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Speech Manuscript
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Annual General Meeting
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- Part I -

Ladies and Gentlemen,
Shareholders of Volkswagen AG,

Welcome to this year's Annual General Meeting of Volkswagen AG at the Congress Center in Hamburg. It gives me great pleasure to welcome you to this event for the first time in my new capacity as Chairman of the Board of Management of the Volkswagen Group.

I'd like to start by reviewing the most significant events and figures for 2006. The Volkswagen Group has experienced twelve eventful months. 2006 was very much a year of change: our efforts were focused in particular on the new collective wage agreement and the comprehensive measures to restructure the Volkswagen brand. The goals we defined were, and are, ambitious. And we achieved them: by cutting costs, enhancing productivity and quality and, not least, with our fireworks of new models.

Let me first take a look at some of our key figures:

Chart "Key Figures"

1. We increased sales revenue by 11.6 percent last year to approximately €105 billion.
2. At 5.7 million worldwide, the Volkswagen Group sold more vehicles in 2006 than ever before in its long history. All brands in the Group contributed to

this outstanding result, which corresponds to a 9.4 percent increase over the previous year.

3. We are particularly proud of our Group's operating profit before special items, which increased by 51.7 percent to €4.4 billion.

These successes show that the Volkswagen Group is on track. Thanks to our broad range of attractive new models, the Volkswagen Group was able to profit disproportionately from the positive trend in global economic growth and stronger demand in the global automotive market.

Chart "Deliveries to Customers by Market – Group"

Let's now take a look at the deliveries to customers we recorded in the world markets. One thing is very clear here: all of our brands improved in all the relevant regions.

In Germany, we recorded 7.3 percent growth in deliveries to customers. Although the overall market in Western Europe only recorded slight growth, the Group achieved an improvement of approximately 6 percent in 2006. In particular China, at 24.3 percent year-on-year growth, and the South America/South Africa region, at 14.9 percent, posted very encouraging growth rates for deliveries. Deliveries in North America were higher than in 2005, especially for the Volkswagen brand, but nevertheless well behind our expectations. We still have quite a bit to do here to return to our successful growth path. Overall, there's one thing we must not forget: we continue to face fierce competition and massive price pressure as well as energy and raw materials prices and a strong euro. Going forward, we cannot let up in our efforts to counter competitive pressures with innovative models and customer-driven offerings. The results we have already achieved are good – but they have to get even better.

Ladies and Gentlemen,

2006 saw significant changes in our shareholder structure. As you know, Porsche AG was already a Volkswagen shareholder in 2005. On March 28, Porsche AG announced that it now held a 30.93 percent interest in the voting shares of Volkswagen AG, thereby triggering a mandatory bid. This increased investment also serves to further anchor the cooperation between Volkswagen and Porsche based on the existing governing agreement. Like yourselves, Ladies and Gentlemen, Porsche is convinced of Volkswagen's potential. We will issue a statement and the reasons for our recommendation as soon as we have received the bid documents. We welcome Porsche's investment and are sure that it will allow us to successfully continue the longstanding collaboration of our two companies in the development and production of vehicles. One example of our successful partnership is the joint production of the Volkswagen Touareg, Audi Q7 and Porsche Cayenne models, which we will expand with corresponding hybrid variants starting at the end of 2008. Another good example is the production of the body shell for the new Porsche Panamera, which will be undertaken by Volkswagen. This contract from Porsche shows that both companies profit from very close cooperation: we are productive and flexible and our work is focused on quality. This convinced Porsche AG to award us the contract to manufacture its premium sports coupé. In return, we can safeguard 500 jobs in our Group from this contract alone.

At this point, I'd like to give a brief mention to the work of the Shareholder Business Relationships Committee, which meets regularly under the chairmanship of Mr. Oetker. As the Board of Management, we report in detail to this committee about the agreements entered into by the Group with shareholders who hold at least five percent of the voting rights. Of course, the committee therefore also addresses the Panamera project. This arrangement delivers a particularly high level of transparency. At the same time, we ensure that all contractual relationships between shareholders and Volkswagen are conducted on an arm's length basis.

Another topic that already kept us very busy last year is the negotiations with Scania and MAN. The Volkswagen Group holds 20.03 percent of Scania's subscribed capital, corresponding to a 36.4 percent share of the voting rights. With a 29.9 percent interest, Volkswagen has also been MAN's largest shareholder since the end of February 2007. The objective of these investments is to safeguard our strategic interest in the commercial vehicles business. Together with Volkswagen's Brazilian commercial vehicles business, this brings a high level of potential synergy effects that we want to leverage in the future.

Ladies and Gentlemen,

As I mentioned at the beginning, 2006 was a year of change – change that was needed to make the Group, and in particular the Volkswagen brand, more competitive again. The quickest way for us to become highly competitive is for productivity to increase, and at the same time for costs to be brought down to a lower level. The collective wage agreement in October and the return to a five-day week represent a big step towards more competitive labor costs, higher capacity utilization and secure jobs.

We have also made considerable progress in the area of work and process organization in parallel to the new collective wage agreement. The Board of Management and the General Works Council signed the "Volkswagen Way" works agreement in the middle of last year. One element of this agreement is the establishment of a standardized production system for the German locations of the Volkswagen brand. We are using this to define binding goals and standards for all locations. We will systematically scrutinize and optimize workflows and structures. Our aim is to drive forward the organizational development and continuous improvement process in all direct and indirect areas of our Group – not only in production, but also in development and right down to distribution. Overall, this will also enable us to create greater efficiency and greater job satisfaction for our employees.

In addition, our product conventions have systematically improved the quality and the development, procurement and production processes for our vehicles. The product quality, material cost and innovation forums helped us to cut costs last year, and at the same time to optimize workflows.

We have planned special shifts for Golf production in Wolfsburg and other locations this year. One of Volkswagen's main tasks for 2007 will again be to further increase capacity utilization and productivity.

We made considerable progress in another key element of our restructuring plan: namely, the long-term, socially responsible reduction in the workforce at Volkswagen AG. We achieved this through good severance terms and the continuation of the partial retirement program. This reduced the number of employees at Volkswagen AG by 7 percent to around 94,000.

Ladies and Gentlemen,

You can see that the restructuring measures we have implemented have already brought us a lot closer to our objective. However, the principal task of a global automobile manufacturer is, and will continue to be, to produce innovative vehicles. Thanks to our product initiative, we had a total of 129 different passenger car and commercial vehicle models worldwide in our range last year. In addition, we were able to offer our customers a sparkling array of 38 attractive new models and product enhancements. It's therefore hardly surprising that last year we were able to capture a record pole position in Germany with the Volkswagen brand, which held a market share of 19.9 percent. The outcome: one in five vehicles sold in Germany was a Volkswagen.

Last year was the most successful in the history of the Audi brand – at 9.2 percent growth, we posted a delivery record for the eleventh year in succession. Our Audi A3 Sportback, Audi A6 allroad quattro, A6 saloon and A4 Cabriolet models had the strongest growth rates. And the Audi Q7 launched a year ago has also met with an extraordinarily good response from our customers.

Chart "Deliveries to Customers by Brand – Group"

I'd like to once again stress last year's superb performance: the Group delivered more vehicles to customers in 2006 than in any previous year. This applies to all key markets and brands of the Volkswagen Group. We are particularly proud of the fact that we were able to generate double-digit sales growth for almost all of our brands.

Before I hand over to Mr. Pötsch, I'd like to recall once again the most important new additions to our product range last year.

Chart "Deliveries to Customers by Market – Volkswagen Brand"

Chart "Volkswagen Eos"

Overall, we increased deliveries to customers of our Volkswagen brand vehicles significantly by 10 percent to 3.4 million. The Eos, which we launched last year, is our most successful convertible of all time. Following its market introduction in May, the Eos already accounted for one in ten newly registered convertibles on German roads in June. The world's first four-seater convertible with a five-piece steel roof convinced not only customers, but also the experts: for example, the Eos won a "Golden Steering Wheel" award from German newspaper Bild am Sonntag.

Chart "Volkswagen Polo BlueMotion"

The Polo BlueMotion is a milestone in our product portfolio. It symbolizes Volkswagen's innovative strength and last year launched our BlueMotion series. Its success is the proof of the concept: demand for Europe's most economical five-seater has more than trebled since its market launch in July. Recently, it was used as a shuttle vehicle at the "Echo" awards in Berlin, attracting positive attention in the mass media. Following its success as the most environmentally friendly diesel

and the best German car in the environment ranking published by Verkehrsclub Deutschland, the Polo BlueMotion was also awarded the "Auto-Umwelt-Zertifikat" by the "ÖKO-TREND" Institute for Environmental Research.

**Chart "Deliveries to Customers by Market –
Volkswagen Commercial Vehicles"**

Chart "Volkswagen Crafter"

The Commercial Vehicles business line continued its positive trend from the previous year and increased deliveries to customers by a further 10 percent to around 442,000 units. The Caddy and Caddy Life, Multivan and Transporter models are particularly popular with our customers. The new Crafter, the successor to the LT, has also enjoyed very strong market acceptance since its launch in March.

Chart "Deliveries to Customers by Market – Škoda"

Chart "Škoda Roomster"

The Škoda brand hit the mark again last year with its strategy of building vehicles that are simply clever. With year-on-year growth of 11.7 percent, Škoda – which has one of the longest traditions of any automobile manufacturer in the world – posted a record 550,000 vehicles sold. In addition to the Škoda Octavia, Fabia and Superb, the new Škoda Roomster also made a considerable contribution to this positive trend.

Chart "Deliveries to Customers by Market – Bentley"
Chart "Bentley Continental GTC"

Bentley increased the number of vehicles delivered by 8.8 percent year-on-year to 9,400. Above all the Bentley Azure and Continental GTC models attracted considerable attention. The luxurious models of our British premium brand again met its own standards for innovative and perfect automobiles.

Chart "Deliveries to Customers by Market – Audi"
Chart "Audi R8"

As I mentioned earlier, the Audi brand again celebrated a record result last year. At more than 900,000 vehicles, we increased deliveries to customers here by a further 9.2 percent – a magnificent success. The new sporting S3, RS4, S6 and S8 models, the Audi Q7, the new Audi TT Coupé and, above all, the new Audi R8 – all of them excel through attractive design, comfort and sporting performance. As the excellent delivery figures show, our customers were convinced as well.

Chart "Deliveries to Customers by Market – SEAT"
Chart "SEAT Leon Cupra"

The SEAT brand increased its deliveries by a further 1.9 percent over 2005 to a good 430,000 vehicles. This is a step in the right direction. Demand was particularly strong for the SEAT Leon Cupra. The new SEAT Altea XL is also pure "auto emoción", and fits perfectly into the dynamic, sporting SEAT model range.

Chart "Deliveries to Customers by Market – Lamborghini"
Chart "Lamborghini Gallardo Spyder"

Lamborghini posted superb results last year. Our Italian sports car brand recorded a significant 30.4 percent increase in deliveries to customers to 2,100 units. We are particularly proud of the Lamborghini Gallardo Spyder, whose 520 PS and 3.9 second acceleration to one hundred kph catapulted it straight into the hearts of its fans.

That was my report on the most important facts and figures for the brands and their products. I would like to thank you for your attention and will now hand over to my Board of Management colleague Mr. Pötsch, who will explain in detail the financial data for 2006.