

VOLKSWAGEN

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# January – September 2009 Conference Call and Webcast

29 October 2009

## Conference Call: January – September 2009



**Hans Dieter Pötsch**

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



**Detlef Wittig**

Executive Vice President,  
Volkswagen AG  
Group Sales and Marketing

## Highlights January – September 2009

Global crises continues to impact Group's business

Volkswagen Group gains additional share of world's key markets

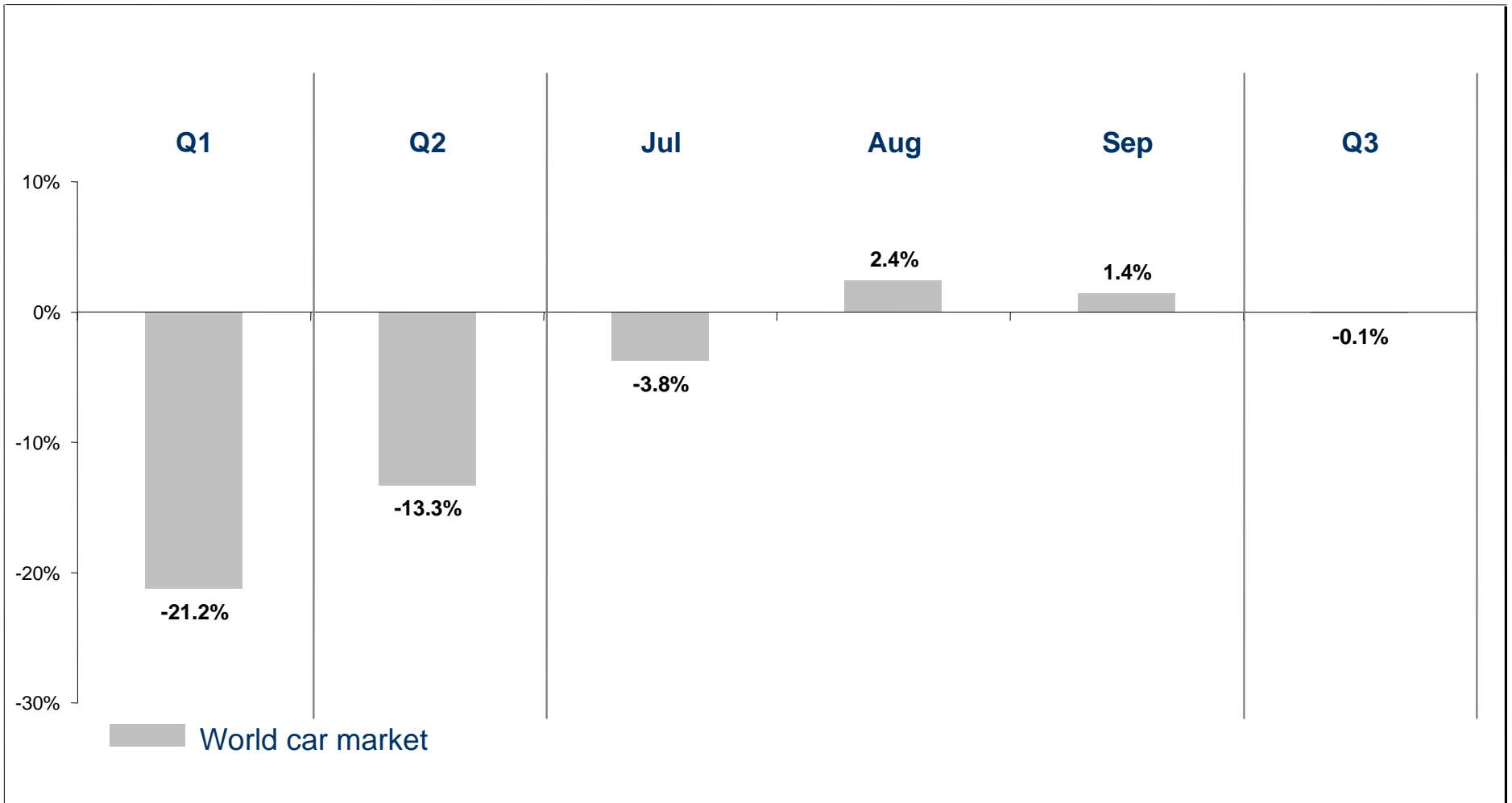
Positive Operating Profit, down on prior year

Automotive net cash flow up and net liquidity increased further

Volkswagen and Porsche announced plan to form integrated automotive group

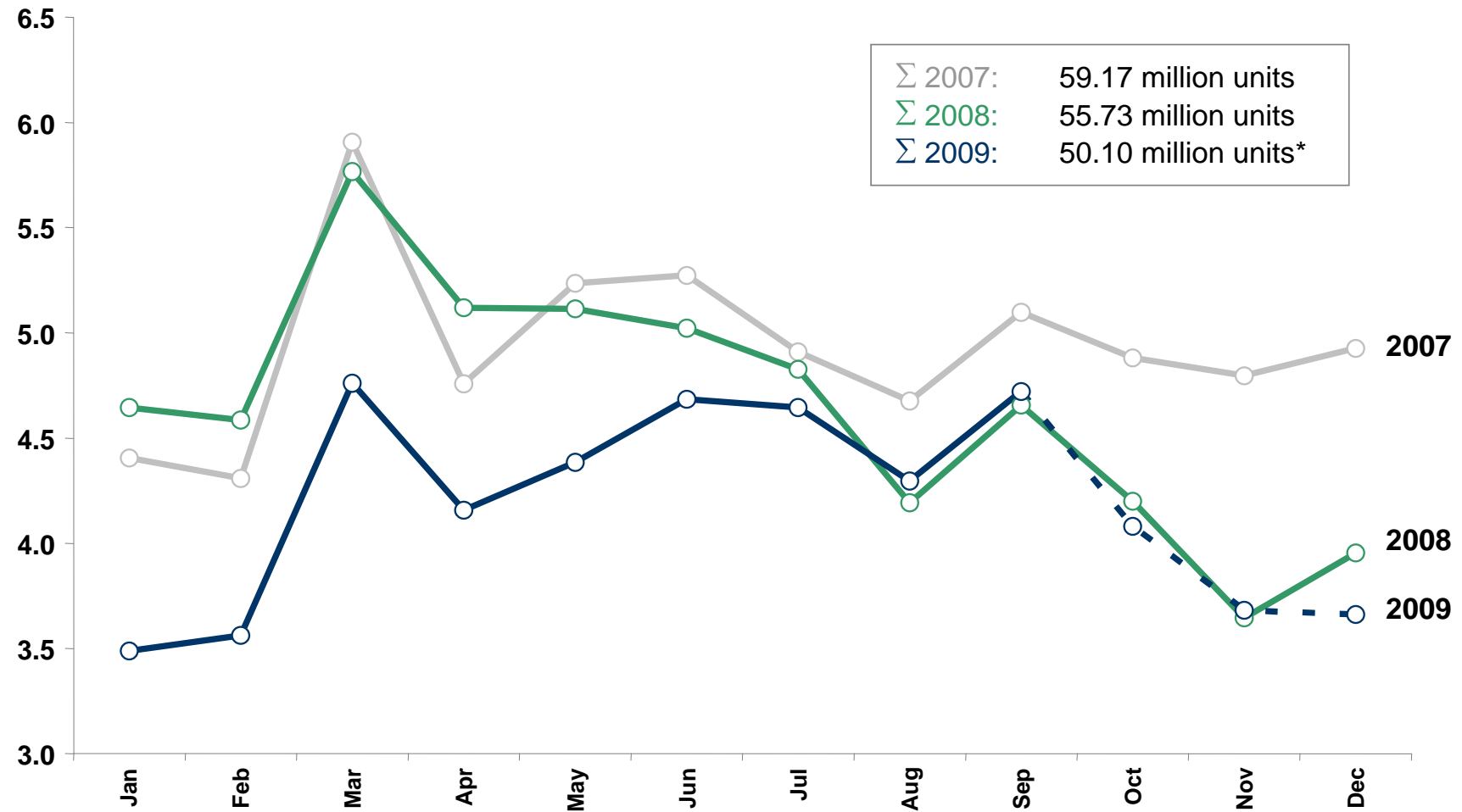
# World car market

January to September 2009 vs. 2008



# Development of the world car market

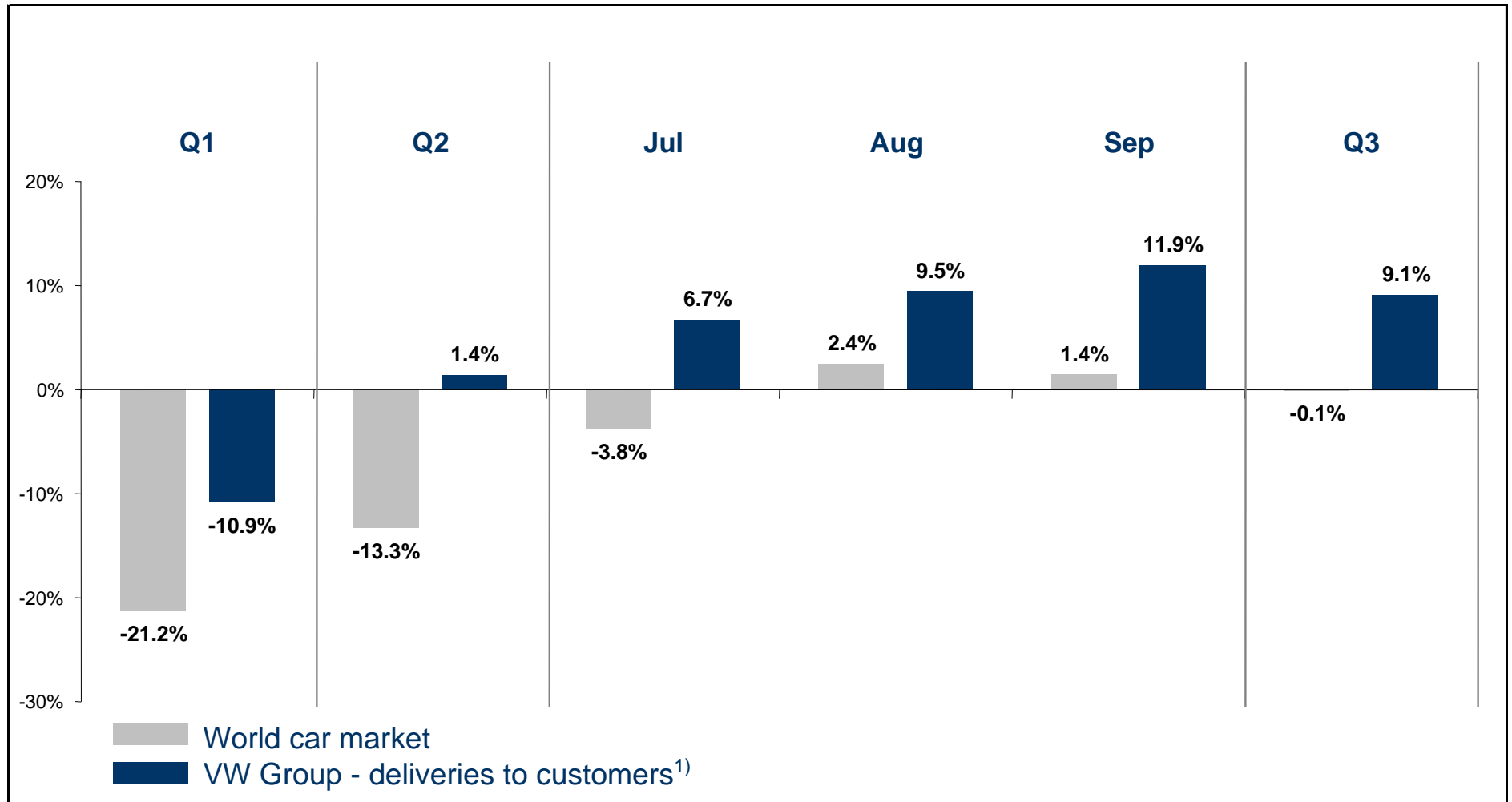
million units



\* Forecast

# World car market vs. VW Group deliveries to customers

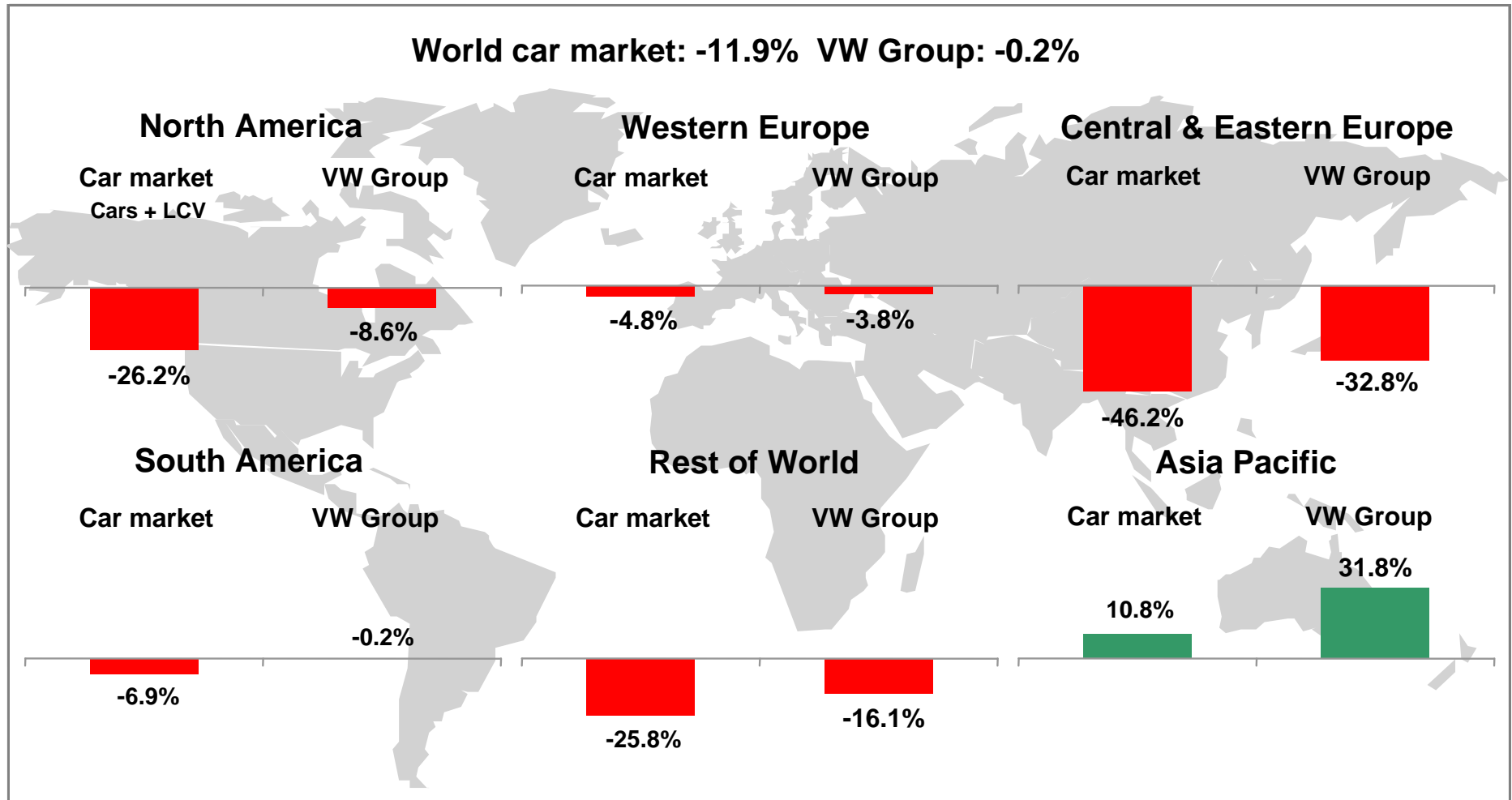
January to September 2009 vs. 2008



<sup>1)</sup> incl. Scania (since 22.07.2008), excl. Scania (month); incl. Trucks and Busses (until Feb 2009)

# World car markets and VW Group deliveries to customers<sup>1)</sup>

January to September 2009 vs. 2008

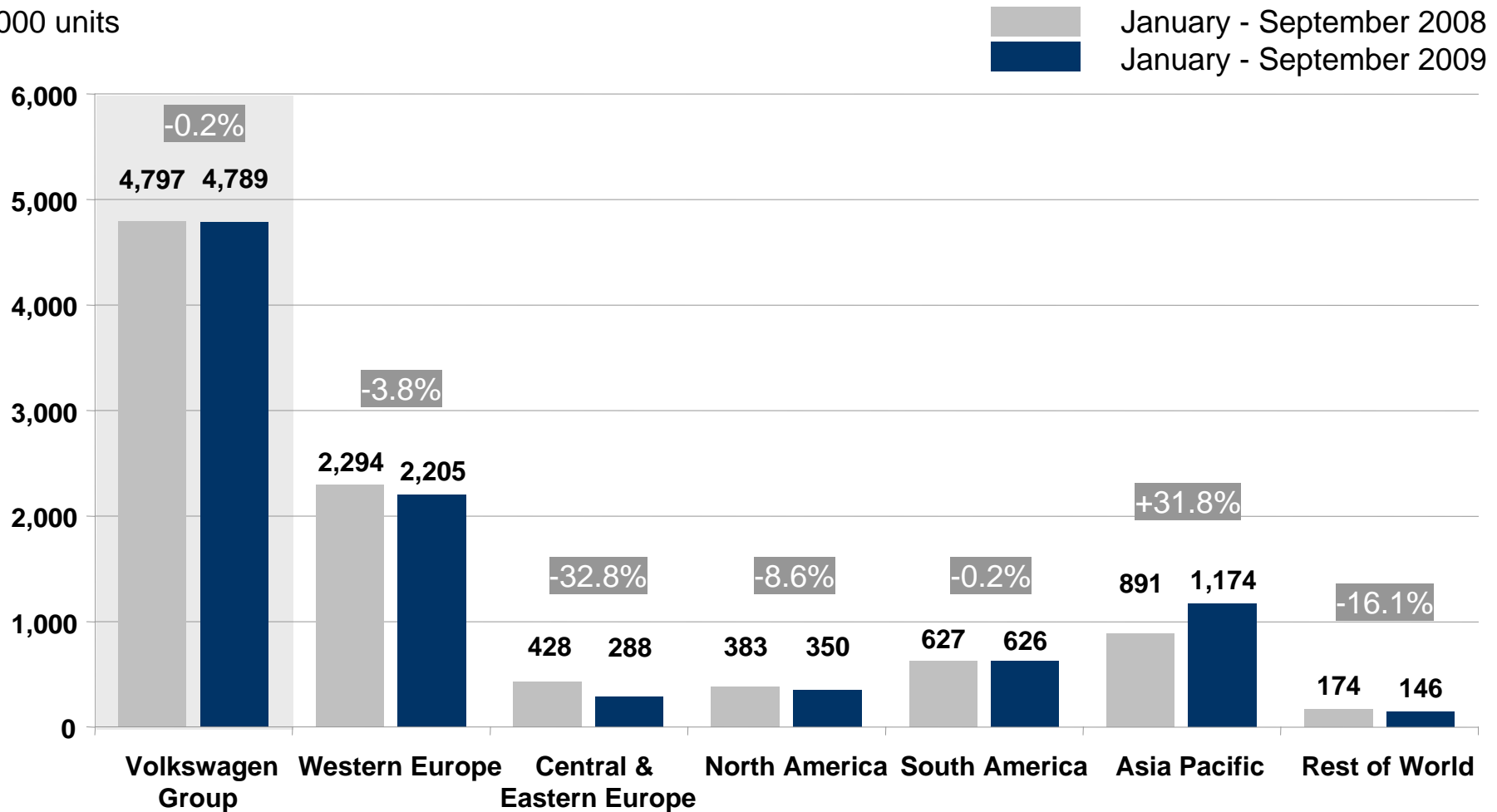


<sup>1)</sup> incl. Scania (since 22.07.2008), incl. Trucks and Busses (until Feb 2009)

# Volkswagen Group – deliveries to customers by market<sup>1)</sup>

January to September 2009 vs. 2008

'000 units

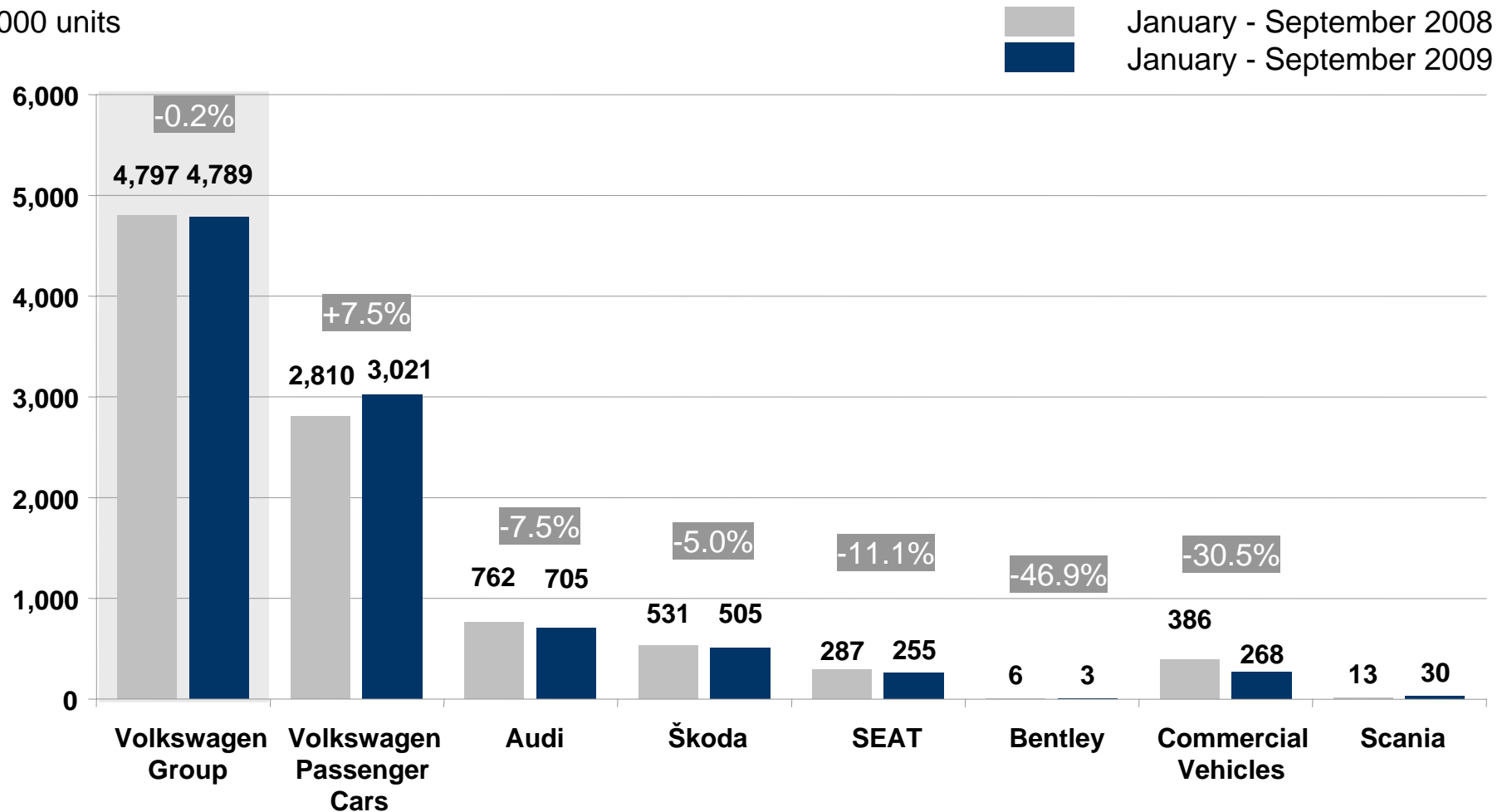


<sup>1)</sup> incl. Scania (since 22.07.2008), incl. Trucks and Busses (until Feb 2009)

# Volkswagen Group – deliveries to customers by brands<sup>1)</sup>

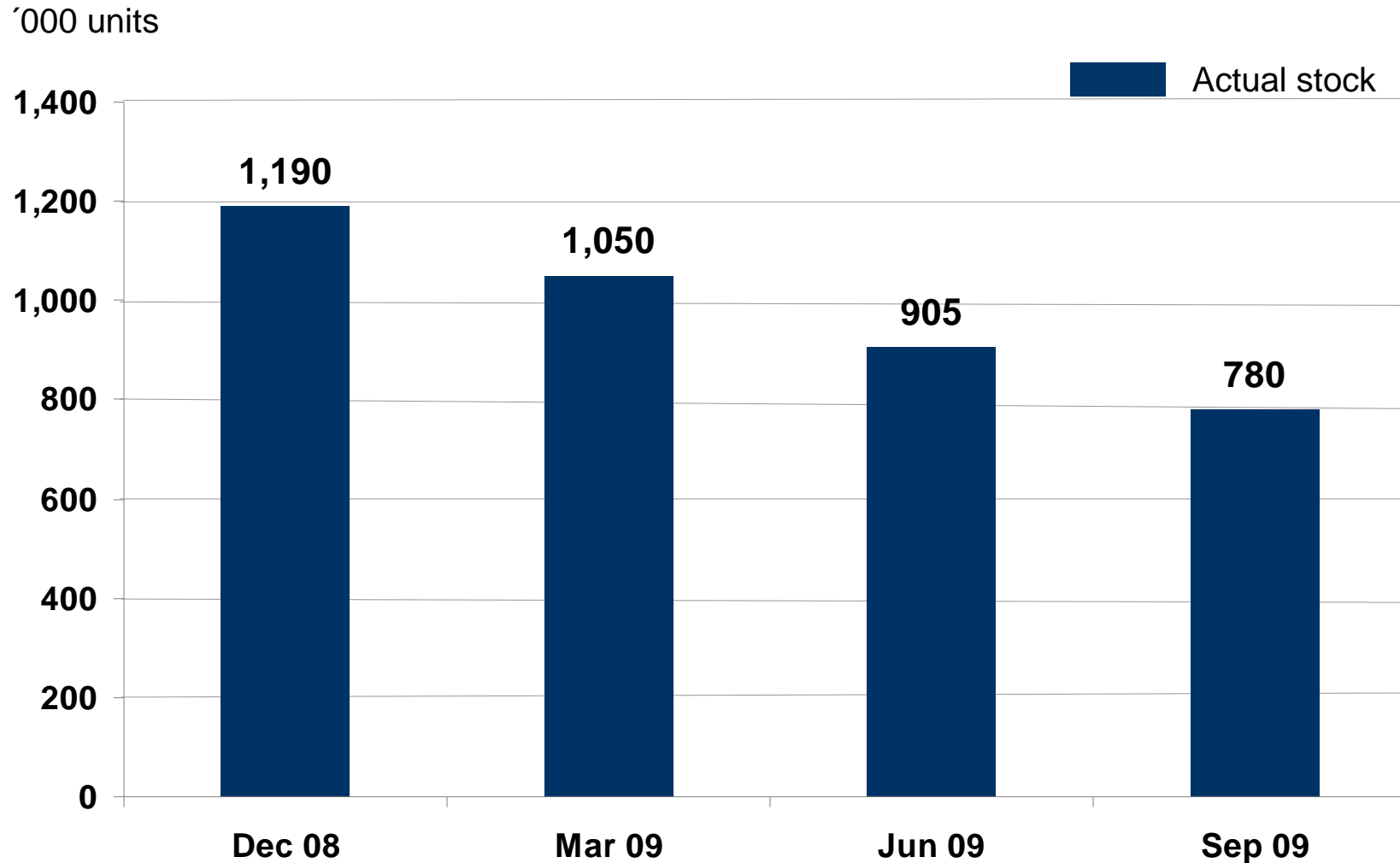
January to September 2009 vs. 2008

'000 units



<sup>1)</sup> incl. Scania (since 22.07.2008), incl. Trucks and Busses (until Feb 2009)

## Volkswagen Group – stock development worldwide<sup>1)</sup>



<sup>1)</sup>Volkswagen Group + importers + dealers; without Scania; rounded

**Volkswagen New Polo**



**Audi S5 Sportback**



**Škoda Superb Combi**



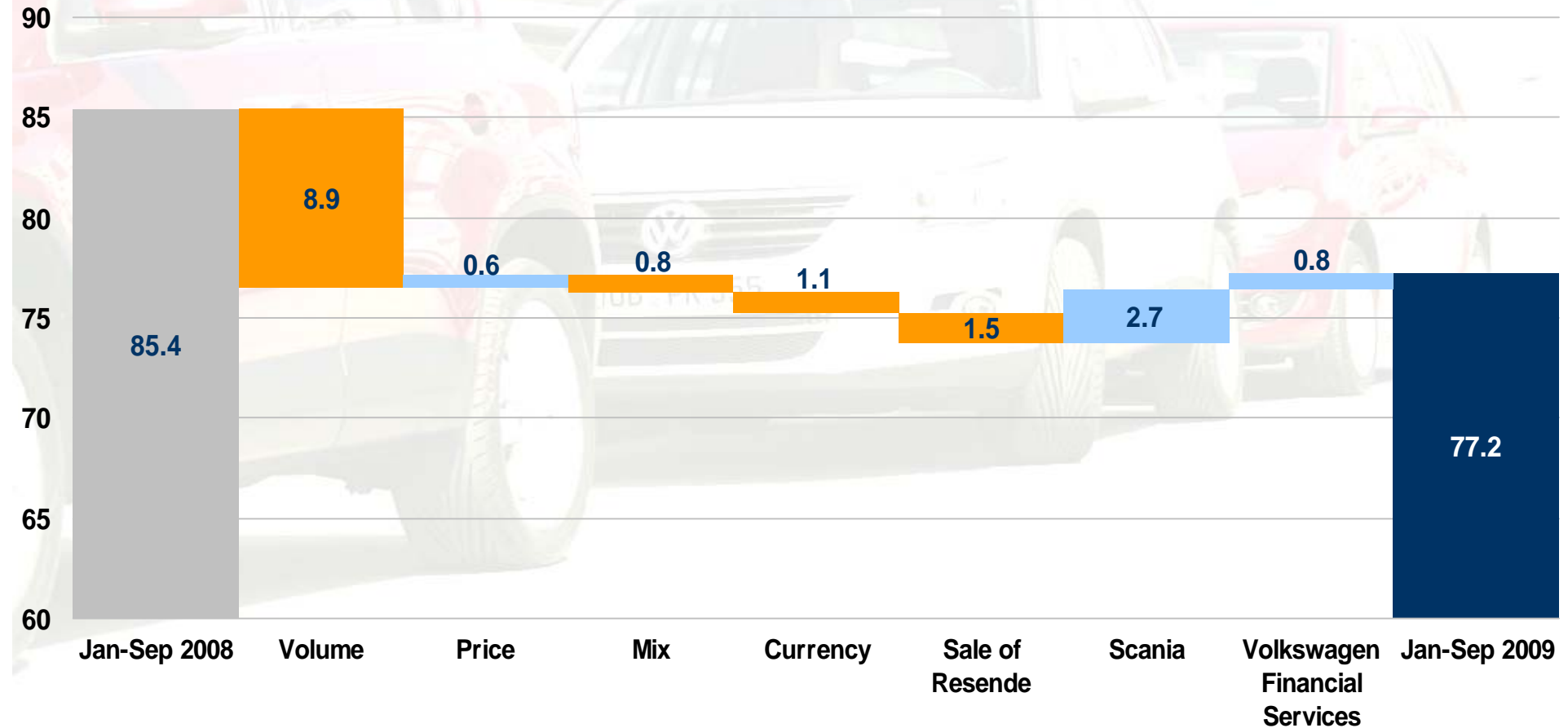
**Volkswagen Multivan**



# Volkswagen Group

## Analysis of Sales Revenues

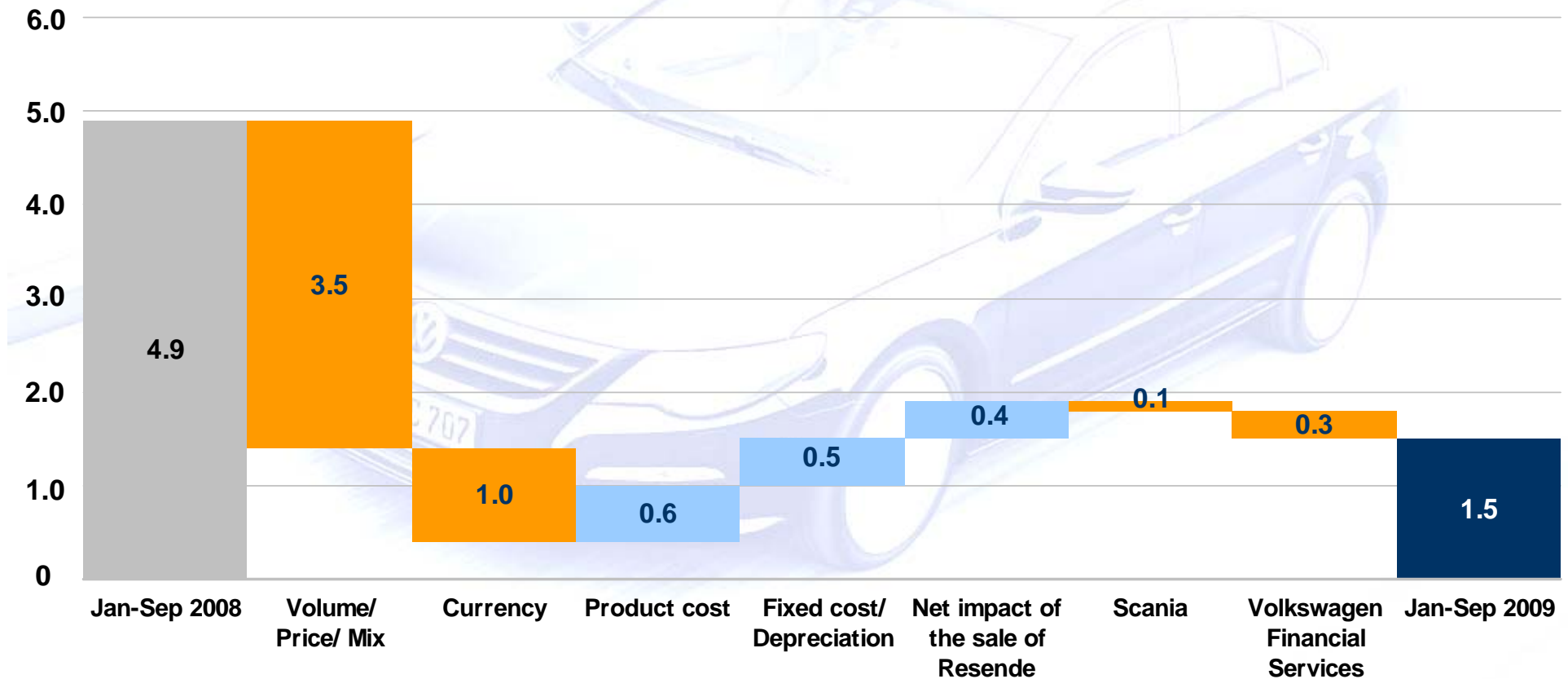
€billion



# Volkswagen Group

## Analysis of Operating Profit

€billion

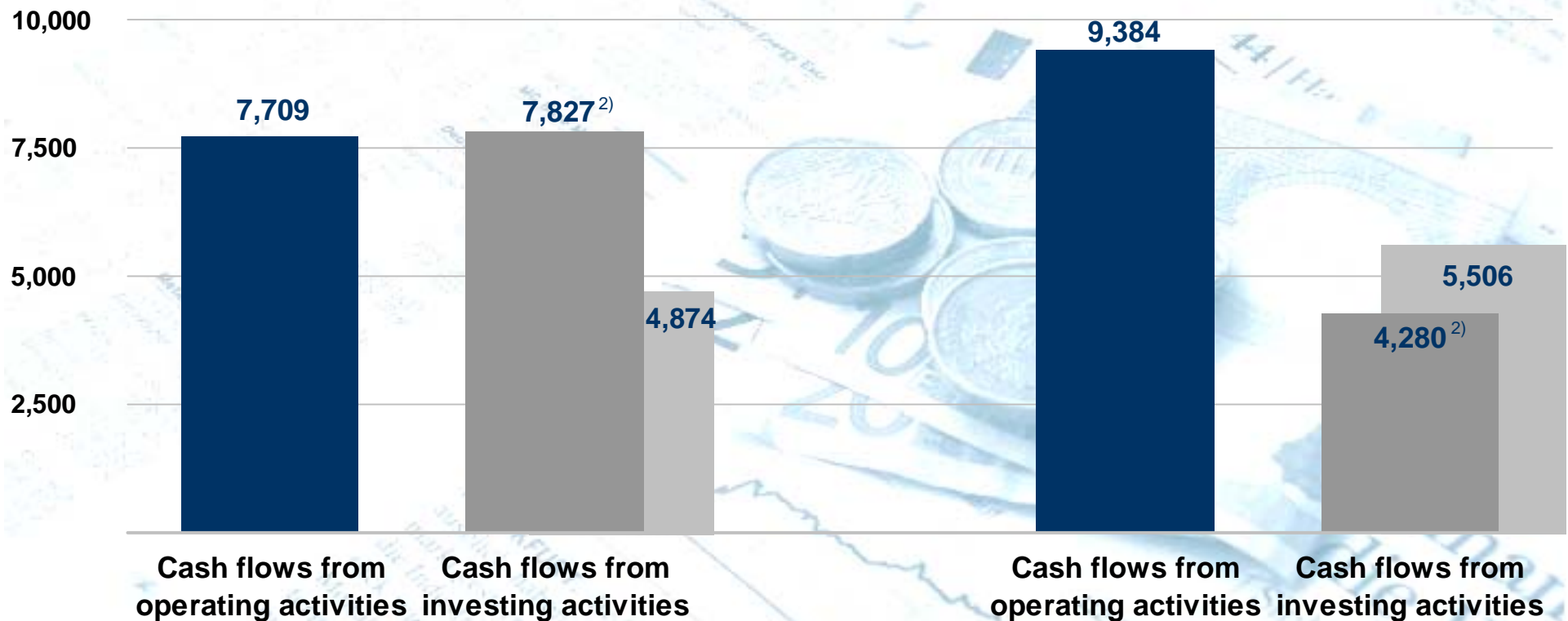


# Cash Flows from Operating Activities and Cash Flows from Investing Activities

January – September 2008

January – September 2009

€million, Automotive Division<sup>1)</sup>

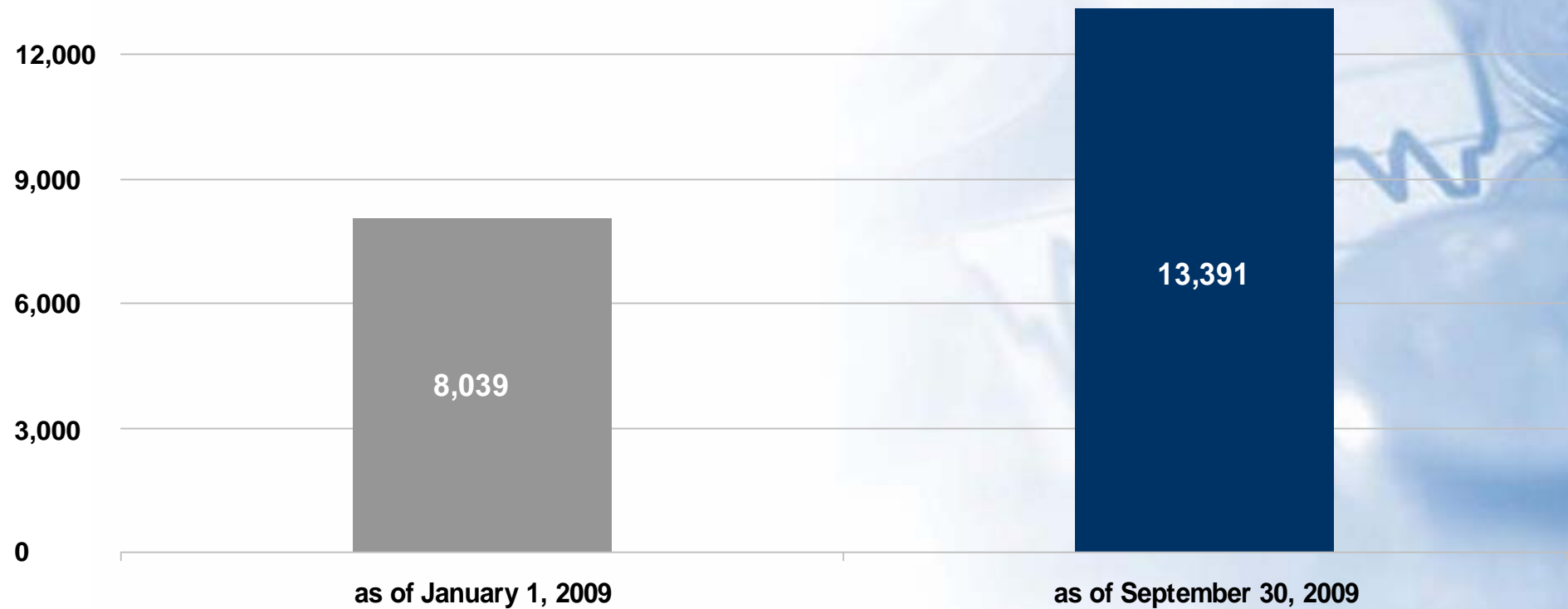


<sup>1)</sup> Including allocation of consolidation adjustments between Automotive and Financial Services divisions.

<sup>2)</sup> Excluding acquisition and disposal of equity investments: Q3 €2,037 million (€2,094 million), Q1-3 €5,506 million (€4,874 million).

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

€million



<sup>1)</sup> Including allocation of consolidation adjustments between Automotive and Financial Services divisions.

# Volkswagen Group – Analysis by Business Line

## January – September 2009

	Sales		Sales revenues		Operating profit	
thousand vehicles/€ million	2009	2008	2009	2008	2009	2008
Volkswagen Passenger Cars	2,542	2,820	47,470	55,806	335	1,889
Audi	852	970	21,689	25,799	1,172	2,059
Škoda	409	504	5,167	6,359	162	455
SEAT	235	291	3,358	4,046	-228	-30
Bentley	3	7	378	927	-148	82
Commercial Vehicles	204	349	3,958	7,636	390 <sup>1)</sup>	283
Scania <sup>2)</sup>	30	13	4,537	1,800	98	227
VW China <sup>3)</sup>	997	769	-	-	-	-
Other	-656	-867	-18,252	-25,023	-732 <sup>4)</sup>	-790 <sup>4)</sup>
Volkswagen Financial Services			8,853	8,082	468	744
<b>Volkswagen Group</b>	<b>4,616</b>	<b>4,856</b>	<b>77,158</b>	<b>85,432</b>	<b>1,518</b>	<b>4,919</b>
thereof Automotive Division	4,616	4,856	67,937	77,241	1,056	4,168
Financial Services Division			9,221	8,191	462	751

<sup>1)</sup> Including the proceeds from the sale of Volkswagen Caminhões e Ônibus Indústria e Comércio de Veículos Comerciais Ltda., Resende.

<sup>2)</sup> Vehicles & Services and Financial Services (consolidated from July 22, 2008).

<sup>3)</sup> The sales revenue and operating profit of the joint venture companies in China are not included in the figures for the Group. The Chinese companies are accounted for using the equity method and recorded an operating profit (proportionate) of €525 million (€250 million).

<sup>4)</sup> Mainly intragroup items recognized in profit or loss, in particular from the elimination of intercompany profits; from Q3 2008, this figure includes depreciation and amortization of identifiable assets as part of the purchase price allocation for Scania.

## Outlook 2009 – Volkswagen Group

in '000 units / € million

	2004	2005 <sup>1)</sup>	2006	2007	2008
<b>Deliveries to customers</b>	<b>5,079</b>	<b>5,243</b>	<b>5,733</b>	<b>6,189</b>	<b>6,257</b>
<b>Sales revenue</b>	<b>88,963</b>	<b>93,996</b>	<b>104,875</b>	<b>108,897</b>	<b>113,808</b>
<b>Operating profit</b>	<b>2,037<sup>2)</sup></b>	<b>2,889<sup>2)</sup></b>	<b>4,383<sup>2)</sup></b>	<b>6,151</b>	<b>6,333</b>

<sup>1)</sup> Restated; <sup>2)</sup> before special items.

- Volkswagen will perform better than the market as a whole
- Volkswagen will be able to gain additional market share during the crisis
- Sales revenue in 2009 will be lower than in the previous year, in particular because of weaker volume sales
- Rising refinancing costs and mix deteriorations will serve as an additional drag on earnings
- Disciplined cost, investment management and optimization of its processes to counter the trend
- Core elements of the “18 plus” strategy: Ecological relevance and return on our vehicle projects
- On the basis of business development in the first nine months, we continue to expect that our earnings will not reach the level of previous years.

## Integrated automotive group of Volkswagen and Porsche

Supervisory Board meetings of Volkswagen and Porsche agreed way forward

Detailed work on contracts of implementation continues

Volkswagen will take a 49.9 percent stake in Porsche AG by end of 2009

Shareholder meeting called for December 3rd to adopt resolution authorising issue of new preferred shares

Merger with Porsche Automobil Holding SE in course of 2011

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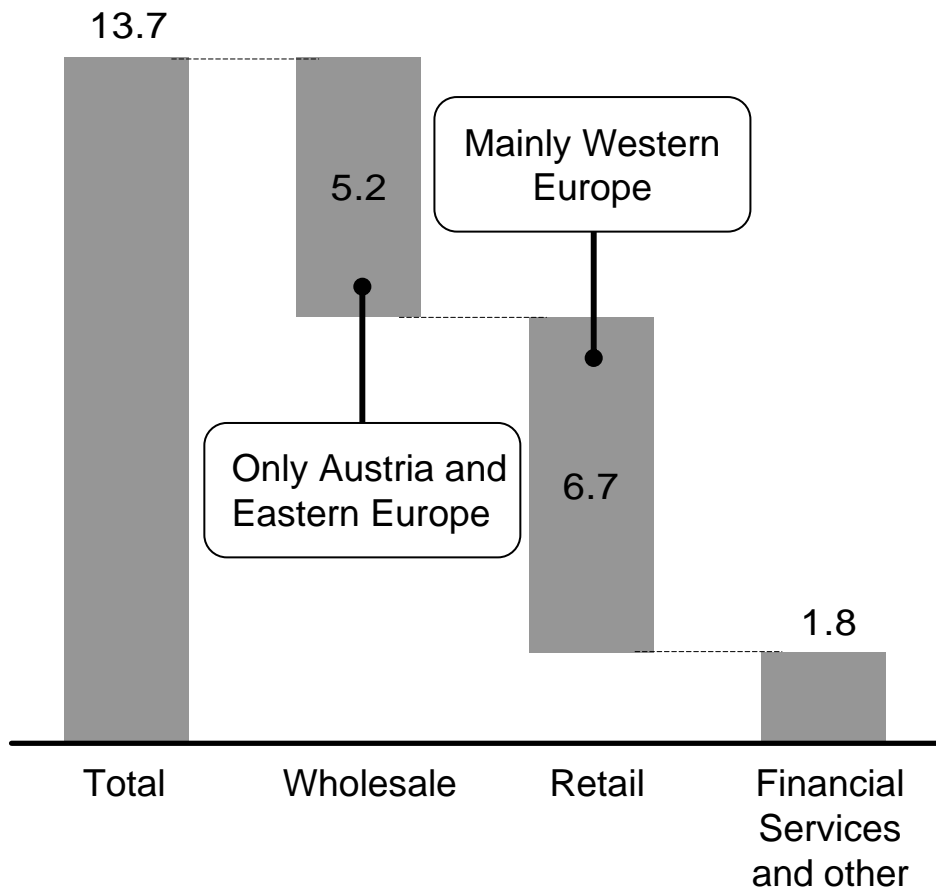
## APPENDIX

## Transaction roadmap – value components

Agreed Transaction Step	Value Components	Comments
<b>1</b> Participation in Porsche AG (49.9% stake) in 2009	<ul style="list-style-type: none"> <li>➤ Total enterprise value Porsche AG €12.4 bn (100%);</li> <li>➤ Equity Value thereof 49.9% approx. up to €3.9 bn</li> </ul>	<ul style="list-style-type: none"> <li>➤ Prior to this : Dissolution of options Agreement with Porsche's financing banks</li> </ul>
<b>2</b> Future acquisition of Porsche Holding Salzburg in 2011	<ul style="list-style-type: none"> <li>➤ Total enterprise value Porsche Holding Salzburg €3.55 bn</li> <li>➤ Efficiencies to be quantified</li> </ul>	
<b>3</b> Merger between Volkswagen AG and Porsche SE in 2011 ✓ implies transfer of remaining 50.1% of Porsche AG equity to VW	<ul style="list-style-type: none"> <li>➤ Value of 50.1% stake implied by merger exchange ratio Porsche SE - Volkswagen</li> </ul>	<ul style="list-style-type: none"> <li>➤ Merger exchange ratio based on fair values at time of merger</li> <li>➤ Fair values to be determined on equal and consistent basis</li> </ul>

## Porsche Holding Salzburg – strong positioning in both wholesale and retail segment

### Revenues, in € billion



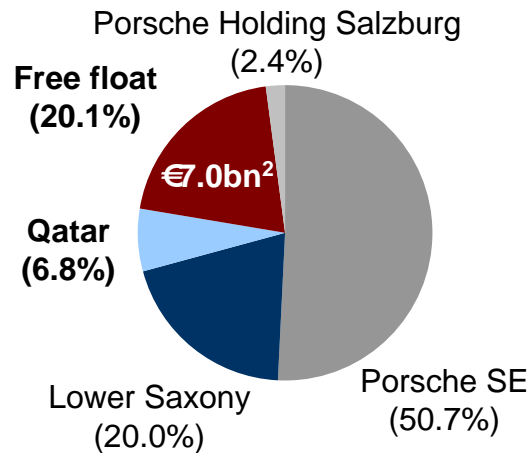
### Business activities

- **Wholesale**
  - Sales/marketing for Volkswagen and Porsche Austria and Eastern Europe
  - Original parts business
  - After-sales service
- **Retail**
  - Volkswagen and Porsche (domestic and abroad)
- **Financial Services**
  - Unit sales support in Austria and Eastern Europe

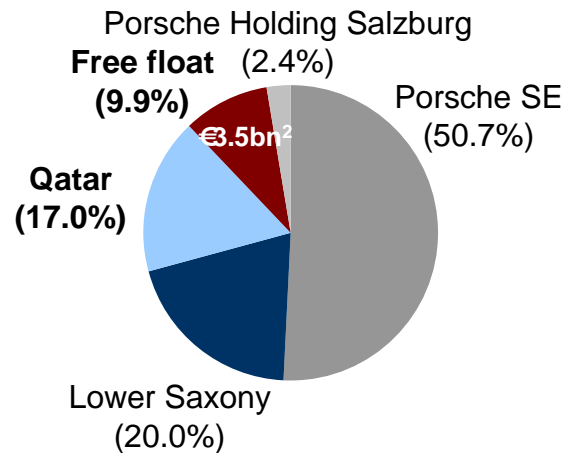
# Preference share: the primary investment vehicle for economic exposure

## Ordinary shares

Now<sup>1</sup>



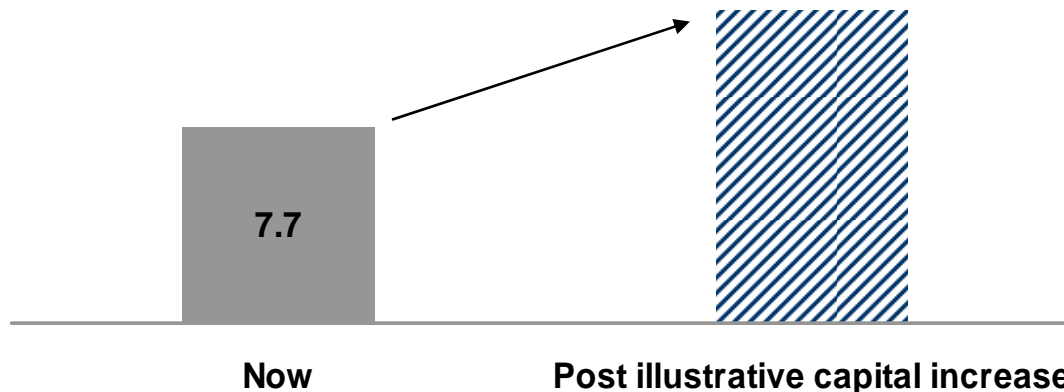
Post Qatar stake increase



- Dax exclusion for ordinary shares expected post exercise of Qatar options
- Ordinary shares will be vehicle for strategic investors only
- Preference shares the future primary investment vehicle for economic exposure
  - Higher liquidity
  - Index inclusion
- Share capital increase further enhances attractiveness of preference shares

## Preference shares

Total value, in € billion<sup>2</sup>



1) By end of August 2009

2) Share price of €118.19 per ordinary share and €72.73 per preference share as of 21 October 2009

# Volkswagen Group Headline Figures

January – September 2009

thousand vehicles/€ million		2009	2008	+/- (%)
Deliveries to customers <sup>1)</sup>	'000 units	4,789	4,797	-0.2
Production <sup>1)</sup>	'000 units	4,361	4,963	-12.1
Sales revenues	€ million	77,158	85,432	- 9.7
Operating profit	€ million	1,518	4,919	-69.1
<b>Automotive division<sup>2)</sup></b>				
Cash flows from operating activities	€ million	9,384	7,709	+21.7
Cash flows from investing activities <sup>3)</sup>	€ million	4,280	7,827	-45.3
Net cash flow	€ million	5,104	-118	x
Net liquidity at September 30	€ million	13,391	11,767	+13.8

<sup>1)</sup> Volume data including the vehicle production investments Shanghai-Volkswagen Automotive Company Ltd. and FAW-Volkswagen Automotive Company Ltd. All figures shown are rounded, so minor discrepancies may arise from addition of these amounts. 2008 deliveries updated on the basis of statistical extrapolations.

<sup>2)</sup> Including allocation of consolidation adjustments between the Automotive and Financial Services divisions.

<sup>3)</sup> Excluding acquisition and disposal of equity investments: Q3 €2,037 million (€2,094 million), Q1-3 €5,506 million (€4,874 million).

# Volkswagen Group – Analysis by Market

## January – September 2009

thousand vehicles/€ million	Vehicle sales <sup>1)</sup>			Sales revenues		
	2009	2008	%	2009	2008	%
Europe / Remaining markets	2,517	2,881 <sup>2)</sup>	-12.6	55,779	61,754 <sup>2)</sup>	-9.7
North America	326	392	-16.9	8,396	9,087	-7.6
South America	629	673 <sup>2)</sup>	-6.7	6,932	8,219 <sup>2)</sup>	-15.7
Asia-Pacific <sup>3)</sup>	1,145	909	25.9	6,051	6,372	-5.0
Volkswagen Group <sup>3)</sup>	4,616	4,856	-4.9	77,158	85,432	-9.7

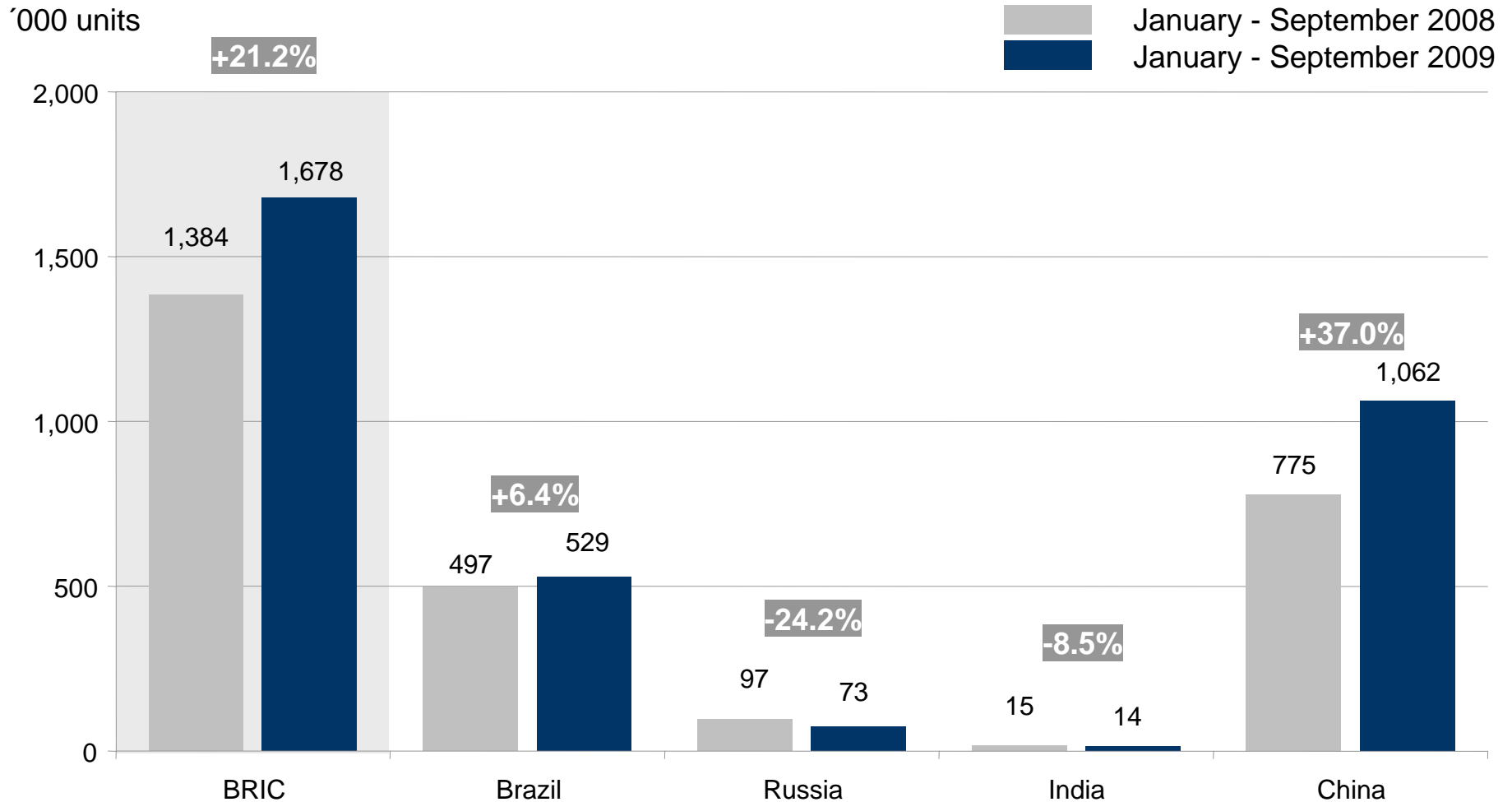
<sup>1)</sup> All figures shown are rounded, so minor discrepancies may arise from addition of these amounts.

<sup>2)</sup> Adjusted.

<sup>3)</sup> 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 BRIC-markets <sup>1)</sup>

January to September 2009 vs. 2008

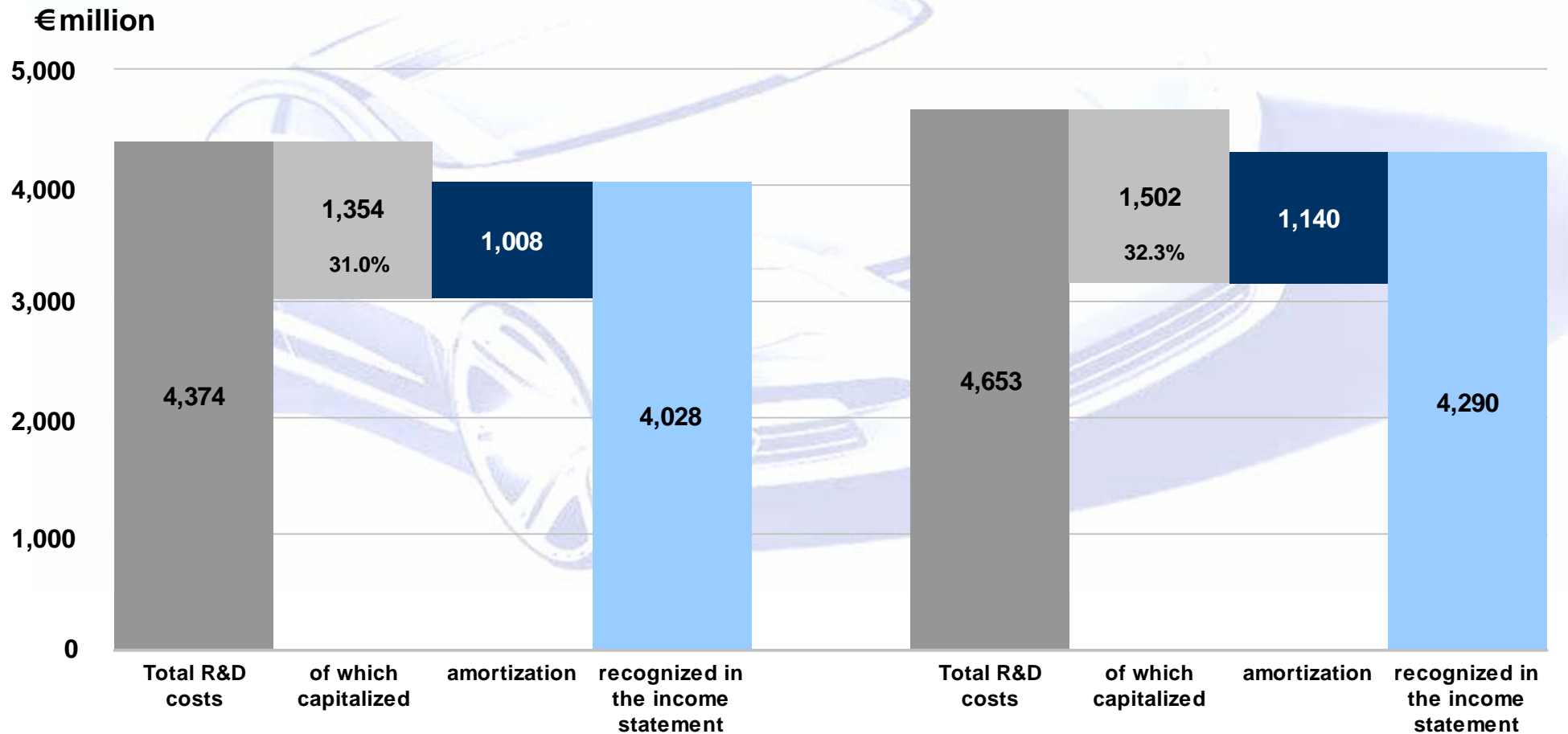


# Volkswagen Automotive Division

## Research and Development Costs

January – September 2008

January – September 2009



# Volkswagen Golf Variant



## Audi R8 Spyder



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## Škoda Superb Combi



## SEAT IBZ (concept car)



# Bentley Mulsanne



# Lamborghini Reventón Roadster



## Scania R 480 Highline



## Disclaimer

**This presentation contains 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.**

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