
Media information

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Volkswagen is investing in the future

- **Volkswagen to spend almost €44 billion on e-mobility, autonomous driving, new mobility services and digitalization in vehicles and at plants through 2023**
- **Focus on further improvement in earnings to secure the financial basis for the significant expenditure on Volkswagen's future viability**
- **CEO Diess: "One aim of the Volkswagen Group's strategy is to speed up the pace of innovation"**
- **CFO Witter: "We stand by our investment and cost targets, we are focused and disciplined, and we will systematically continue on our chosen path."**
- **Talks with Ford about an industrial cooperation in the light commercial vehicle segment are progressing positively – additional fields of cooperation identified**

Wolfsburg, November 16, 2018 – The Volkswagen Group is investing heavily in its future. Over the coming five years to the end of 2023, the Company will be spending almost €44 billion alone on the future issues of e-mobility, autonomous driving, new mobility services and digitalization in its vehicles and at its plants. This represents approximately one-third of total expenditure for the 2019-2023 planning period and is the outcome of the Group's planning round, which has now been completed and was discussed and endorsed by the Supervisory Board of Volkswagen Aktiengesellschaft at its meeting today.

"One aim of the Volkswagen Group's strategy is to speed up the pace of innovation. We are focusing our investments on the future fields of mobility and systematically implementing our strategy", Herbert Diess, CEO of Volkswagen Aktiengesellschaft, said on Friday after the regular Supervisory Board meeting.

Focus on further improvement in earnings at all brands and in all Group units

The Volkswagen Group is working consistently on improving earnings at all brands and companies in order to finance the enormous challenges of the future from its own resources. Programs to secure the agreed targets have been initiated by the brands and companies. Frank Witter, Group Board Member for Finance and IT, commented: "We stand by our investment and cost targets, we are focused and disciplined, and we will systematically continue on our chosen path."

Both the capital expenditure ratio and the research and development ratio in the Group's Automotive Division are to continue to decline to a competitive level of 6 percent from 2020 onward. The net cash flow target of a minimum of €10 billion by 2020 remains valid. The diesel crisis will, however, still impact cash outflows in planning years 2019 and 2020.

The joint ventures in China are not consolidated and are therefore not included in the plans. These joint venture companies provide their own funding for investments in plants and products.

Partnerships are a key success factor for shaping the future

In addition to investment planning, the Supervisory Board also consulted on further groundbreaking future projects at its meeting on Friday. The talks with Ford about an industrial cooperation announced earlier are progressing positively so far. The two companies complement each other very well in terms of both products and regions. The joint development and manufacture of a range of light commercial vehicles is at the core of the envisaged cooperation. Volkswagen expects significant synergy effects from the potential to lower costs or increase performance via scales. Ford and Volkswagen will nevertheless remain competitors, as the proposed cooperation does in no way concern commercial, marketing or pricing strategies. Additional fields of cooperation outside the light commercial vehicle segment with the potential for expanding collaboration have also been identified.

Note:

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About the Volkswagen Group:

The Volkswagen Group, with its headquarters in Wolfsburg, is one of the world's leading automobile manufacturers and the largest carmaker in Europe. The Group comprises twelve brands from seven European countries: Volkswagen Passenger Cars, Audi, SEAT, ŠKODA, Bentley, Bugatti, Lamborghini, Porsche, Ducati, Volkswagen Commercial Vehicles, Scania and MAN. The passenger car portfolio ranges from small cars all the way to luxury-class vehicles. Ducati offers motorcycles. In the light and heavy commercial vehicles sector, the products include ranges from pick-ups, buses and heavy trucks. Every weekday, 642,292 employees around the globe produce on average 44,170 vehicles, are involved in vehicle-related services or work in other areas of business. The Volkswagen Group sells its vehicles in 153 countries.

In 2017, the total number of vehicles supplied to customers by the Group globally was 10,741 million (2016: 10,297 million). The passenger car global market share was 12.1 per cent. In Western Europe 22.0 per cent of all new passenger cars come from the Volkswagen Group. Group sales revenue in 2017 totalled €231 billion (2016: €217 billion). Earnings after tax in 2017 amounted to €11.6 billion (2016: €5.4 billion).
