Business Development

In fiscal year 2015, the global economy grew at a moderate rate, slightly below that of the previous year. Global demand for vehicles continued to rise. Amid increasingly difficult conditions in some relevant markets, deliveries to Volkswagen Group's customers were down slightly year-on-year.

GLOBAL ECONOMY CONTINUES TO SEE MODERATE GROWTH

The moderate growth rate of the global economy declined to 2.5 (2.7)% in fiscal year 2015. While the economic situation in the industrialized nations improved slightly, the economic performance in many emerging economies declined in the course of the year. Overall, inflation persisted at a low level despite the expansionary monetary policies of many central banks. Although the comparatively low energy and commodity prices weighed on the economies of individual exporting countries that depend on them, their effect on the global economy as a whole was supportive.

Europe/Other markets

In Western Europe, economic recovery continued: gross domestic product (GDP) rose by 1.6 (1.3)% year-on-year in 2015. Most Northern European countries saw solid economic growth. In most Southern European countries, the economic situation stabilized amid increasing rates of expansion. The eurozone's unemployment rate fell to 11.5 (12.1)%, although it remained significantly above the average in Greece and Spain.

In Central and Eastern Europe, GDP growth decreased by an average of 0.7 (+1.8)% in the reporting period. While Central Europe proceeded on a positive growth path, Eastern Europe experienced a recessionary trend. In addition to the conflict between Russia and Ukraine and the resulting uncertainties, falling energy prices had a negative impact on the region overall. In Russia, economic output dropped significantly, by 3.9 (+0.6)%, in the reporting period.

South Africa's GDP expanded by 1.4 (1.5)%, thus falling somewhat short of the relatively low figure for the previous year. The country's economic performance continued to be negatively impacted by structural deficits and social conflicts.

Germany

The German economy benefited from positive consumer sentiment and the stable labor market in 2015. Despite the weak euro, exports failed to boost growth in any significant way. GDP expanded by 1.5 (1.6)%, somewhat weaker than in the previous year.

North America

Following a robust first half of 2015, economic growth in the US lost some of its momentum as the year progressed. The economy was supported primarily by private consumer demand and expansionary monetary policies. The unemployment rate continued the positive trend of the previous year, falling to 5.0 (5.6)% by the end of the year. The US dollar remained strong, putting goods exports under pressure. Overall, as in the previous year, the US economy expanded by 2.4%. Canada's GDP growth slowed significantly to a mere 1.2 (2.5)%. The Mexican economy's rate of growth was almost unchanged at 2.4 (2.3)%.

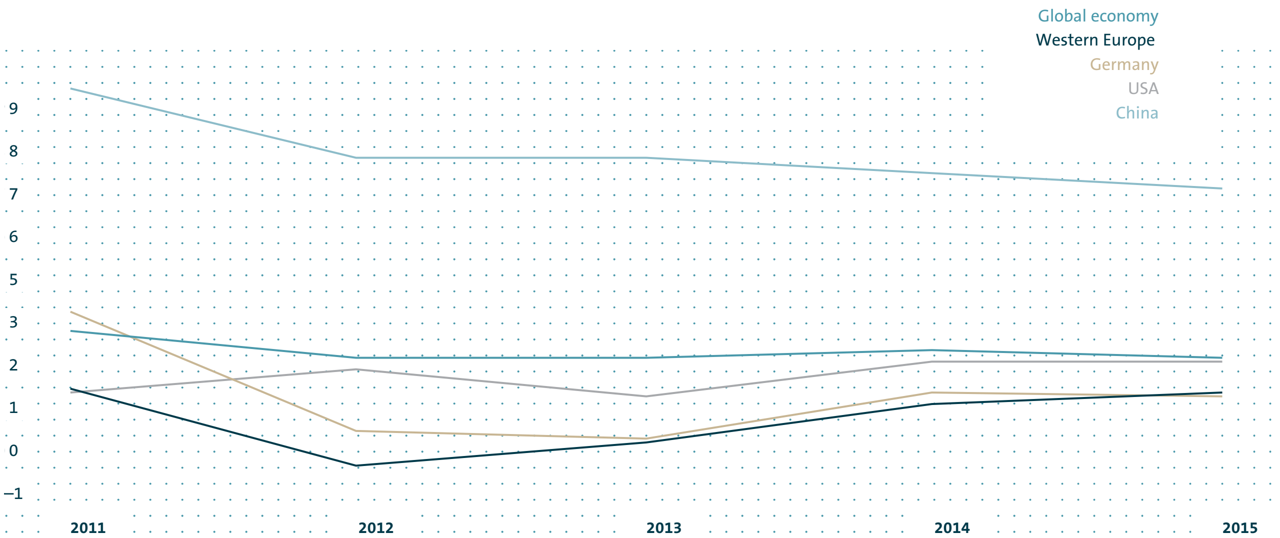
South America

After generating only negligible growth in the previous year, Brazil entered a recession in the reporting period. Both the country's weak domestic demand and low global commodity prices had a negative impact on performance. Economic output declined by 3.7 (+0.1)%. Although Argentina's GDP stabilized, growing by 1.6 (0.5)%, structural deficits and persistently high inflation continued to weigh on the economy.

Asia-Pacific

The Chinese economy expanded by 6.9 (7.3)% in 2015. Although losing momentum, primarily due to structural changes, it remained at a high level compared with the rest of the world. The Indian economy continued its positive trend with a gain of 7.2 (7.3)% and thereby grew as strongly as in the previous year. Growth in Japan's GDP was relatively weak at 0.7 (–0.1)% due to weak domestic and international demand. At 4.3 (4.4)%, growth in the ASEAN region remained at the prior-year level.

ECONOMIC GROWTH
Percentage change in GDP



GLOBAL DEMAND FOR PASSENGER CARS REACHES NEW HIGH

Worldwide, the number of new passenger car registrations increased slightly by 2.6% to 75.6 million vehicles in fiscal year 2015, exceeding the previous year's record level. While Western Europe, Central Europe, North America and the Asia-Pacific region recorded significant increases in some cases, volumes in the passenger car markets in Eastern Europe and South America were again down substantially on the previous year.

Sector-specific environment

The global passenger car markets turned in a very mixed performance in the reporting period: demand recovered in important sales countries in Western Europe, the Chinese market expanded somewhat more slowly than in previous years and Russia and Brazil saw considerable declines.

The sector-specific environment was to a significant extent influenced by fiscal policy measures, which contributed substantially to the mixed trends in sales volumes in the markets in the past fiscal year. The instruments used for this were tax reductions or increases, incentive programs and sales incentives as well as import duties.

In addition, non-tariff trade barriers to protect the respective domestic automotive industry made the free movement of vehicles, parts and components more difficult. Protectionist tendencies were particularly evident where markets were on the decline.

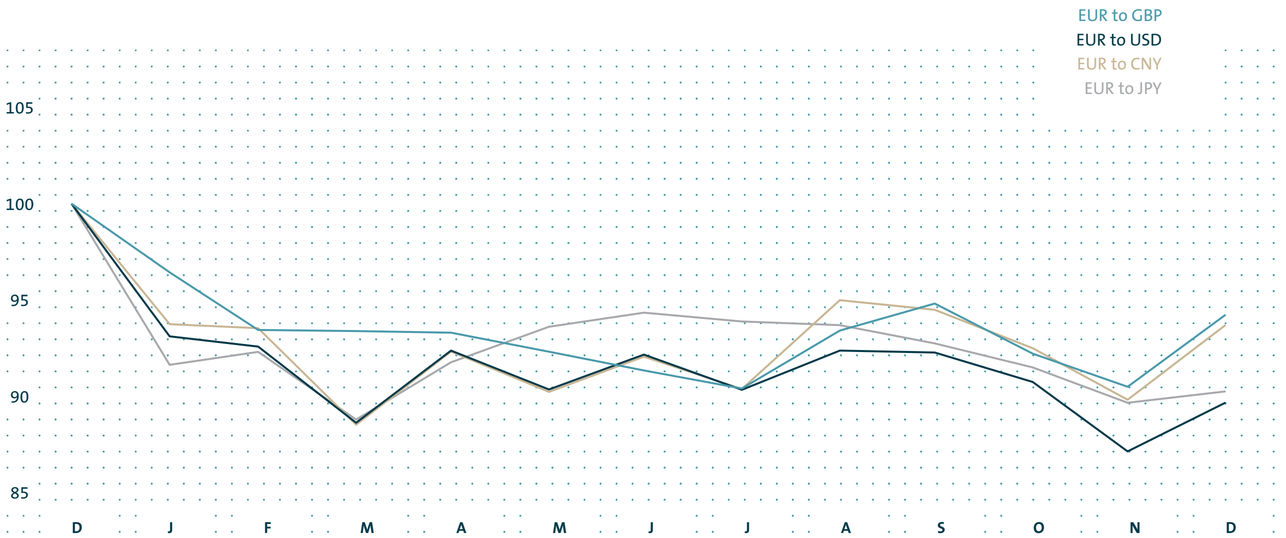
Europe/Other markets

The passenger car market in Western Europe continued its catch-up process in the reporting period. At 13.2 million vehicles (+9.0%), the volume of new registrations reached its highest level in six years, although – compared to the pre-crisis years from 1998 to 2007 – it was still at a low level. This development was primarily due to positive consumer sentiment, an improved macroeconomic environment, low fuel prices as well as the reduction in pent-up demand. While demand for passenger cars in Spain (+20.9%) – which benefited from government stimulus measures – and Italy (+15.5%) saw double-digit growth rates, volumes in the passenger car markets in France (+6.8%) and the UK (+6.3%) rose comparatively moderately.

In Central and Eastern Europe, the total number of new passenger car registrations fell sharply in fiscal year 2015, by 23.3%, to 2.8 million vehicles. The decline in demand in Eastern Europe was primarily attributable to the massive slump in the Russian passenger car market, which contracted for the third year in succession due to the difficult economic and political situation. By contrast, the volume of demand in the Central European EU countries rose substantially, by 10.7% to 1.0 million units.

In South Africa, the number of passenger cars sold in 2015 fell by 5.8% to 414 thousand vehicles. The main reasons were a difficult economic environment, a rise in interest rates and a lack of consumer confidence.

EXCHANGE RATE MOVEMENTS FROM DECEMBER 2014 TO DECEMBER 2015
Index based on month-end prices: as of December 31, 2014 = 100



Germany

In Germany, 3.2 million new passenger vehicles were registered in 2015, 5.6% more than in the previous year. This development primarily resulted from positive consumer sentiment, the strong labor market as well as a decline in fuel prices and low interest rates. This market volume – the highest since 2009 – was exclusively attributable to new registrations for business customers (+8.8%), while demand from private customers stagnated (–0.1%). The increase in passenger vehicle exports (+2.4% to 4.4 million vehicles), especially to Western European markets, facilitated the increase in domestic production (+1.9% to 5.7 million vehicles).

North America

At 20.7 million vehicles (+6.1%), sales of passenger vehicles and light commercial vehicles (up to 6.35 tonnes) in North America exceeded the 20 million unit mark for the first time in the reporting period. In the USA, the market volume grew by 5.7% to 17.5 million passenger vehicles and light commercial vehicles, reaching an all-time high. The main reasons were high consumer confidence, positive employment and income development as well as favorable financing conditions. Demand was particularly strong for models in the SUV and pickup segments, which benefited additionally from the low fuel prices.

In Canada, the sales figures increased slightly by 2.6% to 1.9 million vehicles, thus beating the record set in the previous year.

Demand in the Mexican automotive market increased in fiscal year 2015. The number of passenger vehicles and light commercial vehicles sold rose significantly by 17.6% to a new record level of 1.3 million units.

South America

In South America, demand for passenger vehicles decreased for the third year in succession in fiscal year 2015, dropping by 21.2% to 3.1 million units. The significant decline of the market as a whole was primarily attributable to the massive collapse in demand in Brazil, where the number of new registrations fell by 27.4% to 1.8 million vehicles. In addition to the tax increase on industrial products implemented at the beginning of the year, the persistent economic crisis and higher interest rates were the main causes of the lowest level of new passenger vehicle registrations since 2006. The weakness of the local currency, the real, was one of the factors driving the increase in Brazilian vehicle exports, which rose by 24.8% to 417 thousand units.

In Argentina, the volume of the passenger vehicle market fell by 7.2% year-on-year to 429 thousand vehicles. High passenger car taxation, an increasing reluctance to buy because of falling real incomes and the persistent shortage of foreign currency continued to have a negative effect on demand.

Asia-Pacific

In the Asia-Pacific region, the number of new passenger car registrations continued to increase in the past fiscal year, albeit more slowly. Growth in the Chinese market also lost momentum as the economy slowed down. With a plus of 7.7% to 19.2 million units, the world's largest single market nevertheless saw the largest increase in absolute terms. Contributing factors were persistently strong demand for attractively priced entry-level models in the SUV segment and the tax relief on the purchase of vehicles with engine sizes of up to 1.6 l that was introduced on October 1, 2015.

In the Indian market, at 2.6 million passenger vehicles the volume of demand was up 8.3% over the previous year. A favorable consumer climate, reduced interest rates and low fuel prices contributed to the increase.

In Japan, the number of new vehicle registrations fell by 10.2% to 4.2 million vehicles. In addition to pull-forward effects from the value added tax increase on April 1, 2014, which had had a positive impact in the previous year, the tax increase on mini vehicles (up to 660 cc) effective April 1, 2015 dampened domestic demand during 2015.

In the ASEAN region, passenger car sales declined by a total of 2.5% to 2.2 million units, due primarily to a slump in demand in Indonesia.

REGIONAL DEMAND FOR COMMERCIAL VEHICLES MIXED

In 2015, demand for light commercial vehicles was down on the previous year: in total, around 10.3 (11.3) million vehicles were registered worldwide.

In the Western European markets, demand followed a positive trend, driven by the economic recovery. Totaling 1.7 million units, the number of new vehicle registrations was 10.5% higher than in the previous year. The highest growth rates were recorded in Spain (+ 34.7%), Italy (+17.2%) and the United Kingdom (+15.0%). In Germany, the 2014 figure was exceeded by 4.0%.

Central and Eastern Europe, by contrast, saw a significant decline, with 278 (331) thousand vehicles registered. As a result of political tensions and their impact on the economy, demand in Russia was down sharply on the previous year. However, many smaller Central European markets continued to record growth.

For North America, the "light vehicle market" is reported as part of the passenger car market, which includes both passenger cars and light commercial vehicles up to 6.35 tonnes.

In the South American market, registrations of light commercial vehicles decreased to 1.1 million units (–13.9%) in the reporting period. This is due to the difficult economic conditions in the region. In Brazil, demand fell considerably short of the 2014 figure. In Argentina, the number of new registrations was 4.9% lower than in the previous year.

At 6.1 million units (–12.6%), demand for light commercial vehicles in the Asia-Pacific region was down on the previous year's figure. In China, the region's dominant market, fewer vehicles were registered than in the year before; here, 3.6 (4.4) million units were registered. The decline is primarily due to the slowdown in industrial production and to lower investments. The market volume fell in India (–7.8%). Here, the market for light commercial vehicles did not benefit from the economic reforms following the 2014 elections. In Japan, the increase in value added tax and the resulting pull-forward effects in 2014 led to a noticeable decrease in the number of registrations in the reporting period.

In the ASEAN region, demand for light commercial vehicles was mixed; the volume was down slightly on the prior-year level.

Global demand for mid-sized and heavy trucks with a gross weight of more than six tonnes fell significantly short of the prior-year level in fiscal year 2015. In total, there were 2.2 million new vehicle registrations, 9.1% fewer than in 2014. The volume of vehicles dropped by 11.3% in the markets that are relevant for the Volkswagen Group.

In Western Europe, the number of truck registrations rose by 14.4% to a total of 258 thousand vehicles. Due for the most part to the low prior-year level and supported by positive economic momentum, the markets in Spain (+38.3%), the Netherlands (+32.3%) and Italy (+26.5%) in particular recorded high growth rates. In Germany, Western Europe's largest market, the prior-year figure was exceeded by a moderate amount.

In Central and Eastern Europe, the number of new vehicle registrations decreased by 16.9% to 117 thousand units. While the markets in Central Europe expanded, Eastern Europe was on the decline. In Russia, the tense and uncertain political situation, the economic decline, currency weakness and difficult financing conditions caused the number of new registrations to come in 44.2% below the prior-year level, at 45 thousand.

In North America, public and private spending in the construction and industrial sectors as well as favorable financing conditions boosted the positive trend in demand; in this region, 531 (483) thousand mid-sized and heavy trucks (6.35 tonnes or more) were registered. In the US market, the number of new registrations increased by 10.5% to 456 thousand units.

South America saw a considerable decline in market volume. Here, the number of new vehicle registrations fell by 36.3% to 127 thousand units. In Brazil, the region's largest market, demand, at 68 (133) thousand vehicles, was down significantly on the prior-year level as a result of declining economic output and more restrictive financing conditions. The market in Argentina expanded by 14.7% to 17 thousand vehicles, but remained at a low level because of the economic downturn.

At 521 (459) thousand registrations, the volume of vehicles in the Asia-Pacific region – excluding the Chinese market – was significantly higher than in the previous year. Demand in India increased in the reporting period: a total of 266 thousand units were registered, 32.4% more than in 2014. This was attributable to demand for replacement vehicles in the heavy truck segment, rising infrastructure spending and the improved investment climate. Demand in China, the world's largest truck market, was down significantly in the reporting period at a total of 539 thousand units, a year-on-year decline of 32.2%. This was due to the slower economic growth as well as the pull-forward effects in 2014 from the introduction of the C4 emission standard.

Demand for buses, both globally and in the markets that are relevant for the Volkswagen Group, was lower than in the previous year. Negative economic trends in Russia and South America led to a sharp decline in demand, but the markets in Western Europe expanded considerably.

TRENDS IN THE MARKET FOR POWER ENGINEERING

The markets for power engineering are subject to differing regional and economic factors. Consequently, their business growth trends are generally independent of each other.

The merchant shipbuilding market again saw muted order activity in the reporting period. The slowdown in China's economic growth and existing overcapacity had a negative impact on the entire merchant fleet. Bulk carriers in particular were affected by low freight rates. In the container ship sector, an increasing amount of capacity was decommissioned. Despite this, some new orders for ships with very high transport capacity were recorded. Because of their size, these types of vessels have lower operating costs and are primarily intended for use on fixed trade routes. The tanker segment benefited from positive market expectations and an increase in freight rates in 2015 compared with the previous year. A factor contributing to improving the income situation of shipping companies in the past year was that the currently low freight rates were offset by favorable fuel prices. On the other hand, the low oil price discourages investments in oil production in the offshore sector, which has led to a massive decline in ship building in this segment. Demand for cruise ships followed a positive trend. Gas-fueled ships were ordered for the first time last year as a means of reducing emissions and meeting environmental requirements. The special market for government vessels also continued to follow a consistently positive trend. China, Korea and Japan remained the dominant shipbuilding countries, accounting for a global market share of more than 80% measured in terms of tonnage ordered. The marine market as a whole declined significantly compared with the previous year.

Although there was continuing high demand for energy solutions in developing countries and emerging markets, the more difficult financing conditions and regional crises led to longer project lead times. Regions such as the Middle East, Africa and Southeast Asia remained relevant markets. Due to the availability of shale gas, the North American market continued to grow in importance. Demand for decentralized diesel and gas engine power plants was lower overall than in the previous year, while the shift away from oil-fired power plants towards dual-fuel and gas-fired plants continued.

The market for the construction of turbomachinery is mainly dominated by investment projects in oil and gas, the processing industry and power generation. The persistently low oil price caused leading oil and gas companies to slash investment, leading to project postponements or even cancellations. Even the processing industry suffered from low investment volumes because of the slowdown in growth in emerging markets and existing overcapacity in some industries, for example in the steel industry. Insufficient capacity utilization at many manufacturers and the low Japanese yen exchange rate led to increased competition. Overall, the market volume for turbomachinery in 2015 was below the prior-year level.

As in previous years, the market for offshore wind farms in Germany was characterized by uncertainty with regard to financing, infrastructure links and the government's incentive policies, so that only few projects reached the award stage.

The after-sales market performed positively overall.

DEMAND FOR FINANCIAL SERVICES

Global demand for automotive-related financial services remained high in fiscal year 2015. Customers are increasingly optimizing their total spend on personal mobility, so the trend toward just using a car occasionally, rather than actually buying one, continued. Demand for new mobility services such as carsharing continued to grow.

In Europe, business with financial services products was buoyed by the good overall performance in Germany and signs of recovery in Western and Central Europe. These offset the negative effects from the declining unit sales volumes in Russia.

After-sales products such as maintenance and spare parts agreements as well as insurance agreements saw an encouraging rise in demand. Sales of financial services were bolstered by higher vehicle sales, which resulted in particular from a recovery of the Spanish and Italian markets. Demand for financial services benefited considerably from the still high penetration rates.

The finance and leasing business grew again in Germany in the fiscal year. Alongside traditional finance products, expanding the insurance and service business was a particular focus.

In North America, demand for financial services in fiscal year 2015 was also up again on the previous year. In the USA, the market for new vehicle financing registered slower growth, while the market for leasing through captive financial service providers continued to grow. In Mexico, sales volumes for financial services products reached a new all-time high, driven by increased customer interest.

In Brazil, the negative macroeconomic trend worsened further in 2015 compared with the previous year. This trend was also increasingly apparent in lending for new cars. Although the Consorcio product – a lottery-style savings plan – was very popular, it was also impacted by declining volumes in the passenger car market. In Argentina, structural deficits and very high inflation continued to dent sales of automotive-related financial services.

The Asia-Pacific region again saw growth in 2015. Many buyers used financial services to realize their wish for a car. In China, the proportion of loan-financed vehicle purchases continued to rise in the past year. Despite increasing restrictions on registrations in metropolitan areas, there is still considerable potential to acquire new customers for automotive-related financial services, particularly in the interior of the country. Australia, India, Korea and South Africa registered growth in demand for financial services, while demand in the Japanese market remained stable at a high level.

The financial services market in the commercial vehicles segment continued to see a trend towards optimizing total costs in the mid-sized and heavy commercial vehicles category in 2015. Innovative transport solutions are becoming increasingly important to customers for differentiating between providers. Demand for financial services products rose year-on-year despite declining overall demand for vehicles in the relevant markets. The significant decline in truck and bus unit sales in South America had a negative impact, particularly in the core Brazilian market. However, this was offset by positive business growth in Europe.

NEW GROUP MODELS IN 2015

The Volkswagen Group selectively expanded its model portfolio in key segments in the reporting period. In addition, successor and product upgrades were presented for important brand models, many of them based on the Modular Transverse Toolkit. The Group's range now comprises 337 passenger car, commercial vehicle and motorcycle models, and their derivatives. The Group's product range covers almost all key segments and body types, with offerings from small cars to super sports cars in the passenger car segment, and from pickups to heavy trucks and buses in the commercial vehicles segment, as well as motorcycles. We will continue to resolutely move into unoccupied market segments that offer profitable opportunities for us.

In fiscal year 2015, the Volkswagen Passenger Cars brand launched the successor of the popular Touran family van, whose many innovations continue the model's success story. The new Golf and Passat Alltrack models use 4MOTION drive technology to achieve convincing performance on any terrain. The family-friendly Sharan has been enhanced by adding numerous new convenience and assistance systems as well as innovative infotainment systems. The new Passat GTE with a plug-in hybrid drive expands the range of vehicles that run on electric power. It offers modern, environmentally conscious customers maximum driving pleasure without compromising on comfort and quality. The Volkswagen Passenger Cars brand met special customer and market requirements in key regions outside Europe through product upgrades and country-specific models. China saw the launch of the dynamic and comfortable Lamando and the versatile Gran Santana, both manufactured locally. The sporty Golf GTI and Polo GTI models complement the local product range. The successful family saloons, the Sagitar and the Lavida, were upgraded, as were their derivatives, the Gran Lavida and the Cross Lavida. Moreover, imports of the innovative Golf GTE with a plug-in hybrid drive and the upgraded Touareg were launched in China in the year under review. In South America, the Golf family was expanded by adding the versatile Golf Estate. In the USA, the spacious Golf Estate and the uncompromisingly sporty Golf R were launched.

As for the Audi brand, the new generation of the popular Audi A4 and Audi A4 Avant models had their world premieres in 2015. With the new Q7 premium class SUV, Audi once again shows off its expertise in lightweight construction and efficiency technology as well as in infotainment and assistance systems. For the first time, Audi is offering a hybrid version in this segment: the Q7 e-tron 3.0 TDI quattro will be available for orders from spring 2016 onwards. The new R8 Coupé is Audi's impressive sporty flagship model, offering racing technology in series-produced cars. The Audi RS 3 Sportback was presented as the sportiest version of the A3 series. The third generation of the TT family was expanded by adding the TT Roadster and the sporty versions TTS Coupé and TTS Roadster.

With the launch of the next generation of the Superb saloon and the Superb Combi, ŠKODA's model portfolio entered a new era in 2015. The Fabia Combi boasts a fresh design and boot space that sets standards in its class. The sporty Octavia RS 230 is at the forefront of the RS series.

At the SEAT brand, the popular Ibiza small car, the Toledo four-door coupé and the Alhambra family van were upgraded in the reporting period. The sporty Leon ST Cupra estate complements the Leon family.

In 2015, Porsche expanded its 911 series with the all-out super sports car 911 GT3 RS and the dynamic Targa 4 GTS. The new Macan series has been expanded with a sporty GTS version. In addition, the new Boxster Spyder, the new Cayman GT4 and the successor of the Cayenne Turbo S were launched.

Bentley refreshed the design and features of the Continental GT series in 2015. In addition, it boosted the performance of the Continental GT W12 to 434 kW (590 PS) while at the same time optimizing efficiency.

The Lamborghini brand presented four new super sports cars: the newly developed Aventador LP 750-4 Superveloce, the roadster version of the Aventador Superveloce, the Aventador LP 700-4 Pirelli Edition and the Lamborghini Huracán LP 610-4 Spyder.

Volkswagen Commercial Vehicles introduced the new version of the versatile, popular Multivan/Transporter in the reporting period. The Caddy, an all-rounder, was upgraded. Equipped with a 1.4 l TGI natural gas-powered drive, the successor to the popular Caddy EcoFuel was launched. The Cross Caddy has been succeeded by the Caddy Alltrack which is once again available as a passenger car or as a delivery van.

Scania presented a Euro 6 hybrid truck, a series five-cylinder in-line engine running on bioethanol and two new nine-liter engines for truck models in fiscal year 2015. Other new products were the Scania Citywide Hybrid low-floor bus and the new Scania Interlink bus series.

In the reporting period, MAN launched the new MAN Lion's Intercity bus, which boasts safety and comfort features for intercity transport passengers and a high level of efficiency; its cockpit was rigorously designed in line with driver needs.

The third generation of the Multistrada 1200 and 1200 S has been available from Ducati since the beginning of 2015. Four versions of the Scrambler series were launched: Icon, Urban Enduro, Classic and Full Throttle. In addition, the superbike 1299 Panigale, the limited-edition Diavel Titanium and the new Naked Bike Monster 1200 R were unveiled.

VOLKSWAGEN GROUP DELIVERIES

In 2015, the Volkswagen Group handed over 9,930,517 vehicles to customers worldwide, down slightly (2.0%) on the prior-year figure. The chart on the next page shows how deliveries changed from month to month and compares each monthly figure to the same month of the previous year. Details of deliveries of passenger cars and commercial vehicles are provided separately in the following.

VOLKSWAGEN GROUP DELIVERIES*

	2015	2014	%
Passenger cars	9,320,681	9,490,958	−1.8
Commercial vehicles	609,836	646,486	−5.7
Total	**9,930,517**	**10,137,444**	**−2.0**

* Deliveries for 2014 updated to reflect subsequent statistical trends. Figures include the Chinese joint ventures.

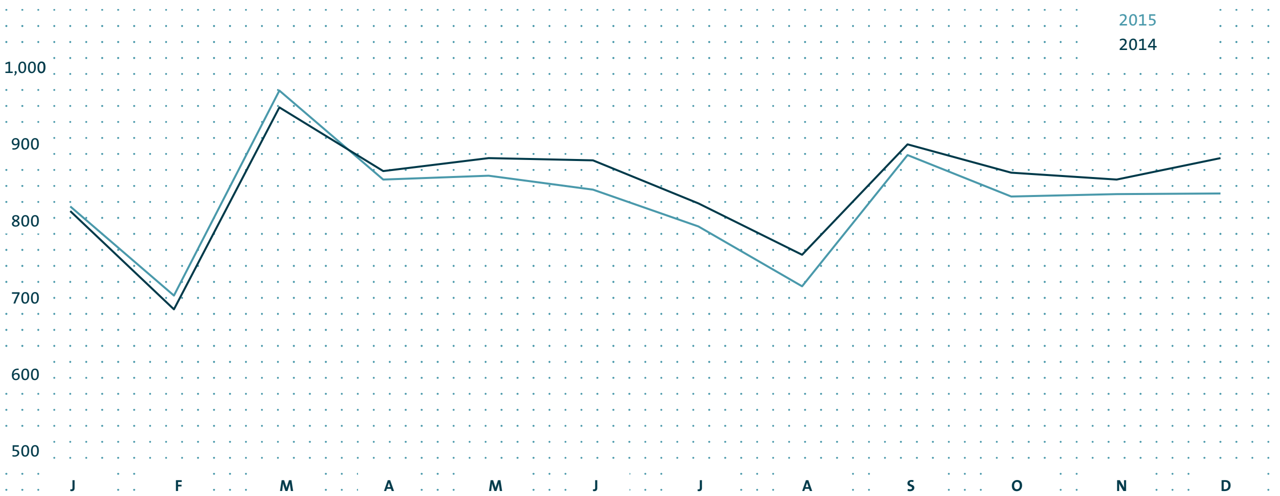
PASSENGER CAR DELIVERIES WORLDWIDE

With its brands, the Volkswagen Group has a presence in all relevant automotive markets around the world. Western Europe, China, the USA, Brazil and Mexico are currently the key sales markets for the Group. Thanks to our wide range of attractive and efficient vehicles, we have a strong position amid persistently challenging competition.

Under increasingly difficult conditions in relevant markets, such as Brazil, China and Russia, deliveries of passenger cars to customers amounted to 9,320,681 units in the reporting period, 1.8% fewer than in the previous year. The passenger car market as a whole expanded by 2.6% in 2015, which meant that the Volkswagen Group's share of the global market declined to 12.3 (12.9)%. The Volkswagen Group achieved the highest growth in absolute terms in Germany. Our sales figures in Brazil, China and Russia were impacted significantly by low demand. In the fourth quarter of 2015, the emissions issue affected the individual markets in Western Europe and in the USA and Canada in different ways, depending on the brand and market. The Audi (+3.6%), ŠKODA (+1.8%), Porsche (+18.6%) and Lamborghini (+28.3%) brands increased their delivery figures year-on-year, setting new records. SEAT also recorded growth of 2.4% on the prior-year figure.

The table on page 97 gives an overview of deliveries to customers of the Volkswagen Group in the key individual markets and regions. The demand trends for Group models in these markets and regions are described in the following sections.

VOLKSWAGEN GROUP DELIVERIES BY MONTH
Vehicles in thousands



Deliveries in Europe/Other markets

The recovery of Western Europe's passenger car market as a whole continued in 2015, with growth of 9.0%. The Volkswagen Group's deliveries to customers increased by 5.1% to 3,062,368 units in this region. Demand for Group models was up year-on-year in all major markets in this region. The Golf Sportsvan, Passat and ŠKODA Fabia models recorded the highest growth rates. In addition, demand for the Polo, Golf, Tiguan, Audi A3, Audi TT, ŠKODA Octavia and Porsche Macan models was particularly strong. The new Touran, Audi A4, Audi Q7 and ŠKODA Superb models were successfully launched on the market. The Group's share of the passenger car market in Western Europe was 24.4 (25.1)%.

In Central and Eastern Europe, we handed over –7.7% fewer passenger cars to customers in 2015 than in the year before. This region's market as a whole contracted by 23.3% in the same period. The Group's sales figures in Russia and Ukraine declined massively as a result of the difficult economic and political situation in the two countries. In the Czech Republic, Poland, Hungary and Romania, meanwhile, we recorded strong growth in some cases. The Golf Sportsvan, Audi Q7, ŠKODA Fabia Combi and SEAT Leon ST models recorded the highest growth rates. The Group's share of the passenger car market in Central and Eastern Europe increased to 20.3 (16.9)%.

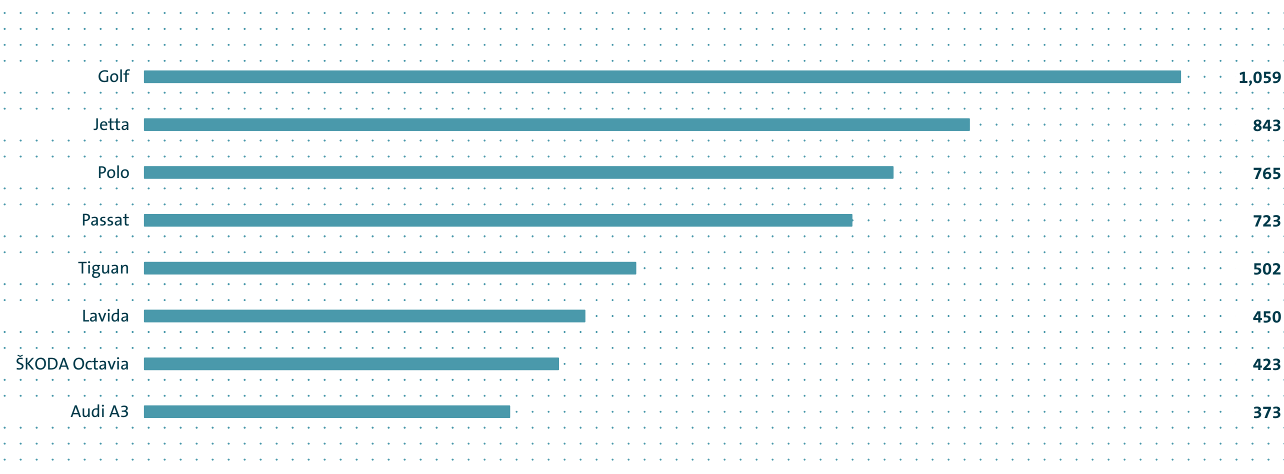
In the South African passenger car market, which is still on the decline, the number of Volkswagen Group vehicles delivered to customers in 2015 was down 9.4% on the previous year. The up!, Polo, Golf and Audi A4 saloon models recorded strong demand.

Demand for Group vehicles in the Middle East region grew by 18.7% compared with the previous year. The Polo, Golf, Jetta, Passat and ŠKODA Octavia models were particularly popular.

Deliveries in Germany

The German passenger car market continued to recover in 2015, expanding by 5.6%. The Volkswagen Group's performance in its home market was similarly positive; sales to customers increased by 5.0% year-on-year to 1,147,484 units. The highest growth rates were achieved by the Passat, Audi TT, Audi Q7, ŠKODA Fabia Combi and ŠKODA Superb saloon models. The Polo, Golf, Golf Sportsvan, Audi A4 and Porsche Macan models also enjoyed great popularity. At the end of 2015, eight Volkswagen Group models led the Kraftfahrt-Bundesamt (KBA – German Federal Motor Transport Authority) registration statistics in their respective segments: up!, Polo, Golf, Tiguan, Touran, Passat, Audi TT and Audi A6. The Golf remained the most popular passenger car in Germany in terms of registrations.

WORLDWIDE DELIVERIES OF THE GROUP'S MOST SUCCESSFUL MODELS IN 2015
Vehicles in thousands



Deliveries in North America

In North America, the Volkswagen Group benefited from the market's positive overall performance; it sold 922,774 vehicles in the reporting period, 4.3% more than in the previous year. The Group's share of the passenger car market amounted to 4.5 (4.6)%. The Jetta was the Group's best-selling model in North America.

In the US market, demand for Group models rose slightly in 2015, increasing by 1.2% year-on-year. The market as a whole increased by 5.7% in the same period. Models in the SUV and pickup segments remained in particularly high demand. Demand for the Golf, Tiguan, Audi A3, Audi Q3, Audi Q5 and Porsche Macan models recorded positive growth.

In the Canadian market, which saw slight growth, we delivered 8.8% more vehicles to customers in the reporting period than in the previous year. The Jetta remained the most sought-after Group model, while the Golf, Tiguan, Audi Q3 and Audi Q5 also recorded encouraging demand.

In the fast-growing Mexican market, the Group's sales were up 11.9% year-on-year. The Vento and Jetta were especially popular.

Deliveries in South America

Conditions in the highly competitive South American markets were again very challenging in fiscal year 2015. In the generally sharply declining markets in this region, sales amounted to 489,636 units; this represents a decrease of 29.0% in demand for Group models compared with the previous year. The Volkswagen Group's share of the passenger car market in this region declined to 15.7 (17.4)%.

In the Brazilian passenger car market, which has suffered massive declines, the Volkswagen Group delivered 36.3% fewer vehicles than in the year before. The best-selling models were the up!, Fox, Gol, Saveiro and Audi A3.

In Argentina, the downward trend of the market as a whole slowed in the course of 2015. Demand for Volkswagen Group models increased by 2.8% year-on-year in the same period. The Gol continued to be the most popular Group model in Argentina in terms of registrations.

Deliveries in the Asia-Pacific region

The passenger car markets in the Asia-Pacific region expanded by 4.0% in 2015, with declining momentum overall. The Volkswagen Group handed over 3,902,169 vehicles to customers there, 3.0% fewer than in the previous year.

China, the world's largest single market, was again the growth driver of the Asia-Pacific region in 2015, recording the highest absolute increase. Attractively priced entry-level models in the SUV segment remained highly sought after. Volkswagen delivered 3.4% fewer vehicles to customers in China than in the prior-year period. The Jetta, Lavida, Sagitar, Tiguan, Audi Q5, ŠKODA Octavia saloon and Porsche Macan were popular models. The Lamando was successfully launched in the market.

In the growing Indian passenger car market, our sales declined by 1.9% year-on-year. The Polo remained the most popular Group vehicle, and there was also strong demand for the Audi A3, ŠKODA Rapid and ŠKODA Octavia saloon models.

In the Japanese passenger car market, demand for Group vehicles was down 12.5% year-on-year in the reporting period. The market as a whole contracted by 10.2% in the same period. Even so, the Passat, Audi Q3 and Porsche Macan models recorded increases.

PASSENGER CAR DELIVERIES TO CUSTOMERS BY MARKET*

	DELIVERIES (UNITS)		CHANGE
	2015	2014	(%)
Europe/Other markets	**4,006,102**	**3,893,777**	**+ 2.9**
Western Europe	**3,062,368**	**2,912,905**	**+ 5.1**
of which: Germany	1,147,484	1,092,675	+ 5.0
United Kingdom	521,345	510,481	+ 2.1
France	252,530	249,311	+ 1.3
Spain	235,139	203,870	+ 15.3
Italy	207,821	190,671	+ 9.0
Central and Eastern Europe	**559,945**	**606,852**	**−7.7**
of which: Russia	164,653	253,176	−35.0
Czech Republic	126,886	100,967	+ 25.7
Poland	104,772	95,790	+ 9.4
Other markets	**383,789**	**374,020**	**+ 2.6**
of which: Turkey	164,787	128,592	+ 28.1
South Africa	90,659	100,058	−9.4
North America	**922,774**	**884,454**	**+ 4.3**
of which: USA	607,096	599,734	+ 1.2
Mexico	211,845	189,328	+ 11.9
Canada	103,833	95,392	+ 8.8
South America	**489,636**	**690,101**	**−29.0**
of which: Brazil	353,508	554,828	−36.3
Argentina	97,775	95,086	+ 2.8
Asia-Pacific	**3,902,169**	**4,022,626**	**−3.0**
of which: China	3,542,467	3,668,433	−3.4
Japan	91,152	104,218	−12.5
India	69,323	70,656	−1.9
Worldwide	**9,320,681**	**9,490,958**	**−1.8**
Volkswagen Passenger Cars	5,823,408	6,118,654	−4.8
Audi	1,803,246	1,741,129	+ 3.6
ŠKODA	1,055,501	1,037,226	+ 1.8
SEAT	400,037	390,505	+ 2.4
Bentley	10,100	11,020	−8.3
Lamborghini	3,245	2,530	+ 28.3
Porsche	225,121	189,849	+ 18.6
Bugatti	23	45	−48.9

* Deliveries for 2014 have been updated to reflect subsequent statistical trends. The figures include the Chinese joint ventures.

COMMERCIAL VEHICLE DELIVERIES

The Volkswagen Group delivered a total of 609,836 commercial vehicles to customers worldwide in the reporting period, 5.7% fewer than in the previous year. Trucks accounted for 161,901 units (–9.9%), and buses accounted for 17,134 units (–15.5%). Sales by the Volkswagen Commercial Vehicles brand were down 3.5% on the prior-year figure, with 430,801 vehicles delivered in 2015. The MAN brand handed over 102,474 vehicles to customers, 14.7% fewer than in 2014, while the Scania brand's deliveries were down 4.0% year-on-year at 76,561.

With the economy in Western Europe picking up, the Volkswagen Group delivered 2.0% more commercial vehicles than in the previous year, a total of 368,603 units; of this figure, 284,600 were light commercial vehicles, 79,146 were trucks and 4,857 were buses. The Transporter and Caddy models were the most sought-after models in Western European markets.

In 2015, we handed over a total of 55,295 commercial vehicles to customers (–13.7%) in Central and Eastern Europe, consisting of 31,183 light commercial vehicles, 23,243 trucks and 869 buses. In Russia, the region's largest market, deliveries to customers declined by 56.9% to a total of 9,736 units due to the tense and uncertain political situation, the economic downturn, the low oil price, the sustained currency weakness and difficult financing conditions in the reporting period. The Transporter and the Caddy were the Group models that experienced the highest demand in this region.

In the Other markets, the Volkswagen Group increased its deliveries by 2.8% to 74,935 commercial vehicles; of this figure, 49,840 were light commercial vehicles, 22,504 were trucks and 2,591 were buses.

In North America, the Group handed over 9,099 vehicles to customers in the reporting period, an increase of 9.2% year-on-year; of this figure, 6,802 were light commercial vehicles, 474 were trucks and 1,823 were buses.

Deliveries in the South American markets declined overall to 68,958 units (–34.2%), consisting of 36,961 light commercial vehicles, 27,311 trucks and 4,686 buses. The economic slowdown and difficult financing conditions in Brazil led to a 51.3% decrease in deliveries to customers; 12,218 light commercial vehicles, 21,327 trucks and 2,968 buses were handed over to customers. Once again, the Amarok was particularly popular in Brazil.

In the Asia-Pacific region, the Volkswagen Group handed over 32,946 vehicles to customers in the reporting period; 21,415 light commercial vehicles, 9,223 trucks and 2,308 buses: a total of 6.1% less than in the previous year. The Amarok and the Transporter were the most popular Group models. In the Chinese market, the Group delivered 6,165 units to customers; of this figure, 3,860 were light commercial vehicles, 2,068 were trucks and 237 were buses. Overall, this represents a decrease of 10.5% on the prior-year figure.

COMMERCIAL VEHICLE DELIVERIES TO CUSTOMERS BY MARKET*

	DELIVERIES (UNITS)		CHANGE
	2015	2014	(%)
Europe/Other markets	**498,833**	**498,345**	**+ 0.1**
Western Europe	368,603	361,372	+ 2.0
Central and Eastern Europe	55,295	64,052	−13.7
Other markets	74,935	72,921	+ 2.8
North America	**9,099**	**8,331**	**+ 9.2**
South America	**68,958**	**104,728**	**−34.2**
of which: Brazil	36,513	74,977	−51.3
Asia-Pacific	**32,946**	**35,082**	**−6.1**
of which: China	6,165	6,887	−10.5
Worldwide	**609,836**	**646,486**	**−5.7**
Volkswagen Commercial Vehicles	430,801	446,616	−3.5
Scania	76,561	79,782	−4.0
MAN	102,474	120,088	−14.7

* Deliveries for 2014 have been updated to reflect subsequent statistical trends.

DELIVERIES IN THE POWER ENGINEERING SEGMENT

Orders in the Power Engineering segment are usually part of major investment projects. Lead times typically range from just under one year to several years, and partial deliveries as construction progresses are common. Accordingly, there is a time lag between incoming orders and sales revenue from the new construction business.

Sales revenue in the Power Engineering segment was largely driven by Engines & Marine Systems and Turbomachinery, which together generated three-quarters of the overall revenue volume. In 2015, the world's first compressor for an underwater gas production facility was put into operation.

ORDERS RECEIVED IN THE PASSENGER CARS SEGMENT IN WESTERN EUROPE

Due to the positive development of Western European markets, demand for passenger cars increased in fiscal year 2015 compared to the previous year. This was also reflected in our orders received; these were 4.0% higher than in the year before. All key markets in the region contributed to this rise.

ORDERS RECEIVED FOR COMMERCIAL VEHICLES

Demand for the Volkswagen Group's light commercial vehicles in the Western European markets rose year-on-year in 2015. At 290,771 vehicles, orders received were down 3.6% compared with the previous year.

Incoming orders for mid-sized and heavy trucks and buses declined overall in 2015, with orders received for 184,637 vehicles (–9.8%). In Western Europe, our main sales market, positive economic stimulus gave a boost to incoming orders. In South America, however, the deterioration in the economic situation had a negative impact on the order intake.

ORDERS RECEIVED IN THE POWER ENGINEERING SEGMENT

The long-term performance of the Power Engineering business is determined by the macroeconomic environment. Major individual orders lead to fluctuations in incoming orders during the year that do not correlate with these long-term trends.

Orders received in the Power Engineering segment in 2015 amounted to €3.4 billion. Engines & Marine Systems and Turbomachinery generated the most new orders, together accounting for almost three-quarters of the order volume.

In addition to the order for twelve self-produced dual-fuel engines for the world's biggest crane vessel, orders were also received for an air compressor with the world's highest flow rate in air separation and, in China, for the first mechanical drive turbine of the new gas turbine family. In addition, a private power producer in Bangladesh ordered six engines with total power output of 111 MW.

VOLKSWAGEN GROUP FINANCIAL SERVICES

The Financial Services Division combines the Volkswagen Group's dealer and customer financing, leasing, banking and insurance activities, fleet management and mobility offerings. The division comprises Volkswagen Financial Services (including the financial services business of MAN Finance International GmbH since January 1, 2014) and the financial services activities of Scania, Porsche and Porsche Holding Salzburg.

The number of new contracts signed worldwide in the Customer Financing/Leasing and Service/Insurance areas rose by 3.9% year-on-year in 2015 to 5.6 million. The total number of contracts was 14.4 million as of the end of 2015, surpassing the figure at the prior-year reporting date by 7.3%. The number of contracts in the Customer Financing/Leasing area was up by 6.6% to 8.9 million, while the number of contracts in the Service/Insurance area increased by 8.6% to 5.5 million. The ratio of leased or financed vehicles to Group deliveries (penetration rate) increased to 31.5 (30.7)% in the Financial Services Division's markets.

In Europe/Other markets, 4.0 million new contracts were signed in the reporting period, 8.8% more than in the previous year. The number of contracts was up 10.0% to 10.3 million as of December 31, 2015. This included 5.5 million contracts in the Customer Financing/Leasing area, an increase of 7.3% on the figure for 2014. At the same time, the share of leased or financed vehicles increased from 43.6% to 44.3% of deliveries.

In North America, the Financial Services Division added 814 thousand new contracts, up 0.6% year-on-year. The total number of contracts stood at 2.1 million (–0.9%). Of this figure, 1.7 million were attributable to the Customer Financing/Leasing area, 8.0% more than in the previous year. The penetration rate in North America rose to 61.8 (56.8)%.

In South America, 262 thousand new contracts were signed in the reporting period (–16.7%). The number of contracts was down 8.6% year-on-year to 756 thousand contracts as of year-end 2015. The majority of these were attributable to the Customer Financing/Leasing area. The penetration rate in South America was 35.5 (33.1)%.

In the Asia-Pacific region, 530 thousand new contracts were signed during the reporting period, an 11.1% decrease on the prior-year figure. The total number of contracts amounted to 1.2 million (+12.0%), of which 996 thousand were attributable to the Customer Financing/Leasing area (+15.5%). The share of leased or financed vehicles in the region decreased from 13.1% to 11.6% of deliveries.

SALES TO THE DEALER ORGANIZATION

In 2015, the Volkswagen Group's worldwide unit sales to the dealer organization – including the Chinese joint ventures – amounted to 10,009,605 vehicles, down 2.0% on the prior-year figure. The decrease of 2.7% in unit sales outside Germany is primarily attributable to weaker demand for Group models in Brazil, China and Russia. In Germany, the number of vehicles sold increased by 2.5%. At 12.8%, the proportion of the Group's sales accounted for by Germany was higher than in the previous year (12.2%).

The Golf, Passat, Jetta and Polo were our biggest sellers last year. Golf, Polo, Sharan, the Audi A3 family, Audi Q5, ŠKODA Fabia, ŠKODA Octavia, the SEAT Leon family and SEAT Alhambra saw the highest rate of increase in sales. The Porsche Macan and Cayenne were also very well received by the market. In China, the Volkswagen Tiguan and Polo models as well as the Audi A3, ŠKODA Octavia and the new Volkswagen Lamando especially developed for this market were very popular with customers.

PRODUCTION

The Volkswagen Group produced 10,017,191 vehicles worldwide in fiscal year 2015, 1.9% fewer than in the previous year. Our Chinese joint ventures produced 3.1% fewer units than in the previous year. The percentage of the Group's total production accounted for by Germany was higher than in 2014, at 26.8 (25.1)%. In the past year, our plants worldwide produced an average of 41,890 vehicles per working day (+3.1%). The Volkswagen Group production figures do not include the Crafter models built in the Daimler plants.

INVENTORIES

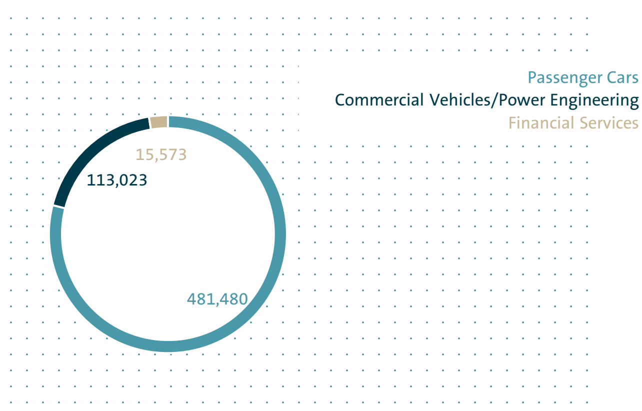
Global vehicle inventories at Group companies and in the dealer organization were higher on December 31, 2015 than at year-end 2014, mainly due to demand-induced stocking in Western Europe.

EMPLOYEES

Including the Chinese joint ventures, the Volkswagen Group employed an average of 604,387 people in fiscal year 2015, an increase of 3.6% year-on-year. Our companies in Germany employed 275,857 people on average in 2015; at 45.6 (45.5)%, their share of the headcount was on a level with the previous year. The Volkswagen Group had 585,242 active employees (+3.2%) as of the 2015 reporting date. In addition, 6,183 employees were in the passive phase of their partial retirement and 18,651 young persons were in vocational traineeships (+1.0%). The Volkswagen Group's headcount was 610,076 employees (+3.0%) at the end of the reporting period. Significant factors for the increase in employees were the expansion of the workforce in our new plants in China, Poland and Mexico and the recruitment of specialists, particularly in Germany and China. A total of 278,685 people were employed in Germany (+2.8%), while 331,391 were employed abroad (+3.1%).

EMPLOYEES BY DIVISION/BUSINESS AREA

as of December 31, 2015



SUMMARY OF BUSINESS DEVELOPMENT

A summary of the business development and the Volkswagen Group's economic position can be found on page 125 of this annual report.

FIVE-YEAR REVIEW

	2015	2014	2013	2012	2011
Volume Data (thousands)					
Vehicle sales (units)	**10,010**	**10,217**	**9,728**	**9,345**	**8,361**
Germany	1,279	1,247	1,187	1,207	1,211
Abroad	8,731	8,970	8,541	8,137	7,150
Production (units)	**10,017**	**10,213**	**9,728**	**9,255**	**8,494**
Germany	2,681	2,559	2,458	2,321	2,640
Abroad	7,336	7,653	7,270	6,934	5,854
Employees (yearly average)	**604**	**583**	**563**	**533**	**454**
Germany	276	265	255	237	196
Abroad	329	318	308	296	258
Financial Data (in € million)					
Income Statement					
Sales revenue	**213,292**	**202,458**	**197,007**	**192,676**	**159,337**
Cost of sales	179,382	165,934	161,407	157,522	131,371
Gross profit	**33,911**	**36,524**	**35,600**	**35,154**	**27,965**
Distribution expenses	23,515	20,292	19,655	18,850	14,582
Administrative expenses	7,197	6,841	6,888	6,220	4,384
Net other operating income	−7,267	3,306	2,613	1,415	2,271
Operating result	**−4,069**	**12,697**	**11,671**	**11,498**	**11,271**
Financial result	2,767	2,097	757	13,989	7,655
Earnings before tax	**−1,301**	**14,794**	**12,428**	**25,487**	**18,926**
Income tax expense	59	3,726	3,283	3,606	3,126
Earnings after tax	**−1,361**	**11,068**	**9,145**	**21,881**	**15,799**
Cost of materials	**143,700**	**132,514**	**127,089**	**122,450**	**104,648**
Personnel expenses	**36,268**	**33,834**	**31,747**	**29,504**	**23,854**
Balance Sheet (at December 31)					
Noncurrent assets	236,548	220,106	202,141	196,457	148,129
Current assets	145,387	131,102	122,192	113,061	105,640
Total assets	**381,935**	**351,209**	**324,333**	**309,518**	**253,769**
Equity	88,270	90,189	90,037	81,995	63,354
of which: noncontrolling interests	210	198	2,304	4,313	5,815
Noncurrent liabilities	145,175	130,314	115,672	121,996	89,179
Current liabilities	148,489	130,706	118,625	105,526	101,237
Total equity and liabilities	**381,935**	**351,209**	**324,333**	**309,518**	**253,769**
Cash flows from operating activities	**13,679**	**10,784**	**12,595**	**7,209**	**8,500**
Cash flows from investing activities attributable to operating activities	**15,523**	**16,452**	**14,936**	**16,840**	**16,002**
Cash flows from financing activities	**9,068**	**4,645**	**8,973**	**13,712**	**8,316**

SUMMARY OF BUSINESS DEVELOPMENT AND ECONOMIC POSITION

The Board of Management of Volkswagen AG considers business development and the economic position to have been strained. Especially the irregularities in the software used in certain diesel engines posed major challenges for the Company. In addition, the increasingly difficult conditions in the Brazilian, Chinese and Russian vehicle markets led to a decline in deliveries to customers compared with the previous year. Contrary to our original forecast, deliveries of 9.9 million vehicles (–2.0%) failed to exceed the 2014 level. Group sales revenue increased year-on-year, as forecast, and was above the forecast range – due to exchange rate effects, among other factors. In particular, the provisions recognized in connection with the diesel issue weighed on the Group's operating result and operating return on sales; both figures were down significantly on the previous year and the forecast ranges. Excluding special items, the Group's operating result was on a level with 2014, at €12.8 billion. The operating return on sales before special items was in the expected range, at 6.0%.

Sales revenue of the business areas was also up on the respective prior-year figure. While special items resulted in the operating result and the operating return on sales of the Passenger Cars Business Area falling short of the forecast ranges, the Commercial Vehicles/Power Engineering Business Area confirmed the forecast, despite special items from restructuring measures. The Financial Services Division's operating result exceeded the previous year's figure.

Although at 6.9% the ratio of capex to sales revenue in the Automotive Division was higher than in 2014, it was within the expected range. The Automotive Division's net cash flow exceeded the prior year's figure because of the sale of the shares in Suzuki. In addition, the successful placement of dual-tranche hybrid notes strengthened our capital base. The Automotive Division's net liquidity was €6.9 billion higher at the end of the reporting period than at the end of December 2014. The decline in the operating result attributable to special items led to a significant decrease in the Automotive Division's return on investment (ROI), which fell short of the minimum required rate of return on invested capital.

Volkswagen does not tolerate any infringements of rules or laws. The trust of our customers and the public is, and will remain, our most important asset. We will do everything within our power to prevent incidents of these kinds from reoccurring and commit ourselves fully to winning back all of the trust. Through our technologies, vehicles and services, we will contribute to shaping the future of mobility with courage and conviction.

The following table shows an overview of the targets set for the reporting period and the figures actually achieved.

FORECAST VERSUS ACTUAL FIGURES

	Actual 2014	Original Forecast for 2015	Adjusted Forecast for 2015	Actual 2015
Deliveries to customers	10.1 million	moderate increase	on the prior-year level	€9.9 million
Volkswagen Group				
Sales revenue	€202.5 billion	increase up to 4%	increase up to 4%	€213.3 billion
Operating return on sales before special items	6.3%	5.5 – 6.5%	5.5 – 6.5 %	6.0%
Operating return on sales	6.3%	5.5 – 6.5%	–	– 1.9%
Operating result before special items	€12.7 billion	within the forecast range	within the forecast range	€12.8 billion
Operating result	€12.7 billion	within the forecast range	significant decline	€– 4.1 billion
Passenger Cars Business Area				
Sales revenue	€143.6 billion	increase up to 4%	increase up to 4%	€149.7 billion
Operating return on sales	6.8%	6 – 7%	–	– 4.7%
Operating result	€9.8 billion	within the forecast range	significant decline	€– 7.0 billion
Commercial Vehicles/Power Engineering Business Area				
Sales revenue	€33.9 billion	increase up to 4%	increase up to 4%	€34.2 billion
Operating return on sales	2.8%	2 – 4%	2 – 4%	2.1%
Operating result	€0.9 billion	within the forecast range	within the forecast range	€0.7 billion
Financial Services Division				
Sales revenue	€24.9 billion	increase up to 4%	increase up to 4%	€29.4 billion
Operating result	€1.9 billion	on the prior-year level	on the prior-year level	€2.2 billion
Capex/sales revenue in the Automotive Division	6.5%	6 – 7%	6 – 7%	6.9%
Net cash flow in the Automotive Division	€6.1 billion	moderate decline	slight increase	€8.9 billion
Return on investment (ROI) in the Automotive Division	14.9%	9 – 14.9%	significant decline	– 0.2%