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Volkswagen in the U.S.: An Evolving Growth Story

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September 28, 2011

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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We do not update forward-looking statements retrospectively. Such statements are valid on the date of publication and can be superseded.

Volkswagen Group Strategy 2018: Sustainable Growth Combined with Sustainable Profitability



¹ Pretax

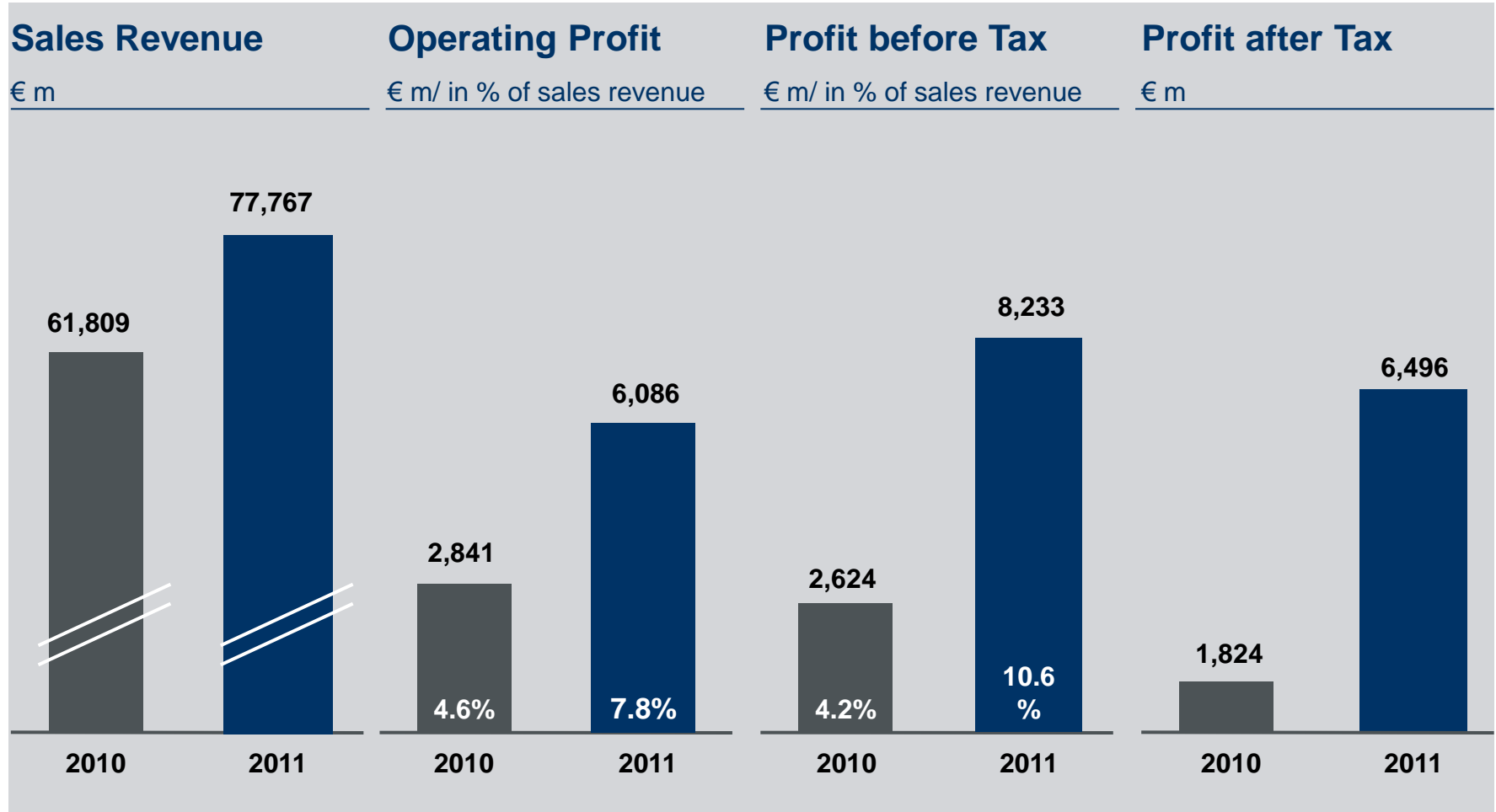
² Including China

Source: Volkswagen Group

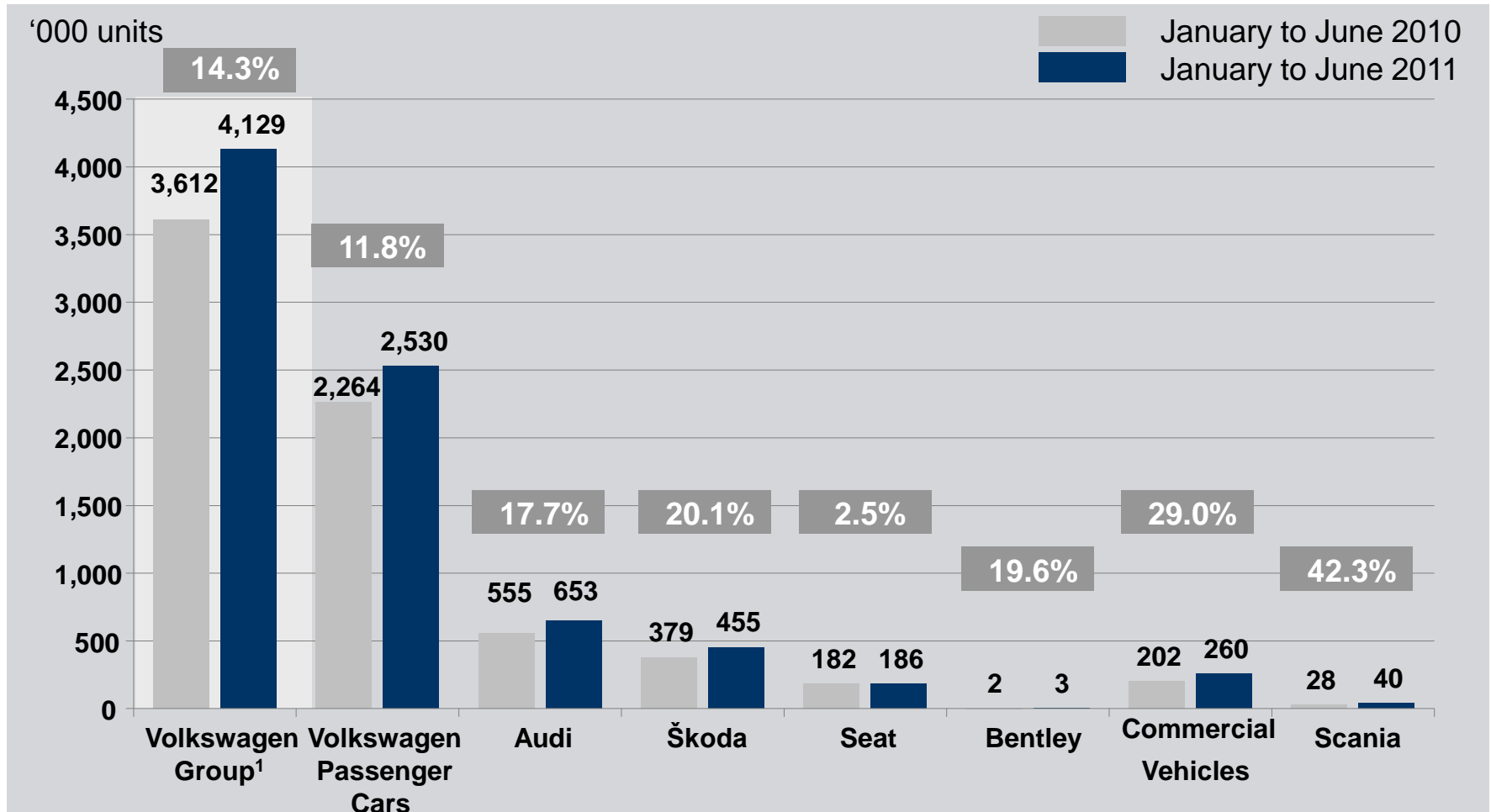
Note: All stated Volkswagen Group figures represent financial targets for 2018

Volkswagen Group Financial Key Ratios At a Glance

January – June 2011 vs. 2010

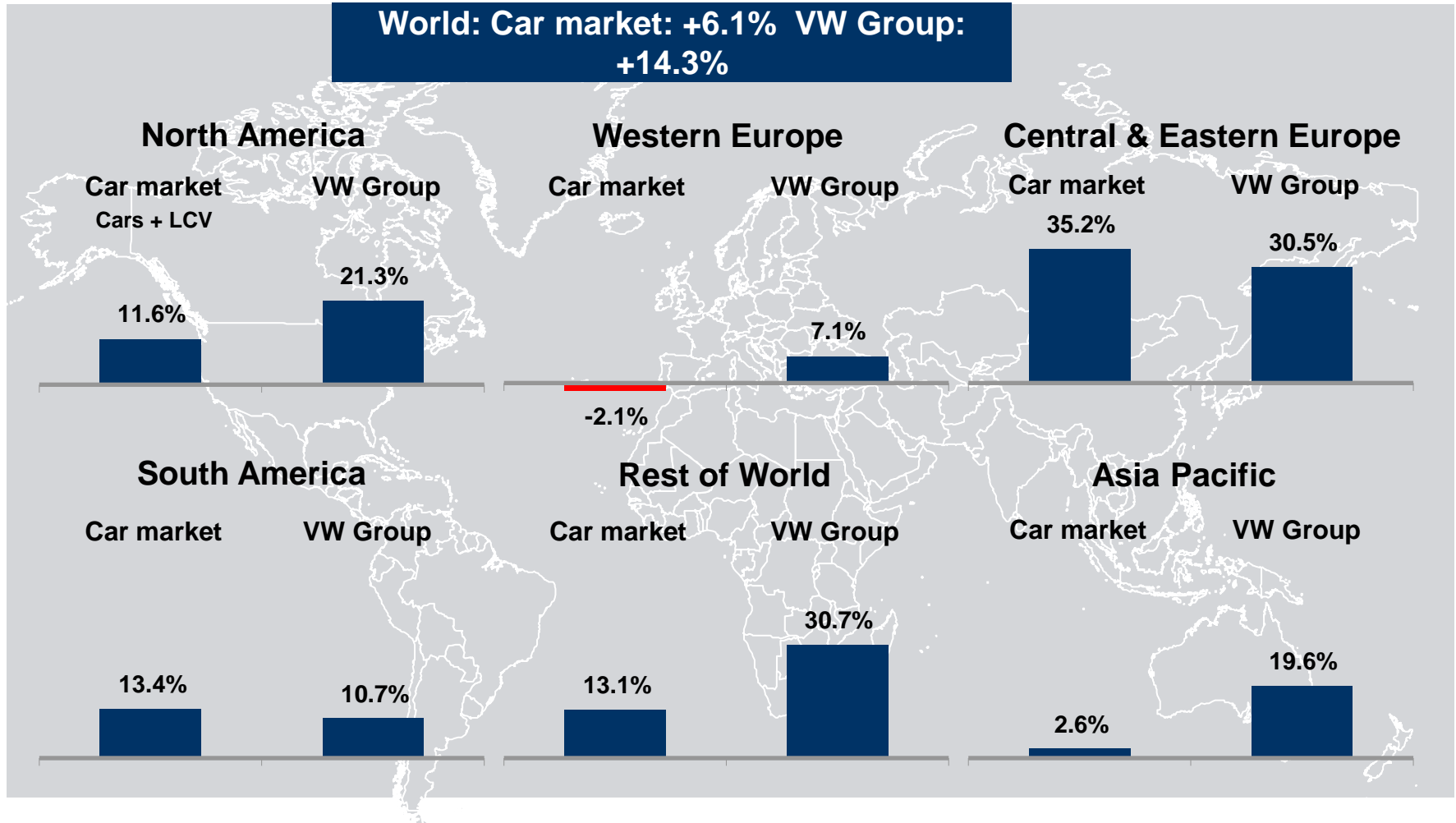


Volkswagen Group – Deliveries to Customers by Brands¹ January to June 2011 vs. 2010



¹ incl. Scania

World Car Market and VW Group Deliveries to Customers¹ January to June 2011 vs. 2010



¹ incl. Scania (H1)

Volkswagen Group of America – Overview

Brands

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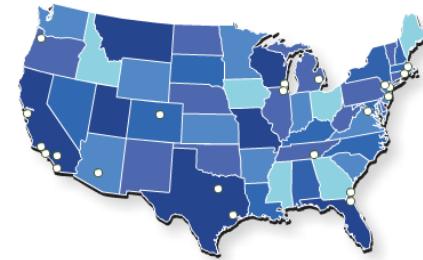


Audi
Truth in Engineering



- Group Sales YTD 2011: 285,000 units in USA / + 19.1 % vs. YTD 2010¹
- Group Market share YTD 2011: 3.4% in USA / + 0.3 percentage points vs. YTD 2010¹
- Over 4,300 employees
- Finance company: Volkswagen Credit, Inc.

Locations



Locations in USA:

- Corporate Headquarters in Herndon, Virginia
- Group Quality/Technical Facilities Auburn Hills, MI
- New factory in Chattanooga, Tennessee
- Corporate Design Center and Electronic Research Laboratory (ERL) in California
- Ports and post production facilities in California, Georgia, Rhode Island and Texas
- Parts distribution centers in California, Florida, New Jersey, Texas and Wisconsin
- Financial Service Center in Auburn Hills (Remarketing & Auction) as well as in Illinois and Oregon

Source: ¹Autodata Motor Intelligence, Sep. 2011

Backdrop



- U.S. car market is recovering, but at a slower pace
- Executing 2018 Growth Strategy
- Broad-based Momentum established across Group
- **Volkswagen brand improvements beginning to emerge across Business**
 - Brand, Quality, Customer Experience
 - Financial – move towards Break-even

Volkswagen Group in America – Writing a New Chapter



¹ Global Volkswagen Group Targets

- Clear global vision
- New chapter in U.S. story
- Product, technologies and people



Volkswagen in America – Then and ...

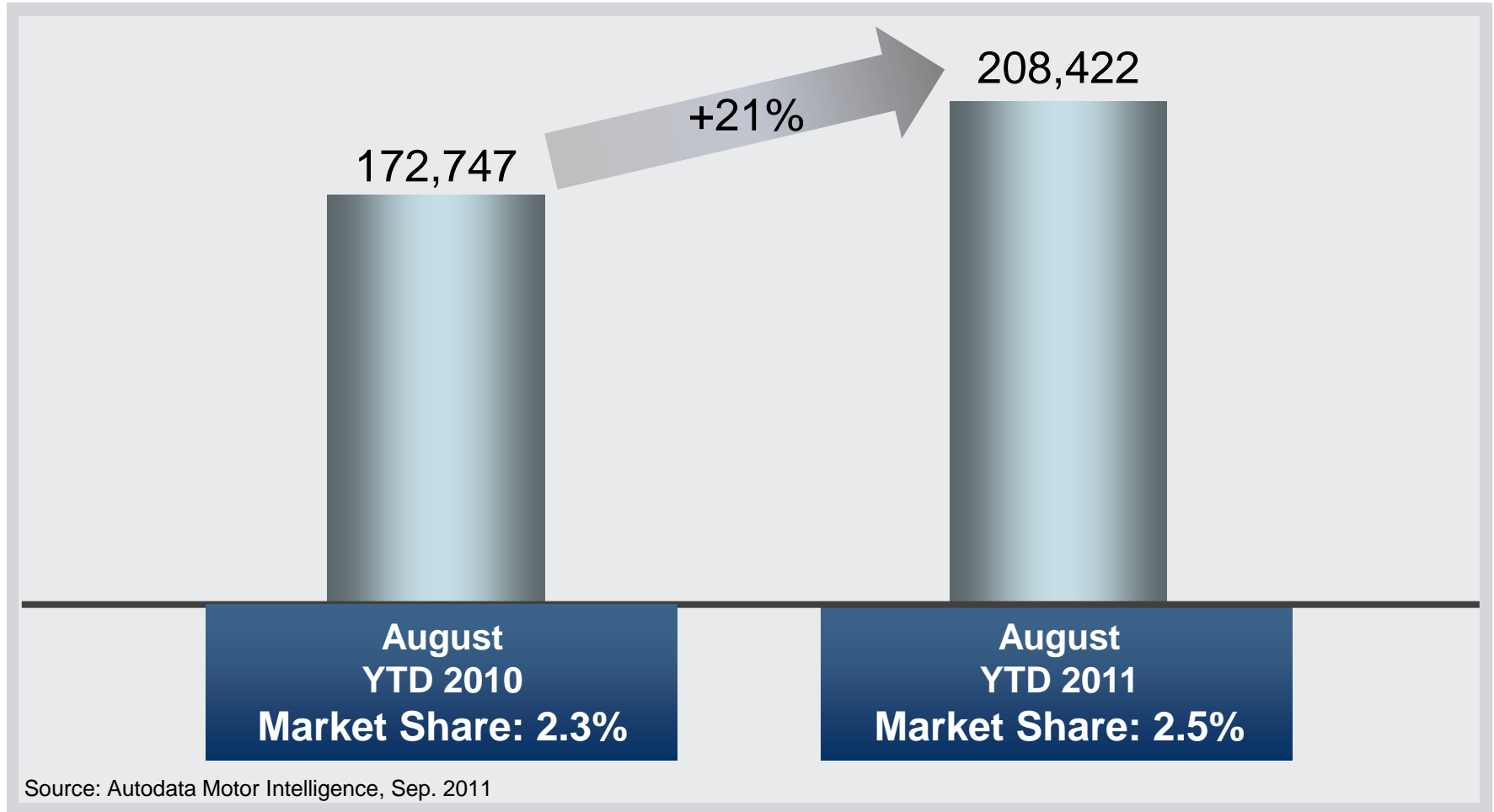
Flashback to the 1960s...



Then to the 1990s...

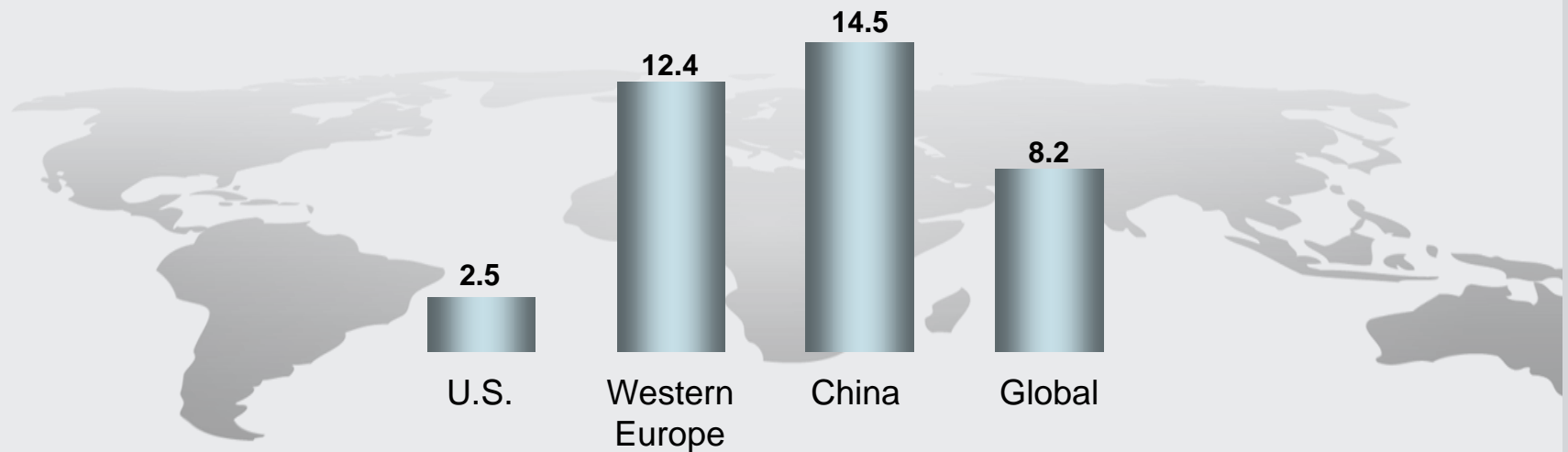


U.S. Volkswagen Brand Sales Development 2010-2011



Volkswagen Brand Underperformance in U.S. Market

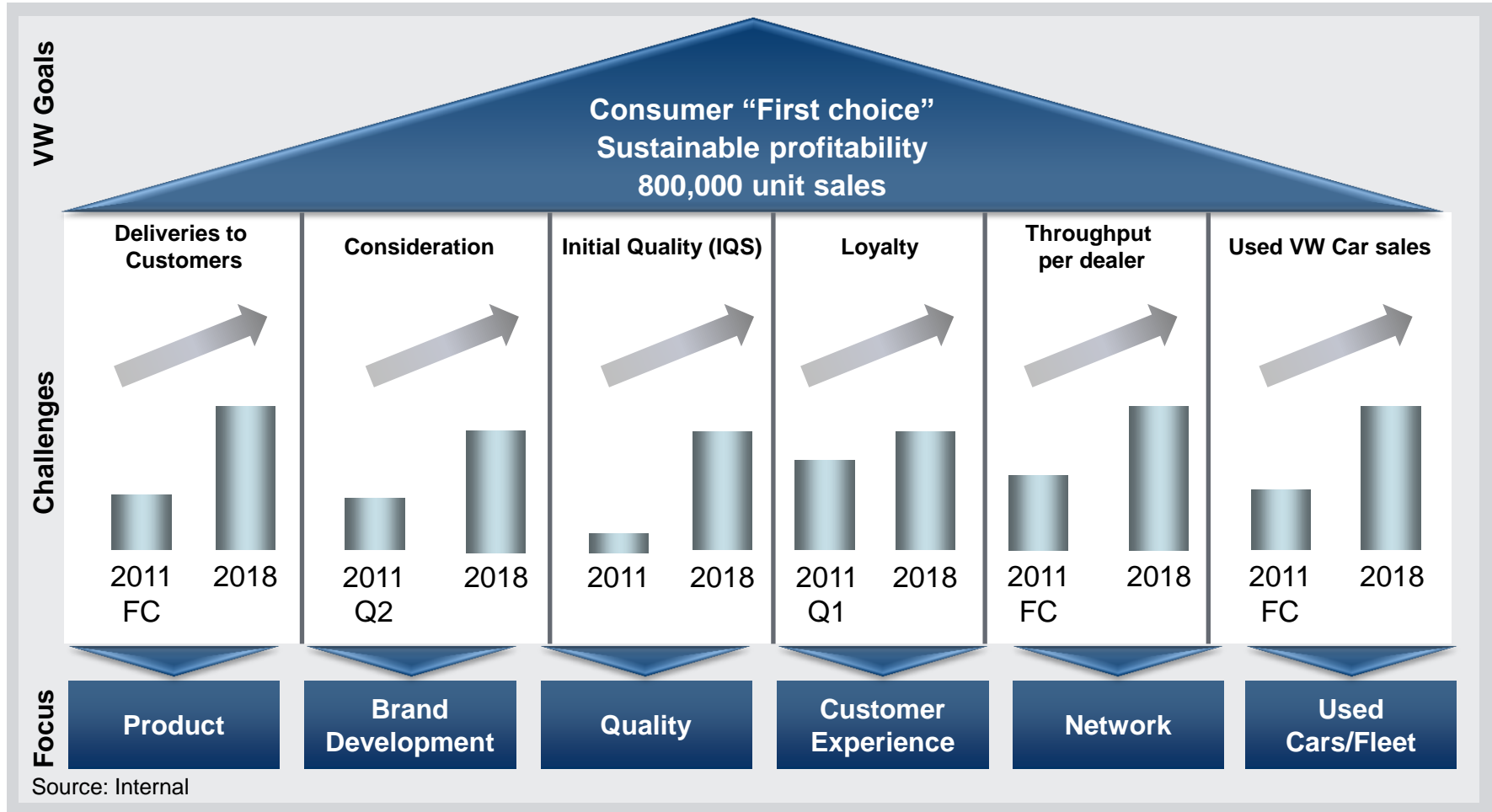
Volkswagen Brand Market Share July 2011 YTD¹



- Market Structure and Product Offer
- Quality Perception
- Brand Acceptance
- Network and Customer Experience

Source: ¹Volkswagen AG

Foundations to Fix Underperformance in U.S. Market



New Leadership Team in Place to Drive Transition & Growth

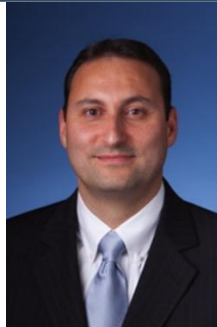
Consumer “First choice”
Sustainable profitability
800,000 unit sales



Rainer Michel
Vice President,
Product Marketing
& Strategy



Tim Mahoney
Executive Vice President,
Chief Product
& Marketing Officer



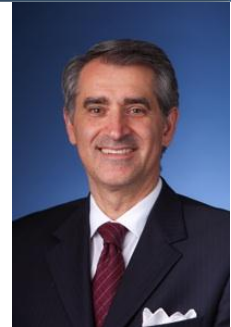
Scott Vazin
Vice President,
Brand Communications



Marc Trahan
Executive Vice President,
Group Quality



Mark Barnes
Vice President,
Customer Experience



Frank Trivieri
Vice President,
Sales

Product & Brand Development

Quality & Customer Experience

Quality & Safety Awards



- Best Full-line Manufacturer
- Small Multi-Function — Golf
- Mid-Size Car — Jetta
- Entry Utility — Tiguan

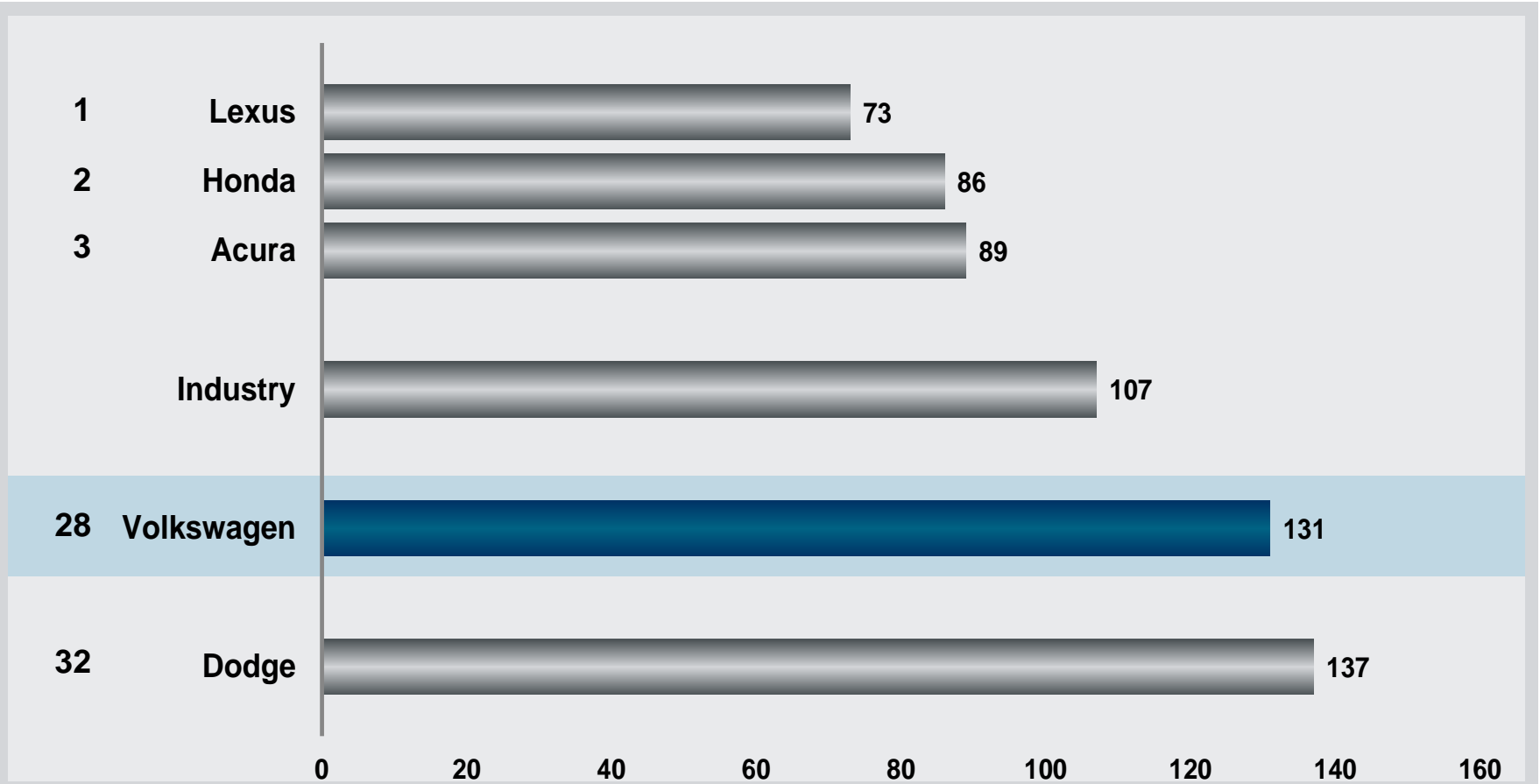


- Volkswagen ranks 2nd among Volume Makes
- Compact Sporty Car — GTI & EOS
- Compact Car — Golf & Jetta
- Compact Crossover SUV — Tiguan
- Entry Premium Car — CC
- Mid-Size Premium Crossover SUV — Touareg



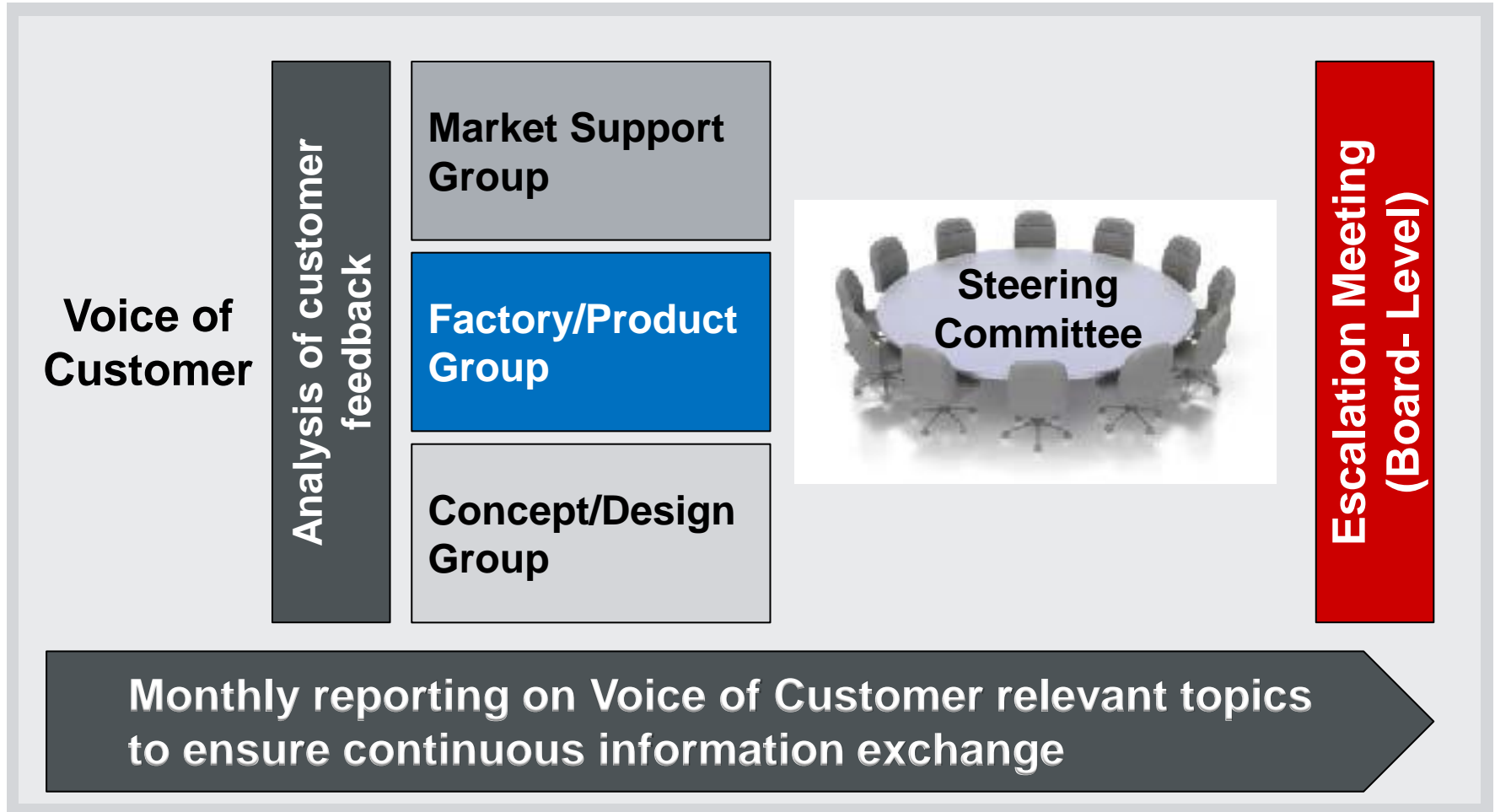
- Top Safety Pick Award:
 “**2012 Volkswagen Passat**: good performance in front, side, rollover, and rear tests and standard electronic stability control” (IIHS)

2011 IQS Brand Rating

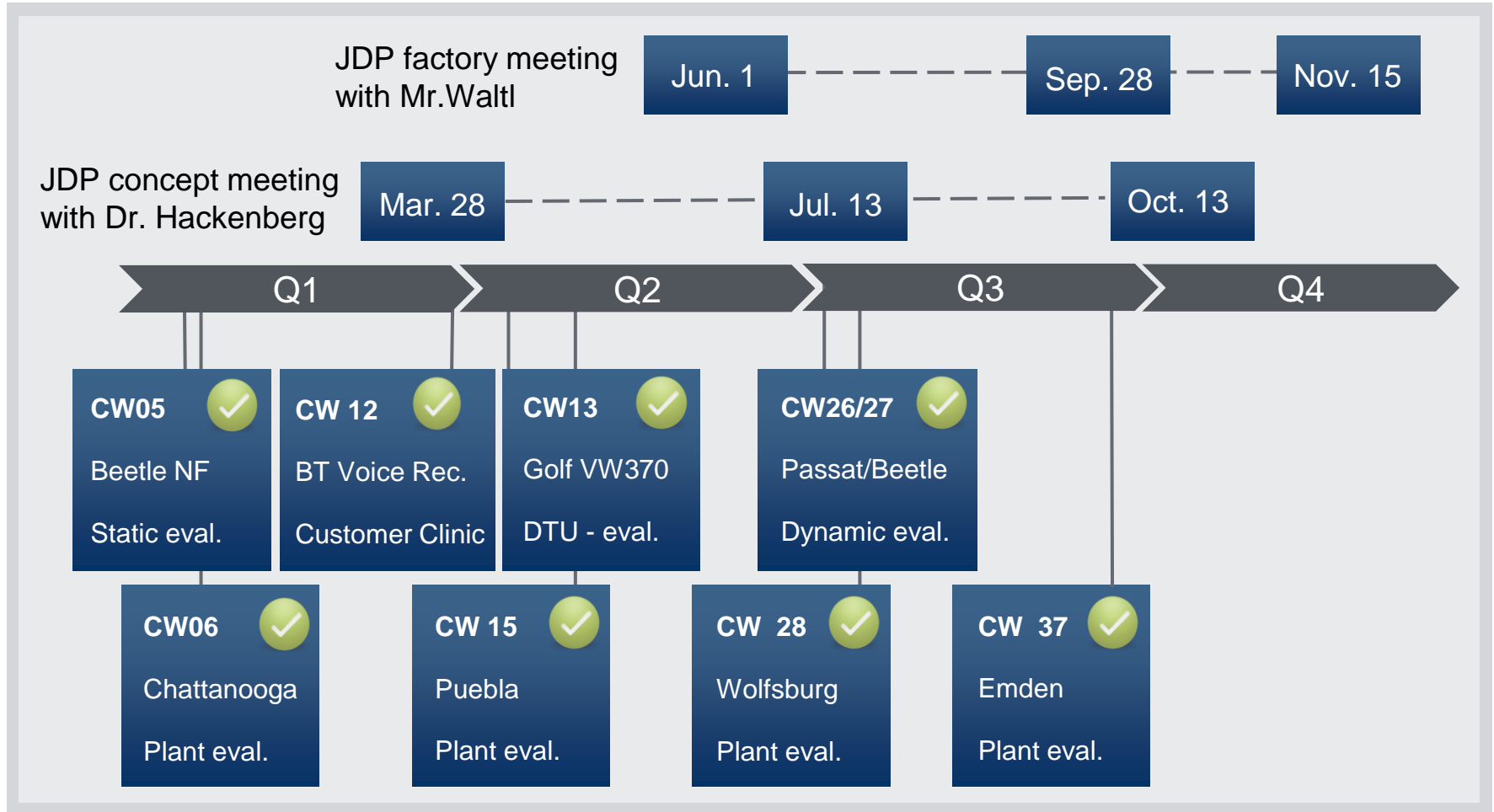


Source: J.D. Power & Associates, 2011 U.S. Customer Service Index (CSI) Study

Voice of the Customer – New Quality Process

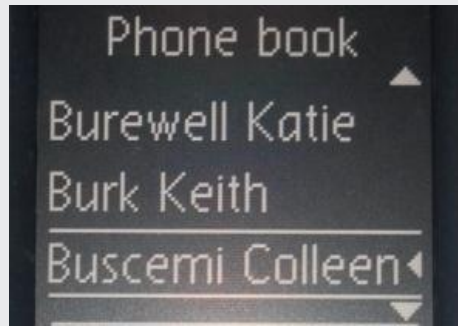


IQS - Concept and Factory Activities

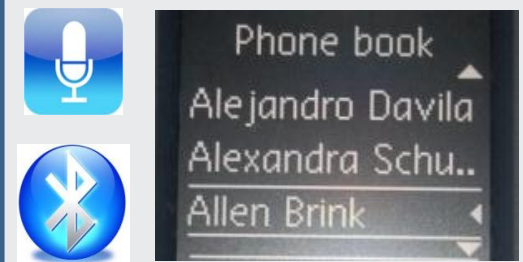


Design Improvements

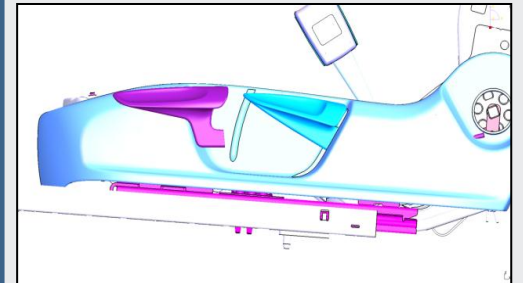
Specifically for the U.S. Market



New Voice Recognition and operating logic for Bluetooth in USA



Redesigned new seat recliner lever for ease of use

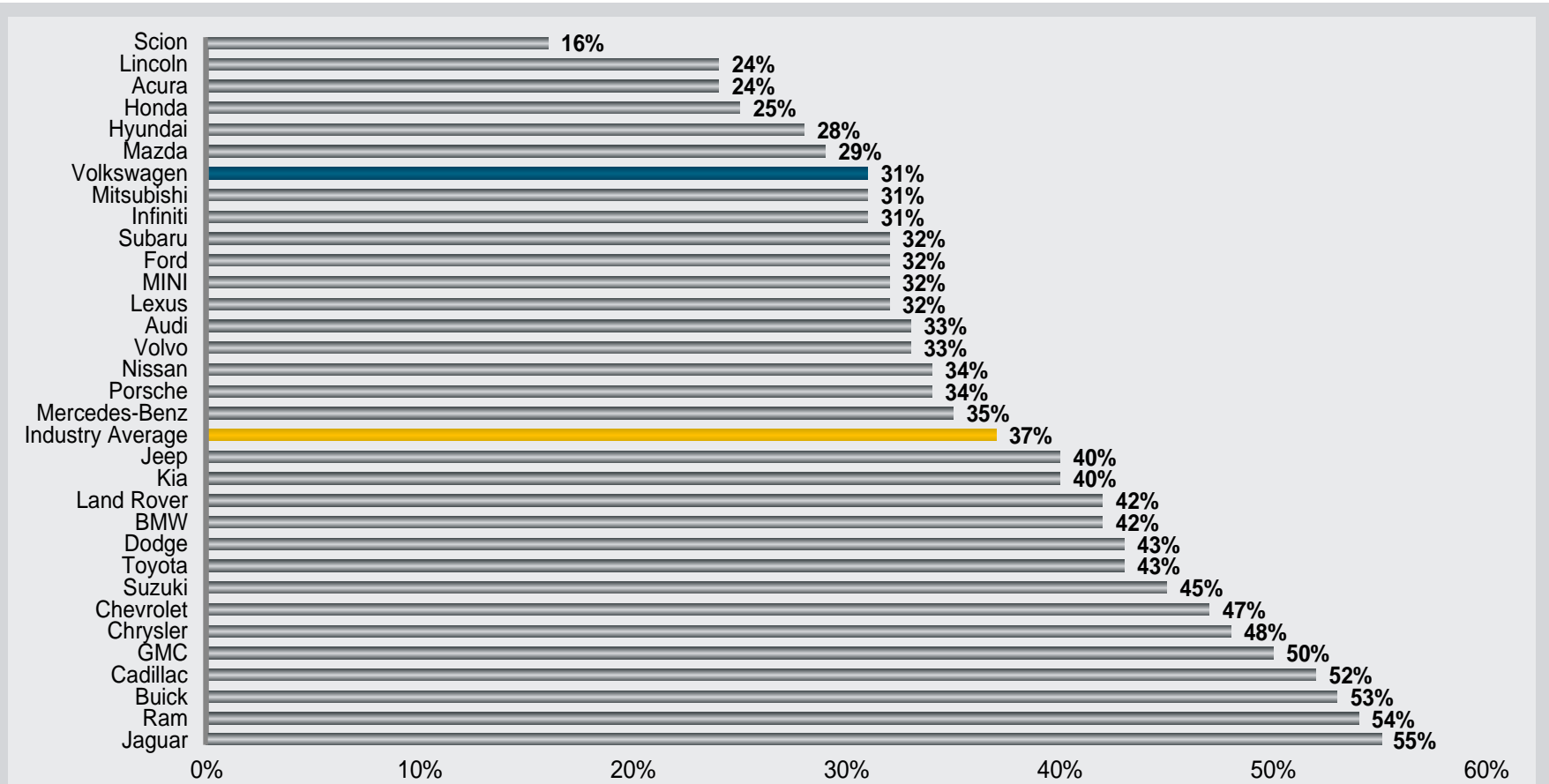


Redesigned climate control improves ease of use



2011 JD Power CSI

Percent of Repairs per Service Visit



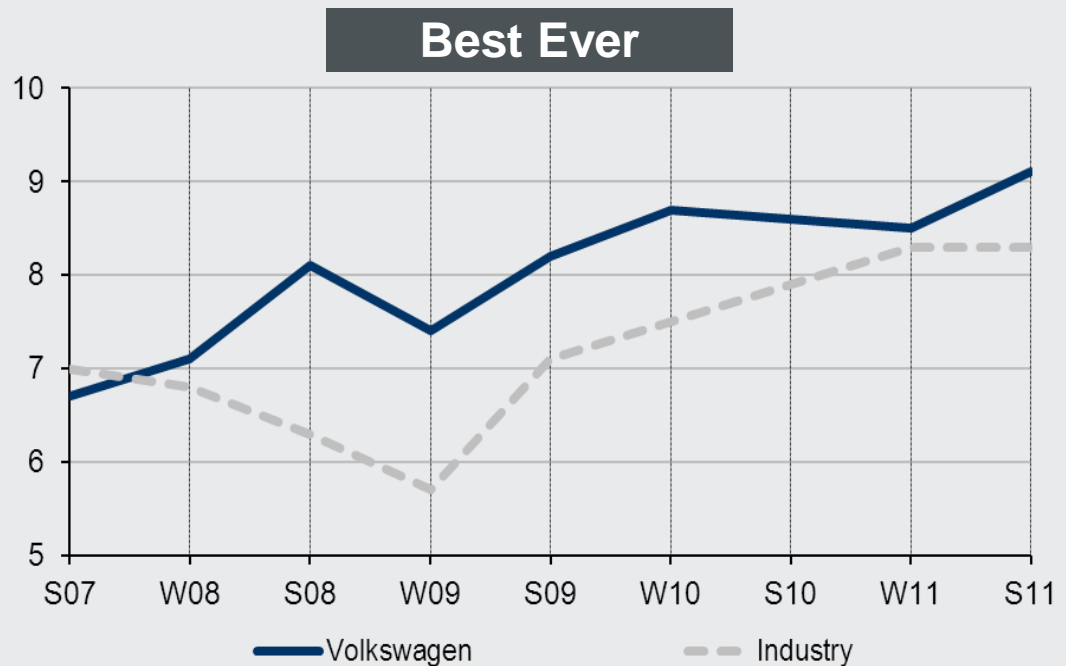
Source: J.D. Power & Associates, 2011 U.S. Customer Service Index (CSI) Study

Dealer Profitability & Value of the Volkswagen Brand Franchise

Return on Sales VW National vs. NADA

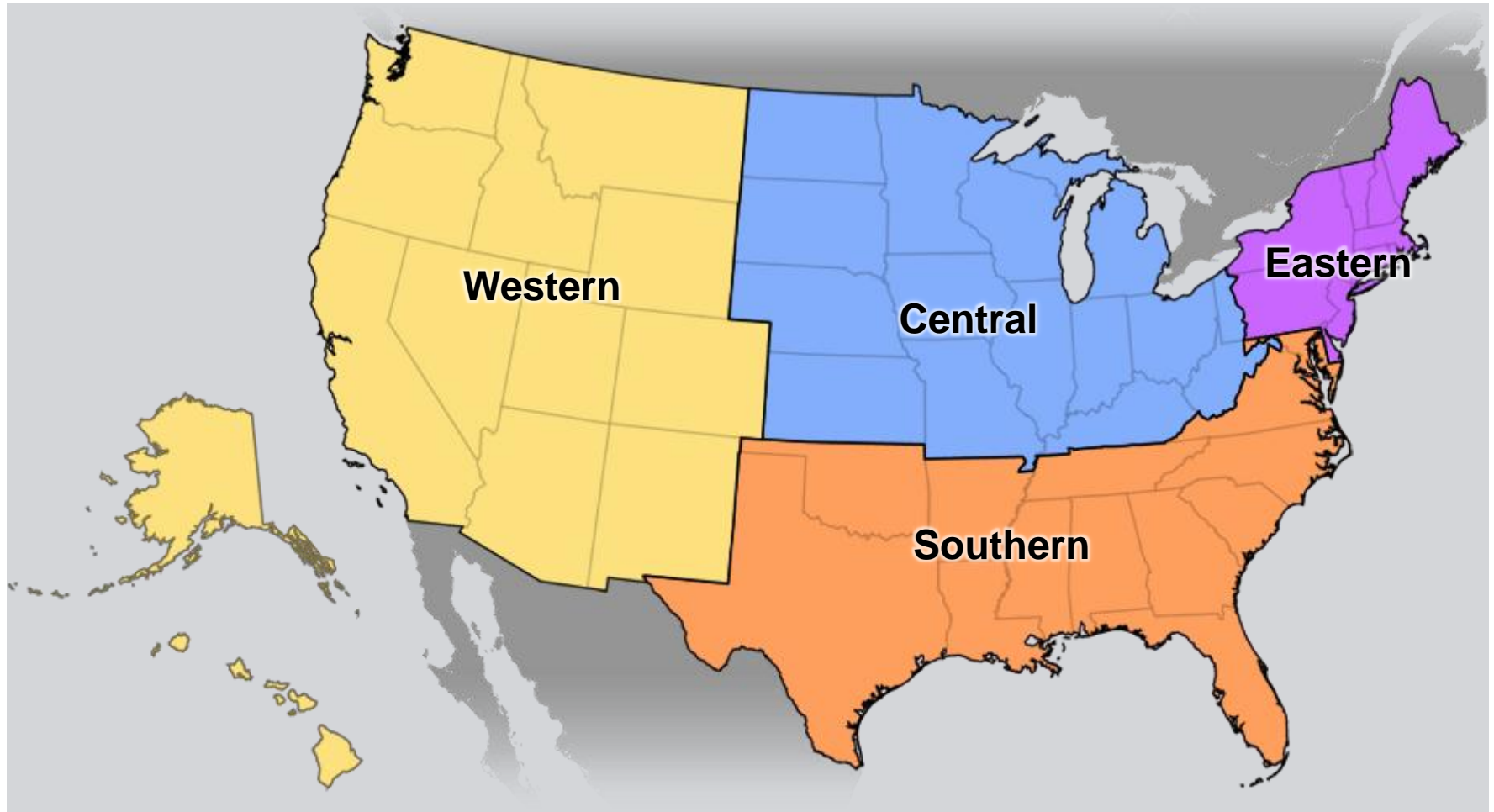


Volkswagen brand ranks 3 in dealer confidence in the value of the franchise (next 12 months)

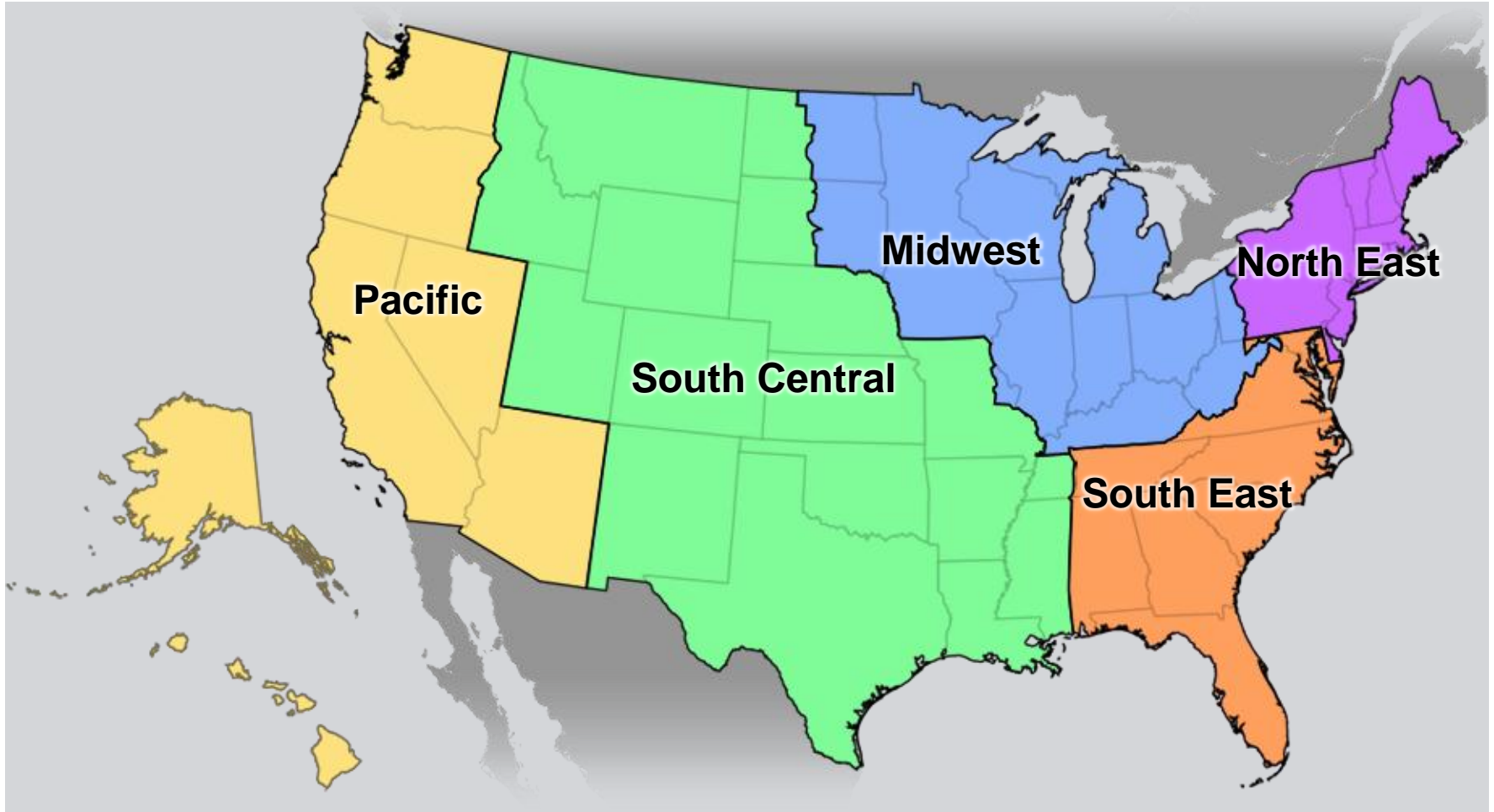


Source: Volkswagen Group of America, Inc.; National Automobile Dealers Association, 2011

Current Region Structure



New Region Structure



New Products

Our philosophy: Everyone deserves a Better Car



Product Portfolio Continues to Develop

Passat



Beetle



Jetta GLI



Golf R



Tiguan



2012 Beetle



- Lower, wider, more dynamic and agile appearance
- Larger hood & steeper windshield
- Flatter roof is reminiscent of the classic Beetle



- Unique dashboard
- Käferfach” additional glovebox – (heritage-inspired)
- Beetle specific instrument cluster
- Turbo model sport gauges

2012 Golf R



- Most powerful Golf production engine ever sold in the U.S.
 - 256 bhp
 - 243 lb-ft of torque
- 6-speed manual only
- 4Motion all-wheel-drive
- Suspension lowered by .6 inch vs GTI
- Two and four-door offerings

2012 Jetta – GLI Completing the Jetta Line

S, SE, SEL



TDI



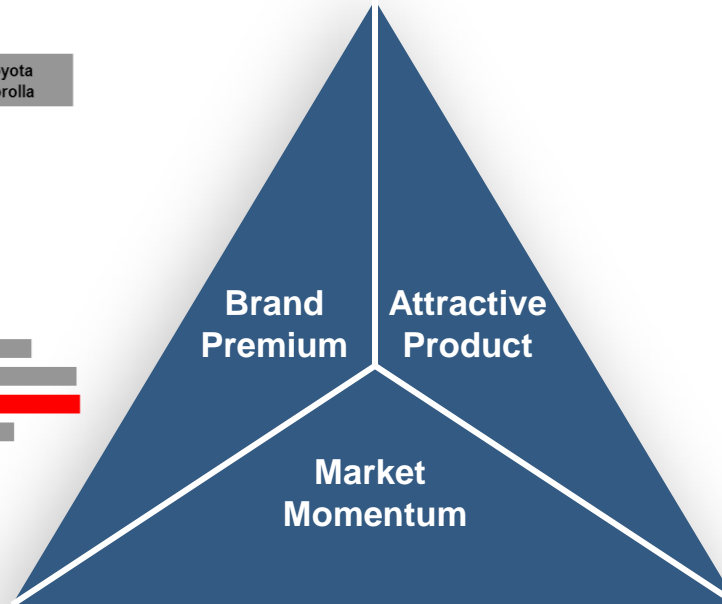
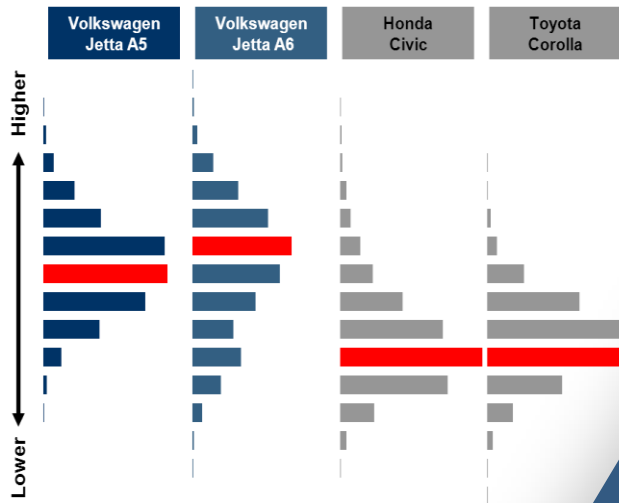
GLI



- Class-leading power (among volume engines): 170 hp / 177 lb-ft torque
- EPA fuel economy rating of 42 mpg highway with TDI
- Class-leading rear legroom
- Class-leading trunk space
- Fender Premium Audio standard on SEL

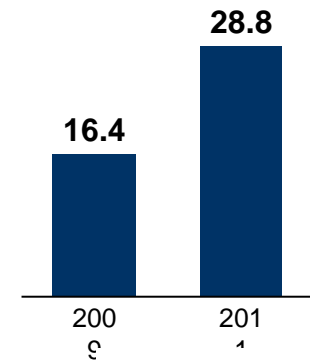
Momentum – Jetta Story So Far

Price Categories¹

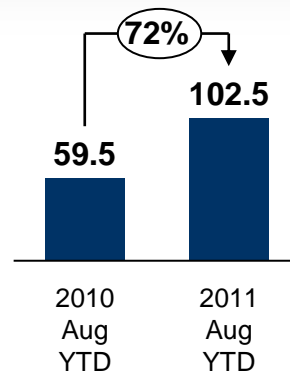


Jetta Conquests in 1,000

(Q1 & Q2)²



Jetta Sales in 1,000



Source: ¹J.D. Power & Associates, Power Information Network [PIN], Sep. 2011 ²Polk

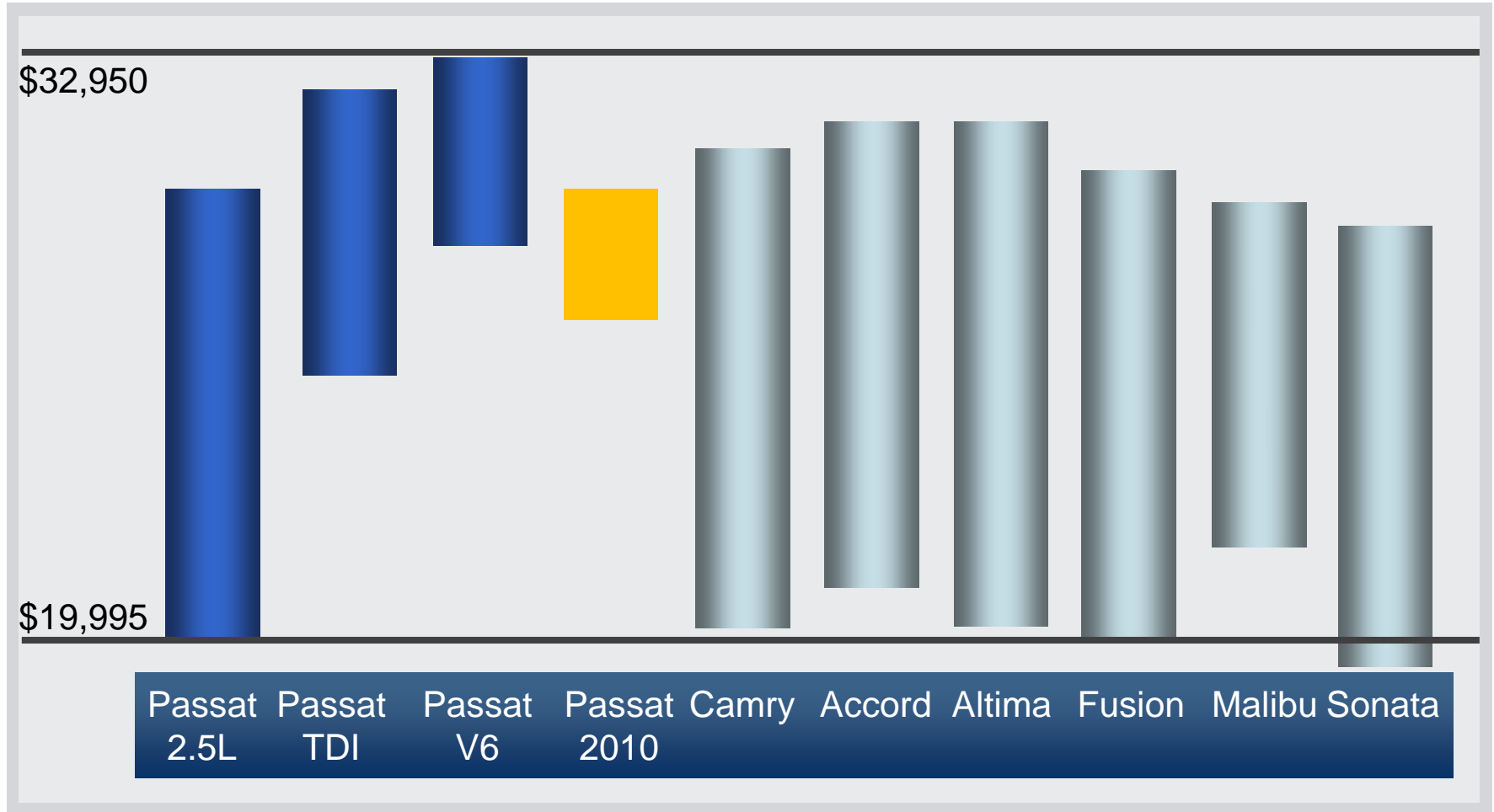
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2012 Passat



Passat – Priced for the Market



Creating Brand Momentum Prior to the Passat Launch

Key 2011 Brand Momentum Moments



All Activities Ladder Up to Volkswagen Brand

“Everyone Deserves a Better Car”

Brand Benefit

Relatable Moments /
“Simple, Human, Cool”

&

Product Benefit

“Turbo Performance and 43 MPG”
“Five Star Safety”
“Care Free Maintenance”
(No Charge 3 Year or 36,000 miles)

“That’s the Power of German Engineering”

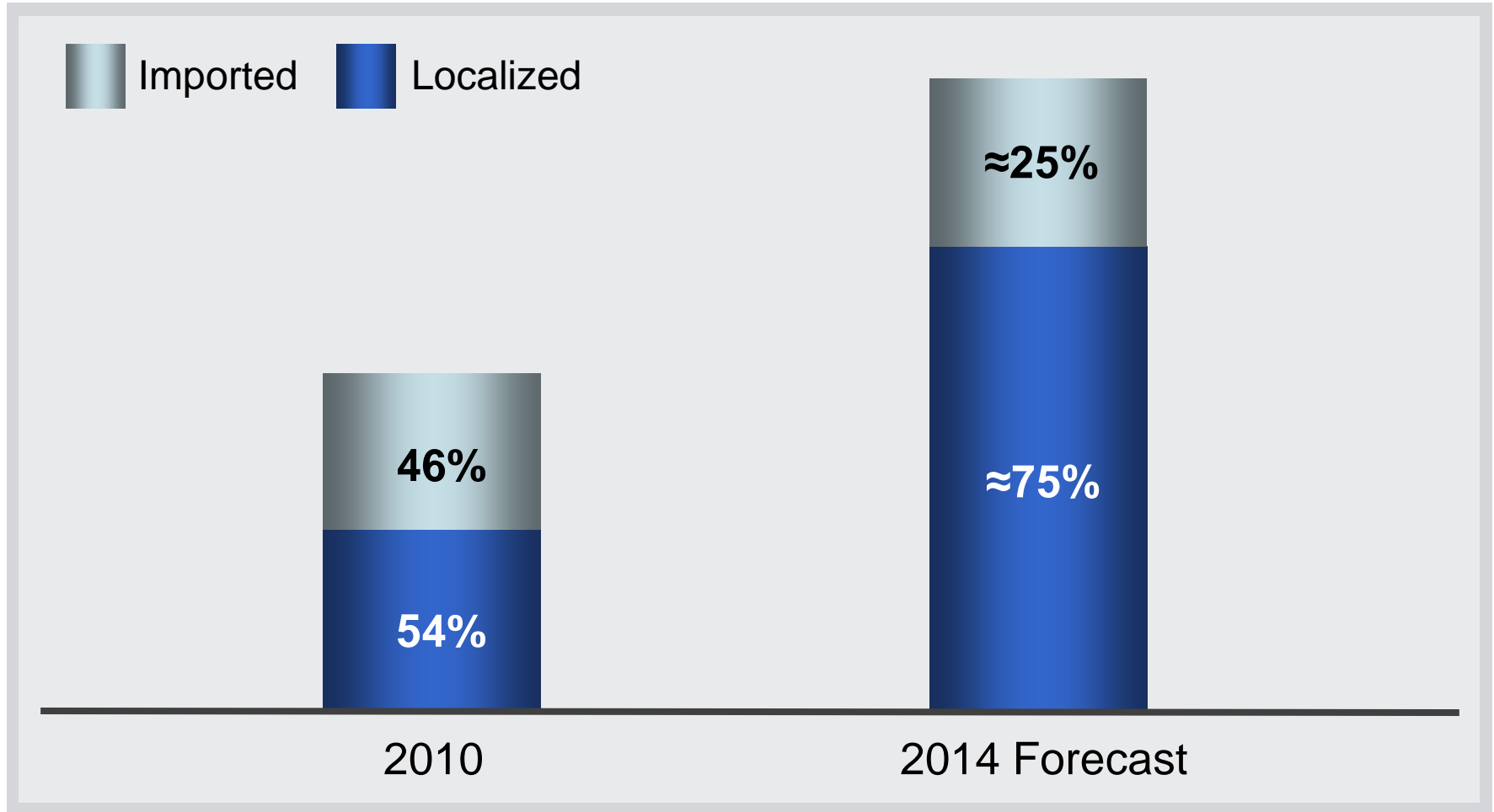


That’s Das Auto.

Drivers of Sustainable Profitability

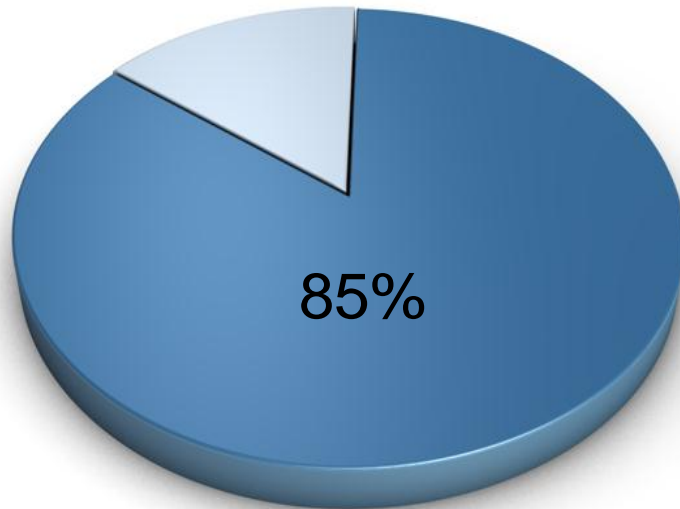


Volkswagen Retail Sales Development 2010-2014



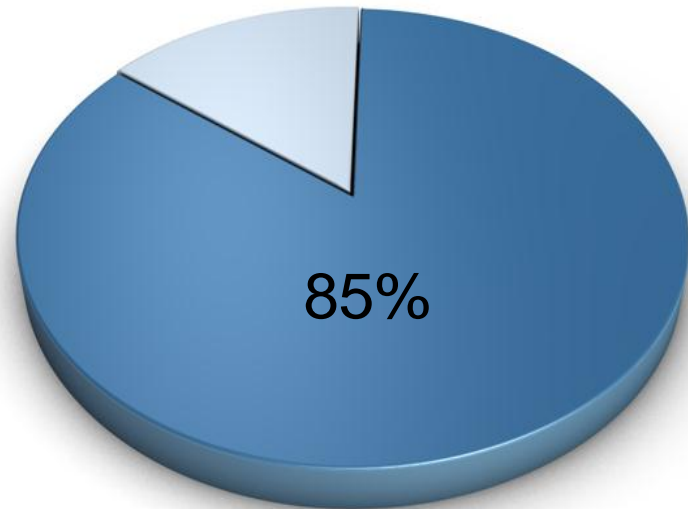
Local Content of Passat, Jetta, Beetle

Passat



■ Local Content

Jetta / Beetle



■ Local Content

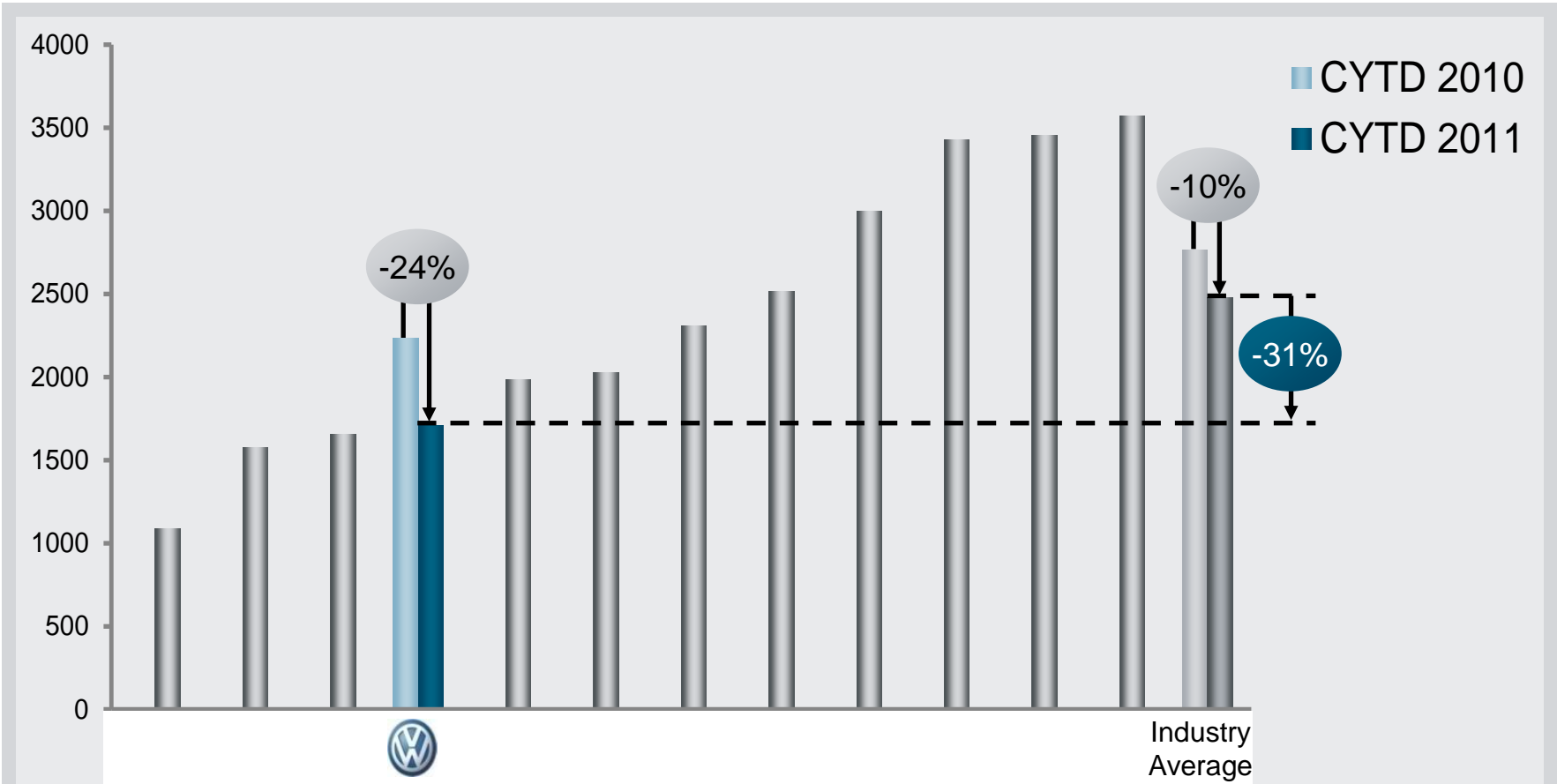
Sourcing in North America

Revenue per Car Projected to Increase



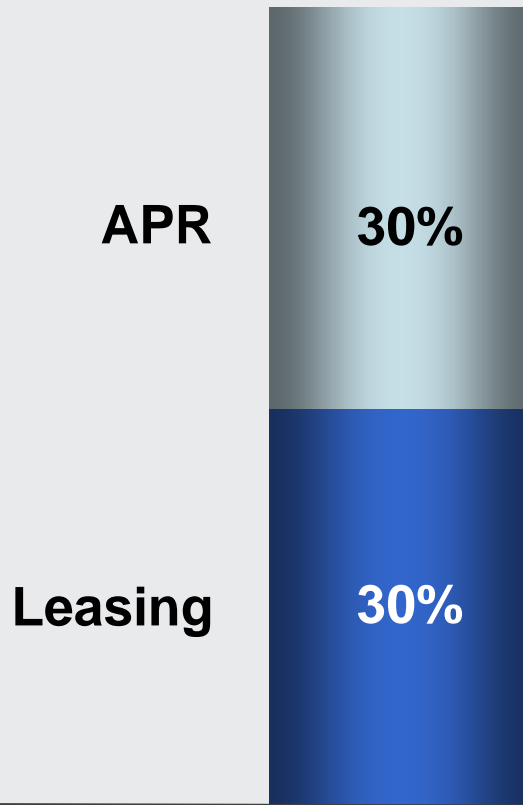
- Competitive Entry Prices
- Maintain Price Premium
- Efficient Incentives
- Revenue Management

Volkswagen Incentives Are More Than 30% Below the Industry Average



Source: AutoData Motor Intelligence; September 2011

Leasing / APR Penetration 2011



2011 Forecast

- Highly profitable business model with VW Credit, Inc.
- High customer loyalty of leasing and APR customers
- Local funding in the U.S.

Volkswagen Group in America – Writing a New Chapter



- Clear global vision
- New chapter in U.S. story
- Product, technologies and people
- Profitable growth achieved through:
 - increase of localized production and content
 - competitive product strategy while maintaining price premium
 - leveraging benefits of Group
 - profitable financial services business

¹ Global Volkswagen Group Targets