixed. This environment demands our utmost flexibility and financial strength so that we can safeguard the Group's success in the long term and achieve the goals of our Strategy 2018", said Chief Financial Officer Hans Dieter Pötsch.

High net liquidity in the Automotive Division

The Automotive Division's net cash flow was up EUR 1.6 billion year-on-year to EUR 1.5 billion. Net liquidity in the Automotive Division amounted to EUR 20.8 billion at the end of March (December 31, 2014: EUR 17.6 billion). Liquidity was reduced by the capital increase in the Financial Services Division, while the successful placement of hybrid notes strengthened the Automotive Division's capital base. Investments in property, plant and equipment, investment property and intangible assets, excluding capitalized development costs (capex) increased to EUR 2.1 billion (EUR 1.6 billion). The Volkswagen Group maintained its disciplined approach to investment with a ratio of capex to sales revenue in the Automotive Division of 4.5 percent (3.9 percent). The Group invested primarily in production facilities and in the models to be launched in 2015 and 2016, as well as in the ecological focus of the model range.

Brands and Business Fields

Operating profit at the Volkswagen Passenger Cars brand rose by 16.8 percent year-on-year to EUR 514 million (EUR 440 million) in the first three months of 2015. This was driven by the growth in sales revenue and cost optimization measures. Earnings were negatively impacted by the weak market trends in Russia and South America. Following the successful launch of the efficiency program the positive effect in the first quarter was in the low triple-digit millions of euros. The operating margin reached 2.0 percent (1.8 percent) in the reporting period.

Audi's operating profit was up on the previous year, at EUR 1.4 billion (EUR 1.3 billion), thanks to higher volumes and improvements in exchange rates. By contrast, high upfront investments in new products and technologies, as well as the expansion of the international production network, weighed on earnings. The operating margin was 9.7 percent (10.1 percent).

ŠKODA generated an operating profit of EUR 242 million (EUR 185 million) in the first three months of 2015, significantly exceeding the prior-year figure thanks to volume and mix-related factors. The operating margin amounted to 7.6 percent (6.2 percent).

Operating profit at SEAT rose to EUR 33 million (previous year: operating loss of EUR 36 million). This increase resulted mainly from improved volumes and more advantageous exchange rates, together with cost reductions.

Bentley's operating profit was up year-on-year to EUR 49 million (EUR 45 million). The brand's operating margin was 10.3 percent (10.0 percent).

Porsche recorded an operating profit of EUR 765 million (EUR 698 million) and an operating margin of 15.1 percent (17.8 percent). Positive volume and exchange rate effects more than offset the negative impact of changes in the mix, increased structural costs and higher development costs for future projects and technologies.

Operating profit at Volkswagen Commercial Vehicles rose to EUR 165 million (EUR 136 million). The operating margin was 6.1 percent (5.8 percent).

Scania posted an operating profit of EUR 237 million (EUR 254 million) and an operating margin of 9.6 percent (10.3 percent). MAN generated an operating profit of EUR 34 million (EUR 68 million) and an operating return on sales of 1.1 percent (2.2 percent). The weak market trends in Russia and Brazil in particular negatively impacted the commercial vehicles business.

Operating profit at Volkswagen Financial Services amounted to EUR 403 million (EUR 353 million). Volume and exchange rate effects had a positive impact. The number of new financing, leasing, service and insurance contracts signed in the first quarter rose to 1.2 million (+ 12.9 percent) worldwide.

Winterkorn: “We are optimally positioned to master the divergent trends in the global automotive markets.”

Winterkorn is confident about the remainder of the year: “We are well positioned to master the divergent trends in the global automotive markets. Our Group’s proven strengths include in particular our unique brand portfolio, our diverse range of models, our steadily growing presence in all major world markets and the broad spectrum of our financial services.” The Volkswagen Group will press ahead with its product rollout initiative across all of its brands in 2015, modernizing and expanding their offerings and introducing attractive new models.

Depending on economic conditions, Volkswagen expects 2015 sales revenue for the Group and its business areas to exceed the prior-year figure by up to 4 percent. However, economic trends in Latin America and Eastern Europe will need to be continuously monitored in the Commercial Vehicles/Power Engineering Business Area.

The difficult market environment, fierce competition, interest rate and exchange rate volatility, and fluctuations in raw material prices all pose challenges. Positive effects are expected from the efficiency programs implemented by all brands and, increasingly, from the modular toolkits.

In terms of the Group’s operating profit, Volkswagen anticipates an operating return on sales of between 5.5 percent and 6.5 percent in 2015 in light of the challenging economic environment. Volkswagen expects the operating return on sales to be in the 6.0 percent to 7.0 percent range in the Passenger Cars Business Area, and between 2.0 percent and 4.0 percent in the Commercial Vehicles/Power Engineering Business Area. For the Financial Services Division, the Group is forecasting an operating profit at the prior-year level.

The complete interim report is published on our website at:
http://www.volkswagenag.com/ir/Q1_2015_e.pdf

VOLKSWAGEN

AKTIENGESELLSCHAFT

	2015	2014	%
	Q1	Q1	
Volume data[1]			
Deliveries to customers			
('000 units)	2,487	2,443	+ 1.8
Vehicle sales ('000 units)	2,607	2,562	+ 1.8
Production ('000 units)	2,721	2,565	+ 6.1
Employees			
(at Mar. 31/Dec. 31)	595,300	592,600	+ 0.5
Financial data			
(IFRSs), EUR million			
Sales revenue	52,735	47,831	+ 10.3
Operating profit	3,328	2,855	+ 16.6
as a percentage of sales revenue	6.3	6.0	
Profit before tax	3,968	3,357	+ 18.2
as a percentage of sales revenue	7.5	7.0	
Profit after tax	2,932	2,468	+18.8
Automotive Division[2]			
Cash flows			
from operating activities	4,692	2,251	x
Cash flows from investing activities			
attributable to operating activities[3]	3,189	2,302	+ 38.5
of which: capex	2,071	1,625	+ 27.4
as a percentage of sales revenue	4.5	3.9	
Net cash flow	1,503	–52	x
Net liquidity			
(at Mar. 31)	20,772	17,714	+ 17.3
Net liquidity			
(at Mar. 31/Dec. 31)	20,772	17,639	+ 17.8

[1] Volume data including the unconsolidated Chinese joint ventures. Deliveries for 2014 have been updated to reflect subsequent statistical trends.

[2] Including allocation of consolidation adjustments between the Automotive and Financial Services divisions.

[3] Excluding acquisition and disposal of equity investments: Q1 EUR 3,155 million (EUR 2,702 million).

Volkswagen Group Communications
Christine Ritz
Head of Group Investor Relations/Spokesperson for Finance
Phone: +49 (0) 53 61 / 9 – 4 98 40
Fax: +49 (0) 53 61 / 9 – 3 04 11
E-mail: christine.ritz@volkswagen.de

Marco Dalan
Spokesperson for Finance
Phone: +49 (0) 53 61 / 9 – 7 11 21
Fax: +49 (0) 53 61 / 9 – 7 94 44
E-mail: marco.dalan@volkswagen.de
www.volkswagen-media-services.com
www.volkswagenag.com