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Volkswagen Reports Robust Operations in Fiscal Year 2015 – Special Items Impact on Result for the Year

- **Consolidated sales revenue up 5.4 percent year-on-year to EUR 213.3 billion**
- **Operating profit before special items slightly higher than prior-year figure at EUR 12.8 billion**
- **Negative earnings before and after tax owing to substantial special items of EUR 16.9 billion**
- **Net liquidity in Automotive Division increases to EUR 24.5 (17.6) billion**
- **Dividend of €0.11 per ordinary share and €0.17 per preferred share proposed**

Wolfsburg, April 22, 2016 – The Volkswagen Group’s operations developed very robustly in fiscal year 2015 in spite of the emissions issue. Consolidated sales revenue rose by 5.4 percent to EUR 213.3 billion on the back of improvements in the mix in the automotive business and the strong performance of the Financial Services Division, alongside positive exchange rate effects. The solid development of sales revenue is not reflected in the relevant earnings figures: the operating result, which had amounted to EUR 12.7 billion in 2014, stood at EUR –4.1 billion in 2015. This figure includes negative special items totaling EUR 16.9 billion. At EUR 12.8 billion, the operating profit before extraordinary charges was slightly higher than the prior-year figure.

The largest share of the special items amounting to €16.2 billion comprises provisions for the emissions issue, among other things for pending technical modifications and customer-related measures as well as global legal risks. This takes account of the identifiable risks in the 2015 annual financial statements in connection with the emissions issue.

The share of operating profit attributable to the Chinese joint ventures, whose business is not included in the Group’s sales revenue and operating result, marginally exceeded the excellent prior-year figure following a strong fourth quarter and on account of exchange rate effects. Due to the high extraordinary charges, the Volkswagen Group recorded a consolidated loss before and after tax of EUR 1.3 billion and EUR 1.4 billion, respectively.

“The Volkswagen Group’s operations are in great shape, as the figures before special items for the past fiscal year clearly show,” explained the Chairman of the Board of Management, Matthias Müller. “Were it not for the sizable provisions we made for all repercussions of the emissions issue that are now quantifiable, we would be reporting on yet another successful year overall. The current crisis – as the figures presented today also reveal – is having a huge impact on Volkswagen’s financial position. Yet we have the firm intention and the means to handle the difficult situation we are in using our own resources,” Müller added.

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The Volkswagen Group's financial situation is favorable. The sale of the shares in Suzuki, among other things, added a total of EUR 2.8 billion to the Automotive Division's net cash flow, lifting it to EUR 8.9 billion. Net liquidity in the Automotive Division rose to EUR 24.5 (17.6) billion.

After considering all the circumstances, the Board of Management and Supervisory Board will propose to the Annual General Meeting of Volkswagen Aktiengesellschaft on June 22, 2016 that a dividend be paid. This is proposed to be €0.11 per ordinary share and €0.17 per preferred share.

The Board of Management estimates that, on the whole, deliveries to customers of the Volkswagen Group in fiscal year 2016 will be on a level with the past year due to volume growth in China. Depending on the economic conditions – particularly in South America and Russia – and the exchange rate development and in light of the emissions issue, the Board of Management expects that sales revenue for the Volkswagen Group may be down by as much as 5 percent on the previous year. In terms of the Group's operating profit, the Board of Management anticipates an operating return on sales of between 5.0 and 6.0 percent.

“This year we are again operating in an exceedingly challenging environment in which global demand for new vehicles is declining, exchange rates and interest rates remain highly volatile and competition in many of our markets is intensifying. Added to this is the emissions issue, the extensive clarification of which will also be a dominant feature of the Volkswagen Group's work in the current year,” Chief Financial Officer Frank Witter explained. “Regardless of this, we are confident that the Volkswagen Group will make good progress on its chosen path.”

- Volkswagen presents 2015 consolidated financial statements: see next page

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Volkswagen presents 2015 consolidated financial statements:

January – December		2015	2014	+/- (%)
Volkswagen Group (IFRSs):				
Deliveries to customers	'000 units	9,931	10,137	- 2.0
Vehicle sales	'000 units	10,010	10,217	- 2.0
Production	'000 units	10,017	10,213	- 1.9
Employees	Dec. 31	610,076	592,586	+ 3.0
Sales revenue	EUR million	213,292	202,458	+ 5.4
Operating profit/loss	EUR million	- 4,069	12,697	
Profit/loss before tax	EUR million	- 1,301	14,794	
Profit/loss after tax	EUR million	- 1,361	11,068	
Profit attributable to shareholders of Volkswagen AG	EUR million	- 1,582	10,847	
Earnings per share (basic)				
- Ordinary shares	EUR	- 3.20	21.82	
- Preferred shares	EUR	- 3.09	21.88	
Automotive Division (including allocation of consolidation adjustments between the Automotive and Financial Services divisions):				
Cash flows from operating activities	EUR million	23,796	21,593	+ 10.2
Cash flows from investing activities				
attributable to operating activities*)	EUR million	14,909	15,476	- 3.7
- of which investments in property, plant and equipment, investment property and intangible assets, excluding capitalized development costs (capex)	EUR million	12,738	11,495	+ 10.8
Net liquidity at December 31	EUR million	24,522	17,639	+ 39.0

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		2015	2014	+/- (%)
Volkswagen AG (German Commercial Code)				
Net loss/net income	EUR million	- 5,515	2,476	
Dividend proposal				
- per ordinary share	EUR	0.11	4.80	
- per preferred share	EUR	0.17	4.86	

*) Excluding acquisition and disposal of equity investments: EUR 17,270 million (previous year: EUR 15,719 million).

Prospects for 2016:

The Volkswagen Group's brands will press ahead with their product initiative in 2016, modernizing and expanding their offering by introducing new models. Our goal is to offer all customers the mobility and innovations they need, sustainably strengthening our competitive position in the process.

We expect that, on the whole, deliveries to customers of the Volkswagen Group in 2016 will be on a level with the previous year amid persistently challenging market conditions, with a growing volume in China.

In addition to the emissions issue, the highly competitive environment as well as interest rate and exchange rate volatility and fluctuations in raw materials prices all pose challenges. We anticipate a positive effect from the efficiency programs implemented by all brands and from the modular toolkits. Depending on the economic conditions – particularly in South America and Russia – and the exchange rate development and in light of the emissions issue, we estimate that 2016 sales revenue for the Volkswagen Group may be down by as much as 5 percent on the prior-year figure. In terms of the Group's operating profit, we anticipate an operating return on sales of between 5.0 and 6.0 percent in 2016.

In the Passenger Cars Business Area we expect a sharp decrease in sales revenue, with an operating return on sales in the region of 5.5 – 6.5 percent. With sales revenue in the Commercial Vehicles Business Area likely to remain essentially unchanged, the operating return on sales should be between 2.0 and 4.0 percent. We expect sales revenue in the Power Engineering Business Area to be perceptibly lower than the prior-year figure, with a significantly reduced operating profit. For the Financial Services Division, we are forecasting

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sales revenue and operating profit at the prior-year level. Disciplined cost and investment management and the continuous optimization of our processes are integral elements of the Volkswagen Group's strategy.

The Annual Media Conference and Investor Conference will be held in Wolfsburg on April 28, 2016.

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