- Check against delivery -

Hans Dieter Pötsch

Speech at the

49th Annual General Meeting of Shareholders

on April 23, 2009

- Part II -

Ladies and Gentlemen,

I, too, would like to welcome you to today's Annual General Meeting in Hamburg.

Chart "Highlights"

Our Company can again look back on a successful year in which we were able to exceed the previous year’s results. However, 2008 was marked by economic turmoil for the automotive industry, especially in the second half of the year. It comes as no surprise that this development left its mark on us, too, although we performed better than the market as a whole.

Despite this challenging market situation, we reached key targets we had set ourselves for 2008. We were able to do this thanks to the tremendous commitment and hard work of all of our Group’s employees.

6.3 million vehicles sold worldwide in 2008 are evidence that our multibrand strategy has paid off and that our young, attractive model range has met customer expectations. This means that we again beat the previous year’s record deliveries and reached a new high.

Volkswagen has a unique brand portfolio, a low-consumption product range and an international footprint with local value added in key regions. Our ability to develop new models with innovative technologies and our solid financial base mean that we are very well positioned compared with our competitors in the current crisis-ridden environment. Scania, which we fully consolidated as the ninth Group brand in fiscal year 2008, is another financially very successful company that further extends our brand portfolio.

Volkswagen succeeded in further increasing sales revenue and operating profit in 2008. The Volkswagen Group's sales revenue last year was €114 billion, an increase of €5 billion year-on-year. The increase in our operating profit to €6.3 billion set another record. In addition, we again improved the return on investment in the Automotive Division to 10.9 percent. This is an impressive achievement for our Company.

Nobody can predict with any accuracy how the current difficult situation will evolve, or when it will end, and Volkswagen, too, will be unable to escape the impact of these developments. We started weatherproofing our Group at an early stage. Thanks in particular to our systematic cost management and the optimization of our processes, we have been able to safeguard our earnings power and hence ensure the Group's competitiveness in the long term.

Although 2009 will be considerably more difficult than 2008 for the automotive industry and for Volkswagen, we will continue to invest in our future – and as in the past, our investments will be selective and prudent.

Chart "Income Statement"

Ladies and Gentlemen,

A look at our income statement shows that we were able to lift sales revenue by 4.5 percent to €114 billion. Because the cost of sales rose at almost the same rate, the gross margin was slightly higher than in the previous year, at 15.1 percent.

I would like to note at this point that the cost of sales includes depreciation and amortization expenses for 2008 from the purchase price allocation for Scania. Excluding these effects, the Group's gross margin would have risen by 0.6 percentage points to 15.6 percent.

Distribution expenses rose year-on-year to €10.6 billion because of our intensified marketing activities. The increase in net other operating income by €847 million to €2.4 billion is primarily due to positive effects from currency hedging. Overall, we thus recorded an impressive operating profit of €6.3 billion, exceeding the 2007 figure despite the challenging operating environment.

Net interest income was reduced by higher expenses from the measurement of financial instruments. By contrast, the share of profits and losses of equity-accounted investments recorded an increase, although Scania is only included in this figure until the date of initial consolidation. In the aggregate, the financial result declined by €117 million compared with the previous year. Overall, we recorded profit before tax of €6.6 billion, a slight improvement on the already high figure for the previous year.

Our income tax expense decreased by €501 million or 20.7 percent to just under €2 billion. The main reason for this was the change in tax rates as a result of the 2008 business taxation reform in Germany.

The Volkswagen Group's profit after tax in 2008 amounted to €4.7 billion, representing a year-on-year increase of 13.7 percent.

Chart "Sales Revenue"

Ladies and Gentlemen,

I would now like to examine individual items of the income statement in greater detail.

The picture for sales revenue is as follows. In 2008, we recorded total sales revenue of €113.8 billion, a €4.9 billion increase compared with 2007. Around €900 million of this increase is attributable to volume effects from our positive sales development, €1 billion to price increases and around €500 million to improvements in the country and model mix. On the other hand, the unfavorable exchange rates impacted our sales revenue by €2.3 billion. The inclusion of Scania as from July 22, 2008 accounted for the largest share of the increase in sales revenue, at €3.9 billion. The Financial Services Division made a positive contribution of just under €1 billion.

Chart "Sales Revenue – by Market"

The performance of the individual markets varied widely in 2008. If we look at the regional breakdown of sales revenue, we can see that growth in Europe, including the Remaining markets, is at the same level as the worldwide average for the Group, at 4.4 percent. We recorded a 3.8 percent decrease in sales revenue in North America because of the negative impact of the exchange rate situation. We were able to achieve disproportionate increases in the South America/South Africa region, at 10.0 percent, and in particular in Latin America, at 12.2 percent, as well as in the Asia-Pacific markets.

I would like to note at this point that the sales revenue figure for Asia-Pacific contains only the deliveries to our Chinese joint ventures, and not their own sales revenue in the Chinese market.

Chart "Operating Profit – by Brand and Business Field"

This chart shows operating profit by brand and business field. The Volkswagen Group consolidated Scania as the ninth Group brand on July 22, 2008. The Scania brand's commercial vehicles and buses business is included in the figures for the Automotive Division. By contrast, the results of Scania's financial services business are reflected in the figures for the Financial Services Division.

Overall, the Volkswagen Group’s operating profit increased by €182 million year-on-year in 2008. A particularly remarkable achievement is that Volkswagen Passenger Cars, Audi and Volkswagen Commercial Vehicles recorded a further improvement on the already high level of the previous year.

I would like to draw your particular attention to the positive contribution made by Scania: despite the increasingly difficult situation for the capital goods industry in the second half of 2008, Scania contributed to the Group’s successful performance with an operating profit of €417 million. This is impressive evidence of the strength and robustness of our new brand.

Please note that the figures for the brands and business areas also include intra-Group transactions, especially intercompany profits, whose elimination is contained in the “Other” category. Additionally, they contain the depreciation and amortization expense from the purchase price allocation for Scania.

Chart "Change in Operating Profit"

Ladies and Gentlemen,

A look at the reasons for the improvement in operating profit shows that volume, product mix and price effects had a positive effect totaling €100 million. Unfavorable exchange rates, especially for sterling, reduced operating profit by €800 million.

In particular, the improvement in our product costs due to optimized procurement activities and productivity enhancements again had a positive effect on our operating profit. Over the course of 2008, we were able to record savings totaling €1 billion. This shows how systematically we are working on our Company’s cost structures, and how we are continuously improving our margin situation. This is a good basis for meeting the challenges currently facing the automotive industry and further reinforcing our efforts.

Improvements in fixed costs made an additional positive contribution of €100 million to operating profit.

The initial inclusion of Scania reduced profit by €200 million. This was because of the traditionally high depreciation and amortization expense from purchase price allocation in the initial phase following the acquisition.

Despite the difficult situation on the financial markets and the associated higher costs for refinancing, the Financial Services Division again made a significant contribution to the Volkswagen Group’s operating profit, although it was €52 million lower than in 2007.

Chart "Automotive Division ROI after Tax"

Return on investment is the Volkswagen Group’s core financial management instrument. It is the critical target variable for the financial assessment of all strategic and operational decisions.

With an ROI of 10.9 percent, we not only earned our current cost of capital of 7.2 percent, and thus generated a positive value contribution of €1.5 billion: we also succeeded in exceeding our minimum required rate of return of 9 percent and, for the first time in the history of the Volkswagen Group, reached a double-digit return on investment. I’m sure you will understand that we are particularly proud of this figure, which impressively underscores the fact that we have systematically increased our operating earnings power, while maintaining our disciplined approach to investments.

Chart "Financial Services Division ROE"

The Financial Services Division defied the crisis and recorded a very successful performance. Equity increased by €1.3 billion year-on-year to €8.4 billion. In addition to the positive profit for the year, the consolidation of Scania’s financial services business and a capital increase by Volkswagen AG were the reasons for this growth.

Because of the resulting higher average equity base, the return on equity before taxes decreased from 16.1 to 12.1 percent.

Chart "Equity Ratio by Division"

I'd now like to come to the consolidated balance sheet, which contains Scania as the newly consolidated ninth Group brand. The Volkswagen Group's total assets at the end of fiscal year 2008 amounted to €168 billion, a year-on-year increase of 15.5 percent. The Volkswagen Group's equity ratio rose from 22.0 percent to 22.3 percent because of the increase in equity.

After adjustment for minority interests, which chiefly relate to minority interests in Scania, the equity of the Automotive Division amounted to €29.0 billion at the end of the year. This 16.8 percent increase over the previous year is attributable in particular to the positive business development. At 32.6 percent, the equity ratio was slightly higher than in the previous year.

The equity ratio of the Financial Services Division increased by 18.0 percent to €8.4 billion. The Financial Services Division's equity ratio was 10.6 percent.

Chart "Automotive Division Net Liquidity"

Our net liquidity in the Automotive Division remained at a high level at the end of 2008 and provided us with a good financial basis. At €8.0 billion, however, net liquidity in the Automotive Division was €5.4 billion lower than at the end of 2007. There are a number of reasons for this: firstly, our acquisition of additional Scania shares; secondly, the increased investments in our operating business; and thirdly, the funds tied up in working capital, which are mainly attributable to higher receivables and inventories as a result of the unexpectedly strong downturn at the end of 2008.

Net cash flow, in other words the difference between cash flows from operating activities and from investing activities, declined by €9.8 billion to €-2.7 billion. Adjusted for the inclusion of Scania, however, net cash flow would have been slightly positive.

The ratio of investments in property, plant and equipment (capex) to sales revenue in the Automotive Division rose to 6.6 percent in the reporting period, and was thus at the upper end of our expectations. Overall, investments in property, plant and equipment increased by €2.2 billion year-on-year to €6.8 billion. In addition to the new production facilities in Russia and India, we invested mainly in expanding our product range. This relates primarily to the further development of the BlueMotion range, the development of the Passat TSI EcoFuel – with an engine that can be fuelled by both natural gas and petrol – as well as other low-consumption technologies for the environmentally friendly car of the future. The main focus of our investments is on positioning the Volkswagen Group as a global economic and environmental leader among automobile manufacturers. We also spent significantly more on research and development in light of this strategy, with total R&D expenditures of €5.9 billion, of which €2.2 billion was capitalized. An environmentally oriented range of vehicles and our excellent position in almost all markets worldwide enable us to leverage the strengths of the Group and to systematically increase our competitive advantage.

We, too, were surprised by the scale and dramatic nature of market developments in the final months of 2008. Our inventories increased significantly because of the fast pace of the slump in demand. In addition to the increased business volume, the primary reason for this was the unavoidable time-lag involved in adjusting production to declining demand in the second half of the year. As a result, we decided to align the Company quickly and systematically to the current market situation. However, although we were able to release funds in the previous years, we closed 2008 with funds tied up in working capital totaling €2.3 billion.

We moved into 2009 with substantial net liquidity. We are continuing to work on safeguarding our cash flows from operating activities and matching working capital to the current volume situation, and we will continue to invest prudently in renewing and expanding our forward-looking product portfolio.

Chart "Earnings per Ordinary Share"

Ladies and Gentlemen,

The Volkswagen Group’s profit after tax attributable to the shareholders of Volkswagen AG for fiscal year 2008 amounted to €4.75 billion. This corresponds to basic earnings of €11.92 per ordinary share. This result is an extraordinary achievement.

Although times will be tougher for us, too, in 2009, we are upbeat about the future. The Board of Management and the Supervisory Board are proposing to today’s Annual General Meeting to increase the dividend of Volkswagen AG to €1.93 per ordinary share and €1.99 per preferred share.

Many thanks for your attention.