



Annual Media Conference and Investor Conference 2017

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

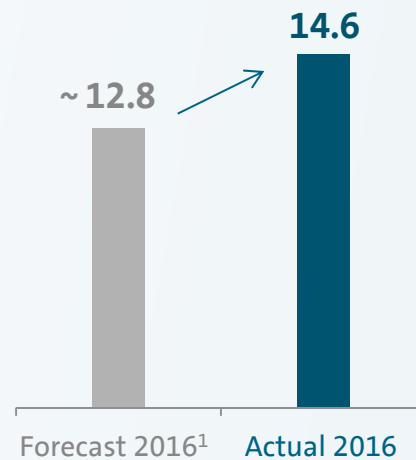
### Sales Revenue

€ billion



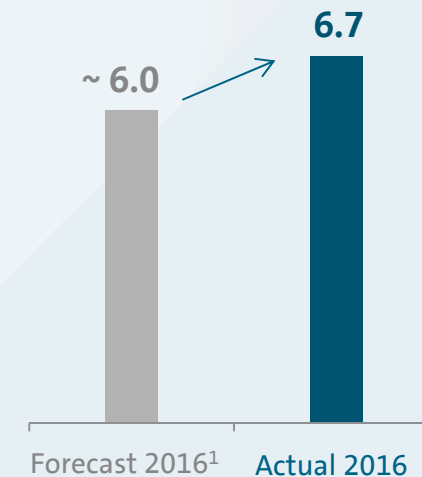
### Operating profit before special items

€ billion



### Operating profit before special items as a percentage of sales

%



<sup>1</sup> Forecast according to Interim Report January - September 2016.

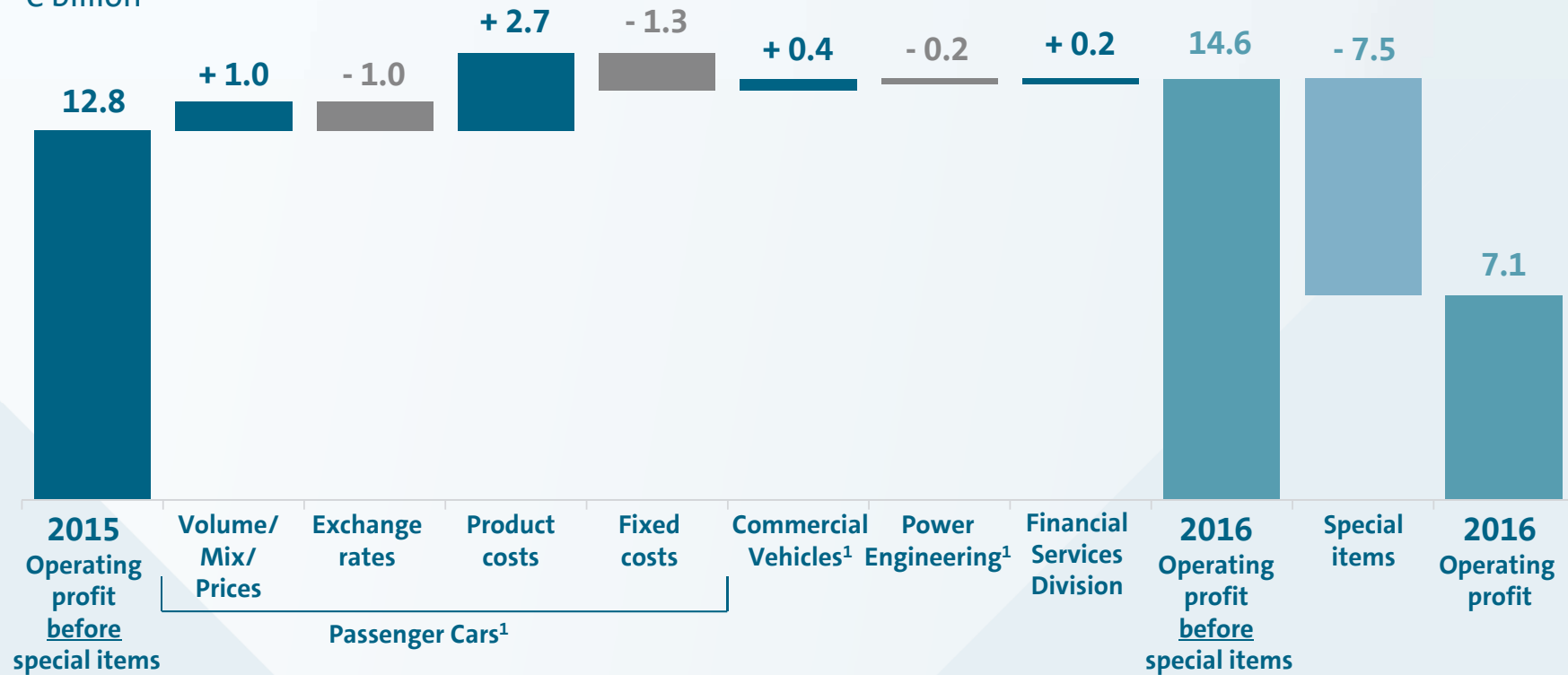
## Operating profit even after special items again positive

€ 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 <sup>1</sup>
Special items	-16,893	-7,520	9,373	-55.5
<b>Operating result</b>	<b>-4,069</b>	<b>7,103</b>	<b>11,172</b>	<b>x</b>
as a percentage of sales revenue	-1.9	3.3	-	5.2 <sup>1</sup>
Financial result	2,767	189	-2,578	-93.2
<b>Earnings before tax</b>	<b>-1,301</b>	<b>7,292</b>	<b>8,593</b>	<b>x</b>
Income tax expense	-59	-1,912	-1,853	x
<b>Earnings after tax</b>	<b>-1,361</b>	<b>5,379</b>	<b>6,740</b>	<b>x</b>

<sup>1</sup> Percentage points

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

€ billion



<sup>1</sup> Incl. PPA

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

€ 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
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<sup>1</sup> Percentage points

## 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 <sup>1</sup>	3,404	3,877	473	13.9
Volkswagen Commercial Vehicles	382	455	72	19.0
Scania <sup>1</sup>	1,027	1,072	45	4.4
MAN Commercial Vehicles	-4	230	234	x
MAN Power Engineering	283	194	-89	-31.4
Other <sup>2</sup>	-2,440	-1,486	953	39.1
Volkswagen Financial Services	1,921	2,105	184	9.6
<b>Volkswagen Group before special items<sup>3</sup></b>	<b>12,824</b>	<b>14,623</b>	<b>1,799</b>	<b>14.0</b>

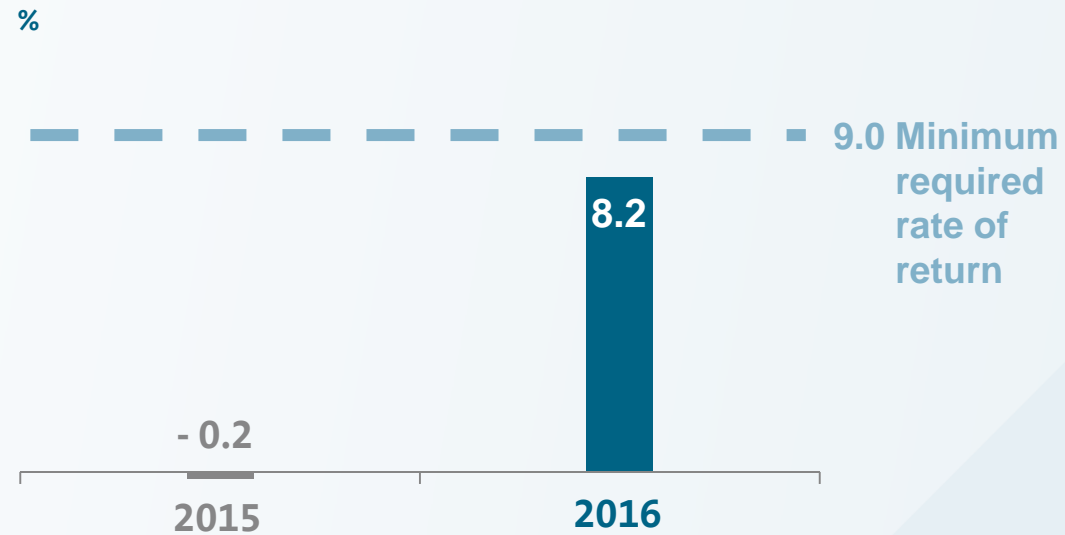
<sup>1</sup> Including financial services.

<sup>2</sup> 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.

<sup>3</sup> 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)<sup>1</sup> significantly better

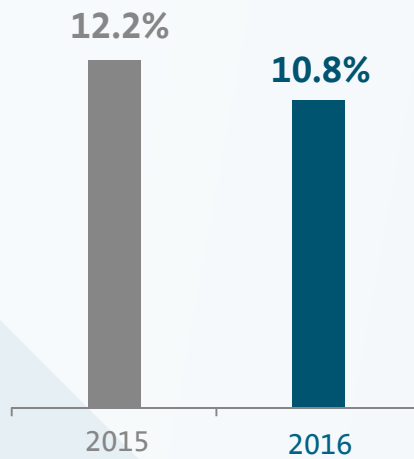
### Return on Investment after tax



<sup>1</sup> 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.

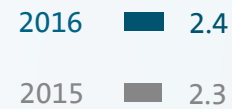
## Financial Services Division

### Return on equity<sup>1</sup>



### Earnings before tax

€ billion



+ €0.1 billion  
(+ 3.2%)

### Equity

€ billion



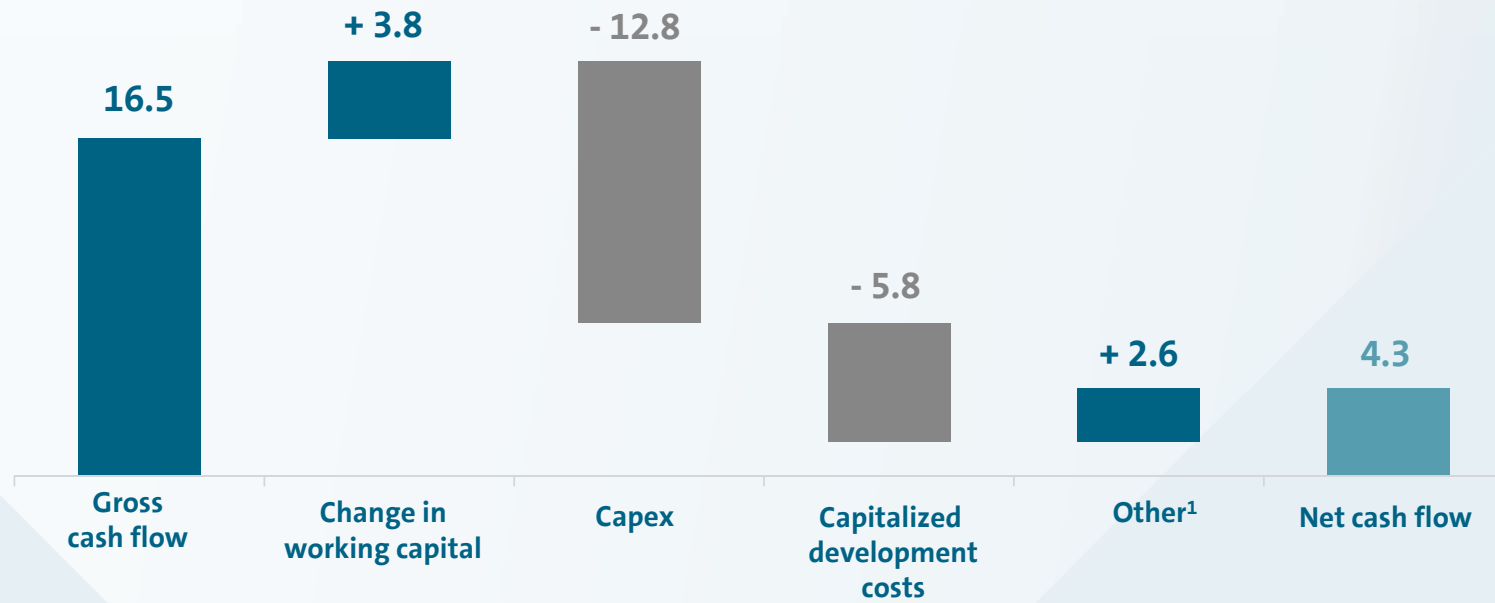
+ €2.9 billion  
(+ 13.8%)

<sup>1</sup> Earnings before tax as a percentage of average equity.



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

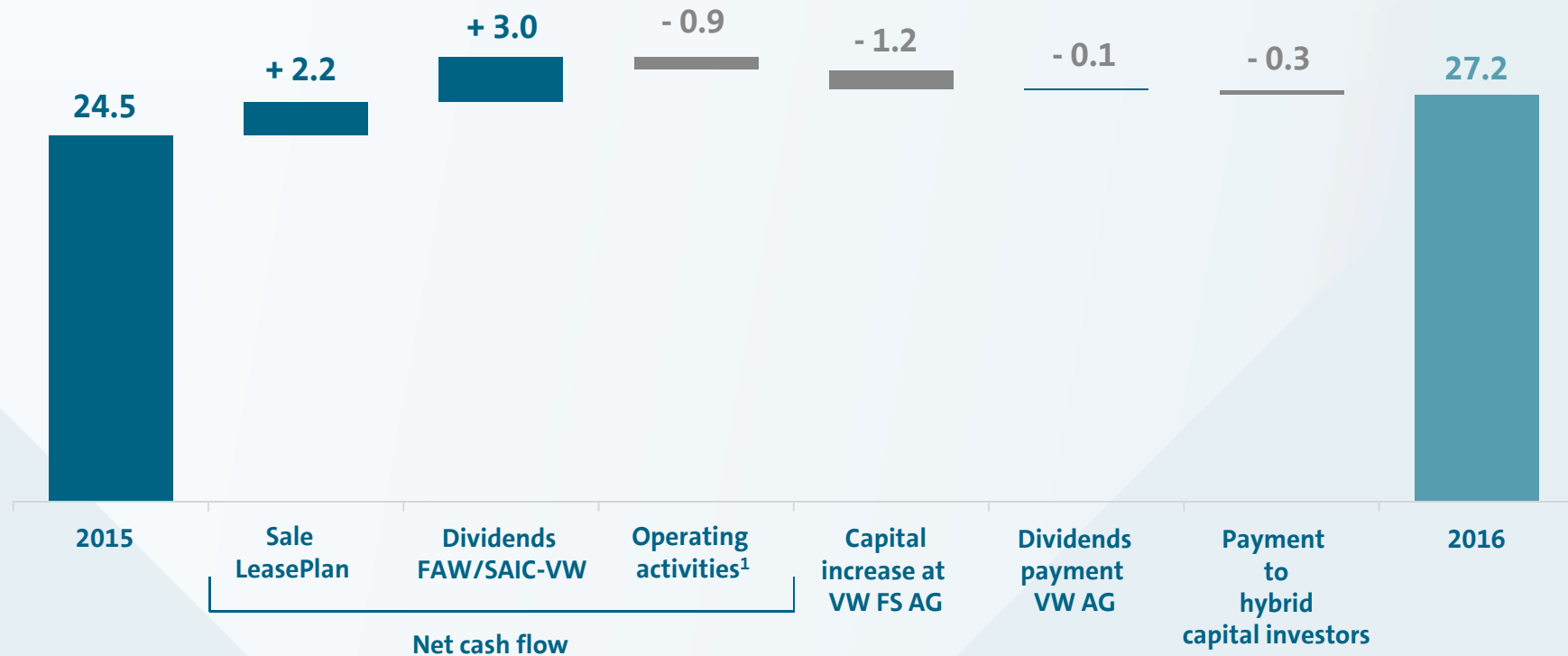
€ billion



<sup>1</sup> Including sale of LeasePlan shares (€2.2 billion)

## Automotive Division net liquidity on a robust level

€ billion

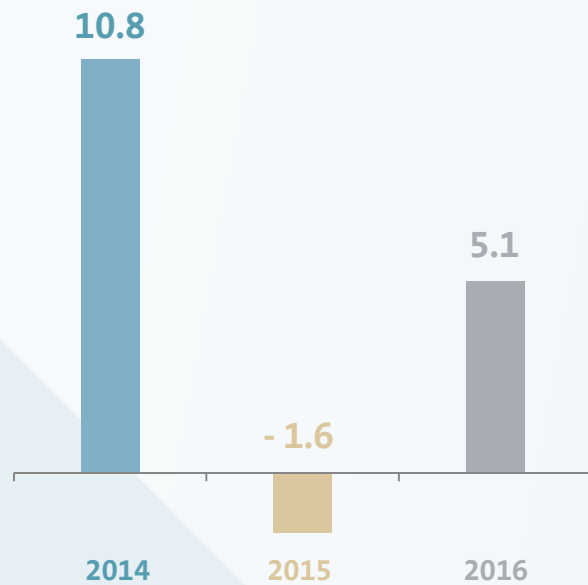


<sup>1</sup> Including cash outflows resulting from the diesel issue.

## Dividend increases once again – distribution ratio 19.7%

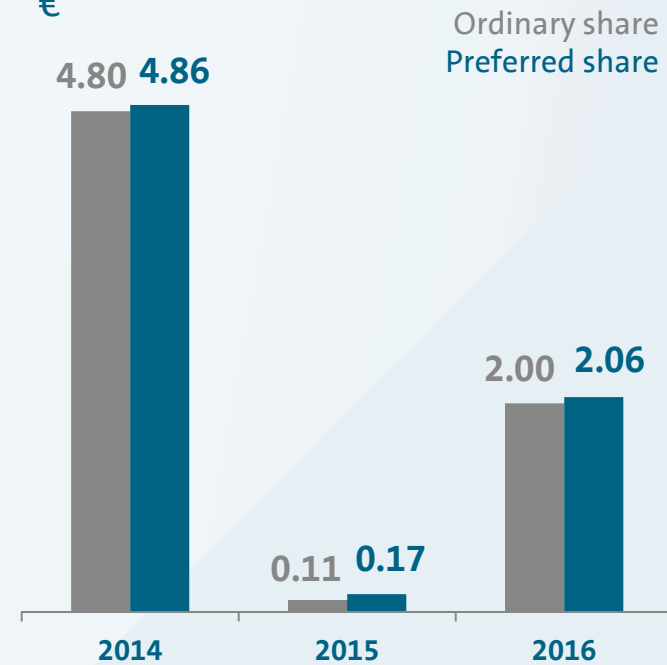
### Earnings attributable to Volkswagen AG shareholders

€ billion



### Dividend per share

€





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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

## Income statement Volkswagen Group

€ million	2015	%	2016	%
<b>Sales revenue</b>	<b>213,292</b>	<b>100.0</b>	<b>217,267</b>	<b>100.0</b>
Cost of sales	-179,382	-84.1	-176,270	-81.1
<b>Gross profit</b>	<b>33,911</b>	<b>15.9</b>	<b>40,997</b>	<b>18.9</b>
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
<b>Operating result</b>	<b>-4,069</b>	<b>-1.9</b>	<b>7,103</b>	<b>3.3</b>
Financial result	2,767	1.3	189	0.1
<b>Earnings before tax</b>	<b>-1,301</b>	<b>-0.6</b>	<b>7,292</b>	<b>3.4</b>
Income tax income/expense	-59	-0.0	-1,912	-0.9
<b>Earnings after tax</b>	<b>-1,361</b>	<b>-0.6</b>	<b>5,379</b>	<b>2.5</b>
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
<b>Earnings attributable to Volkswagen AG shareholders</b>	<b>-1,582</b>	<b>-0.7</b>	<b>5,144</b>	<b>2.4</b>

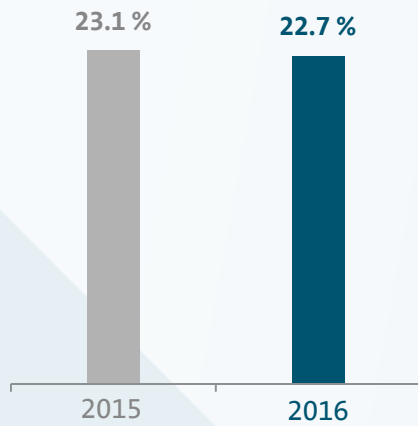
## Automotive Division Net Liquidity<sup>1</sup>

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

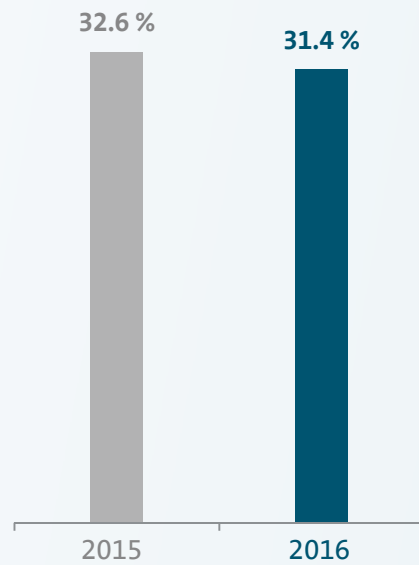
<sup>1</sup> Including allocation of consolidation adjustments between the Automotive and Financial Services divisions. <sup>2</sup> Percentage points. <sup>3</sup> 2015: €3,146 million from the sale of shares in Suzuki, €668 million for the acquisition of HERE. 2016: sale of LeasePlan (€2,181 million).

## Equity Ratios

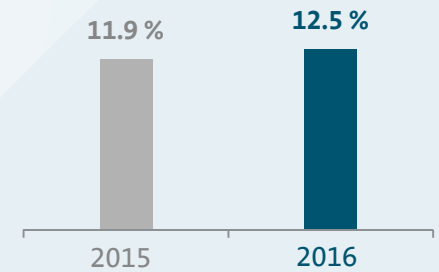
### Volkswagen Group



### Automotive Division



### Financial Services Division





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