



UPDATE FY 2018

25TH FEBRUARY 2019

TRATON
G R O U P

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UPDATE ON CORE KPIs 2018A

	Industrial Business					Financial Services	GROUP
2018A	Scania V&S	MAN T&B	VWCO	Other ¹			
Sales Revenue	€13.0bn	€10.8bn	€1.4bn	(€0.3bn)	€25.0bn	€0.8bn ⁷	€25.9bn ⁶
Adj. Operating Profit ²	€1.2bn	€0.5bn	€0.0bn	(€0.3bn)	€1.5bn ⁵	€0.1bn	€1.7bn ⁵
Adj. RoS ²	9.3%	5.0%	2.0%	<i>nm</i>	5.9% ⁹	19.2% (Return on Equity ⁸)	6.4% ¹⁰
Total Research and Development Costs ³					€1.4bn		
Capex (ex. capitalized dev. costs) ¹¹					€1.0bn		
Net Cash Flow II ⁴					€0.2bn		(€0.5bn)

1 Includes holdings and participations (MAN SE: holding companies, Sinotruk participation; TRATON Holding: holding companies, Navistar participation, TB Digital Services), PPA (VWCO PPA – MAN Origin; Scania PPA – VW Origin) as well as consolidation effects. 2 Overview of individual adjustments reflected on page 3. 3 Reflecting total research and development costs from continuing operations comprising capitalized R&D plus period expensed R&D. 4 Net Cash Flow II is defined as cash flows from operating activities reduced by cash outflow from investing activities from continued operations adjusted for “changes in securities” and “change in loans and time deposits”. 5 Including aligned PPA (VWCO PPA – MAN Origin; Scania PPA – VW Origin). 6 Including operations no longer held by TRATON GROUP as of Jan-2019 (VGSG), consolidation effects (MAN – VWCO), other segments and reconciliation. 7 Reflecting lease income and interest income before intersegment consolidation. 8 Defined as profit before tax as % of average equity. 9 Based on Adj. Operating Profit including PPA (VWCO PPA – MAN Origin; Scania PPA – VW Origin) as well as consolidation effects on Industrial Business level. 10 Based on Adj. Operating Profit including PPA (from Scania and VWCO), operations no longer held by TRATON GROUP as of Jan-2019 and consolidation effects (MAN – VWCO). 11 Including Investments in intangible assets (excluding development costs), Property plant and equipment, and investment property, acquisition of subsidiaries and acquisition of other equity investments.

LIMITED AMOUNT OF ADJUSTMENTS TO HISTORICAL OPERATING PROFIT FOR TRATON GROUP

Operating Profit to Adj. Operating Profit table (€m)

in €m	2016A	2017A	2018A
Operating Profit	727	1,512	1,513
<i>RoS in %</i>	<i>3.3%</i>	<i>6.2%</i>	<i>5.8%</i>
Provision for Scania antitrust fine	403	-	-
Release of restructuring provision at MAN T&B	-	(50)	-
Expense in relation to Indian market exit at MAN T&B	-	-	137
Restructuring expense at VWCO	58	-	-
Adj. Operating Profit	1,188	1,462	1,650
<i>Adj. RoS in %</i>	<i>5.4%</i>	<i>6.0%</i>	<i>6.4%</i>

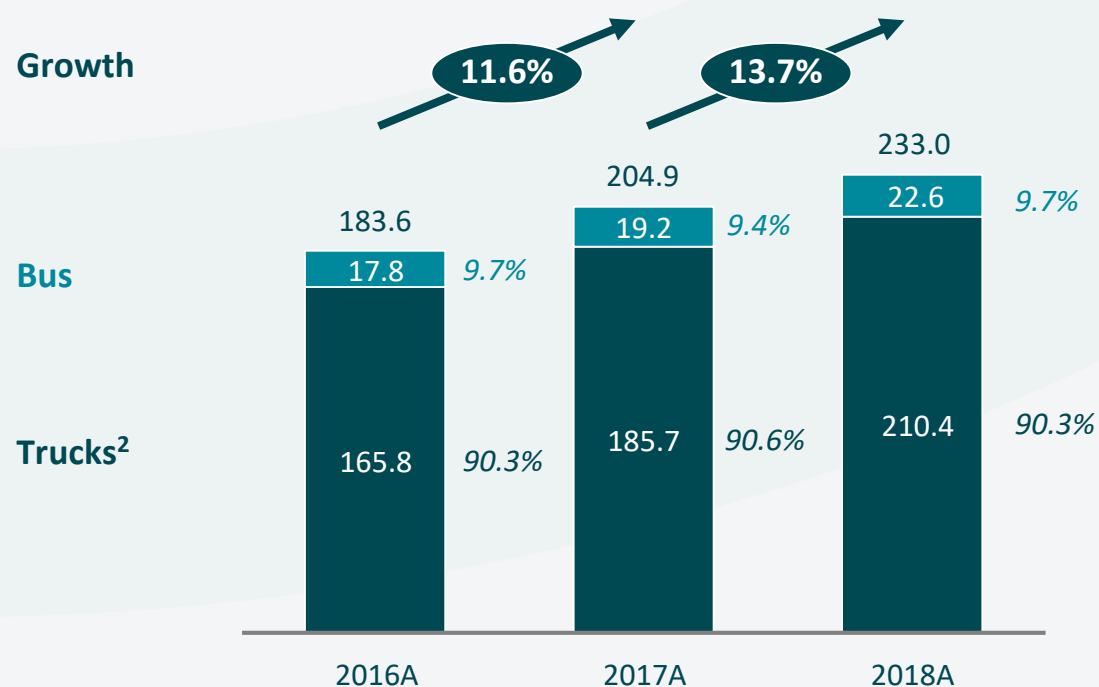


Commentary

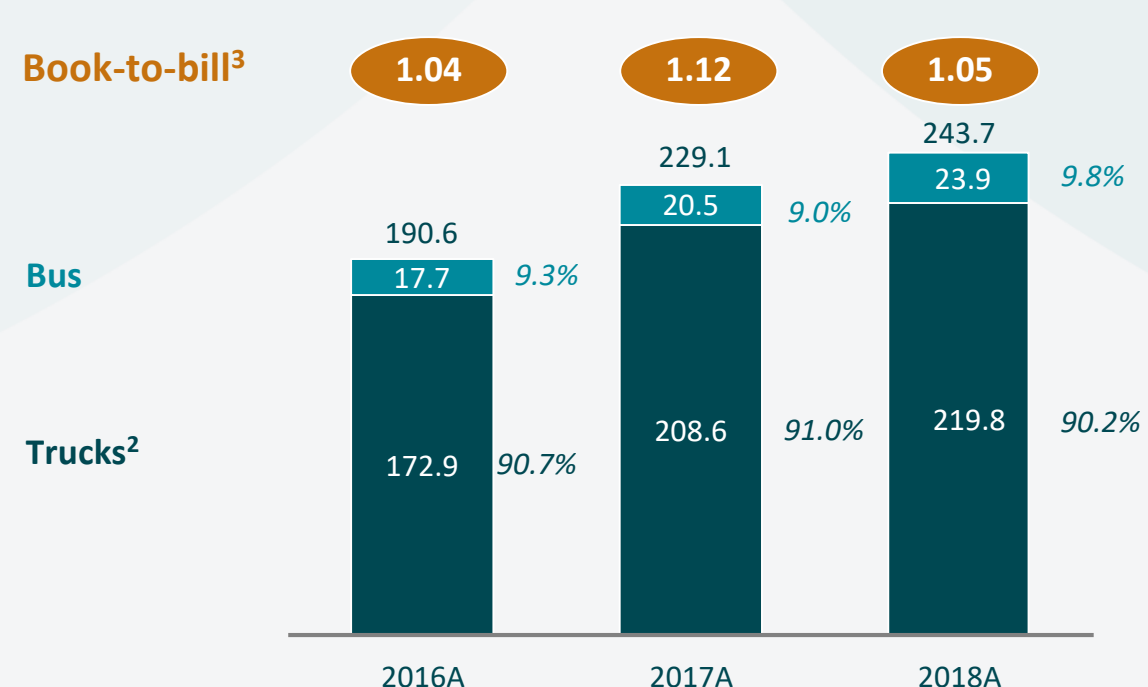
- Scania provisioned €403m in relation to the European Commission's antitrust fine in 2016A
- Lower than expected restructuring expenses at MAN T&B leading to €50m reversal of respective provision in 2017A
- Adjustment of €137m reflected in 2018A with regards to market exit/plant closure of MAN T&B in India

INDUSTRIAL BUSINESS: INCREASING VOLUMES AND STRONG ORDER INTAKE

Volume delivered¹ (k units and % of total)

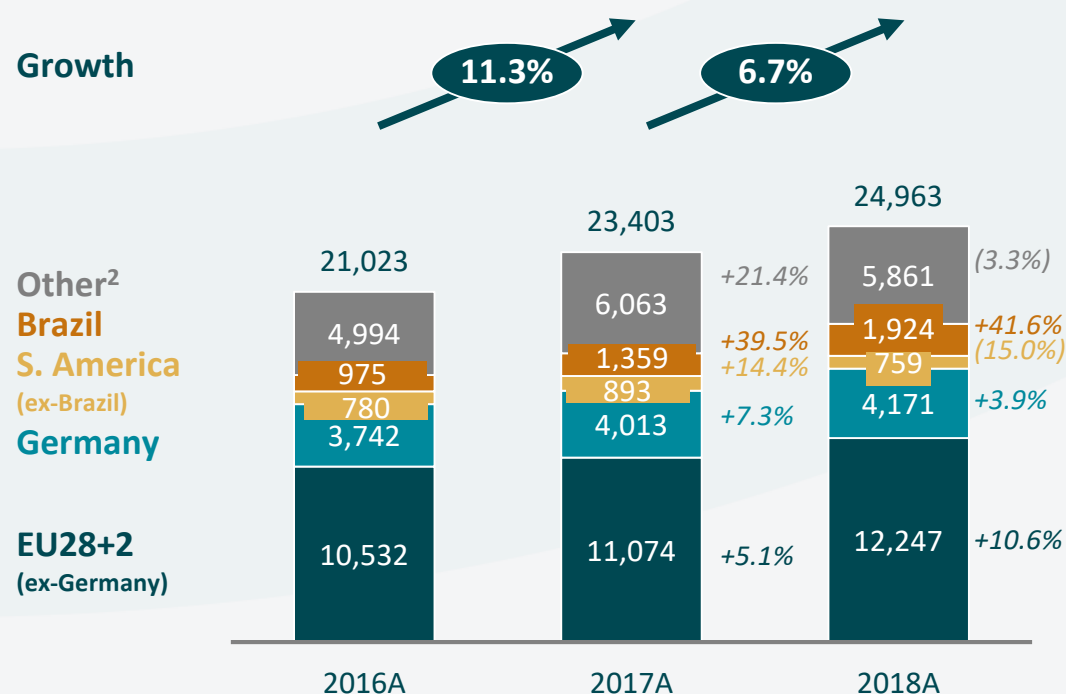


Order intake¹ (k units and % of total)



INDUSTRIAL BUSINESS: GLOBAL NETWORK CONTRIBUTING POSITIVELY

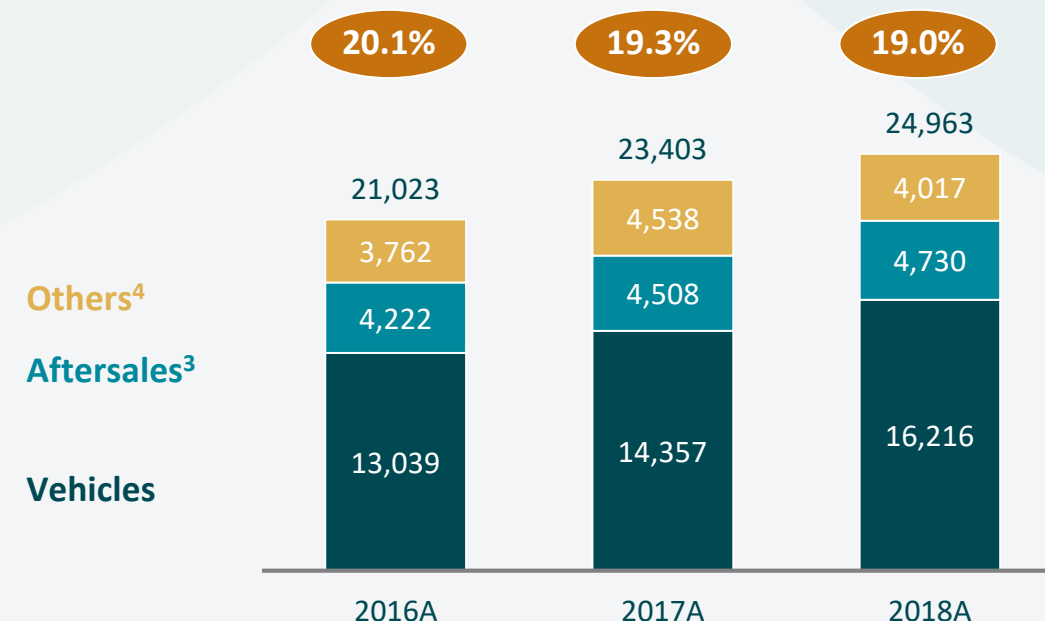
Sales revenue¹ by region (€m and % of total¹)



- Industrial Business' sales revenue increased by €1,560m from 2017A to 2018A, reflecting positive developments across core markets

Sales revenue¹ (€m)

Aftersales¹ sales revenue share as % of total sales revenue



- Significant expansion of truck volumes main contributor to sales growth in 2018A

1 Reflecting sales revenue before intersegment consolidation. 2 Including sales revenue of (i) Asia-Pacific region of €1,887m, €2,137m and €1,981m in 2016A, 2017A and 2018A respectively and (ii) Middle East region of €896m, €1,027m and €792m in 2016A, 2017A and 2018A respectively and including sales revenue from hedging transactions (not assigned to regions). 3 Including genuine parts and workshop services. 4 Including used vehicles, engines, powertrains and parts deliveries, leasing business, interest in similar income and other sales revenue including sales revenues from hedging transactions.

INDUSTRIAL BUSINESS: INCOME STATEMENT OVERVIEW

in €m	2016A	2017A	2018A
Sales revenue ¹	21,023	23,403	24,963
Cost of sales	(17,026)	(18,985)	(20,298)
Gross Profit	3,997	4,418	4,665
SG&A ²	(2,983)	(3,100)	(3,272)
Other operating income/expenses ⁵	(419)	51	(46)
Operating Profit	596	1,368	1,346
<i>RoS in %</i>	<i>2.8%</i>	<i>5.8%</i>	<i>5.4%</i>
Adjustments	461	(50)	137
Adj. Operating Profit	1,057	1,318	1,484
<i>Adj. RoS in %</i>	<i>5.0%</i>	<i>5.6%</i>	<i>5.9%</i>
Financial result	(156)	(196)	98
Earnings before tax (from continuing operations)	440	1,172	1,444
Income tax income/expense	(245)	(418)	(344)
Result from continuing operations, net of tax	195	754	1,100
Result from discontinued operations, net of tax ³	(123)	85	509
Earnings after tax	72	839	1,610

Commentary

Financial result in 2018A of €98m mainly includes:

- €209m resulting from share of earnings from minority investments in Navistar, Sinotruk and RMMV
- €190m positive impact from re-valuation of the investment in Sinotruk
- €(142)m impact from valuation of put option and compensation rights minority share holder
- €(165)m net interest result mainly related to the financial liabilities with VW AG (€2.3bn drawn as per 31-Dec-2018A).

Tax expense declined, despite positive EBT development resulting in an effective tax rate of 26% for 2018A

Industrial Business Adj. EBITDA⁴

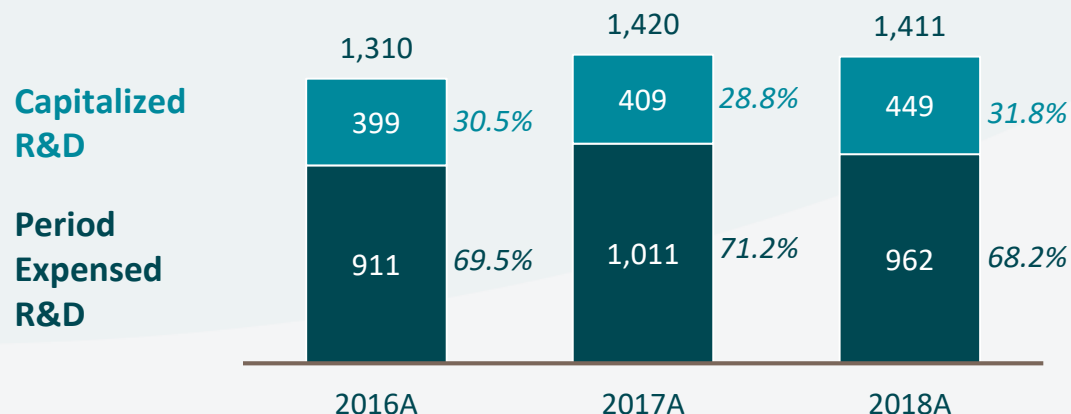
2016A	€1,911m
2017A	€2,107m
2018A	€2,557m

1 Reflecting sales revenue before intersegment consolidation. 2 Reflecting distribution expenses and general and administrative expenses; includes cost of €68m in 2018A for capital market readiness 3 Reflecting non-recurring consolidation effects with Power Engineering. 4 Adj. EBITDA defined as Adj. Operating Profit plus D&A of, and impairment losses on, intangible assets, PP&E and investment property, amortization of and impairment losses on capitalized development costs and impairment losses on equity investments plus share of the result of equity-accounted investments plus other financial result. 5 Including net impairment losses on financial and contract assets.

INDUSTRIAL BUSINESS: NEW PRODUCT DEVELOPMENT AND PRODUCT LAUNCHES DRIVING R&D COSTS AND CAPEX

Total R&D costs¹ (€m; % of sales revenue)

Total R&D costs as % of sales revenue

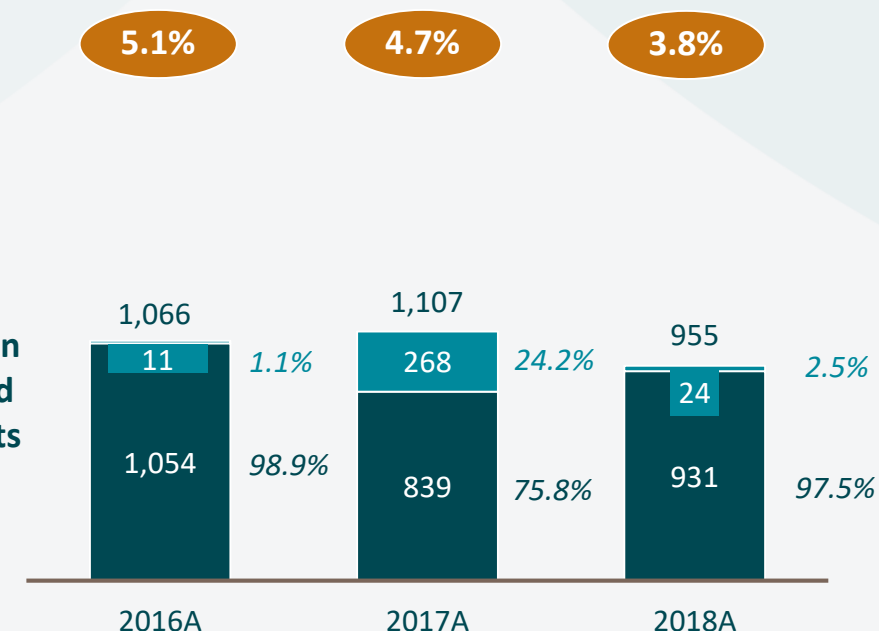


Capex spending² (€m, % of sales revenue)

As % of sales revenue

Other³

Investments in intangible and tangible assets and investment property

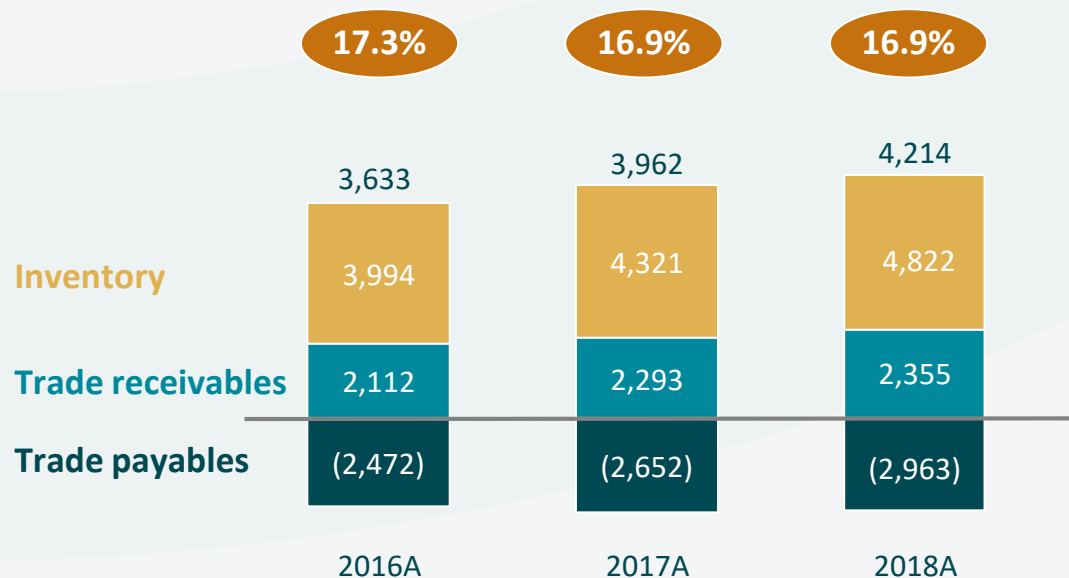


¹ Reflecting total research and development costs from continuing operations comprising capitalized R&D plus period expensed R&D. ² Including Investments in intangible assets (excluding development costs), Property plant and equipment, and investment property, acquisition of subsidiaries and acquisition of other equity investments. ³ Including acquisition of subsidiaries and acquisition of other equity instruments.

INDUSTRIAL BUSINESS: TRADE NET WORKING CAPITAL DEVELOPMENT

Trade working capital (TWC)¹ development (€m)

As % of sales revenue



- Increase of inventories in line with overall increase of sales volumes
- Trade receivables driven by Scania V&S and overall increases in sales revenue
- Trade payables driven by overall growth in production volumes

¹ Working Capital development as per Balance Sheet perspective.

ILLUSTRATION LEASE ASSET ACCOUNTING

Vehicle Sales with Buy-Back Obligation – IFRS 15

- 1 Vehicle sale to customer with buy-back obligation**
 - TRATON receives a cash payment and recognizes a liability split into pre-payment and buyback liability (residual value)
 - TRATON recognizes a lease asset at cost (and de-recognizes inventories)
- 2 Ongoing lease recognition**
 - Asset is depreciated on a straight-line basis over the lease-term
 - The pre-payment liability is deferred as revenue on a straight-line basis over the lease term
- 3 End of lease term**
 - Buy-back: cash effect - TRATON purchases at pre-agreed price and de-recognizes liability
 - No buy-back: no cash effect – buyback asset and liability de-recognized by TRATON

INDUSTRIAL BUSINESS: NET CASH FLOW EVOLUTION

in €m	2016A	2017A	2018A
Earnings before tax	440	1,172	1,444
Income taxes paid	(81)	(217)	(403)
D&A of, and impairm. losses on, int. assets, PP&E, and inv. property ⁴	552	585	634
Amortization of and impairm. losses on capitalized development costs ⁴	237	225	170
Impairment losses on equity investments ⁴	0	1	6
Depreciation of and impairment losses on lease assets ⁴	1,085	1,155	1,089
Change in pensions	23	13	57
Gain/loss on disposal of noncurrent assets and equity investments	(14)	(13)	13
Share of profit or loss of equity-accounted investments	(12)	(63)	(347)
Other noncash expense/income	134	30	134
Change in inventories	(364)	(456)	(670)
Change in receivables (excluding financial services)	(114)	(615)	(57)
Change in liabilities (excluding financial liabilities)	1,714	1,012	1,073
Change in provisions	408	(69)	38
Change in lease assets	(1,865)	(1,439)	(1,596)
Change in financial services receivables	3	(11)	0
Cash flows from operating activities - discontinued operations	(123)	80	(88)
Cash flow from operating activities	2,024	1,392	1,497
Inv. in int. assets (excluding dev. costs), PP&E, and inv. property	(1,054)	(839)	(931)
Additions to capitalized development costs ³	(400)	(416)	(449)
Acquisition of subsidiaries	(4)	4	(7)
Acquisition of other equity investments	(7)	(272)	(17)
Other cash from investing activities ¹	(293)	(88)	631
Cash flows from investing activities – discontinued operations	0	(4)	(0)
Cash flows from investing activities	(1,758)	(1,615)	(773)
Net Cash Flow I²	266	(223)	724
Adjustment to Net cash flow definition Volkswagen AG ⁵	336	137	(592)
Adjustment to discontinuing operations ⁶	123	(76)	88
Net Cash Flow II⁷	724	(162)	221

Commentary

- a. IFRS 15 relevant lease assets incl. in the positions: Depreciation of and impairment on lease assets, Change in lease assets and change in liabilities (excl. financial liabilities)
- b. Share of profit or loss of equity-accounted investments increased due to higher profits and reversal of non-cash impact from re-valuation of the investment in Sinotruk
- c. Increase in inventory in line with sales increase
- d. Other cash flow from investing activities mainly includes €592m from changes in loans and time deposits within the Group (see also e.)
- e. Resulting from changes in loans and time deposits within the Group

1 Includes disposal of subsidiaries, disposal of other equity investments, proceeds from disposal of intangible assets, property, plant and equipment, and investment property, change in investments in securities and changes in loans and time deposits.

2 Net Cash Flow I is defined as cash flows from operating activities reduced for cash flow from investing activities. 3 Including capitalized borrowing costs. 4 Net of impairment reversals. 5 Includes change in investments in securities and changes in loans and time deposits. 6 Includes Cash flow from operating activities and Cash flow from investing activities. 7 Net Cash Flow II is defined as cash flows from operating activities reduced by cash outflow from investing activities from continued operations adjusted for "changes in securities" and "change in loans and time deposits".

FINANCIAL SERVICES: INCOME STATEMENT OVERVIEW

in €m	2016A	2017A	2018A
Financing income (Lease income and interest income) ¹	709	721	760
Cost of sales	(482)	(469)	(489)
Gross Profit	228	252	271
SG&A ²	(102)	(106)	(110)
Other operating income/expenses ³	(21)	(36)	(22)
Operating Profit	105	111	138
Financial result	1	1	10
Earnings before tax	106	112	148
Income tax income/expense	(41)	(20)	(40)
Result from continuing operations, net of tax	65	92	108
Result from discontinued operations, net of tax	-	-	-
Earnings after tax	65	92	108

Return on Equity Calculation	2016A	2017A	2018A
Average Equity (in €m) ⁵	657	702	772
Return on Equity ⁴	16.1%	15.9%	19.2%

1 Reflecting lease income and interest income before I/C adjustments; corresponds to Financial Services segment sales revenue before intersegment consolidation. 2 Reflecting distribution expenses.

3 Including net impairment losses on financial assets. 4 Defined as earnings before tax as % of average equity. 5 Average equity is derived from the balance sheet at the beginning and end of the relevant period.

FINANCIAL SERVICES: NET CASH FLOW EVOLUTION

in €m	2016A	2017A	2018A
Earnings before tax	106	112	148
Income taxes paid	(57)	(52)	(41)
D&A of, and impairm. losses on, int. assets, PP&E, and inv. property	2	3	4
Change in pensions	1	0	0
Gain/loss on disposal of noncurrent assets and equity investments	(0)	(0)	0
Other noncash expense/income	3	(21)	4
Change in receivables	(273)	69	(184)
Change in liabilities	25	86	(55)
Change in provisions	5	(1)	(0)
Change in lease assets	-	-	(3)
Change in financial services receivables	(922)	(941)	(947)
Cash flow from operating activities	(1,110)	(744)	(1,073)
Inv. in int. assets (excluding dev. costs), PP&E, and inv. property	(5)	(3)	(4)
Other cash from investing activities ¹	(73)	34	(34)
Cash flows from investing activities	(78)	31	(37)
Net Cash Flow I²	(1,188)	(714)	(1,111)
Adjustment to Net cash flow definition Volkswagen AG ³	76	(33)	34
Net Cash Flow II⁴	(1,112)	(746)	(1,076)

1 Includes disposal of subsidiaries, proceeds from disposal of intangible assets, property, plant and equipment, and investment property, change in investments in securities and changes in loans and time deposits. 2 Net Cash Flow I is defined as cash flows from operating activities reduced for cash flow from investing activities. 3 Includes change in investments in securities and changes in loans and time deposits. 4 Net Cash Flow II is defined as cash flows from operating activities reduced by cash outflow from investing activities from continued operations adjusted for "changes in securities" and "change in loans and time deposits".

TRATON GROUP: DETAILED KPI (1/3)

		2016A	2017A	2018A
Volume (Units ¹ ; Growth in %)	Scania V&S	81.3k	90.8k 11.6%	96.5k 6.3%
	MAN T&B	83.2k	90.0k 8.2%	102.6k 14.0%
	VWCO	20.4k	25.9k 27.1%	36.4k 40.5%
Sales revenue (in €bn; Growth in %)	Industrial Business	€21.0bn	€23.4bn 11.3%	€25.0bn 6.7%
	Scania V&S	€11.0bn	€12.4bn 13.1%	€13.0bn 4.5%
	MAN T&B	€9.2bn	€10.0bn 8.4%	€10.8bn 7.9%
	VWCO	€0.9bn	€1.2bn 34.5%	€1.4bn 22.2%
	Financial Services	€0.7bn	€0.7bn 1.6%	€0.8bn 5.4%

¹ Including consolidation effects at TRATON group level.

TRATON GROUP: DETAILED KPI (2/3)

		2016A	2017A	2018A	Over-the-cycle RoS target
Adj. return on sales (in %, Adj. operating profit in €bn)	Industrial Business	5.0% €1.1bn	5.6% €1.3bn	5.9% €1.5bn	
	Scania V&S	8.7% €1.0bn	9.4% €1.2bn	9.3% €1.2bn	12% RoS target (Scania Group)
	MAN T&B	4.4% €0.4bn	4.8% €0.5bn	5.0% €0.5bn	8% RoS target
	VWCO	(15.6%) €(0.1)bn	(8.8%) €(0.1)bn	2.0% €0.0bn	8% RoS target
Return on Equity	Financial Services	16.1%	15.9%	19.2%	

TRATON GROUP: DETAILED KPI (3/3)

		2016A	2017A	2018A
Other Industrial Business KPIs	Total R&D costs ¹	€1.3bn	€1.4bn	€1.4bn
	Depreciation ² (% of Sales Revenue)	€0.8bn (3.8%)	€0.8bn (3.5%)	€0.8bn (3.2%)
	Capex ³	€1.1bn	€1.1bn	€1.0bn
	Trade WC (% of Sales Revenue)	17.3%	16.9%	16.9%
	Net Cash Flow II ⁴	€0.7bn	€(0.2)bn	€0.2bn

1 Reflecting total research and development costs from continuing operations comprising capitalized R&D plus period expensed R&D. 2 D&A of, and impairment losses on, intangible assets, PP&E and investment property, amortization of and impairment losses on capitalized development costs and impairment losses on equity investments. 3 Including Investments in intangible assets (excluding development costs), Property plant and equipment, and investment property, acquisition of subsidiaries and acquisition of other equity investments. 4 Net Cash Flow II is defined as cash flows from operating activities reduced by cash outflow from investing activities from continued operations adjusted for "changes in securities" and "change in loans and time deposits".

TRATON GROUP: KPI AND OUTLOOK ON GROUP LEVEL

TRATON Group	2016A	2017A	2018A	2019E	Over-the-cycle RoS target
Volume (Units; Growth in %)	183.6k	204.9k 11.6%	233.0k 13.7%		
Sales revenue (in €bn; Growth in %)	€21.9bn	€24.4bn 11.2%	€25.9bn 6.4%	slightly above previous year	
Adj. return on Sales (in %, Adj. operating profit in €bn)	5.4% €1.2bn	6.0% €1.5bn	6.4% €1.7bn	6.5% – 7.5% ¹	9% over-the-cycle RoS

¹ No adjustments applied to estimated return on sales 2019.

TRATON GROUP: FUNDING STRUCTURE

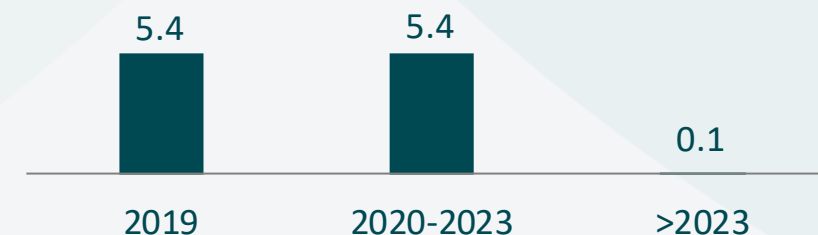
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Funding Overview

Financial liabilities in €m	2018A
Bonds	4,820
Liabilities to bank	2,770
Loans and other liabilities	3,224
Total TRATON Group	10,814



Traton Group maturity profile (€bn)



2019 maturities mainly relate to Financial Services, which are typically rolled into new debt tranches

- €3.7bn financial liabilities attributable to the Industrial Business (before intersegment consolidation), thereof €2.3bn intercompany loans with VWAG

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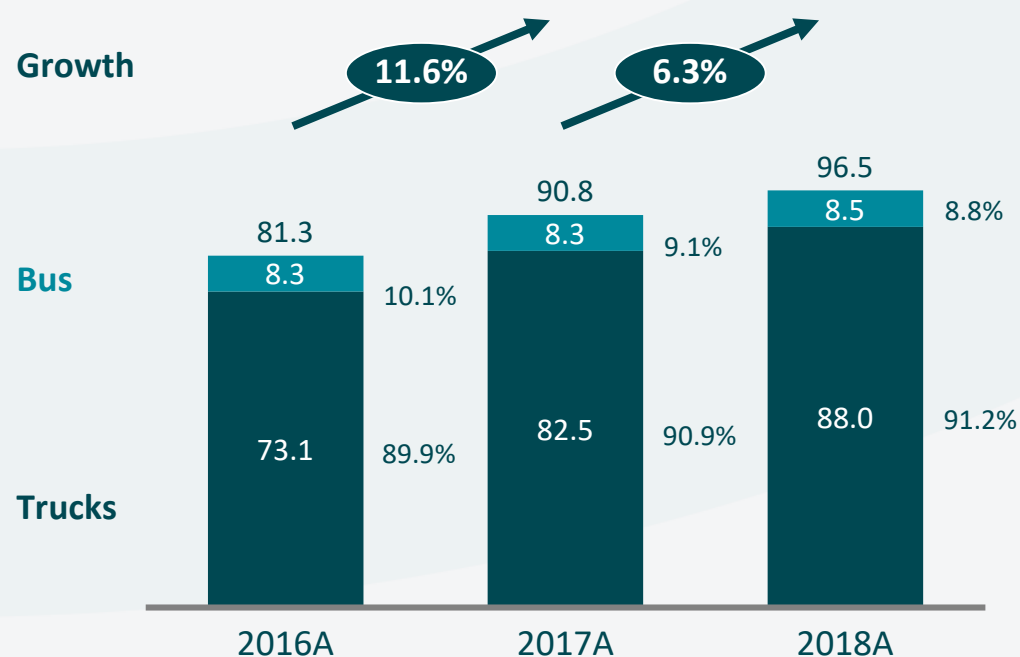
Funding Security / Relationship with VWAG

- MAN and Scania entered into loan agreements with VWAG as lender with an aggregate volume of €4.8bn
 - Thereof available loans of €3.0bn without maturity, €1.0bn maturing in 2021 and remaining amounts maturing in 2019
 - Agreements based on arm's length terms
- Loans amounting to €2.3bn drawn as of 2018A

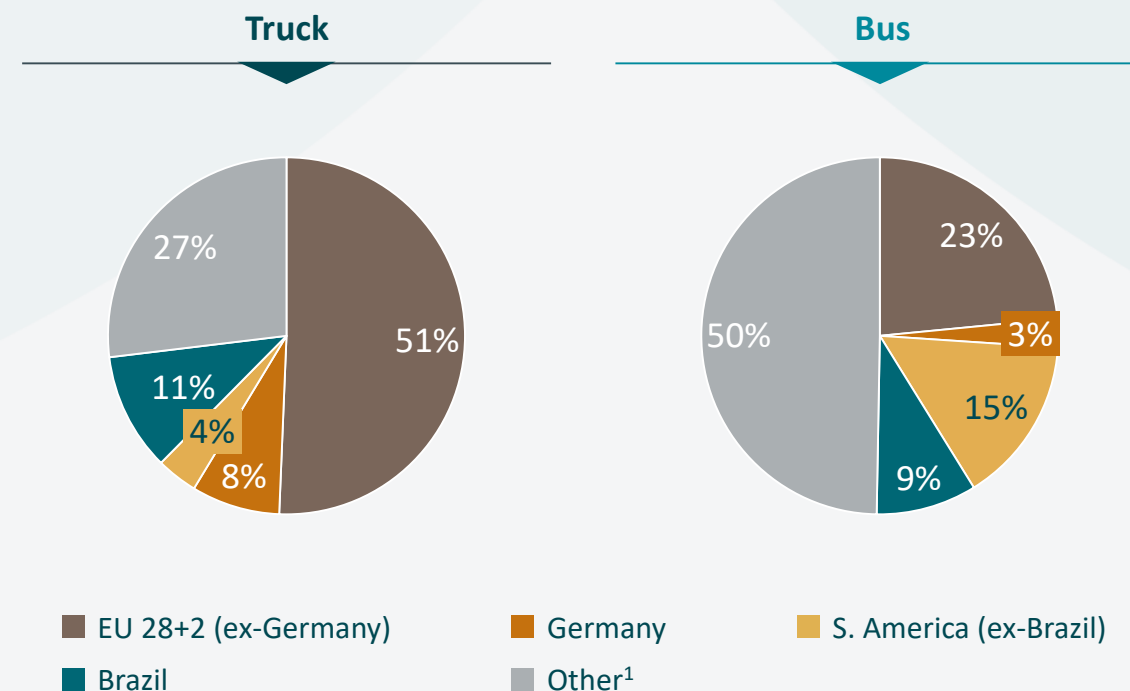
APPENDIX

SCANIA V&S: STILL STRONG TRUCK VOLUME GROWTH

Volume delivered (k units and % of total)



Volume delivered by region in 2018A (% of total)



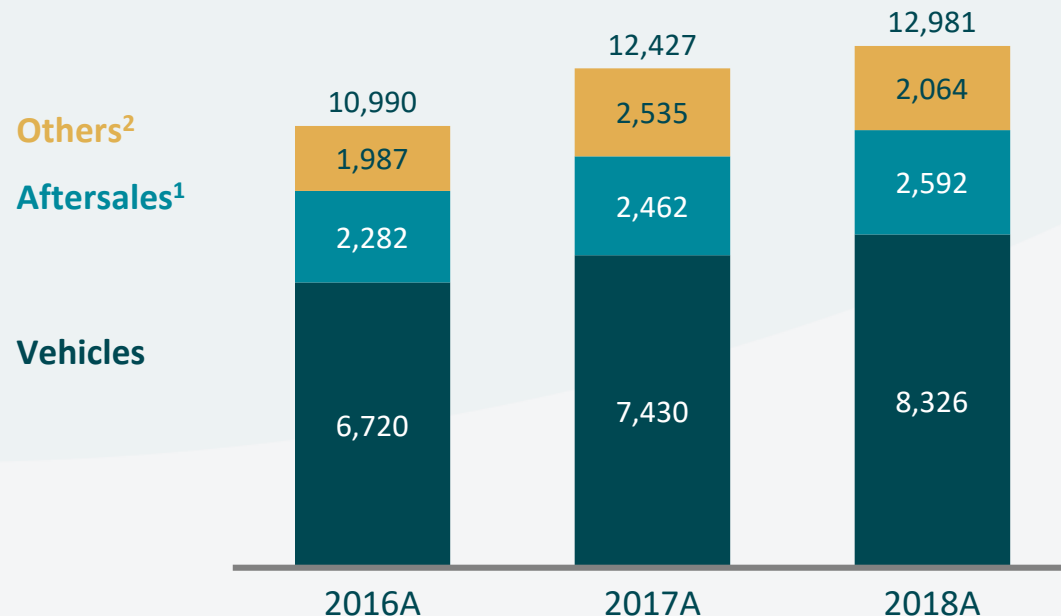
- Truck volume increase driven by improved economic conditions
- Additional uplift from increased share of NTG (2017: 16% | 2018: 54% of total Trucks)
- Bus volume kept stable across years with a slight increase in 2018

¹ Including Asia-Pacific accounting for 9% of overall truck volume and 16% of overall bus volume and Middle East accounting for 4% of overall truck volume and 13% of overall bus volume.

SCANIA V&S: SALES REVENUE GROWTH ON THE BACK OF STRONG TRUCK SALES

Sales revenue (€m)

Growth



Commentary

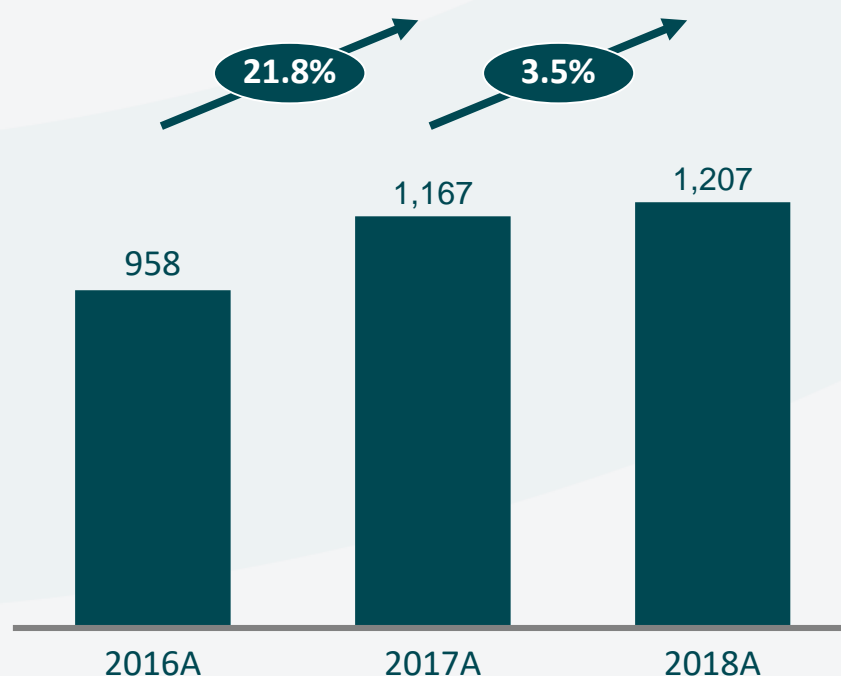
- Sales revenue in 2018A driven by:
 - Growth across main product lines
 - Increased favorable truck positioning as well as positive product mix (higher NTG share)
- Continuous increase of service revenues due to growing vehicle fleet and price increases in spare parts and workshop



SCANIA V&S: INCREASE IN VOLUMES ENHANCING ADJ. OPERATING PROFIT

Adj. Operating Profit (€m)

Growth



Adj. Return on Sales (%)

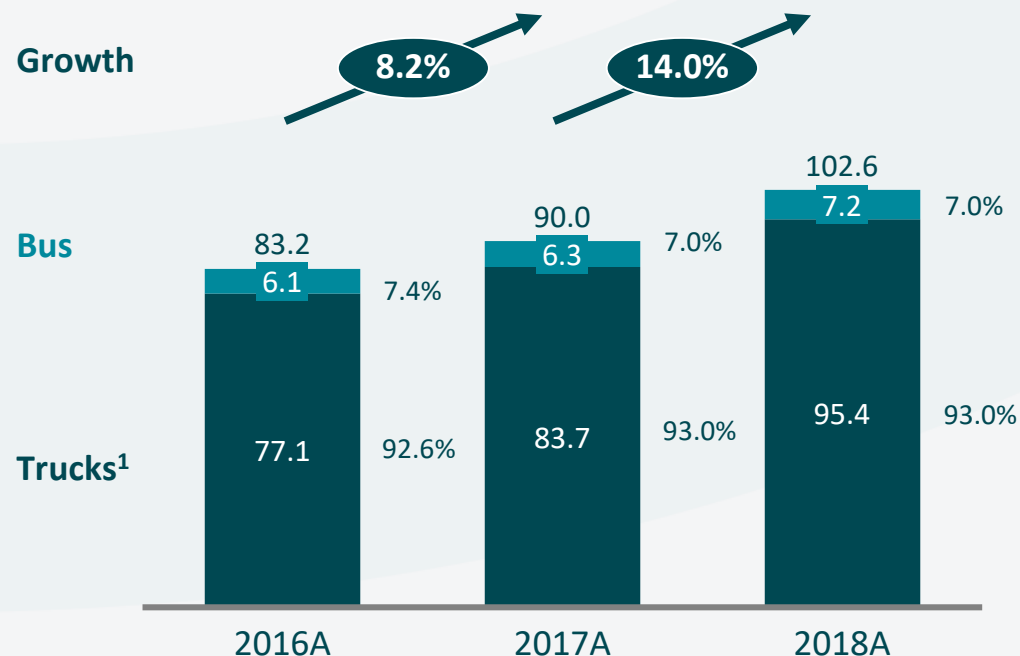


Commentary

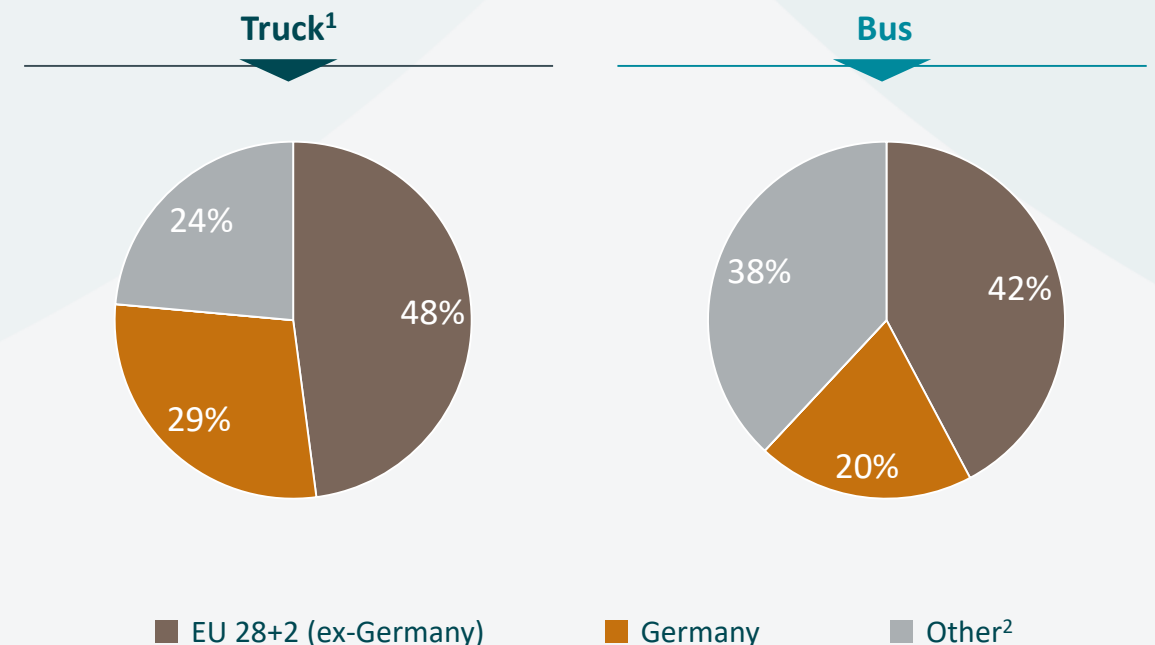
- Adj. Return on Sales kept stable in 2018A compared to previous year
- Positive volume and exchange rate effects in 2018A partially offset by unfavorable market mix and higher production cost as a result of dual production and supply chain bottleneck
- • Service businesses growth contributed positively to operating margins in 2018A

MAN T&B: VOLUMES DRIVEN BY POSITIVE ECONOMIC DEVELOPMENT AND FURTHER GROWTH IN EUROPEAN CORE MARKETS

Volume delivered (k units and % of total)



Volume delivered by region in 2018A (% of total)



- Total sales exhibit continuous growth reaching a record high of 102.6k units in 2018 favored by further increase of a already high level European truck and bus market
- Significant growth in 2018A vs. 2017A is contributed equally by truck incl. TGE (+14.0%) and bus (+13.9%)

¹ Including MAN TGE vans. ² Including Asia-Pacific accounting for 6% of overall truck volume and 11% of overall bus volume and Middle East accounting for 4% of overall truck volume and 8% of overall bus volume.

MAN T&B: SALES REVENUE DEVELOPMENT REFLECTS STRONG PARTICIPATION IN INCREASING EU MARKET

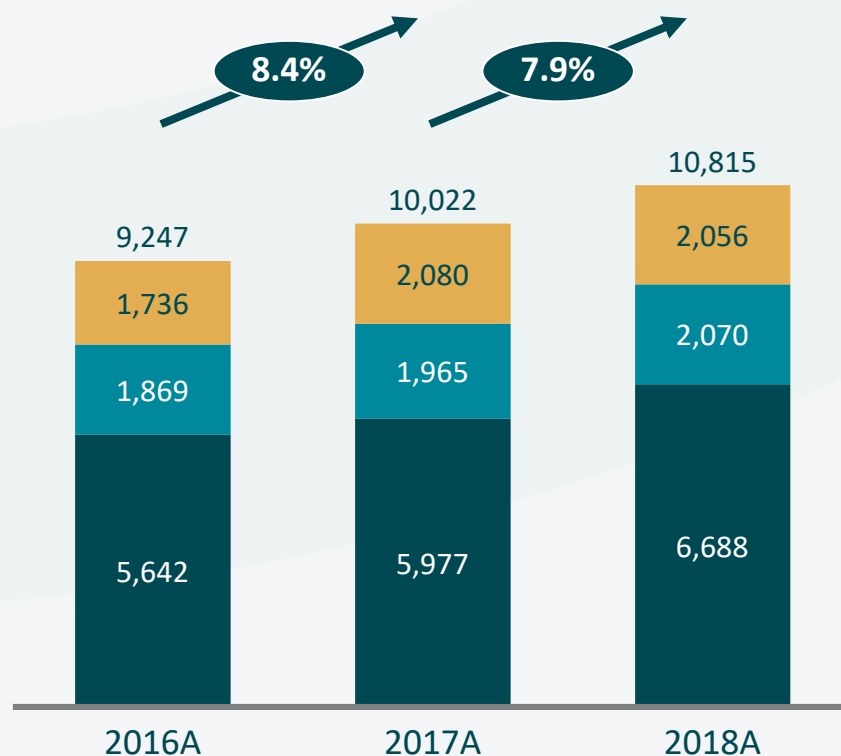
Sales revenue (€m)

Growth

Others²

Aftersales¹

Vehicles



Commentary

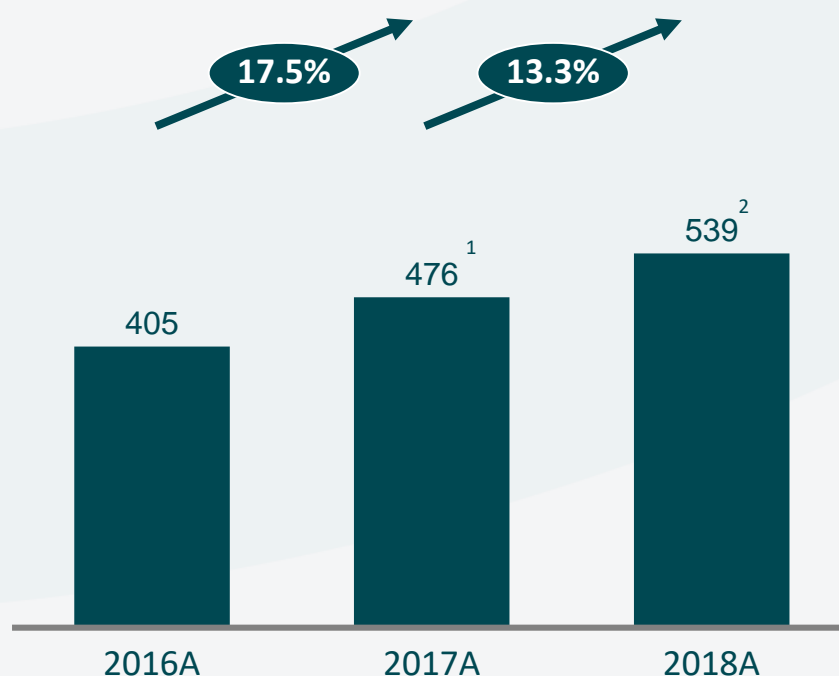
- Market share position for both truck and bus in core markets further strengthened in 2018A
- Aftersales business for the first time above €2bn in 2018A
- Strong performance in European Market counter-balanced declines in India, Korea and Turkey



MAN T&B: STRONG SALES INCREASE DRIVING ADJ. OPERATING PROFIT IN 2018

Adj. Operating Profit (€m)

Growth



Adj. Return on Sales (%)



Commentary

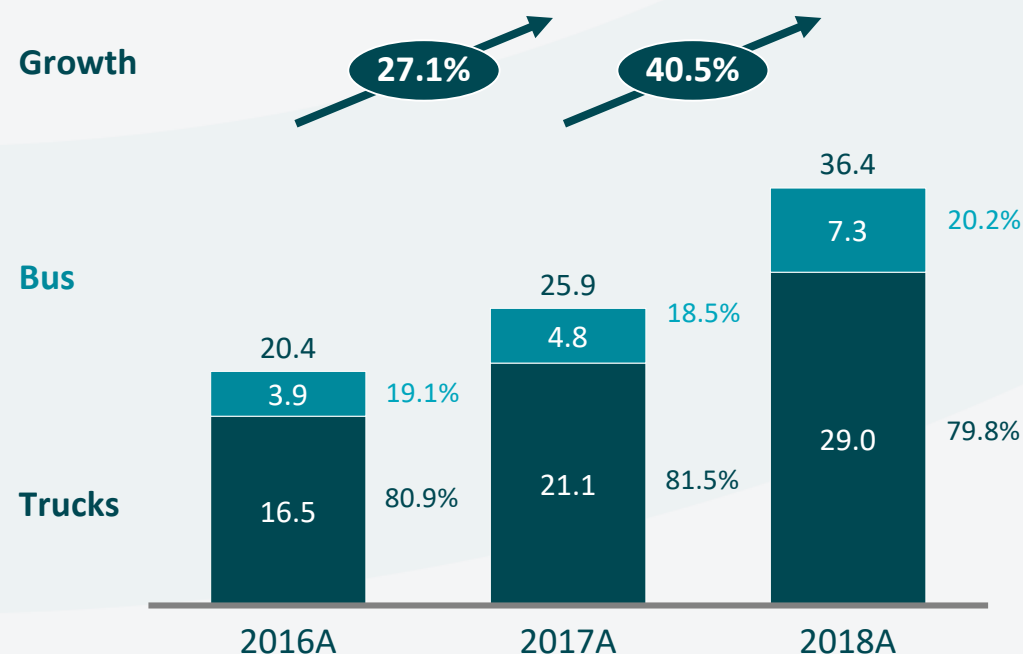
- Adj. Operating profit increases by €63m (+13.3%) to €540m leading to an adjusted RoS of 5.0%
- Exit of MAN T&B (2018A: €137m restructuring expenses) in accordance with Future Lion Strategy which focuses on products, markets and profitability
- Positive volume development in a highly competitive environment partly offset by higher fixed costs (mainly tariff increase indirect personnel and higher overhead costs)
- Efficiency measures contributed positively to operating profit



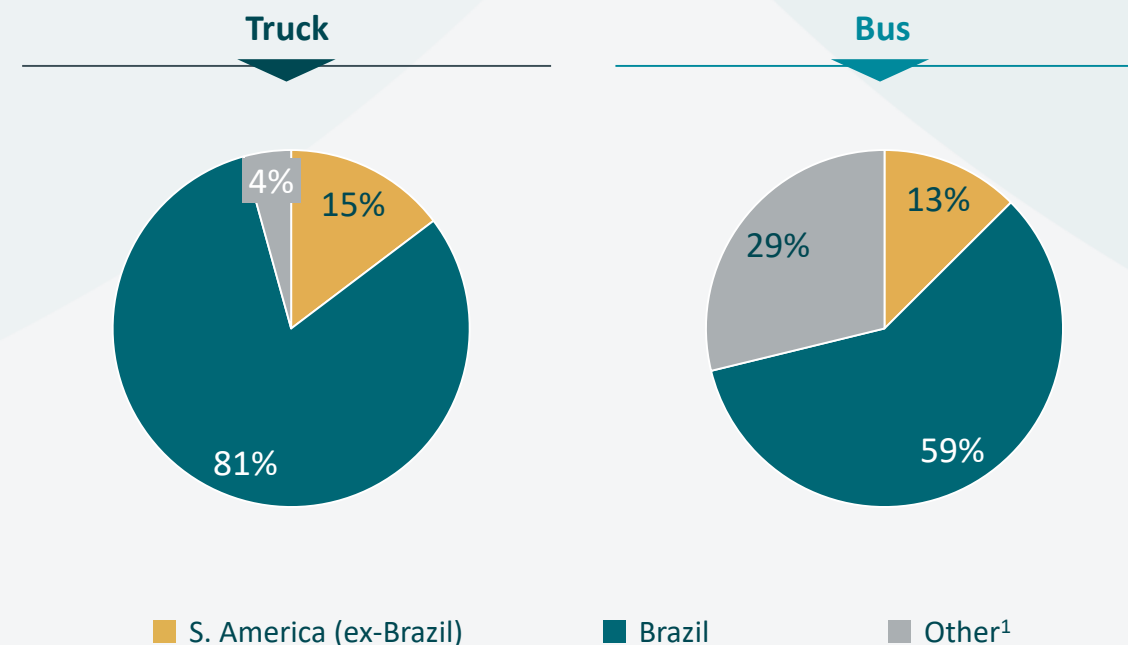
¹ Including (€50m) adjustment for release of restructuring provision at MAN T&B. ² Including €137m adjustment for expense in relation to Indian market exit at MAN T&B.

VWCO: IN 2018A 40% INCREASE IN VOLUMES ON THE BACK OF ECONOMIC RECOVERY

Volume delivered (k units and % of total)



Volume delivered by region in 2018A (% of total)



- Positive sales volume development continues, driven by economic and market recovery in Brazil
- VWCO continues to compete for truck market leadership in Brazil. It also seeks for export opportunities into other LATAM countries in order to better balance its regional footprint and macro economic risks (like the financial crisis in Argentina)

¹ Including volume generated in Mexico, Africa and Middle East.

VWCO: SUBSTANTIAL SALES REVENUE GROWTH ON THE BACK OF VOLUME AND PRICE RECOVERY

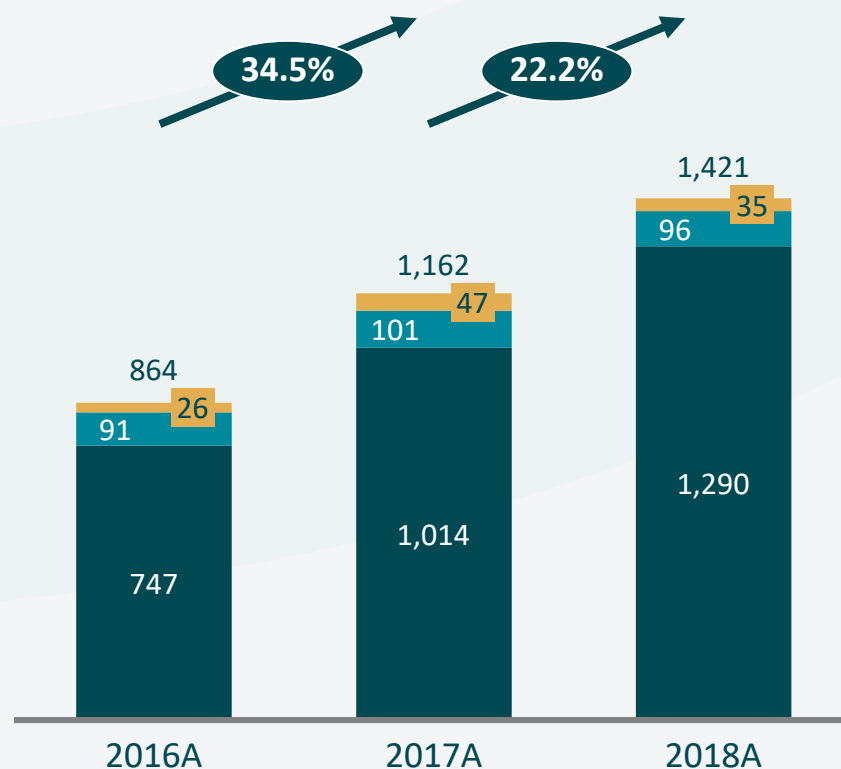
Sales revenue (€m)

Growth

Others²

Aftersales¹

Vehicles



Commentary

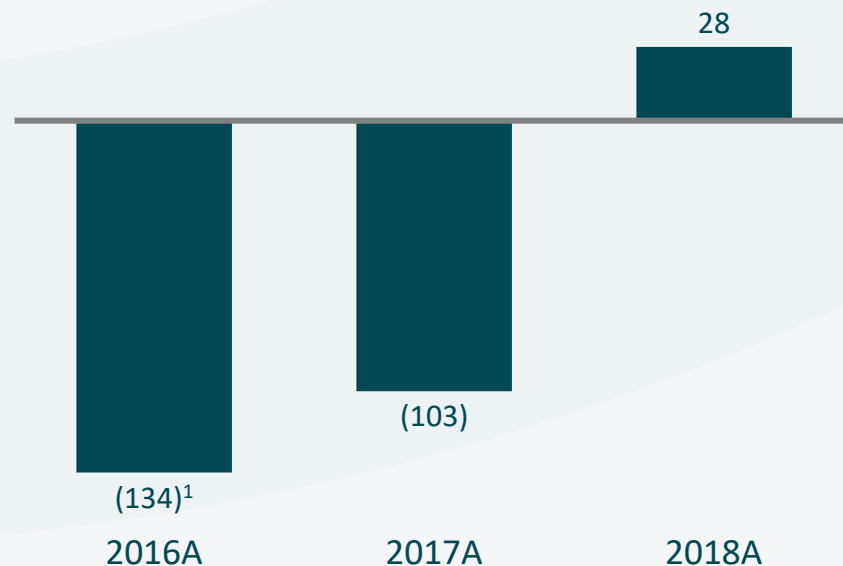
- In line with positive volume development, sales revenue sustained its upward trend in 2018A
- Improvement in revenues was also aided by successful product positioning
- Trucks sales revenues in 2018A further boosted by full leverage of newly launched Delivery model



VWCO: STRONG RECOVERY BRINGS VWCO OPERATING PROFIT BACK TO BREAK EVEN

Adj. Operating Profit (€m)

Growth



Commentary

- VWCO continued its strong recovery in 2018A
- Adj. Operating Profit development mainly driven by:
 - Strong sales volume output, favorable product positioning
 - Successful turnaround measures leading to a lower cost base
 - Depreciation of the Brazilian Real positively impacting export
 - Furthermore positive impact from changed tax rules in Brazil



Adj. Return on Sales (%)

(15.6%)¹

(8.8%)

2.0%

¹ Including €58m adjustment for restructuring expense at VWCO.

TRATON GROUP:

DETAILED INCOME STATEMENT 2016A, 2017A & 2018A

in €m	2016A	2017A	2018A
Sales revenue	21,915	24,366	25,927
Cost of sales	(17,649)	(19,653)	(20,946)
Gross Profit	4,266	4,713	4,981
Distribution expenses	(2,316)	(2,354)	(2,391)
Administrative expenses	(789)	(872)	(1,011)
Net impairment losses on financial assets	(36)	(44)	(45)
Other operating income	506	606	792
Other operating expenses	(904)	(537)	(814)
Operating Profit	727	1,512	1,513
Share of the result of equity-accounted investments	17	74	209
Interest income	79	91	83
Interest expenses	(298)	(263)	(245)
Other financial result	(32)	(34)	6
Financial result	(234)	(132)	53
Earnings before tax	493	1,379	1,566
Income tax income/expenses	(297)	(489)	(415)
Current	(424)	(377)	(449)
Deferred	127	(111)	34
Result from continuing operations, net of tax	196	890	1,151
Result from discontinued operations, net of tax	22	149	250
Earnings after tax	219	1,039	1,401
of which attributable to			
Noncontrolling interests	10	10	11
TRATON SE (former TRATON AG) shareholders	208	1,029	1,390
Earnings per ordinary share from continuing operations attributable to TRATON SE (former TRATON AG) shareholders in € (basic/diluted)	19.6	89.0	115.1
Earnings per ordinary share attributable to TRATON SE (former TRATON AG) shareholders in € (basic/diluted)	20.8	102.9	139.0

TRATON GROUP:

DETAILED BALANCE SHEET 2016A, 2017A & 2018A (1/2)

in €m	2016A	2017A	2018A
Assets			
Noncurrent assets	24,344	25,337	25,851
Intangible assets	7,055	7,019	6,597
Property, plant and equipment	5,940	6,003	5,469
Lease assets	5,840	6,103	6,599
Equity-accounted investments	491	836	1,223
Other equity investments	65	50	37
Financial services receivables	3,237	3,805	4,212
Other financial assets	402	93	63
Other receivables	598	662	663
Tax receivables	76	59	50
Deferred tax assets	639	707	939
Current assets	16,916	17,428	20,533
Inventories	5,405	5,781	4,822
Trade receivables	2,860	3,048	2,319
Financial services receivables	2,112	2,319	2,688
Other financial assets	777	782	6,371
Other receivables	659	736	939
Tax receivables	113	117	140
Marketable securities	84	51	98
Cash and cash equivalents	4,907	4,594	2,997
Assets classified as held for sale	-	-	157
Total assets	41,260	42,765	46,384

TRATON GROUP:

DETAILED BALANCE SHEET 2016A, 2017A & 2018A (2/2)

in €m	2016A	2017A	2018A
Equity and Liabilities			
Equity	10,931	11,810	16,801
Subscribed capital	10	10	10
Capital reserves	24,271	24,581	21,331
Retained earnings	(11,817)	(10,760)	(2,064)
Other comprehensive income	(1,635)	(2,130)	(2,478)
Equity attributable to TRATON SE (former TRATON AG) shareholders	10,829	11,702	16,799
Noncontrolling interests	102	108	2
Noncurrent liabilities	11,087	13,238	13,217
Financial liabilities	3,555	5,545	5,449
Tax payables	-	-	122
Other financial liabilities	2,105	2,239	2,333
Other liabilities	1,994	1,963	1,780
Deferred tax liabilities	389	612	824
Provisions for pensions	1,526	1,541	1,506
Provisions for taxes	127	18	16
Other provisions	1,393	1,319	1,184
Current liabilities	19,241	17,717	16,366
Put options and compensation rights granted to noncontrolling interest shareholders	3,849	3,795	1,827
Financial liabilities	5,485	3,426	5,366
Trade payables	3,362	3,507	2,969
Tax payables	256	253	125
Other financial liabilities	1,060	1,176	1,620
Other liabilities	3,681	4,072	3,263
Provisions for taxes	27	129	137
Other provisions	1,522	1,359	938
Liabilities directly associated with assets classified as held for sale	-	-	123
Total equity and liabilities	41,260	42,765	46,384

TRATON GROUP:

DETAILED CASH FLOW STATEMENT 2016A, 2017A & 2018A (1/3)

in €m	2016A	2017A	2018A
Cash and cash equivalents at beginning of period	6,575	4,907	4,594
Earnings before tax	493	1,379	1,566
Income taxes paid	(199)	(303)	(420)
Depreciation and amortization of, and impairment losses on, intangible assets, property, plant and equipment, and investment property*	555	589	639
Amortization of and impairment losses on capitalized development costs*	237	225	170
Impairment losses on equity investments*	0	1	6
Depreciation of and impairment losses on lease assets*	1,074	1,128	1,090
Change in pensions	23	13	57
Gain/loss on disposal of noncurrent assets and equity investments	(11)	(13)	13
Share of profit or loss of equity-accounted investments	(12)	(63)	(347)
Other noncash expense/income	137	21	81
Change in inventories	(353)	(482)	(632)
Change in receivables (excluding financial services)	(342)	(415)	(269)
Change in liabilities (excluding financial liabilities)	1,392	1,121	993
Change in provisions	415	(70)	51
Change in lease assets	(1,852)	(1,408)	(1,598)
Change in financial services receivables	(919)	(952)	(947)
Cash flows from operating activities - discontinued operations	118	(46)	(72)
Cash flows from operating activities	758	726	382

* Net of impairment reversals.

TRATON GROUP: DETAILED CASH FLOW STATEMENT 2016A, 2017A & 2018A (2/3)

in €m	2016A	2017A	2018A
Investments in intangible assets (excluding development costs), property, plant and equipment, and investment property	(1,057)	(849)	(935)
Additions to capitalized development costs	(400)	(416)	(449)
Acquisition of subsidiaries	(4)	(0)	6
Acquisition of other equity investments	(7)	(272)	(17)
Disposal of subsidiaries	(0)	(0)	394
Disposal of other equity investments	(0)	7	0
Proceeds from disposal of intangible assets, property, plant and equipment, and investment property	43	43	69
Change in investments in securities	(83)	31	(49)
Changes in loans and time deposits	50	269	100
Cash flows from investing activities - discontinued operations	(186)	(174)	(184)
Cash flows from investing activities	(1,643)	(1,361)	(1,065)

TRATON GROUP:

DETAILED CASH FLOW STATEMENT 2016A, 2017A & 2018A (3/3)

in €m	2016A	2017A	2018A
Capital contributions	0	311	(0)
Profit transfer to/loss absorption by Volkswagen AG	(2,365)	32	28
Dividends paid to minorities	(0)	-	-
Other changes	(0)	0	-
Proceeds from issuance of bonds	751	2,264	2,162
Repayments of bonds	(1,105)	(2,090)	(720)
Changes in other financial liabilities	1,963	(114)	(2,329)
Finance lease payments	(2)	(2)	1
Cash flows from financing activities - discontinued operations	(16)	(8)	(7)
Cash flows from financing activities	(775)	392	(865)
Effect of exchange rate changes on cash and cash equivalents	(8)	(71)	(48)
Net change in cash and cash equivalents	(1,667)	(314)	(1,596)
Cash and cash equivalents at end of period	4,907	4,594	2,997

TRATON GROUP: DETAILED INCOME STATEMENT 2018A

in €m	Industrial Business	Financial Services	TRATON Group ¹
Sales revenue	24,963	760	25,927
Cost of sales	(20,298)	(489)	(20,946)
Gross Profit	4,665	271	4,981
Distribution expenses	(2,265)	(110)	(2,391)
Administrative expenses	(1,007)	-	(1,011)
Net impairment losses on financial assets	(26)	(18)	(45)
Other operating income	769	21	792
Other operating expenses	(789)	(24)	(814)
Operating Profit	1,346	138	1,513
Share of the result of equity-accounted investments	209	-	209
Interest income	162	-	83
Interest expenses	(328)	0	(245)
Other financial result	54	10	6
Financial result	98	10	53
Earnings before tax	1,444	148	1,566
Income tax income/expense	(344)	(40)	(415)
Current	(370)	(48)	(449)
Deferred	26	7	34
Result from continuing operations, net of tax	1,100	108	1,151
Result from discontinued operations, net of tax	509	-	250
Earnings after tax	1,610	108	1,401
of which attributable to			
Noncontrolling interests			11
TRATON SE (former TRATON AG) shareholders			1,390
Earnings per ordinary share from continuing operations attributable to TRATON SE (former TRATON AG) shareholders in € (basic/diluted)			115.1
Earnings per ordinary share attributable to TRATON SE (former TRATON AG) shareholders in € (basic/diluted)			139.0

¹ Includes activities carried out by VGSG and consolidation adjustments.

TRATON GROUP: DETAILED BALANCE SHEET 2018A (1/2)

in €m	Industrial Business	Financial Services	TRATON Group ¹
Assets			
Noncurrent assets	22,894	5,428	25,851
Intangible assets	6,594	3	6,597
Property, plant and equipment	5,458	11	5,469
Lease assets	6,595	3	6,599
Equity-accounted investments	1,223	-	1,223
Other equity investments	421	0	37
Financial services receivables	-	4,212	4,212
Other financial assets	990	722	63
Other receivables	656	430	663
Tax receivables	50	-	50
Deferred tax assets	907	47	939
Current assets	17,401	3,725	20,533
Inventories	4,822	-	4,822
Trade receivables	2,355	27	2,319
Financial services receivables	-	2,688	2,688
Other financial assets	6,491	254	6,371
Other receivables	659	584	939
Tax receivables	125	26	140
Marketable securities	5	93	98
Cash and cash equivalents	2,945	53	2,997
Assets classified as held for sale	-	-	157
Total assets	40,295	9,153	46,384

¹ Includes activities carried out by VGSG and consolidation adjustments.

TRATON GROUP: DETAILED BALANCE SHEET 2018A (2/2)

in €m	Industrial Business	Financial Services	TRATON Group ¹
Equity and Liabilities			
Equity	16,219	815	16,801
Subscribed capital			10
Capital reserves			21,331
Retained earnings			(2,064)
Other comprehensive income			(2,478)
Equity attributable to TRATON SE (former TRATON AG) shareholders			16,799
Noncontrolling interests			2
Noncurrent liabilities	10,106	4,465	13,217
Financial liabilities	1,259	4,387	5,449
Tax payables	122	-	122
Other financial liabilities	3,052	4	2,333
Other liabilities	2,203	0	1,780
Deferred tax liabilities	770	66	824
Provisions for pensions	1,499	8	1,506
Provisions for taxes	16	-	16
Other provisions	1,184	1	1,184
Current liabilities	13,971	3,873	16,366
Put options and compensation rights granted to noncontrolling interest shareholders	1,827	-	1,827
Financial liabilities	2,488	3,639	5,366
Trade payables	2,963	93	2,969
Tax payables	112	12	125
Other financial liabilities	2,046	21	1,620
Other liabilities	3,469	98	3,263
Provisions for taxes	137	0	137
Other provisions	929	9	938
Liabilities directly associated with assets classified as held for sale	-	-	123
Total equity and liabilities	40,295	9,153	46,384

¹ Includes activities carried out by VGSG and consolidation adjustments.

TRATON GROUP:

DETAILED CASH FLOW FROM OPERATING ACTIVITIES 2018A

in €m	Industrial Business	Financial Services	TRATON Group ¹
Earnings before tax	1,444	148	1,566
Income taxes paid	(403)	(41)	(420)
Depreciation and amortization of, and impairment losses on, intangible assets, property, plant and equipment, and investment property ²	634	3	639
Amortization of and impairment losses on capitalized development costs ²	170	-	170
Impairment losses on equity investments ²	6	-	6
Depreciation of and impairment losses on lease assets ²	1,089	1	1,090
Change in pensions	57	0	57
Gain/loss on disposal of noncurrent assets and equity investments	13	0	13
Share of profit or loss of equity-accounted investments	(347)	-	(347)
Other noncash expense/income	134	4	81
Change in inventories	(670)	-	(632)
Change in receivables (excluding financial services)	(57)	(184)	(269)
Change in liabilities (excluding financial liabilities)	1,073	(55)	993
Change in provisions	38	(0)	51
Change in lease assets	(1,596)	(3)	(1,598)
Change in financial services receivables	(0)	(947)	(947)
Cash flows from operating activities - discontinued operations	(88)	-	(72)
Cash flows from operating activities	1,497	(1,073)	382

¹ Includes activities carried out by VGSG and consolidation adjustments.

² Net of impairment reversals.

TRATON GROUP: DETAILED CASH FLOW FROM INVESTING ACTIVITIES 2018A

in €m	Industrial Business	Financial Services	TRATON Group ¹
Investments in intangible assets (excluding development costs), property, plant and equipment, and investment property	(931)	(4)	(935)
Additions to capitalized development costs	(449)	-	(449)
Acquisition of subsidiaries	(7)	-	6
Acquisition of other equity investments	(17)	-	(17)
Disposal of subsidiaries	(28)	0	394
Disposal of other equity investments	0	-	0
Proceeds from disposal of intangible assets, property, plant and equipment, and investment property	68	1	69
Change in investments in securities	-	(49)	(49)
Changes in loans and time deposits	592	15	100
Cash flows from investing activities - discontinued operations	(0)	-	(184)
Cash flows from investing activities	(773)	(37)	(1,065)

¹ Includes activities carried out by VGSG and consolidation adjustments.