Audi Investor and Analyst Day 2018

Alexander Seitz
Board Member for Finance, IT & Integrity, AUDI AG
**robust KPIs 2017**

- **Deliveries** slightly above prior year
  - Audi brand, '000 vehicles
    - 2016: 1,868
    - 2017: 1,878 (+0.6%)

- **Revenue** slightly above prior year
  - EUR billion
    - 2016: 59.3
    - 2017: 60.1 (+1.4%)

- **Operating profit** before/after special items (SI) above prior year
  - EUR billion
    - 2016: 4.8 (SI 0.4, 8.2%)
    - 2017: 5.1 (SI 0.4, 8.4%)

Deliveries slightly above prior year.
Revenue slightly above prior year.
Operating profit before/after special items (SI) above prior year.

Deliveries: Deliveries were slightly above the prior year, with 1,868 units in 2016 and 1,878 units in 2017, an increase of 0.6%.

Revenue: Revenue also showed improvement, increasing from EUR 59.3 billion in 2016 to EUR 60.1 billion in 2017, a 1.4% increase.

Operating profit: Operating profit before special items (SI) increased from EUR 4.8 billion in 2016 to EUR 5.1 billion in 2017, with special items improving from EUR 0.4 billion to EUR 0.4 billion.
passes 60bn EUR
Lamborghini speeds-up revenue

1,009 (906) EUR million

+11.4%
contributes stable revenue
## Profit & Loss

<table>
<thead>
<tr>
<th>EUR million</th>
<th>2017</th>
<th>2016</th>
<th>Δ in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>60,128</td>
<td>59,317</td>
<td>+1.4</td>
</tr>
<tr>
<td>Cost of goods sold</td>
<td>-50,545</td>
<td>-49,390</td>
<td>+2.3</td>
</tr>
<tr>
<td>Distribution costs</td>
<td>-5,297</td>
<td>-5,807</td>
<td>-8.8</td>
</tr>
<tr>
<td>Administrative expenses</td>
<td>-685</td>
<td>-663</td>
<td>+3.3</td>
</tr>
<tr>
<td>Other operating result</td>
<td>1,069</td>
<td>-405</td>
<td>X</td>
</tr>
<tr>
<td>Operating Profit</td>
<td>4,671</td>
<td>3,052</td>
<td>+53.1</td>
</tr>
<tr>
<td>Operating Profit before special items</td>
<td>5,058</td>
<td>4,846</td>
<td>+4.4</td>
</tr>
</tbody>
</table>
Operating margin of 8.4%

2016

4,846*

8.2%*

+ Pricing
+ Product costs/R&D
+ FX (net)
+ Genuine parts

2017

5,058*

8.4%*

- Fix costs and depreciation (e.g. related to production network)
- Mix
- CO₂

* KPI adjusted by special items
impacted by special items

<table>
<thead>
<tr>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>$3,052</td>
<td>$5,058*</td>
</tr>
<tr>
<td>5.1%</td>
<td>8.4%*</td>
</tr>
</tbody>
</table>

Special items
Takata and Diesel issue

- $1,794

$4,846*
8.2%*

+$4,671
7.8%

Profit analysis

- Fix costs and depreciation (e.g. related to production network)
- Mix
- CO₂

Pricing
+ Product costs/R&D
+ FX (net)
+ Genuine parts

* KPI adjusted by special items
<table>
<thead>
<tr>
<th>Financial Strength</th>
<th>Net Cash Flow</th>
<th>Net Liquidity</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>4,312 (2,094)</td>
<td>20,788 (17,232)</td>
</tr>
</tbody>
</table>
new models
FX-headwinds
new technologies
new regulations
deliveries

prior year level

2018

between 8 - 10%

slight increase

between 2.7 and 3.2 billion EUR

operating margin

net cash flow

revenue
Action and Transformation Plan

Upfront expenditure of more than EUR 40 bn. till 2022 to secure competitiveness.

Free up more than EUR 10 bn. for CO₂, electric and autonomous driving and digitization.

Maintain profitability in the corridor of 8 to 10 % over the longterm.
**Action and Transformation Plan**

30% from revenue increases

70% from cost savings

**Target of more than EUR 10 billion**
Global Sales 2017

1.88 mio. +0,6 %
Core regions

USA
226,511 cars
(210,213)
+7.8%

Western Europe
805,388 cars
(801,116)
+0.5%
### Top Ten markets 2017

<table>
<thead>
<tr>
<th>Position</th>
<th>Market</th>
<th>2017</th>
<th>Delta vs. previous year</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>CHINA</td>
<td>597,866</td>
<td>+6,312 +1.1%</td>
</tr>
<tr>
<td>2.</td>
<td>GERMANY</td>
<td>294,544</td>
<td>+1,237 +0.4%</td>
</tr>
<tr>
<td>3.</td>
<td>USA</td>
<td>226,511</td>
<td>+16,298 +7.8%</td>
</tr>
<tr>
<td>4.</td>
<td>GREAT BRITAIN</td>
<td>175,217</td>
<td>-2,348 -1.3%</td>
</tr>
<tr>
<td>5.</td>
<td>ITALY</td>
<td>68,954</td>
<td>+6,524 +10.5%</td>
</tr>
<tr>
<td>6.</td>
<td>FRANCE</td>
<td>63,980</td>
<td>+2,228 +3.6%</td>
</tr>
<tr>
<td>7.</td>
<td>SPAIN (incl. Canary Islands)</td>
<td>56,083</td>
<td>+4,204 +8.1%</td>
</tr>
<tr>
<td>8.</td>
<td>CANADA</td>
<td>36,007</td>
<td>+5,463 +17.9%</td>
</tr>
<tr>
<td>9.</td>
<td>BELGIUM</td>
<td>32,760</td>
<td>-510 -1.5%</td>
</tr>
<tr>
<td>10.</td>
<td>JAPAN</td>
<td>28,301</td>
<td>-151 -0.5%</td>
</tr>
<tr>
<td><strong>WORLD</strong></td>
<td></td>
<td><strong>1,878,105</strong></td>
<td></td>
</tr>
</tbody>
</table>

Delta vs. previous year ranges from +10,367 +0.6% to -151 -0.5%.
Core regions

USA
226,511 cars (210,213)
+7.8%

Western Europe
805,388 cars (801,116)
+0.5%

China
597,866 cars (591,554)
+1.1%
China

30 years of success

1987  1
2017  6
2022

1987 to 2017: 6-fold growth
Constant Growth

24,000 RS-models
High performance electric vehicle
Digital Retail Elements

+500 in 2017
AUDI – THE MOST DESIRED PREMIUM BRAND

- BEST PRODUCTS AND PERFORMANCE
- LEADING PREMIUM EXPERIENCE
- IMAGE AND INNOVATION LEADERSHIP
Best opportunity ever
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.

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