



Interim Report

January – September 2015
Conference Call and Webcast
28 October 2015

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 relating to the development of the economies of individual countries, and in particular of the automotive industry, 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. The estimates given involve a degree of risk, and the actual developments may differ from those forecast.

Consequently, 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 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 Such statements are valid on the date of publication and can be superceded.

This information does not constitute an offer to exchange or sell or an offer to exchange or buy any securities.

Conference Call: January – September 2015



Matthias Müller

Chairman of the Board of
Management, Volkswagen AG



Frank Witter

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



Axel Kalthoff

Director Group Sales Management,
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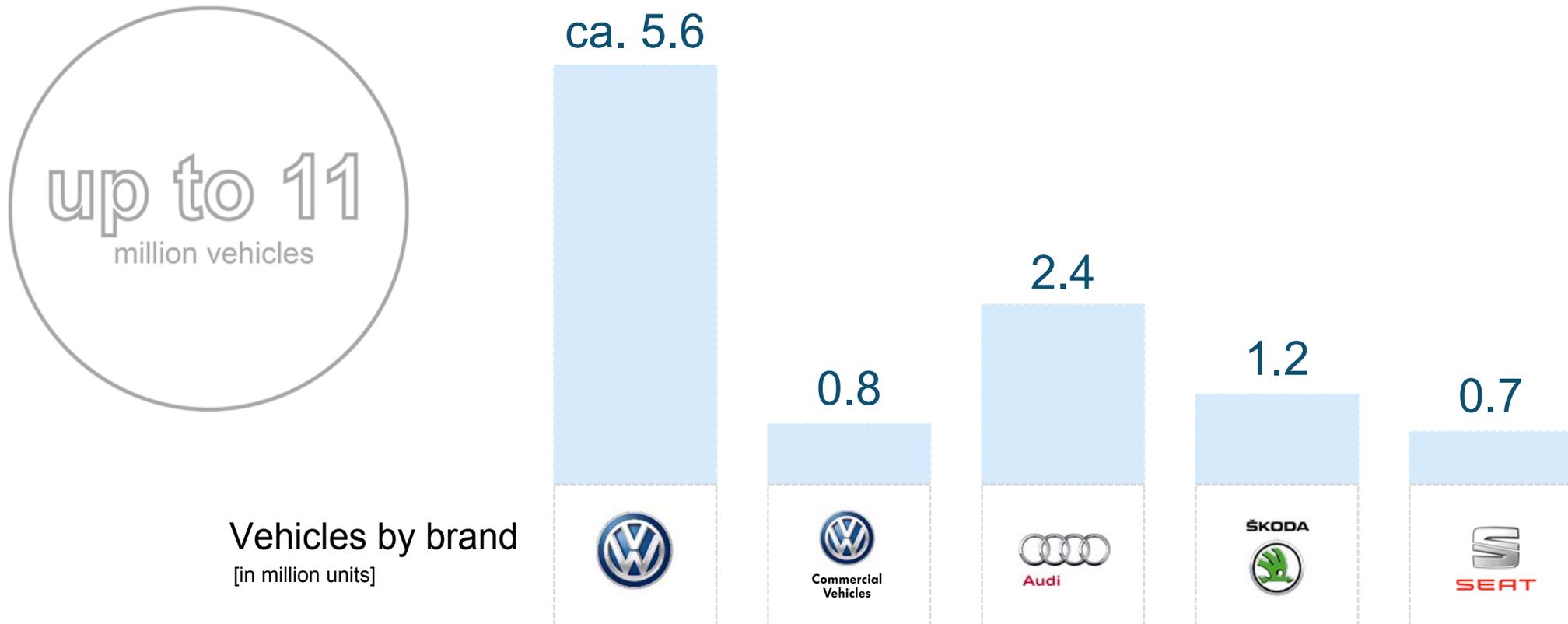
What happened?



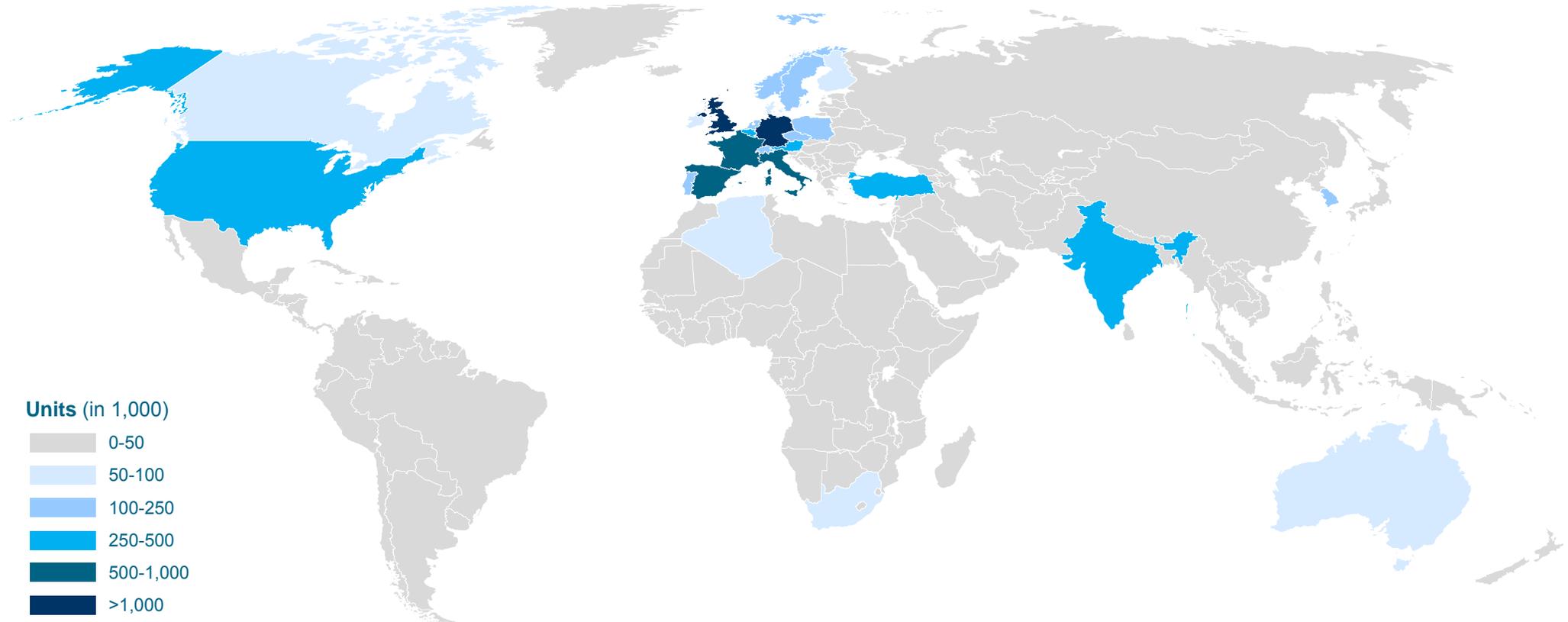
Key statements

- The software in our EA 189 engines was designed to optimize NOx emissions during dynamometer runs.
- This was **ABSOLUTELY** unacceptable and abhorrent to our corporate values.
- We have acted swiftly and decisively – expect us to continue in this manner.

How many vehicles are affected?



Affected Diesel vehicles by region



Our five top priorities



Helping our customers

Communicating & providing effective technical solutions



Uncovering what happened

Finding out the truth and learning from it



New structure

Launching a more entrepreneurial & decentralized Group structure



New mindset

Profoundly changing the way we do things



New destination

Re-evaluating what we do & re-defining our targets

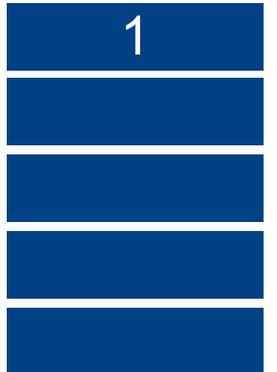
Our five top priorities – 1



Helping our customers

Communicating & providing effective technical solutions as fast as possible

- Free-of-charge, high-quality “fix” in the fastest possible timeframe
- Provide transparent and accurate information
- Cooperate closely with relevant authorities



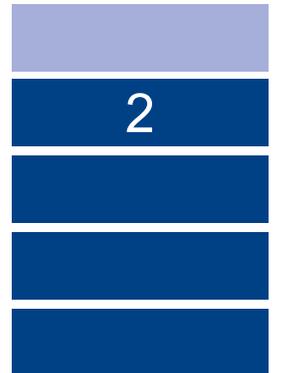
Our five top priorities – 2



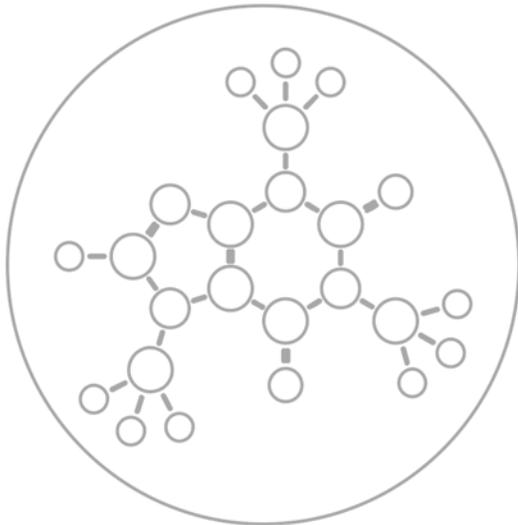
Uncovering what happened

Finding out the truth and learning from it

- Thorough investigation
- Analysis of how it happened
- Ensure that it never can happen again



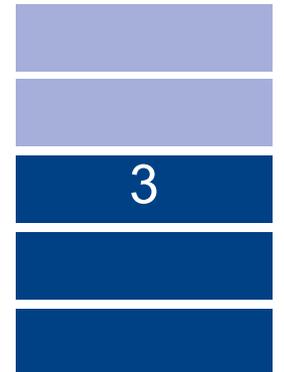
Our five top priorities – 3



New structure

Launching a more entrepreneurial and more decentralized Group structure

- Decentralize and strengthen the business responsibility
- Reduce complexity
- Cost efficiency opportunities and synergies
- Align top talents with entrepreneurial opportunities



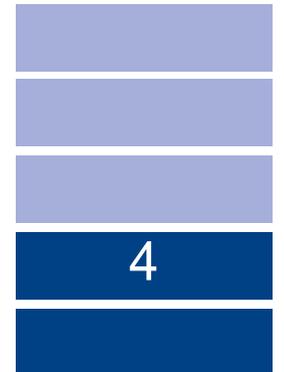
Our five top priorities – 4



New mindset

Profoundly changing the way we do things

- Faster and more pragmatic
- Foster teamwork
- Down to earth
- More diverse



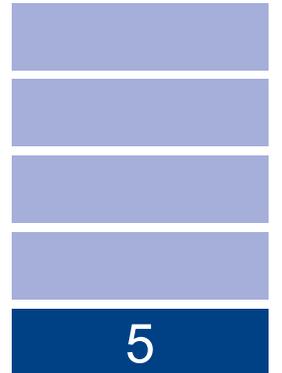
Our five top priorities – 5



New destination

Re-evaluating what we do & re-defining our targets

- Evolving our Strategy 2018
- Realigning our strategic orientation for the next decade



In closing



- Determined to learn.
- Focus and commitment.
- Creating a more efficient and effective operating model.
- Driving a thorough analysis.
- Looking to the future.
- Re-define what we strive for.

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Financial Highlights January – September 2015

Sales revenue increased partly due to positive influences from exchange rates and mix effects

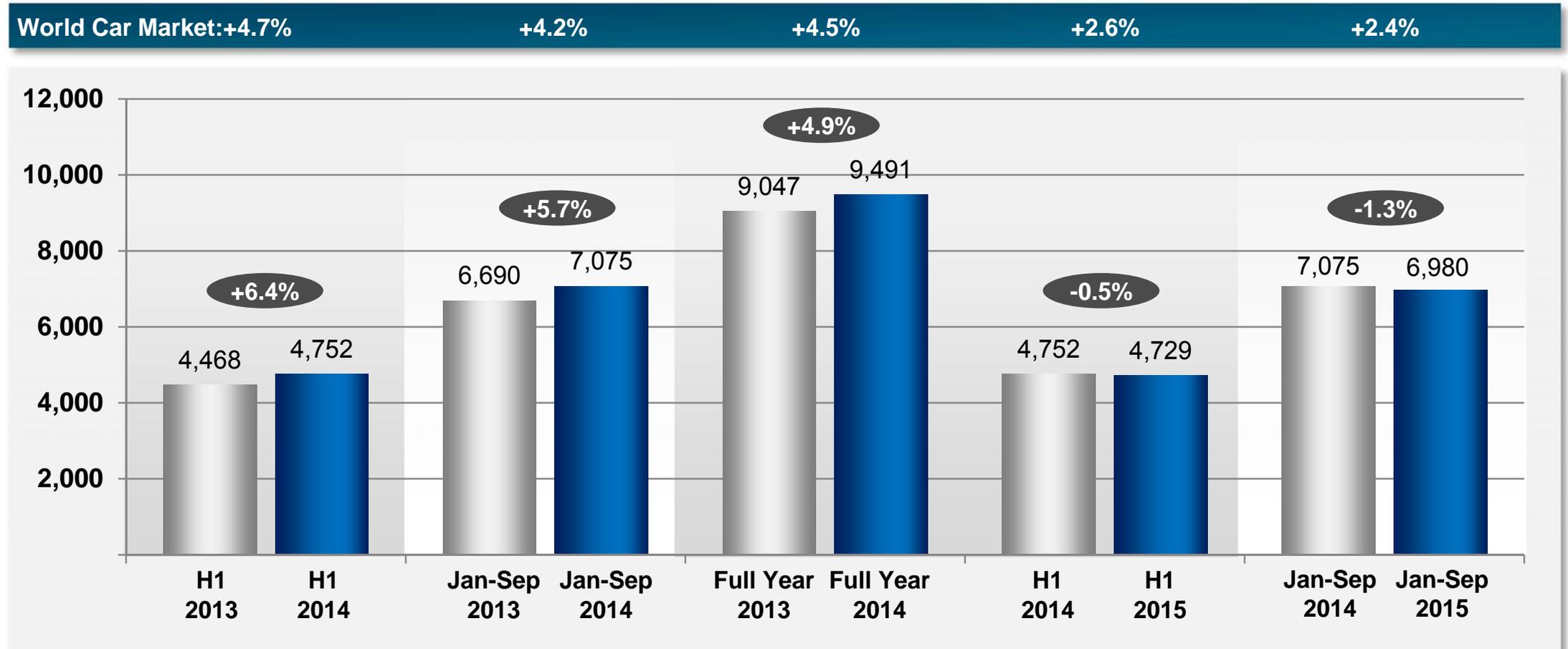
Operating profit before special items up 8 percent

Operating profit significantly reduced due to special items attributable to diesel-related issues in the area of passenger cars and restructuring measures in the area of commercial vehicles

Profit before tax impacted by gain from sale of Suzuki shares and negative fair value measurement of derivatives; at-equity earnings from Chinese joint ventures level year-on-year

Strong net cash flow generation, including the sale of Suzuki shares, plus the placement of hybrid notes further strengthened automotive net liquidity

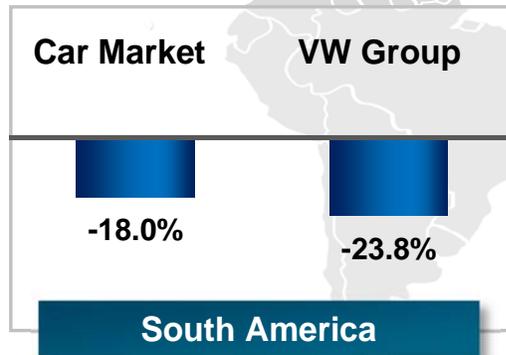
Development Volkswagen Group Car Deliveries to Customers¹⁾ (in comparison to previous year)



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

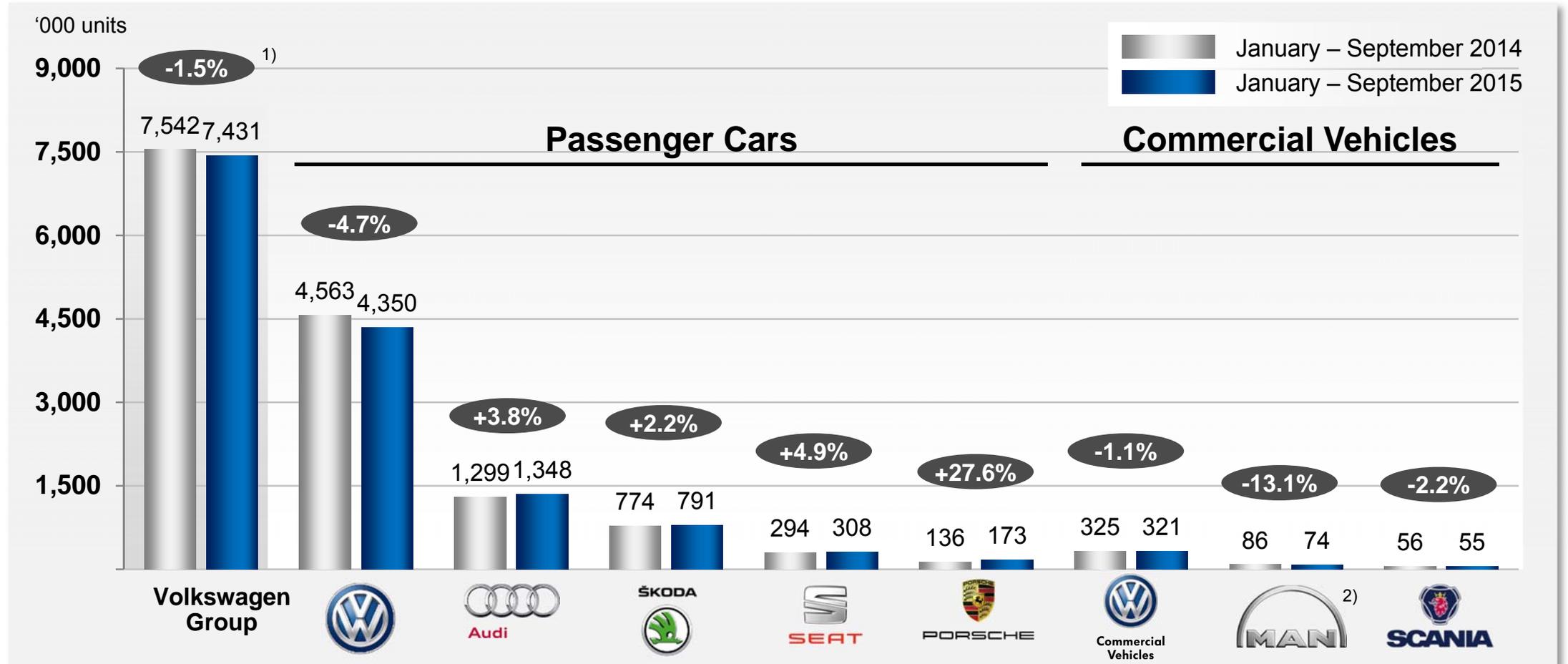
Development World Car Market vs. Volkswagen Group Car Deliveries to Customers¹⁾ (Growth y-o-y in deliveries to customers, January to September 2015 vs. 2014)

World: Car Market: 2.4% Volkswagen Group: -1.3%



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

Volkswagen Group – Deliveries to Customers by Brands (January to September 2015 vs. 2014)



¹⁾ Incl. all brands of Volkswagen Group (Passenger Cars and Commercial Vehicles); -1.3% excl. Volkswagen Commercial Vehicles, Scania and MAN.

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

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Volkswagen Touran



Audi A4 Sedan and A4 Avant



ŠKODA Superb Combi



Volkswagen Caddy series

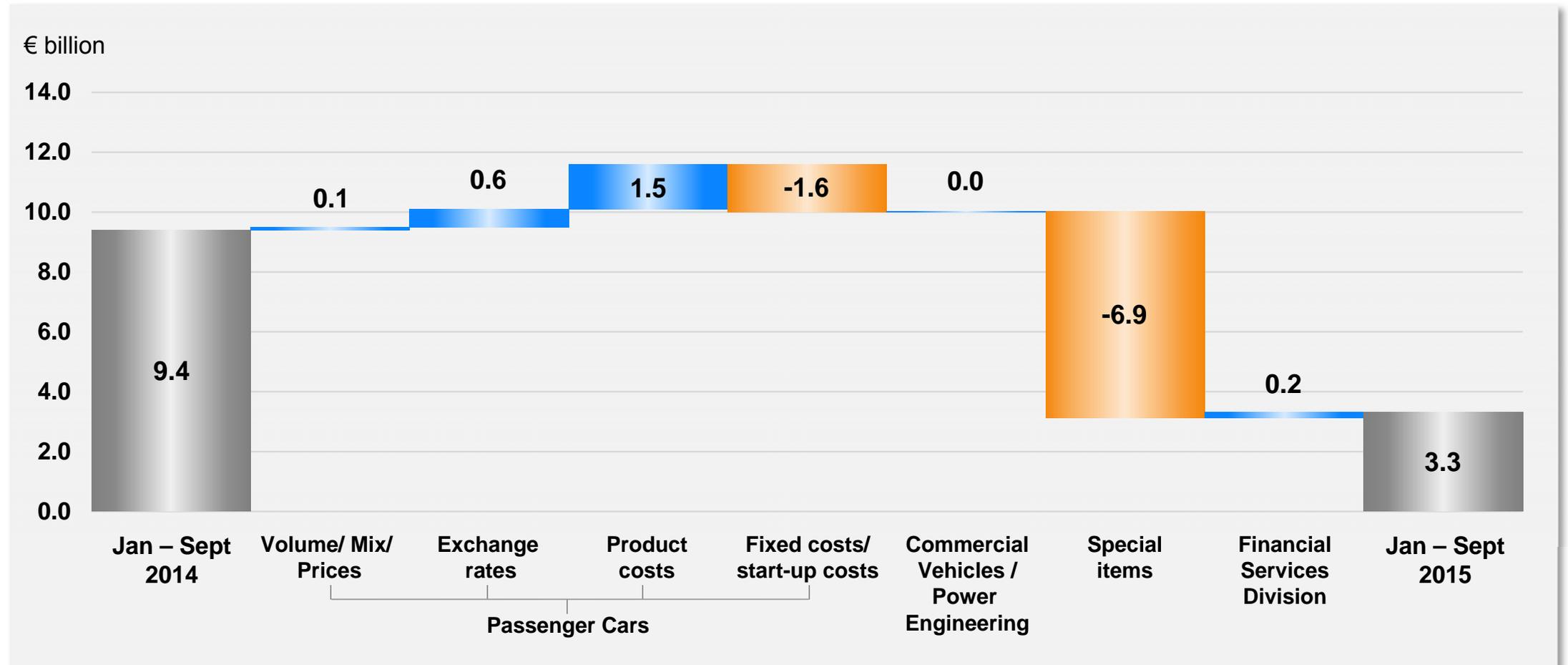
Volkswagen Group – Key Financial Figures¹⁾ (January to September 2015 vs. 2014)

thousand vehicles / € million	2015	2014	+/- (%)
Vehicle sales ²⁾	7,440	7,646	-2.7
Sales revenue	160,263	147,718	+8.5
Operating profit before special items	10,197	9,416	+8.3
<i>% of sales revenue</i>	6.4	6.4	
Operating profit	3,342	9,416	-64.5
<i>% of sales revenue</i>	2.1	6.4	
Financial result	1,800	2,075	-13.3
of which: At-equity result ²⁾	3,128	3,057	+2.3
of which: Other financial result	-1,327	-982	-35.1
Profit before tax	5,142	11,490	-55.2
<i>% Return on sales before tax</i>	3.2	7.8	
Profit after tax	3,990	8,687	-54.1

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⁾ 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 €3,777 million (€3,920 million).

Volkswagen Group – Analysis of Operating Profit¹⁾ (January to September 2015 vs. 2014)



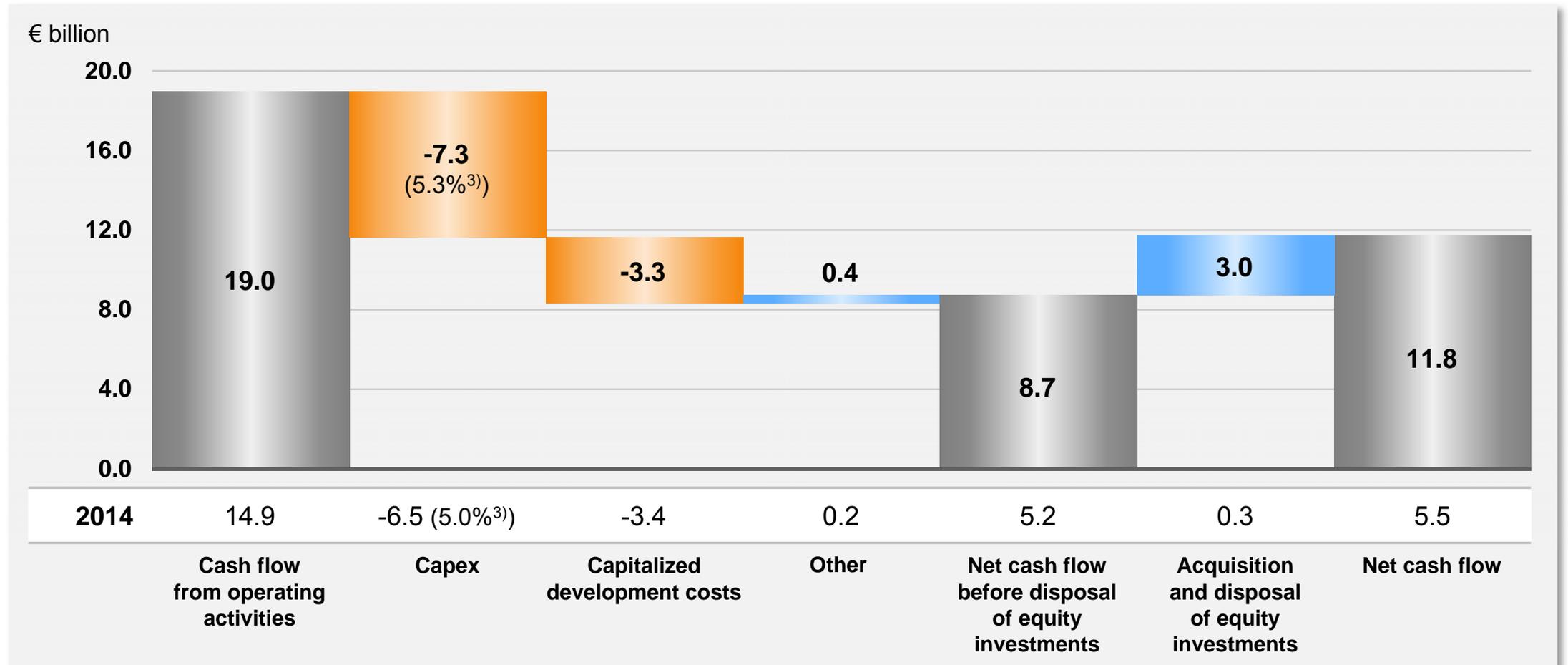
¹⁾ All figures shown are rounded, minor discrepancies may arise from addition of these amounts.

Volkswagen Group – Analysis by Business Line¹⁾ (January to September 2015 vs. 2014)

€ million	Operating profit		Operating margin (%)	
	2015	2014	2015	2014
Volkswagen Passenger Cars	2,229	1,696	2.8	2.3
Audi	4,024	3,831	9.2	9.7
ŠKODA	734	651	7.9	7.4
SEAT	12	-82	0.2	-1.5
Bentley	57	125	4.2	9.9
Porsche ²⁾	2,546	1,927	15.5	15.7
Volkswagen Commercial Vehicles	313	378	4.2	5.4
Scania ²⁾	748	700	9.7	9.3
MAN	271	304	2.7	3.0
Other ³⁾	-2,118	-1,329	-	-
Volkswagen Financial Services	1,381	1,215	7.1	7.6
Volkswagen Group before special items⁴⁾	10,197	9,416	6.4	6.4
Special items	-6,855	-	-	-
Volkswagen Group⁴⁾	3,342	9,416	2.1	6.4
Automotive Division ⁵⁾	1,726	7,980	1.2	6.2
of which: Passenger Cars	1,203	7,295	1.1	6.9
of which: Commercial Vehicles, Power Engineering	523	685	2.1	2.8
Financial Services Division	1,615	1,436	7.4	7.9

¹⁾ All figures shown are rounded, minor discrepancies may arise from addition of these amounts. ²⁾ Incl. financial services. ³⁾ Mainly intragroup items, in particular from elimination of intercompany profits; incl. depreciation and amortization of identifiable assets as part of the PPA for Scania, Porsche Holding Salzburg, MAN and Porsche. ⁴⁾ Sales revenue and operating profit of the JV's in China are not included in the Group figures. The Chinese companies are accounted for using the equity method and recorded an operating profit (proportionate) of €3,777 million (€3,920 million). ⁵⁾ Including allocation of consolidation adjustments between Automotive and Financial Services divisions.

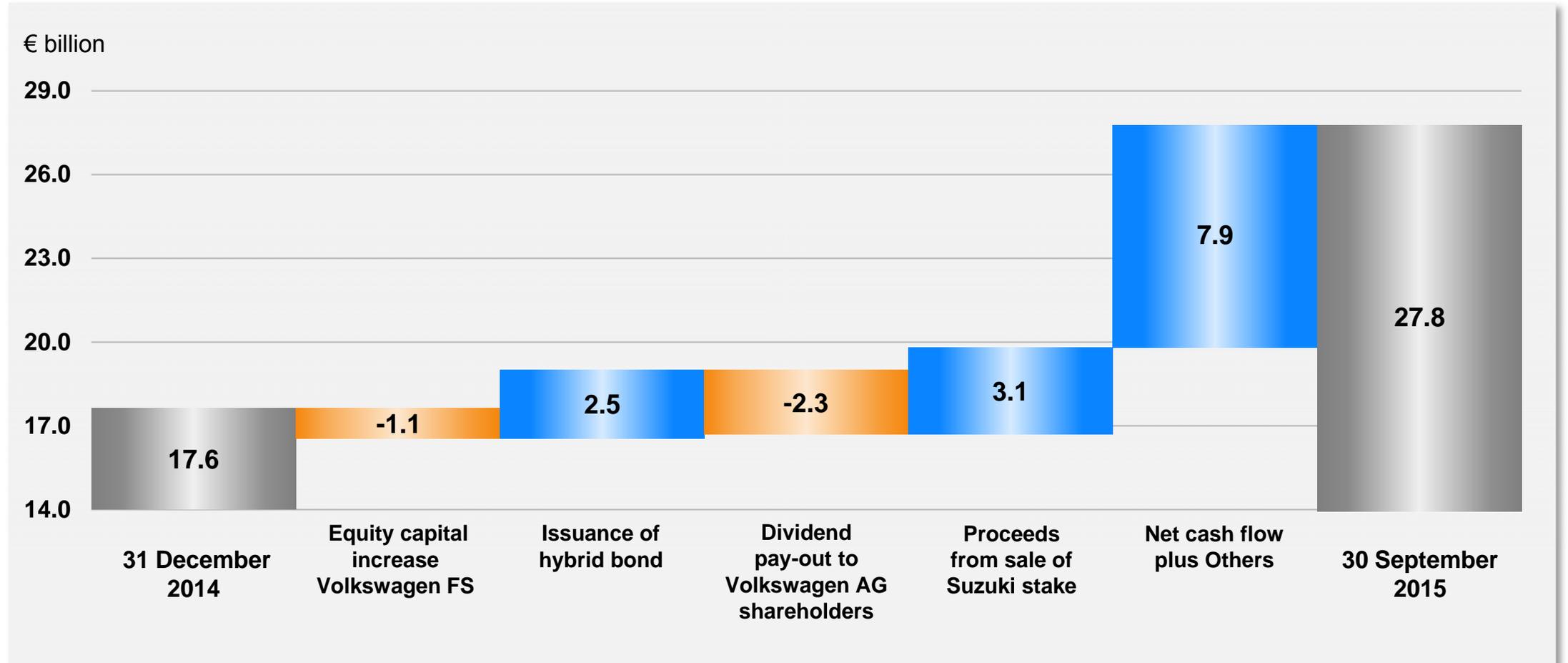
Automotive Division – Strong Cash Generation^{1) 2)} (January to September 2015)



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.

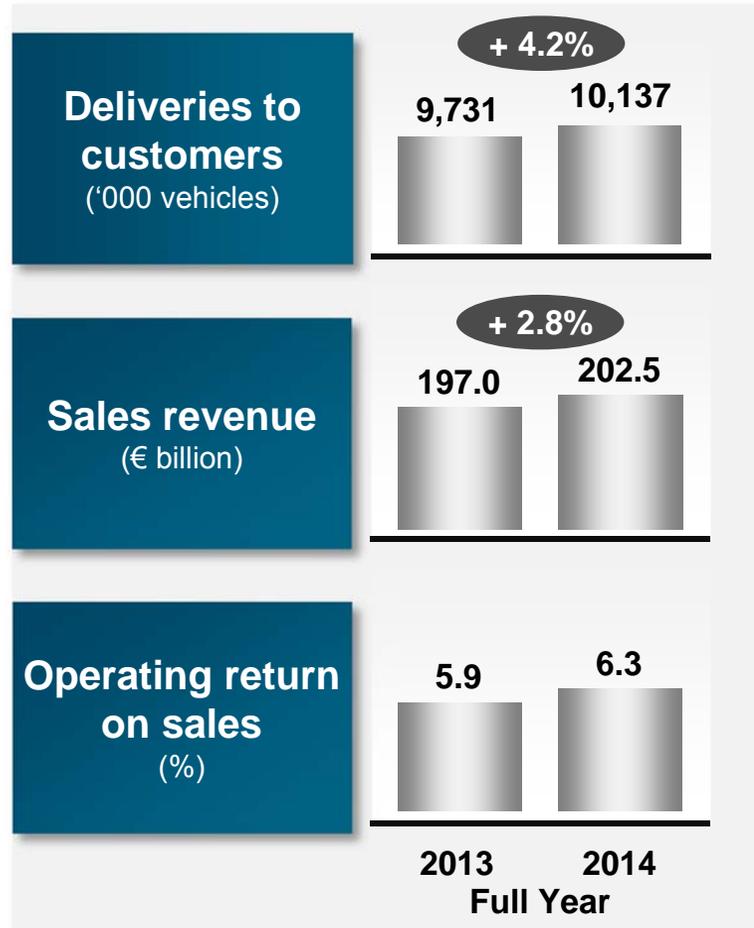
³⁾ Capital expenditure for property, plant and equipment in % of Automotive sales revenue.

Automotive Division – Analysis of Net Liquidity¹⁾



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

Volkswagen Group – Outlook for 2015



We expect ...

- deliveries to customers for the Volkswagen Group in 2015 to remain on a level with the previous year in a persistently challenging market environment.
- 2015 sales revenue for the Volkswagen Group and its business areas to increase by up to 4% y-o-y, depending on the economic conditions. However, economic trends in Latin America and Eastern Europe will need to be continuously monitored in the Commercial Vehicles/Power Engineering Business Area.

In terms of operating profit...

- due to the impact relating to the Diesel issue we anticipate a Group operating profit as well as for the Passenger Cars Business Area significantly below the prior year level.

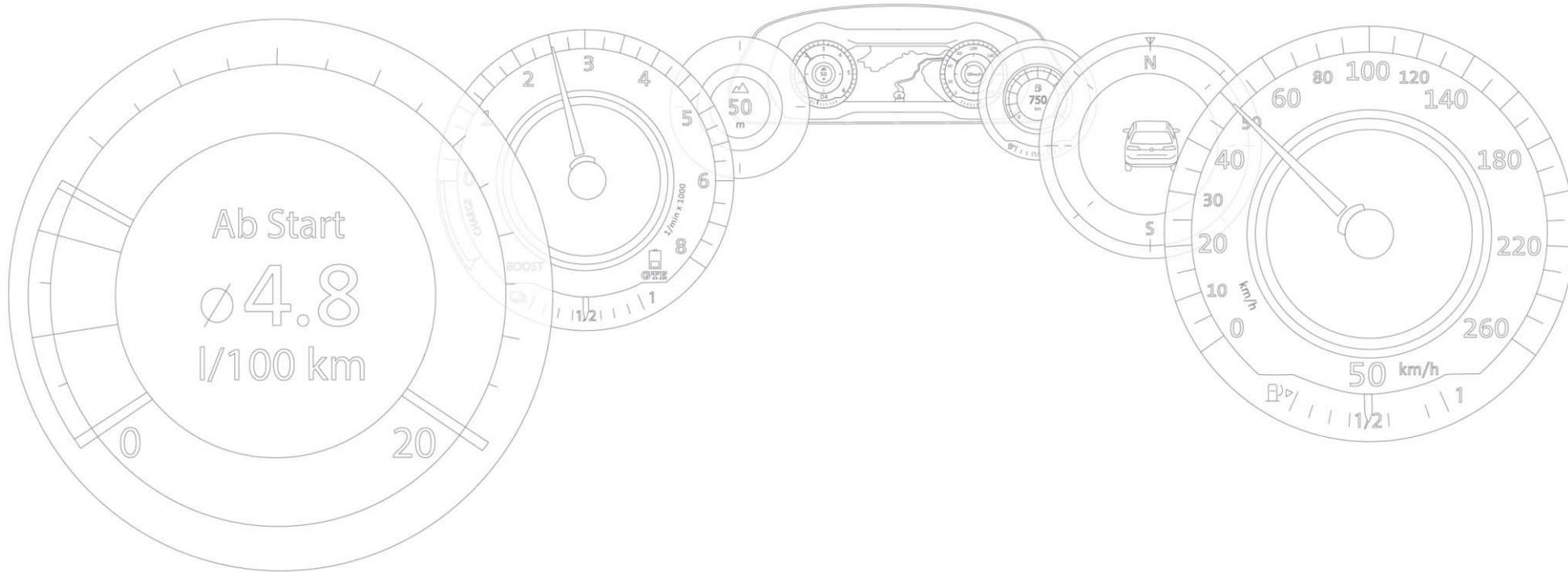
Before special items...

- we anticipate a Group operating return on sales of between 5.5% and 6.5% in 2015 in light of the challenging economic environment.
- the operating return on sales is expected to be in the 6.0% to 7.0% range in the Passenger Cars Business Area and between 2.0% and 4.0% in Commercial Vehicles/Power Engineering.

For the Financial Services Division, we are forecasting an operating profit at the prior-year level.

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Appendix

Volkswagen Group – Headline Figures (January to September 2015 vs. 2014)

		2015	2014	+/- (%)
Deliveries to customers ¹⁾	'000 units	7,431	7,542	-1.5
Vehicle sales ¹⁾	'000 units	7,440	7,646	-2.7
Production ¹⁾	'000 units	7,438	7,638	-2.6
Sales revenue	€ million	160,263	147,718	+8.5
Operating profit before special items	€ million	10,197	9,416	+8.3
Special items	€ million	-6,855	-	x
Operating profit	€ million	3,342	9,416	-64.5
Profit before tax	€ million	5,142	11,490	-55.2
Profit after tax	€ million	3,990	8,687	-54.1
Automotive Division²⁾				
Cash flows from operating activities	€ million	18,973	14,942	+27.0
Cash flows from investing activities attributable to operating activities ³⁾	€ million	7,220	9,398	-23.2
of which investments in property, plant & equipment	€ million	7,340	6,482	+13.2
Net cash flow	€ million	11,753	5,544	x
Net liquidity at September 30	€ million	27,755	16,785	+65.4

¹⁾ Volume data including the unconsolidated Chinese joint ventures. These companies are accounted for using the equity method. All figures shown are rounded, so minor discrepancies may arise from addition of these amounts.
2014 deliveries updated 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: January – September €10,246 million (€9,694 million).

Volkswagen Group – Analysis by Division¹⁾ (January to September 2015 vs. 2014)

thousand vehicles / € million	Volkswagen Group		Automotive Division		Financial Services Division	
	2015	2014	2015	2014	2015	2014
Vehicle sales	7,440	7,646	7,440	7,646	-	-
Sales revenue	160,263	147,718	138,302	129,619	21,961	18,099
Operating profit before special items	10,197	9,416	8,581	7,980	1,615	1,436
<i>% of sales revenue</i>	6.4	6.4	6.2	6.2	7.4	7.9
Special items	-6,855	-	-6,855	-	-	-
Operating profit	3,342	9,416	1,726	7,980	1,615	1,436
<i>% of sales revenue</i>	2.1	6.4	1.2	6.2	7.4	7.9
Financial result	1,800	2,075	1,747	2,034	53	41
of which: At-equity result ²⁾	3,128	3,057	3,102	3,029	25	28
of which: Other financial result	-1,327	-982	-1,355	-995	28	13
Profit before tax	5,142	11,490	3,474	10,013	1,669	1,477
<i>% Return on sales before tax</i>	3.2	7.8	2.5	7.7	7.6	8.2
Profit after tax	3,990	8,687	2,876	7,582	1,114	1,105

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⁾ The joint venture companies in China are accounted for using the equity method and recorded an operating profit (proportionate) of €3,777 million (€3,920 million).

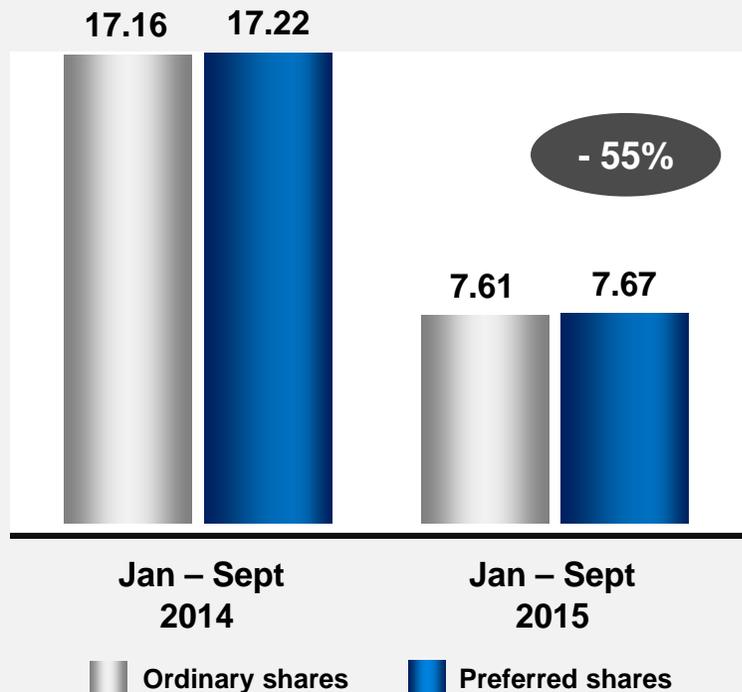
Volkswagen Group – Analysis by Business Line¹⁾ (January to September 2015 vs. 2014)

thousand vehicles/ € million	Vehicle sales		Sales revenue		Operating profit	
	2015	2014	2015	2014	2015	2014
Volkswagen Passenger Cars	3,343	3,388	79,972	73,390	2,229	1,696
Audi	1,158	1,083	43,695	39,300	4,024	3,831
ŠKODA	605	612	9,280	8,784	734	651
SEAT	404	365	6,388	5,622	12	-82
Bentley	7	8	1,364	1,259	57	125
Porsche ²⁾	169	134	16,471	12,241	2,546	1,927
Volkswagen Commercial Vehicles	335	325	7,537	6,976	313	378
Scania ²⁾	56	56	7,686	7,511	748	700
MAN	74	86	9,981	10,214	271	304
VW China ³⁾	2,492	2,697	-	-	-	-
Other	-1,204	-1,109	-41,516	-33,637	-2,118 ⁴⁾	-1,329 ⁴⁾
Volkswagen Financial Services	-	-	19,403	16,058	1,381	1,215
Volkswagen Group before special items	-	-	-	-	10,197	9,416
Special items	-	-	-	-	-6,855	-
Volkswagen Group	7,440	7,646	160,263	147,718	3,342	9,416
Automotive Division ⁵⁾	7,440	7,646	138,302	129,619	1,726	7,980
of which: Passenger Cars	6,974	7,179	113,325	105,152	1,203	7,295
of which: Commercial Vehicles, Power Engineering	466	467	24,977	24,467	523	685
Financial Services Division	-	-	21,961	18,099	1,615	1,436

¹⁾ All figures shown are rounded, minor discrepancies may arise from addition of these amounts. ²⁾ Incl. financial services. ³⁾ Sales revenue and operating profit of the JV's in China are not included in the Group figures. The Chinese companies are accounted for using the equity method and recorded an operating profit (proportionate) of €3,777 million (€3,920 million). ⁴⁾ Mainly intragroup items, in particular from elimination of intercompany profits; incl. depreciation and amortization of identifiable assets as part of the PPA for Scania, Porsche Holding Salzburg, MAN and Porsche. ⁵⁾ Including allocation of consolidation adjustments between Automotive and Financial Services divisions.

Volkswagen Group – Analysis of Earnings per Share Development (January to September 2015 vs. 2014)

Earnings per share (diluted, in €)¹⁾



Key driving factors for EPS

- Substantial reduction of Group operating profit amid Diesel provision having offset positive underlying business performance
- + Improved at-equity result, mainly from Chinese joint venture companies
- Other financial results more negative, mainly due to significantly negative fair value measurement effects partly compensated for by book gain from Suzuki share sale
- Slightly increased average number of shares outstanding following issuance of equity capital in 2014

¹⁾ Prior-year figures adjusted to reflect application of IAS 33.26.

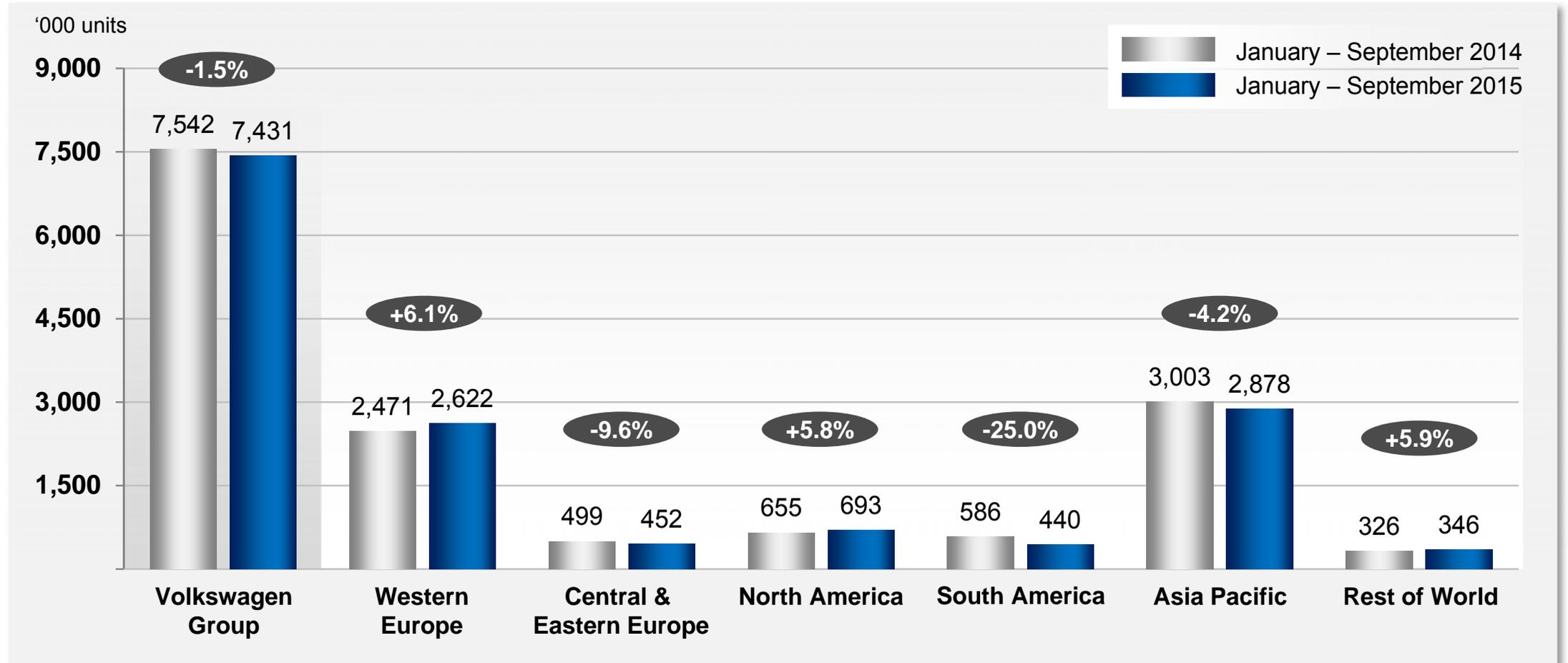
Volkswagen Group – Analysis by Market¹⁾ (January to September 2015 vs. 2014)

thousand vehicles / € million	Vehicle sales			Sales revenue		
	2015	2014	+/- (%)	2015	2014	+/- (%)
Europe / Remaining markets	3,399	3,295	+3.2	99,523	90,451	+10.0
North America	699	633	+10.4	26,570	19,670	+35.1
South America	424	575	-26.3	7,919	10,148	-22.0
Asia-Pacific ²⁾	2,918	3,143	-7.2	26,250	27,450	-4.4
Volkswagen Group²⁾	7,440	7,646	-2.7	160,263	147,718	+8.5

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

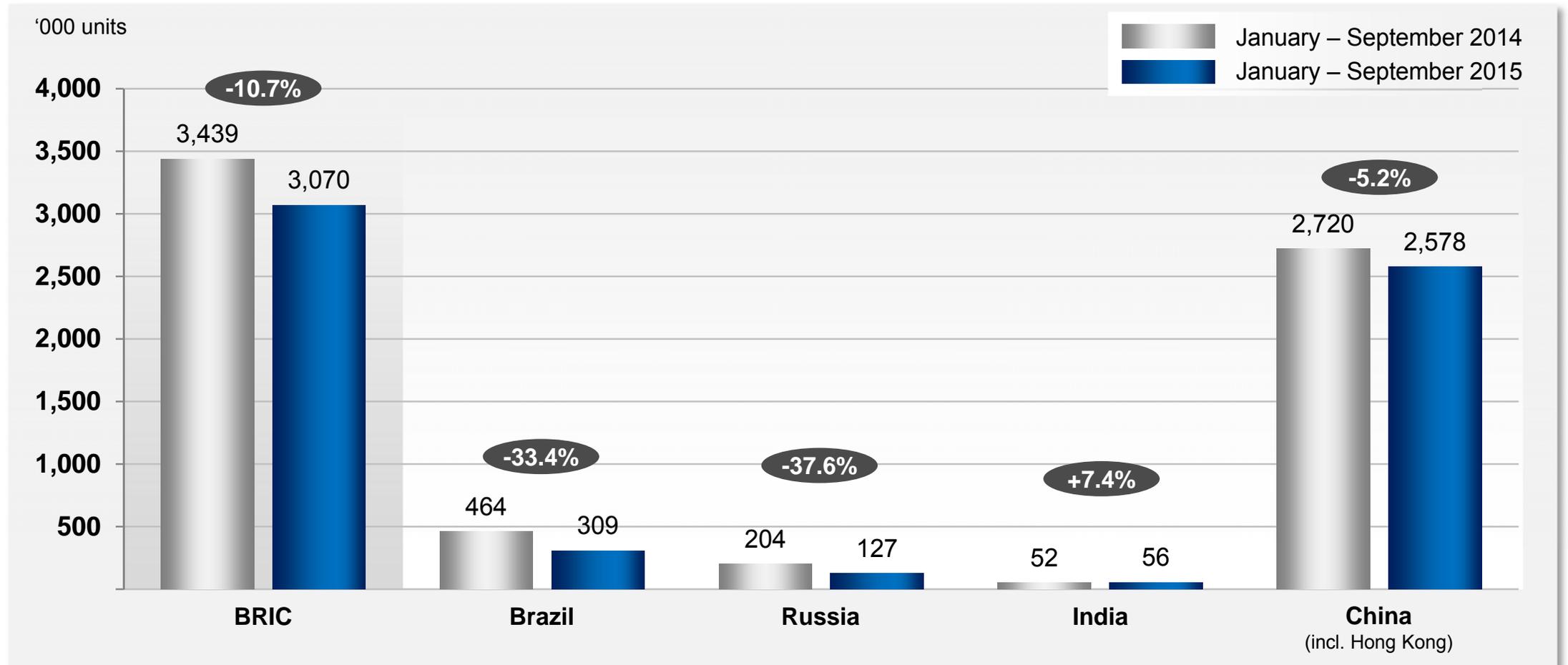
²⁾ The sales revenue of the joint venture companies in China is not included in the figures for the Group and the Asia-Pacific market.

Volkswagen Group – Deliveries to Customers by Markets¹⁾ (January to September 2015 vs. 2014)



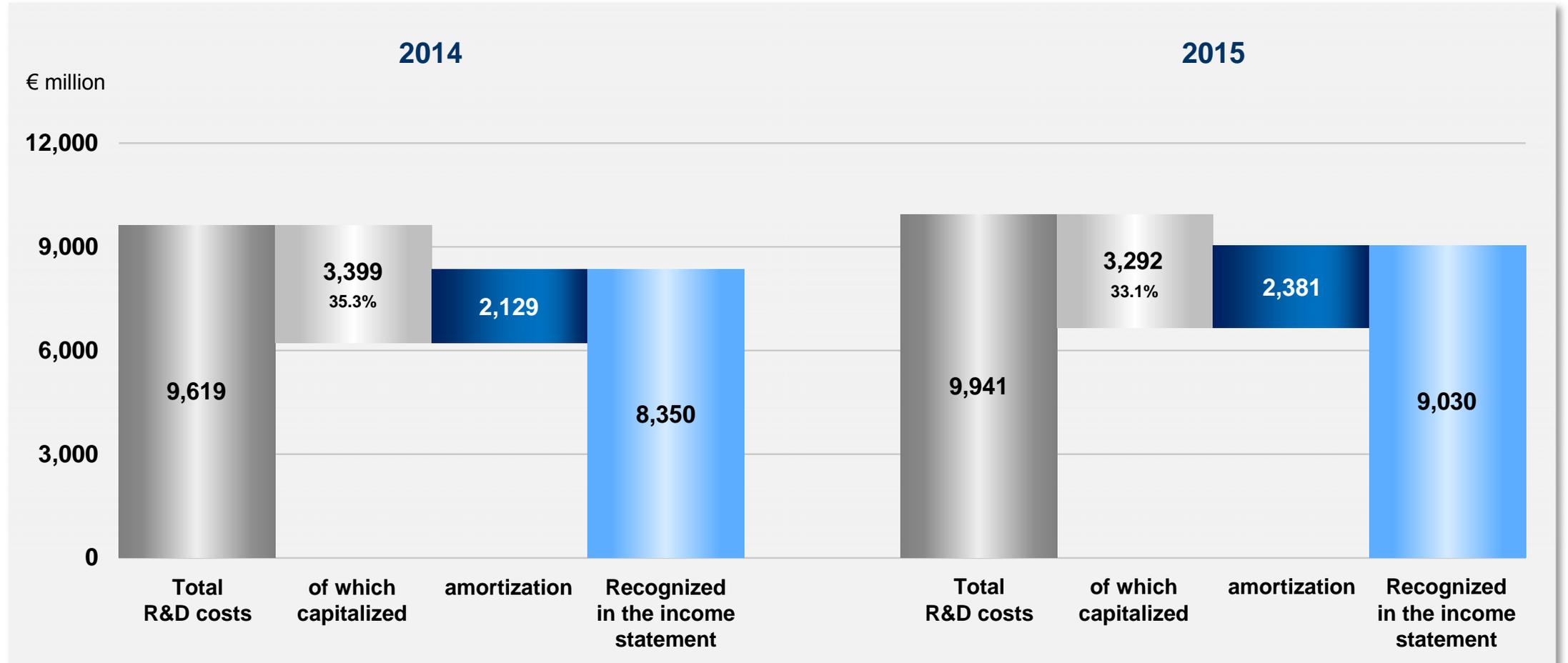
¹⁾ Incl. all brands of Volkswagen Group (Passenger Cars and Commercial Vehicles); -1.3% excl. Volkswagen Commercial Vehicles, Scania and MAN.

Volkswagen Group – Deliveries to Customers BRIC-Markets¹⁾ (January to September 2015 vs. 2014)



¹⁾ Incl. all brands of Volkswagen Group (Passenger Cars and Commercial Vehicles).

Automotive Division – Research and Development Costs (January to September 2015 vs. 2014)



Volkswagen Tiguan



Audi e-tron quattro concept



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ŠKODA Superb Combi SportLine



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SEAT Leon Cross Sport



Porsche 911 Carrera S

Porsche 911 Carrera Cabrio



Bentley Bentayga



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Lamborghini Huracán LP 610-4 Spyder



Ducati Diavel Carbon



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Volkswagen Multivan



MAN TGX D38



Scania R 730 6x4 Streamline



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