

VOLKSWAGEN TRUCK & BUS

Volkswagen Truck & Bus combines the activities of MAN Truck & Bus, MAN Latin America and Scania. The strategic objective is clear: Volkswagen Truck & Bus is aiming to become a global champion.

BUSINESS DEVELOPMENT

Volkswagen Truck & Bus brings together the activities of MAN Truck & Bus, MAN Latin America (whose sales are largely generated by Volkswagen Caminhões e Ônibus) and Scania under one roof. It forms part of the Volkswagen Group's Commercial Vehicles Business Area together with the Volkswagen Commercial Vehicles brand.

Volkswagen Truck & Bus aims to become the industry's global champion. However, sales volume is not the top priority. Instead, the focus over the next decade will be on leading the industry in terms of profitability, innovation for our customers, employee satisfaction and global presence. Volkswagen Truck & Bus already leads the truck market in Western, Central and Eastern Europe and in Brazil.

Volkswagen Truck & Bus underscored its pioneering role in digitalization by unveiling its digital brand RIO in the fall of 2016. The open, cloud-based platform can be used across the entire transport and logistics system. For the first time, everyone in the supply chain – shippers, forwarders, carriers, dispatchers, drivers and recipients – is connected via a single information and application system with forecasting features. With RIO, we want to make the world of transport more efficient, secure and environmentally friendly. Following the market launch in the second quarter of 2017, RIO will offer digital solutions precisely tailored to the needs of all the players involved in the transport system. More than 265,000 trucks are already connected to MAN and Scania digital services, making Volkswagen Truck & Bus the number-one provider for connected commercial vehicles in Europe.

Volkswagen Truck & Bus reached a further strategic milestone in 2016 on its way to becoming a global champion. It began a wide-ranging alliance with US commercial vehicle manufacturer Navistar. This is designed to enable entry into the North American market, further expanding global presence. The alliance includes framework agreements for a strategic technology and supply cooperation and a joint venture that will pursue joint global sourcing opportunities. Volkswagen Truck & Bus will also acquire a 16.6% stake in Navistar through a capital increase. Navistar is a holding company whose subsidiaries produce trucks, coaches, commercial and school buses, diesel engines and service parts. While the partnership will focus on the development of common powertrain systems, it will also enable collaboration in other areas of commercial vehicle development and procurement aimed at jointly creating further synergies and achieving greater independence from the cycles in the industry. The transaction is subject to certain approvals by the regulatory authorities and other standard closing conditions. The share acquisition by Volkswagen Truck & Bus is further subject to the finalization of the agreement governing the procurement joint venture and of the first contract under the technology and supply cooperation. The transaction is expected to be concluded in the first quarter of 2017.

265 thousand

Connected vehicles

PRODUCTION

Units	2016	2015
Trucks	167,354	162,963
Buses	18,713	17,208
	186,067	180,171

DELIVERIES

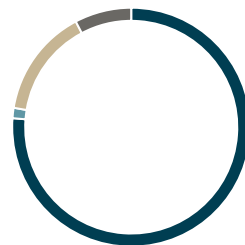
Units	2016	2015
Trucks	165,806	161,901
Buses	17,775	17,134
	183,581	179,035

Strong brands

VOLKSWAGEN TRUCK & BUS



DELIVERIES BY MARKET
in percent



Europe/Other markets 76.2%
 North America 1.4%
 South America 14.7%
 Asia-Pacific 7.7%