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A successful start to the year: Volkswagen brand continues upward trend

- Deliveries, sales revenue and result once again improved in first quarter of 2018
 - Brand grows throughout the world; growth in Germany, too
 - Pace of model and innovation offensive stepped up
 - Forecast for 2018 as a whole confirmed
 - Group and brand CEO Diess: "We are making good progress, in line with our plans, on our way to making Volkswagen fit for the future of mobility."
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Wolfsburg – The Volkswagen brand continues to grow. In the first quarter of 2018, there were once again increases in deliveries, sales revenue and the result. With more than 1.5 million vehicles delivered (+5.9 percent), the brand recorded the best first quarter in its history. Sales revenue grew by 5.9 percent to €20.1 billion. Compared with the strong first quarter of the previous year, the operating result improved by 1.2 percent to €879 million. Despite considerable expenditure for the ongoing model offensive, Volkswagen recorded a return on sales of 4.4 percent (previous year: 4.6 percent).

"In the first quarter, we were able to continue the dynamic development of the previous year without any interruption," said Dr. Herbert Diess, CEO of the Volkswagen brand, who is now also CEO of the Volkswagen Group. "Our new models are being outstandingly well-received by customers, our efficiency measures are taking effect and we are on the way to gaining new strength in the regions. Our long-term goal is clear: we want to make Volkswagen fit for the future of mobility. We are making good progress in these efforts in line with our plans."

Model offensive and cost discipline are the earnings drivers

The upward trend is broad-based. In the first three months of the year, Volkswagen was able to deliver significantly more vehicles than in the previous year in all regions of the world. In Brazil, deliveries rose by 4 percent, in China by 8.6 percent and in the USA by as much as 10 percent. Deliveries also grew in Germany. In its domestic market, Volkswagen boosted deliveries by 7.3 percent and regained market shares in key segments. Especially the newly introduced SUV's are making for extremely

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dynamic developments throughout the world. With the T-Roc, the Tiguan Allspace, the Teramont and the Atlas, the brand now offers four new SUVs that were not available a year ago.

The growing volume of deliveries also had a positive effect on the sales revenue and operating result of the brand. In addition, Volkswagen was able to further improve product costs. Despite the ongoing model offensive, fixed costs remained largely stable in the first quarter of 2018 compared with the previous year. On the other hand, the improvement in the result was offset by growing expenditure for the upcoming electric offensive. The brand forged ahead with the implementation of this offensive in the first three months of the year.

Dr. Arno Antlitz, Member of the Board of Management of the Volkswagen brand responsible for Finance, said: "The Volkswagen brand started the new year with a healthy result. We are keeping costs under control and making good progress with improving productivity. We will pursue this approach consistently over the next few months. At the same time, we will continue to invest strongly in the future of the brand, especially in the major model and innovation offensive."

Sustained positive business developments expected

Over the next few months, the brand expects positive business developments to continue. In the 2018 financial year, deliveries, sales revenue and the operating result will continue to rise, among other things as a result of the further implementation of the pact for the future and the turnaround programs in the regions. Volkswagen confirmed its return forecast unchanged. Despite significantly higher expenditure in areas including the changeover to the new WTLP consumption standard, the achievement of the CO₂ fleet targets and the run-up stage of the electric offensive, an operating return in the target corridor between 4.0 and 5.0 percent is aimed for in the current financial year.

The brand continues to step up the pace of its major model and innovation offensive. With the new Tourag and the Jetta for the USA, Volkswagen has already presented two new models which are to be launched in the near future. In addition, the new mid-size sedan Virtus was launched recently in Brazil and has attracted considerable attention from customers. At the end of the year, Volkswagen will enter an entirely new segment with the T-Cross. In addition, four new SUVs especially for the Chinese market are planned this year.



In the course of its TRANSFORM 2025+ strategy, the brand will renew its entire model range by 2020 as well as expanding it in key segments. From 2020, the newly developed I.D. family will start the brand's major electric offensive.

The first-quarter figures for the Volkswagen brand at a glance:

	Q1 2018	Q1 2017	Change %
Deliveries	1,525,300	1,440,900	+5.9 %
Unit sales	912,200	862,100	+5.8 %
Sales revenue (€ million)	20,115	19,040	+5.9 %
Operating result (€ million)*	879	869	+1.2 %
Operating return on sales*	4.4 %	4.6 %	

*Before special items

About the Volkswagen brand: "We make the future real"

The Volkswagen Passenger Cars brand is present in more than 150 markets throughout the world and produces vehicles at over 50 locations in 14 countries. In 2017, Volkswagen delivered 6.23 million vehicles including bestselling models such as the Golf, Tiguan, Jetta or Passat. Currently, 198,000 people work for Volkswagen across the globe. The brand also has over 7,700 dealerships with 74,000 employees. Volkswagen is forging ahead consistently with the further development of automobile production. E-mobility, smart mobility and the digital transformation of the brand are the key strategic topics for the future.
