

# ANNUAL ROUND-UP 2017

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## Successful operating performance from January to September 2017

EUR 58.9 billion



2016 2017  
Total sales revenue

not comparable  
with prev. year

■ 2016 ■ 2016 (adjusted) ■ 2017

EUR 2.5 billion



2016 before special items 2017 before special items  
Operating result

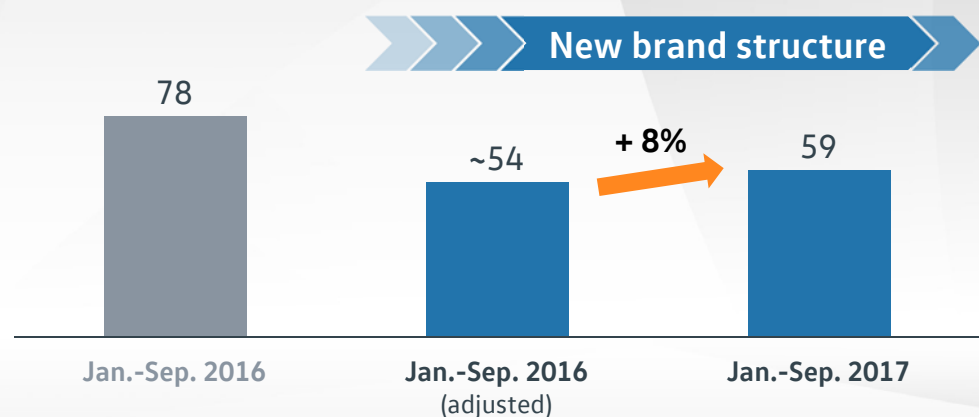
4.3% RoS



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## Increase in revenue compared to previous year

SALES REVENUE IN EUR BILLION



Sales<sup>1)</sup> [thousand vehicles] 3,234

2,563

2,632

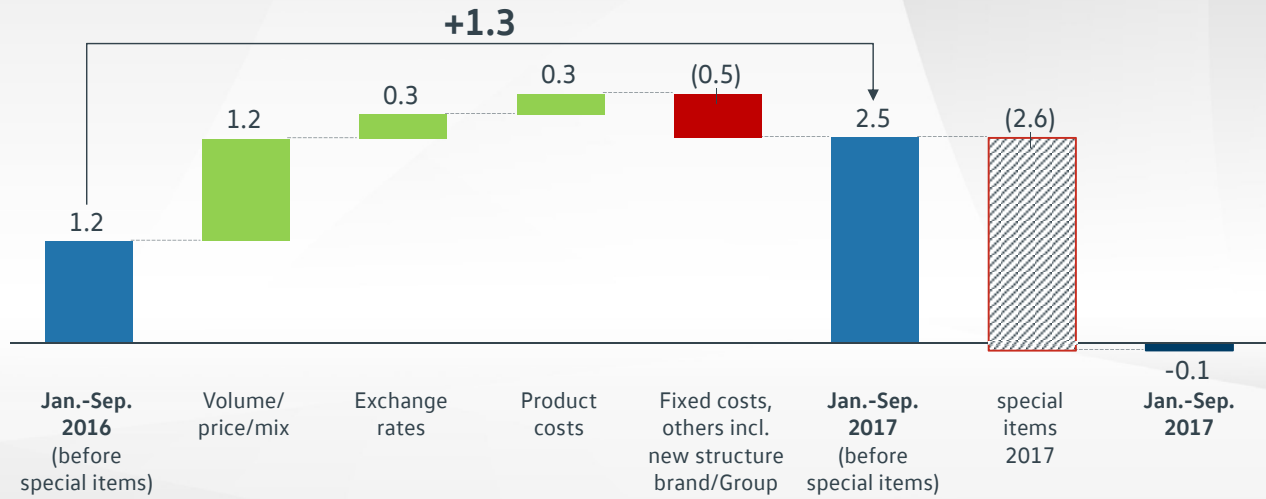
1) Unit sales from the joint venture companies in China are not included in the figures.



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## Operating result substantially improved

OPERATING RESULT IN EUR BILLIONS



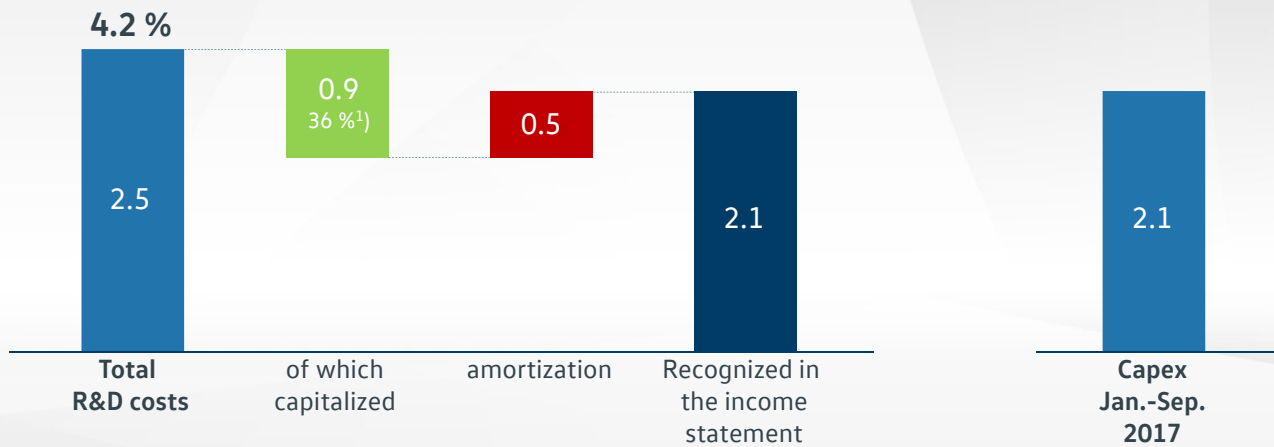
Note, due to rounding the sum of single variations can differ to total variation.



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## Research & Development costs and Capex Jan.-Sep. 2017

IN EUR BILLION AND AS % OF SALES REVENUES



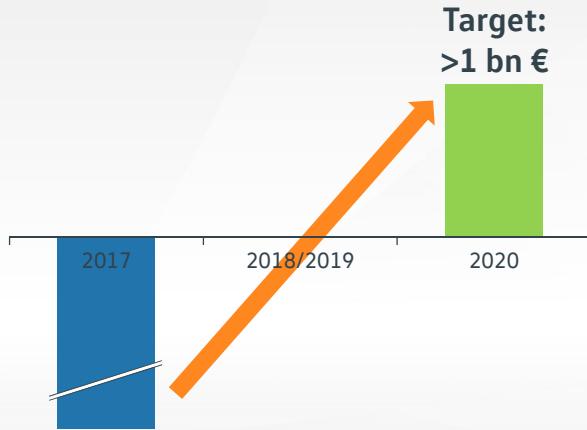
1) R&D capitalization percentage



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## Strong focus on cash generation

FREE CASH FLOW\* IN EUR BILLIONS



### Drivers:

- Further strengthening of operating performance
- Productivity improvements and efficiency gains
- Capital discipline

➔ Break even Cash Flow before 2020

\* Net Cash Flow w/o acquisition and disposal of equity investments



## Key levers for improving the result of the Volkswagen brand by 2020

### Product offensive



- SUV offensive
- MQB roll-out
- Global electrification of fleet (CO<sub>2</sub> conformity)



### Future Pact

ZUKUNFTS  
PAKT

- Productivity 25%
- Reduction in factory costs
- Development/Capex efficiency
- Lean administration and cutting bureaucracy



### Turnaround plans for the regions

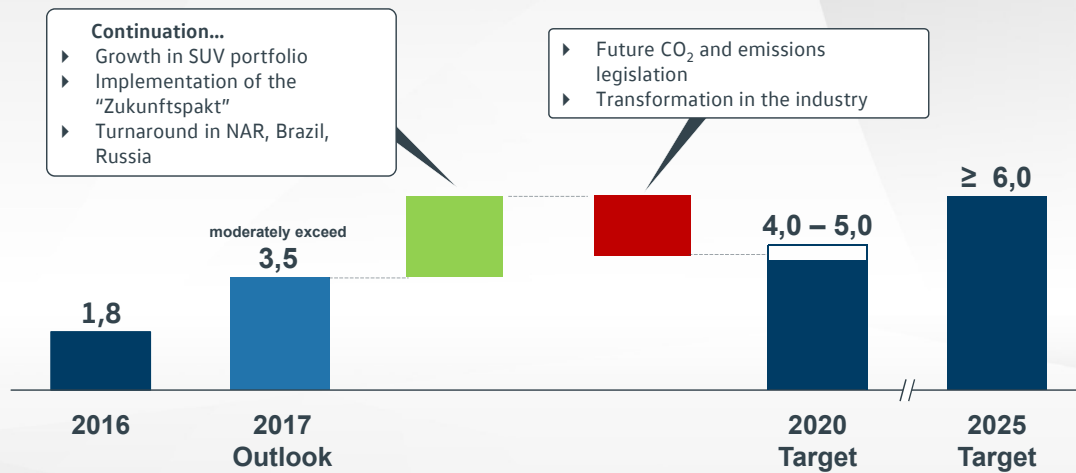


- Massive restructuring
- Product offensive
- "Top of volume" brand positioning



## Midterm target for return on sales sharpened

### OPERATING RETURN ON SALES



## Financial outlook and targets

	2017 Outlook	2020 Target	2025 Target
Operating return on sales	Moderately above 3.5 % before special items	4 - 5 %	≥ 6 %
Capex ratio	4.7 %	4 - 5 %	4 - 5 %
R&D cost ratio	4.3 %	4 %	4 %
Free Cash Flow	negative	> € 1bn	>> € 1bn

