Report on Expected Developments

Growth in the global economy in 2016 is expected to be on a level with the previous year. We estimate global demand for vehicles will be mixed in 2016 and increase at a slower rate than in the reporting period. The Volkswagen Group intends to capitalize on this development by building on the strength of its brand diversity, global presence and pioneering technologies.

In the following, we describe the expected development of the Volkswagen Group and the general framework for its business activities. Risks and opportunities that could represent a departure from the forecast trends are presented in the Report on Risks and Opportunities.

Our assumptions are based on current estimates by third-party institutions. These include economic research institutes, banks, multinational organizations and consulting firms.

GLOBAL ECONOMIC DEVELOPMENT

In our plans, we assume that the global economic growth in 2016 will be level with the previous year. Risks will arise from turbulence in the financial markets and structural deficits in individual countries. In addition, growth prospects continue to be hurt by geopolitical tensions and conflicts. We expect the economic upturn to continue in most industrialized nations, with moderate rates of expansion overall. As in the previous year, growth will in all probability be muted in many emerging markets. We expect the strongest rates of expansion in Asia's emerging economies.

We anticipate that the global economy will also continue to grow in the period 2017 to 2020.

Europe/Other markets

In Western Europe, the economic recovery is expected to continue in 2016. Resolving structural problems will continue to represent a major challenge in this regard.

For Central Europe, we expect growth rates to be similar to those of the past fiscal year. In Eastern Europe, the economic situation should stabilize, providing the conflict between Russia and Ukraine does not deteriorate. Russia's economy will probably contract further, but at a slower pace than in the reporting period.

Political uncertainty and social tensions resulting primarily from high unemployment levels will probably continue to weigh on the South African economy in 2016 and keep growth down.

Germany

The German economy is expected to expand further in 2016 at slightly higher growth rates than in the reporting period. The situation in the labor market is also expected to remain stable.

North America

For North America, we anticipate that the robust economic performance will continue in 2016. Growth in the USA and in Canada is expected to remain stable compared with the previous year, while the Mexican economy is slated to expand at a slightly slower rate.

South America

Mainly because of sluggish domestic demand, Brazil will probably record negative growth again in 2016. Weighed down by persistently high inflation and the muted business climate, economic growth in Argentina is expected to be slow.

Asia-Pacific

Economic growth in China is expected to remain at a high level in 2016, but to lose further momentum compared to previous years. For India, we anticipate stable growth at comparatively high rates of expansion. In Japan, the economic situation will probably only improve slightly. In the ASEAN region, we estimate that the economy will continue to expand at approximately the same rate as in the reporting period.

TRENDS IN THE PASSENGER CAR MARKETS

We expect trends in the passenger car markets in the individual regions to be mixed in 2016. Overall, growth in global demand for new vehicles will probably be slower than in the reporting period.

The Volkswagen Group is well positioned to deal with the mixed developments in the global automotive markets. Our broad, selectively expanded product range featuring the latest generation of engines as well as a variety of alternative drives puts us in a good position globally compared with our competitors. Our goal is to offer all customers the mobility and innovations they need, sustainably strengthening our competitive position in the process.

We estimate that demand for passenger cars worldwide will continue to increase in the period 2017 to 2020.

Europe/Other markets

For 2016, we anticipate that the demand volume in Western Europe will be in line with that of the reporting period. Pre-crisis levels are not expected to be reached, even in the medium term. The ongoing debt crisis will probably further unsettle consumers in many countries in the region and restrict their financial opportunities to buy new cars. In Spain and Italy, the recovery will probably continue in 2016 at a modest pace, while in the United Kingdom we anticipate that the market volume will be below the high level seen in the previous year. For France, we expect growth to be only slightly positive.

In the Central and Eastern European markets, demand for passenger cars in 2016 is estimated to be under the weak prior-year figure. Following significant declines in previous years, the volume of demand in Russia will probably decrease again in 2016. We expect to see further growth in demand or volumes remaining at the previous year's level in many Central European markets.

We are projecting that the volume of the South African automotive market will be significantly below the previous year's figure in 2016.

Germany

Following the positive trend of recent years, we forecast that the volume of the German passenger car market in 2016 will remain level with the prior-year figure.

North America

In 2016, we expect that the market for passenger cars and light commercial vehicles (up to 6.35 tonnes) in the USA will continue to benefit from favorable conditions and that the positive trend seen in the past year will endure at a weaker pace. Growth is expected to be driven mainly by the SUV and pickup segment. In the Canadian market, demand is likely to be slightly below the previous year's high level. In Mexico, however, we anticipate that the market volume will be noticeably higher than in 2015.

South America

Owing to their dependence on demand for raw materials, the South American markets for passenger cars and light commercial vehicles are heavily influenced by developments in the global economy. Furthermore, protectionist tendencies are adversely affecting the performance of the region's vehicle markets, especially in Brazil and Argentina, which have imposed restrictions on vehicle imports. The volumes of the South American markets will probably fall considerably short of the prior-year figures in 2016. In Brazil, the largest market in South America, we are forecasting that the volume of demand will be substantially lower than the already poor figure recorded in the previous year. In Argentina, we anticipate that, in view of persistently high inflation and the challenging macroeconomic situation, demand will be noticeably down year-on-year, following significant declines in the previous two years.

Asia-Pacific

The passenger car markets in the Asia-Pacific region look set to continue their growth trajectory in 2016 at a similar pace. In China, the steady increase in individual mobility requirements will continue to push up demand; the rate of growth should be in line with the previous year. Tax breaks for vehicles with engine sizes of up to 1.6 l are also expected to contribute to growth. Strong demand is still forecast for attractively priced entry-level models in the SUV segment. In India, we expect demand for passenger cars to slightly exceed the previous year. We anticipate that demand in the Japanese passenger car market will decline slightly in 2016. We are forecasting positive growth rates for the markets in the ASEAN region in 2016.

TRENDS IN THE MARKETS FOR COMMERCIAL VEHICLES

We expect trends in the markets for light commercial vehicles in the individual regions to be mixed again in 2016. Overall, we envisage slight growth in demand, a trend that is likely to continue in the period 2017 to 2020.

Given that the economy is expected to recover further in 2016, we estimate that demand for light commercial vehicles in Western Europe will be in line with the prior-year figure. We anticipate that new registrations in Germany will be around the previous year's level.

In the Central and Eastern European markets, registrations of light commercial vehicles in 2016 will probably be flat on the previous year. We also expect the market volume in Russia to remain stable compared with 2015.

In North and South America, the light vehicle market is reported as part of the passenger car market, which includes both passenger cars and light commercial vehicles.

The market volume in the Asia-Pacific region in 2016 will probably record a modest increase year-on-year. We are expecting demand in the Chinese market to be up on the previous year. For India we are forecasting a substantially higher volume in 2016 than in the reporting period. In the Japanese market, the downward trend is likely to continue in 2016 at a moderate pace. In the ASEAN region, we assume that the market will grow in 2016.

In the markets for mid-sized and heavy trucks that are relevant for the Volkswagen Group, new registrations in 2016 are set to drop slightly below the prior-year level. For the period 2017 to 2020 we anticipate a positive trend, however.

We expect to see demand in Western Europe and Germany slightly edge up year-on-year in 2016.

Central and Eastern European markets should also record a slight uptick in demand. Following the significant slump in the Russian market in 2015, we are forecasting a moderate recovery in demand. Despite this backlog effect, the Russian market as a whole will remain at a low level.

As pent-up demand in the US truck market has become saturated, new registrations in North America in 2016 will probably be down appreciably on the prior-year figure.

Demand in the Brazilian market in 2016 will be substantially lower than the already weak figure recorded in the previous year. This is attributable to the economic conditions, which continue to be weighed down by the muted business climate and negative growth rates.

For China, the world's largest truck market, the significant market decline in 2015 will result in pent-up demand, so registrations in 2016 will probably be noticeably higher than in the previous year. Nevertheless, this market will not reach the high level recorded in preceding years. In India, we expect sizable growth in the market on the strength of the positive economic climate and the implementation of numerous infrastructure measures.

In the bus markets that are relevant for the Volkswagen Group, we expect that demand will decrease perceptibly in 2016. Following the sharp increase in Western Europe in 2015, we are likely to see demand dip slightly in 2016. For Central and Eastern Europe, we are forecasting that the volume of demand will be down significantly on the previous year. In South America, new registrations will probably also be substantially lower than the prior-year level.

For the period 2017 to 2020, we expect moderate growth overall in the bus markets that are relevant for the Volkswagen Group.

TRENDS IN THE MARKETS FOR POWER ENGINEERING

We expect the overall difficult market environment and thus the price pressure in the power engineering segment to persist in 2016.

We anticipate that the order volume for two-stroke engines, used in merchant shipping in 2016, will be similar to the prior-year figure. Calls for greater energy efficiency and low pollutant emissions will have a significant influence on ship designs in the future. We expect to see continuing high demand for special-purpose ships such as cruise ships and government vessels. Despite long-term positive growth factors for offshore applications, expectations are that new orders will be at a low level in 2016 because of the persistently low oil price. Overall, we estimate that the marine market will be on a level with the previous year. The competitive pressure will continue unabated.

Demand for energy correlates strongly with macroeconomic and demographic trends, especially in developing countries and emerging markets. The global trend toward decentralized power stations and gas-based applications shows no sign of slowing down. This development is supported in particular by increasing improvements in the liquid gas infrastructure. We anticipate that demand will increase slightly year-on-year in 2016, but will remain at a low overall level.

Both the processing and the oil and gas industries are expected to experience a persistently difficult market environment in fiscal year 2016, resulting in high price and competitive pressure. This is due to expectations that oil prices will remain low and unfavorable economic and political conditions will prevail in some relevant markets. We consequently envisage that in 2016 the market for turbomachinery will also settle at the previous year's low level.

Any substantial improvement in the German market for wind farms cannot yet be expected for 2016.

For the period 2017 to 2020, demand is expected to grow in the power engineering market.

DEMAND FOR FINANCIAL SERVICES

We expect automotive financial services to continue to grow in importance worldwide in 2016. We anticipate that demand for financial services will increase more strongly in those emerging markets in which market penetration is currently low, such as China. In regions with developed automotive finance markets, there will be a further shift in the offering towards enabling mobility at a manageable total cost. Integrated end-to-end solutions, comprising service modules such as insurance and innovative packages of services, and new mobility offerings such as carsharing will become increasingly important. We also expect this trend to continue in the period 2017 to 2020.

In the mid-sized and heavy commercial vehicles category, we expect rising demand for financial services products in emerging markets. There in particular, financing solutions support vehicle sales and are thus an essential component of the sales process. We anticipate increased demand in 2016 in the developed markets for services that reduce the total cost of ownership. This trend will continue in the period 2017 to 2020.

EXCHANGE RATE TRENDS

The global economy lost a little of its momentum in 2015. Falling energy and commodity prices, uncertainty about the change in the Chinese growth model and the declining confidence in the economic stability of emerging markets resulted in further weakening of the currencies of those countries. The euro stabilized at a low level against the US dollar, the Chinese renminbi and sterling in the course of the year. Despite appreciating temporarily, the Russian ruble remained weak, losing substantial ground again in the second half of the year. For 2016, we are forecasting that the euro will gain some strength against the US dollar, Chinese renminbi, sterling and other key currencies. The expectation is that the Russian ruble will remain weak. We currently assume that these trends will continue in the period 2017 to 2020. There is still a general event risk – defined as the risk arising from unforeseen market developments.

INTEREST RATE TRENDS

Interest rates remained extremely low in fiscal year 2015 due to the continuation of expansionary monetary policy and the challenging overall economic environment. In the major Western industrialized nations, key interest rates persisted at a historic low level. While it became apparent in the USA and the UK that the extremely loose monetary policy was gradually drawing to an end, the European Central Bank continued to pursue this course. In light of further expansionary monetary policy measures in the eurozone, we therefore consider it unlikely that interest rates will rise significantly in 2016. In the USA and the UK, however, we can expect to see a moderate increase in interest rates. For the period 2017 to 2020, we anticipate a gradual rise in interest rates.

COMMODITY PRICE TRENDS

Many commodity prices decreased further in 2015. This was principally due to increasing excess supply in the global markets, but also to weaker economic growth in China and the strong US dollar. Assuming somewhat stronger growth in the global economy, we expect prices of most exchange-traded raw materials in 2016 to fluctuate around the current level. Provided there is a further recovery, we believe that commodity prices will rise in the period 2017 to 2020.

NEW MODELS IN 2016

The Volkswagen Group will systematically press ahead with its model initiative in 2016, modernizing and expanding its portfolio by introducing attractive new vehicles. Priority will always be given to what our customers want. We are also successively enhancing our product portfolio by adding vehicles equipped with alternative drive systems, i.e. gas and electric versions.

The Volkswagen Passenger Cars brand will launch the replacement of the successful Tiguan SUV model in 2016. In addition, the Beetle family will be upgraded, and the Beetle Dune will be added to the range. Other product upgrades are planned for the up! and Golf Cabriolet as well as for the Gol, Voyage and Saveiro in Brazil. In China, the product program is being extended with the sporty GTS variant of the Lamando and the new luxury saloon Phideon. The locally produced successors to the popular Magotan notchback saloon, the versatile Touran and the new Golf Sportsvan will be launched there. In addition, there will be product upgrades for the locally produced Passat and Sagitar GLI models.

The Audi brand is systematically expanding its SUV range: the new sporty compact entry-level model Q2 extends the Q family. Production of the new Q5 will start up at the new plant in Mexico. The successor to the A5 Coupé will also be unveiled in 2016. The A4 family will be enhanced by adding the sporty S models S4 Saloon and S4 Avant as well as the A4 allroad quattro. Towards the end of the year, the A4 g-tron is expected to be introduced. In addition to natural gas, this car can also run on eco-friendly Audi e-gas. At the beginning of 2016, the long wheelbase version of the popular luxury class vehicle A6 L will moreover be unveiled in China, to be followed by the A6 L e-tron later in the year.

ŠKODA will launch the Superb SportLine in 2016, thus introducing a sporty element to the Superb series.

In 2016, the SEAT brand will expand its product portfolio by adding a new versatile SUV in the A segment: the Ateca. The popular Leon series will be upgraded.

Porsche will enhance the new generation of the 911 in 2016 with additions such as the all-wheel drive and Targa models and the 911 Turbo. In addition, the new generation of the Cayman and the Boxster will be unveiled.

Bentley will introduce a new series and launch the Bentayga, the world's most luxurious and powerful SUV. The Mulsanne will be upgraded and a new variant with a lengthened wheelbase will be added.

The super sports car manufacturer Lamborghini will unveil the Huracán LP 610-4 Spyder in 2016, which combines the technology and power of the Huracán with the emotion of a Spyder.

Volkswagen Commercial Vehicles will present the successor to the Crafter. The vehicle is produced at the purpose-built Wrzesnia plant in Poland and is a key component of the growth strategy of Volkswagen Commercial Vehicles. The Amarok pickup, which has enjoyed international success, will get a comprehensive product upgrade.

At Ducati, the Scrambler series will be expanded in 2016 with, among other things, the addition of a premium lifestyle model and the Flat Track Pro. The new XDiavel will complement Ducati's Cruiser product range. An Enduro and the sporty 1200 Pike's Peak will be added to the Multistrada series.

STRATEGIC SALES FOCUS

The multibrand structure, comprising largely independent, strong brands that nevertheless achieve maximum synergies, is one of the defining features of the Volkswagen Group. The structures in the Group have been designed for managing a multibrand organization.

To facilitate the entry into new markets for more Group brands, we will further expand our multibrand structure, particularly in the growth markets. We will also strengthen our customer focus across all sales levels and in customer service, for which we are continually enhancing employee qualifications in addition to optimizing our processes and systems to reflect shifts in customer requirements as well as changing markets and technologies, in particular digitalization. The focus of our sales strategy remains the same – the integrated marketing of new and used vehicles, financial and other services, as well as genuine parts and accessories.

TECHNICAL EXPERTISE, MOTIVATION AND HEALTH

The central concern of the Volkswagen Group's human resources work is to promote the expertise, motivation and health of our employees. This is the prerequisite for outstanding professional and engineering work.

The dual vocational training and a university degree are the basis for professional development in the vocational groups at Volkswagen. Employees then obtain further qualifications throughout their working lives. To always meet current requirements, the broad offering of qualifications is continuously being enhanced. For example, employees are prepared for the changes associated with the advancing digitalization and the use of new technologies under Industry 4.0. An important pillar of this strategy is the transfer of knowledge and experience by experts to other staff. Qualifications are provided in the form of dual vocational training and classroom education that closely integrate theoretical and practical forms of learning.

INVESTMENT AND FINANCIAL PLANNING

In our current planning for 2016, investments of a total of €15 billion will be made in the Automotive Division.

Scheduled capex (investments in property, plant and equipment, investment property and intangible assets, excluding capitalized development costs) will amount to approximately €12 billion, down on the figures of the previous planning round. The ratio of capex to sales revenue in 2016 will be at a level of 6 – 7%. The majority of capex will be spent on new products, the continued rollout and development of the modular toolkit and the completion of ongoing capacity expansion. These relate, for example, to product start-ups such as the next generation of the Golf and the Audi Q5, the new Crafter production facility in Poland plus upfront investments for the modular electrification toolkit. Roughly 50% of capex will be made at the Group's 28 locations in Germany.

Besides capex, investing activities will include additions of €5 billion to capitalized development costs. Among other things, these reflect upfront expenditures in connection with compliance with environmental standards and the extension and updating of our model range. Activities will focus in particular on the rapid advancement of electric drives in the Volkswagen Passenger Cars, Audi and Porsche brands.

The investments in new facilities and models, as well as in the development of alternative drives and modular toolkits, are laying the foundations for profitable, sustainable growth at Volkswagen. These investments also include commitments arising from decisions taken in previous fiscal years.

In March 2016, the sale of the leasing and fleet management company LeasePlan Corporation N.V. to a syndicate of investors was concluded. This transaction resulted in a positive effect of €2.2 billion on the Automotive Division's investing activities.

We intend to finance our investments in the Automotive Division using internally generated funds and expect cash flows from operating activities to exceed the Automotive Division's investment requirements. As a result of the effects of the emissions issue, net cash flow in the Automotive Division will probably be significantly lower than in the previous year. This does not include cash outflows for the legal handling of the emissions issue.

These plans are based on the Volkswagen Group's current structures. They do not take into account the possible settlement payable to other shareholders associated with the control and profit and loss transfer agreement with MAN SE. Our joint ventures in China are not consolidated and are therefore also not included in the above figures. These joint ventures will invest €4 billion in capex in 2016, to be financed from the companies' own funds.

In the Financial Services Division we are planning higher investments in 2016 than in the previous year. We expect the growth in lease assets and in receivables from leasing, customer and dealer financing to lead to funds tied up in working capital, of which around 45% will be financed from the gross cash flow. As is common in the sector, the remaining funds needed will be met primarily through asset-backed securities, customer deposits from direct banking business, unsecured bonds on the money and capital market as well as through the use of international credit lines.

TARGETS FOR VALUE-BASED MANAGEMENT

Based on long-term interest rates derived from the capital market and the target capital structure (fair value of equity to debt = 2:1), the minimum required rate of return on invested capital defined for the Automotive Division remains unchanged at 9%. Due in particular to the adverse effects of the special items on earnings, we fell considerably short of the minimum required rate of return in the reporting period, with a return on investment (ROI) of –0.2% (see also page 123). Invested capital will increase in 2016 as a result of the investments in new models and in the development of alternative drives and modular toolkits. The return on investment will be up substantially year-on-year, above the minimum required rate of return on invested capital of 9%.

FUTURE ORGANIZATIONAL STRUCTURE OF THE GROUP

At its meeting on September 25, 2015, the Supervisory Board of Volkswagen AG passed resolutions for restructuring the Company. The Group is to have a new management model, which is being implemented since the beginning of 2016. The main changes are as follows:

At Group level, the management structure will be based even more consistently on the modular toolkit system. In addition to Volkswagen Passenger Cars, SEAT and ŠKODA as the volume brands, Audi, Lamborghini and Ducati will form a brand group and Porsche will be in a brand group with Bentley and Bugatti. The commercial vehicles group with Scania and MAN as well as the Volkswagen Commercial Vehicles brand will remain in place, as will the Power Engineering and Financial Services business areas.

Furthermore, Group functions will focus on efficiency and topics for the future. For this, organizational units will be set up for, among others, digitalization, the toolkit and product strategy, new business fields, as well as cooperation and equity investments.

Existing corporate bodies, structures and processes will be streamlined at Group level, in particular by strengthening the individual brands and regions. The research and development, production and sales functions will be strategically assigned at Group level to the area for which the Chairman of the Board of Management is responsible. The existing responsibilities for these functions in the Group's Board of Management will be transferred to the new organizational structure.

The reorganization will also result in slight changes to the financial reporting. In the Automotive Division, the Commercial Vehicles/Power Engineering Business Area will in future be presented as two separate business areas in accordance with the segment reporting: Commercial Vehicles Business Area and Power Engineering Business Area. The Automotive Division will thus have three business areas: Passenger Cars, Commercial Vehicles and Power Engineering. The Financial Services Division, which corresponds to the Financial Services segment, will remain unchanged.

SUMMARY OF EXPECTED DEVELOPMENTS

The Volkswagen Group's Board of Management expects the global economy to record the same level of growth in 2016 as in the previous year. Risks will arise from turbulence in the financial markets and structural deficits in individual countries. In addition, growth prospects continue to be hurt by geopolitical tensions and conflicts. We expect the economic upturn to continue in most industrialized nations, with moderate rates of expansion overall. As in the previous year, growth will in all probability be muted in many emerging markets. We expect the strongest rates of expansion in Asia's emerging economies.

The trend in the automotive industry closely follows global economic developments. Competition in the international automotive markets is likely to intensify further.

We expect trends in the passenger car markets in the individual regions to be mixed in 2016. Overall, growth in global demand for new vehicles will probably be slower than in the reporting period. We anticipate that the demand volume in Western Europe and the German passenger car market will be in line with the previous year. In the Central and Eastern European markets, demand for passenger cars is estimated to be under the weak prior-year figure. In North America, we expect last year's positive trend to continue at a slightly weaker pace. The volumes of the South American markets will probably fall noticeably short of the prior-year figures. The passenger car markets in the Asia-Pacific region look set to continue their growth path at a similar pace.

Global demand for light commercial vehicles will probably see a slight increase in 2016. We expect trends to vary from region to region.

In the markets for mid-sized and heavy trucks that are relevant for the Volkswagen Group, new registrations in 2016 are set to drop slightly below the prior-year level, while new registrations of buses in the relevant markets will probably be noticeably lower than in the previous year.

We expect automotive financial services to continue to grow in importance worldwide in 2016.

The Volkswagen Group is well positioned to deal with the mixed developments in the global automotive markets. Our broad, selectively expanded product range featuring the latest generation of engines as well as a variety of alternative drives puts us in a good position globally compared with our competitors. The Group's strengths include in particular its unique brand portfolio, its steadily growing presence in all major world markets and its wide selection of financial services. Our range of models span from motorcycles through compact, sports and luxury cars to heavy trucks and buses, and covers almost all segments. 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 positive effects 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 expect 2016 sales revenue for the Volkswagen Group to be down by as much as 5% on the prior-year figure. In terms of the Group's operating result, we anticipate an operating return on sales of between 5.0% and 6.0% in 2016.

In the Passenger Cars Business Area we expect a sharp decrease in sales revenue, with an operating return on sales in the anticipated range of 5.5 – 6.5%. With sales revenue in the Commercial Vehicles Business Area remaining essentially unchanged, we anticipate that the operating return on sales will be between 2.0% and 4.0%. We expect sales revenue in the Power Engineering Business Area to be perceptibly lower than the prior-year figure, with a significantly reduced operating result. For the Financial Services Division, we are forecasting sales revenue and the operating result at the prior-year level.

At Group level, we still endeavor to achieve a sustainable return on sales before tax of at least 8%.

In the Automotive Division, the ratio of capex to sales revenue will fluctuate around a level of 6 – 7% in 2016. The return on investment (ROI) will be up substantially year-on-year, above the minimum required rate of return on invested capital of 9%. As a result of the effects of the emissions issue, net cash flow will probably be significantly lower than in the previous year. Our unchanged stated goal is continue our solid liquidity policy.

The Group's new structure with more decentralized responsibility will strengthen our brands and regions and increase our proximity to customers. In addition, we are working to make even more focused use of the advantages of our multibrand group by continuously developing new technologies and toolkits. The commitment and considerable technical expertise of our staff are key prerequisites to mastering the current and future challenges facing us and to being successful. The central concern of the Volkswagen Group's human resources work is therefore to promote the expertise and motivation of our employees. Disciplined cost and investment management and the continuous optimization of our processes are integral elements of the Volkswagen Group's strategy.