

A graphic for the Annual General Meeting 2019. It features a light blue and green background with a faint, stylized map of a city grid. The text "Annual General Meeting 2019" is centered in a large, dark serif font. Below it, in a smaller, dark sans-serif font, is "CITYCUBE BERLIN, May 14, 2019".

Annual General Meeting 2019

CITYCUBE BERLIN, May 14, 2019

Annual General Meeting

May 14, 2019 | Berlin

Speech

Check against delivery

1. Dr. Herbert Diess

Chairman of the Board of Management of Volkswagen AG

VOLKSWAGEN

AKTIENGESELLSCHAFT

Dr. Herbert Diess
Speech at the
Annual General Meeting
on May 14, 2019

– Check against delivery –

I. Welcome/introduction

Dear Shareholders, Ladies and Gentlemen,

On behalf of the entire Board of Management, I extend you a warm welcome to the Annual General Meeting of Volkswagen Aktiengesellschaft. Thank you for coming to Berlin today so that you can personally gain an impression of your Company's business performance and prospects.

In a nutshell: the outlook for the Volkswagen Group is good. Our core product – the automobile – remains a key economic and technological pacesetter. It continues to create innovation, growth and prosperity in many regions of the world. And it keeps society mobile.

VOLKSWAGEN

AKTIENGESELLSCHAFT

WE SHAPE MOBILITY – FOR US AND FOR GENERATIONS TO COME



Vehicles illustrated are concept cars / studies
Porsche Taycan: near-series study

At the same time, the car is undergoing a fundamental transformation towards e-mobility, to digitally connected and – in the long term – autonomous driving. All that makes our product even more sophisticated technologically – and lends it new qualities. The car will be cleaner, far safer and much more convenient than it is today. Not only that: it will remain emotional and fascinating. Strong, coveted brands will still be a vital factor that sways people’s purchase decisions in the future.

We at Volkswagen believe this transformation harbors huge opportunities. And we intend to seize those opportunities with a clear plan: for emission-free drives, for connecting and digitalizing our vehicles, and for new services. We are shaping and driving that change with greater resolve than our competitors. The foundation for that is successful, robust business.

II. Review of 2018

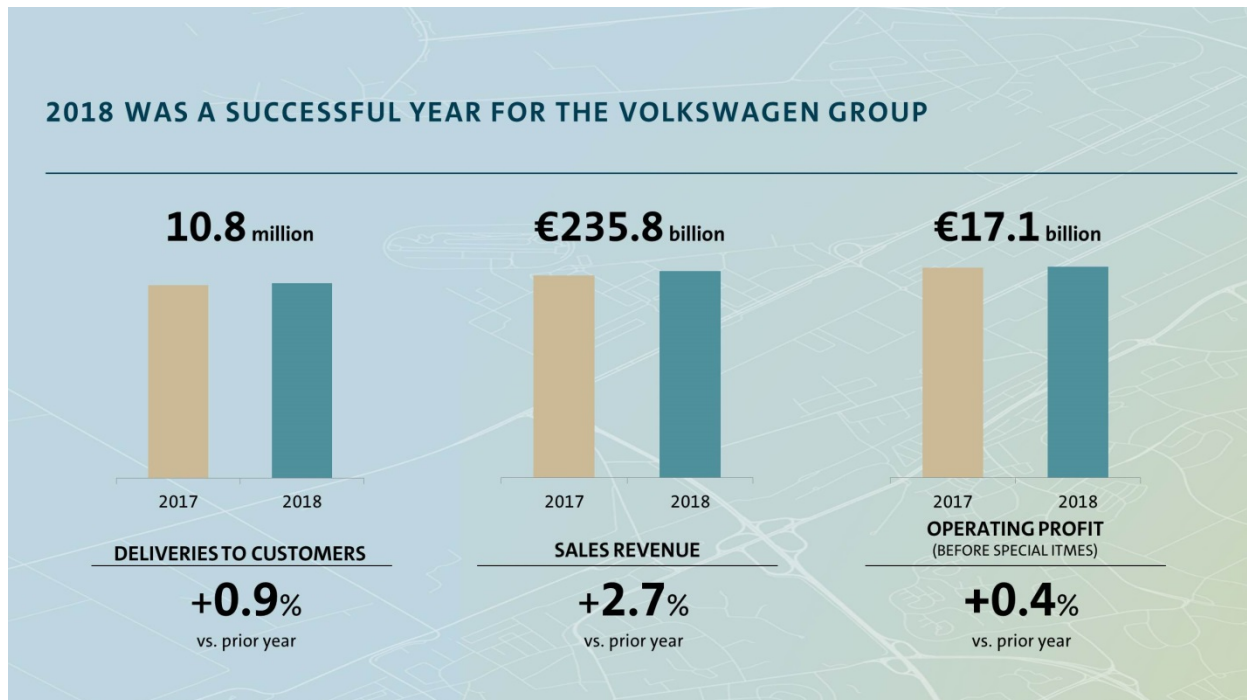
2018 was a good year for the Volkswagen Group – one where we set new records in our operating business and took important strategic decisions.

However, the diesel crisis again accompanied us in fiscal 2018. It is and will remain a major watershed. So far we have spent some €30 billion dealing with its aftermath. Yet the crisis also marked the start of our Group's fundamental realignment – in terms of technology, personnel and culture.

We have a solid foundation as we head for the future: with 12 strong brands for all segments and customer wishes. With a network of developers and experts who turn in top-class technological achievements day after day. With the motivated employees at our plants. And with a sales team that is at home in all regions of the world and not only knows our customers, but also takes them seriously.

VOLKSWAGEN

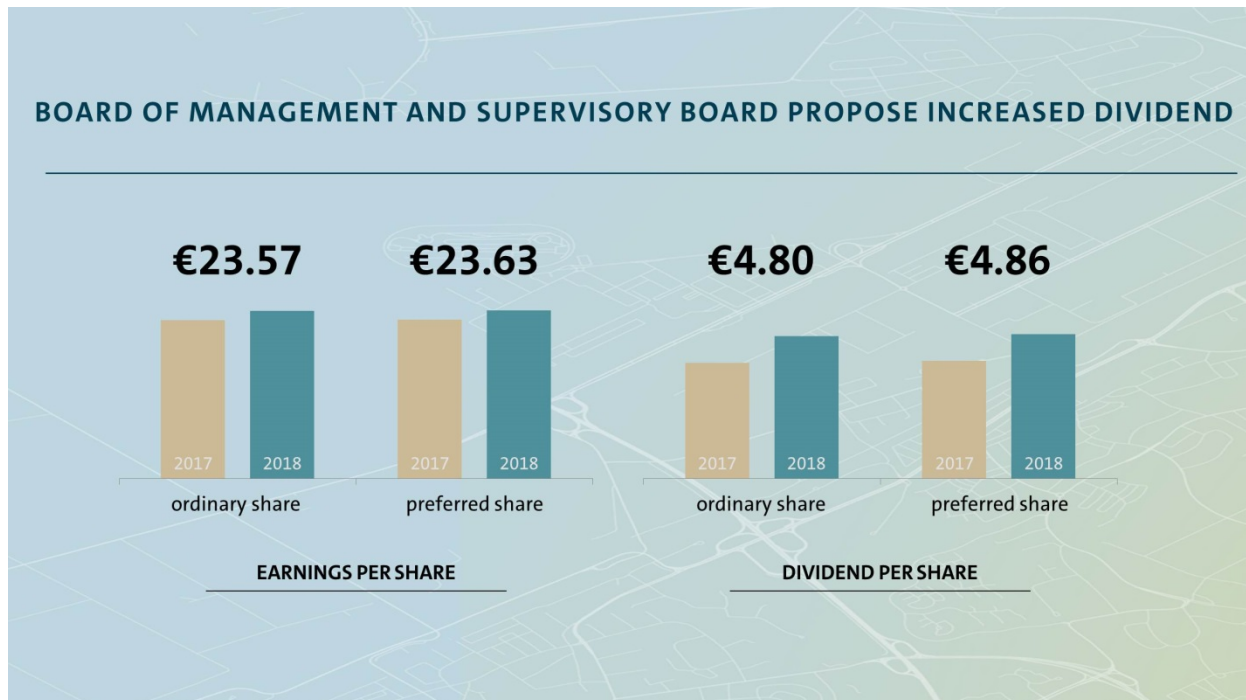
AKTIENGESELLSCHAFT



That is why we outperformed the competition in 2018: we delivered 10.8 million vehicles to our customers. Our brands launched more than 70 new models. Our sales revenue rose by 2.7 percent to €236 billion. We grew our profit before special items to €17.1 billion. And our return on sales was 7.3 percent, at the upper end of the target range. That makes us one of the few automotive companies that was able to meet its annual forecasts on the operating business side. The bottom line is that we improved our Group's earnings after tax to €12.2 billion.

VOLKSWAGEN

AKTIENGESELLSCHAFT



The Board of Management and Supervisory Board therefore propose to the Annual General Meeting an increase in the dividend: €4.80 per ordinary share and €4.86 per preferred share. That means we wish to distribute a total of €2.4 billion to you – a payout ratio of 20.4 percent.

Our share price followed the decreasing market trend last year. The ordinary share peaked at €188 and the preferred share at €188.50. The ordinary share price is currently €150.30 and the preferred share price is €148.60. It is our conviction that your Company is still undervalued. We see plenty of potential to increase the Company's value and intend to leverage that step by step.

Ladies and Gentlemen,

2018 was shaped by new regulatory requirements, including more demanding test procedures. We also faced growing geopolitical uncertainties, such as in China or the UK.

VOLKSWAGEN

AKTIENGESELLSCHAFT

Yet our business proved robust and resilient. Our brands and regions achieved this success thanks to a strong team effort. They are all working to make the Group viable for the future and enhance its performance. We improved in just about all areas. I congratulate our teams on that.

THE VOLKSWAGEN BRAND POSTED NEW RECORDS FOR UNIT SALES AND SALES REVENUES



Our core Volkswagen brand posted new records for unit sales and sales revenue, also thanks to numerous new products. The new version of the Touareg has been very well received. The brand's flagship SUV boasts impressive technology, design and driving performance. For its size, the vehicle has become very easy to handle and emphasizes our commitment to high-quality, innovative and dynamic vehicles. The Tiguan has also been exceptionally successful. It is based on our most important conventional modular toolkit, the MQB. With just under 800,000 units sold, it has definitively become a successful global model. It wins over customers in China under the name Tayron. The T-Roc and new T-Cross expand our SUV portfolio at the lower end, i.e. into the Golf and Polo class.

VOLKSWAGEN

AKTIENGESELLSCHAFT

And the Passat still plays a key role. Including all local variants and derivatives, around 1.5 million vehicles were sold last year, making it the world's highest-volume sedan. The brand has enhanced its competitiveness in terms of productivity and efficiency in the past years. However, we still have great potential for improvement when it comes to lean administration and efficient production. We are already seeing progress with the Pact for the Future and we intend to build on that systematically.



ŠKODA continues to grow and posted an operating return on sales of 8 percent. Following the success of the Kodiaq, its little brother – the Karoq – has become a bestseller. The recently premiered Kamiq complements the SUV at the lower end. Thanks to great demand, ŠKODA's plants are operating at more than 120 percent of capacity. This is why we are planning to build an additional multibrand plant in Europe. We conducted a thorough review of potential sites over the last few months. At yesterday's Supervisory Board meeting, the decision was taken to begin concrete negotiations on the new plant with the remaining potential sites.

VOLKSWAGEN

AKTIENGESELLSCHAFT

ŠKODA will also embark on e-mobility this year with its first plug-in hybrid model and first all-electric car. The brand will then launch its first electric car based on the MEB next year. Moreover, ŠKODA is shouldering more and more responsibility in the Group, such as for development and production of the next generation of the Passat family. ŠKODA is also responsible for the Group's activities in India, where we will invest around €2 billion in new vehicles specifically for the Indian market in the coming years. In other words, we are staying in this growth market, while the competition is withdrawing from it.

2018 WAS THE MOST SUCCESSFUL YEAR IN THE COMPANY'S HISTORY



The SEAT team is proud of the most successful year in the company's history. SEAT increased deliveries by more than 10 percent, making it Europe's strongest growing brand. It has already achieved a very good return on investment of more than 13 percent. The return on investment will become our most important performance indicator in future throughout the Group. SEAT attracts the youngest customers to the Group and achieves the highest customer satisfaction ratings among our volume brands.

VOLKSWAGEN

AKTIENGESELLSCHAFT

And SEAT now has an attractive SUV portfolio in the shape of the Arona, the Ateca and the Tarraco, which is built in Wolfsburg. The brand assumes general Group responsibilities, such as in developing the North African markets and for our production site in Algeria.

2018 WAS A CHALLENGING YEAR FOR AUDI



2018 was a challenging year for Audi. The switch to the new test procedures temporarily restricted output and unit sales. There was also a change at the company's helm. Bram Schot, Audi's new CEO, is additionally responsible for Group Sales Management. The Audi team generated an operating profit before special items of €4.7 billion and an operating return on sales of 8 percent. Audi has sent out strong signals on the product side with the launch of the Q3 and Q8. A further highlight is the all-electric SUV e-tron – the first electric car that meets the requirements of customers in the premium segment in every respect and again lives up to its value proposition “Vorsprung durch Technik”. Backed by a well-filled product pipeline and a new design, Audi can look to the future with confidence.

VOLKSWAGEN

AKTIENGESELLSCHAFT

PORSCHE RECORDED THE HIGHEST RETURN ON SALES IN THE GROUP



Porsche Carrera 4S:
Fuel consumption: combined 9.0 l/100 km urban: 11.1 l/100 km; extra-urban: 7.8 l/100 km;
CO₂-emissions combined: 206 g/km; efficiency class: F

Porsche again set new records in 2018. Its operating return on sales of 17.4 percent is the best in the Group and in the automotive sector. In addition to being in charge of the Porsche brand, Oliver Blume is now also tasked with Group Production and recently also became responsible for Group Quality. He is preparing selection of the location for the new multibrand plant I previously mentioned. As regards models, Porsche was very successful with its sporty SUVs Macan and Cayenne. The new 911 – the Porsche brand’s icon – has been further improved in terms of all the features that make the 911 what it is. With up to 450 hp, the 8th generation is more powerful than ever and comes with a large number of assistance systems. It boasts a world’s first in the shape of “Wet Mode”: the car detects water on the road, prepares its control systems and alerts the driver. Porsche is readying itself systematically to take the leap toward e-mobility. It has taken the decision to withdraw from diesel engines. More than 60 percent of European Panameras are already e-hybrids. Porsche is launching its first genuine all-electric sports car this year in the shape of the Taycan. It will be the world’s sportiest electric car.

VOLKSWAGEN

AKTIENGESELLSCHAFT

LAMBORGHINI ENTERED THE SUPER SPORT SUV SEGMENT WITH THE URUS



Lamborghini Urus:
fuel consumption: combined: 12,7 l/100km;
CO2 emissions: combined: 325 g/km

Lamborghini has launched the Urus, an extremely sporty SUV, and so opened up a new segment: the super sport utility vehicle. With more than 2,500 units, the Urus has become the best-selling Lamborghini at one stroke and is boosting the company's growth. All in all, the brand increased its deliveries by more than half last year.

VOLKSWAGEN

AKTIENGESELLSCHAFT

BENTLEY IS MAKING PROGRESS WITH THE TURNAROUND



Bentley Bentayga V8:
fuel consumption: combined: 13.1 l/100km;
CO2 emissions: combined: 296 g/km; efficiency class F

Bentley is making good progress with its turnaround. After a difficult previous year, the team in Crewe again generated a profit in the first quarter of 2019. Its bestseller is likewise an SUV, the Bentley Bentayga. It has also been available as a hybrid version since last year. That means Bentley is also taking the first step toward electrification of its product range.

VOLKSWAGEN

AKTIENGESELLSCHAFT

VOLKSWAGEN COMMERCIAL VEHICLES IS IMPROVING COMPETITIVENESS AND FORGING AHEAD WITH ELECTRIFICATION



Model illustrated is a study

The Volkswagen Commercial Vehicles brand posted the second-best result in its history in 2018. The cooperation with Ford will ensure the continued existence of the Amarok and opens up new growth opportunities worldwide in the mid-sized pickup segment. Discussions about further projects with Ford are also going well. The partnership will enable Volkswagen Commercial Vehicles to achieve economies of scale superior to those of the competition. Moreover, Volkswagen Commercial Vehicles is assuming responsibility for key issues of the future at the Group: the Hanover plant will become the competence center for electrically powered commercial vehicles. The fully electric I.D. BUZZ, the new version of the Volkswagen brand's iconic campervan, will come off the assembly line there starting in 2022. We are also pooling our Group activities related to new mobility services such as MOIA and development of fully autonomous robotaxis in Hanover.

VOLKSWAGEN

AKTIENGESELLSCHAFT

TRATON HAS THE POTENTIAL TO BECOME A GLOBAL CHAMPION



We have pooled our heavy commercial vehicle activities in TRATON, under the umbrella of Volkswagen AG. The market leader for trucks in Europe and Brazil, TRATON has been able to win further market share. Sales revenue across all brands rose by 6 percent to almost €26 billion in 2018. Adjusted operating profit increased by about 13 percent to approximately €1.7 billion. Profit in the first quarter of 2019 again increased by almost 22 percent year on year. That shows: with its strong brands MAN, Scania and Volkswagen Caminhões e Ônibus, TRATON is on course to become a global champion. We will continue to pursue our plans for an IPO systematically. Backed by approval from the Supervisory Board, the Board of Management resolved yesterday to go ahead with the planned IPO of TRATON SE before the 2019 summer break, subject to further market developments.

VOLKSWAGEN

AKTIENGESELLSCHAFT

THE MQB IS THE BACKBONE OF OUR GROUP-WIDE MODEL OFFENSIVE



ŠKODA KODIAQ RS: Fuel consumption urban: 7.4; extra-urban: 5.8; combined: 6.4. CO2 emissions combined: 167 g/km; efficiency class C

Ladies and Gentlemen,

Our global model offensive is founded on powerful platforms. We are rolling out our major Group modular toolkits – the Modular Transverse Toolkit MQB, the Modular Longitudinal Toolkit MLB and, in future, the Modular Electric Drive Toolkit MEB – worldwide.

They enable our Group brands to launch new models quickly and efficiently and benefit from jointly developed technologies. That creates significant economies of scale at the Group in development, as regards cost of materials and in production. There is still plenty of potential to cut costs further here in the coming years and we intend to tap that. The MQB alone will grow to around 8 million units a year. And the MEB will contribute by far the largest number of e-vehicles.

VOLKSWAGEN

AKTIENGESELLSCHAFT

THE MLB IS THE GROUP'S MODULAR TOOLKIT FOR LARGE MODELS



Porsche Cayenne Turbo Coupé: Fuel consumption: combined: 9.4 l/100 km urban: 11.7 l/100 km extra-urban: 8.0 l/100 km; CO2 emissions: combined: 215 g/km; efficiency class F
Lamborghini Urus: Fuel consumption combined: 12.7 l/100km; CO2 emissions: combined: 325 g/km
Audi SQ7: Fuel consumption combined: 7.6–7.2 l/100 km CO2 emissions combined: 199–189 g/km

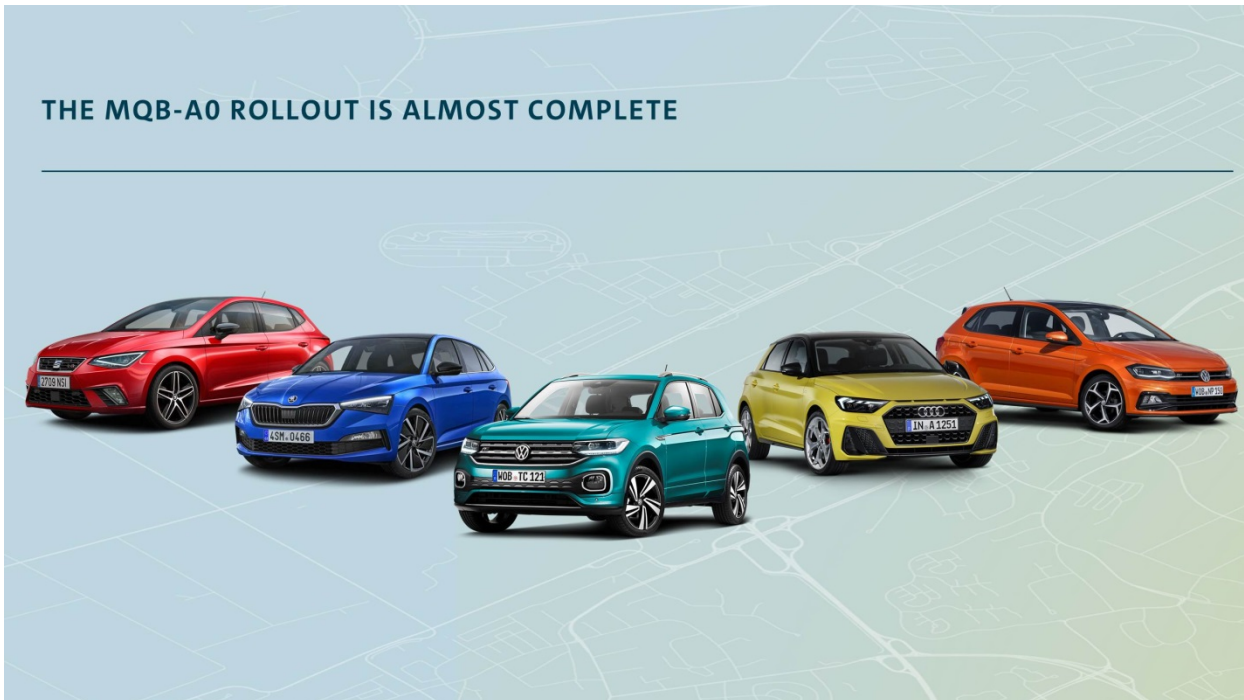
In particular, the strongly growing SUV segment has recently proven to be a key driving force behind our success. One in every four models sold by the Group worldwide is now an SUV. However, the market share of SUVs in many regions is already over 50 percent, so we still believe there is a great deal of potential. Here, too, we are leveraging the advantages of our modular toolkit strategy.

For example, we launched the Volkswagen Touareg, the Audi Q8 and the Lamborghini Urus last year. These models are all based on the MLB – like the Audi Q7 and Porsche Cayenne. They are manufactured in our production network in Bratislava, Leipzig and Zwickau.

VOLKSWAGEN

AKTIENGESELLSCHAFT

THE MQB-A0 ROLLOUT IS ALMOST COMPLETE



We also have the MQB-A0, a superior modular toolkit for small vehicles with which we can also hold our own in fiercely competitive markets. The MQB-A0 enables top-class technology at attractive prices. Examples are the Audi A1, the Polo and the T-Cross. The modular toolkit has almost been fully rolled out, for example in India, China, Latin America, South Africa and elsewhere.

VOLKSWAGEN

AKTIENGESELLSCHAFT

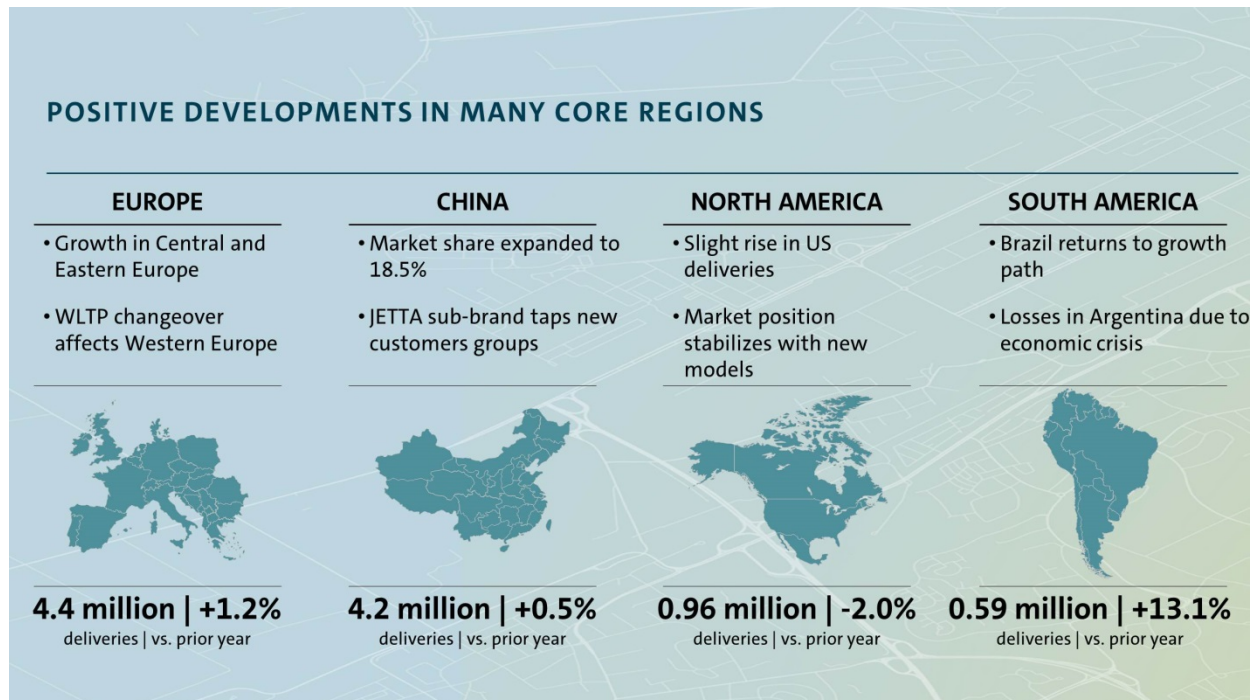
THE MEB TRANSFERS THE MODULAR TOOLKIT PRINCIPLE TO ELECTRIC VEHICLES



We are applying the modular toolkit principle to the world of electrification with the MEB. The Volkswagen ID.3 will be the first vehicle to start being produced on this new platform this year. It will be followed in quick succession by models from the AUDI, ŠKODA and SEAT brands. We are planning a total of 15 MEB models Group-wide in the first wave up to 2022. Possible applications range from compact cars and large sedans through to electrically-powered campervans. Emotional small-series vehicles are also conceivable. The more cars that are manufactured using the MEB, the cheaper they become. That is why we are also opening up this platform to third parties.

VOLKSWAGEN

AKTIENGESELLSCHAFT



Apart from our platforms, the Volkswagen Group's global footprint is a major strength. We improved our position in most markets last fiscal year – despite a tough market environment and intense competition.

- Europe remains the backbone of our business. Our Group brands delivered 4.4 million vehicles, an increase of 1.2 percent.
- The automotive market in China declined for the first time in two decades in 2018. All the same, we notched up a new delivery record with our joint venture partners. We have now increased our market share to 18.5 percent, so we are the market leader by a long way. We anticipate a pickup from the second half of the year onward as a result of the value-added tax cut and our model offensive. We intend to double our range of SUV models, which are particularly important in China, by 2020. Locally made e-vehicles will increase unit sales further.

VOLKSWAGEN

AKTIENGESELLSCHAFT

And, for a young audience, we presented our new sub-brand JETTA at the Shanghai Auto Show in April. Its high quality, safety and emotionality appeals to China's rapidly growing middle class and expands our market coverage.

- We are gradually making headway toward achieving the turnaround in the North America region. We reduced our unit sales in Mexico by just over 15 percent by deliberately withdrawing from unprofitable segments. In contrast, we increased deliveries in the U.S. by around 2 percent. We have stabilized and expanded our market position with new models like the Atlas and the long version of the Tiguan.
- We are also making significant progress in South America. The new Polo, the T-Cross and the Virtus, which we have developed for the region, are the benchmark in the market. We are on a growth trajectory in Brazil, where we increased unit sales by over 13 percent. Our restructuring is gaining traction. We are working to become the market leader here again. The situation in Argentina remains strained due to the ongoing economic crisis. We aim to post a profit again this year on the back of new, locally produced vehicles tailored to market needs.

Ladies and Gentlemen,

All in all, 2018 was a successful year for the Volkswagen Group. That is down to our strong team. I would therefore like to take this opportunity – and also, I believe, on your behalf – to express warm thanks to our more than 650,000 Volkswagen employees throughout the world.

VOLKSWAGEN

AKTIENGESELLSCHAFT

WE HAVE TAKEN IMPORTANT STEPS FOR THE FUTURE AND MOVED FORWARD WITH THE TRANSFORMATION

The infographic features a central 'TOGETHER STRATEGIE 2025' logo. Surrounding it are five key transformation steps, each with a small icon and a text box:

- New Group structure;** leaner and more decentralized; brand groups established (Icon: Volkswagen Group logo)
- Independence of TRATON and Group Components** on track (Icon: TRATON Volkswagen Group logo)
- New partnerships** concluded; e.g. Microsoft & Ford (Icon: Ford and Microsoft logos)
- Transition to stronger integrity & compliance;** new leadership culture (Icon: Handshake)
- Significant changes in leadership team;** external specialists recruited (Icon: Person silhouette)

Together, we have helped move our operating business forward and created the strategic conditions for our Company's further development. They also include the new management structure we implemented last year: responsibility for the Group has been spread over several shoulders. We take decisions at the lowest-possible level, close to actual operations. The new brand groups Volume, Premium and Sport & Luxury also work in accordance with that principle.

In addition, individual brands are assuming overarching responsibility for specific regions. The brand groups, brands and regions are in charge of operations. The Group focuses on the major synergies: the modular toolkits, the product portfolio, the cross-brand workforce for factories, sourcing, and vehicle electronics and vehicle IT. The last two points in particular may reap the greatest economies of scale for the Group in the future – and we are already tapping them.

VOLKSWAGEN

AKTIENGESELLSCHAFT

We have also strengthened the divisions' independence. Group Components has been working as an independent business unit since the start of the year. At a stroke, we have created one of the world's largest suppliers with a business volume of some €35 billion and over 80,000 employees. Group Components plays a vital part in the success of the electric car. It not only makes various electric components for the MEB, but also pools tasks for the most important element, the battery – from cell research, battery system manufacturing and second-life use to recycling. We are accomplishing the transformation from the combustion engine to e-mobility at our component plants in Salzgitter, Kassel and Braunschweig. We also intend to open up electric car components and the entire MEB to third parties in the future. Stefan Sommer heads Group Components and Procurement, and ensures optimal in-house and external manufacturing.

A great deal of money is needed for the major technologies of the future. Cooperation and partnerships are the right response to that. I have already mentioned the collaboration with Ford in the field of light commercial vehicles. In addition, we have teamed up with Microsoft to build the Volkswagen Automotive Cloud – the future backbone for all of Volkswagen's digital services and mobility offerings. Together with Amazon and Siemens, we are launching the Volkswagen Industrial Cloud for controlling our plants and supply chain. The long-term goal is to network our global supply chain with the more than 30,000 locations of over 1,500 suppliers. That will make us faster and more efficient. And will also help us establish a new industry standard here.

Ladies and Gentlemen,

It is vital for us to make further progress in transforming our corporate and leadership culture to ensure Volkswagen's success and future viability.

VOLKSWAGEN

AKTIENGESELLSCHAFT

Volkswagen must become an even better, more transparent company that acts with complete integrity in every respect. We are backed in that by the U.S. monitor Larry Thompson, a strong supporter with a great deal of experience. He and his team are helping to boost our realignment and drive our development in a critical, yet constructive manner. I would like to take this opportunity to express my sincerest thanks to Larry Thompson and his staff.

Together, we achieved important milestones in 2018, such as the Golden Rules in vehicle development, the Code of Conduct for the Group, and the Integrity Program for all brands and regions. And we have strengthened our whistleblower system, we impose rigorous sanctions in response to misconduct, and also report on that in our internal media – while, of course, safeguarding all privacy rights.

There were major changes recently in key posts at the Company. All in all, nearly 40 top positions throughout the Group were reallocated last year. Gunnar Kilian is now in charge of Human Resources. The new board member Stefan Sommer is responsible for Components and Procurement. Bram Schot has taken over as the new CEO of Audi. And Chief Operating Officer Ralf Brandstätter is responsible for day-to-day business of the Volkswagen brand.

In particular, we aim to fill top posts from our own ranks in the future. To enable that, we will develop the skills of our top managers in a more pinpointed and systematic way so as to prepare them for the next steps in their career. We need even more managers who lead a culture of change and do so by example. We want to become more international and more diverse. As part of that, we are committed to creative drive, a willingness to change, and strong leadership. That is why we have launched our own development program for the first time: almost 400 managers from the whole Group are taking part in it.

And we are revising the management remuneration system fundamentally: the increase in the Company's value will become the key indicator for defining the performance and compensation of our management. What will count in the future is not whether individual targets – those at brand level, for instance – are achieved, but our overall result.

III. Looking ahead

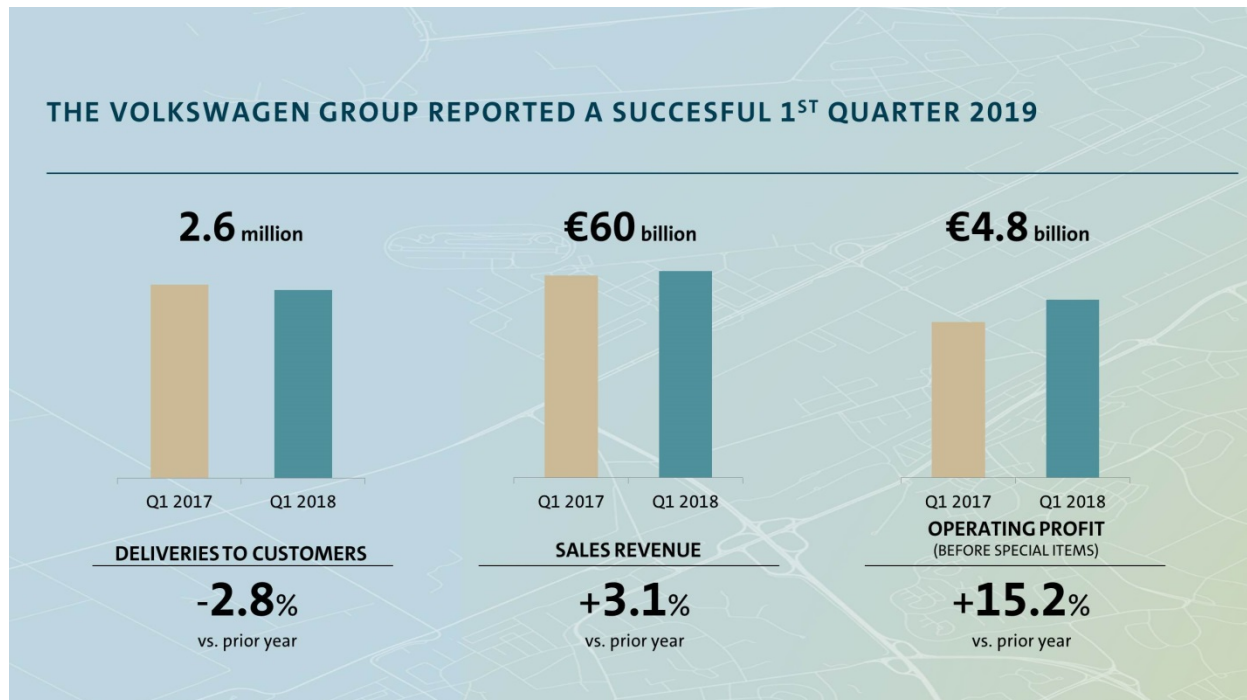
Ladies and Gentlemen,

The Volkswagen Group has the substance, global setup and financial strength to accomplish its transformation successfully. I'm therefore convinced that we have good opportunities not only to shape the transformation in our industry, but also to drive it. Volkswagen will also take a leading role in the new world of mobility.

Nevertheless, we still have to contend today with cumbersome structures, complex processes and high costs in some areas. There is a lot of work to be done here. We cannot afford any heavy baggage weighing us down long term. That is why we, and I myself, are setting a fast pace for transforming our Company. We are speeding up implementation of our Group strategy "TOGETHER 2025" and developing our objectives and performance indicators further. The Volkswagen Group is becoming more transparent and agile, more efficient, innovative and profitable – and that is what counts as we move forward. 2019 will be a crucial year for that.

VOLKSWAGEN

AKTIENGESELLSCHAFT



Despite faltering economic momentum and political uncertainties, we made a good start to the new fiscal year. We grew our sales revenue by 3.1 percent in the first quarter, despite a slight fall in deliveries. The main reasons for that were improvements in the mix and the good performance of the Financial Services Division. Operating profit before special items increased by €0.6 billion to €4.8 billion, also aided by a remeasurement effect for derivatives.

We are sticking to our targets for the current fiscal year: we expect sales revenue to rise by up to 5 percent and anticipate an operating return on sales of between 6.5 and 7.5 percent.

Efficiency programs are underway at all brands so that we can safeguard our earnings and continue to fund the significant future investments under our own steam. That also includes a stronger focus on our core automotive business. We are reviewing whether we are still the best owner for the various businesses.

VOLKSWAGEN

AKTIENGESELLSCHAFT

We have made a start by resuming preparations for an IPO of TRATON SE. At its meeting yesterday, the Supervisory Board requested the Board of Management to develop a forward-looking, industrially meaningful solution for MAN Energy Solutions and RENK. The focus lies on opening future-oriented growth perspectives for mechanical engineering in the Group – for instance through a joint venture, partnerships or a full or partial sale.

Dear Shareholders,

The core task of all brands this year is still to build on their market position. We will also remain on the offensive in 2019. Our brands will launch a total of more than 90 new models. One of the highlights will be the new version of our iconic Volkswagen car.

THE GOLF 8 WILL AGAIN SET THE BENCHMARK IN THE COMPACT CLASS



VOLKSWAGEN

AKTIENGESELLSCHAFT

We will present the 8th generation of the Golf in Wolfsburg this October. It will continue the success story of the Golf 7, which still tops just about all comparison tests, despite the fact that it is at the end of its lifecycle.

We sold around 830,000 last year, so the Golf was and is a key vehicle for our Group. This new version will again set the benchmark in the compact class: in terms of consumption and CO₂ emissions, driving comfort, workmanship and connectivity. The car is fully connected and has a 48-volt mild hybrid drive for the first time.

With gasoline, diesel and plug-in hybrid variants and a range of 80 kilometers on one charge, the Golf offers a broad, cutting-edge drive portfolio. We can use it in just about all vehicle classes – in particular in markets where e-mobility is making slower headway. The new Golf will also be available as a CNG model. We are the world leader for gas drives and better positioned in this field than the competition. We will also expand and enhance this technology.

Nevertheless, we are pushing ahead with e-mobility. It is by far the most efficient way to achieve decarbonization and the fleet-wide CO₂ targets – also for you as shareholders. 2019 will be a key year in our Group-wide electrification offensive.

The car must become clean, so as to make sure that individual mobility remains possible for as many people as possible. Only then does automobility have a good future. We are at a turning point: climate change is *the* key challenge facing mankind. If we do not cut CO₂ emissions significantly, the consequence for coming generations will be devastating. As the world's largest car maker, we have a particular obligation in this regard.

Some 14 percent of CO₂ emissions worldwide stem from the transport sector. This includes airplanes and ships as well as passenger cars and trucks. The vehicles from our

VOLKSWAGEN

AKTIENGESELLSCHAFT

passenger car brands alone are responsible for 1 percent of global CO₂ emissions. We aim to bring that one percent down to 0 by 2050. We are committed to the targets set under the Paris agreement.

WE ARE LAUNCHING THE MOST AMBITIOUS DECARBONIZATION AND CLIMATE PROTECTION PROGRAM IN OUR INDUSTRY. VOLKSWAGEN WILL BE CO₂ NEUTRAL BY 2050



VOLUNTARY COMMITMENT

- CO₂ neutrality for fleet and entire company
- CO₂ will be included in supply contracts
- Use **regenerative energies** for energy supply
- €50 million CO₂ fund for reforestation projects set up

The Volkswagen Group is to be CO₂-neutral by 2050 at the latest. That not only applies for our vehicles, but also for procurement, production and administration. To achieve that, our Board of Management has agreed on an initial comprehensive program of decarbonization. We are guided by three principles. First: making effective and sustainable cuts to CO₂. Second: switching to renewable energy sources for power supply. Third: offsetting emissions whenever they cannot be avoided.

We are involving our suppliers in our efforts to reduce the CO₂ balance of our vehicles. We are making CO₂ emissions a core component of agreements with suppliers. For instance, production and delivery of the batteries for the Audi e-tron is carbon-neutral. The vehicle

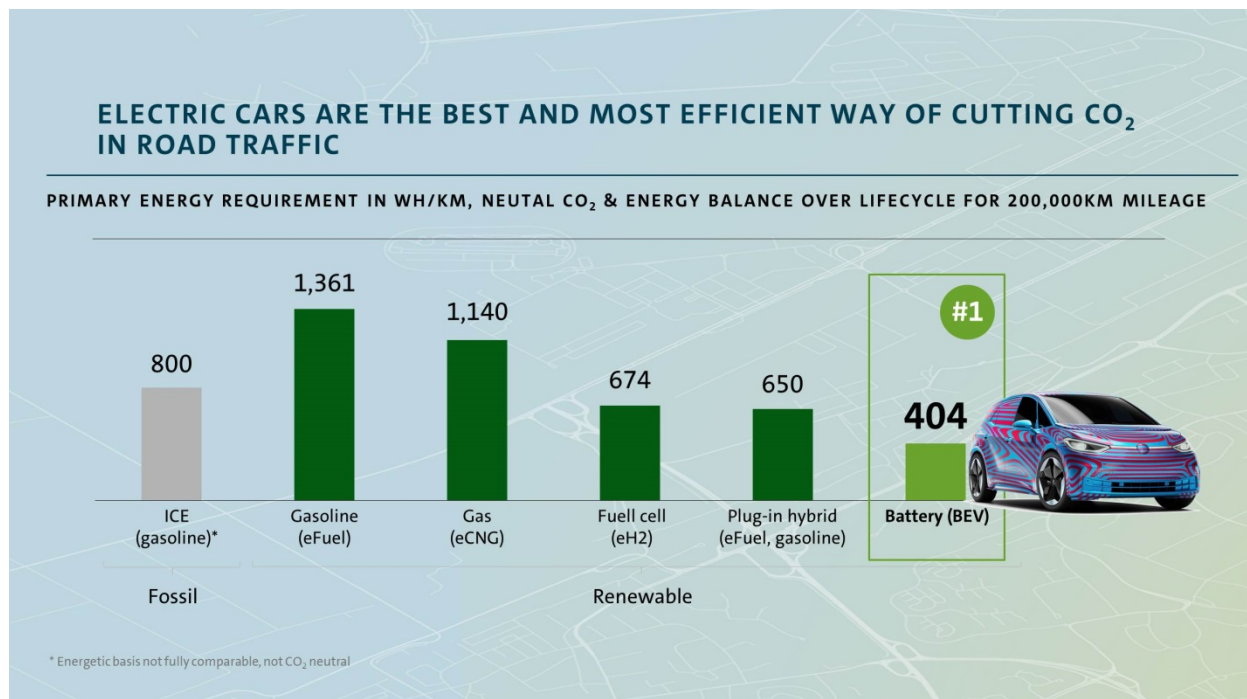
VOLKSWAGEN

AKTIENGESELLSCHAFT

is built at the CO₂-neutral plant in Brussels. Production of the ID. in Zwickau will also be CO₂-neutral.

We are converting our own power stations in Wolfsburg from coal to gas. That will cut CO₂ emissions by 1.5 million tonnes per year from 2023 onwards – the equivalent of annual emissions from 870,000 vehicles. We are also committed to the use of renewable energies at our plants.

To offset unavoidable CO₂ emissions in vehicle production in the medium term, we are planning large-scale investments in climate protection projects, such as for reforestation. These measures will be paid for out of Volkswagen's own CO₂ fund, with €50 million earmarked in a first stage. All in all, this is the most ambitious and comprehensive climate protection program ever undertaken in our industry.



Ladies and Gentlemen,

The key element in our CO₂ strategy is e-mobility. There is no alternative to the battery-powered electric drive for the foreseeable future. Over its entire lifecycle of 200,000 kilometers, an electric car produces just around half the CO₂ of a vehicle with a combustion engine.

The electric car is also far more energy-efficient than other alternative drives. The fuel cell or synthetic fuels may gain in importance in the medium and long term. We continue to conduct intensive research on both options. Audi plays the lead role in the Group in that regard. It will make the h-tron quattro, a fuel cell model, part of small-scale production starting in 2020. Audi and Porsche are laying the groundwork by carrying out research into synthetic fuels.

However, neither the fuel cell nor synthetic fuels will be available at reasonable prices or on an industrial scale with the necessary energy efficiency by the mid-2020s. Moreover, a completely new, additional fueling infrastructure would have to be established for the fuel cell. And the technology will only become a real alternative if the hydrogen comes from surpluses from renewable energies. We are a long way from that. That is why we call for a clear commitment to e-mobility and resolute action by all parties.

VOLKSWAGEN

AKTIENGESELLSCHAFT

THE GROUP-WIDE ELECTRIC OFFENSIVE GETS UNDERWAY THIS YEAR



Audi e-tron: power consumption combined in kWh/100 km: 24.6–23.7 (NEDC); CO₂ emission combined in g/km: 0
Porsche Taycan: near-series study
ID.3: Vehicle is not yet on sale

Volkswagen is leading the way. The Audi e-tron is on the market. The interest among customers is enormous.

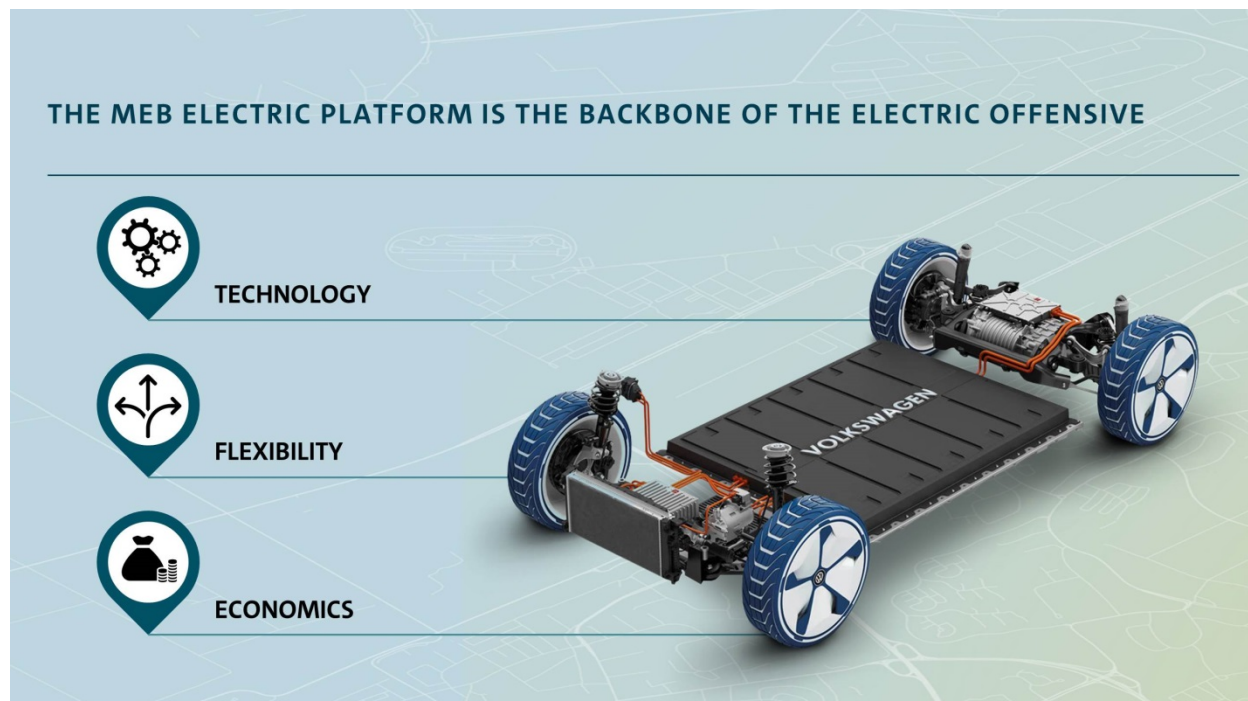
It will be followed by the world premiere of the Porsche Taycan, by far the sportiest electric car on the market, in September. Here, too, there is huge customer interest: more than 20,000 prospective buyers have registered so far. Porsche is already preparing to expand capacities. Production in Zuffenhausen will commence as scheduled and the car will be launched this year.

The next highlight will be the presentation of the ID.3 at the IAA in September. With its ID.3, Volkswagen is introducing the first fully functional electric car that will cost as much as a comparably equipped Golf, i.e. less than €30,000. That figure will fall further thanks to the government incentive. Pre-booking began here in Berlin a week ago.

VOLKSWAGEN

AKTIENGESELLSCHAFT

The reception has far exceeded our expectations: over 15,000 customers have secured an early production slot so far. We assume that the launch edition of the ID. will be sold out by the time we unveil it at the IAA.



The ID.3 is the first vehicle based on the Modular Electric Drive Toolkit I mentioned previously. The MEB has been developed as an all-electric platform. It makes optimum use of the latest technologies – in terms of performance, space and digital offerings. The MEB means we can achieve ranges in excess of 550 kilometers (in accordance with WLTP).

We will build around 22 million vehicles on our Group's electrification platforms over the next ten years. The electric-powered proportion of our fleet in Europe and China will rise to around 40 percent by 2030.

VOLKSWAGEN

AKTIENGESELLSCHAFT

The battery is a key and strategically important component in the electric car. That is why we are making battery technology a key area of expertise at Volkswagen, with our Center of Excellence in Salzgitter. We have selected strategic battery cell suppliers. And in view of the constantly increasing demand, we are also moving forward with setting up and operating a battery cell production facility together with a partner company. To that end, the Supervisory Board approved investments of just under one billion euros at its meeting yesterday. We plan to build this facility in Germany, to be more specific in Salzgitter, provided the general economic conditions for that exist.



The electrification offensive is also changing our vehicle factories. The lead factory for the MEB will be our plant in Zwickau, where conversion is in full swing. Production of the ID.3 will commence this year. The plants in Emden and Hanover will also be converted for production of electric vehicles, which is expected to commence in 2022. That will create the largest production network for electric cars here in Europe.

VOLKSWAGEN

AKTIENGESELLSCHAFT

Chattanooga will be our site for the production of electric vehicles in North America. We will invest around €700 million and create up to 1,000 new jobs there. Our U.S. subsidiary Electrify America is investing a total of 2 billion US dollars in establishing the charging infrastructure and on information campaigns on e-mobility in the United States.

With Anting and Foshan, two MEB plants that can make up to 600,000 electric cars a year are currently under construction in China and will commence production only a few months after Zwickau. Further potential plants are in the planning stage. China is the world's leading e-mobility market. We will offer the largest portfolio of electric vehicles and cater for all relevant market segments there.

VOLKSWAGEN IS INVESTING IN EXPANDING THE CHARGING INFRASTRUCTURE

IONITY	Elli	Volkswagen
Fast-charging network across Europe	Volkswagen Naturstrom	Charging points at 4,000 VW dealers
400 stations / up to 2,400 charging points	Wallboxes for private customers	3,500 charging points at VW sites
Joint venture of VW, BMW, Daimler, Ford	Charging cards	

+ comparable activities in USA & China

Ladies and Gentlemen,

We will launch attractive electric cars in the coming years.

VOLKSWAGEN

AKTIENGESELLSCHAFT

For many customers, they will be the first choice when it comes to running costs, connectivity, state-of-the-art features and, of course, eco-friendliness. But people will only decide to buy them when they are sure they can charge their electric car anytime, anywhere.

We are building IONITY, a Europe-wide charging network, in collaboration with industry partners. 400 fast-charging stations with more than 2,400 charging points will be installed along Europe's major roads and highways by 2020 – a quarter of them in Germany – with a charging opportunity every 120 kilometers. We offer low-cost and easy-to-install wallboxes for charging at home – green power included – through our subsidiary Elli. We are setting up our own charging points on employee car parks and at dealerships.

The Volkswagen brand alone is installing around 3,500 stations for electric vehicles at its German locations. And we are also entering into partnerships with large retail chains: customers will be able to charge their vehicles in front of the supermarket while they shop. Tesco in the UK will be our first such partner, and others will follow.

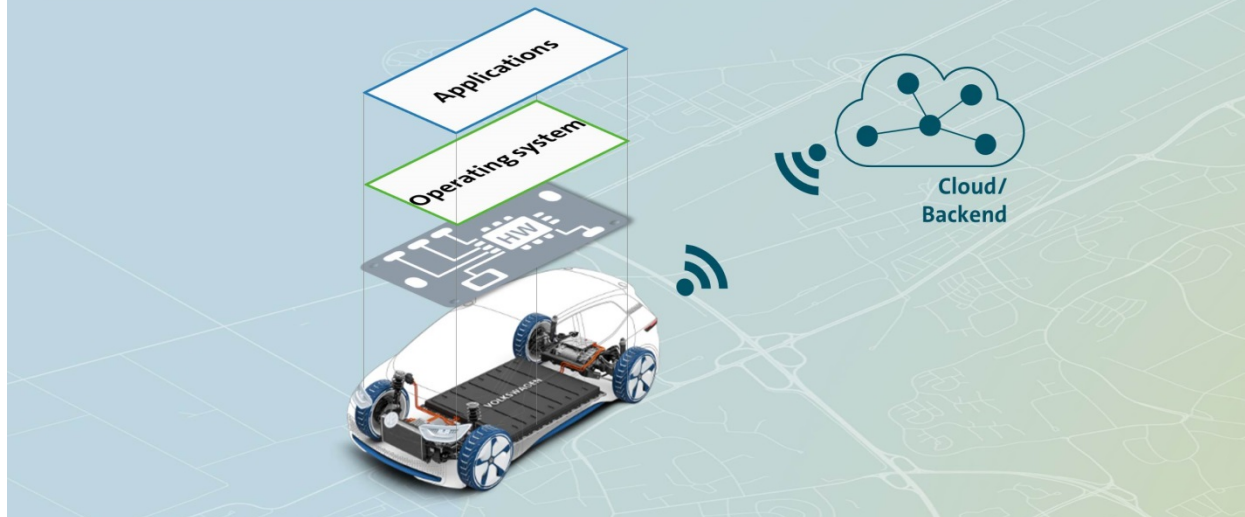
Dear Shareholders,

Volkswagen is better positioned for e-mobility than the competition. We as a group will make the electric car successful – with the right products, superior modular toolkits, and global economies of scale. As a result, we will make it affordable for broad sections of society. In just a few years' time, electric cars and conventional models will cost the same.

VOLKSWAGEN

AKTIENGESELLSCHAFT

VOLKSWAGEN IS WORKING FLAT OUT ON ITS SOFTWARE COMPETENCE



As regards the second megatrend – digitalization and software – we are moving forward with a similarly ambitious plan. Software will shape the car of the future. The main innovations in the vehicle will come from this field in particular. Our customers expect us to provide them with updates and new services – virtually every week – over their vehicle’s entire lifecycle.

We are reorganizing Volkswagen to address this radical change, which demands completely new competences and capacities. We are transforming more and more from being a hardware producer to becoming a software-based technology company – but without renouncing our traditional strengths in developing and making great vehicles. We are the first car maker to set up a separate hardware and software development function. Christian Senger recently took charge of the “Digital Car & Services” function on the board of the Volkswagen brand, with responsibility for Group activities in this field. We will set greater store by software developed in-house for all brands and regions in the future.

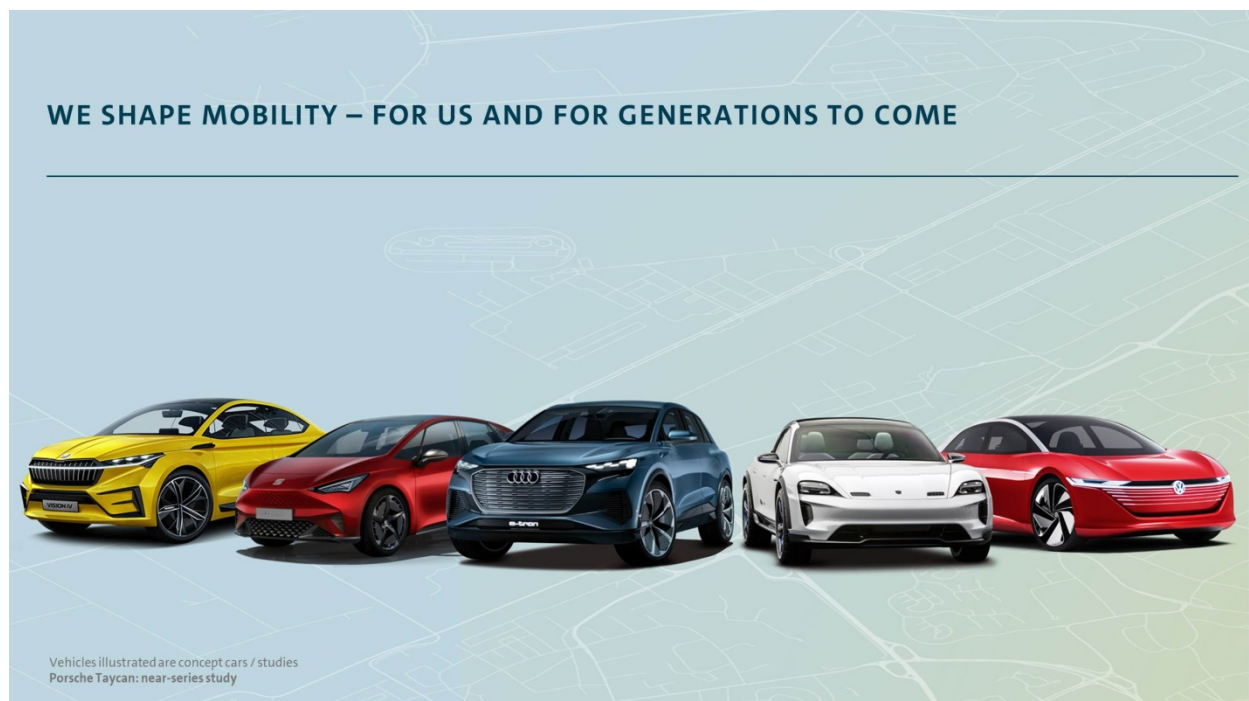
VOLKSWAGEN

AKTIENGESELLSCHAFT

Christian Senger will explain what that means for the Volkswagen Group at a separate event with media representatives tomorrow. You are warmly invited to take part.

Software know-how is also vital to expanding our business model beyond the car. Looking to the future, we will earn money from new, digital mobility and transportation services. They will embrace the entire value chain: from the fully connected car, mobile online services to the driverless robotaxi. Much is still in its infancy. But we are putting our plans into action bit by bit. For example at our Group subsidiary MOIA. Cities need mobility. But many of them are already stretched to their limits in terms of traffic density and infrastructure. Shuttle services like MOIA can help reduce traffic in cities and make mobility sustainable. Following Hanover, MOIA also started operating in Hamburg recently. Specially developed shuttle buses made in Osnabrück and based on the Crafter are used. They are fully electric, comfortable and a sensible addition to local public transport.

IV. Conclusion



VOLKSWAGEN

AKTIENGESELLSCHAFT

Ladies and Gentlemen,

The Volkswagen Group has picked up speed. We performed successfully in 2018. Our brands and regions made a good start to 2019. We have taken important strategic decisions as regards the major issues of the future, namely e-mobility and digitalization. We are working systematically on our weaknesses.

We are shaping mobility of the future. That is our aspiration. Volkswagen can achieve that like no other automotive company. 2019 will be an important stage on that road. We will also stick to our course operationally and do everything needed to meet our annual forecast.

In the long term, we want to become a stronger company for our employees, a more innovative company for our customers, a better and more eco-conscious company for society, and a more valuable company for you, our shareholders and investors. To put it in a nutshell: a Volkswagen that is valued and respected for the contribution it makes: “We shape mobility – for us and coming generations.”

We thank you for your support for and financial commitment to Volkswagen. We feel sure that it will continue to be worthwhile.

Many thanks for your attention.